



# NBP FUNDS

*Managing Your Savings*

**AM1**

Rated by PACRA

**NBP GOVERNMENT SECURITIES LIQUID FUND**



**HALF YEARLY REPORT**  
**DECEMBER 31, 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
Ms. Mehnaz Salar	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

### Company Secretary & COO

Mr. Muhammad Murataz Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

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

### Human Resource Committee

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

### Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Ms. Mehnaz Salar	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 Shakra-e-Faisal, Karachi.

### Bankers to the Fund

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



## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

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

## **Lahore Office:**

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

## **Islamabad Office:**

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

## **Peshawar Office:**

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

## **Multan Office:**

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

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Government Securities Liquid Fund (NGSLF)** for the half year ended December 31, 2020.

### Fund's Performance

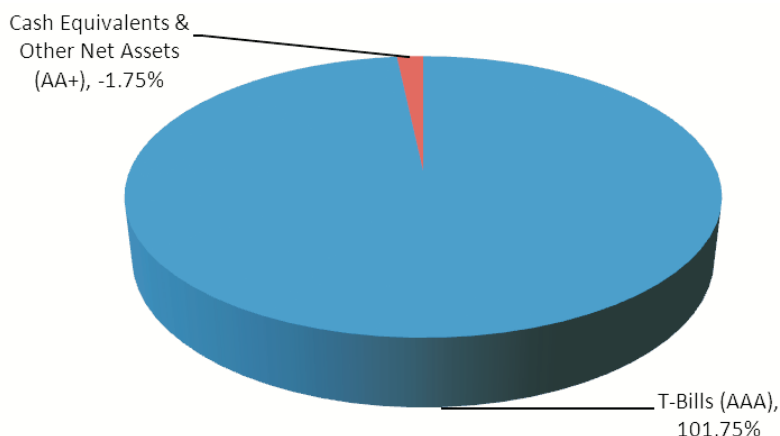
The size of NBP Government Securities Liquid Fund has decreased from Rs. 2,225 million to Rs. 2,137 million during the period, a decline of 4%. The unit price of the Fund has increased from Rs. 9.9155 (Ex-Div) on June 30, 2020 to Rs. 10.2171 on December 31, 2020, thus posting a return of 6.0% p.a. as compared to the benchmark return of 6.7% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risk is exceptionally low due to 70% minimum investment in Government securities (T-Bills). The Fund invests in AA and above rated Banks/DFIs with maximum maturity of six months.

During 1HFY21, the SBP held two Monetary Policy Committee (MPC) meetings wherein it left the Policy Rate unchanged at 7%, citing the prevailing accommodative monetary policy stance appropriate for the nascent economic recovery. Inflation as measured by the CPI clocked-in at 8% for December 2020, owing to supply side issues and rise in prices of perishable food items. During the period under review, T-Bills yields increased by 2 bps, 13 bps and 23 bps for 3-month, 6-month and 12-month tenures, respectively. This uptick in short-term sovereign yields is primarily reflective of demand versus supply side factors. The SBP realized Rs. 5.1 trillion in thirteen T-Bills auctions during this period. The market interest tilted towards shorter tenors given the market expectation of the bottoming out of the Policy Rate and the likelihood of reversal of monetary easing cycle. In the last auction, cut-off yields on T-Bill for 3-month, 6-month, and 12-month tenures were noted at 7.15%, 7.20% and 7.29%, respectively.

The Fund has earned a total income of Rs. 78.19 million during the period. After deducting total expenses of Rs. 13.94 million, the net income is Rs. 64.25 million.

The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSLF.





## **Income Distribution**

The Board of Directors of the Management Company has approved interim cash dividend of 2.86% of the opening ex-NAV (2.92% of the par value) during the period ended December 31, 2020.

## **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: February 26, 2021  
Place: Karachi.



## ڈائریکٹرز رپورٹ

NBP فنڈ میجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2020ء کو ختم ہونے والی ششماہی کے لئے NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

اس مدت کے دوران NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا سائز 2,225 ملین روپے سے کم ہو کر 2,137 ملین روپے ہو گیا یعنی 4% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 9.9155 روپے (Ex-Div) سے بڑھ کر 31 دسمبر 2020 کو 10.2171 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 6.7% کے مقابلے میں 6.0% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی میجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

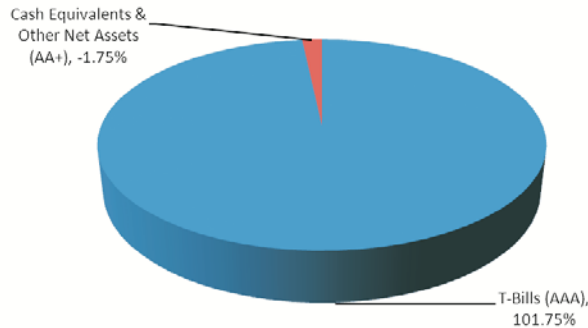
NGSLF کو PACRA کی طرف سے مستحکم ریٹنگ "AAA(f)" دی گئی ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈیٹی پروفائل کی عکاسی کرتی ہے۔ T-Bills اس فنڈ کی بڑی البیڈ کلاس ہے۔ گورنمنٹ سیکورٹیز (T-Bills) میں کم از کم 70% سرمایہ کاری کے باعث فنڈ کے کریڈٹ، لیکویڈیٹی اور انٹرسٹ ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی میچورٹی کے ساتھ AA یا زائد ریٹنگ والے ڈفیس/ڈیفیسوں میں انویسٹ کرنے کی اجازت ہے۔

مالی سال 2021 کی پہلی ششماہی میں اسٹیٹ بینک آف پاکستان نے مانیٹری پالیسی کمیٹی (MPC) کے دو اجلاس طلب کئے جس میں موجودہ معاشی بحالی کے لئے موزوں مانیٹری پالیسی کا حوالہ دیتے ہوئے، پالیسی کی شرح 7% کو تبدیل نہیں کیا۔ ایشیا نے خورد و نوش کی قیمتوں میں اضافے اور رسد کی فراہمی جیسے مسائل کے باعث CPI افراط زر کی شرح دسمبر 2020 میں 8 فیصد رہی۔ زیر جائزہ مدت کے دوران، T-Bills کے منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کے عرصہ میں بالترتیب 2bps، 13bps، اور 23bps کا اضافہ ہوا۔ قلیل مدتی گورنمنٹ منافع میں یہ اضافہ بنیادی طور پر طلب کے مقابلے میں رسد کی عکاسی کرتا ہے۔

اسٹیٹ بینک آف پاکستان نے اس عرصے کے دوران تیرہ T-Bills کی نیلامی کی، جس میں مجموعی طور پر 5.1 ٹریلین روپے حاصل کئے۔ پالیسی کی شرح کا کم ترین سطح پر پہنچنے کی توقع اور آئندہ مہینوں میں مانیٹری آسانی کے باعث واپسی کے امکان کی وجہ سے مارکیٹ کی دلچسپی مختصر مدت کی سرمایہ کاری کی طرف مائل ہوئی۔ گزشتہ نیلامی میں، T-Bills کی کٹ آف منافع 3 ماہ، 6 ماہ اور 12 ماہ کی مدت کے لئے بالترتیب 7.15 فیصد، 7.20 فیصد اور 7.29 فیصد رہا۔

فنڈ نے اس مدت کے دوران 78.19 ملین روپے کی مجموعی آمدنی کمائی۔ 13.94 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 64.25 ملین روپے ہے۔

درج ذیل چارٹ NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیکاش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



### آمدنی کی تقسیم

میجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2020 کو ختم ہونے والی مدت کے دوران اوپننگ ex-NAV کا 2.86% (par value) اور 2.92% عبوری نقد ڈیویڈنڈ منظور کیا۔





## 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 انویسٹمنٹ کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے ٹھوس رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 فروری 2021ء

مقام: کراچی



## TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Government Securities Liquid Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2021



## INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Government Securities Liquid Fund** (the Fund) as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flow statement and notes to and forming part of the condensed interim financial statements for the half year ended December 31, 2020 (here-in-after referred to as the 'condensed interim financial statements'). NBP Fund Management Limited (the Management Company) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

### Yousuf Adil

Chartered Accountants

Engagement Partner

**Naresh Kumar**

Date: February 27, 2021

Place: Karachi



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- Rupees in '000 -----	
<b>ASSETS</b>			
Bank balances	4	2,264,382	651,697
Investments	5	2,174,509	1,578,034
Mark-up accrued on bank balances		3,779	4,185
Advances and prepayments		9,991	10,243
Receivable against conversion of units		-	64,000
<b>Total assets</b>		<b>4,452,661</b>	<b>2,308,159</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - Management Company	6	3,685	5,141
Payable to Central Depository Company of Pakistan Limited - Trustee	7	127	130
Payable to the Securities and Exchange Commission of Pakistan	8	216	474
Payable against purchase of investments		2,174,430	-
Payable against redemption of units		63,298	3,918
Accrued expenses and other liabilities	9	73,763	73,094
<b>Total liabilities</b>		<b>2,315,519</b>	<b>82,757</b>
<b>NET ASSETS</b>		<b>2,137,142</b>	<b>2,225,402</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>2,137,142</b>	<b>2,225,402</b>
<b>Contingencies and commitments</b>	10		
		----- Number of units -----	
<b>Number of units in issue</b>		<b>209,172,417</b>	<b>218,130,423</b>
		----- Rupees -----	
<b>Net asset value per unit</b>		<b>10.2171</b>	<b>10.2022</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Note ----- Rupees in '000 -----				
<b>INCOME</b>				
Return / mark-up on:				
- government securities	62,272	109,431	30,514	51,677
- bank balances	14,174	47,417	7,450	25,501
- letter of placements	1,926	-	-	-
Net (loss) / gain on sale of investments	(258)	(736)	(8)	110
Net unrealised gain / (loss) on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	79	-	337	(176)
<b>Total income</b>	<b>78,193</b>	<b>156,112</b>	<b>38,293</b>	<b>77,112</b>
<b>EXPENSES</b>				
Remuneration of NBP Fund Management Limited - Management Company	6.1 3,591	4,933	1,331	2,285
Sindh Sales Tax on remuneration of the Management Company	6.2 467	641	173	297
Reimbursement of operational expenses to the Management Company	6.4 1,174	1,125	610	553
Selling and marketing expenses	6.3 5,409	7,471	2,591	3,872
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1 703	731	337	359
Sindh Sales Tax on remuneration of the Trustee	7.2 91	95	43	47
Annual fee to the Securities and Exchange Commission of Pakistan	8 216	225	103	111
Auditors' remuneration	447	372	241	138
Securities transaction costs	6	8	-	4
Bank charges	45	144	8	58
Listing fee	14	14	7	4
Mutual fund rating fee	265	241	132	121
Legal and professional charges	142	25	55	-
Printing charges	60	51	45	46
<b>Total expenses</b>	<b>12,630</b>	<b>16,076</b>	<b>5,676</b>	<b>7,895</b>
<b>Net income from operating activities</b>	<b>65,563</b>	<b>140,036</b>	<b>32,617</b>	<b>69,217</b>
Provision for Sindh Workers' Welfare Fund	(1,311)	(2,801)	(652)	(1,385)
<b>Net income for the period before taxation</b>	<b>64,252</b>	<b>137,235</b>	<b>31,965</b>	<b>67,832</b>
Taxation	-	-	-	-
<b>Net income for the period after taxation</b>	<b>64,252</b>	<b>137,235</b>	<b>31,965</b>	<b>67,832</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	64,252	137,235	31,965	67,832
Income already paid on redemption of units	(2,416)	(2,857)	(504)	(1,357)
	<b>61,836</b>	<b>134,378</b>	<b>31,461</b>	<b>66,475</b>
<b>Accounting income available for distribution:</b>				
- Relating to capital gain	-	-	-	-
- Excluding capital gain	61,836	134,378	31,461	66,475
	<b>61,836</b>	<b>134,378</b>	<b>31,461</b>	<b>66,475</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- Rupees in '000 -----			
Net income for the period after taxation	<b>64,252</b>	137,235	<b>31,965</b>	67,832
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>64,252</b>	137,235	<b>31,965</b>	67,832

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31,					
	2020			2019		
	Rupees in '000					
Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	
Net assets at beginning of the period	2,123,920	101,482	2,225,402	1,833,215	98,117	1,931,332
Issue 92,210,581 units (2019: 133,218,612 units)						
- Capital value (at net assets value per unit at the beginning of the period including capital distribution)	940,751	-	940,751	1,356,978	-	1,356,978
- Element of income	1,326	-	1,326	6,806	-	6,806
Total proceeds on issuance of units	942,077	-	942,077	1,363,784	-	1,363,784
Redemption of 101,168,587 units (2019: 113,697,503 units)						
- Capital value (at net assets value per unit at the beginning of the period)	(1,032,142)	-	(1,032,142)	(1,158,134)	-	(1,158,134)
- Element of loss	(521)	(2,416)	(2,937)	(268)	(2,857)	(3,125)
Total payments on redemption of units	(1,032,663)	(2,416)	(1,035,079)	(1,158,402)	(2,857)	(1,161,259)
Total comprehensive income for the period	-	64,252	64,252	-	137,235	137,235
Interim distributions during the period (Note 17)	(652)	(58,858)	(59,510)	(6,524)	(130,522)	(137,046)
<b>Net assets at end of the period</b>	<b>2,032,682</b>	<b>104,460</b>	<b>2,137,142</b>	<b>2,032,073</b>	<b>101,973</b>	<b>2,134,046</b>
Undistributed income brought forward						
- Realised		100,082			98,117	
- Unrealised		1,400			-	
		101,482			98,117	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		61,836			134,378	
		61,836			134,378	
Interim distributions during the period (Note 17)		(58,858)			(130,522)	
<b>Undistributed income carried forward</b>		<b>104,460</b>			<b>101,973</b>	
Undistributed income carried forward						
- Realised		104,381			101,973	
- Unrealised		79			-	
		104,460			101,973	
			- Rupees -			- Rupees -
Net assets value per unit at beginning of the period			10.2022			10.1861
Net assets value per unit at end of the period			10.2171			10.2046

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

Note	Half year ended	
	December 31, 2020	December 31, 2019
	Rupees in '000	
<b>Cash flows from operating activities</b>		
Net income for the period before taxation	64,252	137,235
<b>Adjustments</b>		
Return / markup on		
- government securities	(62,272)	(109,431)
- bank balances	(14,174)	(47,417)
- letter of placements	(1,926)	-
Provision for Sindh Workers' Welfare Fund	1,311	2,801
Net realised gain on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	(79)	-
	(12,888)	(16,812)
<b>(Increase) / decrease in assets</b>		
Investments - net	(596,396)	(32,564)
Advances, deposits and other receivables	252	228
	(596,144)	(32,336)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(1,456)	2,423
Payable to Central Depository Company of Pakistan Limited - Trustee	(3)	(69)
Payable to the Securities and Exchange Commission of Pakistan	(258)	(2,394)
Payable against purchase of investment	2,174,430	32,564
Accrued expenses and other liabilities	(642)	1,249
	2,172,071	33,773
	1,563,039	(15,375)
Mark-up received on;		
- government securities	62,272	109,431
- bank balances	14,580	46,774
- letter of placement	1,926	-
	78,778	156,205
<b>Net cash generated from operating activities</b>	<b>1,641,817</b>	<b>140,830</b>
<b>Cash flows from financing activities</b>		
Amount received on issue of units	1,005,425	1,357,210
Payment against redemption of units	(975,699)	(1,158,818)
Distribution paid	(58,858)	(130,522)
<b>Net cash (used in) / generated from financing activities</b>	<b>(29,132)</b>	<b>67,870</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>1,612,685</b>	<b>208,700</b>
Cash and cash equivalents at beginning of the period	651,697	1,985,384
<b>Cash and cash equivalents at end of the period</b>	<b>2,264,382</b>	<b>2,194,084</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director





## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

### 1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

### 1.2 Impact of COVID -19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

This condensed interim financial information has been prepared, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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; and



- The requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The "NBFC Regulation") and the directives issued by the SECP.

Wherever provisions of and directives issued under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulation or the directives issued by the SECP differ with the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail

- 2.1.1** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and, therefore, should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2020.
- 2.1.2** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2020.

## 2.2 Basis of Measurement

These condensed interim financial statements have been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

## 2.3 Functional and presentation currency

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

## 3. SIGNIFICANT ACCOUNTING POLICIES, RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

The principal accounting policies applied in the preparation of this condensed interim financial statements as set out below:

- 3.1** The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2020.
- 3.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.
- 3.3** There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.
- 3.4** The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2020

4. BANK BALANCES	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
		----- Rupees in '000 -----	-----
Current accounts	4.1	3,096	2,767
Savings accounts	4.2 & 4.3	2,261,286	648,930
		<u>2,264,382</u>	<u>651,697</u>



- 4.1 These include bank balances of Rs. 0.03 million (June 30, 2020: Rs. 0.026 million), maintained with National Bank of Pakistan (related party).
- 4.2 These accounts carry rates of return ranging from 4.50% to 7.82% (June 30, 2020: 3% to 9%) per annum.
- 4.3 These include bank balances of Rs. 2.63 million (June 30, 2020: Rs. 4 million) and 0.292 million (June 30, 2020: Rs. Nil), which are maintained with National Bank of Pakistan and BankIslami Pakistan Limited (related parties) respectively.

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
		----- Rupees in '000 -----	
<b>5. INVESTMENTS</b>			
<b>Financial assets at fair value through profit or loss</b>			
Government securities - Market Treasury Bills	5.1	<u>2,174,509</u>	<u>1,578,034</u>

## 5.1 Investment in government securities - Market Treasury bills

Issue Date	Tenure	Face value				Market value as at December 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2020	Purchases during the period	Sales / matured during the period	As at December 31, 2020			
		----- Rupees in '000 -----				----- % -----		
December 19, 2019	12 Months	-	400,000	400,000	-	-	-	
October 10, 2019	12 Months	11,500	50,000	61,500	-	-	-	
September 12, 2019	12 Months	-	445,000	445,000	-	-	-	
August 16, 2019	12 Months	-	250,000	250,000	-	-	-	
August 27, 2020	6 Months	-	225,000	225,000	-	-	-	
July 16, 2020	6 Months	-	75,000	75,000	-	-	-	
July 2, 2020	6 Months	-	500,000	500,000	-	-	-	
May 7, 2020	6 Months	-	200,000	200,000	-	-	-	
April 23, 2020	6 Months	-	665,000	665,000	-	-	-	
April 9, 2020	6 Months	375,000	1,080,000	1,455,000	-	-	-	
March 26, 2020	6 Months	-	545,000	545,000	-	-	-	
March 12, 2020	6 Months	250,000	-	250,000	-	-	-	
February 13, 2020	6 Months	-	50,000	50,000	-	-	-	
December 3, 2020	3 Months	-	75,500	-	75,500	74,747	3.50	
November 19, 2020	3 Months	-	533,000	533,000	-	-	-	
November 5, 2020	3 Months	-	975,500	330,000	645,500	642,549	30.07	
October 22, 2020	3 Months	-	2,610,000	1,150,000	1,460,000	1,457,213	68.18	
October 8, 2020	3 Months	-	931,500	931,500	-	-	-	
August 27, 2020	3 Months	-	525,000	525,000	-	-	-	
August 13, 2020	3 Months	-	125,000	125,000	-	-	-	
July 16, 2020	3 Months	-	75,000	75,000	-	-	-	
July 2, 2020	3 Months	-	25,000	25,000	-	-	-	
May 21, 2020	3 Months	-	185,000	185,000	-	-	-	
April 23, 2020	3 Months	955,000	-	955,000	-	-	-	
		<u>1,591,500</u>	<u>10,545,500</u>	<u>9,956,000</u>	<u>2,181,000</u>	<u>2,174,509</u>	<u>101.75</u>	
						<u>100.00</u>		

Carrying value before mark to market as at December 31, 2020

2,174,430



5.2 Net unrealised gain / (loss) on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	Note	(Un-audited) December 31, 2020 ----- Rupees in '000 -----	(Audited) June 30, 2020 -----
Market value of investments	5.1	2,174,509	1,578,034
Less: carrying value of investments before mark to market	5.1	(2,174,430)	(1,576,634)
		<u>79</u>	<u>1,400</u>

## 6. PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration of the Management Company	6.1	347	739
Sindh Sales Tax on remuneration of the Management Company	6.2	45	96
Selling and marketing expenses payable	6.3	2,591	614
Operational expenses	6.4	611	3,692
Other Payable		8	-
Sales Load		73	-
Sales tax on sales load		10	-
		<u>3,685</u>	<u>5,141</u>

6.1 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:

- 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 till October 26, 2020.
- 1% per annum on the daily income of the Fund subject to minimum 0.2% as average of NAV and maximum 1% of average NAV, applicable from October 27, 2020 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 thereon.

6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

6.3 The SECP through its Circular No. SCD/PRDD/Circular/394/2018 (Circular No. 5 of 2018) dated June 04, 2018 allowed charging selling and marketing expenses to all categories of mutual funds (except fund of funds and money market funds). The Management Company is allowed to charge these expenses subject to the approval of the Board. In prior period SECP through its Circular No. 11 of 2019 dated July 5, 2019, has now removed ceiling of 0.4% for the chargeability of "Selling and Marketing Expenses" on all open end funds (except "Fund of Funds"). In addition to the requirement of Board approval, now these expenses to be paid to AMC on reimbursement basis and subject to approval of the Trustee.

In pursuance of above circular, the Board has approved the limits to be charged in respect of these expenses. Accordingly effective from May 11, 2020, the Fund has charged 0.5% of daily net asset value of the Fund.

6.4 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, and from October 27, 2020 the rate has been revised to 0.125% of the average annual net assets.



		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- Rupees in '000 -----	
<b>7. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Remuneration of the Trustee	7.1	111	115
Sindh Sales Tax on remuneration of the Trustee	7.2	16	15
		<b>127</b>	<b>130</b>

**7.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund at the rate of 0.065% per annum of average net assets.

**7.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2020: 13%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

**8. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- Rupees in '000 -----	
<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund	9.1	24,737	23,426
Federal Excise Duty on management remuneration	9.2	45,779	45,779
Auditors' remuneration		517	569
Brokerage		1	184
Bank charges		38	43
Withholding tax		1,508	1,807
Capital gain tax		93	164
Legal and Professional charges		38	60
Others		1,052	1,062
		<b>73,763</b>	<b>73,094</b>

**9.1** The legal status of applicability of Worker's Welfare Fund (WWF) and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 24.737 million for the half year ended (June 30, 2020 Rs. 23.426 million) in this condensed interim financial information. Had the provision not been made, net assets value per unit at December 31, 2020 would have been higher by Rs. 0.1183 per unit (June 30, 2020: Rs. 0.1074 per unit).

**9.2** The legal status of applicability of Federal Excise Duty (FED) on the Fund is same as disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal, filed by tax authorities against the order in the Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

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. 45.78 million as at June 30, 2020. Had the provision not being made, the net asset value per unit as at December 31, 2020 would have been higher by Rs.0.2189 per unit (June 30, 2020: Rs.0.2099 per unit).



## 10. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2020 and June 30, 2020.

## 11. TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90% of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

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.

## 12. TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the period divided by average net assets value for the period) is 1.29% per annum including 0.19% representing government levies on collective investment scheme such as sales tax, worker's welfare fund and Securities and Exchange Commission of Pakistan fee for the period.

## 13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

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

**13.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

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

	----- (Un-audited) ----- Half year ended	
	December 31, 2020	December 31, 2019
	----- Rupees in '000 -----	
<b>13.5 Transactions during the period</b>		
<b>NBP Fund Management Limited (Management Company)</b>		
Remuneration of the Management Company	3,591	4,933
Sindh Sales Tax on remuneration of the Management Company	467	641
Reimbursement of operational expenses to the Management Company	1,174	1,125
Selling and Marketing Expense	5,409	7,471
Sales Load	73	-
Sales tax on sales load	10	-



	----- (Un-audited) ----- Half year ended	
	December 31, 2020	December 31, 2019
	----- Rupees in '000 -----	
<b>National Bank of Pakistan (Parent of the Management Company)</b>		
Bank profit earned in saving account	119	243
Market Treasury Bills purchased during the period	-	784,340
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee for the period	703	731
Sindh Sales Tax for the period on Trustee fee	91	95
<b>Portfolios managed by management Company</b>		
Market Treasury bill sold during the period	-	133,998
Units issued / transferred out in 4,274,070 units (2019: Nil)	43,660	-
<b>Muhammad Murtaza Ali (Company Secretary and Chief Operating Officer of the Management Company)</b>		
Dividend reinvested Nil units (2019: 126 units)	-	1
<b>Employees of the Management Company</b>		
Dividend reinvested 7,825 units (2019: 9,313 units)	80	95
Units issued / transferred in 16,196 units (2019: 75,562 units)	165	770
Units redeemed / transferred out 223,529 units (2019: 137,684 units)	2,286	1,409
<b>NBP Employees Pension Fund - Subsidiary of parent company</b>		
Dividend reinvested 688,961 units (2019: 1,305,599 units)	7,029	13,304
<b>Fauji Fertilizer Company Limited- Common directorship</b>		
Dividend reinvested 4 units (2019: 834,411 units)	-	8,502
Units Issued / transferred In 48,976,303 units (2019: 52,031,820 units)	500,004	530,000
Units redeemed / transferred Out 48,975,914 units (2019: 52,866,231 unnnits)	501,322	539,082
<b>Taurus Securities Limited- Subsidiary of parent company</b>		
Dividend reinvest Nil units (2019: 380,374 units)	-	3,880
Units issued / transferred In Nil units (2019: 9,817,504 units)	-	100,000
Units redeemed / transferred Out Nil units (2019: 4,864,144 units)	-	50,000
<b>NBP Financial Sector Income Fund- Entity managed by management company</b>		
Market Treasury Bills purchased during the period	24,966	-
<b>Pakistan Stock Exchange Limited-Common Directorship</b>		
Listing Fee paid	25	25
<b>National Fullerton Asset Management Limited - Provident fund of management company.</b>		
Units issued / transferred in 554,926 units (2019: Nil)	5,666	-
Units redeemed / transferred out 437,453 units (2019: Nil)	4,482	-





----- (Un-audited) -----  
Half year ended  
December 31, December 31,  
2020 2019  
----- Rupees in '000 -----

**K & N's Foods Private Limited**

(Unit holder of 10% or more of units of the CIS)

Dividend reinvested 1,567,304 units (2019: 3,002,318 units) **15,990** 30,584

**Fauji Akbar Portia Marine Terminals Limited**

(Unit holder of 10% or more of units of the CIS)

Dividend reinvested 911,339 units (2019: 1,298,531 units) **9,298** 11,415

Units redeemed Nil units (2019: 4,970,227 units) - 51,000

Units issued Nil units (2019: 39,071,576 units) - 399,800

(Un-audited) (Audited)  
December 31, June 30,  
2020 2020

**13.6 Amounts outstanding as at period / year end are as follows:**

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

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

Remuneration of the Management Company **347** 739

Sindh Sales Tax on remuneration of the Management Company **45** 96

Operational expenses **611** 614

Selling and marketing expense Payable **2,591** 3,692

Other Payable **8** -

Sales Load **73** -

Sales tax on sales load **10** -

**Central Depository Company of Pakistan Limited (Trustee)**

Remuneration of the Trustee **113** 115

Sindh Sales Tax on remuneration of the Trustee **15** 15

**National Bank of Pakistan**

(Parent of the Management Company)

Bank balance **2,657** 4,027

Mark up receivable **130** 230

**BankIslami Pakistan Limited(Related Party)**

Bank balance **293** -

**Employees of the Management Company**

Investment held in the Fund: 310,700 units (June 30, 2020: 510,269 units) **3,174** 5,206

**NBP Employees Pension Fund - (Unit holder of 10% or more of units of the CIS)**

Investment held in the Fund: 24,520,468 units (June 30, 2020: 23,831,507 units) **250,528** 243,134

**K & N's Foods Private Limited**

(Unit holder of 10% or more of units of the CIS)

Investment held in the Fund: 65,460,982 units (June 30, 2020: 63,893,677 units) **668,821** 651,856





	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	----- Rupees in '000 -----	
<b>Fauji Akbar Portia Marine Terminals Ltd.</b> <b>(Unit holder of 10% or more of units of the CIS)</b>		
Investment held in the Fund: 38,063,527 units (June 30,2020: 37,152,188 units)	<b>388,899</b>	379,034
<b>**Fauji Fertilizer Company Limited- Related Party</b>		
Investment held in the Fund: 394 units (June 30,2020: Nil)	<b>4</b>	-
<b>Portfolio managed by the Management company- Related Party</b>		
Investment held in the Fund: 4,274,070 units (June 30,2020: Nil)	<b>43,669</b>	-
<b>National Fullerton Asset Management Ltd Emp Provident Fund-Related Party</b>		
Investment held in the Fund: 117,473 units (June 30,2020: Nil)	<b>1,200</b>	-

\* Current period transactions / balances with these parties have not been disclosed as they did not remain connected persons and related parties during / as at period end.

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

## 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.



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

	Note	Carrying amount			Fair value			
		At Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>December 31, 2020</b>								
<b>Financial assets measured at fair value</b>								
Government securities - Market Treasury Bills	5	2,174,509	-	2,174,509	-	2,174,509	-	2,174,509
<b>Financial assets not measured at fair value</b>								
Bank balances	4	-	2,264,382	2,264,382	-	-	-	-
Markup on bank balances		-	3,779	3,779	-	-	-	-
		-	2,268,161	2,268,161	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Payable to NBP Fund Management Limited - Management Company	6	-	3,685	3,685	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	7	-	127	127	-	-	-	-
Payable against purchase of investment		-	2,174,430	2,174,430	-	-	-	-
Payable against redemption of units		-	63,298	63,298	-	-	-	-
Accrued expenses and other liabilities	9	-	1,646	1,646	-	-	-	-
		-	2,243,186	2,243,186	-	-	-	-
<b>June 30, 2020</b>								
<b>Financial assets measured at fair value</b>								
Government Securities - Market Treasury Bills	5	1,578,034	-	1,578,034	-	1,578,034	-	1,578,034
<b>Financial assets not measured at fair value</b>								
Bank balances	4	-	651,697	651,697	-	-	-	-
Markup on bank balances		-	4,185	4,185	-	-	-	-
Receivable against transfer of units		-	64,000	64,000	-	-	-	-
		-	719,882	719,882	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Payable to the Management Company	7	-	5,141	5,141	-	-	-	-
Remuneration payable to the Trustee	8	-	130	130	-	-	-	-
Payable against purchase of investments		-	-	-	-	-	-	-
Payable against redemption of units		-	3,918	3,918	-	-	-	-
Accrued expenses and other liabilities	9	-	1,918	1,918	-	-	-	-
		-	11,107	11,107	-	-	-	-



## 15. INTERIM DISTRIBUTIONS MADE DURING THE YEAR

Rate per unit	Declaration date	Cash distribution		
		Capital value	Undistributed income	Total

----- For the period ended December 31, 2020 -----

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

For the month of July 2020	Re. 0.0422	July 28, 2020	(104)	(8,903)	(9,007)
For the month of August 2020	Re. 0.0478	August 28, 2020	(34)	(9,940)	(9,974)
For the month of September 2020	Re. 0.0523	September 28, 2020	(45)	(10,487)	(10,532)
For the month of October 2020	Re. 0.0498	October 27, 2020	(18)	(9,944)	(9,962)
For the month of November 2020	Re. 0.0513	November 26, 2020	(42)	(10,219)	(10,261)
For the month of December 2020	Re. 0.0481	December 24, 2020	(409)	(9,365)	(9,774)
			(652)	(58,858)	(59,510)

----- For the period ended June 30, 2020 -----

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

For the month of July 2019	Re. 0.0956	July 30, 2019	(3,322)	(17,677)	(20,999)
For the month of August 2019	Re. 0.1033	August 29, 2019	(946)	(22,556)	(23,502)
For the month of September 2019	Re. 0.1017	September 28, 2019	(1,878)	(25,312)	(27,190)
For the month of October 2019	Re. 0.1109	October 29, 2019	(84)	(23,845)	(23,929)
For the month of November 2019	Re. 0.0971	November 28, 2019	(129)	(20,502)	(20,631)
For the month of December 2019	Re. 0.1002	December 27, 2019	(165)	(20,630)	(20,795)
			(6,524)	(130,522)	(137,046)

## 16. GENERAL

16.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

16.2 These condensed interim financial statements are unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended December 31, 2020 in these condensed interim financial statements, wherever appearing, have not been reviewed by the auditors.

## 17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 26, 2021 by the Board of directors of the Management Company.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## Head Office

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