

## 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.nbpfunds.com](http://www.nbpfunds.com)

**Lahore Office:**

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

**Islamabad Office:**

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

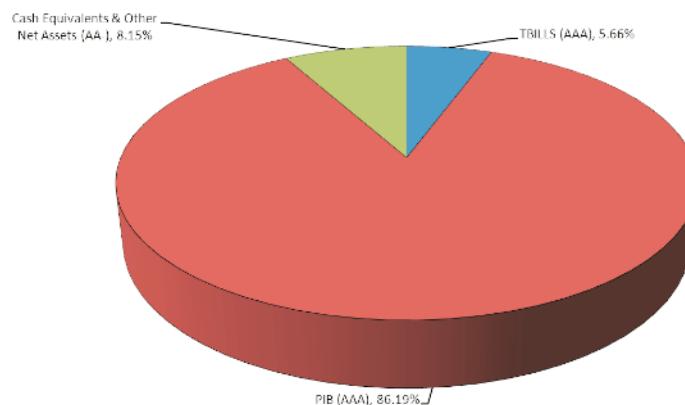
The size of NBP Government Securities Plan-I has decreased from Rs. 286 million to Rs. 194 million during the period (a decline of 32%). During the period, the unit price of the Fund has increased from Rs. 10.0391 on June 30, 2020 to Rs. 10.4459 on March 31, 2021, thus showing return of 5.4% as compared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



### ڈائریکٹر رپورٹ

NBP فنڈ میجنت لیمیٹڈ کے بورڈ آف ڈائریکٹرز بھدم سرت 31 مارچ 2021 کو ختم ہونے والی نوای کے لئے NBP گورنمنٹ سکیپر ٹریئر فنڈ-I (NGSF-I) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

#### فنڈ کی کارکردگی

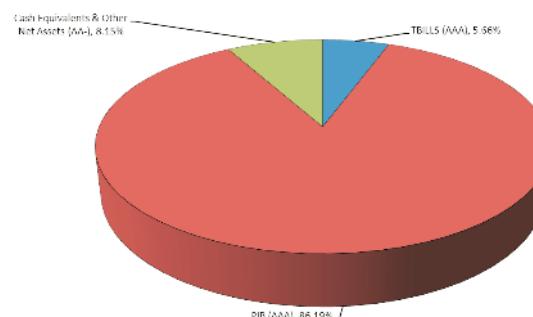
موجودہ سماں کے دوران NBP گورنمنٹ سکیپر ٹریئر پلان-I کا سائز 286 ملین روپے سے کم ہو کر 194 ملین روپے ہو گیا یعنی 3% نیصد کی کمی ہوئی۔ اسی مدت کے دوران 30 جون 2020 کو فنڈ کی یونٹ قیمت 10.0391 روپے سے بڑھ کر 31 مارچ 2021 کو 10.4459 روپے ہو گئی، لہذا اسی مدت میں اپنے نیچے مارک منافع 7.2% کے مقابلے 5.4% کا سالانہ منافع دیا۔ فنڈ کی یہ کارکردگی میجنت فنڈ اور دیگر نام اخراجات کے بعد خاص ہے۔

I-NGSP کی اکم فنڈ کے طور پر درجہ بندی کی گئی ہے۔ فنڈ کا مقصد پلان کی میپورٹی سے قبل تک گورنمنٹ سکیپر ٹریئر میں سرمایہ کاری کر کے پلان کی میچورٹی پر کمپلیٹ پر یز روپیش کے ساتھ متاثر کرنے منافع فراہم کرنا ہے۔ NBP گورنمنٹ سکیپر ٹریئر پلان-I کی لکلڈ پیچورٹی 12 جولائی 2021 کی ہے۔ فنڈ گورنمنٹ سکیپر ٹریئر میں کم از کم 90% میگوں کے ساتھ سیوونگ اکاؤنٹ میں اپنے ایسیٹ اونیٹ کرنے کی اجازت دیتا ہے، جو فنڈ کی ایکو یہ یعنی پروفل کو بڑھاتا ہے۔

جو لائی میں بلندی پر پتچھے کے بعد کو یہ 19 کے فعل کیس میں نہیاں کی؛ اموات کی شرح میں تیزی سے کمی اور انگلش نسب بھی کم ہو کر واحد ہند سے پہلیا جس نے میشٹ کو دوبارہ گھولنے کی اجازت دی۔ معاشری بھائی کی رفتار یہست کی تریل، خودہ ایندھن کی فروخت اور آٹوموبائل کے فروخت جم کے اکثر جاری کردہ معاشری اعداد و شمار سے ظاہر ہوتی ہے۔ پالیسی سازی کے تاثر میں، اسیٹ کی 2.8 فنڈ کے مساوی ہے، جس میں پاکستان نے قلیل مدت میں پالیسی شرح کو مبہوی طور پر 6.25 فنڈ تک کم کر دیا اور حکومت نے ایک 1.2 تریلیون روپے کے محکم پتک کا اعلان کی، جو جی ڈی پی کے 2.8 فنڈ کے مساوی ہے، جس میں معاشرے کے تمام شعیوں کو ریلیف دیا گیا ہے جن میں پسمندہ افراد، کار و بار اور صنعتیں شامل ہیں۔ 8MFY21 کے دوران وہ ایمنی اکاؤنٹ پر ثبت اثر ہوا اور ترسیلات زر میں 24 فنڈ اضافہ ہوا۔ ملک نے گذشتہ سال کے تقابلی دورانی میں 2.7 ملین امریکی ڈالر کے کرنٹ اکاؤنٹ خسارہ (CAD) کے مقابلے میں 21 8MFY21 کے دوران 881 ملین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلٹس درج کیا ہے۔ میں الاقوامی مالیاتی فنڈ (IMF) کے ساتھ تو سیمی 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 ایف سے قریباً 500 ملین ڈالر کی رقم حاصل کی۔ آئی ایف پروگرام کے دوبارہ آغاز سے میں الاقوامی ڈیٹ مارکیٹ میں یوروبانڈز جاری کر کے ملک کو 2.5 ارب ڈالر قرض لینے کا موقع ملا۔

آمدی کے لحاظ سے، اس عرصہ کے دوران کار پوریٹ ڈیٹ سکیپر ٹریئر میں تجارتی سرگرمی دباؤ کا شکار رہی۔ مجموعی تجارت کی میلت پچھلے سال کے اسی عرصے میں 20.4 ملین روپے کے مقابلے 19.8 ملین روپے رہی۔ مالی سال 21 کی نوای کے دوران، اسیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چارا جلاں متفقہ کرنے میں نیچے مارک پالیسی کی شرح کو 7 فنڈ رفرار کھا۔ ان مانیٹری پالیسی کا رواج ہیں، اور افراطی زر اور سودہ کی شرح کے نتھے نظر پر گورنمنٹ منافع میں اضافہ ہوا۔ اس مدت کے دوران اسیٹ بینک آف پاکستان نے بیس (20) T-Bills نیلاجیوں کا انتقاد کیا، جس میں کل 9.8 تریلیون روپے وصول کئے 3 ماہ اور 12 ماہ کی مدت میں T-Bills کے منافع میں بالترتیب bps84 اور bps72 اور bps33 پاؤنٹس 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 آمدی کمائی ہے۔ 2.715 ملین روپے کے اخراجات منہا کرنے کے بعد خاص آمدی 8.449 ملین روپے ہے۔ درج ذیل چارٹ-I NGSP کی ایس ایلوکیشن اور اس کے ذیلی اנתاؤں کے تمام درجہوں کی پیمائش شدہ اوسٹ کر ٹیٹ رینگ پیش کرتا ہے:



اٹھارٹھر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میجنٹ سکپتی پر اعتماد، اعتماد اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکر یاد کرتا ہے۔ یہ سیکورٹیز ایڈا چین کیشن آف پاکستان اور اسٹیٹ یینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مختص رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹر

NBP میجنٹ لیمیٹڈ

ڈائریکٹر

چیف ایگزیکیوٹو

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, 2021	June 30, 2020
	Note	Rupees in '000
<b>ASSETS</b>		
Balances with banks		626
Investments	4	288,231
Profit receivables		8,564
Prepayments and other receivables		1,654
Preliminary expenses and floatation costs		550
<b>Total assets</b>		299,625
<b>LIABILITIES</b>		
Payable to the Management Company		967
Payable to the Trustee		11
Payable to the Securities and Exchange Commission of Pakistan		32
Payable against purchase of investment		-
Payable against redemption of units		3,455
Accrued expenses and other liabilities		8,706
<b>Total liabilities</b>		13,289
<b>NET ASSETS</b>		<u>193,569</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>286,336</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	
		<b>Number of units</b>
<b>NUMBER OF UNITS IN ISSUE</b>		<u>18,530,593</u>
		<u>28,522,003</u>
		<b>Rupees</b>
<b>NET ASSET VALUE PER UNIT</b>		<u>10.4459</u>
		<u>10.0391</u>

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

	Note	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
<b>INCOME</b>					
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
<b>Total income</b>		11,164	37,162	3,239	14,840
<b>EXPENSES</b>					
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
<b>Total operating expenses</b>		2,543	2,904	811	909
<b>Net income from operating activities</b>		8,621	34,258	2,428	13,931
Provision for Sindh Workers' Welfare Fund		(172)	(685)	(48)	(279)
<b>Net Income for the period before taxation</b>		<u>8,449</u>	<u>33,573</u>	<u>2,380</u>	<u>13,652</u>
Taxation		8	-	-	-
<b>Net Income for the period after taxation</b>		<u>8,449</u>	<u>33,573</u>	<u>2,380</u>	<u>13,652</u>
<b>Allocation of net income for the period:</b>					
- 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)
<b>Accounting income available for distribution</b>		<u>7,538</u>	<u>32,524</u>	<u>2,299</u>	<u>13,495</u>
- Relating to capital gains		-	8,657	-	5,592
- Excluding capital gains		7,538	23,867	2,299	7,903
		<u>7,538</u>	<u>32,524</u>	<u>2,299</u>	<u>13,495</u>

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	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>8,449</u></b>	<b><u>33,573</u></b>	<b><u>2,380</u></b>	<b><u>13,652</u></b>

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)						
- Capital value	13	-	13	-	-	-
- Element of loss	-	-	-	-	-	-
Total proceeds on issuance of units	13	-	13	-	-	-
Redemption of 9,992,728 units (2020 : 2,473,101 units)						
- Capital value	(100,318)	-	(100,318)	(24,736)	-	(24,736)
- Element of income	-	(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
<b>Net assets at end of the period (un-audited)</b>	<b>184,926</b>	<b>8,643</b>	<b>193,569</b>	<b>251,184</b>	<b>32,589</b>	<b>283,773</b>
Undistributed Income brought forward						
Realized (loss)		(13,576)			6,725	
Unrealized gain		14,681			(6,660)	
		1,105			65	
Accounting income available for distribution						
- Relating to capital gains		-			8,657	
- Excluding capital gains		7,538			23,867	
		7,538			32,524	
Undistributed income carried forward		<b>8,643</b>			<b>32,589</b>	
Undistributed income carried forward						
- Realised Income		8,891			24,037	
- Unrealised (loss) / income		(248)			8,552	
		8,643			32,589	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period		<b>10.0391</b>			<b>10.0024</b>	
Net assets value per unit at end of the period		<b>10.4459</b>			<b>11.2972</b>	

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	Rupees in '000
	Nine months period ended March 31, 2021	Nine months period ended March 31, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the period before taxation	8,449	33,573
<b>Adjustments:</b>		
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
	<b>9,270</b>	<b>26,108</b>
<b>Decrease / (Increase) in assets</b>		
Investments	111,194	(18,703)
Profit receivables	5,869	5,001
Prepayments and other receivables	(298)	(1,492)
	<b>116,765</b>	<b>(15,194)</b>
<b>Increase / (decrease) in liabilities</b>		
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	(39)
Accrued expenses and other liabilities	(7,534)	(1,373)
	<b>3,303</b>	<b>9,541</b>
<b>Net cash generated from operating activities</b>	<b>129,338</b>	<b>9,541</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Total proceeds on issuance of units	13	-
Total payments on redemption of units	(104,684)	(25,785)
<b>Net cash (used in) financing activities</b>	<b>(104,671)</b>	<b>(25,785)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>24,667</b>	<b>(16,244)</b>
Cash and cash equivalents at the beginning of the period	626	17,364
<b>Cash and cash equivalents at the end of the period</b>	<b>25,293</b>	<b>1,120</b>

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
		Note	Rupees in '000	
<b>Financial Assets at fair value through profit or loss</b>				
<b>Government Securities</b>				
Market Treasury Bills		4.1	<b>10,954</b>	36,774
Pakistan Investment Bonds		4.2	<b>165,835</b>	251,457
			<b>176,789</b>	<b>288,231</b>

#### 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
		<b>37,000</b>	<b>63,000</b>	<b>89,000</b>	<b>11,000</b>	<b>10,954</b>	<b>5.66</b>	<b>6.20</b>

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
		<b>251,000</b>	<b>-</b>	<b>85,000</b>	<b>166,000</b>	<b>165,835</b>	<b>85.67</b>	<b>93.80</b>
<b>Carrying value before fair value adjustment as at 31 March 2021</b>								
						<b>166,082</b>		

- 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)	(Audited)
March 31, 2021	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
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**Barret Hudgson Pakistan (Private) Limited**

Units held: Nil units (June 30 , 2020 : 9,459,467 units)	-	94,965
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**GIA Export Marketing Service (Private) Limited**

Units held: 3,682,586 units (June 30 , 2020 : 3,682,586 units)	38,468	36,970
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**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**

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