

## NBP GOVERNMENT SECURITIES LIQUID FUND



**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

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

**Auditors**

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

**Legal Advisor**

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

**Head Office:**

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

**Lahore Office:**

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

**Islamabad Office:**

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

**Peshawar Office:**

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

**Multan Office:**

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

## DIRECTORS' REPORT

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

### Fund's Performance

The size of NBP Government Securities Liquid Fund has decreased from Rs. 2,225 million to Rs. 2,062 million during the period (a decline of 7%). During the period, the unit price of the Fund has increased from Rs. 9.7593 (Ex-Div) on June 30, 2020 to Rs. 10.2130 on March 31, 2021, thus showing a return of 6.2% as compared to the benchmark return of 6.7% for the same period. The performance of the Fund is net of management fee and all other expenses.

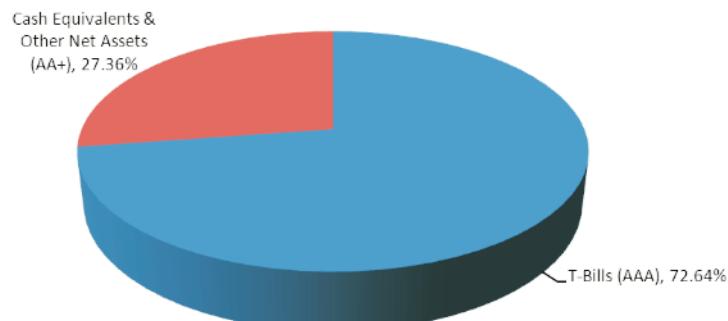
NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risk is exceptionally low due to 70% minimum investment in Government securities (T-Bills) with average maturity of the overall portfolio at 45 days. The Fund invests in AA and above rated Banks/DFIs with maximum maturity of six months.

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.

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. 116.34 million during the period. After deducting total expenses of Rs. 19.91 million, the net income is Rs. 96.43 million.

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



## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 4.45% of the opening ex-NAV (4.54% of the par value) during the period ended March 31, 2021.

## 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 میجسٹریٹ میڈیٹ کے بورڈ آف ڈائریکٹریز باد مصروفت 31 مارچ 2021 کو ختم ہونے والی نوماہی کے لئے NBP گورنمنٹ سیکوریٹیز لیکو یڈ فنڈ (NGSLF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

اس مدت کے دوران NBP گورنمنٹ سیکوریٹیز لیکو یڈ فنڈ (NGSLF) کا سائز 2,225 ملین روپے سے کم ہو کر 2,062 ملین روپے ہو گیا یعنی 7% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 9.7593 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2021 کو 10.2130 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے نئے مارک 6.7% کے مقابلے میں 6.2% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی میجسٹریٹ فیس اور دیگر تمام اخراجات کے بعد خاص ہے۔

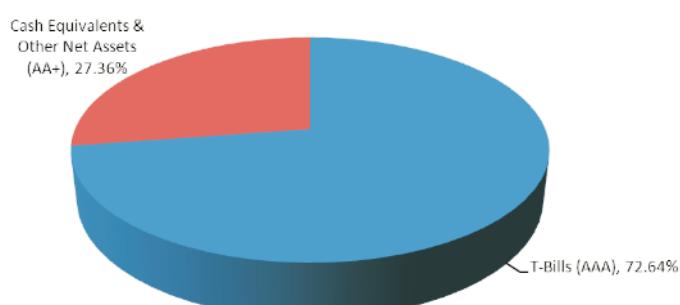
PACRA کی طرف سے مختتم رینک "AAA" دی گئی ہے۔ یہ رینک فنڈ کے غیر معمولی مختتم کریٹریٹ اور لیکو یڈ بیٹھ پروفائل کی عکاسی کرتی ہے۔ اس فنڈ کی بڑی ایسیٹ کاں ہے۔ گورنمنٹ سیکوریٹیز (T-Bills) میں کم از کم 70% سرمایہ کاری کے باعث فنڈ کے کریٹریٹ، لیکو یڈ اور اٹریٹریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی مچھری کے ساتھ AA یا اندر رینک والے بیکوں/DFIs میں انویسٹ کرنے کی اجازت ہے۔

جو لائی میں بلندی پر پہنچ کے بعد کو وو یہ 19 کے غافل کیسیں نہیں کی، اموات کی شرح میں تیزی سے کمی اور اٹھائیں تناسب بھی کم ہو کر واحد ہندسے پا آگیا جس نے میشٹ کو دوبارہ کھولنے کی اجازت دی۔ معافی سچالی کی رفتاری میٹ کی ترسیل، خودہ اینڈ ہسن کی فروخت اور آٹوموبائل کے فروخت جم کے اکٹھ جاری کردہ معافی 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 محکم پہنچ کا اعلان کی، جو جی ڈی پی کے 2.8 فیصد کے مساوی ہے، جس میں معاشرے کے تمام شعبوں کو ریلیف دیا گیا ہے جن میں پسمندہ افراد، کار و بار اور صنعتیں شامل ہیں۔ 8MFY21 کے دوران وہی مرض کردا و اس کے بدولت ایونی اکاؤنٹ پر شہت اڑھا اور ترسیلات زر میں 24 فیصد اضافہ ہوا۔ ملک نے گذشتہ سال کے قابلی دورانی میں 2.7 ملین امریکی ڈالر کے کرنس اکاؤنٹ خسارہ (CAD) کے مقابلے میں 21 8MFY21 کے دوران 881 ملین امریکی ڈالر کا کرنس اکاؤنٹ سرپلٹس درج کیا ہے۔ میں اقوامی مالیاتی فنڈ (IMF) کے ساتھ تو سیمی فنڈ کی سہولت (EFF) جسے پہلے سال اپریل میں روک دیا گیا تھا، آخر کار دوبارہ شروع ہوئی، اور اس کے نتیجے میں مرکزی بینک نے آئی ایف سے قریباً 500 ملین ڈالر کی رقم حاصل کی۔ آئی ایف پر گرام کے دوبارہ آغاز سے میں اقوامی ڈیٹ مارکیٹ میں یورو بانڈز جاری کر کے ملک کو 2.5 ارب ڈالر قرض لینے کا موقع ملا۔

مالی سال 21 کی نوماہی کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مالیاتی پالیسی کمیٹی (MPC) کے چار اجلاس منعقد کئے جن میں بینک مارک پالیسی کی شرح کو 7 فیصد برقرار رکھا۔ ان مالیاتی پالیسی کا رواج بیوں، 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 میں 9.88 ٹریلین روپے وصول کئے۔ 3 ماہ، 6 ماہ اور 12 ماہ کی متوالے T-Bills کے منافع میں با ترتیب 33bps، 72bps اور 84bps پاؤ نٹس کا اضافہ ہوا۔ اسی طرح، اسی مدت کے دوران 10 سالار PIB پیداوار میں 173 bps کا اضافہ ہوا۔

فنڈ نے اس مدت کے دوران 116.34 ملین روپے کی مجموعی آمدی کی۔ 19.91 ملین روپے کے اخراجات منہا کرنے کے بعد ناخص آمدی 96.43 ملین روپے ہے۔

درج ذیل چارٹ NGSLF گورنمنٹ سیکوریٹیز لیکو یڈ فنڈ کی ایسٹ ایلکریشن اور اس کے ذیلی اٹھاؤں کے تمام درجوں کی بیانش شدہ اوسط کریٹریٹ رینک پیش کرتا ہے:





### آمدی کی تفصیل

میجنٹ کپنی کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2021 کو ختم ہونے والی مدت کے لئے اونگ نگ ex-NAV کا 4.45% (4.54% par value) عیوری نفڈ یو یڈ میڈ منظور کیا۔

### اٹھار تکشیر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میجنٹ کمپنی پر اعتماد، اعتماد اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز ایڈا چیچن کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے ملکی صورتی کا بھی اعتراف کرتا ہے۔

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

منابع بورڈ آف ڈائریکٹرز  
NBP میجنٹ لیڈر

ڈائریکٹر

چیف اگریکٹو

تاریخ: 30 اپریل 2021ء  
متام: کراچی

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

	Note	Unaudited March 31, 2021	Audited June 30, 2020
		Rupees in '000	
<b>ASSETS</b>			
Bank balances		2,133,519	651,697
Investments	4	1,497,946	1,578,034
Mark-up accrued		6,179	4,185
Receivable against conversion of units		-	64,000
Advance and prepayment		9,985	10,243
<b>Total assets</b>		<b>3,647,629</b>	<b>2,308,159</b>
<b>LIABILITIES</b>			
Payable to the Management Company		3,779	5,141
Payable to the Trustee		130	130
Payable to Securities and Exchange Commission of Pakistan		319	474
Payable on redemption of units		8,606	3,918
Payable against purchase of investment		1,497,960	-
Accrued expenses and other liabilities		74,673	73,094
<b>Total liabilities</b>		<b>1,585,467</b>	<b>82,757</b>
<b>NET ASSETS</b>			
<b>Unit Holders' Funds (as per statement attached)</b>		<b>2,062,162</b>	<b>2,225,402</b>
<b>Contingencies and Commitments</b>	6	<b>2,062,162</b>	<b>2,225,402</b>
-----Number of units-----			
<b>Number of units in issue</b>		<b>201,915,270</b>	<b>218,130,423</b>
<b>Rupees</b>			
<b>Net assets value per unit</b>		<b>10.2130</b>	<b>10.2022</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

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

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>INCOME</b>	<b>Note -----Rupees in '000-----</b>			
(Loss) / gain on sale of investments - net	(313)	306	(55)	1,042
Income from government securities	87,716	165,353	25,444	55,922
Income from letter of placements	2,237	-	311	-
Profit on bank deposits	26,711	79,449	12,537	32,032
Net unrealised (diminution) / appreciation on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	-	(14)	5,598	5,598
<b>Total Income</b>	<b>116,337</b>	<b>250,706</b>	<b>38,144</b>	<b>94,594</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	4,616	7,639	1,025	2,706
Sindh sales tax on remuneration of the Management Company	600	993	133	352
Remuneration of the Trustee	1,036	1,142	333	411
Sindh sales tax on remuneration of Trustee	135	148	44	53
Annual fee - Securities and Exchange Commission of Pakistan	319	351	103	126
Accounting and operational charges to the Management Company	1,815	1,757	641	632
Selling and marketing expenses	7,972	11,890	2,563	4,419
Securities transaction cost	6	16	-	8
Bank charges	77	218	32	74
Annual listing fee	21	21	7	7
Rating fee	409	361	144	120
Auditors' remuneration	613	482	166	110
Legal and professional charges	209	37	67	12
Printing Charges	116	56	56	5
<b>Total Expenses</b>	<b>17,944</b>	<b>25,111</b>	<b>5,314</b>	<b>9,035</b>
<b>Net income from operating activities</b>	<b>98,393</b>	<b>225,595</b>	<b>32,830</b>	<b>85,559</b>
Provision for Sindh Workers' Welfare Fund	5 (1,968)	(4,512)	(657)	(1,711)
<b>Net income for the period before taxation</b>	<b>96,425</b>	<b>221,083</b>	<b>32,173</b>	<b>83,848</b>
Taxation	8 -	-	-	-
<b>Net income for the period after taxation</b>	<b>96,425</b>	<b>221,083</b>	<b>32,173</b>	<b>83,848</b>
<b>Earnings per unit</b>				
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	96,425	221,083	32,173	83,848
Income already paid on redemption of units	(3,516)	(5,188)	(1,100)	(2,331)
	<b>92,909</b>	<b>215,895</b>	<b>31,073</b>	<b>81,517</b>
<b>Accounting income available for distribution:</b>				
- Relating to capital gain	-	5,685	-	5,685
- Excluding capital gain	92,909	210,210	31,073	75,832
	<b>92,909</b>	<b>215,895</b>	<b>31,073</b>	<b>81,517</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

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

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-----Rupees in '000-----			
Net income for the period after taxation	<b>96,425</b>	221,083	<b>32,173</b>	83,848
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>96,425</b>	<b>221,083</b>	<b>32,173</b>	<b>83,848</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

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 AND QUARTER ENDED MARCH 31, 2021

	Nine months period ended					
	March 31, 2021			March 31, 2020		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
----- (Rupees in '000)-----						
Net assets at beginning of the period	2,123,920	101,482	2,225,402	1,833,215	98,117	1,931,332
Issue of 117,768,302 units (2020: 418,769,012 units)	1,201,496	-	1,201,496	4,265,623	-	4,265,623
- Capital value	2,368	-	2,368	21,562	-	21,562
- Element of income						
Total proceeds on issuance of units	1,203,864	-	1,203,864	4,287,185	-	4,287,185
Redemption of 133,983,455 units (2020: 341,455,194 units)	(1,366,926)	-	(1,366,926)	(3,478,097)	-	(3,478,097)
- Capital value	(757)	(3,516)	(4,273)	(10,591)	(5,188)	(15,779)
- Element of loss						
Total payments on redemption of units	(1,367,683)	(3,516)	(1,371,199)	(3,488,688)	(5,188)	(3,493,876)
Total comprehensive income for the period	-	96,425	96,425	-	221,083	221,083
Interim distributions made during the period:						
Re. 0.0422 on July 28, 2020 (July 30, 2019: Re. 0.0956)	(104)	(8,903)	(9,007)	(3,322)	(17,677)	(20,999)
Re. 0.0478 on August 28, 2020 (August 29, 2019: Re. 0.1033)	(34)	(9,940)	(9,974)	(946)	(22,556)	(23,502)
Re. 0.0523 on September 28, 2020 (September 28, 2019: Re. 0.1017)	(45)	(10,487)	(10,532)	(1,878)	(25,312)	(27,190)
Re. 0.0498 on October 27, 2020 (October 29, 2019: Re. 0.1109)	(18)	(9,944)	(9,962)	(84)	(23,845)	(23,929)
Re. 0.0513 on November 26, 2020 (November 28, 2019: Re. 0.0971)	(42)	(10,219)	(10,261)	(129)	(20,502)	(20,631)
Re. 0.0481 on December 24, 2020 (December 27, 2019: Re. 0.1002)	(409)	(9,365)	(9,774)	(165)	(20,630)	(20,795)
Re. 0.0617 on January 27, 2021 (January 28, 2020: Re. 0.1132)	(470)	(11,944)	(12,414)	(523)	(23,669)	(24,192)
Re. 0.0477 on February 24, 2021 (February 27, 2020: Re. 0.1062)	(311)	(9,405)	(9,716)	(3,553)	(25,107)	(28,660)
Re. 0.0530 on March 26, 2021 (March 27, 2020: Re. 0.1184)	(175)	(10,515)	(10,690)	(349)	(32,013)	(32,362)
	(1,608)	(90,722)	(92,330)	(10,949)	(211,311)	(222,260)
<b>Net assets at end of the period</b>	<b>1,958,493</b>	<b>103,669</b>	<b>2,062,162</b>	<b>2,620,763</b>	<b>102,701</b>	<b>2,723,464</b>
Undistributed income brought forward		100,082			98,117	
- Realised income		1,400			-	
- Unrealised income		101,482			98,117	
Accounting income available for distribution						
- Relating to capital gain		-			5,685	
- Excluding capital gain		92,909			210,210	
		92,909			215,895	
		(90,722)			(211,311)	
Interim distributions made during the period:						
<b>Undistributed income carried forward</b>			<b>103,669</b>			<b>102,701</b>
Undistributed income carried forward						
- Realised income		103,683			97,103	
- Unrealised (loss) / income		(14)			5,598	
		103,669			102,701	
Net assets value per unit at beginning of the period				<b>(Rupees)</b>		<b>(Rupees)</b>
Net assets value per unit at end of the period				<b>10.2022</b>		<b>10.1861</b>
				<b>10.2130</b>		<b>10.2034</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

**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 AND QUARTER ENDED MARCH 31, 2021

	Nine months ended	
	March 31,	March 31,
	2021	2020
	-----	-----
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period	<b>96,425</b>	221,083
<b>Adjustments</b>		
Net unrealised diminution / (appreciation) on re-measurement of investment classified as financial assets at fair value through profit or loss'	14	(5,598)
	<b>96,439</b>	215,485
<b>Decrease / (increase) in assets</b>		
Investments	<b>80,074</b>	(605,692)
Mark-up accrued	(1,994)	(116)
Advance and prepayment	258	(175)
	<b>78,338</b>	(605,983)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(1,362)	3,434
Payable to the Trustee	-	(30)
Payable to Securities and Exchange Commission of Pakistan	(155)	(2,268)
Payable against purchase of investment	<b>1,497,960</b>	(1,128,782)
Accrued expenses and other liabilities	1,579	8,029
	<b>1,498,022</b>	(1,119,617)
<b>Net cash generated from / (used in) operating activities</b>	<b>1,672,799</b>	(1,510,115)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	<b>1,266,256</b>	4,276,139
Payments on redemption of units	(1,366,511)	(3,491,525)
Distribution paid	(90,722)	(211,311)
<b>Net cash (used in) / generated from financing activities</b>	<b>(190,977)</b>	573,303
Net increase / (decrease) in cash and cash equivalents during the period	<b>1,481,822</b>	(936,812)
Opening balance of cash and cash equivalents	<b>651,697</b>	1,985,384
<b>Cash and cash equivalents at the end of the period</b>	<b>2,133,519</b>	<b>1,048,572</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

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 AND QUARTER ENDED MARCH 31, 2021

### 1    **LEGAL STATUS AND NATURE OF BUSINESS**

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

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

The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open-End "Money Market Scheme" as per the criteria laid down by Securities and Exchange Commission of Pakistan (SECP) for categorisation of Collective Investment Schemes (CIS).

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

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

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

### 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

**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.

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.

Note	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	-----(Rupees in '000)-----	

### 4 INVESTMENTS

#### At fair value through profit or loss

Government securities - Market Treasury Bills	4.1	1,497,946	1,578,034
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**4.1** Investment in government securities - 'at fair value through profit or loss'

Issue date	Tenor	Face value				Market value as at March 31, 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021			
-----Rupees in '000-----								

#### Market Treasury Bills

12-Sep-19	12 Months	-	445,000	445,000	-	-	-	-
10-Oct-19	12 Months	11,500	50,000	61,500	-	-	-	-
19-Dec-19	12 Months	-	400,000	400,000	-	-	-	-
16-Jan-20	12 Months	-	700,000	700,000	-	-	-	-
13-Feb-20	6 Months	-	50,000	50,000	-	-	-	-
16-Aug-19	12 Months	-	250,000	250,000	-	-	-	-
12-Mar-20	6 Months	250,000	-	250,000	-	-	-	-
26-Mar-20	6 Months	-	545,000	545,000	-	-	-	-
9-Apr-20	6 Months	375,000	1,080,000	1,455,000	-	-	-	-
23-Apr-20	3 Months	955,000	-	955,000	-	-	-	-
23-Apr-20	6 Months	-	665,000	665,000	-	-	-	-
7-May-20	6 Months	-	200,000	200,000	-	-	-	-
21-May-20	3 Months	-	185,000	185,000	-	-	-	-
2-Jul-20	3 Months	-	25,000	25,000	-	-	-	-
2-Jul-20	6 Months	-	500,000	500,000	-	-	-	-
16-Jul-20	3 Months	-	75,000	75,000	-	-	-	-
16-Jul-20	6 Months	-	1,025,000	1,025,000	-	-	-	-
13-Aug-20	3 Months	-	125,000	125,000	-	-	-	-
27-Aug-20	3 Months	-	525,000	525,000	-	-	-	-

Issue date	Tenor	Face value				Market Value as at March 31, 2021	Market value as a percentage of net assets	Market value as a percentage of total investments (%)				
		As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021							
-----Rupees in '000-----												
<b>Market Treasury Bills</b>												
27-Aug-20	6 Months	-	225,000	225,000	-	-	-	-				
8-Oct-20	3 Months	-	931,500	931,500	-	-	-	-				
22-Oct-20	3 Months	-	2,960,000	2,960,000	-	-	-	-				
5-Nov-20	3 Months	-	1,475,500	1,475,500	-	-	-	-				
19-Nov-20	3 Months	-	933,000	933,000	-	-	-	-				
3-Dec-20	3 Months	-	925,500	925,500	-	-	-	-				
17-Dec-20	3 Months	-	430,000	430,000	-	-	-	-				
31-Dec-20	3 Months	-	4,320,000	4,320,000	-	-	-	-				
14-Jan-21	3 Months	-	3,460,000	1,960,000	1,500,000	1,497,946	72.64	100.00				
28-Jan-21	3 Months	-	400,000	400,000	-	-	-	-				
25-Feb-21	3 Months	-	500,000	500,000	-	-	-	-				
		<b>1,591,500</b>	<b>23,405,500</b>	<b>23,497,000</b>	<b>1,500,000</b>	<b>1,497,946</b>	<b>72.64</b>	<b>100.00</b>				
<b>Carrying Value before fair value adjustment as at March 31, 2021</b>												
						<b>1,497,960</b>						

**4.1.1** These carry a rate of return ranging from of 7.10% (June 30, 2020: 7.79% to 8.00%) 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. 25.393 million for the period ended 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. 0.1258 per unit (June 30, 2020: Rs. 0.1074 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

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.5% per annum of the net assets of the Fund.

## 8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains 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, 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 1.25% (2020: 1.68%) which includes 0.19% (2020: 0.34%) 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 2.0% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'money market scheme'.

## 10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

**10.3** Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

**10.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

**10.5** Details of the transactions with connected persons are as follows:

	----- (Unaudited) -----	
	Nine months ended	
	March 31, 2021	March 31, 2020
----- Rupees in '000 -----		
<b>NBP Fund Management Company Limited - Management Company</b>		
Remuneration of the Management Company	4,616	7,639
Sindh sales tax on remuneration of the Management Company	600	993
Accounting and operational charges to the Management Company	1,815	1,757
Selling and marketing expenses	7,972	11,890
Sales load	148	-
Sales tax on sales load	19	-
ADC Charges	16	-
<b>National Bank of Pakistan (Parent of the Management Company)</b>		
T-Bills purchased during the period	-	784,340
Bank profit earned by the fund on deposit in saving account	153	423
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee for the period	1,036	1,142
Sindh sales tax on remuneration of Trustee	135	148
<b>Muhammad Murtaza Ali (Company Secretary and Chief Operating Officer)</b>		
Dividend reinvested: Nil units (March 31, 2020: 150 units)	-	2
Units issued: 2 units (March 31, 2020: 6 units)	-	-
Units redeemed: Nil units (March 31, 2020: 2,587 units)	-	27

----- (Unaudited) -----

Nine months ended

March 31, March 31,

2021 2020

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

**Employees of the Management Company**

Dividend reinvested: 12,001 units (March 31, 2020: 241 units)	122	2
Units issued: 30,900 units (March 31, 2020: 87,534 units)	315	893
Units redeemed: 224,011 units (March 31, 2020: 104,588 units)	2,291	1,073

**NBP Employees Pension Fund (Subsidiary of the parent company)**

Dividend reinvested: 1,949,026 units (March 31, 2020: 1,949,026 units)	11,032	19,860
Units issued: 157 units (March 31, 2020: 594 units)	-	-

**Fauji Fertilizer Company Limited (Common directorship)**

Dividend reinvested: 10 units (March 31, 2020: 1,670,349 units)	-	17,020
Units issued: 48,976,303 units (March 31, 2020: 306,301,089 units)	500,004	3,130,006
Units redeemed: 48,975,914 units (March 31, 2020: 248,091,032 units)	501,322	2,539,082

**Taurus Securities Limited- Subsidiary of parent company**

Dividend reinvested: Nil units (March 31, 2020: 431,091 units)	-	4,393
Units issued: Nil units (March 31, 2020: 9,817,520 units)	-	100,000
Units redeemed: Nil units (March 31, 2020: 10,248,611 units)	-	104,922

**NBP Fund Management Limited - Employees Provident Fund**

Units issued: 554,926 units (March 31, 2020: Nil units)	5,666	-
Units redeemed: 554,926 units (March 31, 2020: Nil units)	5,685	-

**NBP Money Market Fund (CIS managed by the Management Company)**

Market Treasury Bills sold	-	1,336,416
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**NBP Stock Fund (CIS managed by the Management Company)**

Market Treasury Bills purchased	-	342,727
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**NBP Financial Sector Income Fund (CIS managed by the Management Company)**

Market Treasury Bills purchased	24,966	-
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**Portfolios managed by the Management Company**

Market Treasury Bills sold	-	133,998
Units issued: 4,274,070 units (March 31, 2020: Nil units)	43,660	-
Units redeemed: 4,274,070 units (March 31, 2020: Nil units)	43,701	-

**K & N's Foods Private Limited (Unit holder of 10% or more of units of the CIS)**

Units issued: 2,456,870 units (March 31, 2020: 4,734,117 units)	25,066	48,224
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**Fauji Akbar Portia Marine Terminals Limited (Unit holder of 10% or more of units of the CIS)**

Units issued: 1,428,594 units (March 31, 2020: 41,377,094 units)	14,575	419,636
Units redeemed: Nil units (March 31, 2020: 4,970,227 units)	-	51,000

Amounts outstanding as at period / year end

	(Unaudited)	(Audited)
	As at	As at
	March 31,	June 30,
	2020	2020

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

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

Remuneration of the Management Company	353	739
Sindh Sales Tax on remuneration of the Management Company	46	96
Operational expenses	641	614
Selling and marketing expense Payable	2,563	3,692
ADC Charges	9	-
Sales Load	148	-
Sales tax on sales load	19	-

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

Remuneration of the Trustee	115	115
Sindh Sales Tax on remuneration of the Trustee	15	15

#### **National Bank of Pakistan (Parent of the Management Company)**

Bank balance	827	4,027
Mark up receivable	97	230

#### **BankIslami Pakistan Limited(Related Party)**

Bank balance	276	-
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#### **Employees of the Management Company**

Investment held in the Fund: 329,097 units (June 30, 2020: 510,269 units)	3,361	5,206
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#### **NBP Employees Pension Fund - (Unit holder of 10% or more of units of the CIS)**

Investment held in the Fund: 24,912,785 units (June 30, 2020: 23,831,507 units)	254,434	243,134
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#### **K & N's Foods Private Limited**

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

Investment held in the Fund: 66,350,547 units (June 30, 2020: 63,893,677 units)	677,638	651,856
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#### **Fauji Akbar Portia Marine Terminals Ltd.**

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

Investment held in the Fund: 38,580,782 units (June 30, 2020: 37,152,188 units)	394,026	379,034
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#### **\*\* Fauji Fertilizer Company Limited- Related Party**

Investment held in the Fund: 399 units (June 30, 2020: Nil)	4	-
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\* Current period transactions / balances with these parties have not been disclosed as they did not remain connected persons and related parties during / as at period end.

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

## 11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 30, 2021.

## 12 GENERAL

**12.1** Figures have been rounded off to the nearest thousand rupees.

**12.2** Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant changes or reclassifications were made in this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

---

Director

## **Head Office**

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