



NBP FUNDS

Managing Your Savings

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Rated by PACRA

NBP GOVERNMENT SECURITIES LIQUID FUND



ANNUAL REPORT
JUNE 2020



MISSION STATEMENT

**To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.**



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murataz Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shahr-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited
Summit Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Sindh Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited
Faysal Bank Limited
Soneri Bank Limited
Dubai Islamic Bank Pakistan Limited



Auditors

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

Legal Advisor

Akhund Forbes
D-21, Block, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpfunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

Khan Center, 1st Floor, Abdali Road, Multan.
Phone No. : 061-4540301-6, 061-4588661-2 & 4



Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Office



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Humayun Bashir
Director



Syed Hasan Irtiza Kazmi
Director



Mr. Ali Saigol
Director



Mr. Saad Amanullah Khan
Director



Mr. Saad ur Rehman
Director



Mr. Imran Zaffar
Director

Senior Management



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Samiuddin Ahmed
Country Head Corporate Marketing



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Innovation & Strategy Officer



Mr. Asim Wahab Khan, CFA
Deputy Chief Investment Officer



Mr. Muhammad Ali, CFA, FRM
Head Of Fixed Income



Mr. Hassan Raza, CFA
Head Of Research



Mr. Waheed Abidi
Head Of Internal Audit



Mr. Zaheer Iqbal, ACA FPFA
Head Of Operations



Mr. Salman Ahmed, CFA
Head Of Product Development



Mr. Saadat Saeed, ACA, CFA
Head Of Investment Risk.



Mr. Shahid Javed
Head Of Operational Risk



Mr. Shahbaz Umer
Head Of Human Resource



DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Twelfth Annual Report of **NBP Government Securities Liquid Fund (NGSLF)** for the year ended June 30, 2020.

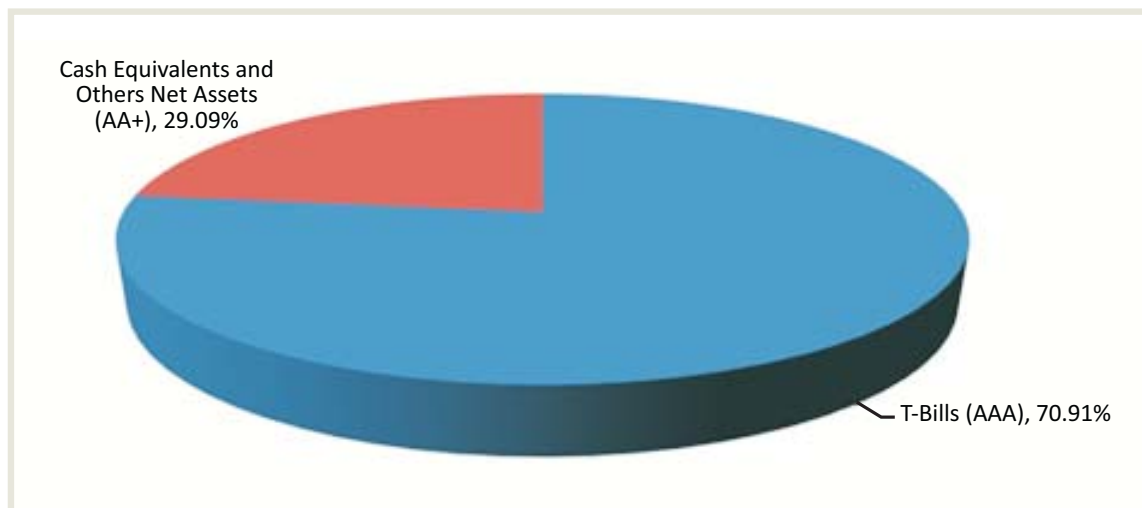
Fund's Performance

The size of NBP Government Securities Liquid Fund has increased from Rs. 1,931 million to Rs. 2,225 million during the period, i.e. a growth of 15%. During the said period, the unit price of the Fund has increased from Rs. 9.0679 (Ex-Div) on June 30, 2019 to Rs. 10.2022 on June 30, 2020 thus posting a return of 12.5% as compared to its Benchmark return of 11.7% for the same period. The return of the Fund is net of management fee and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. NGSLF is the largest Fund in Pakistan in this rating category. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risks are exceptionally low due a minimum 70% investment in Government securities (T-Bill) with average maturity of the overall portfolio at 45 days. The Fund is allowed to invest in AA & above rated Banks/DFIs with maximum maturity of six months.

Building on the ongoing economic stabilization policies and to counter the upside risks to inflation from the exchange rate depreciation, increase in utility prices, and other measures taken in the federal budget FY20, the SBP increased the Policy Rate by 100 bps to 13.25% in July 2019. After taking a long pause, the State Bank slashed the Policy Rate by 25 bps in its MPC meeting held on March 17th, 2020. To cushion the economy from the Coronavirus-induced disruption, the SBP embarked on aggressive monetary easing, slashing the Policy Rate by a cumulative 625 bps to 7% in a short span of time. Sovereign yields responded to this decrease in the Policy Rate as the yields on T-Bills for 3-month, 6-month, and 12-month decreased by 566 basis points, 580 basis points, and 608 basis points, respectively. SBP held twenty-seven (27) T-Bill auctions during the period under review, realizing a total of Rs. 14,317 billion.

The Fund has earned a total income of Rs. 319.928 million during the year. After deducting total expenses of Rs. 39.222 million, the net income is Rs. 280.706 million. The asset allocation of NGSLF as on June 30, 2020 is as follows:





Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 11.687% of the opening ex-NAV (11.905% of the par value) for the period ended June 30, 2020.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, Messrs Deloitte Yousuf Adil & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2021.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held four meetings during the year. The attendance of all directors is disclosed in the note 23 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 22 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Management Company, being an un-listed company, does not have any minority interest. As at June 30, 2020, the Board included:

Category	Names
Independent Directors	<ol style="list-style-type: none"> 1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	<ol style="list-style-type: none"> 1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Saad ur Rahman Khan 3. Syed Hasan Irtiza Kazmi 4. Mr. Ali Saigol 5. Mr. Imran Zaffar



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: September 17, 2020
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کیبارہویں سالانہ رپورٹ برائے تختہ سال 30 جون 2020ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

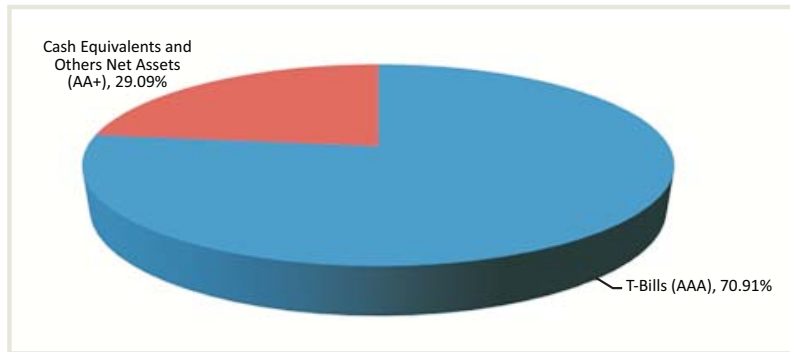
اس مدت کے دوران NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا سائز 1,931 ملین روپے سے بڑھ کر 2,225 ملین روپے ہو گیا یعنی 15% کی نمو ہوئی۔ زبرد جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 9.0679 روپے (Ex-Div) سے بڑھ کر 10.2022 کو 10.2022 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 11.7% کے مقابلے میں 12.5% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد حاصل ہے۔

NGSLF کو PACRA کی طرف سے دی گئی سٹیٹیمینٹ ریٹنگ "AAA(f)" ہے۔ اس ریٹنگ کیلگری میں NGSFL پاکستان میں سب سے بڑا فنڈ ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈیٹی پروفائل کی عکاسی کرتی ہے۔ T-Bills اس فنڈ کی بڑی ایسیٹ کلاس ہے۔ مجموعی پورٹ فولیو کی 45 دن کی اوسط میچورٹی کے ساتھ گورنمنٹ سیکورٹیز (T-Bills) میں کم از کم 70% سرمایہ کاری کے ساتھ فنڈ کے کریڈٹ، لیکویڈیٹی اور ٹرانسپیرینٹ ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی میچورٹی کے ساتھ AA یا زائد ریٹنگ والے بینکوں/DFIs میں انویسٹ کرنے کی اجازت ہے۔

اقتصادی استحکام کی جاری پالیسیوں کی تشکیل اور افراط زر جسکی وجہ (i) زرمبادلہ کی شرح گراؤ، (ii) پونپی لیٹی قیمتوں میں اضافہ، اور (iii) وفاقی بجٹ مالی سال 20 میں کئے گئے دیگر اقدامات، کے باعث پیدا ہونے والے خطرات کا مقابلہ کرنے کیلئے اسٹیٹ بینک آف پاکستان نے جولائی 2019 میں پالیسی کی شرح 100bps سے بڑھا کر 13.25% فیصد کر دی۔ طویل وقفے کے بعد، اسٹیٹ بینک آف پاکستان نے 17 مارچ، 2020 کو منعقدہ اپنے MPC اجلاس میں پالیسی کی شرح کو 25bps سے کم کر دیا۔ معیشت کو کورونا وائرس کے اثرات سے نجات دلانے کے لئے، اسٹیٹ بینک آف پاکستان نے جارحانہ مانیٹری پالیسی میں آسانی پیدا کی اور مختصر مدت میں پالیسی کی شرح میں 625bps سے کم کی کر کے 7% فیصد کر دی۔ پالیسی کی شرح میں کمی کے اثرات گورنمنٹ بانڈ منافع پر بھی اثر انداز ہوئے اور 3 ماہ، 6 ماہ اور 12 ماہ کی T-Bills کے منافع میں بالترتیب 566bps، 580bps اور 608bps کی کمی واقع ہوئی۔ SBP نے زبرد جائزہ مدت کے دوران سٹائیس (27) T-Bills تیلامیاں منعقد کیں اور کل 14,317 ملین روپے جمع کئے۔

فنڈ نے سال کے دوران 319.928 ملین روپے کی مجموعی آمدنی کمائی۔ 39.222 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 280.706 ملین روپے ہے۔

NGSLF کی ایسٹ ایلوکیشن برہم مطابق 30 جون 2020ء حسب ذیل ہے۔



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2020 سال کے اختتام پر اوپننگ ex-NAV کا 11.687% (بنیادی قیمت کا 11.905%) عبوری نقد ڈیویڈنڈ کی منظوری دی ہے۔

یکسیشن

چونکہ مذکورہ بالا نقد ڈیویڈنڈ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین منہا کرنے کے بعد 90 فیصد ہے، اس لئے فنڈ پر اکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شرح 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔



آڈیٹرز

موجودہ آڈیٹرز، میسرز Deloitte یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2021 کو ختم ہونے والے سال کے لئے اپنے آپ کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

- 1 نتیجہ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- 2 فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 3 مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
- 5 انٹرنل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 6 فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 7 کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- 8 پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران نتیجہ کمپنی کے بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 23 میں کی گئی ہے۔
- 11 یونٹ ہولڈنگ کا تفصیلی پینل مالیاتی گوشواروں کے نوٹ 22 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، ای ای او، ای ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے پونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30

جون 2020 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں

نام	کیٹگری
جناب خالد منصور جناب سعدا مان اللہ خان جناب ہمایوں بشیر	•1 •2 •3 غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
شیخ محمد عبدالواحد سیٹھی (چیرمین) جناب سعد الرحمان خان جناب سید حسن ارتضیٰ کاظمی جناب علی سیگل جناب عمران ظفر	•1 •2 •3 •4 •5 نان ایگزیکٹو ڈائریکٹرز



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنانس مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 17 ستمبر 2020ء

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Government Securities Liquid Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Abdul Samad

Chief Operating Officer

Central Depository Company of Pakistan Limited

Karachi, September 28, 2020



FUND MANAGER REPORT

NBP Government Securities Liquid Fund

NBP Government Securities Liquid Fund (NGSLF) Fund is an Open-End Money Market Scheme.

Investment Objective of the Fund

The objective of NBP Government Securities Liquid Fund is to generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term Government Securities.

Benchmark

70% 3-Month PKRV & 30% average 3-Month deposit rates of three AA rated banks as selected by MUFAP.

Fund Performance Review

This is the Twelfth Annual report since the launch of the Fund on May 15, 2009. The Fund size increased by 15% during FY20 and stands at Rs. 2,225 million as of June 30, 2020. The Fund's return since inception is 8.9% p.a. versus the benchmark return of 8.8% p.a. The Fund's return for FY20 is 12.5% against the benchmark return of 11.7%. The return of the Fund is net of management fee and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. NGSLF is the largest Fund in Pakistan in this rating category. The rating reflects the exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity, and interest rate risks are exceptionally low due to a minimum 70% investment in Government securities (T-Bill) with an average maturity of the overall portfolio at 45 days. The Fund is allowed to invest in AA & above rated Banks/DFIs with a maximum maturity of six months.

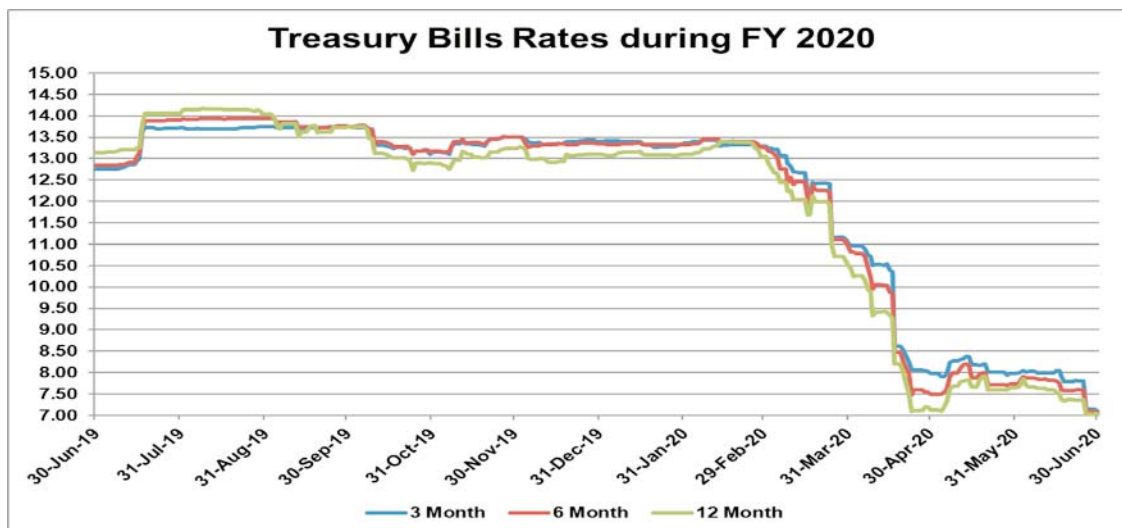
Building on the ongoing economic stabilization policies and to counter the upside risks to inflation from the exchange rate depreciation, increase in utility prices, and other measures taken in the federal budget FY20, the SBP increased the Policy Rate by 100 bps to 13.25% in July 2019. After taking a long pause, the State Bank slashed the Policy Rate by 25 bps in its MPC meeting held on March 17th, 2020. To cushion the economy from the Coronavirus-induced disruption, the SBP embarked on aggressive monetary easing, slashing the Policy Rate by a cumulative 625 bps to 7% in a short span of time. Sovereign yields responded to this decrease in the Policy Rate as the yields on T-Bills for 3-month, 6-month, and 12-month decreased by 566 basis points, 580 basis points, and 608 basis points, respectively. SBP held twenty-seven (27) T-Bill auctions during the period under review, realizing a total of Rs. 14,317 billion.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-20	30-Jun-19
T-Bills	70.91%	76.87%
Cash equivalents & other net assets	29.09%	23.13%
Total	100%	100%



T-Bills yields during the year are shown in below graph:



Distribution for the Financial Year 2020

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jul-19	0.956%	10.2817	10.1861
Aug-19	1.033%	10.2894	10.1861
Sep-19	1.017%	10.2878	10.1861
Oct-19	1.109%	10.2970	10.1861
Nov-19	0.971%	10.2832	10.1861
Dec-19	1.002%	10.2863	10.1861
Jan-20	1.132%	10.2993	10.1861
Feb-20	1.062%	10.2923	10.1861
Mar-20	1.184%	10.3045	10.1861
Apr-20	1.316%	10.3177	10.1861
May-20	0.585%	10.2446	10.1861
Jun-20	0.538%	10.2399	10.1861



Unit Holding Pattern of NBP Government Securities Liquid Fund as on June 30, 2020:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	919
1001-5000	200
5001-10000	56
10001-50000	135
50001-100000	81
100001-500000	124
500001-1000000	15
1000001-5000000	15
5000001-10000000	1
10000001-100000000	4
100000001-1000000000	-
Total	1,550

During the period under question:

There has been no other significant change in the state of affairs of the Fund. NBP Government Securities Liquid Fund does not have any soft commission arrangement with any broker in the industry.

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 23.426. If the same were not made the NAV per unit/FY20 return of scheme would be higher by Rs. 0.1074 / 1.18%. For details, investors are advised to read note 12.1 of the Financial Statement of the Scheme for the year ended June 30, 2020.



INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the unit holders of NBP Government Securities Liquid Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NBP Government Securities Liquid Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and Management Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Valuation and existence of investments</p> <p>Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represent a significant portion of the net assets of the Fund.</p> <p>The Fund's primary activity is, inter alia, to invest in Government Securities which is the main driver of Fund's performance.</p> <p>Considering the above factors, the valuation and existence of investments are significant areas during our audit due to which we have considered this as a key audit matter.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> obtained understanding of relevant controls placed by the Management Company applicable to the balance; independently verified existence of investments from Investor Portfolio Services (IPS) account statement; performed test of details on sale, purchase and maturity of investments on a sample basis; tested valuation of investments; and Any differences identified during our testing that were over our acceptable threshold were investigated further.

**Information other than the financial statements and auditor's report thereon**

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management Company and Those Charged with Governance for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance of Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance of Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Naresh Kumar.

Deloitte Yousuf Adil
Chartered Accountants

Date: September 30, 2020
Place: Karachi


STATEMENT OF ASSETS AND LIABILITIES
 AS AT JUNE 30, 2020

	Note	2020 ----- Rupees in '000 -----	2019
ASSETS			
Bank balances	5	651,697	1,985,384
Investments	6	1,578,034	1,484,649
Mark-up accrued		4,185	8,108
Advance and prepayment	7	10,243	10,219
Receivable against transfer of units	8	64,000	-
Total assets		2,308,159	3,488,360
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	9	5,141	2,848
Payable to Central Depository Company of Pakistan Limited - Trustee	10	130	204
Payable to the Securities and Exchange Commission of Pakistan	11	474	2,619
Payable against purchase of investments		-	1,484,649
Payable against redemption of units		3,918	2
Accrued expenses and other liabilities	12	73,094	66,706
Total liabilities		82,757	1,557,028
NET ASSETS		2,225,402	1,931,332
UNIT HOLDERS' FUND (as per statement attached)		2,225,402	1,931,332
Contingencies and commitments	13		
		----- Number of units -----	
Number of units in issue	14	218,130,423	189,603,859
		----- Rupees -----	
Net asset value per unit		10.2022	10.1861

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
 (Management Company)

 Chief Financial Officer

 Chief Executive Officer

 Director



INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

INCOME	Note	2020	2019
		----- Rupees in '000 -----	
Income from government securities		218,296	231,890
Profit on bank deposits		90,995	61,848
Income from money market placements		1,612	25,681
Net gain / (loss) on sale of investments		7,625	(4,882)
Net unrealised gain on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	6.2	1,400	-
Total income		319,928	314,537
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company	9.1	10,310	24,769
Sindh Sales Tax on remuneration of the Management Company	9.2	1,340	3,220
Reimbursement of operational expenses to the Management Company	9.3	2,371	3,493
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	1,541	3,369
Sindh Sales Tax on remuneration of the Trustee	10.2	200	438
Selling and marketing expenses	9.4	15,582	-
Annual fee to the Securities and Exchange Commission of Pakistan	11	474	2,619
Auditors' remuneration	15	648	745
Securities transaction costs		25	9
Bank charges		295	314
Annual listing fee		28	27
Mutual fund rating fee		506	482
Legal and professional charges		55	52
Other charges		118	5
Total expenses		33,493	39,542
Net income from operating activities		286,435	274,995
Provision for Sindh Workers' Welfare Fund	12.1	(5,729)	(5,500)
Net income for the year before taxation		280,706	269,495
Taxation	16	-	-
Net income for the year after taxation		280,706	269,495
Earnings per unit	17		
Allocation of net income for the year			
Net income for the year after taxation		280,706	269,495
Income already paid on units redeemed		(7,603)	(89,019)
		273,103	180,476
Accounting income available for distribution:			
Relating to capital gain		6,375	-
Excluding capital gain		266,728	180,476
		273,103	180,476

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- Rupees in '000 -----	
Net income for the year after taxation	280,706	269,495
Other comprehensive income	-	-
Total comprehensive income for the year	280,706	269,495

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	----- (Rupees in '000) -----					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the year	1,833,215	98,117	1,931,332	5,514,312	276,300	5,790,612
Issue of 496,719,324 units (2019: 362,190,990 units)						
- Capital value	5,059,633	-	5,059,633	3,680,549	-	3,680,549
- Element of income	24,224	-	24,224	52,484	-	52,484
Total proceeds on issuance of units	5,083,857	-	5,083,857	3,733,033	-	3,733,033
Redemption of 468,192,760 units (2019: 713,836,272 units)						
- Capital value	(4,769,058)	-	(4,769,058)	(7,253,933)	-	(7,253,933)
- Element of loss	(12,756)	(7,603)	(20,359)	(41,831)	(89,019)	(130,850)
Total payments on redemption of units	(4,781,814)	(7,603)	(4,789,417)	(7,295,764)	(89,019)	(7,384,783)
Total comprehensive income for the year	-	280,706	280,706	-	269,495	269,495
Final distribution for the year ended June 30, 2019: Nil (2018: Rs. 0.5367 declared on July 04, 2018)						
- Refund of capital	-	-	-	(107,908)	-	(107,908)
	-	-	-	(107,908)	(182,581)	(290,489)
Interim distributions made during the year (note 28)	(11,338)	(269,738)	(281,076)	(10,458)	(176,078)	(186,536)
Net assets at the end of the year	2,123,920	101,482	2,225,402	1,833,215	98,117	1,931,332
Undistributed income brought forward						
- Realised		98,117			278,749	
- Unrealised		-			(2,449)	
		98,117			276,300	
Accounting income available for distribution						
- Relating to capital gain		6,375			-	
- Excluding capital gain		266,728			180,476	
		273,103			180,476	
Interim distributions made during the year		(269,738)			(176,078)	
Final distribution		-			(182,581)	
		(269,738)			(358,659)	
Undistributed income carried forward		101,482			98,117	
Undistributed income carried forward						
- Realised		100,082			98,117	
- Unrealised		1,400			-	
		101,482			98,117	
Net assets value per unit at beginning of the year			10.1861			10.6986
Net assets value per unit at end of the year			10.2022			10.1861

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	280,706	269,495
Adjustments		
Profit on bank deposits	(90,995)	(61,848)
Income from money market placements	(1,612)	(25,681)
Net gain on sale of investments	(7,625)	(4,882)
Net unrealised gain on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	(1,400)	-
Provision for Sindh Workers' Welfare Fund	5,729	5,500
	184,803	182,584
(Increase) / decrease in assets		
Investments - net	(84,360)	2,605,919
Prepayments	(24)	(241)
	(84,384)	2,605,678
Increase / (decrease) in liabilities		
Payable to the Management Company	2,293	(2,427)
Payable to Central Depository Company of Pakistan Limited - Trustee	(74)	(260)
Payable to the Securities and Exchange Commission of Pakistan	(2,145)	(1,125)
Payable against purchase of Investments	(1,484,649)	(2,603,486)
Accrued expenses and other liabilities	659	243
	(1,483,916)	(2,607,055)
	(1,383,497)	181,207
Return of bank balances received	94,918	59,709
Return on government securities received	1,612	25,681
	96,530	85,390
Net cash (used in) / generated from operating activities	(1,286,967)	266,597
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units net of capital value of distribution	5,008,519	3,615,120
Amount paid on redemption of units	(4,785,501)	(7,384,807)
Distributions	(269,738)	(358,659)
Net cash used in from financing activities	(46,720)	(4,128,346)
Net decrease in cash and cash equivalents during the year	(1,333,687)	(3,861,749)
Cash and cash equivalents at beginning of the year	1,985,384	5,847,133
Cash and cash equivalents at end of the year	651,697	1,985,384

The annexed notes from 1 to 30 form an integral part of these financial statements.

**For NBP Fund Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NBP Government Securities Liquid Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 10 April 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

The Fund is an open-ended mutual fund categorised as "money market scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The objective of the Fund is to generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term government securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and a stability rating of 'AAA (f)' to the Fund.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as Trustee of the Fund.

1.2 Impact of COVID -19

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including lock-downs, travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to businesses worldwide and in Pakistan, resulting in an economic slowdown.

General economic activities in Pakistan also slowed down during lock down period i.e. from March 22, 2020 to May 9, 2020. However, to deal with such situation, regulators / governments across the country have introduced measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time. These mainly include:

- Time period to regularize the exposure limits breach has been extended;
- Time period to compliance with minimum size has been increased;
- Time for the announcement of daily NAV has been relaxed; and
- Reduction in the interest rate by the State Bank of Pakistan

The management is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff including remote working. Further, the Management has not identified any material adverse impact on the financial performance of the Funds due to COVID-19 pandemic situation.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:



- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan. It requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- a) Classification and valuation of financial assets (Note 4.2.2 and 6)
- b) Impairment of financial assets (Note 4.2.3)
- c) Provisions (Note 4.6)

3 ADOPTION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS:

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2020

The following standards, amendments and interpretations are effective for the year ended June 30, 2020. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the fund's financial statements other than certain additional disclosures.



Effective from accounting period beginning on or after:

IFRS 16 - Leases: This standard superseded IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.	January 01, 2019
Amendments to IFRS 9 - Financial Instruments: Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
Amendments to IAS 19 - Employee Benefits: Amendments regarding plan amendments, curtailments or settlements."	January 01, 2019
IFRS 14 – Regulatory Deferral Accounts	July 01, 2019
Amendments to IAS 28 - Investments in Associates and Joint Ventures: Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied."	January 01, 2019
IFRIC 23 - Uncertainty over Income Tax Treatments: Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019
Certain annual improvements have also been made to a number of IFRSs.	

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the fund's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material	January 01, 2020
Amendments to IFRS 3 - Business Combinations: Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurement and IFRS 7 - Financial Instruments: Disclosures - Interest rate benchmark reform	January 01, 2020
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023



Effective from accounting period beginning on or after:

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 Financial assets and liabilities

4.2.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost (“AC”),
- Fair value through other comprehensive income (“FVTOCI”) and
- Fair value through profit or loss (“FVTPL”).



Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:"

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at FVTOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the profit or loss

Business Model Assessment

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

4.2.2.2 Financial liabilities

The fund classifies its financial liabilities in the following categories

- Measured at amortized cost (AC) ;or
- Measured at Fair value through profit or loss (FVTPL) ;or

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.



Classification and measurement of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

4.2.3 Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenor of the securities.

4.2.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.



A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.7 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Impairment of non-financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed through the Income Statement.

4.4 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Sales load collected, if any, is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.5 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

On redemption of units, element of income is paid on units redeemed from element of income contributed by unit holders on issue of units (i.e. return of capital) or the element of income is paid from the income earned by the fund or the element of income is partly paid out of element of income contributed by unit holders (i.e. return of capital) and partly from the income earned by the fund.

4.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.7 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the 'income statement' on the date at which the transaction takes place.



- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Mark-up / return on bank balances and term deposits, government securities, letter of placement and certificate of investments are recognised on a time apportionment basis using the effective interest method.

4.8 Expenses

All expenses, including remuneration of the Pension Fund Manager, Trustee and annual fee to the Securities and Exchange Commission of Pakistan fee are recognised in the Income statement on accrual basis

4.9 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.10 Distributions to the unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

5	BANK BALANCES	Note	2020	2019
			----- Rupees in '000 -----	
	Current accounts	5.1	2,767	4,675
	Savings accounts	5.2	648,930	1,980,709
			<u>651,697</u>	<u>1,985,384</u>

5.1 This includes bank balance of Rs. 0.026 million (June 30, 2019: Rs. 0.026 million) maintained with National Bank of Pakistan.

5.2 These accounts carry rates of return ranging from 3% to 9% (30 June 2019: 3.00% to 13.85%) per annum.

6	INVESTMENTS	Note	2020	2019
			----- Rupees in '000 -----	
	At fair value through profit or loss			
	Government securities - Market Treasury Bills	6.1	<u>1,578,034</u>	<u>1,484,649</u>



6.1 Investment in Government securities - Market Treasury bills

Issue Date	Tenor	Face value				Market value as at June 30, 2020	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2019	Purchases during the year	Sales / matured during the year	As at June 30, 2020			
Rupees in '000' ----- % -----								
May 9, 2019	3 Months	1,500,000	-	1,500,000	-	-	-	-
July 18, 2019	3 Months	-	4,516,000	4,516,000	-	-	-	-
August 1, 2019	3 Months	-	1,230,000	1,230,000	-	-	-	-
August 16, 2019	3 Months	-	1,210,000	1,210,000	-	-	-	-
August 29, 2019	3 Months	-	500,000	500,000	-	-	-	-
September 12, 2019	6 Months	-	800,000	800,000	-	-	-	-
September 12, 2019	3 Months	-	258,615	258,615	-	-	-	-
September 26, 2019	3 Months	-	266,115	266,115	-	-	-	-
October 10, 2019	3 Months	-	1,510,000	1,510,000	-	-	-	-
October 10, 2019	6 Months	-	500,000	500,000	-	-	-	-
October 10, 2019	12 Months	-	23,000	11,500	11,500	11,283	0.51	0.72
October 24, 2019	6 Months	-	250,000	250,000	-	-	-	-
October 24, 2019	3 Months	-	1,775,000	1,775,000	-	-	-	-
November 7, 2019	3 Months	-	1,550,000	1,550,000	-	-	-	-
November 7, 2019	12 Months	-	157,700	157,700	-	-	-	-
November 21, 2019	3 Months	-	1,502,000	1,502,000	-	-	-	-
December 5, 2019	3 Months	-	740,000	740,000	-	-	-	-
December 19, 2019	3 Months	-	1,050,000	1,050,000	-	-	-	-
January 2, 2020	3 Months	-	755,000	755,000	-	-	-	-
January 30, 2020	3 Months	-	550,000	550,000	-	-	-	-
February 13, 2020	3 Months	-	275,500	275,500	-	-	-	-
February 27, 2020	3 Months	-	950,000	950,000	-	-	-	-
March 12, 2020	3 Months	-	875,000	875,000	-	-	-	-
March 12, 2020	6 Months	-	500,000	250,000	250,000	246,594	11.08	15.63
March 26, 2020	3 months	-	100,000	100,000	-	-	-	-
March 26, 2020	6 Months	-	750,000	750,000	-	-	-	-
April 9, 2020	3 Months	-	1,150,000	1,150,000	-	-	-	-
April 9, 2020	6 Months	-	750,000	375,000	375,000	367,935	16.53	23.32
April 23, 2020	3 Months	-	1,455,000	500,000	955,000	952,222	42.79	60.33
May 7, 2020	3 Months	-	750,000	750,000	-	-	-	-
May 7, 2020	6 Months	-	100,000	100,000	-	-	-	-
						1,578,034	70.91	100.0
Carrying value before mark to market as at June 30, 2020						1,576,634		



	Note	2020 Rupees in '000	2019 Rupees in '000
6.2			
Net unrealised gain on re-measurement of investment classified as 'financial assets at fair value through profit or loss'			
Market value of investments	6.1	1,578,034	1,484,649
Less: carrying value of investments before mark to market		(1,576,634)	(1,484,649)
		1,400	-

7 ADVANCE AND PREPAYMENT

Advance tax		9,978	9,978
Prepaid annual rating fee		265	241
		10,243	10,219

8 RECEIVABLE AGAINST TRANSFER OF UNITS

This includes amounts receivable to the fund from other collective investment schemes being managed by the Management Company of the Fund. This amounts are receivable in respect of units transferred by various unit holders based on their request for transfer of units from other collective investment schemes to the Fund.

	Note	2020 Rupees in '000	2019 Rupees in '000
9			
PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration of the Management Company	9.1	739	1,558
Sindh Sales Tax on remuneration of the Management Company	9.2	96	202
Operational expenses	9.3	614	1,088
Selling and marketing expense	9.4	3,692	-
		5,141	2,848

9.1 Under the provisions of Non-Banking Finance Companies and Notified Entities Regulations 2008, an Asset Management Company shall be entitled to an accrued remuneration. During the year, Management Company has charged remuneration as follows:

8% per annum on the daily net income of the Fund subject to minimum 0.5% as average of NAV and maximum 1% of average NAV, till July 11, 2019;

3% per annum on the daily income of the Fund subject to minimum 0.4% as average of NAV and maximum 1% of average NAV, applicable from July 12, 2019 till June 30, 2020.

For the purpose of above calculation, daily net income is equals to gross income minus all expenses of the Fund excluding management remuneration and related sales tax thereon.

9.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2019: 13%) on remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

9.3 As per regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the scheme. Accordingly, the Management Company has charged 0.1% of the average annual net assets.

9.4 The SECP through its Circular No. SCD/PRDD/Circular/394/2018 (Circular No. 5 of 2018) dated June 04, 2018 allowed to charge selling and marketing expenses to all categories of mutual funds (except fund of funds and money market funds) subject to the Board approval of and cap of 0.4% per annum of net assets or actual, whichever is lower. In current year, SECP through its Circular No. 11 of 2019 dated July 5, 2019, has now removed the later requirement of capping (except "Fund of Funds"). Further, all the payments are required to be approved by the Trustee.



In pursuance of above circular, the Board has approved the limits to be charged in respect of these expenses. Accordingly effective from July 12, 2019, the Fund has charged 0.7% of daily net asset value of the Fund, thereafter, this has been further revised by the Board from May 11, 2020 to 0.5% of daily net asset value of the Fund.

	Note	2020 -----Rupees in '000-----	2019
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration of the Trustee	10.1	115	181
Sindh Sales Tax on remuneration of the Trustee	10.2	15	23
		<u>130</u>	<u>204</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund, based on the net assets of the Fund. The remuneration is payable to the Trustee monthly in arrears.

Tariff structure applicable to the Fund till June 30, 2019 is as follows:

Net asset value	Tariff per annum
Upto Rs 1,000 million	0.15% per annum of net asset value
On an amount exceeding Rs. 1,000 million to 10,000 million	Rs 1.5 million plus 0.075% per annum of net asset value exceeding Rs 1,000 million
On an amount exceeding Rs. 10,000 million	Rs 8.25 million plus 0.06% per annum of net asset value exceeding Rs 10,000 million.

Effective from July 1, 2019, tariff structure has been revised from above table to actual custodial expenses / charges plus 0.065% per annum of average net assets.

10.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme categorised as an "money market scheme" is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019, fee has been reduced to 0.02% per annum from 0.075% per annum. The fee is paid annually in arrears.

	Note	2020 ----- Rupees in '000 -----	2019
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	12.1	23,426	17,697
Federal Excise Duty on management remuneration	12.2	45,779	45,779
Auditors' remuneration		569	547
Brokerage		184	169
Bank charges		43	18
Withholding tax		1,807	1,885
Capital gain tax		164	76
Legal and Professional charges		60	16
Others		1,062	519
		<u>73,094</u>	<u>66,706</u>



- 12.1** The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) whereby all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs. 0.5 million in a tax year, were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF. In this regard, a constitutional petition was filed by certain CISs through their trustees in the High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication

During 2013 and 2014, judgements were made by Sindh High Court (SHC) and Peshawar High Courts respectively in favor of and against amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008. The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS were no more liable to pay contribution to WWF with effect from July 1, 2015. The Supreme Court of Pakistan (SCP) passed a judgment on November 10, 2016, deciding that amendments made through the Finance Acts through which WWF was levied, are unlawful, as such are not in nature of tax; therefore, it could not be introduced through the money bill. However, the Federal Board of Revenue has filed a review petition in the SCP against the said judgment, which is pending for hearing in the SCP. The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. On a query raised by Mutual Funds Association of Pakistan (MUFAP) on applicability of SWWF, SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

In 2017, MUFAP recommended to its members that effective from January 12, 2017, Workers' Welfare Fund (WWF) recognized earlier should be reversed in light of the decision made by the Supreme Court of Pakistan and Sindh Workers' Welfare Fund (SWWF) should be recognized effective from May 21, 2015. MUFAP also communicated the above-mentioned decisions to the Securities and Exchange of Commission (SECP) through its letter dated January 12, 2017, and the SECP through its letter dated February 01, 2017 affirmed above decisions. As a result of the above recommendations of the MUFAP, the Fund on January 12, 2017, reversed the provision of WWF amounting to Rs.115.239 million and started recognising provision for SWWF.

As at June 30, 2020, the provision in relation to SWWF amounted to Rs. 23.426 million (2019: Rs. 17.697 million). Had the provision not been made, the Net Asset Value per unit as at June 30, 2020 would have been higher by Re.0.1074 (June 30, 2019: Re. 0.0933) per unit.

- 12.2** As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Further, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED aggregating to Rs. 45.779 million as at June 30, 2020.

Had the provision not been made, the net asset value per unit as at June 30, 2020 would have been higher by Re. 0.2099 per unit (2019: Re. 0.2414 per unit).

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2020 and June 30, 2019.



	Note	2020	2019
-----Number of units-----			
14	NUMBER OF UNITS IN ISSUE		
	Total units in issue at the beginning of the year	189,603,859	541,249,141
	Add: units issued during the year	14.1 496,719,324	362,190,990
	Less: units redeemed during the year	(468,192,760)	(713,836,272)
	Total units in issue at the end of the year	<u>218,130,423</u>	<u>189,603,859</u>

14.1 These units includes 345,024 allocated units which are issued subsequently to unit holders.

	2020	2019
-----Rupees in '000-----		
15	AUDITORS' REMUNERATION	
	Annual audit fee	420 400
	Half yearly review	168 160
	Out of pocket expenses and sales tax	60 185
		<u>648</u> <u>745</u>

16 TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). The Fund has distributed such accounting income for the year ended June 30, 2020 to its unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

The Fund is also exempt from the provision of Section 113 (minimum tax) under the clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. "

17 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of management, the determination of the cumulative weighted average number of outstanding units for calculating EPU is not practicable.

18 TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the period divided by Average net assets for the year) is 1.65% per annum including 0.32% representing government levies on collective investment scheme such as sales tax, worker's welfare fund and Securities and Exchange Commission of Pakistan fee for the year.

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

19.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

19.2 The transactions with connected persons and related parties are carried at agreed rates



19.3 Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

19.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at period / year end are as follows:

	2020	2019
	----- Rupees in '000 -----	
19.5 Transactions during the year		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	10,310	24,769
Sindh Sales Tax on remuneration of the Management Company	1,340	3,220
Reimbursement of operational expenses to the Management Company	2,371	3,493
Selling and marketing	15,582	-
National Bank of Pakistan (Parent of the Management Company)		
Market Treasury Bills purchased	784,340	-
Bank profit earned in savings account	644	384
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,541	3,369
Sindh sales tax on remuneration of the Trustee	200	438
Askari Bank Limited (Common Directorship with the Management Company)*		
Bank profit earned in savings account	-	110
Muhammad Murtaza Ali (Company Secretary of the Management Company)		
Re-investment of dividend: 150 units (2019: 1036 units)	2	11
Units issued / transferred in: 6 units (2019: 188,109 units)	-	1,871
Units redeemed / transferred out: 2,587 units (2019: 315,519 units)	27	3,257
NAFA Provident Fund Trust - Provident Fund		
Units issued / transferred in: Nil units (2019: 3,288 units)	-	4
Units redeemed / transferred out: Nil units (2019: 68,103 units)	-	707
Employees of the Management Company		
Re-investment of dividend: 28,355 units (2019: 9,769 units)	289	99
Units issued / transferred in: 501,828 units (2019: 816,236 units)	5,117	8,308
Units redeemed / transferred out: 320,313 units (2019: 605,469 units)	3,279	6,219
NBP Employees Pension Fund - (Subsidiary of Parent Company) (Unit holder of 10% or more of units of the Fund)		
Re-investment of dividend: 2,509,929 units issued (2019: 2,204,210 units)	25,575	22,409
NBP Money Market Fund (CIS managed by the Management Company)		
Market Treasury Bills sold	1,824,509	-



	2020	2019
	----- Rupees in '000 -----	
NBP Stock Fund (CIS managed by the Management Company)		
Market Treasury Bills purchased	342,727	-
Pakistan Stock Exchange (Common Directorship with the Management Company)**		
Listing fee paid	25	-
Mutual Fund Association of Pakistan - MUFAP (Member)		
Re-investment of dividend: Nil units (2019: 9,155 units)	-	93
Units issued / transferred in: Nil units (2019: 59 units)	-	-
Units redeemed / transferred out: Nil units (2019: 103,782 units)	-	1,062
Fauji Fertilizers Company Limited (Common Directorship with the Management Company)**		
Re-investment of dividend: 2,327,655 units (2019: Nil units)	23,717	-
Units issued / transferred in: 306,300,694 units (2019: Nil units)	3,130,000	-
Units redeemed / transferred out: 308,628,349 units (2019: Nil units)	3,157,005	-
Taurus Securities Limited (Subsidiary of Parent of the Management Company)		
Re-investment of dividend: 431,091 units (2019: Nil units)	4,393	-
Units issued / transferred in: 9,817,520 units (2019: Nil units)	100,000	-
Units redeemed / transferred out: 10,248,611 units (2019: Nil units)	104,922	-
Portfolios managed by the Management Company		
Market Treasury Bills purchased	11,131	25,012
Market Treasury Bills sold	133,998	22,628
NBP Endowment Fund Students Loan Scheme - (Subsidiary of Parent Company)		
Re-investment of dividend: Nil units (2019: 371,732 units)	-	3,780
Units issued / transferred in: Nil units (2019: 209 units)	-	-
Units redeemed / transferred out: Nil units (2019: 5,199,570 units)	-	53,200
Faruque Private Limited - (Common Directorship with the Management Company) *		
Re-investment of dividend: Nil units (2019: 175 units)	-	2
Fauji Akbar Portia Marine Terminals Limited ** (Unit holder of 10% or more of units of the Fund)		
Re-investment of dividend: 3,050,839 units (2019: Nil units)	29,265	-
Units issued / transferred in: 39,071,576 units (2019: Nil)	399,800	-
Units issued / transferred in: 4,970,227 units (2019: Nil)	51,000	-



	2020	2019
	----- Rupees in '000 -----	
K & N S Foods Private limited		
(Unit holder of 10% or more of units of the Fund)		
Re-investment of dividend: 6,015,908 units (2019: 6,128,175 units)	61,281	62,310
NBP Employees pension Fund		
(Unit holder of 10% or more of units of the Fund)		
Re-investment of dividend: 2510,664 units (2019: Nil units)	25,575	-
Asian Securities Limited *		
(Unit holder of 10% or more of units of the Fund)		
Cash dividend	-	32,364
Units redeemed / transferred out: Nil units (2019:15,055,723 units)	-	153,417
19.6	Amounts outstanding as at year end are as follows:	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	739	1,558
Sindh Sales Tax on remuneration of the Management Company	96	202
Operational expenses	614	1,088
Selling and marketing expense	3,692	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	115	181
Sindh Sales Tax on remuneration of the Trustee	15	23
National Bank of Pakistan		
(Parent of the Management Company)		
Bank balance	4,027	5,137
Bank profit receivable	230	67
Muhammad Murtaza Ali (Chief Operating Officer & Company Secretary)		
Investment held in the Fund: Nil units (2019: 2,431 units)	-	25
Summit Bank Limited (Common Directorship with the Management Company)*		
Bank balance	-	4,649
Askari Bank Limited (Common Directorship with the Management Company)*		
Bank balance	-	138
Bank profit receivable	-	2



	2020	2019
	----- Rupees in '000 -----	
Employees of the Management Company		
Investment held in the Fund: 510,269 units (2019:231,355 units)	5,206	2,357
NBP Employees Pension Fund - (Subsidiary of Parent Company) (Unit holder of 10% or more of units of the Fund)		
Investment held in the Fund: 23,831,507 units (2019: 21,320,842 units)	243,134	217,176
NBP Endowment Fund Students Loan Scheme - (Subsidiary of Parent Company)		
Investment held in the Fund: Nil units (2019: 20,187 units)	-	206
Faruque Private Limited - (Common Directorship with the Management Company) *		
Investment held in the Fund: Nil units (2019: 1,923 units)	-	20
K & N S Foods Private limited (Unit holder of 10% or more of units of the Fund)		
Investment held in the funds: 63,893,677 units (2019: 57,877,769 units)	651,856	589,549
Fauji Akbar Portia Marine Terminals Limited ** (Unit holder of 10% or more of units of the Fund)		
Re-investment of dividend: 35,152,188 units (2019: Nil units)	379,034	-
Asian Securities Limited* (Unit holder of 10% or more of units of the Fund)		
Investment held in the Fund: Nil units (2019:19,508,682 units)	-	198,717

*Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at the year end.

**Prior year balances with these parties have not been disclosed as they were not connected persons and related parties during prior year.



20 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	Doctorate in Business Administration, MBA and CFA	32
2	Mr. Sajjad Anwar	MBA and CFA	20
3	Mr. Asim Wahab Khan	CFA	14
4	Mr. Muhammad Ali Bhabha	CFA, MBA, FRM and MS	25
5	Mr. Hassan Raza	ACCA, BSC and CFA	9

20.1 Mr. Muhammad Ali Bhabha is the manager of the Fund. Other Funds being managed by the Fund manager are as follows:

- NBP Active Allocation Riba Free Savings Fund
- NBP Financial Sector Income Fund
- NBP Money Market Fund
- NBP Government Securities Plan I
- NBP Government Securities Savings Fund
- NBP Income Opportunity Fund
- NBP Islamic Daily Dividend Fund
- NBP Islamic Mahana Amdani Fund
- NBP Islamic Money Market Fund
- NBP Islamic Savings Fund
- NBP Mahana Amdani Fund
- NBP Riba Free Savings Fund
- NBP Savings Fund

21 TRANSACTIONS WITH BROKERS / DEALERS

List of brokers by percentage of commission charged during the year ended June 30, 2020

S.No.	Particulars	Percentage
1	Bright Capital (Private) Limited	34.99
2	Vector capital (Private) Limited	31.23
3	Invest One Markets Limited	9.29
4	Vector Capital Private Limited	8.15
5	Continental Exchange (Private) Limited	7.61
6	Continental Exchange Private Limited	6.13
7	ICON Securities (Private) Limited	2.6

List of brokers by percentage of commission charged during the year ended June 30, 2019



S.No.	Particulars	Percentage
1	Bright Capital (Private) Limited	26.06
2	Invest Capital Markets Limited	21.34
3	Next Capital Limited	18.01
4	First Capital Securities Corporation Limited	11.15
5	BMA Capital Management Limited	9.85
6	EFG Hermes Pakistan Limited	6.87
7	Vector Capital (Private) Limited	2.40
8	Continental Exchange (Private) Limited	2.23
9	Arif Habib Securities Limited	2.09

22 PATTERN OF UNIT HOLDING

Category	As at June 30, 2020		
	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
(Rupees in '000)			
Individuals	1,470	534,723	24.00
Associated Companies and Directors	3	243,135	11.00
NBFC	2	0	0.00
Retirement Funds	13	110,319	5.00
Public Limited Companies	7	2,299	0.00
Others	55	1,334,926	60.00
	1,550	2,225,402	100.00%

Category	As at June 30, 2019		
	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
(Rupees in '000)			
Individuals	1,456	508,389	26.32
Associated Companies and Directors	3	217,382	11.26
Insurance Companies	1	2,280	0.12
Retirement Funds	13	48,525	2.51
Public Limited Companies	5	3,766	0.19
Others	54	1,150,989	59.60
	1,532	1,931,331	100%



23. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 72nd, 73rd, 74th and 75th Board meetings were held on August 30, 2019, October 24, 2019, February 27, 2020 and April 27, 2020, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of the Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Mr. Shaikh Muhammad Abdul Wahid Sethi	4	4	-	-
Mr. Saad ur Rahman Khan	3	2	1	74th Meeting
Mr. Syed Hasan Irtiza Kazmi	3	3	-	-
Mr. Nasir Husain	1	-	1	72nd Meeting
Mr. Abdul Hadi Palekar	1	-	1	72nd Meeting
Mr. Ali Saigol	4	4	-	-
Mr. Imran Zaffar	4	4	-	-
Mr. Kamal Amir Chinoy	1	1	-	-
Mr. Khalid Mansoor	3	3	-	-
Mr. Humayun Bashir	4	4	-	-
Mr. Shehryar Faruque	1	1	-	-
Mr. Saad Amanullah Khan	3	3	-	-
Dr. Amjad Waheed	4	4	-	-

23.1. Mr. Saad ur Rahman Khan, Mr. Syed Hasan Irtiza Kazmi, Mr. Khalid Mansoor and Mr. Saad Amanullah Khan were appointed as directors on Board, with effect from October 04, 2019

23.2. Mr. Nasir Husain, Mr. Abdul Hadi Palekar, Mr. Kamal Amir Chinoy and Mr. Shehryar Faruque were retired as directors from Board, with effect from October 04, 2019.

24. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020

At amortized cost	At fair value through profit or loss	Total
-------------------	--------------------------------------	-------

----- Rupees in '000 -----

Financial assets

Bank balances	651,697	-	651,697
Investment	-	1,578,034	1,578,034
Mark-up accrued	4,185	-	4,185
Receivable against transfer of units	64,000	-	64,000
	719,882	1,578,034	2,297,916

As at June 30, 2020

At amortized cost	At fair value through profit or loss	Total
-------------------	--------------------------------------	-------

----- Rupees in '000 -----

Financial liabilities

Payable to the Management Company	5,141	-	5,141
Payable to the Trustee	130	-	130
Payable against redemption of units	3,918	-	3,918
Accrued expenses and other liabilities	1,918	-	1,918
Net assets attributable to redeemable units	2,225,402	-	2,225,402
	2,236,509	-	2,236,509



As at June 30, 2019

	Loans and receivables	At fair value through profit or loss - held for trading	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	1,985,384	-	1,985,384
Investments	-	1,484,649	1,484,649
Mark-up accrued	8,108	-	8,108
	1,993,492	1,484,649	3,478,141

As at June 30, 2019

	At amortized cost	At fair value through profit or loss - held for trading	Total
----- Rupees in '000 -----			
Financial liabilities			
Payable to the Management Company	2,848	-	2,848
Payable to the Trustee	204	-	204
Payable against purchase of investments	1,484,649	-	1,484,649
Payable against redemption of units	2	-	2
Accrued expenses and other liabilities	1,269	-	1,269
Net assets attributable to redeemable units	1,931,332	-	1,931,332
	3,420,304	-	3,420,304

25. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

25.1. Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan and Investment Committee.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

25.1.1. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

25.1.2. Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is mainly exposed to interest rate risk on balances held with banks in savings account.

- Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument and is not exposed to cash flow interest rate risk except for balances in certain saving accounts. In case of 100 basis points increase / decrease in KIBOR and bank profit rates with all other variables held constant, the net assets of the Fund would have been higher / lower by approximately Rs. 22.27 million (June 30 2019: Rs.19.81 million)

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.



- Sensitivity analysis for fixed rate instruments

Presently, the fund does not hold any fixed rate instrument that has been designated at fair value through profit and loss. Therefore, a change in interest rate as at June 30, 2020 would not have any affect on the income statement.

Interest rate sensitivity position for on balance sheet financial instruments based on the earlier of contractual repricing or maturity date and for off balance sheet instruments based on settlement date is as follows:

As at June 30, 2020					
Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
On-balance sheet financial instruments		Rupees in '000			
Financial assets					
Bank balances	3.00 - 9.00	651,697	648,930	-	2,767
Investment	7.79-8.00	1,578,034	1,578,034	-	-
Mark-up accrued		4,185	-	-	4,185
Receivable against transfer of units		64,000	-	-	64,000
		2,297,916	2,226,964	-	70,952
Financial liabilities					
Payable to the Management Company		5,141	-	-	5,141
Payable to the Trustee		130	-	-	130
Payable against redemption of units		3,918	-	-	3,918
Accrued expenses and other liabilities		1,918	-	-	1,918
Net assets attributable to redeemable units		2,225,402	-	-	2,225,402
		2,236,509	-	-	2,236,509
On-balance sheet gap		61,407	2,226,964	-	(2,165,557)
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-
As at June 30, 2019					
Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
On-balance sheet financial instruments		Rupees in '000			
Financial assets					
Bank balances	3.00 - 13.85	1,985,384	1,980,709	-	4,675
Investments	12.58	1,484,649	1,484,649	-	-
Mark-up accrued		8,108	-	-	8,108
		3,478,141	3,465,358	-	12,783
Financial liabilities					
Payable to the Management Company		2,848	-	-	2,848
Payable to the Trustee		204	-	-	204
Payable against purchase of investments		1,484,649	-	-	1,484,649
Payable against redemption of units		2	-	-	2
Accrued expenses and other liabilities		1,269	-	-	1,269
Net assets attributable to redeemable units		1,931,332	-	-	1,931,332
		3,420,304	-	-	3,420,304
On-balance sheet gap		57,837	3,465,358	-	(3,407,521)
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-



25.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all instruments traded in the market. Presently, the Fund is not exposed to any price risk.

25.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in government securities. The Fund is also exposed to counter party credit risks on loans and receivables, balances with banks, profit receivable, advances, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings. In addition, the Fund's policy is to enter into financial instrument contracts following internal guidelines such as approving counterparties, approving credit, obtaining adequate collateral and transacting through approved brokers.

The Fund's significant credit risk arises mainly on account of its placement with banks. The credit rating profile of balances with banks is as follow:

Bank balances by rating category	June 30, 2020	June 30, 2019
AAA	97.37%	98.69%
AA+	1.53%	0.99%
AA	0.0178%	0.00%
AA-	0.66%	0.09%
A+	0.00%	0.00%
Suspended	0.42%	0.23%

The maximum exposure to credit risk before any credit enhancement as at June 30, 2020 is as follows:

	June 30, 2020		June 30, 2019	
	Amount of financial assets	Maximum exposure	Amount of financial assets	Maximum exposure
----- Rupees in '000 -----				
Bank balances	651,697	651,697	1,985,384	1,985,384
Investment	1,578,034	1,578,034	1,484,649	1,484,649
Receivable against transfer of units	64,000	64,000	-	-
Mark-up accrued	4,185	4,185	8,108	8,108

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

The Fund's major asset balances (97.37%) are held with two banks. The management believes that these are credit-worthy counterparties which also include the Federal Government."

25.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.



For the purpose of making redemptions, the Fund has the ability to borrow in the short term. However, such need did not arise during the year. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

----- June 30, 2020 -----

	Total	Upto three months	Over three months and upto one year	Over one year
-----Rupees in '000-----				
Financial liabilities				
Payable to the Management Company	5,141	5,141	-	-
Payable to the Trustee	130	130	-	-
Payable against redemption of units	3,918	3,918	-	-
Accrued expenses and other liabilities	1,918	1,918	-	-
Net assets attributable to redeemable units	2,225,402	2,225,402	-	-
	2,236,509	2,236,509	-	-

----- June 30, 2019 -----

	Total	Upto three months	Over three months and upto one year	Over one year
-----Rupees in '000-----				
Financial liabilities				
Payable to the Management Company	2,848	2,848	-	-
Payable to the Trustee	204	204	-	-
Payable against purchase of investments	1,484,649	1,484,649	-	-
Payable against redemption of units	2	2	-	-
Accrued expenses and other liabilities	1,269	1,269	-	-
Net assets attributable to redeemable units	1,931,332	1,931,332	-	-
	3,420,304	3,420,304	-	-



26 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown in the statement of movement in unit holders' fund.

The Fund has no restrictions on the issuance and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 25, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests which would be augmented by disposal of investments where necessary.

27 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

"Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)"

Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:



	Carrying amount			Fair value		
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Total
June 30, 2020						
----- Rupees in '000 -----						
Financial assets measured at fair value						
Government Securities - Treasury Bills	1,578,034	-	1,578,034	-	1,578,034	1,578,034
	<u>1,578,034</u>	<u>-</u>	<u>1,578,034</u>	<u>-</u>	<u>1,578,034</u>	<u>1,578,034</u>
Financial assets not measured at fair value						
Bank balances	-	651,697	651,697	-	-	-
Mark-up accrued	-	4,185	4,185	-	-	-
Receivable against transfer of units	-	64,000	64,000	-	-	-
	<u>-</u>	<u>655,882</u>	<u>655,882</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value						
Payable to NBP Fund Management Limited - Management Company	-	5,141	5,141	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	130	130	-	-	-
Payable against redemption of units	-	3,918	3,918	-	-	-
Accrued expenses and other liabilities	-	1,918	1,918	-	-	-
	<u>-</u>	<u>11,107</u>	<u>11,107</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Carrying amount			Fair value		
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Total
June 30, 2019						
----- Rupees in '000 -----						
Financial assets measured at fair value						
Government Securities - Treasury Bills	1,484,649	-	1,484,649	-	1,484,649	1,484,649
	<u>1,484,649</u>	<u>-</u>	<u>1,484,649</u>	<u>-</u>	<u>1,484,649</u>	<u>1,484,649</u>
Financial assets not measured at fair value						
Bank balances	-	1,985,384	1,985,384	-	-	-
Mark-up accrued	-	8,108	8,108	-	-	-
	<u>-</u>	<u>1,993,492</u>	<u>1,993,492</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value						
Payable to NBP Fund Management Limited - Management Company	-	2,848	2,848	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	204	204	-	-	-
Payable against purchase of Investments	-	1,484,649	1,484,649	-	-	-
Payable against redemption of units	-	2	2	-	-	-
Accrued expenses and other liabilities	-	1,269	1,269	-	-	-
	<u>-</u>	<u>1,488,972</u>	<u>1,488,972</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Fund has not disclosed the fair values for other financial assets and financial liabilities, as these are either short term in nature or repriced frequently. Therefore, their carrying amounts are reasonable approximation of fair value.



28. INTERIM DISTRIBUTIONS MADE DURING THE YEAR

	Rate per unit	Declaration date	Cash distribution		
			Capital value	Undistributed income	Total
----- For the year ended June 30, 2020 -----					
----- Rupees in '000 -----					
For the month of July 2019	Re. 0.0956	July 30, 2019	(3,322)	(17,677)	(20,999)
For the month of August 2019	Re. 0.1033	August 29, 2019	(946)	(22,556)	(23,502)
For the month of September 2019	Re. 0.1017	September 28, 2019	(1,878)	(25,312)	(27,190)
For the month of October 2019	Re. 0.1109	October 29, 2019	(84)	(23,845)	(23,929)
For the month of November 2019	Re. 0.0971	November 28, 2019	(129)	(20,502)	(20,631)
For the month of December 2019	Re. 0.1002	December 27, 2019	(165)	(20,630)	(20,795)
For the month of January 2020	Re. 0.1132	January 28, 2020	(523)	(23,669)	(24,192)
For the month of February 2020	Re. 0.1062	February 27, 2020	(3,553)	(25,107)	(28,660)
For the month of March 2020	Re. 0.1184	March 27, 2020	(349)	(32,013)	(32,362)
For the month of April 2020	Re. 0.1316	April 29, 2020	(221)	(34,938)	(35,159)
For the month of May 2020	Re. 0.0585	May 29, 2020	(59)	(12,241)	(12,300)
For the month of June 2020	Re. 0.0538	June 26, 2020	(109)	(11,248)	(11,357)
			(11,338)	(269,738)	(281,076)

----- For the year ended June 30, 2019 -----					
----- Rupees in '000 -----					
For the month of December 2018	Re. 0.3401	December 21, 2018	(8,842)	(75,736)	(84,578)
For the month of January 2019	Re. 0.1022	January 29, 2019	(679)	(26,068)	(26,747)
For the month of February 2019	Re. 0.0751	February 27, 2019	(98)	(16,661)	(16,759)
For the month of March 2019	Re. 0.0737	March 29, 2019	(293)	(15,535)	(15,828)
For the month of April 2019	Re. 0.0755	April 26, 2019	(205)	(13,766)	(13,971)
For the month of May 2019	Re. 0.0777	May 30, 2019	(146)	(14,256)	(14,402)
For the month of June 2019	Re. 0.0764	June 24, 2019	(195)	(14,056)	(14,251)
			(10,458)	(176,078)	(186,536)

29 GENERAL

29.1 Figures have been rounded off to nearest thousand rupee.

30 DATE OF AUTHORISATION OF ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 17, 2020.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director


PERFORMANCE TABLE

Particulars	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019	For the Year Ended June 30, 2018	For the Year Ended June 30, 2017	For the Year Ended June 30, 2016	For the Year Ended June 30, 2015
Net assets at the year / period ended (Rs '000)	2,225,402	1,931,332	5,790,612	4,598,229	3,171,948	7,013,455
Net income for the year / period ended (Rs '000)	280,706	269,495	257,128	207,559	135,646	386,114
Net Asset Value per unit at the year / period ended (Rs)	10.2022	10.1861	10.9686	10.1614	10.1464	10.1423
Offer Price per unit at year end	10.2022	10.1861	10.9686	10.1614	10.1464	10.1423
Redemption Price per unit at year end	10.2022	10.1861	10.9686	10.1614	10.1464	10.1423
Ex - Highest offer price per unit (Rs.)	10.2022	10.1861	10.6986	10.1626	10.1464	10.1424
Ex - Lowest offer price per unit (Rs.)	9.0715	9.3915	10.1634	9.4401	9.5945	9.3685
Ex - Highest redemption price per unit (Rs.)	10.2022	10.1861	10.6986	10.1626	10.1464	10.1424
Ex - Lowest redemption price per unit (Rs.)	9.0715	9.3881	10.1634	9.4419	9.5945	9.3685
Fiscal Year Opening Ex Nav	9.0679	9.3804	10.1614	9.4401	9.5936	9.3648
Total return of the fund	12.47%	8.59%	5.29%	7.64%	5.76%	8.30%
Capital growth	0.79%	0.51%	0.01%	-0.40%	0.04%	0.33%
Income distribution as a % of ex nav	11.69%	8.08%	5.28%	8.04%	5.72%	7.97%
Income distribution as a % of par value	11.91%	8.21%	5.37%	7.59%	5.80%	7.46%
Distribution						
Interim distribution per unit	1.1905	0.8207	-	0.7592	-	0.7460
Final distribution per unit	-	-	0.5367	-	0.5801	-
Distribution Dates						
Interim	30-Jul-19	-	-	-	-	-
Interim	29-Aug-19	-	-	-	-	-
Interim	28-Sep-19	-	-	-	-	-
Interim	29-Oct-19	-	-	-	-	-
Interim	28-Nov-19	-	-	-	-	-
Interim	27-Dec-19	21-Dec-19	-	-	-	-
Interim	28-Jan-20	29-Jan-19	-	-	-	-
Interim	27-Feb-20	27-Feb-19	-	-	-	-
Interim	27-Mar-20	29-Mar-19	-	-	-	-
Interim	29-Apr-20	26-Apr-19	-	-	-	-
Interim	29-May-20	30-May-19	-	-	-	-
Interim	26-Jun-20	24-Jun-19	-	21-Jun-17	-	29-Jun-15
Final	-	-	4-Jul-18	-	30-Jun-16	-
Average annual return of the fund (launch date May 16, 2009)						
(Since inception to June 30, 2020)	8.89%	-	-	-	-	-
(Since inception to June 30, 2019)	-	8.54%	-	-	-	-
(Since inception to June 30, 2018)	-	-	8.54%	-	-	-
(Since inception to June 30, 2017)	-	-	-	8.95%	-	-
(Since inception to June 30, 2016)	-	-	-	-	9.13%	-
(Since inception to June 30, 2015)	-	-	-	-	-	9.70%
Portfolio Composition (Please see Fund Manager Report)						
Weighted average portfolio duration	32 Days	25 Days	13 Days	3 Days	4 Days	19 Days

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up

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