



NBP FUNDS

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NBP GOVERNMENT SECURITIES FUND I



QUARTERLY REPORT
MARCH 31, 2021



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
Ms. Mehnaz Salar	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
Mr. Saad Amanullah Khan	Member

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

JS Bank Limited
Soneri Bank Limited
Habib Metropolitan Bank Limited



Auditors

KPMG Taseer Hadi & Co.
Sheikh Sultan Trust Building,
Ground No. 2 Shaheed Chaudary Aslam Road,
Civil Lines, Karachi, 75530

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.nbpfonds.com

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office

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



DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Government Securities Fund - I (NGSF-I)** for the period ended March 31, 2021.

Fund's Performance

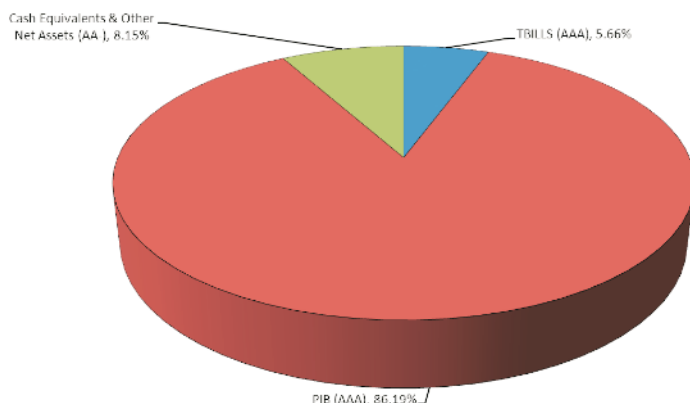
The size of NBP Government Securities Plan-I has decreased from Rs. 286 million to Rs. 194 million during the period (a decline of 32%). During the period, the unit price of the Fund has increased from Rs. 10.0391 on June 30, 2020 to Rs. 10.4459 on March 31, 2021, thus showing return of 5.4% as compared to the benchmark return of 7.2% for the same period. The performance of the Fund is net of management fee and other expenses.

NGSP-I is categorized as an Income Fund. The Fund aims to provide attractive return with capital preservation at maturity of the plan, by investing in Government Securities not exceeding maturity of the plan. NBP Government Securities Plan-I has a fixed maturity of July 12, 2021. The Fund invests a minimum of 90% in Government Securities and remaining of its assets in saving accounts with banks, which enhances liquidity profile of the Fund.

Active cases of Covid-19 declined significantly after peaking in July; the fatality rate fell sharply; and infection ratios also dropped to a low single-digit that allowed re-opening of the economy. The economic recovery picked-up steam as reflected by the frequently released economic data such as cement dispatches, retail fuels sales and automobile sales volume. On the policy response fronts, SBP slashed the Policy Rate by a cumulative 6.25% in a short span of time and government announced a Rs. 1.2 trillion stimulus package, equivalent to 2.8% of the GDP, which included relief for all sectors of the society including the under privileged, businesses, and the industries. External account also remained beneficiary of the Coronavirus pandemic thanks to a robust 24% growth in remittances during 8MFY21. The country posted a current account surplus of USD 881 million during 8MFY21 versus a Current Account Deficit (CAD) of USD 2.7 billion in the comparative period last year. The Extended Fund Facility (EFF) with the International Monetary Fund (IMF) that was put on hold in April last year, finally resumed, and as a result the central bank secured the IMF tranche of around USD 500 million. The resumption of IMF program allowed the country to borrow USD 2.5 billion by issuing Eurobonds in the international debt market.

On the income side, trading activity in corporate debt securities remained subdued during the period. The cumulative traded value stood at Rs. 19.8 billion versus Rs. 20.4 billion in the same period last year. During 9MFY21, the State Bank of Pakistan (SBP) held four Monetary Policy Committee (MPC) meetings wherein the benchmark Policy Rate was left unchanged at 7%. Sovereign yields responded to these monetary policy actions, and inflation & interest rate outlook. SBP held twenty T-Bill auctions during the period, realizing a total of Rs. 9.88 trillion. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 33 basis points, 72 basis points and 84 basis points, respectively. Similarly, 10-year PIB yields increased by 173 bps during the same period.

The Fund has earned a total income of Rs. 11.164 million during the period. After deducting total expenses of Rs. 2.715 million, the net income is Rs. 8.449 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSP-I.





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: **April 30, 2021**
Place: Karachi.



ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2021ء کو ختم ہونے والی نو ماہی کے لئے NBP گورنمنٹ سیکورٹیز فنڈ-I (NGSF-I) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

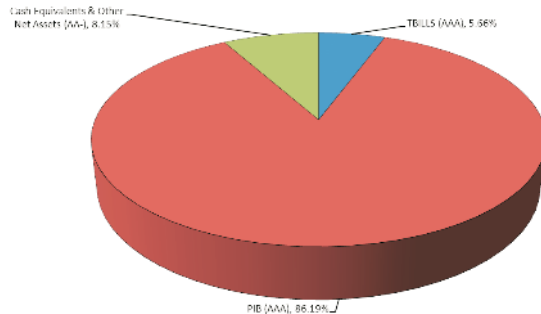
موجودہ سہ ماہی کے دوران NBP گورنمنٹ سیکورٹیز پلان-I کا سائز 286 ملین روپے سے کم ہو کر 194 ملین روپے ہو گیا یعنی 32 فیصد کمی ہوئی۔ اسی مدت کے دوران 30 جون 2020 کو فنڈ کی یونٹ قیمت 10.0391 روپے سے بڑھ کر 31 مارچ 2021ء کو 10.4459 روپے ہو گئی، لہذا اسی مدت میں اپنے بیچ مارک منافع 7.2% کے مقابلے 5.4% کا سالانہ منافع دیا۔ فنڈ کی یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NGSP-I کی انکم فنڈ کے طور پر درجہ بندی کی گئی ہے۔ فنڈ کا مقصد پلان کی میچورٹی سے قبل تک گورنمنٹ سیکورٹیز میں سرمایہ کاری کر کے پلان کی میچورٹی پر کیپٹل پر یزرویشن کے ساتھ متاثر کن منافع فراہم کرنا ہے۔ NBP گورنمنٹ سیکورٹیز پلان-I کی فکسڈ میچورٹی 12 جولائی 2021 کی ہے۔ فنڈ گورنمنٹ سیکورٹیز میں کم از کم 90% بینکوں کے ساتھ سیونگ اکاؤنٹ میں اپنے ایسیٹ انویسٹ کرنے کی اجازت دیتا ہے، جو فنڈ کی لیکویڈیٹی پر وفا کیل بڑھاتا ہے۔

جولائی میں بلندی پر پہنچنے کے بعد کوویڈ 19 کے فعال کیسز میں نمایاں کمی؛ اموات کی شرح میں تیزی سے کمی اور انفیکشن تناسب بھی کم ہو کر واحد ہندسے پر آ گیا جس نے معیشت کو دوبارہ کھولنے کی اجازت دی۔ معاشی بحالی کی رفتار سمنٹ کی ترسیل، خوردہ ایندھن کی فروخت اور آٹو موٹائل کے فروخت حجم کے اکثر جاری کردہ معاشی اعداد و شمار سے ظاہر ہوتی ہے۔ پالیسی سازی کے تناظر میں، اسٹیٹ بینک آف پاکستان نے قلیل مدت میں پالیسی شرح کو مجموعی طور پر 6.25 فیصد تک کم کر دیا اور حکومت نے ایک 1.2 ٹریلین روپے کے محرک پیکیج کا اعلان کیا، جو جی ڈی پی کے 2.8 فیصد کے مساوی ہے، جس میں معاشرے کے تمام شعبوں کو ریلیف دیا گیا ہے جن میں ہمسامہ افراد، کاروبار اور صنعتیں شامل ہیں۔ 8MFY21 کے دوران وبائی مرض کرونا وائرس کے بدولت بیرونی اکاؤنٹ پر مثبت اثر ہوا اور ترسیلات زر میں 24 فیصد اضافہ ہوا۔ ملک نے گزشتہ سال کے تقابلی دورانیہ میں 2.7 ملین امریکی ڈالر کے کرنٹ اکاؤنٹ خسارہ (CAD) کے مقابلے میں 8MFY21 کے دوران 881 ملین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس درج کیا ہے۔ بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ توسیعی فنڈ کی سہولت (EFF) جسے پچھلے سال اپریل میں روک دیا گیا تھا، آخر کار دوبارہ شروع ہو گئی، اور اس کے نتیجے میں مرکزی بینک نے آئی ایم ایف سے قریباً 500 ملین ڈالر کی رقم حاصل کی۔ آئی ایم ایف پروگرام کے دوبارہ آغاز سے بین الاقوامی ڈیٹ مارکیٹ میں یورو بانڈز جاری کر کے ملک کو 2.5 ارب ڈالر قرض لینے کا موقع ملا۔

آمدنی کے لحاظ سے، اس عرصہ کے دوران کارپوریٹ ڈیٹ سیکورٹیز میں تجارتی سرگرمی دباؤ کا شکار رہی۔ مجموعی تجارت کی مالیت پچھلے سال کے اسی عرصے میں 20.4 ملین روپے کے مقابلے 19.8 ملین روپے رہی۔ مالی سال 21 کی نو ماہی کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد کئے جن میں بیچ مارک پالیسی کی شرح کو 7 فیصد برقرار رکھا۔ ان مانیٹری پالیسی کارروائیوں، اور افراط زر اور سود کی شرح کے نقطہ نظر پر گورنمنٹ منافع میں اضافہ ہوا۔ اس مدت کے دوران اسٹیٹ بینک آف پاکستان نے بیس (20) T-Bills نیلامیوں کا انعقاد کیا، جس میں کل 9.88 ٹریلین روپے وصول کئے۔ 3 ماہ، 6 ماہ اور 12 ماہ کی مدتوں والے T-Bills کے منافع میں بالترتیب 33bps پوائنٹس، 72bps پوائنٹس اور 84bps پوائنٹس کا اضافہ ہوا۔ اسی طرح، اسی مدت کے دوران 10 سالہ PIB پیداوار میں 173 bps کا اضافہ ہوا۔

فنڈ نے موجودہ مدت کے دوران 11.164 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 2.715 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 8.449 ملین روپے ہے۔ درج ذیل چارٹ NGSP-I کی ایسٹ ایبلویشن اور اس کے ذیلی اعمائوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





اظہار تشکر

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

بورڈ اپنے اسٹاف اور ٹرسٹی 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 منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 30 اپریل 2021ء

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

		NGSP-I	
		(Un-Audited)	(Audited)
		March 31,	June 30,
		2021	2020
Note		Rupees in '000	
ASSETS			
	Balances with banks	25,293	626
4	Investments	176,789	288,231
	Profit receivables	2,695	8,564
	Prepayments and other receivables	1,952	1,654
	Preliminary expenses and floatation costs	149	550
	Total assets	206,878	299,625
LIABILITIES			
	Payable to the Management Company	967	1,056
	Payable to the Trustee	11	16
	Payable to the Securities and Exchange Commission of Pakistan	32	56
	Payable against purchase of investment	10,955	-
	Payable against redemption of units	-	3,455
	Accrued expenses and other liabilities	1,344	8,706
	Total liabilities	13,309	13,289
	NET ASSETS	193,569	286,336
	UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	193,569	286,336
	CONTINGENCIES AND COMMITMENTS		
6			
		Number of units	
	NUMBER OF UNITS IN ISSUE	18,530,593	28,522,003
		Rupees	
	NET ASSET VALUE PER UNIT	10.4459	10.0391

The annexed notes 1 to 12 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

NGSP - I				
	Nine months period ended March 31, 2021	Nine months period ended March 31, 2020	Quarter ended March 31, 2021	Quarter ended March 31, 2020
Rupees in '000				
INCOME				
Income from Market Treasury Bills	699	1,753	170	834
Amortization of (premium) / discount on Pakistan Investment Bonds	(247)	10,638	(72)	3,435
Mark up income on Pakistan Investment Bonds	10,132	14,050	2,968	4,537
Profit on bank deposits	775	1,732	307	417
Income from contingent load	262	64	6	4
(Loss) / gain on sale of investments at fair value through profit or loss (FVTPL) - net	(209)	373	(1)	-
Net unrealised (diminution) / appreciation on re-measurement of investments at FVTPL	(248)	8,552	(139)	5,613
Total income	11,164	37,162	3,239	14,840
EXPENSES				
Remuneration of the Management Company	970	1,237	288	411
Sindh Sales Tax on remuneration of the Management Company	126	161	37	54
Accounting and operational expenses	182	206	60	68
Selling and marketing expenses	162	206	48	68
Remuneration of the Trustee	97	124	29	41
Sindh Sales Tax on remuneration of the Trustee	13	16	4	5
Annual fee of the Securities and Exchange Commission of Pakistan	32	41	9	13
Amortisation of preliminary expenses and floatation costs	401	402	132	133
Securities and transaction cost	9	-	-	-
Auditors' remuneration	219	236	74	45
Legal and professional charges	79	30	45	10
Listing Fee	21	21	7	7
Settlement and bank charges	24	57	9	4
Printing expenses	52	17	17	8
Rating fee	156	150	52	42
Total operating expenses	2,543	2,904	811	909
Net income from operating activities	8,621	34,258	2,428	13,931
Provision for Sindh Workers' Welfare Fund	(172)	(685)	(48)	(279)
Net Income for the period before taxation	8,449	33,573	2,380	13,652
Taxation	-	-	-	-
Net Income for the period after taxation	8,449	33,573	2,380	13,652
Allocation of net income for the period:				
- Net income for the period after taxation	8,449	33,573	2,380	13,652
- Income already paid on units redeemed	(911)	(1,049)	(81)	(157)
	7,538	32,524	2,299	13,495
Accounting income available for distribution				
- Relating to capital gains	-	8,657	-	5,592
- Excluding capital gains	7,538	23,867	2,299	7,903
	7,538	32,524	2,299	13,495

The annexed notes 1 to 12 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	NGSP - I			
	Nine months period ended March 31, 2021	Nine months period ended March 31, 2020	Quarter ended March 31, 2021	Quarter ended March 31, 2020
	Rupees in '000			
Net profit for the period after taxation	8,449	33,573	2,380	13,652
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	8,449	33,573	2,380	13,652

The annexed notes 1 to 12 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 NINE MONTHS PERIOD ENDED MARCH 31, 2021

NGSP - I						
Nine months period ended March 31, 2021			Nine months period ended March 31, 2020			
(Rupees in '000)						
Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
Net Assets at beginning of the year						
285,231	1,105	286,336	275,920	65	275,985	
Issuance of 1,318 units (2020 : Nil units)						
13	-	13	-	-	-	
-	-	-	-	-	-	
Total proceeds on issuance of units						
13	-	13	-	-	-	
Redemption of 9,992,728 units (2020 : 2,473,101 units)						
(100,318)	-	(100,318)	(24,736)	-	(24,736)	
-	(911)	(911)	-	(1,049)	(1,049)	
Total payments on redemption of units						
(100,318)	(911)	(101,229)	(24,736)	(1,049)	(25,785)	
Total comprehensive income for the period						
	8,449	8,449	-	33,573	33,573	
Net assets at end of the period (un-audited)						
184,926	8,643	193,569	251,184	32,589	283,773	
Undistributed Income brought forward						
	(13,576)			6,725		
	14,681			(6,660)		
	1,105			65		
Accounting income available for distribution						
	-			8,657		
	7,538			23,867		
	7,538			32,524		
Undistributed income carried forward						
	8,643			32,589		
Undistributed income carried forward						
	8,891			24,037		
	(248)			8,552		
	8,643			32,589		
(Rupees)						
(Rupees)						
Net assets value per unit at beginning of the period						
10.0391						
Net assets value per unit at end of the period						
10.4459						
The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.						

The annexed notes 1 to 12 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 NINE MONTHS PERIOD ENDED MARCH 31, 2021

	NGSP - I	
	Nine months period ended March 31, 2021	Nine months period ended March 31, 2020
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period before taxation	8,449	33,573
Adjustments:		
Provision for Sindh Workers' Welfare Fund	172	685
Net unrealised diminution / (appreciation) on re-measurement of investments or loss (FVTPL) - net	248	(8,552)
Amortisation of preliminary expenses and floatation costs	401	402
	9,270	26,108
Decrease / (Increase) in assets		
Investments	111,194	(18,703)
Profit receivables	5,869	5,001
Prepayments and other receivables	(298)	(1,492)
	116,765	(15,194)
Increase / (decrease) in liabilities		
Payable to the Management company	(89)	(1,292)
Payable to the Trustee	(5)	(11)
Payable to the Securities and Exchange Commission of Pakistan	(24)	(31)
Payable against purchase of investment	10,955	
Accrued expenses and other liabilities	(7,534)	(39)
	3,303	(1,373)
Net cash generated from operating activities	129,338	9,541
CASH FLOWS FROM FINANCING ACTIVITIES		
Total proceeds on issuance of units	13	-
Total payments on redemption of units	(104,684)	(25,785)
Net cash (used in) financing activities	(104,671)	(25,785)
Net increase / (decrease) in cash and cash equivalents during the period	24,667	(16,244)
Cash and cash equivalents at the beginning of the period	626	17,364
Cash and cash equivalents at the end of the period	25,293	1,120

The annexed notes 1 to 12 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 STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Government Securities Fund – I ("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 the Trustee. The Trust Deed was executed on 07 December 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 05 December 2018 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 the 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 the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Income scheme' and is listed on Pakistan Stock Exchange. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at initial price of Rs. 10. The maturity of NBP Government Securities Plan - I is 12 July 2021.

The Fund has initially offered NBP Government Securities Plan - I (NGSP - I) and may offer upto a total of five allocation plans. The objective of the NBP Government Securities Fund – I is to provide attractive return with capital preservation at maturity of the plan, by investing primarily in Government Securities not exceeding maturity of the plan.

The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an asset manager rating of 'AM1' to the Management Company and stability rating of 'AA-(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.

2 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 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
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the 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 the 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.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. 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.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2020 that have a material effect on the financial statements of the Fund.

4 INVESTMENTS

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
Financial Assets at fair value through profit or loss			
	Note	Rupees in '000	
Government Securities			
Market Treasury Bills	4.1	10,954	36,774
Pakistan Investment Bonds	4.2	165,835	251,457
		<u>176,789</u>	<u>288,231</u>

4.1 Market Treasury Bills

Issue date	Tenor	As at July 01, 2020	Purchases during the period	sales/matured during the period	As at March 31, 2021	Market value as at March 31, 2021	Market value as a %age of net assets	Market value as a %age of total Investments
-----Rupees in '000-----						------(%)-----		
23-Apr-20	03 Months	15,000	-	15,000	-	-	-	-
21-May-20	03 Months	22,000	-	22,000	-	-	-	-
13-Aug-20	03 Months	-	9,000	9,000	-	-	-	-
5-Nov-20	03 Months	-	32,000	32,000	-	-	-	-
28-Jan-21	03 Months	-	22,000	11,000	11,000	10,954	5.66	6.20
		<u>37,000</u>	<u>63,000</u>	<u>89,000</u>	<u>11,000</u>	<u>10,954</u>	<u>5.66</u>	<u>6.20</u>

Carrying value before fair value adjustment as at 31 March 2021

10,955

4.1.1 This carries a rate of return at 7.21% per annum



4.2 Pakistan Investment Bonds

Issue date	Tenor	As at July 01, 2020	Purchases during the period	sales/matured during the period	As at March 31, 2021	Market value as at March 31, 2021	Market value as a %age of net assets	Market value as a %age of total Investments
-----Rupees in '000-----					------(%)-----			
12-Jul-18	03 years	251,000	-	85,000	166,000	165,835	85.67	93.80
		251,000	-	85,000	166,000	165,835	85.67	93.80

Carrying value before fair value adjustment as at 31 March 2021

166,082

4.2.1 This carries a rate of return at 7.25% per annum

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund 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.1.192 million as at March 31, 2021 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2021 would have been higher by Rs. 0.0643 per unit (June 30, 2020: Rs. 0.0357 per unit).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

7 SELLING AND MARKETING EXPENSES

As per Circular 5 of 2018 dated 4 June 2018 issued by SECP, the Asset Management Company was entitled to charge selling and marketing expense to Collective Investment Scheme up to 0.4% per annum of net assets of Fund or actual expenses whichever is lower for initial three years. Circular 11 of 2019 dated 5 July 2019, issued by SECP superseded the above stated Circular and has revised the conditions and waived capping for charging selling and marketing expense. However, the management company has continued to charge selling and marketing expenses at the rate of 0.1 % per annum of average net assets of the Fund or actual expenses whichever is lower.

8 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Management Company intends to distribute its accounting income as per its distribution policy for the year ending 30 June 2021 if require to ensure the compliance of this clause. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2021 is 1.68% (March 31, 2020: 1.74%) which includes 0.21% (March 31, 2020: 0.44%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended



by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Income scheme'.

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 10.1** Connected persons include NBP Fund Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and its connected persons, 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.
- 10.2** Transactions with connected persons 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 to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 10.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.5** Details of transactions with related parties / connected persons during the period are as follows:

(Un-Audited)

Nine months period ended March 31, 2021	Nine months period ended March 31, 2020
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Rupees in '000

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	970	1,237
Sindh sales tax on remuneration	126	161
Accounting and operational expenses	182	206
Selling and marketing expenses	162	206
Preliminary expenses and floatation costs	401	402

Central Depository Company of Pakistan Limited - Trustee

Remuneration	97	124
Sindh sales tax on remuneration of Trustee	13	16
Settlement Charges	3	6

Pakistan Stock Exchange Company Limited

Listing fee paid	25	25
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	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
10.6 Amounts / balances outstanding as at period end:	Rupees in '000	
NBP Fund Management Limited - Management Company		
Management fee payable	99	144
Sindh sales tax on remuneration of the Management Company	13	19
Accounting and operational expenses	60	73
Selling and marketing expenses	48	73
Sales load payable to Management Company	626	626
Sales tax payable on sales load	81	81
Formation Cost Payable	-	-
Other payable to Management Company	40	40
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	10	14
Sales tax payable	1	2
Settlement charges payable	3	-
Fauji Akbar Portia Marine Terminals Limited		
Units held: 11,582,308 units (June 30 , 2020 : 11,582,308 units)	120,988	116,276
Barret Hudgson Pakistan (Private) Limited		
Units held: Nil units (June 30 , 2020 : 9,459,467 units)	-	94,965
GIA Export Marketing Service (Private) Limited		
Units held: 3,682,586 units (June 30 , 2020 : 3,682,586 units)	38,468	36,970

11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **April 30, 2021** by the Board of Directors of the Management Company of the Fund.

12 GENERAL

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

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.

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