



NBP FUNDS

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NBP MAHANA AMDANI 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 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
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 Shahr-e-Faisal, Karachi.

Bankers to the Fund

Albaraka Bank of Pakistan
Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Faysal Bank Limited



Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Khushhali Bank Limited
MCB Bank Limited
Meezan Bank Limited
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Summit Bank Limited
Telenor Microfinance Bank Limited
The First Microfinance Bank Limited
The Bank of Punjab
U Microfinance Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited
Mobilink Microfinance Bank Limited

Multan Office:

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

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

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

DIRECTORS' REPORT

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

Fund's Performance

The size of NBP Mahana Amdani Fund has increased from Rs. 2,928 million to Rs. 5,820 million during the period, a notable growth of 99%. During the period, the unit price of the Fund has increased from Rs. 9.8269 (Ex-Div) on June 30, 2020 to Rs. 10.1926 on December 31, 2020, thus showing a return of 7.4% p.a. as compared to the benchmark return of 7.2% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

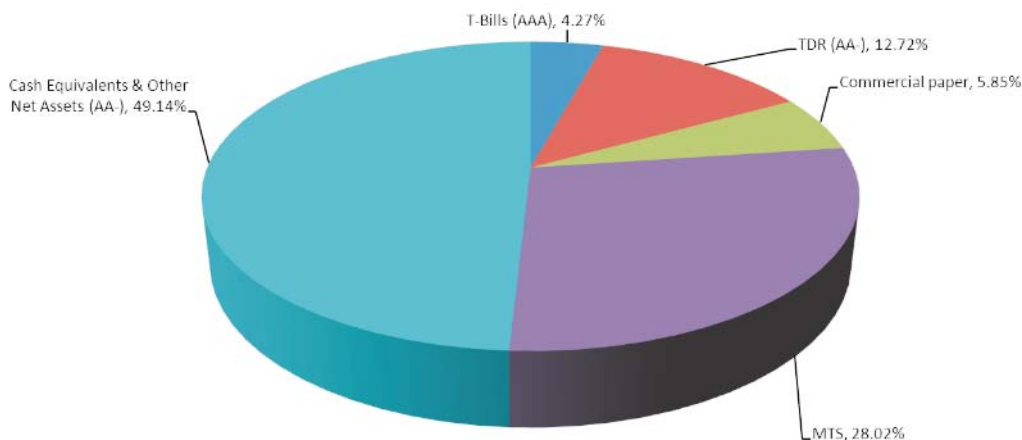
The Fund is rated 'AA-(f)' by PACRA, which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund is allowed to invest in MTS. However, NBP Funds' internal guidelines permit financing in only fundamentally strong companies. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rate of return with no direct exposure to the stock market.

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.

During the period, the SBP realized Rs. 5.1 trillion in thirteen T-Bills auctions. 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 coming months. 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. In the six PIB auctions, the SBP realized an amount of Rs. 292 billion. In the last auction, cut-off yields for 3-year, 15-year and 20-year tenures were noted at 8.24%, 10.00% and 10.58%, respectively.

The Fund has earned a total income of Rs. 256.170 million during the period. After deducting total expenses of Rs. 43.226 million, the net income is Rs. 212.944 million

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



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 3.557% of the opening ex-NAV (3.620% 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 مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2020ء کو ختم ہونے والی ششماہی کے لئے NBP ماہانہ آمدنی فنڈ (NMAF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP ماہانہ آمدنی فنڈ کا سائز 2,928 ملین روپے سے بڑھ کر 5,820 ملین روپے یعنی 99% کا غیر معمولی اضافہ ہوا۔ اس مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 9.8269 روپے سے بڑھ کر 31 دسمبر 2020ء کو 10.1926 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے بیچ مارک منافع 7.2% کے مقابلے میں 7.4% منافع درج کرایا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

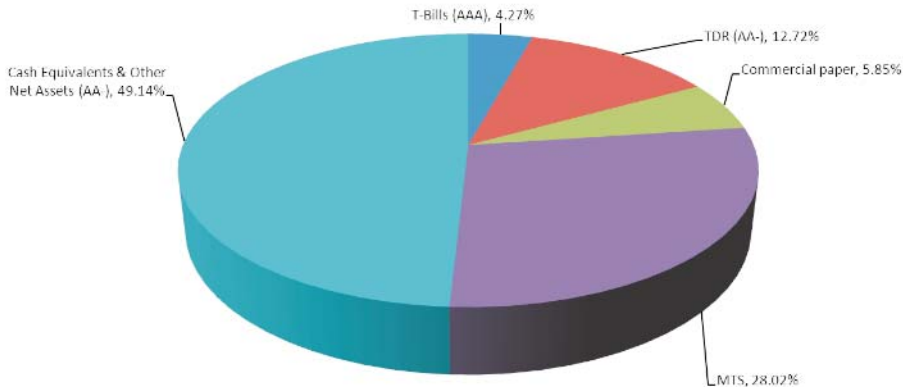
فنڈ کو PACRA کی طرف سے AA-(f) کی ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشاندہی کرتی ہے۔ فنڈ کو MTS میں سرمایہ کاری کی اجازت ہے، تاہم NBP فنڈز کی داخلی ہدایات صرف بنیادی طور پر مستحکم کمپنیوں میں سرمایہ کاری کی اجازت دیتی ہیں۔ یہ یہاں ذکر مناسب ہے کہ اس ایسیٹ کلاس میں فنڈ منافع کی پہلے سے طے شدہ شرح منافع پر فائنانسنگ فراہم کرتا ہے اور اسٹاک مارکیٹ میں براہ راست سرمایہ کاری نہیں کرتا۔

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۔ ایشیائے 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۔ چھ PIB نیلامیوں میں، اسٹیٹ بینک کو مجموعی 292 بلین روپے کی رقم حاصل ہوئی۔ گزشتہ نیلامی میں، 3 سال، 15 سال اور 20 سال مدت کی کٹ آف منافع بالترتیب 8.24 فیصد، 10.00 فیصد اور 10.58 فیصد درج کیا گیا۔

فنڈ کو اس مدت کے دوران 256.170 ملین روپے کی مجموعی آمدنی ہوئی۔ 43.226 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 212.944 ملین روپے ہے۔

درج ذیل چارٹ 31 دسمبر 2020 کو NBP ماہانہ آمدنی فنڈ کی ایسٹ ایلیویشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





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 ٹھٹس 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 Mahana Amdani 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 AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Mahana Amdani 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 and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2020. The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with 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. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

We conducted our review in accordance with the 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 26, 2021

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) -----	
ASSETS			
Bank balances	4	2,839,142	2,300,436
Investments	5	1,329,214	229,418
Receivable against Margin Trading System (MTS)	6	1,630,615	337,740
Profit receivable		29,810	15,424
Deposits, prepayments and other receivables		363	614
Receivable against transfer of units		74,578	104,640
Total assets		<u>5,903,722</u>	<u>2,988,272</u>
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	7	33,804	16,749
Payable to Central Depository Company of Pakistan Limited - Trustee		1,024	249
Payable to the Securities and Exchange Commission of Pakistan	8	598	361
Payable against redemption of units		4,823	13,891
Accrued expenses and other liabilities	9	43,816	29,111
Total liabilities		<u>84,065</u>	<u>60,361</u>
NET ASSETS		<u>5,819,657</u>	<u>2,927,911</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>5,819,657</u>	<u>2,927,911</u>
CONTINGENCIES AND COMMITMENTS	10	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		<u>570,969,123</u>	<u>287,712,816</u>
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT	11	<u>10.1926</u>	<u>10.1765</u>

The annexed notes 1 to 18 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 AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	Note ----- (Rupees in '000) -----			
INCOME				
Profit on bank deposits	132,346	52,790	73,625	34,887
Income on government securities	32,989	1,496	24,136	1,479
Income on commercial papers	9,014	4,672	6,801	3,603
Income on term deposit receipts	8,909	4,724	7,729	2,941
Income on letter of placement	3,404	-	-	-
Income from Margin Trading System (MTS)	69,787	1,820	34,905	1,820
	256,449	65,502	147,196	44,730
(Loss) / gain on sale of investments - net	(284)	1	-	(1)
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5	14	9	14
	(279)	15	9	13
Total income	256,170	65,517	147,205	44,743
EXPENSES				
Remuneration of NBP Fund Management Limited - Management Company	4,489	2,495	2,691	1,332
Sindh sales tax on remuneration of Management Company	584	324	350	173
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,244	343	1,345	235
Sindh sales tax on remuneration of Trustee	292	45	175	31
Annual fee of the Securities and Exchange Commission of Pakistan	598	91	358	62
Allocated expenses	3,312	457	2,114	313
Selling and marketing expenses	18,248	3,149	12,558	2,189
Settlement and bank charges	8,072	191	4,061	96
Annual listing fee	14	14	7	7
Auditors' remuneration	443	358	262	201
Legal and professional charges	116	51	93	42
Annual rating fee	264	240	132	120
NCCPL fee	127	125	127	125
Printing and other charges	77	188	-	66
Total operating expenses	38,880	8,071	24,273	4,992
Net income from operating activities	217,290	57,446	122,932	39,751
Provision against Sindh Workers' Welfare Fund	(4,346)	(1,149)	(2,459)	(795)
Net income for the period before taxation	212,944	56,297	120,473	38,956
Taxation	-	-	-	-
Net income for the period after taxation	212,944	56,297	120,473	38,956
Earnings per unit				
Allocation of net income for the period				
Net income for the period after taxation	212,944	56,297	120,473	38,956
Income already paid on units redeemed	(99,898)	(7,142)	(88,655)	(5,841)
	113,046	49,155	31,818	33,115
Accounting income available for distribution				
- Relating to capital gains	-	15	9	14
- Excluding capital gains	113,046	49,140	31,809	33,101
	113,046	49,155	31,818	33,115

The annexed notes 1 to 18 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 December 31,		Quarter ended, December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	212,944	56,297	120,473	38,956
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>212,944</u>	<u>56,297</u>	<u>120,473</u>	<u>38,956</u>

The annexed notes 1 to 18 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			Half year ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees in '000)						
Net assets at the beginning of the period (audited)	2,913,724	14,187	2,927,911	534,778	10,254	545,032
Issuance of 1,122,381,645 units (2019: 213,601,442 units)						
- Capital value	11,421,917	-	11,421,917	2,170,811	-	2,170,811
- Element of income	180,697	-	180,697	100,644	-	100,644
Total proceeds on issuance of units	11,602,614	-	11,602,614	2,271,455	-	2,271,455
Redemption of 839,125,338 units (2019: 56,143,144 units)						
- Capital value	(8,539,359)	-	(8,539,359)	(570,577)	-	(570,577)
- Element of loss	(111,769)	(99,898)	(211,667)	(14,217)	(7,142)	(21,359)
Total payments on redemption of units	(8,651,128)	(99,898)	(8,751,026)	(584,794)	(7,142)	(591,936)
Total comprehensive income for the period	-	212,944	212,944	-	56,297	56,297
Distribution during the period						
@ Re 0.3620 per unit (date of declaration: December 24, 2020)	(67,711)	(105,075)	(172,786)	-	-	-
Net assets at the end of the period (un-audited)	5,797,499	22,158	5,819,657	2,221,439	59,409	2,280,848
Undistributed income brought forward						
- Realised income		14,106			10,261	
- Unrealised income / (loss)		81			(7)	
		14,187			10,254	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		113,046			49,155	
		113,046			49,155	
Distributions during the period		(105,075)			-	
Undistributed income carried forward		22,158			59,409	
Undistributed income carried forward						
- Realised income		22,153			59,395	
- Unrealised income		5			14	
		22,158			59,409	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			10.1765			10.1629
Net asset value per unit at the end of the period			10.1926			10.8052

The annexed notes 1 to 18 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

	Half year ended	
	December 31,	
	2020	2019
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	212,944	56,297
Adjustments:		
Profit on bank deposits	(132,346)	(52,790)
Income on government securities	(32,989)	(1,496)
Income on commercial papers	(9,014)	(4,672)
Income on term deposit receipts	(8,909)	(4,724)
Income on letter of placement	(3,404)	-
Income from Margin Trading System (MTS)	(69,787)	(1,820)
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - Net	(5)	(14)
Provision against Sindh Workers' Welfare Fund	4,346	1,149
	(252,108)	(64,367)
(Increase) / decrease in assets		
Investments - net	(310,504)	(156,353)
Receivable against Margin Trading System	(1,292,875)	(78,054)
Deposits, prepayments and other receivables	251	226
	(1,603,128)	(234,181)
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	17,055	2,009
Payable to Central Depository Company of Pakistan Limited - Trustee	775	90
Payable to the Securities and Exchange Commission of Pakistan	237	(236)
Accrued expenses and other liabilities	10,359	(62)
	28,426	1,801
Profit received on bank deposits, term deposit receipts, government securities, commercial paper, letter of placement and margin trading system (MTS)	242,063	46,562
Net cash used in operating activities	(1,371,803)	(193,888)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	11,564,965	2,272,268
Amount paid against redemption of units	(8,760,094)	(540,919)
Distributions paid	(105,075)	-
Net cash flows generated from financing activities	2,699,796	1,731,349
Net increase in cash and cash equivalents during the period	1,327,993	1,537,461
Cash and cash equivalents at the beginning of the period	2,499,854	465,647
Cash and cash equivalents at the end of the period	4.3 3,827,847	2,003,108

The annexed notes 1 to 18 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

NBP Mahana Amdani 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 approved by the Securities and Exchange Commission of Pakistan (SECP) on October 9, 2009.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from November 21, 2009 and are transferable and redeemable by surrendering them to the Fund.

The objectives of the Fund are to minimise risk, preserve capital and to provide reasonable return to investors along with a high degree of liquidity from a portfolio primarily constituting of bank deposits and money market investments.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (June 30, 2020: AM1 on December 24, 2019) on June 24, 2020. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has maintained the stability rating of the Fund to "AA-(f)" on October 16, 2020 (June 30, 2020: "AA-(f)" on April 17, 2020).

The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

1.1 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 half year 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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 with the requirements of IAS 34, 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 the requirements of the Trust Deed have been followed.

2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

2.3 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 these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

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

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual 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 as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the audited annual financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2020.

3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2021. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4 BANK BALANCES

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
Balances with banks in:			
Savings accounts	4.1	2,834,022	2,294,987
Current accounts	4.2	5,120	5,449
		2,839,142	2,300,436

4.1 These include balances amounting to Rs 17.160 million (June 30, 2020: Rs 0.839 million) , Rs 5.543 million (June 30, 2020: Rs 7.302 million), Rs 0.001 million (June 30, 2020: Nil) and Rs 529.935 million (June 30, 2020: Nil) maintained with Bank Islami Pakistan Limited, National Bank of Pakistan, Telenor Microfinance Bank Limited and Khushhali Bank Limited (related parties) respectively, that carry profit at the rate of 7% (June 30, 2020: 7%) per annum, 4.5% (June 30, 2020: 4.50%) per annum, 13% (June 30, 2020: Nil) per annum and 9.8% (June 30, 2020: Nil) per annum respectively. Other savings accounts of the Fund carry profits at the rates ranging from 5.5% to 9% (June 30, 2020: 6.5% to 15.5%) per annum.

4.2 These include balances of Rs 1.751 million (June 30, 2020: Rs 1.75 million) maintained with National Bank of Pakistan (a related party).

4.3 Cash and cash equivalents:

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
Balances with banks	4	2,839,142	2,300,436
Term deposit receipt	5.2	740,000	-
Government securities - Market Treasury Bills	5.1	248,705	199,418
		3,827,847	2,499,854



5 INVESTMENTS	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
At fair value through profit or loss			
Government securities - Market Treasury Bills	5.1	248,705	199,418
Term deposit receipts	5.2	740,000	30,000
Commercial papers	5.3	340,509	-
Letter of placement	5.4	-	-
		<u>1,329,214</u>	<u>229,418</u>

5.1 Government securities - Market Treasury Bills

Issue date	Tenor in months	Face value				Market value as at December 31, 2020	Unrealised appreciation	Market value as a percentage of	
		As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020			total investments	net assets
						(Rupees in '000) ----- (%) -----			
August 29, 2019	12	-	500,000	500,000	-	-	-	-	-
September 12, 2019	12	-	300,000	300,000	-	-	-	-	-
October 10, 2019	12	-	500,000	500,000	-	-	-	-	-
November 7, 2019	12	-	450,000	450,000	-	-	-	-	-
December 5, 2019	12	-	500,000	500,000	-	-	-	-	-
December 19, 2019	12	-	249,800	249,800	-	-	-	-	-
April 23, 2020	3	200,000	-	200,000	-	-	-	-	-
May 7, 2020	6	-	1,650,000	1,650,000	-	-	-	-	-
July 16, 2020	3	-	75,000	75,000	-	-	-	-	-
July 16, 2020	6	-	75,000	75,000	-	-	-	-	-
August 13, 2020	3	-	1,100,000	1,100,000	-	-	-	-	-
August 27, 2020	3	-	3,750,000	3,750,000	-	-	-	-	-
September 10, 2020	3	-	1,100,000	1,100,000	-	-	-	-	-
September 24, 2020	3	-	200,000	200,000	-	-	-	-	-
October 22, 2020	3	-	400,000	400,000	-	-	-	-	-
November 5, 2020	3	-	250,000	-	250,000	248,705	5	18.71%	4.27%
November 19, 2020	3	-	250,000	250,000	-	-	-	-	-
Total		200,000	11,349,800	11,299,800	250,000	248,705	5		
Carrying value as at December 31, 2020						248,700			
Market value as at June 30, 2020						199,418			
Carrying value as at June 30, 2020						199,337			

5.1.1 These carry purchase yield of 7.15% (June 30, 2020: 7.99%) and are due to mature on January 28, 2021.

5.1.2 Investments in Market Treasury Bills with market value of Rs 248.705 million (June 30, 2020: Rs 199.418 million) have been pledged with National Clearing Company of Pakistan Limited as collateral against margin in accordance with Circular 11 of 2007 by the SECP.



5.2 Term deposit receipt

Name of the investee company	Rating of investee company	Placement Date	Profit rate	As at July 1, 2020	Placed during the period	Matured during the period	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of total investments	Market value as a percentage of net assets
							----- Rupees in '000 -----		----- Percentage -----	
Mobilink Microfinance Bank Limited	A, PACRA	October 22, 2019	15.60%	30,000	-	30,000	-	-	-	-
Soneri Bank Limited	AA-, PACRA	November 11, 2020	7.40%	-	700,000	-	700,000	700,000	52.66%	12.03%
Soneri Bank Limited	AA-, PACRA	December 3, 2020	7.40%	-	40,000	-	40,000	40,000	3.01%	0.69%
Total as at December 31, 2020							<u>740,000</u>	<u>740,000</u>		
Total as at June 30, 2020							<u>30,000</u>	<u>30,000</u>		

5.2.1 These carry profit at the rate of 7.4% (June 30, 2020: 15.6%) per annum and are due to mature latest by March 3, 2021.

5.3 Commercial papers

Name of security	Security rating	Number of certificates				As at December 31, 2020			Market value as a percentage of	
		As at July 1, 2020	Purchased during the period	Matured during the period	As at December 31, 2020	Carrying value	Market value	Unrealised appreciation / (diminution)	total invest-ments	net assets
----- (Rupees in '000) -----										
K-Electric Limited CP 10	A-1+, VIS	-	196,000	-	196,000	193,651	193,651	-	14.57%	3.33%
K-Electric Limited CP 11	A-1+, VIS	-	149,000	-	149,000	146,858	146,858	-	11.05%	2.52%
Total as at December 31, 2020						<u>340,509</u>	<u>340,509</u>			
Total as at June 30, 2020						<u>-</u>	<u>-</u>			

5.3.1 These carry profit ranging from 8.13% to 8.15% (June 30, 2020: Nil) per annum and are due to mature latest by March 9, 2021.

5.4 Letter of placement

Name of the investee company	Rating of investee company	Maturity date	As at July 1, 2020	Amount placed		As at December 31, 2020	As at December 31, 2020		Market value as a percentage of	
				Purchased during the period	Matured during the period		Carrying value	Market value	Total investments	Net assets
----- (Rupees in '000) -----										
----- (%) -----										
DEVELOPMENT FINANCE INSTITUTION										
Pak Kuwait Investment Company Limited	CGR-9, VIS	August 27, 2020	-	300,000	300,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	CGR-9, VIS	September 25, 2020	-	301,726	301,726	-	-	-	-	-
Total as at December 31, 2020						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2020						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
5.5 Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - Net			
Market value of investments	5.1, 5.2, 5.3 & 5.4	1,329,214	229,418
Less: carrying value of investments	5.1, 5.2, 5.3 & 5.4	(1,329,209)	(229,337)
		<u>5</u>	<u>81</u>

6 RECEIVABLE AGAINST MARGIN TRADING SYSTEM

Receivable against MTS	6.1	<u>1,630,615</u>	<u>337,740</u>
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6.1 This carried average profit rate of 9.82% (June 30, 2020: 10.05%) per annum.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
7 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Remuneration payable to the Management Company	7.1	836	352
Sindh sales tax on remuneration of the Management Company	7.2	108	45
Provision for Federal Excise Duty on remuneration of the Management Company	7.3	10,620	10,620
Provision for Federal Excise Duty on sales load	7.3	292	292
Allocated expenses payable	7.4	2,114	636
Selling and marketing expenses payable	7.5	12,558	2,546
Sales and transfer load payable		5,807	1,743
Sindh sales tax on sales load		755	227
Others		714	288
		<u>33,804</u>	<u>16,749</u>

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration under the following rates:

Rate applicable from July 1, 2020 to December 31, 2020	Rate applicable from July 1, 2019 to July 11, 2019	Rate applicable from July 12, 2019 to November 26, 2019	Rate applicable from November 27, 2019 to December 12, 2019	Rate applicable from December 13, 2019 to June 30, 2020
1% of net income of the Fund subject to floor and capping of 0.15% and 1% per annum of average annual net assets	7% of net income of the Fund subject to floor and capping of 0.5% and 1.5% per annum of average annual net assets	6% of net income of the Fund subject to floor and capping of 0.5% and 1.5% per annum of average annual net assets	3% of net income of the Fund subject to floor and capping of 0.4% and 1% per annum of average annual net assets	1% of net income of the Fund subject to floor and capping of 0.15% and 1% per annum of average annual net assets

The remuneration is payable to the Management Company in arrears.



7.2 During the period, an amount of Rs 0.584 million (December 31, 2019: Rs. 0.324 million) was charged on account of sales tax on management fee levied through the Sindh Sales tax on Services Act, 2011 at the rate of 13%.

7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (HSC) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 10.912 million (June 30, 2020: Rs 10.912 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re 0.0191 (June 30, 2020: Re 0.038) per unit.

7.4 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%.

Accordingly, the Management Company based on its discretion has charged accounting and operational charges under the following rates:

Rate applicable from July 1, 2020 to October 26, 2020	Rate applicable from October 27, 2020 to December 31, 2020	Rate applicable from July 1, 2019 to June 30, 2020
0.1% of average annual net assets	0.125% of average annual net assets	0.1% of average annual net assets

7.5 The SECP has allowed the asset management companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019) subject to maximum cap of 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% had been removed and an asset management company was required to set a maximum limit for charging of such expenses to the Fund and the same has to be approved by the Board of Directors of the Management Company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.



Accordingly, the management company has currently charged selling and marketing expenses at following rates:

Rate applicable from July 1, 2020 to September 13, 2020	Rate applicable from September 14, 2020 to December 31, 2020	Rate applicable from July 1, 2019 to July 11, 2019	Rate applicable from July 12, 2019 to January 19, 2020	Rate applicable from January 20, 2020 till June 30, 2020
0.4% per annum of average daily net assets	0.7% per annum of average daily net assets	0.4% per annum of average daily net assets	0.7% per annum of average daily net assets	0.4% per annum of average daily net assets

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
8	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	(Rupees in '000)

Annual fee payable	8.1	<u>598</u>	<u>361</u>
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8.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

As per the guideline issued by the SECP vide its SRO No. 685(I)/2019 dated June 28, 2019, the Fund has charged the SECP fee at the rate of 0.02% (June 30, 2020: 0.02%) of average annual net assets.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Rupees in '000)

Provision against Sindh Workers' Welfare Fund	9.1	10,991	6,645
Auditors' remuneration		397	456
Printing charges payable		28	50
Brokerage payable		9	-
Settlement charges payable		127	-
Bank charges payable		20	145
Withholding tax payable		19,370	17,683
Capital gains tax payable		11,532	2,529
Legal and professional charges payable		105	85
Laga and levy charges payable		232	513
Others		1,005	1,005
		<u>43,816</u>	<u>29,111</u>

9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken



up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014.

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period ended December 31, 2020, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re 0.019 (June 30, 2020: 0.023) per unit.

10 CONTINGENCIES AND COMMITMENTS

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

11 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

12 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 the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

13 EARNINGS PER UNIT

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

14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.44% (December 31, 2019: 2%) which includes 0.19% (December 31, 2019: 0.35%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (December 31, 2019: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

15.1 Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, 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, directors and their close family members and key management personnel of the Management Company.

15.2 Transactions with connected persons / related parties are executed on an arm's length basis and essentially

comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

15.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

15.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

15.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

15.6 Details of the transactions with related parties / connected persons during the period are as follows:

	(Un-audited)	
	Half year ended	
	December 31,	
	2020	2019
	----- (Rupees in '000) -----	
NBP Fund Management Limited - the Management Company		
Remuneration of NBP Fund Management Limited - the Management Company	4,489	2,495
Sindh sales tax on remuneration of Management Company	584	324
Sales load	24,019	1,003
Allocated expenses	3,312	457
Selling and marketing expenses	18,248	3,149
Units issued during the period - 47,489,425 units (December 31, 2019: Nil units)	492,022	-
Units redeemed during the period - 59,814,143 units (December 31, 2019: Nil units)	619,803	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	2,244	343
Sindh sales tax on remuneration of the Trustee	292	45
Settlement charges	1,405	8
Employees of the Management Company		
Dividend reinvest units issued: 33,395 units (December 31, 2019: Nil)	340	-
Units issued - 26,553,157 units (December 31, 2019: 51,320 units)	274,426	535
Units redeemed - 21,075,817 units (December 31, 2019: 42,074 units)	219,743	499
NBP Endowment Fund Student Loan Scheme		
Units redeemed - Nil units (December 31, 2019: 15,958 units)	-	166
Dr Amjad Waheed - Chief Executive Officer of the Management Company		
Dividend reinvest units issued: 1 unit (December 31, 2019: Nil units) ***	-	-
Units issued - 75 units (December 31, 2019: 83,842 units)	1	900
Muhammad Murtaza Ali - Company Secretary / Chief Operation Officer of the Management Company		
Dividend reinvest units issued: 2,309 units (December 31, 2019: Nil units)	24	-
Units redeemed - 95,638 units (December 31, 2019: Nil units)	1,003	-
Ali Saigol - Director		
Dividend reinvest units issued: 31 units (December 31, 2019: Nil units)	-	-

	(Un-audited)	
	Half year ended	
	December 31,	
	2020	2019
	----- (Rupees in '000) -----	
Abdul Rasheed Jan Mohammad - unit holder with more than 10% holding**		
Units issued - Nil units (December 31, 2019: 40,120,757 units)	-	428,478
Bulk Management Pak Private Limited - unit holder with more than 10% holding**		
Units issued - Nil units (December 31, 2019: 63,396,084 units)	-	50,000
Units redeemed - Nil units (December 31, 2019: 4,627,402 units)	-	677,051
Fauji Fertilizer Company Limited - common directorship		
Units issued - 74,563,914 units (December 31, 2019: 11,665,899 units)	760,000	120,000
Units redeemed - 74,563,914 units (December 31, 2019: 11,665,899 units)	784,002	120,079
Portfolio managed by the Management Company*		
Dividend reinvest units issued: 9,604 units (December 31, 2019: Nil units)	98	-
Units issued - 40,598,533 (December 31, 2019: Nil units)	421,301	-
Units redeemed - 39,429,566 units (December 31, 2019: Nil units)	411,892	-
NBP Government Securities Saving Fund		
Purchase of Market Treasury Bills	-	82,978
Hub Power Company Limited		
Purchase of commercial paper	-	46,471
BankIslami Pakistan Limited - common directorship		
Profit on bank deposits	51	198
National Bank of Pakistan - parent company		
Profit on bank deposits	220	55
Khushhali Bank Limited - common directorship*		
Profit on bank deposits	18,257	-
Indus Motor Company Limited- unit holder with more than 10% holding*		
Units issued: 68,719,751 units (December 31, 2019: Nil)	700,000	-
National Clearing Company of Pakistan Limited - common directorship		
NCCPL fee	127	125
Pakistan Stock Exchange Limited		
Listing fee paid	25	25
The Crescent Textile Mills Employees Provident Fund Trust		
Purchase of Market Treasury Bills	4,847	-
NBP Income Opportunity Fund		
Purchase of Market Treasury Bills	149,740	-
NBP Money Market Fund		
Purchase of Market Treasury Bills	807,815	-

15.7 Amounts outstanding as at period / year end are as follows:

	(Unaudited) December 31, 2020	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
NBP Fund Management Limited - the Management Company		
Remuneration payable to the Management Company	836	352
Sindh sales tax on remuneration of the Management Company	108	45
Provision for Federal Excise Duty on remuneration of the Management Company	10,620	10,620
Provision for Federal Excise Duty on sales load	292	292
Allocated expenses payable	2,114	636
Selling and marketing expenses payable	12,558	2,546
Sales and transfer load payable	5,807	1,743
Sindh sales tax on sales load	755	227
Others	714	288
Units held: Nil units (June 30,2020: 12,324,718 units)	-	125,422
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable to the Trustee	417	175
Sindh sales tax payable on Trustee remuneration	54	23
Security deposit	100	100
Settlement charges payable	553	51
National Bank of Pakistan - parent company		
Bank balances	7,294	9,053
Profit receivable on bank deposits	26	10
National Clearing Company of Pakistan Limited - common directorship		
Security deposit	250	250
Settlement charges payable	127	-
Employees of the Management Company		
Units held: 7,863,054 units (June 30, 2020: 2,495,660 units)	80,145	25,397
BankIslami Pakistan Limited - common directorship		
Bank balances	17,160	839
Profit receivable on bank deposits	18	5
Telenor Microfinance Bank Limited - common directorship*		
Bank balances	1	-
Profit receivable on bank deposits	6	-
Khushhali Bank Limited - common directorship*		
Bank balances	529,935	-
Profit receivable on bank deposits	22	-
Indus Motor Company Limited - unit holder with more than 10% holding*		
Units held: 68,719,751 units (June 30, 2020: Nil units)	700,433	-
Dr. Amjad Waheed - Chief Executive Officer		
Units held: 76 units (June 30, 2020: Nil units)	1	-
Portfolio managed by the Management Company*		
Units held: 1,178,570 units (June 30, 2020: Nil units)	12,013	-
Muhammad Murtaza Ali - Company Secretary / COO		
Units held: 78,683 units (June 30, 2020: 172,012 units)	802	1,750
Ali Saigol - Director		
Units held: 1,047 units (June 30, 2020: 1,016 units)	11	10

* Prior period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2020.

** Current period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2020.

*** Nil figures due to rounding off

16 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. Consequently, differences can arise between carrying values and the fair value estimates.

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.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value.

----- Un-audited -----				
----- As at December 31, 2020 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
At fair value through profit or loss				
Government securities - Market Treasury Bills	-	248,705	-	248,705
Term deposit receipt*	-	740,000	-	740,000
Commercial papers*	-	340,509	-	340,509
	-	1,329,214	-	1,329,214
----- Audited -----				
----- As at June 30, 2020 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
At fair value through profit or loss				
Government securities - Market Treasury Bills	-	199,418	-	199,418
Term deposit receipt*	-	30,000	-	30,000
Commercial papers*	-	-	-	-
	-	229,418	-	229,418



* The carrying value these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

17 GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

18 DATE OF AUTHORISATION FOR ISSUE

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds