

NBP Government Securities Savings 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

Allied Bank Limited	Telenor Microfinance Bank Limited
Bank Alfalah Limited	The First Microfinance Bank Limited
Bank Al Habib Limited	United Bank Limited
Bank Islami Pakistan Limited	U Microfinance Bank Limited
Habib Bank Limited	Zarai Taraqiati Bank Limited
Habib Metropolitan Bank Limited	Allied Bank Limited
JS Bank Limited	BankIslami Pakistan Limited
Khushali Microfinance Bank Limited	National Bank of Pakistan
MCB Bank Limited	Samba Bank Limited
National Bank of Pakistan	Zarai Taraqiati Bank Limited
Samba Bank Limited	MCB Islamic Bank Limited
Sindh Bank Limited	Faysal Bank Limited
Soneri Bank Limited	Dubai Islamic Bank Limited
Summit Bank Limited	

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block, 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

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 Savings Fund (NGSSF)** for the period ended March 31, 2021.

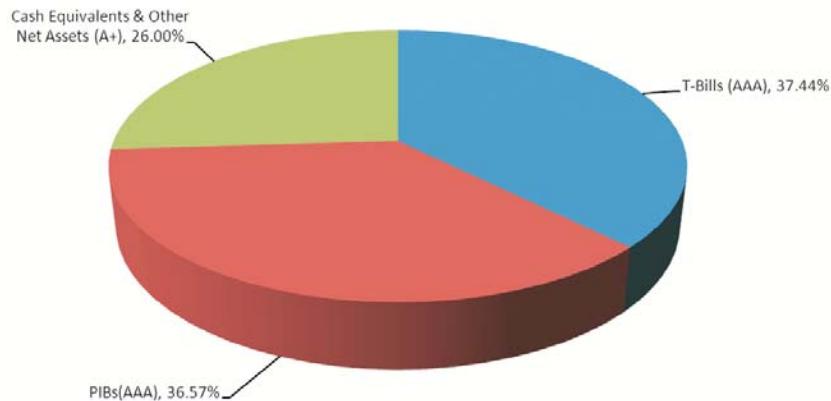
Fund's Performance

The size of NBP Government Securities Savings Fund decreased from Rs. 692 million to Rs. 224 million during the period (a decline of 68%). During the period, the unit price of the Fund has increased from Rs. 10.3490 on June 30, 2020 to Rs. 10.7049 on March 31, 2021, thus showing return of 4.6% as compared to the benchmark return of 7.2% for the same period. The performance of the Fund is net of management fee and all other expenses. The Fund has been assigned a stability rating of 'AA- (f)' by PACRA.

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. 11.594 million during the period. After deducting total expenses of Rs. 3.830 million, the net income is Rs. 7.764 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSSF.



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.



ڈائریکٹریز رپورٹ

NBP فنڈ میجنت فنڈ کے یورڈ آف ڈائریکٹریز بصد مرت 31 مارچ 2021ء ختم ہونے والی نوہی کے لئے NBP گورنمنٹ سیکورٹیز سیو گرفنڈ (NGSSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

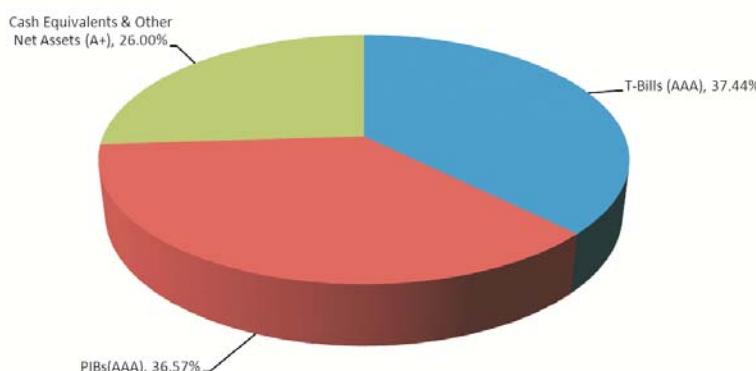
موجودہ مدت کے دوران NBP گورنمنٹ سیکورٹیز سیو گرفنڈ (NGSSF) کا سائز 692 ملین روپے سے کم ہو کر 224 ملین روپے ہو گیا یعنی 68% کی کمی۔ موجودہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 10.3490 روپے سے 10.7049 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے ٹیکنیکل مارک کے مقابلے میں 4.6% کا مانع درج کیا۔ فنڈ کی یہاں کارکردگی میجنت فنڈ اور گیر تاما خراجات کے بعد خاص ہے۔ فنڈ کو PACRA کے ذریعے (f)-AA کی استکام کی درجہ بندی تقویض کی گئی ہے۔

جو لوائی میں بلندی پر پہنچنے کے بعد کو یہ 19 کے فعال کیسز میں نہیں کی؛ اموات کی شرح میں تیزی سے کی اور نیکشن نتائج بھی کم ہو رہا ہے پر آگیا جس نے معیشت کو دوبارہ کھو لئے کی اجازت دی۔ معاشری بھائی کی رفتار یونٹ کی تسلیم، خودہ اینڈ ہن کی فروخت اور آٹو موبائل کے فروخت جم کے اکٹھ جاری کردہ معاشری اعداد و شمار سے ظاہر ہوتی ہے۔ پالیسی سازی کے تناظر میں، اسٹیٹ بینک آف پاکستان نے تقلیل مدت میں پالیسی شرح کو جمیع طور پر 6.25 فیصد تک کم کر دیا اور حکومت نے ایک 1.2 ٹریلیون روپے کے محکم ٹکنیکل کا اعلان کیا، جو ڈی پی کے 2.8 فیصد کے مساوی ہے، جس میں معاشرے کے تمام شعبوں کو یہیں دیا گیا ہے جن میں پسمندہ افراد، کار و بارا اور صفتیں شامل ہیں۔ 8MFY21 کے دوران وباً مرض کرونا وائرس کے بدولت یہ ورنی اکاؤنٹ پر شہت اثر ہوا اور ترسیلات زر میں 24 فیصد اضافہ ہوا۔ ملک نے گذشتہ سال کے قابلی دورانی 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۔ یہن الاقوامی مالیاتی فنڈ (IMF) کے ساتھ تو سیئی فنڈ کی سہولت (EFF) جسے پہلے 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 یہن الاقوامی ڈیٹ مارکیٹ میں یوروبائزڈ جاری کر کے ملک کو 2.5 ارب ڈالر قرض لیئے کا موقع ملا۔

مالی سال 21 کی نوماہی کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مائیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد کئے جن میں بینک اکٹھ کی شرح کو 7 فیصد برقرار کھا۔ ان مائیٹری پالیسی کا رواجیوں، اور افراطی راور سود کی شرح کے نقطہ نظر پر گورنمنٹ منافع میں اضافہ ہوا۔ اس مدت کے دوران اسٹیٹ بینک آف پاکستان نے میں (20) 9.88 ٹریلیون روپے کے دصول کئے۔ 3 ماہ اور 12 ماہ کی متوں والے T-Bills کے منافع میں بالترتیب 33 bps، 72 bps اور 84 bps 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 11.594 ملین روپے کی مجموعی آمدی کمی۔ 3.830 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدی 7.764 ملین روپے ہے۔

درج ذیل چارٹ NGSSF کی ایسٹ ایمیکشن اور اس کے ذیلی انتاؤں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ رینگ پیش کرتا ہے:





اٹھارٹھر

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

بورڈ اپنے اسٹاف اور ٹریئن کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خزانہ ٹھیکین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹر

NBP نیشنل میجنٹ لیمیٹڈ

ڈائریکٹر

چیف ایگزیکیوٹو

تاریخ: 30 اپریل 2021ء

مقام: کراچی

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

	Unaudited 31 March 2021	Audited 30 June 2020
	<i>Note</i> ----- (Rupees in '000) -----	
Assets		
Bank balances	163,110	214,955
Investments	165,812	527,289
Profit receivable	1,673	14,519
Deposit, prepayment and other receivables	1,075	1,032
Receivable against transfer of units	-	345
Total assets	331,670	758,140
Liabilities		
Payable to the Management Company	6,029	7,146
Payable to the Trustee	16	95
Payable to Securities and Exchange Commission of Pakistan	47	161
Payable against purchase of investments	83,886	52,638
Payable against redemption of units	12,440	744
Accrued expenses and other liabilities	5,191	5,183
Total liabilities	107,609	65,967
Net assets	224,061	692,173
Unit holders' fund (as per statement attached)	224,061	692,173
Contingencies and commitments	6	
	----- (Number of units) -----	
Number of units in issue	20,930,599	66,883,230
Net assets value per unit	10.7049	10.3490

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
Income	Note ----- (Rupees in '000) -----			
Income from Market Treasury Bills	3,062	31,014	1,817	8,153
Income from Pakistan Investment Bonds	9,125	20,694	1,766	6,488
Income from Term Deposit Receipts	1,675	2,423	-	1,361
Profit on bank deposits	6,656	20,607	2,422	4,566
(Loss) / Gain on sale of investments - net	(8,056)	3,600	(1,062)	1,879
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(868)	21,570	227	17,445
Total income	11,594	99,908	5,170	39,892
Expenses				
Remuneration of the Management Company	543	1,670	155	535
Sindh Sales Tax on remuneration to Management Company	71	217	21	70
Remuneration of the Trustee	154	358	49	101
Sindh Sales Tax on remuneration to Trustee	20	47	6	14
Annual fee - Securities and Exchange Commission of Pakistan	47	110	15	31
Allocation of expenses related to registrar services, accounting, operation and valuation services	266	550	94	156
Auditors' remuneration	330	331	108	110
Securities transaction cost	17	76	2	2
Settlement and bank charges	97	102	5	46
Listing fee	16	19	5	5
Professional charges	112	27	94	9
Mutual fund rating fee	251	248	83	82
Printing and other charges	92	52	-	16
Selling & Marketing Expense	9	1,656	527	1,090
Total expenses	3,672	7,427	1,164	2,267
Net income from operating activities	7,922	92,481	4,006	37,625
Provision for Sindh Workers' Welfare Fund	5	(158)	(80)	(753)
Net income for the period before taxation	7,764	90,631	3,926	36,872
Taxation	8	-	-	-
Net income for the period	7,764	90,631	3,926	36,872
Allocation of net income for the period				
Net income for the period	7,764	90,631	3,926	36,872
Income already paid on units redeemed	(1,748)	(33,009)	(1,418)	(4,553)
	6,016	57,622	2,508	32,319
Accounting income available for distribution:				
-Relating to capital gains	-	16,652	-	16,557
-Excluding capital gains	6,016	40,970	2,508	15,762
	6,016	57,622	2,508	32,319

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	
	2021	2020	2021	2020
----- (Rupees in '000) -----				
Net income for the period	7,764	90,631	3,926	36,872
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	7,764	90,631	3,926	36,872

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 ENDED MARCH 31, 2021

	Nine Months Ended			Nine Months Ended		
	March 31 2021		Total	March 31 2020		Total
	Capital value	Undistributed income	(Rupees in '000)	Capital value	Undistributed income	(Rupees in '000)
Net assets at beginning of the period	650,168	42,005	692,173	1,051,874	40,423	1,092,297
Issuance of 327,296,079 units (2020: 236,880,515 units)						
- Capital value	323,018	-	323,018	2,444,516	-	2,444,516
- Element of income	4,278	-	4,278	50,459	-	50,459
Total proceeds on issuance of units	327,296	-	327,296	2,494,975	-	2,494,974
Redemption of 803,171,269 units (2020: 279,347,718 units)						
- Capital value	(798,582)	-	(798,582)	(2,882,761)	-	(2,882,761)
- Element of loss	(2,842)	(1,748)	(4,590)	(7,312)	(33,009)	(40,321)
Total payments on redemption of units	(2,923,082)	(1,748)	(803,171)	(2,923,082)	(33,009)	(2,923,082)
Total comprehensive income for the period		7,764	7,764	-	90,631	90,631
Distribution during the period						
-@Re. 0.7207 per unit (date of declaration: October 29, 2019)	-	-	-	(36,670)	(15,298)	(51,968)
-@Re. 0.0726 per unit (date of declaration: November 28, 2019)	-	-	-	(800)	(2,959)	(3,759)
-@Re. 0.1274 per unit (date of declaration: December 27, 2019)	-	-	-	(2,475)	(5,913)	(8,388)
-@Re. 0.0824 per unit (date of declaration: January 28, 2020)	-	-	-	(421)	(3,779)	(4,200)
-@Re. 0.0963 per unit (date of declaration: February 27, 2020)	-	-	-	(150)	(4,536)	(4,686)
-@Re. 0.3616 per unit (date of declaration: March 27, 2020)	-	-	-	(3,323)	(18,774)	(22,097)
	-	-	-	(43,839)	(51,259)	(95,098)
Net assets at end of the period	<u>(1,945,618)</u>	<u>48,021</u>	<u>224,061</u>	<u>579,928</u>	<u>46,786</u>	<u>659,723</u>
Undistributed income brought forward						
- Realised	21,754				46,868	
- Unrealised	<u>20,251</u>				<u>(6,445)</u>	
	<u>42,005</u>				<u>40,423</u>	
Accounting income available for distribution:						
- Relating to capital gains					16,652	
- Excluding capital gains		<u>6,016</u>			<u>40,970</u>	
		<u>6,016</u>			<u>57,622</u>	
Distribution during the period						
- Cash Distribution			-			(51,259)
Undistributed income carried forward	<u>48,021</u>				<u>46,786</u>	
Undistributed income carried forward						
- Realised	48,889				25,216	
- Unrealised	<u>(868)</u>				<u>21,570</u>	
	<u>48,021</u>				<u>46,786</u>	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period		<u>10.3490</u>			<u>10.3196</u>	
Net assets value per unit at end of the period		<u>10.7049</u>			<u>10.4091</u>	

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 ENDED MARCH 31, 2021

	Nine Months Ended March 31,	
	2020	2019
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	7,764	90,631
Adjustments:		
Realized (gain) / loss on sale of investments - net	8,056	(3,600)
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	868	(21,570)
	<hr/> 16,688	<hr/> 65,461
Decrease in assets		
Investments - net	352,553	178,353
Profit receivable	12,846	5,144
Deposits and prepayment	(43)	(159)
	<hr/> 365,356	<hr/> 183,338
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,117)	1,452
Payable to the Trustee	(79)	(112)
Payable to Securities and Exchange Commission of Pakistan	(114)	(426)
Payable against purchase of investments	31,248	(509,729)
Accrued expenses and other liabilities	8	4,140
	<hr/> 29,946	<hr/> (504,675)
Net cash generated / (used in) from operating activities	<hr/> 411,990	<hr/> (255,876)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issue of units	327,641	2,445,223
Payments against redemption of units	(791,475)	(2,915,795)
Distribution paid	-	(51,259)
Net cash flows (used in) / generated from financing activities	<hr/> (463,834)	<hr/> (521,831)
Net (decrease) in cash and cash equivalents during the period	<hr/> (51,845)	<hr/> (777,707)
Cash and cash equivalents at beginning of the period	214,955	861,816
Cash and cash equivalents at end of the period	<hr/> 163,110	<hr/> 84,109

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 INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

1 **LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** NBP Government Securities Savings Fund (the Fund) was established under a Trust Deed entered into between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 5, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2014.
- 1.2** 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).
- 1.3** The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange 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 categorized as an "Income Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorization of Collective Investment Schemes (CIS).
- 1.4** The objective of the Fund is to provide unit holders with competitive return from portfolio of low credit risk securities by investing primarily in government securities.
- 1.5** The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (2019: AM1 on December 24, 2019) on June 24, 2020. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund to "AA-(f)" (2019: "AA-(f)" on April 17, 2020) on October 16, 2020.
- 1.6** The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

2 **BASIS OF PREPARATION**

2.1 **Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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;
- 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 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

		31 March 2021	30 June 2020
		Unaudited	Audited
		(Rupees in '000)	
Financial assets 'at fair value through profit or loss'	Note		
Government Securities			
Market Treasury Bills	4.1	83,883	433,749
Pakistan Investment Bonds	4.2	81,929	58,540
Term Deposit Receipt		-	35,000
		165,812	527,289



4.1 Market Treasury Bills

Issue date	Tenor in months	Face value			Market value / Carrying value as at March 31, 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2020	Purchases during the period	Sales / matured during the period			
					(Rupees in '000)	(%)	
7 November 19	12	53,930	-	53,930	-	-	-
24 October 19	12	3,500	-	3,500	-	-	-
12 September 19	12	2,500	-	2,500	-	-	-
2 July 20	6	-	50,000	50,000	-	-	-
8 August 02	3	-	74,000	74,000	-	-	-
5 November 20	3	-	80,000	80,000	-	-	-
8 October 20	3	-	10,000	10,000	-	-	-
9 April 20	6	-	126,000	126,000	-	-	-
14 January 21	3	-	228,000	144,000	84,000	83,883	37.44
16 August 19	12	-	10,000	10,000	-	-	-
16 January 20	12	-	50,000	50,000	-	-	-
16 July 20	12	-	50,000	50,000	-	-	-
17 December 20	3	-	50,000	50,000	-	-	-
19 December 19	12	-	5,000	5,000	-	-	-
19 November 20	3	-	63,000	63,000	-	-	-
22 October 20	3	-	230,000	230,000	-	-	-
23 April 20	6	-	55,000	55,000	-	-	-
24 September 20	3	-	12,000	12,000	-	-	-
25 February 21	3	-	50,000	50,000	-	-	-
26 March 20	6	-	38,000	38,000	-	-	-
27 August 20	3	-	5,500	5,500	-	-	-
31 December 20	3	-	350,000	350,000	-	-	-
Total		59,930	1,536,500	1,512,430	84,000	83,883	37.44
Carrying value before fair value adjustment as at 31 March 2020		83,895					
4.1.1	These carry's rate of return ranging from 6.60% to 7.24% per annum (30 June 2020: 13.75% per annum).						
4.2 Pakistan Investment Bonds	Issue date	Tenor	Face value			Market value / Carrying value as at March 31, 2021	Market value as a percentage of net assets
			As at 01 July 2020	Purchases during the period	Sales / matured during the period	As at March 31, 2021	Market value as a percentage of total investments
						(Rupees in '000)	(%)
19 July 12	10 Year	34,000	-	-	34,000	35,583	15.88
19 September 19	03 Year	120,900	-	75,000	45,900	46,346	20.68
19 September 19	05 Year	258,400	-	258,400	-	-	-
Total		413,300	-	333,400	79,900	81,929	36.57
Carrying value before fair value adjustment as at 31 March 2021		82,785					
4.1.2	These carry's rate of return ranging from 9.00 % to 12.00% per annum (30 June 2020: 14.01% 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 11.1 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. 4.602 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. 0.2199 per unit (June 30, 2020: Rs. 0.0664 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 EXPENSE

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 0.7% 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, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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.

9 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2021 is 1.63% (2020: 1.69%) which includes 0.13% (2020: 0.40%) representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

- 10.1 The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.
- 10.2 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 10.3 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

10.4 Transactions during the period:

	(Unaudited) Nine months ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	

NBP Fund Management Limited

Remuneration of the Management Company	543	1,670
Sindh Sales Tax on remuneration of Management Company	71	217
Allocation of expenses related to registrar services, accounting, operation and valuation services	266	550
Sale load	440	1,449
Selling and marketing	1,656	3,620
Units Redeemed: Nil units (31 March 2020: 9,842,418 units)	-	105,248

Employees of the Management Company

Units Issued: 179,608 units (31 March 2020: 764,038 units)	1,873	8,028
Units redeemed: 299,432 units (31 March 2020: 302,595 units)	3,092	3,270
Dividend Re-invest Nil units (31 March 2020: 30,664 units)	-	317

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	154	358
Sindh Sales Tax on remuneration of Trustee	20	47

Portfolio managed by the Management Company

Units redeemed: Nil units (March 31, 2020: 3,952,715 units)	-	41,401
Purchases of Market Treasury Bills	-	130,840
Purchase of PIB	-	24,759
Sell of PIB	-	8,271

NBP Financial Sector Income Fund

Purchases of Market Treasury Bills	-	179,430
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National Bank of Pakistan

Purchases of Market Treasury Bills	-	274,410
Purchases of PIB	-	93,536
Profit income	29	70

Telenor Microfinance Bank Limited - common directorship

Profit income	1	-
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Khushhali Bank Limited - common directorship

Profit income	27	-
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Bank Islami Pakistan Limited

Profit income	34	60
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NBP Income Opportunity Fund

Purchases of Market Treasury Bills	-	44,946
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NBP Mahana Amdani Fund

Sell of Market Treasury Bills	-	82,978
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Pakistan Stock Exchange Limited*

Listing fee paid	25	25
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	Unaudited 31 March 2021	Audited 30 June 2020
10.5 Amounts outstanding as at period / year end:	----- (Rupees in '000) -----	
NBP Fund Management Limited		
Management remuneration payable	44	175
Sindh Sales Tax payable on management remuneration	6	23
Federal excise duty on remuneration of the Management Company	1,865	1,864
Federal excise duty on sales load	371	371
Sales load and transfer load payable	2,696	2,307
Sindh Sales Tax on sales load	371	320
Allocation of expenses related to registrar services, accounting, operation and valuation services	94	255
Other payable	55	45
Selling and Marketing Expenses Payable	527	1,786
Employees of the Management Company		
Units held: 35,136 (30 June 2020: 154,960 units)	376	1,604
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	14	84
Sindh Sales Tax payable on Trustee remuneration	2	11
Security deposit	102	102
Franey N. Irani - unit holder with 10% or more holding*		
Units held: 2,207,646 units (June 30, 2020: Nil units)	23,633	-
National Bank of Pakistan		
Bank balances	374	393
Profit receivable	4	5
Telenor Microfinance Bank Limited - common directorship		
Bank balances	78	-
Profit receivable	12	-
Khushhali Bank Limited - common directorship		
Bank balances	392	-
Profit receivable	3	-
Bank Islami Pakistan Limited		
Balance in saving account	411	1,093
Profit receivable	13	29

11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on April 30, 2021 by the Board of directors of the Management Company.

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 better presentation and disclosure. There have been no significant reclassification during the period except for the impact of change in accounting policies.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

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