



NBP FUNDS

Managing Your Savings

AM1
Rated by PACRA

NBP MONEY MARKET 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 Murtaza 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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited	Allied Bank Limited
Summit Bank Limited	Sindh Bank Limited
JS Bank Limited	National Bank of Pakistan
Meezan Bank Limited	Samba Bank Limited
Habib Bank Limited	Zarai Taraqiati Bank Limited
United Bank Limited	MCB Islamic Bank Limited
Bank Alfalah Limited	Faysal Bank Limited
Bank Al Habib Limited	Dubai Islamic Bank Limited
Askari Bank Limited	
Habib Metropolitan Bank 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 4, 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.nbpffunds.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
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 Ninth Annual Report of **NBP Money Market Fund** (NMMF) for the year ended June 30, 2020.

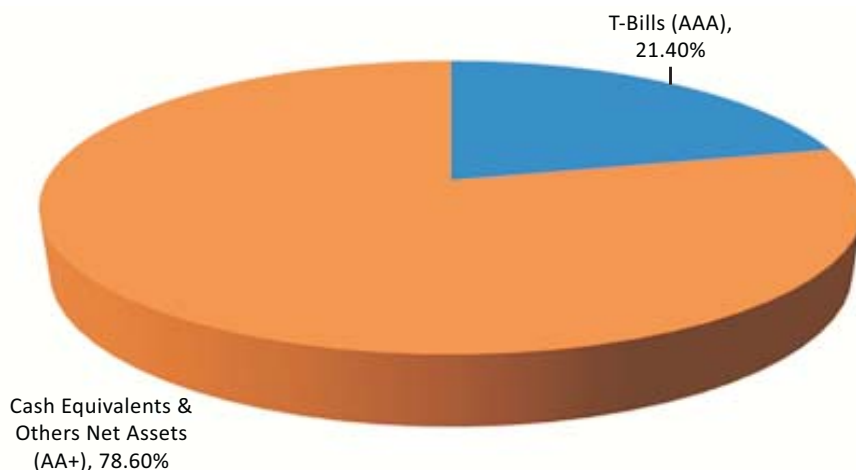
Fund's Performance

The size of NBP Money Market Fund has increased from Rs. 20,599 million to Rs. 28,236 million during the period, i.e. an increase of 37%. During the period, the unit price of the Fund has increased from Rs. 8.7606 (Ex-Div) on June 30, 2019 to Rs. 9.8825 on June 30, 2020 thus posting a return of 12.8% 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.

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a money market scheme, the Fund has stringent investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

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. 3,826.03 million during the year. After deducting total expenses of Rs. 406.13 million, the net income is Rs. 3,419.90 million. The asset allocation of NMMF as on June 30, 2020 is as follows:





Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 11.97% of the opening ex-NAV (11.82% 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 26 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 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 22 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, 2019, 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
Non-Executive Directors	<ol style="list-style-type: none"> 1. Mr. 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 این بی پی منی مارکیٹ فنڈ (NMMF) کی نویں سالانہ رپورٹ برائے اختتامہ سال 30 جون 2020 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

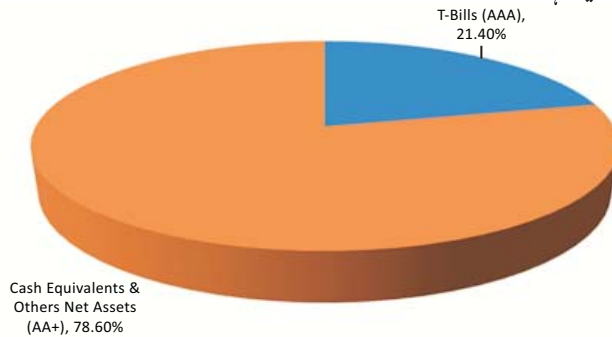
NBP منی مارکیٹ فنڈ کا ساٹھ ماہ کی مدت کے دوران 20,599 ملین روپے سے بڑھ کر 28,236 ملین روپے ہو گیا ہے یعنی 37% کا اضافہ ہوا۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 8.7606 روپے (EX-Div) سے بڑھ کر 30 جون 2020 کو 9.8825 روپے ہو گئی، لہذا اسی مدت کے لئے اپنے بیچ مارک منافع 11.7% کے مقابلے میں 12.8% منافع درج کرایا۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد حاصل ہے۔

NMMF کو PACRA کی طرف سے AA(f) کی مستحکم ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ ایک منی مارکیٹ اسکیم کی حیثیت سے فنڈ سرمایہ کاری کی انتہائی سخت ہدایات رکھتا ہے۔ فنڈ کی منظور شدہ انویسٹمنٹس میں ٹی بلز، بینک ڈپازٹس اور منی مارکیٹ انسٹرومنٹس شامل ہیں۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی کسی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نئی تہی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

اقتصادی استحکام کی جاری پالیسیوں کی تشکیل اور افراط زر کی وجہ (i) زرمبادلہ کی شرح گراؤ، (ii) بوٹی 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 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 زیر جائزہ مدت کے دوران سٹائیکس (27) T-Bills نیلامیاں منعقد کیں اور کل 14,317 ملین روپے جمع کئے۔

فنڈ نے اس مدت کے دوران 3,826.03 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 406.13 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 3,419.90 ملین روپے رہی۔

30 جون 2020 کو NMMF کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2020 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 11.97% (بنیادی قدر کا 11.82%) عبوری نقد ڈیویڈنڈ کی منظوری دی ہے۔

قیمتیں

درج بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کپٹل گین منہا کرنے کے بعد 90 فیصد ہے، اس لئے فنڈ پر اکٹم 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. مینجمنٹ 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۔ شمار پاتی تخمینے مناسب اور محتول 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 موثر 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 سال اندر رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیویڈنڈ، 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 مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 26 میں کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 22 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2020 کو بورڈ آف ڈائریکٹرز دہجہ ذیل ارکان پر مشتمل ہیں

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

NBP Money Market Fund (NMMF) is an Open-End Money Market Scheme.

Investment Objective of the Fund

The objective of NBP Money Market Fund is to provide stable income stream with preservation of capital by investing in AA and above rated banks and money market instruments.

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 Ninth Annual report since the launch of the Fund on February 23, 2012. The Fund size increased by 37% during FY20 and stands at Rs. 28,236 million as of June 30, 2020. The Fund's return since its inception is 8.4% p.a. versus the benchmark return of 7.0% p.a. This translates into outperformance of 1.4% p.a. The Fund posted a 12.8% return during FY20 versus the benchmark return of 11.7%, thus registering an outperformance of 1.1%. This outperformance is net of management fee and all other expenses. Thus the Fund has achieved its investment objectives.

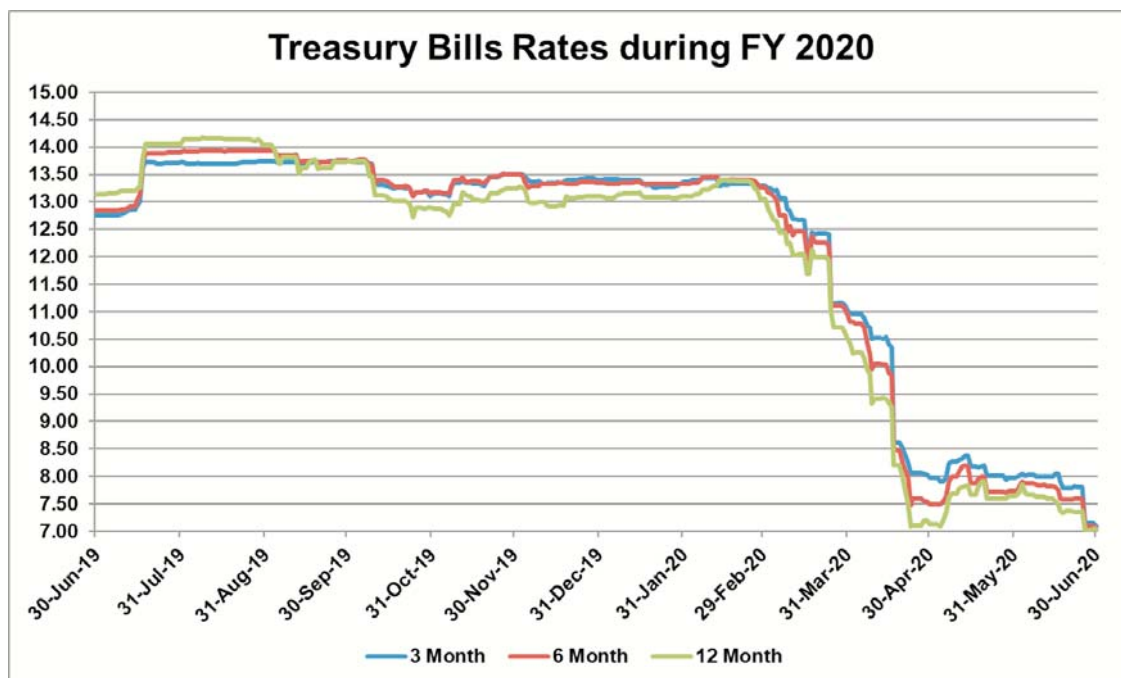
NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a money market scheme, the Fund has stringent investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits, and Money Market instruments. The minimum rating requirement is AA, while the Fund is not allowed to invest in any security exceeding six months of maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

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	21.40%	-
Short Term Sukuks	-	2.18%
Commercial Paper	-	1.69%
Cash, Bank Placements & Other Assets	78.60%	96.13%
Total	100%	100%

T-Bills yields during the year are shown in the 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	0.9680%	9.9655	9.8687
Aug-19	1.0140%	9.9701	9.8687
Sep-19	1.0180%	9.9705	9.8687
Oct-19	1.0710%	9.9758	9.8687
Nov-19	0.9370%	9.9624	9.8687
Dec-19	1.0090%	9.9696	9.8687
Jan-20	1.1710%	9.9858	9.8687
Feb-20	1.0280%	9.9715	9.8687
Mar-20	1.1830%	9.987	9.8687
Apr-20	1.3270%	10.0014	9.8687
May-20	0.5510%	9.9238	9.8687
Jun-20	0.5390%	9.9226	9.8687



Unit Holding Pattern of NBP Money Market Fund as on June 30, 2020

Size of Unit Holding (Units)	# of Unit Holders
1-1000	1,924
1001-5000	231
5001-10000	86
10001-50000	214
50001-100000	102
100001-500000	269
500001-1000000	63
1000001-5000000	113
5000001-10000000	28
10000001-100000000	48
100000001-1000000000	4
Total	3,082

During the period under question:

There has been no significant change in the state of affairs of the Fund. NBP Money Market 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. 141.83 Millions. If the same were not made the NAV per unit/FY20 return of scheme would be higher by Rs. 0.0496/0.57%. For details, investors are advised to read note 18 of the Financial Statement of the Scheme for the year ended June 30, 2020.



INDEPENDENT AUDITORS' REPORT

**To the unit holders of NBP Money Market Fund
Report on the audit of the financial statements**

Opinion

We have audited the financial statements of NBP Money Market 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 investment</p> <p>Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements.</p> <p>The Fund's primary activity is, inter alia, to invest in government securities (treasury bills) which are the main driver of the Fund's performance.</p> <p>Considering the above factors, the valuation and existence 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 control placed by the Management Company applicable to the balance; Independently verified existence of investments from the Investor Portfolio Services (IPS); 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

ASSETS	Note	2020 ----- Rupees in '000 -----	2019 -----
Bank balances	5	22,428,934	19,789,023
Investments	6	6,043,726	797,633
Mark-up accrued	7	17,435	215,717
Deposit and prepayment	8	337	315
Receivable against transfer of units	9	118,817	-
Total assets		28,609,249	20,802,688
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	10	66,177	35,699
Payable to Central Depository Company of Pakistan Limited - Trustee	11	1,724	1,637
Payable to the Securities and Exchange Commission of Pakistan	12	5,730	18,052
Payable against redemption of units	13	82,968	45
Accrued expenses and other liabilities	14	216,488	148,293
Total liabilities		373,087	203,726
NET ASSETS		28,236,162	20,598,962
UNIT HOLDERS' FUND (as per statement attached)		28,236,162	20,598,962
Contingencies and commitments	15		
		----- Number of units -----	
Number of units in issue	16	2,857,199,837	2,087,303,211
		----- Rupees -----	
Net asset value per unit		9.8825	9.8687

The annexed notes from 1 to 32 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 ----- Rupees in '000 -----	2019 ----- Rupees in '000 -----
Return / mark-up on:			
- bank balances		2,316,399	1,451,663
- government securities		1,173,494	759,722
- letter of placements		38,949	113,445
- commercial papers		163,560	30,871
- sukuk		16,006	13,527
Net gain / (loss) on sale of investments		106,234	(27,512)
Net unrealized gain on re-measurement of investments classified as "financial assets at fair value through profit or loss"		11,389	-
Total income		3,826,031	2,341,716
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company	10.1	79,256	184,316
Sindh Sales Tax on remuneration of the Management Company	10.2	10,303	23,961
Reimbursement of operational expenses to the Management Company	10.3	28,650	24,070
Selling and marketing expenses	10.4	187,692	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	18,622	16,692
Sindh Sales Tax on remuneration of the Trustee	11.2	2,421	2,170
Annual fee to the Securities and Exchange Commission of Pakistan	12	5,730	18,052
Settlement charges		927	214
Bank charges		1,176	1,055
Auditors' remuneration	17	753	729
Legal and professional charges		126	78
Fund rating fee		452	420
Annual listing fee		28	28
Printing charges		197	6
Total expenses		336,333	271,791
Net income from operating activities		3,489,698	2,069,925
Provision for Sindh Workers' Welfare Fund	18	(69,794)	(41,399)
Net income for the year before taxation		3,419,904	2,028,526
Taxation	19	-	-
Net income for the year after taxation		3,419,904	2,028,526
Earnings per unit	20		
Allocation of net income for the year:			
Net income for the year after taxation		3,419,904	2,028,526
Income already paid on units redeemed		(509,864)	(487,900)
		2,910,040	1,540,626
Accounting income available for distribution:			
Relating to capital gain		34,766	-
Excluding capital gain		2,875,274	1,540,626
		2,910,040	1,540,626

The annexed notes from 1 to 32 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	3,419,904	2,028,526
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>3,419,904</u></u>	<u><u>2,028,526</u></u>

The annexed notes from 1 to 32 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

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2020 ----- Rupees in '000 -----	2019 -----
Net income for the year before taxation		3,419,904	2,028,526
Adjustments:			
Return / mark-up on;			
- bank balances		(2,316,399)	(1,451,663)
- government securities		(1,173,494)	(759,722)
- letter of placements		(38,949)	(113,445)
- commercial papers		(163,560)	(30,871)
- sukuk		(16,006)	(13,527)
Net (gain) / loss on sale of investments		(106,234)	27,512
Net unrealised gain on re-measurement of investments at fair value through profit or loss		(11,389)	-
Provision for Sindh Workers' Welfare Fund		69,794	41,399
		(3,756,237)	(2,300,317)
		(336,333)	(271,791)
(Increase) in assets			
Investments - net		(5,128,470)	(825,145)
Deposit and prepayment		(22)	(215)
		(5,128,492)	(825,360)
Increase / (decrease) in liabilities			
Payable to the Management Company		30,478	9,186
Payable to the Trustee		87	(79)
Payable to the Securities and Exchange Commission of Pakistan		(12,322)	910
Accrued expenses and other liabilities		(1,599)	(16,670)
		16,644	(6,653)
Mark-up on bank balances received		2,514,165	1,247,179
Mark-up on letter of placements received		38,949	113,445
Mark-up on government securities received		1,173,494	759,722
Mark-up on commercial papers received		163,560	30,871
Mark-up on sukuk received		16,521	13,011
		3,906,689	2,164,228
Net cash flows (used in) / generated from operating activities		(1,541,492)	1,060,424
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received on issuance of units		94,598,174	62,451,310
Amounts paid on redemption of units		(87,544,017)	(64,967,015)
Distributions paid		(2,872,754)	(2,106,468)
Net cash flows generated from / (used in) financing activities		4,181,403	(4,622,173)
Net increase / (decrease) in cash and cash equivalents during the year		2,639,911	(3,561,749)
Cash and cash equivalents at the beginning of the year		19,789,023	23,350,772
Cash and cash equivalents at the end of the year		22,428,934	19,789,023

The annexed notes from 1 to 32 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 Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 4, 2011 and was approved by Securities and Exchange Commission of Pakistan (SECP) on April 14, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the 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 investment objective of the Fund is to generate stable income stream for its unit holders while ensuring capital preservation by investing in AA and above rated banks and money market instruments.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company on June 24, 2020 and a stability rating of 'AA(f)' to the Fund.

Title to the assets of the Fund are held in the name of CDC as a 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 are 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 4.2.2.1 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, 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:

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
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, which are also not relevant to the Fund.	

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
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 FVTOCI 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.

FVTOCI 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 FVTOCI).

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 FVTOCI 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 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 (PKIRSV 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) included in prices of units sold 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 shall be 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 will be 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 capital 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, term finance certificates and sukuks, government securities, letter of placement and commercial papers 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.

	Note	2020 ----- Rupees in '000 -----	2019 -----
5 BANK BALANCES			
Current accounts	5.1	13,491	18,569
Savings accounts	5.2 & 5.3	22,415,443	19,770,454
		<u>22,428,934</u>	<u>19,789,023</u>

5.1 These include bank balances of Rs. 0.166 million (June 30, 2019: Rs. 0.165 million), maintained with National Bank of Pakistan.

5.2 These savings accounts carry mark-up at rates ranging from 10.25% to 14.35% per annum (June 30, 2019: 3.75% to 14%) per annum.

5.3 These include a bank balances of Rs. 2.097 million (June 30, 2019: Rs. 6.14 million), which is maintained with National Bank of Pakistan, related party and carries mark-up at the rate of 11.25% (June 30, 2019: 10.25%) per annum.

	Note	2020 ----- Rupees in '000 -----	2019 -----
6 INVESTMENTS			
Financial assets at fair value through profit or loss			
Government securities - Market Treasury Bills	6.1	6,043,726	-
Sukuk	6.2	-	450,000
Commercial papers	6.3	-	347,633
		<u>6,043,726</u>	<u>797,633</u>



6.1 Investment in government securities

Issue date	Tenor	Face value			As at June 30, 2020	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 period	Sales / matured during the period				
----- Rupees in '000 ----- % -----								
July 18, 2019	3 months	-	5,950,000	5,950,000	-	-	-	-
August 16, 2019	12 months	-	1,500,000	1,500,000	-	-	-	-
August 29, 2019	12 months	-	4,537,320	4,537,320	-	-	-	-
September 12, 2019	6 months	-	300,000	300,000	-	-	-	-
September 12, 2019	12 months	-	5,209,000	5,209,000	-	-	-	-
September 26, 2019	12 months	-	196,000	98,000	98,000	96,408	0.3	1.6
October 10, 2019	3 months	-	500,000	500,000	-	-	-	-
October 10, 2019	6 months	-	500,000	500,000	-	-	-	-
October 10, 2019	12 months	-	3,666,000	2,083,000	1,583,000	1,553,175	5.5	25.7
October 24, 2019	3 months	-	500,000	500,000	-	-	-	-
October 24, 2019	6 months	-	500,000	500,000	-	-	-	-
November 7, 2019	3 months	-	500,000	500,000	-	-	-	-
November 7, 2019	6 months	-	13,450,720	13,450,720	-	-	-	-
November 21, 2019	6 months	-	900,000	900,000	-	-	-	-
December 5, 2019	3 months	-	2,135,500	2,135,500	-	-	-	-
December 19, 2019	3 months	-	2,027,700	2,027,700	-	-	-	-
January 2, 2020	3 months	-	7,045,000	7,045,000	-	-	-	-
January 30, 2020	3 months	-	7,485,000	7,485,000	-	-	-	-
January 30, 2020	6 months	-	2,250,000	2,250,000	-	-	-	-
February 13, 2020	3 months	-	1,200,000	1,200,000	-	-	-	-
February 27, 2020	3 months	-	8,674,000	8,674,000	-	-	-	-
February 27, 2020	6 months	-	250,000	250,000	-	-	-	-
March 12, 2020	3 months	-	2,172,000	2,172,000	-	-	-	-
March 12, 2020	6 months	-	250,000	250,000	-	-	-	-
March 26, 2020	3 months	-	5,600,000	5,600,000	-	-	-	-
March 26, 2020	6 months	-	6,310,000	4,905,000	1,405,000	1,382,179	4.9	22.9
April 9, 2020	3 months	-	6,150,000	6,150,000	-	-	-	-
April 9, 2020	6 months	-	3,450,000	1,875,000	1,575,000	1,545,325	5.5	25.6
April 23, 2020	3 months	-	1,650,000	1,650,000	-	-	-	-
April 23, 2020	6 months	-	2,750,000	1,375,000	1,375,000	1,345,590	4.8	22.3
May 7, 2020	3 months	-	1,981,090	1,981,090	-	-	-	-
May 7, 2020	6 months	-	1,625,000	1,625,000	-	-	-	-
June 18, 2020	6 months	-	250,000	125,000	125,000	121,049	0.4	2.0
Total as at June 30, 2020						6,043,726		
Carrying value before mark to market as at June 30, 2020						6,032,337		



6.2 Sukuk

Name of the investee company	Number of bonds				Market value as at June 30, 2020	Investment as % of	
	As at July 01, 2019	Purchases during the period	Sales / matured during the period	As at June 30, 2020		Market value of net assets	Market value of total investments

(Rupees in '000) ----- (%) -----

Sukuk has a face value of Rs.100,000 each.

HUB Power Company Limited - Sukuk *	4,500	-	4,500	-	-	-	-
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Carrying value of investments as at June 30, 2020

* Due to common directorship of the Management company, Hub Power Company Limited is a related party.

6.3 Commercial papers

Name of the investee company	Face value				Carrying value as at June 30, 2020	Carrying value as at June 30, 2019
	As at July 01, 2019	Purchases during the period	Sales / matured during the period	As at June 30, 2020		

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

The HUB Power Company Limited *	350,000	-	350,000	-	-	347,633
The HUB Power Company Limited *	-	500,000	500,000	-	-	-
K - Electric	-	960,000	960,000	-	-	-
K - Electric	-	800,000	800,000	-	-	-
	350,000	2,260,000	2,610,000	-	-	347,633

Carrying value of investments as at June 30, 2020

* Due to common directorship of the Management company, Hub Power Company Limited is a related party.

	Note	2020 ----- Rupees in '000 -----	2019 -----
7 MARK-UP ACCRUED			
Mark-up accrued on bank balances and term deposits		17,435	215,201
Mark-up accrued on sukuk		-	516
		17,435	215,717
8 DEPOSIT AND PREPAYMENT			
Security deposit with CDC		100	100
Prepayments		237	215
		337	315
9 RECEIVABLE AGAINST TRANSFER OF UNITS			

This represented amount receivable from other collective investment scheme being managed by the Management Company of the Fund. This amount was received during the period in respect of units issued to various unit holders based on their request for transfer of units from other collective investment scheme to the Fund.



10	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2020 ----- Rupees in '000 -----	2019 ----- Rupees in '000 -----
	Remuneration of the Management Company	10.1	3,575	21,069
	Sindh Sales Tax on remuneration of the Management Company	10.2	465	2,739
	Operational expenses	10.3	8,703	10,310
	Selling and marketing expenses	10.4	52,530	-
	Sales load		559	1,155
	Sindh Sales Tax and Federal Excise Duty on sales load		345	426
			66,177	35,699

10.1 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 December 12, 2019; and
- 1% per annum on the daily income of the Fund subject to minimum 0.15% as average of NAV and maximum 1% of average NAV, applicable from December 13, 2019 onwards.

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 and federal excise duty thereon.

10.2 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.

10.3 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.

10.4 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.

11	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2020 ----- Rupees in '000 -----	2019 ----- Rupees in '000 -----
	Remuneration of the Trustee	11.1	1,526	1,449
	Sindh Sales Tax on remuneration of the Trustee	11.2	198	188
			1,724	1,637



- 11.1** 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 July 12, 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
On an amount exceeding Rs. 10,000 million	Rs 8.25 million plus 0.06% per annum of net asset value

Effective from July 12, 2019, tariff structure has been revised from above table to actual custodial expenses / charges plus 0.065% per annum of average net assets.

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

12 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 an 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.

13 PAYABLE AGAINST REDEMPTION OF UNITS

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

14 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2020	2019
		Rupees in '000	
Auditors' remuneration		788	598
Provision for Workers' Welfare Fund And Sindh Workers' Welfare Fund	18	141,827	72,033
Federal Excise Duty on remuneration of the Management Company	14.1	44,146	44,146
Withholding tax		17,093	26,221
Capital gain tax		4,780	3,075
Legal and professional charges		127	33
Bank charges		265	56
Printing charges		79	71
Brokerage payable		194	-
Others		7,189	2,060
		216,488	148,293

- 14.1** 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, being prudent, is carrying provision for FED aggregating to Rs. 44.146 million as at June 30, 2020.

Had the provision not being made, the net asset value per unit as at June 30, 2020 would have been higher by Re. 0.0155 per unit (June 30, 2019: Re. 0.0211 per unit)."

15 CONTINGENCIES AND COMMITMENTS

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

16 NUMBER OF UNITS IN ISSUE

	2020	2019
	----- Number of units -----	
Total units in issue at the beginning of the year	2,087,303,211	2,228,970,187
Add: units issued during the year	9,591,078,275	6,395,628,543
Less: units redeemed during the year	(8,821,181,649)	(6,537,295,519)
Total units in issue at the end of the year	<u>2,857,199,837</u>	<u>2,087,303,211</u>

16.1 These units includes 27,561,454 allocated units which are issued subsequently to unitholders.

17 AUDITORS' REMUNERATION

	2020	2019
	----- Number of units -----	
Annual audit fee	420	400
Half yearly review fee	174	160
Out of pocket expenses and sales tax expense	159	169
	<u>753</u>	<u>729</u>

18 PROVISION FOR WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

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 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. 69.380 million and started recognising provision for SWWF.

As at June 30, 2020, the provision in relation to SWWF amounted to Rs. 141.827 million (2019: Rs. 72.034 million). Had the provision not been made, the net asset value per unit as at June 30, 2020 would have been higher by Re. 0.0496 (June 30, 2019: Re. 0.0345) per unit.

19 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of 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). Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the fund is required to distribute 90% of accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund has already distributed 90% of accounting income for the year ended June 30, 2020 to its unit holder. Accordingly, no provision in respect of taxation has been made in the current year.

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

20. 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.

21. TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 1.42 % per annum including 0.31 % representing government levies on collective investment scheme such as sales tax, Sindh Worker's Welfare Fund and Securities and Exchange Commission of Pakistan fee for the period.

22. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 22.1** Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post employment benefit funds of the Management Company its parent and Sponsor. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.



- 22.2** The transactions with connected persons and related parties are carried at agreed rates.
- 22.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 22.4** Remuneration of the Trustee is determined in accordance with the rates agreed between the Management Company and the Trustee.

	2020	2019
	----- Rupees in '000 -----	
22.5 Details of the transactions with connected persons and related parties are as follows:		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	79,256	184,316
Sindh Sales Tax on remuneration of the Management Company	10,303	23,961
Reimbursement of operational expenses to the Management Company	28,650	24,070
Selling and marketing expenses	187,692	-
Dividend re-invest: 200,308 (2019: 131,189) units	1,977	1,293
Units issued / transferred in: 37,002,012 (2019: 59,551,172) units	365,875	581,326
Units redeemed / transferred out: 37,682,745 (2019: 75,488,865) units	374,500	752,072
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	18,622	16,692
Sindh Sales Tax on remuneration of the Trustee	2,421	2,170
National Bank of Pakistan (Parent of the Management Company)		
Markup on bank balances	387	333
Purchase of treasury bills	4,337,572	10,146,448
Sale of treasury bills	-	1,163,844
Pakistan Stock Exchange Limited ** (Common Directorship with the Management Company)		
Listing fees paid	25	-
Askari Bank Limited (Common Directorship with the Management Company) **		
Markup on bank balances	-	151
NBP Income Opportunity Fund (Fund Managed by Management Company)		
Sale of Treasury Bill	147,300	-
NBP Sarmaya Izafa Fund (Fund Managed by Management Company)		
Purchase of Treasury Bill	343,899	-
NBP Stock Fund (Fund Managed by Management Company)		
Purchase of Treasury Bill	246,315	-
NBP Balanced Fund (Fund Managed by Management Company)		
Purchase of Treasury Bill	98,526	-



	2020	2019
	----- Rupees in '000 -----	
NBP Islamic Daily Dividend Fund (Fund Managed by Management Company)		
Sale of Commercial Paper	24,457	-
NBP Savings Fund (Fund Managed by Management Company)		
Sale of Treasury Bill	34,370	-
NBP Government Securities Liquid Fund (Fund Managed by Management Company)		
Purchase of Treasury Bill	1,824,509	-
The Hub Power Company Limited (Common Directorship with the Management Company)		
Buy of Commercial Paper	464,708	-
Reliance Enterprises (COO Holding more than 10%)		
Dividend re-invest: 2,642 (2019: 14,308) units	26	141
Units redeemed / transferred out: 140,511 (2019: 990,138) units	1,400	10,000
Humayun Bashir (Director of the Management Company)		
Dividend re-invest: 13,568 (2019: 27,803) units	134	274
Units issued / transferred in: 9,126,406 (2019: 3,533,749) units	90,406	35,000
Units redeemed / transferred out: 9,139,974 (2019: 3,561,551) units	90,856	35,553
Dr. Amjad Waheed - Chief Executive Officer		
Dividend reinvest: 21,751 (2019: 1,919) units	215	19
Units redeemed / transferred in: 273,599 (2019: 204,470) units	2,700	2,006
Units redeemed / transferred out: 24,083 (2019: 57,200) units	238	576
Muhammad Murtaza Ali - Company Secretary / COO		
Units issued / transferred in: Nil (2019: 121,585) units	-	1,214
Units redeemed / transferred out: 779 (2019: 120,854) units	8	1,220
Kamal Amir Chinoy - Director **		
Dividend reinvest: Nil (2019: 493) units	-	5
Units issued / transferred in: Nil (2019: 253,758) units	-	2,500
National Clearing Company of Pakistan Limited * (Common Directorship with the Management Company)		
Units issued / transferred in: 32,315,492 (2019: 7,629,056) units	318,912	75,305
Units redeemed / transferred out: 32,077,031 (2019: 5,067,942) units	319,711	50,383
Baltoro Partners Private Limited * (Common Directorship with the Management Company)		
Dividend reinvest: 6,405 (2019: Nil) units	63	-
Units issued / transferred in: 1,013,305 (2019: Nil) units	10,000	-



	2020	2019
	----- Rupees in '000 -----	
Employees of the Management Company		
Dividend reinvest: 21,751 (2019: 265,276) units	215	2,614
Units issued / transferred in: 273,599 (2019: 3,640,132) units	2,700	34,850
Units redeemed / transferred out: 24,083 (2019: 4,500,806) units	238	44,932
Management Association of Pakistan		
(Common Directorship with the Management Company)		
Dividend reinvest: Nil (2019: 23,970) units		236
Units issued / transferred in: Nil (2019: 1,989,906) units		19,493
Units redeemed / transferred out: Nil (2019: 2,468,752) units		24,524
Fauji Fertilizers Company Limited		
(Common Directorship with the Management Company)		
Dividend reinvest: 53,687,073 (2019: 17,511,790) units	529,993	172,572
Units issued / transferred in: 832,065,425 (2019: 1,356,545,167) units	8,211,261	1,342,403
Units redeemed / transferred out: 1,273,215,239 (2019: 986,989,112) units	12,599,265	9,803,558
Capital gain tax refund	394,897	3,917
Syed Hasan Irtiza Kazmi - Director *		
Dividend reinvest: 744 (2019: Nil) units	7	-
Units issued / transferred in: 202,661 (2019: Nil) units	2,000	-
NBP Fullerton Asset Management Employee Provident Fund		
(Provident Fund of the parent of the Management Company)		
Units issued / transferred in: 1,805,595 (2019: Nil) units	17,839	-
Units redeemed / transferred out: 1,519,293 (2019: Nil) units	15,128	-
Mutual Funds Association of Pakistan *		
(Common Directorship with the Management Company)		
Dividend re-invest units issued: 37,378 (2019: Nil) units	369	-
Units issued / transferred in: 506,667 (2019: Nil) units	5,000	-
Units redeemed / transferred out: 483,838 (2019: Nil) units	4,825	-
Khalid Mehmood - Chief Financial Officer *		
Dividend re-invest units issued: 609 (2019: Nil) units	6	-
Units issued / transferred in: 183,290 (2019: Nil) units	1,809	-
Units redeemed / transferred out: 183,899 (2019: Nil) units	1,819	-
Ibrahim Holdings Private Limited *		
(Holding more than 10%)		
Dividend re-invest units: 11,623,171 issued: 609 (2019: Nil) units	114,743	-
Units issued / transferred in: 296,975,345 (2019: Nil) units	2,954,497	-
Units redeemed / transferred out: 51,622,495 (2019: Nil) units	509,798	-
Capital gain tax refund	19,156	-
Portfolios managed by the Management Company		
Dividend re-invested: 2,602,288 (2019: 1,345,507) units	25,690	13,362
Units issued transferred in: 164,634,781 (2019: 67,240,075) units	1,627,076	659,634
Units redeemed / transferred out: 165,879,113 (2019: 60,012,020) units	1,646,702	594,315
Purchase of Treasury Bills	80,258	1,954,036
Sale of Treasury Bills	-	1,716,721

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

* Comparative transactions with these parties have not been disclosed as these parties were not related parties in last year.



	2020	2019
	----- Rupees in '000 -----	
22.6 Balances outstanding as at are as follows		
NBP Fund Management Limited		
Remuneration of the Management Company	3,575	21,069
Sindh Sales Tax on remuneration of the Management Company	465	2,739
Operational expenses	8,703	10,310
Selling and marketing expenses	52,530	-
Sales load	559	1,155
Sindh Sales Tax and Federal Excise Duty on sales load	345	426
Investment held in the Fund: Nil (2019: 16,286,931) units	-	4,741
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,526	1,449
Sindh Sales Tax on remuneration of the Trustee	198	188
Security deposit	100	100
National Bank of Pakistan (Parent of the Management Company)		
Bank balances		
- in savings account	2,097	6,148
- in current account	166	166
Accrued markup	61	237
Summit Bank Limited (Common Directorship with the Management Company) **		
Bank balance in current account	-	18,377
Askari Bank Limited (Common Directorship with the Management Company) **		
Bank balance in savings account	-	529
Accrued markup	-	70
Employees of the Management Company		
Investment held in the Fund: 1,758,071 (2019: 3,090,849) units	17,374	30,503
NBP Fullerton Asset Management Employee Provident Fund (Provident Fund of the parent of the Management Company)		
Investment held in the Fund: 286,302 (2019: Nil) units	2,829	-
Dr. Amjad Waheed - Chief Executive Officer		
Investment held in the Fund: 474,397 (2019: 203,130) units	4,688	2,005
Muhammad Murtaza Ali - Company Secretary / COO		
Investment held in the Fund: 1 (2019: 779) units	-	8
Kamal Amir Chinoy - Director **		
Investment held in the Fund: Nil (2019: 254,251) units	-	2,509
National Clearing Company of Pakistan Limited (NCCPL) (Common Directorship with the Management Company)		
Investment held in the Fund: 2,799,576 (2019: 2,561,115) units	27,667	25,275



	2020	2019
	----- Rupees in '000 -----	
Mutual Fund Association of Pakistan (MUFAP) (Common Directorship with the Management Company) Investment held in the Fund: 60,207 (2019: Nil) units	595	-
Baltoro Partners Private Limited (Common Directorship with the Management Company) Investment held in the Fund: 1,019,710 units (2019: Nil) units	10,077	-
Reliance Enterprises (COO Holding more than 10%) Investment held in the Fund: 2,852 (2019: 140,721) units	28	1,389
Ibrahim Holdings Private Limited * (Holding more than 10%) Investment held in the Fund: 310,581,797 (2019: Nil) units	3,069,325	-
Fauji Fertilizer Company Limited ** (Holding more than 10%) Investment held in the Fund: Nil (2019: 387,462,741) units	-	3,823,754
Syed Hasan Irtiza Kazmi - Director of Management Company * Investment held in the Fund: 203,405 (2019: Nil) units	2,010	-
Portfolios Managed By the Management Company Investment held in the Fund: 27,052,457 (2019: 19,326,448) units	267,345	190,707

23. 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	CFA and MBA	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

23.1 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 Government Securities Liquid 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



24. 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	21.78
2	Invest One Markets Limited	17.54
3	Vector Securities Private Limited	15.09
4	Vector Capital Private Limited	10.53
5	Continental Capital Management Private Limited	8.23
6	ICON Securities Private Limited	6.77
7	Paramount Capital Private Limited	6.09
8	Continental Exchange Private Limited	3.83
9	ICON Capital Management Private Limited	3.56
10	Optimus Markets Private Limited	2.46
11	Magenta Capital Private Limited	2.13
12	Continental Exchange Private Limited	1.54
13	Invest One MArkets Limited	0.30
14	BMA Capital Management Limited	0.15

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

S.No.	Particulars	Percentage (%)
1	Bright Capital Private Limited	40.03
2	Icon Securities Private Limited	59.97

25. 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)		
Associated Company & Directors	3	9,528	0.03
Individuals	2,807	5,158,341	18.27
Insurance Companies	3	51,451	0.18
Listed Companies	14	4,141,365	14.67
NBFCs	2	28,327	0.10
Others	166	14,850,242	52.59
Retirement funds	87	3,996,908	14.16
	3,082	28,236,162	100



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	2,499	2,013,156	9.77
Associated Companies and Directors	6	34,530	0.17
Insurance Companies	4	72,286	0.35
NBFCs	1	-	-
Retirement funds	92	2,480,559	12.04
Public Limited Companies	16	7,395,671	35.90
Others	133	8,602,760	41.76
	2,751	20,598,962	100

26 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	-	-

26.1 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.

26.2 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.



27 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020

	At fair value through profit or loss	Amortised cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	22,428,934	22,428,934
Investments	6,043,726	-	6,043,726
Mark-up accrued	-	17,435	17,435
Deposit	-	100	100
Receivable against transfer of units	-	118,817	118,817
	6,043,726	22,565,286	28,609,012

As at June 30, 2020

	At fair value through profit or loss	At amortized cost	Total
----- Rupees in '000 -----			
Financial liabilities			
Payable to the Management Company	-	66,177	66,177
Payable to the Trustee	-	1,724	1,724
Payable against redemption of units	-	82,968	82,968
Accrued expenses and other liabilities	-	8,563	8,563
Net assets attributable to redeemable units	-	28,236,162	28,236,162
	-	28,395,594	28,395,594

As at June 30, 2019

	At fair value through profit or loss	Amortised cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	19,789,023	19,789,023
Investments	797,633	-	797,633
Mark-up accrued	-	215,717	215,717
Deposit	-	100	100
	797,633	20,004,840	20,802,473



As at June 30, 2019

At fair value through profit or loss	At amortized cost	Total
----- Rupees in '000 -----		
Payable to the Management Company	-	35,699
Payable to the Trustee	-	1,637
Payable against redemption of units	-	45
Accrued expenses and other liabilities	-	2,818
Net assets attributable to redeemable units	-	20,598,962
	-	20,639,161

Financial Liabilities

28 FINANCIAL RISK MANAGEMENT

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

28.1 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 regulations laid down by the Securities and Exchange Commission of Pakistan.

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

28.1.1 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.

28.1.2 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 has investment in variable rate instruments such as, government treasury bills and balances in 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.284.59 million (June 30, 2019: Rs. 205.68 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	10.25 -14.35	22,428,934	22,415,443	-	13,491
Investments	8.25 -13.35	6,043,726	-	6,043,726	-
Mark-up accrued		17,435	-	-	17,435
Receivable against transfer of units		118,817	118,817	-	118,817
Deposit		100	-	-	100
		28,609,012	22,534,260	6,043,726	149,843
Financial liabilities					
Payable to the Management Company		66,177	-	-	66,177
Payable to the Trustee		1,724	-	-	1,724
Payable against redemption of units		82,968	-	-	82,968
Accrued expenses and other liabilities		8,563	-	-	8,563
Net assets attributable to redeemable units		28,236,162	-	-	28,236,162
		28,395,594	-	-	28,395,594
On-balance sheet gap		213,418	22,534,260	6,043,726	(28,245,751)
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	3.75-14	19,789,023	19,770,454	-	18,569
Investments	12.11-13.96	797,633	347,633	450,000	-
Mark-up accrued		215,717	-	-	215,717
Deposits		100	-	-	100
		20,802,473	20,118,087	450,000	234,386
Financial liabilities					
Payable to the Management Company		35,699	-	-	35,699
Payable to the Trustee		1,637	-	-	1,637
Payable against redemption of units		45	-	-	45
Accrued expenses and other liabilities		2,818	-	-	2,818
Net assets attributable to redeemable units		20,598,962	-	-	20,598,962
		20,639,161	-	-	20,639,161
On-balance sheet gap		163,312	20,118,087	450,000	(20,404,775)
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-

28.1.3 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.

28.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances, receivable against transfer of units, mark-up accrued and deposits. The credit risk of the Fund is limited as the investments are made and balances are maintained with counter parties that have reasonably high credit ratings. The Fund does not expect to incur material credit losses on its financial assets.

The Fund's significant credit risk arises mainly on account of its balances 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	97.61%	98.39%
AA+	2.37%	1.50%
AA	0.002%	0.00%
AA-	0.01%	0.02%
A+	0.01%	0.00%
A-	0.00%	0.09%
	100%	100%

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	22,428,934	22,428,934	19,789,023	19,789,023
Investments	-	-	797,633	797,633
Mark-up accrued	17,435	17,435	215,717	215,717
Receivable against transfer of units	118,817	118,817	-	-
Deposit	100	100	100	100

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 (97.61%) are held with three banks. The management believes that these are credit-worthy counterparties.

28.3 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 15% 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 10% 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 10% 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	66,177	66,177	-	-
Payable to the Trustee	1,724	1,724	-	-
Payable against redemption of units	82,968	82,968	-	-
Accrued expenses and other liabilities	8,563	8,563	-	-
Net assets attributable to redeemable units	28,236,162	28,236,162	-	-
	28,395,594	28,395,594	-	-

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	35,699	35,699	-	-
Payable to the Trustee	1,637	1,637	-	-
Payable against redemption of units	45	45	-	-
Accrued expenses and other liabilities	2,818	2,818	-	-
Net assets attributable to redeemable units	20,598,962	20,598,962	-	-
	20,639,161	20,639,161	-	-

29 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. There is no specific capital requirement which is applicable on the Fund.

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 27, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests which would be augmented by short-term borrowings or disposal of investments where necessary.

30 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.

Fair value hierarchy

- 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)

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 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 through profit or loss	Amortized cost	Total	Level 2
June 30, 2020		Note ----- Rupees in '000 -----			
Financial assets measured at fair value					
Government Securities - Treasury Bills	6	6,043,726	-	6,043,726	6,043,726
		6,043,726	-	6,043,726	6,043,726
Financial assets not measured at fair value					
Bank balances	5	-	22,428,934	22,428,934	-
Accrued Mark-up on bank balances	7	-	17,435	17,435	-
Receivable against transfer of units		-	118,817	118,817	-
Deposit	8	-	100	100	-
		-	22,565,286	22,565,286	-
Financial liabilities not measured at fair value					
Payable to NBP Fund Management Limited - Management Company	9	-	66,177	66,177	-
Payable to Central Depository Company of Pakistan Limited - Trustee	10	-	1,724	1,724	-
Payable against redemption of units	12	-	82,968	82,968	-
Accrued expenses and other liabilities	13	-	8,563	8,563	-
		-	159,432	159,432	-



		Carrying amount			
		Fair value through profit or loss	Amortized cost	Total	Level 2
June 30, 2019		Note ----- Rupees in '000 -----			
Financial assets measured at fair value					
Commercial Paper	6	347,633	-	347,633	347,633
Unlisted sukuk certificate	6	450,000	-	450,000	450,000
		797,633	-	797,633	797,633
Financial assets not measured at fair value					
Bank balances	5	-	19,789,023	19,789,023	-
Accrued Mark-up on bank balances	7	-	215,201	215,201	-
Accrued Mark-up on Sukuk	7	-	516	516	-
Deposit and prepayment	8	-	315	315	-
		-	20,005,055	20,005,055	-
Financial liabilities not measured at fair value					
Payable to NBP Fund Management Limited - Management Company	9	-	35,699	35,699	-
Payable to Central Depository Company of Pakistan Limited - Trustee	9	-	1,637	1,637	-
Accrued expenses and other liabilities	10	-	148,293	148,293	-
Net assets attributable to redeemable units		-	20,598,962	20,598,962	-
		-	20,784,591	20,784,591	-

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.

31 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. 0.0968	July 30, 2019	(47,977)	(189,543)	(237,520)
For the month of August 2019	Re. 0.1014	August 29, 2019	(30,492)	(240,420)	(270,912)
For the month of September 2019	Re. 0.1018	September 28, 2019	(24,516)	(236,314)	(260,830)
For the month of October 2019	Re. 0.1071	October 29, 2019	(26,400)	(256,505)	(282,905)
For the month of November 2019	Re. 0.0937	November 28, 2019	(27,916)	(224,059)	(251,975)
For the month of December 2019	Re. 0.1009	December 27, 2019	(27,803)	(194,345)	(222,148)
For the month of January 2020	Re. 0.1171	January 28, 2020	(61,641)	(255,357)	(316,998)
For the month of February 2020	Re. 0.1028	February 27, 2020	(33,318)	(249,640)	(282,958)
For the month of March 2020	Re. 0.1183	March 27, 2020	(68,331)	(308,916)	(377,247)
For the month of April 2020	Re. 0.1327	April 29, 2020	(121,818)	(441,652)	(563,470)
For the month of May 2020	Re. 0.0551	May 29, 2020	(19,051)	(148,885)	(167,936)
For the month of June 2020	Re. 0.0539	June 26, 2020	(20,786)	(127,118)	(147,904)
			(510,049)	(2,872,754)	(3,382,803)



Rate per unit	Declaration date	Cash distribution			
		Capital value	Undistributed income	Total	
----- For the year ended June 30, 2019 -----					
----- Rupees in '000 -----					
For the month of December 2018	Re. 0.3297	December 21, 2018	(275,895)	(571,218)	(847,113)
For the month of January 2019	Re. 0.1047	January 29, 2019	(50,031)	(169,857)	(219,888)
For the month of February 2019	Re. 0.0740	February 27, 2019	(11,631)	(138,455)	(150,086)
For the month of March 2019	Re. 0.0778	March 29, 2019	(9,257)	(125,253)	(134,510)
For the month of April 2019	Re. 0.0757	April 26, 2019	(16,871)	(109,678)	(126,549)
For the month of May 2019	Re. 0.0961	May 30, 2019	(53,605)	(188,160)	(241,765)
For the month of June 2019	Re. 0.0830	June 26, 2019	(19,450)	(203,528)	(222,978)
			(436,740)	(1,506,149)	(1,942,889)

32 DATE OF AUTHORISATION FOR ISSUE

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

33 GENERAL

33.1 Figures have been rounded off to the nearest thousand rupees.

32.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year

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')	28,236,162	20,598,962	23,192,394	14,845,458	7,109,729	2,958,693
Net Income at the year / period ended (Rs. '000')	3,419,904	2,028,526	1,247,527	208,404	45,907	106,654
Net Asset Value per unit at the year / period ended (Rs.)	9.8825	9.8687	10.4050	9.8585	9.8377	10.3953
Offer price per unit	9.9383	9.9244	10.4638	9.9142	9.8996	10.4646
Redemption price per unit	9.8825	9.8687	10.4050	9.8585	9.8346	10.3953
Ex - Highest offer price per unit (Rs.)	9.9383	9.9244	10.4638	10.5062	9.8996	9.8921
Ex - Lowest offer price per unit (Rs.)	8.7636	9.1122	9.9084	9.8985	9.3150	9.0848
Ex - Highest redemption price per unit (Rs.)	9.8825	9.8687	10.4050	9.8985	9.8346	9.8265
Ex - Lowest redemption price per unit (Rs.)	8.7636	9.0578	9.8528	9.2482	9.2500	9.0246
Fiscal Year Opening Ex Nav	8.7606	9.0528	9.8513	9.2513	9.2466	9.0224
Total return of the fund	12.77%	9.01%	5.62%	6.56%	8.30%	8.91%
Capital growth	0.80%	0.47%	0.01%	-0.14%	1.99%	-3.06%
Income distribution as a % of ex nav	11.97%	8.54%	5.61%	6.70%	6.31%	11.97%
Income distribution as a % of par value	11.82%	8.41%	5.53%	6.20%	5.83%	10.80%
Distribution						
Interim distribution per unit	1.1816	0.7580	0.5531	0.6201	0.5801	0.5087
Final distribution per unit	-	0.0830	-	0.0073	0.0031	0.5711
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	-	-	-	-	-
Interim	28-Jan-20	21-Dec-18	-	-	-	-
Interim	27-Feb-20	29-Jan-19	-	-	-	-
Interim	27-Mar-20	27-Feb-19	-	-	-	-
Interim	29-Apr-20	29-Mar-19	-	-	-	-
Interim	29-May-20	26-Apr-19	-	-	-	-
Interim	26-Jun-20	30-May-19	4-Jul-18	19-Jun-17	29-Jun-16	30-Jun-15
Final	-	26-Jun-19	-	15-Sep-17	23-Sep-16	14-Jul-15
Average annual return of the Fund (launch date February 24' 2012)						
(Since inception to June 30, 2020)	8.40%					
(Since inception to June 30, 2019)		7.82%				
(Since inception to June 30, 2018)			7.63%			
(Since inception to June 30, 2017)				8.01%		
(Since inception to June 30, 2016)					8.30%	
(Since inception to June 30, 2015)						9.00%
(Since inception to June 30, 2014)						
(Since inception to June 30, 2013)						
(Since inception to June 30, 2012)						
Weighted average portfolio duration	22 Days	2 Days	1 Days	1 Days	1 Days	13 Days

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

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