



AM1
Rated by PACRA

NBP 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.

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS	14

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
Bank Islami Pakistan Limited
Bank Alfalah Limited
Bank Al Habib Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Summit Bank Limited
Silk Bank Limited
Soneri Bank Limited
Telenor Microfinance Bank Limited
The First Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited
Khushhal Microfinance Bank Limited
Habib Metropolitan Bank Limited
Mobilink Microfinance Bank Limited

Auditors

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

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 Savings Fund** (NBP-SF) for the period ended March 31, 2021.

Fund's Performance

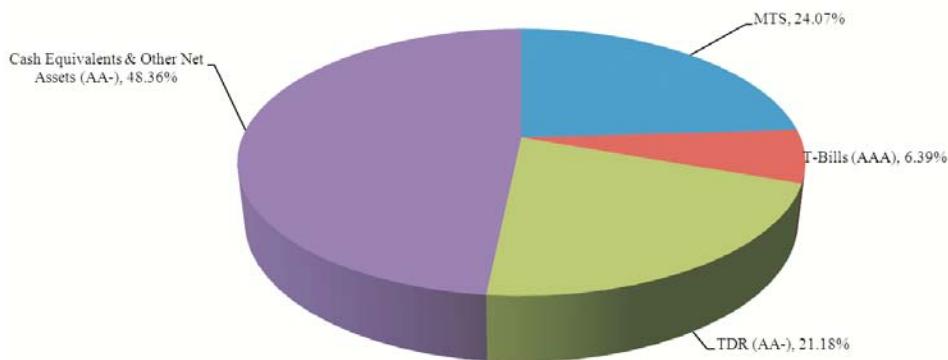
The size of NBP Savings Fund has decreased from Rs. 1,695 million to Rs. 1,558 million during the period (a decline of 8%). During the period, the unit price of NBP Savings Fund has increased from Rs. 9.7943 on June 30, 2020 to Rs. 10.2837 on March 31, 2021, thus showing a return of 6.7% as compared to the benchmark return of 7.3% for the same period. The performance of the Fund is net of management fee and all other expenses.

NBP-SF is categorized as an Income Scheme and has been awarded stability rating of 'A+ (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. 101.344 million during the period. After deducting total expenses of Rs. 24.743 million, the net income is Rs. 76.601 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NBP-SF.



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

Date: **April 30, 2021**

Place: Karachi.

Director

ڈائریکٹر رپورٹ

NBP فنڈ میجسٹ لیئڈ کے بورڈ آف ڈائریکٹرز صدم سرت 31 مارچ 2021 کو ختم ہونے والی نوماہی کے لئے NBP سیو گرفٹ (NBP-SF) کے غیر جائز شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP سیو گرفٹ کا سائز 1,695 ملین روپے سے کم ہو کر 1,558 ملین روپے ہو گیا یعنی 8% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، NBP سیو گرفٹ کے یونٹ کی قیمت 30 جون 2020 کو 9.7943 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2021 کو 10.2837 روپے ہو گئی۔ لہذا اس مدت کے دوران فنڈ نے اپنے نیچے مارک 7.3% کے مقابلے میں 6.7% متنازع درج کیا ہے۔ فنڈ کی یہ کارکردگی میجسٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

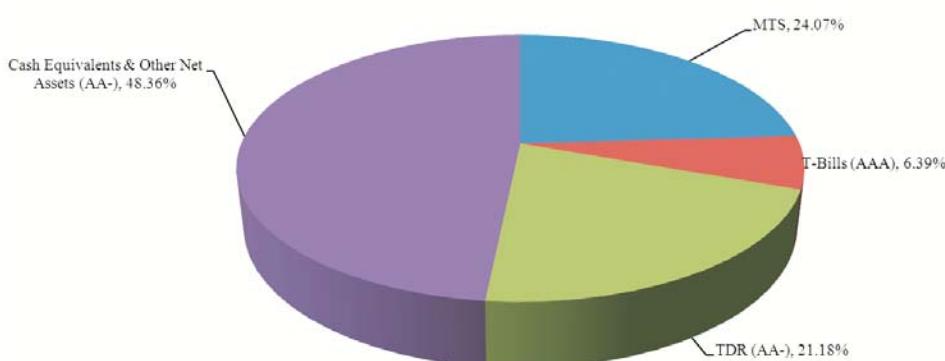
NBP-SF کی ایکم ایکیم کے طور پر بندی کی گئی ہے اور PACRA کی طرف سے 'A+(f)' کی مختکم رینگ دی گئی ہے۔

جو لائی میں بلندی پر پہنچنے کے بعد کو یہ 19 کے نعال کیسر میں نمایا کی؛ اموات کی شرح میں تیزی سے کمی اور انٹیکشن نسب بھی کم ہو کر واحد ہندسے پر آگیا جس نے معیشت کو دوبارہ کھولنے کی اجازت دی۔ معاشری سماجی کی رفتار سیمٹ کی تزلیل، خودہ ایڈھن کی فروخت اور آنوموبائل کے فروخت جم کے اکثر جاری کردہ معاشری اعلاد و شمار سے ظاہر ہوتی ہے۔ پالیسی سازی کے تناظر میں، ایٹیٹ 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 تریلین روپے کے محکم ٹینک کا اعلان کیا، جو ہی ڈی پی کے 2.8 فیصد کے مساوی ہے، جس میں معاشرے کے تمام شعبوں کو رسید دیا گیا ہے جن میں پسمندہ افراد، کار و بار اور صنعتیں شامل ہیں۔ 2021-2022 کے دوران وباً مریض کرونا وائرس کے بدولت یہ دنیا کا کوئٹ پریشنت اثر ہوا اور ترسیمات زر میں 24 فیصد اضافہ ہوا۔ ملک نے گذشتہ سال کے تقاضی دورانیہ میں 2.7 بیلین امریکی ڈالر کے کرنٹ اکاؤنٹ خارجہ (CAD) کے مقابلے میں 8MFY21 کے دوران 881 ملین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلٹس درج کیا ہے۔ بین 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 بین الاقوامی ڈیٹ مارکیٹ میں یوروبانڈز جاری کر کے ملک کو 2.5 ارب ڈالر قرض لینے کا موقع ملا۔

مالی سال 21 کی نوماہی کے دوران، ایٹیٹ بینک آف پاکستان (ایس بی پی) نے ایٹیٹ پالیسی کمیٹی (ایم پی سی) کے چار اجلاس منعقد کئے جن میں نیچے مارک پالیسی شرح 7 فیصد پر برقرار رکھا۔ ان مانیٹری پالیسی کا رروائیوں، اور افراطی روا رسود کی شرح کے نقطہ نظر پر سورجین پیداوار میں اضافہ ہوا۔ اس مدت کے دوران ایٹیٹ بینک آف پاکستان نے ٹی بلز نیال میوں کا انعقاد کیا، جس میں کل 9.88 تریلین روپے وصول کئے۔ 3 ماہ اور 12 ماہ کی مدتؤں کے ٹی بلز پر پیداوار میں با ترتیب 33 یونٹز 84 یونٹز اور 72 یونٹز پاؤکٹس کا اضافہ ہوا۔ اس کے مطابق، اسی مدت کے دوران PIB پیداوار میں 173 bps کا اضافہ ہوا۔

فنڈ نے موجودہ مدت کے دوران 101.344 ملین روپے کی مجموعی آمدی کمائی ہے۔ 24.743 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدی 76.601 ملین روپے ہے۔

درج ذیل چارٹ NBP-SF کی ایٹیٹ ایلوکیشن اور اس کے ذیلی اٹاؤں کے تمام درجہ کی پیاس شدہ اوسط کریٹریٹ رینگ پیش کرتا ہے:



اٹھار تکہر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میجنت کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولدرز کا شکریہ ادا کرتا ہے۔ یسکور ٹیز ایڈ آپ چین کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور ہدماتی کے لئے ان کے خالص روایہ کا بھی اعتماد کرتا ہے۔

بورڈ اپنے اسٹاف اور ٹریشی کی طرف سے سخت محنت گلن اور عزم کے مظاہرے پر اپنا خراج تسلیں بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹر

NBP میجنت لائٹ

ڈائریکٹر

چیف ایگزیکیوٹو

تاریخ: 30 اپریل 2021ء

مقام: کراچی

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

	Note	Unaudited 31 March 2021	Audited 30 June 2020
		(Rupees in '000)	
Assets			
Bank balances	4	859,727	1,414,360
Investments		429,587	164,709
Receivable against Margin Trading System		375,010	191,347
Profit and other receivables		12,369	10,587
Receivables from funds under management by Management Company against conversion of units		-	1,599
Advances, deposit and prepayments		933	1,150
Total Assets		1,677,626	1,783,752
Liabilities			
Payable to NBP Fund Management Limited - Management Company		4,419	5,253
Payable to Central Depository Company of Pakistan Limited - Trustee		113	89
Payable to Securities and Exchange Commission of Pakistan		236	227
Payable against redemption of units		840	69,352
Payable against purchase of investments		99,587	-
Accrued expenses and other liabilities		14,358	14,261
Total Liabilities		119,553	89,182
Net Assets		1,558,073	1,694,570
Unit Holders' Fund (as per statement attached)		1,558,073	1,694,570
Contingency and Commitment	7		
		(Number of units)	
Number of Units in Issue		151,508,494	173,015,951
		(Rupees)	
Net Assets Value per Unit		10.2837	9.7943

The annexed notes 1 to 13 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 AND QUARTER ENDED MARCH 31, 2021

Note	Nine months period ended		Quarter ended	
	March 2021	March 2020	March 2021	March 2020
	(Rupees in '000)			
Income				
Income from government securities	18,570	4,349	8,124	3,319
Income from term finance certificate	-	3,160	-	-
Income from term deposit receipts and bank balances	53,510	85,380	16,027	23,758
Income from Margin Trading System	23,470	11,628	5,024	9,720
Income on commercial paper	5,916	16,197	1,395	5,321
(Loss) / Gain on sale of investments - net	(140)	162	(11)	114
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	18	281	14	287
Total income	101,344	121,157	30,573	42,519
Expenses				
Remuneration to NBP Fund Management Limited - Management Company	6,894	7,426	2,047	3,036
Sindh Sales Tax on remuneration of Management Company	896	965	266	394
Remuneration to Trustee	885	623	293	217
Sindh Sales Tax on remuneration of Trustee	115	81	38	28
Annual fee - Securities and Exchange Commission of Pakistan	236	166	78	58
Reimbursement of operational expenses to the Management Company	1,350	831	488	289
Selling and marketing expense	8,264	5,711	2,736	2,021
Settlement and bank charges	2,789	1,533	808	770
Annual listing fee	21	21	7	7
Auditors' remuneration	520	539	106	108
Professional charges	798	46	340	28
Fund rating fee	331	314	109	110
Printing charges	79	15	5	15
Brokerage Expense	2	9	1	6
Total expenses	23,180	18,280	7,322	7,087
Net income from operating activities	78,164	102,877	23,251	35,432
Provision for Sindh Workers' Welfare Fund	6 (1,563)	(2,058)	(465)	(709)
Net income for the period before taxation	76,601	100,819	22,786	34,723
Taxation	8 -	-	-	-
Net income for the period after taxation	76,601	100,819	22,786	34,723
Allocation of net income for the period				
Net income for the period	76,601	100,819	22,786	34,723
Income already paid on units redeemed	(8,108)	(9,025)	(3,449)	(1,309)
	68,493	91,794	19,337	33,414
Accounting income available for distribution:				
- Relating to capital gains	-	426	-	392
- Excluding capital gains	68,493	91,368	19,337	33,022
	68,493	91,794	19,337	33,414

The annexed notes 1 to 13 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 AND QUARTER ENDED MARCH 31, 2021**

	Nine months period ended		Quarter Ended	
	2021	2020	2021	2020
	(Rupees in '000)			
Net income for the period after taxation	76,601	100,819	22,786	34,723
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	76,601	100,819	22,786	34,723

The annexed notes 1 to 13 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 period ended					
	2021			2020		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
----- (Rupees in '000)-----						
Net assets at beginning of the period	1,691,334	3,236	1,694,570	1,003,542	384	1,003,926
Issuance of 51,707,777 units (2020: 131,046,327 units)						
- Capital value	506,442	-	506,442	1,281,098	-	1,281,098
- Element of income	9,960	-	9,960	56,549	-	56,549
Total proceeds on issuance of units	516,402	-	516,402	1,337,647	-	1,337,647
Redemption of 73,215,234 units (2020: 120,478,110 units)						
- Capital value	(717,092)	-	(717,092)	(1,177,784)	-	(1,177,784)
- Element of loss	(4,300)	(8,108)	(12,408)	(42,403)	(9,025)	(51,428)
Total payments on redemption of units	(721,392)	(8,108)	(729,500)	(1,220,187)	(9,025)	(1,229,212)
Total comprehensive income for the period	-	76,601	76,601	-	100,819	100,819
Net assets at end of the period	1,486,344	71,729	1,558,073	1,121,002	92,178	1,213,180
Undistributed income brought forward						
- Realised	3,195				2,030	
- Unrealised	41				(1,646)	
	3,236				384	
Accounting income available for distribution:						
- Relating to capital gains	-				426	
- Excluding capital gains	68,493				91,368	
	68,493				91,794	
Undistributed income carried forward		71,729			92,178	
Undistributed income carried forward						
- Realised	71,711				91,897	
- Unrealised	18				281	
	71,729				92,178	
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period		9.7943			9.7759	
Net assets value per unit at end of the period		10.2837			10.7113	

The annexed notes 1 to 13 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

	Note	Nine months period ended	
		2021	2020
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		76,601	100,819
Adjustments for:			
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(18)	(281)
Loss / (Gain) on sale of investments - net		140	(162)
		<u>76,723</u>	<u>100,376</u>
(Increase) / Decrease in assets			
Investments - net		(165,413)	115,120
Receivable against Margin Trading System		(183,663)	(147,107)
Profit and other receivables		(1,782)	(2,698)
Deposits, prepayment and other receivables		217	(260)
		<u>(350,641)</u>	<u>(34,945)</u>
Increase / (Decrease) in liabilities			
Payable to NBP Fund Management Limited		(834)	959
- Management Company		24	(73)
Payable to Central Depository Company of Pakistan Limited - Trustee		9	(532)
Payable to Securities and Exchange Commission of Pakistan		97	2,130
Accrued expenses and other liabilities		(704)	2,484
Net cash (used in) / generated from operating activities		<u>(274,622)</u>	<u>67,915</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received on issue of units		518,001	1,337,647
Payments against redemption of units		(798,012)	(1,229,120)
Net cash (used in) / generated from financing activities		<u>(280,011)</u>	<u>108,527</u>
Net (decrease) / increase in cash and cash equivalents during the period		<u>(554,633)</u>	<u>176,442</u>
Cash and cash equivalents at beginning of the period		1,414,360	728,176
Cash and cash equivalents at end of the period		<u>859,727</u>	<u>904,618</u>

The annexed notes 1 to 13 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 AND QUARTER ENDED MARCH 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited, as the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on 03 January 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 14 December 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). Subsequently, CDC retired as the Trustee of the Fund and MCB Financial Services Limited (MCBFSL) was appointed as the new Trustee with effect from 22 November 2011. The SECP approved the appointment of MCBFSL as the Trustee in place of the CDC on 15 November 2011. Accordingly, the Trust Deed of the Fund was revised through a supplemental Deed executed between the Management Company, CDC and MCBFSL. CDC was appointed in place of MCBFSL as the Trustee with effect from 19 October 2018. Accordingly the Trust Deed of the Fund was revised through a supplemental Deed executed between the Management Company and CDC. The effective date of change of name of the Fund is 4 April 2019.
- 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 Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund is an open-ended mutual fund, categorised as an income scheme as per the criteria for categorisation of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters 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.
- 1.4 The investment objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a stability rating of 'A+(f)' to the Fund and has assigned and maintained asset manager rating of 'AM1' of Management Company..
- 1.6 Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited 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;
- 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.

4 INVESTMENTS	31 March 2021	30 June 2020
	Unaudited	Audited

Investments by category (Rupees in '000)

At fair value through profit or loss

Term finance certificates - listed	4.1	-	-
Term finance certificates - unlisted	4.2	-	-
Sukuks	4.3	-	-
Government securities - Market Treasury Bills	4.4	99,587	99,709
Term deposit receipt	4.5	<u>330,000</u>	<u>65,000</u>
	<u><u>429,587</u></u>	<u><u>164,709</u></u>	

4.1 Term finance certificates - listed

All certificates have a face value of Rs. 5,000 each unless stated otherwise.

Name of the investee company	Tenor	As at 01 July 2020	Purchases during the period	Sales / matured during the period	As at 31 March 2021	Market value/ Carrying value as at 31 March 2021	Market value / Carrying value as a percentage of net assets	Market value / carrying value as a percentage of total investments
		----- (Number of certificates) -----			----- (Rupees in '000) -----			----- (%) -----
Saudi Pak Leasing Company Limited (Note 4.1.1)	05 years	15,000	-	-	15,000	-	-	-
Worldcall Telecom Limited (Note 4.1.2)	13 years	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u><u>29,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>29,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

- 4.1.1** This represents investment in listed term finance certificates with original term of five years. On 13 October 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its terms on 26 December 2011 with new maturity in March 2017. The investee company again defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since 30 April 2014. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of said circulars.
- 4.1.2** This represents investment in listed term finance certificates of Worldcall Telecom Limited. On 07 April 2012, the investee company defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP. The amount of provision required as per SECP circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

4.2 Term finance certificates - Unlisted

All certificates have a face value of Rs. 5,000 each unless stated otherwise.

Name of the investee company	Tenor	As at 01 July 2020	Purchases during the period	Sales / matured during the period	As at 31 March 2021	Market value/ Carrying value as at 31 March 2021	Market value / Carrying value as a percentage of net assets	Market value/ carrying value as a percentage of total investments
-----Number of certificates----- (Rupees in '000) -----(%-----)								
Agritech Limited II (Note 4.2.1)	10 years	30,000	-	-	30,000	-	-	-
Agritech Limited V (Note 4.2.2)	5 years	4,436	-	-	4,436	-	-	-
		<u>34,436</u>	<u>-</u>	<u>-</u>	<u>34,436</u>	<u>-</u>	<u>-</u>	<u>-</u>

- 4.2.1** This represents investment in Privately Placed unlisted Term Finance Certificates (PPTFCs) with a term of seven years. On 14 July 2010 the investee company defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing by MUFAP since 02 August 2010. The amount of provision as per circular no.1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.
- 4.2.2** This represents investment in Privately Placed Term Finance Certificates (PPTFC) of Agritech V received against due markup of Agritech I. The investee company defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since 17 January 2012. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

4.3 Sukus - Unlisted

All sukus have a face value of Rs. 5,000 each unless stated otherwise.

Name of the investee company	Tenor	As at 01 July 2020	Purchases during the period	Sales / matured during the period	As at 31 March 2021	Market value/ Carrying value as at 31 March 2021	Market value / Carrying value as a percentage of net assets	Market value/ carrying value as a percentage of total investments
-----Number of certificates----- (Rupees in '000) -----(%-----)								
New Allied Electronics (Private) Limited (Note 4.3.1)	11 years	10,000	-	-	10,000	-	-	-
Eden Housing Limited (Note 4.3.2)	12 years	20,000	-	-	20,000	-	-	-
		<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

- 4.3.1** This represents investment in privately placed sukuks with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since 09 January 2009. The amount of provision as per circular 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.
- 4.3.2** This represents investment in privately placed sukuks with a term of five years. On 06 May 2011, the investee company defaulted its principal and profit payment and therefore it was classified as non performing asset by MUFAP. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.
- 4.3.3** The Sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

4.4 Investments in government securities

Issue date	Tenor	Face value			As at 31 March 2021	Market value / Carrying value as at 31 March 2021	Market value / Carrying value as a percentage of net assets	Market value / Carrying value as a percentage of total investments (%)					
		As at 01 July 2020	Purchases during the period	Sales / matured during the period									
(Rupees in '000)													
Market Treasury Bills													
September 12, 2019	12 Months	-	150,000	150,000	-	-	-	-					
October 10, 2019	12 Months	-	150,000	150,000	-	-	-	-					
November 7, 2019	12 Months	-	21,805	21,805	-	-	-	-					
December 5, 2019	12 Months	-	720,000	720,000	-	-	-	-					
December 19, 2019	12 Months	-	120,000	120,000	-	-	-	-					
January 2, 2020	12 Months	-	775,900	775,900	-	-	-	-					
April 23, 2020	3 months	100,000	-	100,000	-	-	-	-					
May 7, 2020	6 Months	-	69,015	69,015	-	-	-	-					
June 18, 2020	6 Months	-	77,000	77,000	-	-	-	-					
July 2, 2020	6 Months	-	21,600	21,600	-	-	-	-					
July 16, 2020	6 Months	-	75,000	75,000	-	-	-	-					
July 16, 2020	3 months	-	75,000	75,000	-	-	-	-					
July 30, 2020	3 months	-	100,000	100,000	-	-	-	-					
August 13, 2020	3 months	-	210,435	210,435	-	-	-	-					
August 27, 2020	3 months	-	200,000	200,000	-	-	-	-					
September 24, 2020	3 months	-	1,158,500	1,158,500	-	-	-	-					
October 8, 2020	3 months	-	133,100	133,100	-	-	-	-					
November 19, 2020	3 months	-	326,000	326,000	-	-	-	-					
December 3, 2020	3 months	-	766,000	766,000	-	-	-	-					
November 5, 2020	3 months	-	134,500	134,500	-	-	-	-					
February 13, 2020	12 Months	-	1,500	1,500	-	-	-	-					
January 14, 2021	3 months	-	165,000	165,000	-	-	-	-					
December 17, 2020	3 months	-	150,000	150,000	-	-	-	-					
March 26, 2020	12 Months	-	59,000	59,000	-	-	-	-					
January 28, 2021	3 months	-	100,000	-	100,000	99,587	6.39	23.18					
December 31, 2020	3 months	-	830,000	830,000	-	-	-	-					
Total		100,000	6,589,355	6,589,355	100,000	99,587	6.39	23.18					

Carrying value before fair value adjustments as at 31 March 2021

99,569

4.4.1 Investments include market treasury bills with market value of Rs. 99.587 million (30 June 2020: Rs 99.709 million) which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

4.5 Term Deposit Receipts

This includes 3 months Term Deposit Receipts of 165 million each placed in Khushhali Micro Finance Bank Limited (a related party) and U Micro Finance Bank Limited with profit rate of 8.80% and 9.00% respectively being matured on April 08, 2021.

5 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 0.70% per annum of the net assets of the Fund.

6 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 14.1 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. 8.689 million (June 30, 2020: 7.126 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. 0.0574 per unit (June 30, 2020: Rs. 0.0412 per unit)."

7 CONTINGENCY AND COMMITMENT

There was no contingency and commitment as at 31 March 2021 (30 June 2020: Nil).

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. 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.

Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). Distribution of income by collective investment schemes includes (a) the income already distributed upon redemption of units and (b) the remaining amount of income distributed by way of cash dividend.

In assessment for Tax Year 2018 in respect of NBP Saving Fund, the said exemption has been denied by The Additional Commissioner – Audit (AC), on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income as per criteria envisaged under Clause 99 of Part 1 of the Second Schedule of the Ordinance and AC due to commented that the distribution by the Fund fell short of 90% distribution threshold.

In response to the orders, the management filed appeal with Commissioner Appeal office. In his judgment, the Commissioner Appeals upheld Assessment Order passed by AC. The Fund has now initiated appeal in Appellate Tribunal, which is pending adjudication.

Meanwhile, the management filed petition for stay in High Court of Sindh (SHC), and stay order has been granted by SHC. In its judgment, SHC held that since the subject matter is pending before Appellate Tribunal, therefore, the recovery of impugned demand will not be enforced till the final decision of Tribunal.

Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners. SECP also agrees with MUFAPs interpretation and is also actively following up with FBR to resolve the matter at the earliest.

9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2021 is 2.10% (2020: 2.45%) which includes 0.24% (2020: 0.40%) 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 an 'income scheme'.

10 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the Fund as 'Income Scheme'.

The Clause (IV) of the categorisation criteria requires that not more than 15% of the net assets shall be invested in non traded securities including reverse repos, bank deposits, certificates of investments (COI), certificates of musharakas (COM) and anything over 6 months maturity which is not a marketable security. Clause (v) of the categorisation criteria requires that the ratings of any security in the portfolio of the Fund shall not be lower than investment grade. However, as at March 31, 2021, the Fund is in non-compliance with the above-mentioned requirements in respect of the following:

Type of Investment	Clause of Non Compliance	Name of Non-Compliant Investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
TFC		Agritech Limited II	149,876	149,876	-	-	-
TFC		Agritech Limited V	22,180	22,180	-	-	-
TFC		Worldcall Telecom Limited	23,326	23,326	-	-	-
TFC	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular no. 7 of 2009	Saudi Pak Leasing Company Limited	41,321	41,321	-	-	-
Sukuk		New Allied Electronics Industries (Private) Limited - Sukuk	49,054	49,054	-	-	-
Sukuk		Eden Housing - Sukuk II	19,688	19,688	-	-	-

11 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 11.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, 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.
- 11.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.3** Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 11.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at period end are as follows:

	Unaudited Nine months period ended	
	2021	2020
(Rupees in '000)		
NBP Fund Management Limited - Management Company		
Management remuneration	6,894	7,426
Sindh Sales Tax on remuneration of Management Company	896	965
Sales and transfer load charged	1,818	1,714
Reimbursement of operational expenses to the Management Company	1,350	831
Selling and marketing expense	8,264	5,711
ADC Shares	39	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee	885	623
Sindh Sales Tax on remuneration of Trustee	115	81
CDS Charges	229	308

11.5 Details of the transactions with connected persons are as follows:

	Unaudited Nine months period ended	
	2021	2020
	(Rupees in '000)	
Employees of the Management Company		
999,382 units issued (2020: 29,521 units)	9,920	299
1,071,139 units redeemed (2020: 34,902 units)	10,715	358
Muhammad Murtaza Ali - Company Secretary / COO		
Nil units issued (2020: 49,597 units)	-	500
Nil units redeemed (2020: 49,597 units)	-	503
Fauji Fertilizer Company Limited - Common Directorship		
32 units issued (2020: 25,271,313 units)	-	250,002
Nil units redeemed (2020: 25,271,160 units)	-	250,167
NBP Income Opportunity Fund (CIS Managed by Management Company)		
Purchase of Commerical Paper	-	23,182
NBP Money Market Fund (CIS Managed by Management Company)		
Purchase of T Bill	-	34,370
Sale of T Bill	68,921	-
NBP Financial Sector Income Fund (CIS Managed by Management Company)		
Purchase of T Bills	900,375	-
Sale of Term Finance Certificates	-	75,485
Portfolios Managed by Management Company		
Purchase of T Bill	-	110,166
Sale of T Bills	72,685	-
Nil units issued (2020: 656 units)	-	7
National Clearing Company of Pakistan Limited (Common Directorship)		
NCCPL Charges	161	172
Laga and Levy charges	2,267	-
Pakistan Stock Exchange Limited (Common Directorship)		
Listing Fee paid	25	25
Bank Islami Pakistan Limited (Common Directorship)		
Markup on Bank Deposit	48	1,772
The Hub Power Company Limited (Common Directorship)		
Purchase of Commerical Paper	-	83,647
Income on commercial paper	-	6,353
Khushhali Microfinance Bank Limited **		
Markup on bank deposit	3,031	-
TDR Placement	165,000	-
Markup income on TDR	3,302	-
Telenor Microfinance Bank Limited **		
Markup on bank deposit	25	-

NBP SAVINGS FUND



11.6 Amounts outstanding as at period / year end:

	31 March 2021	30 June 2020
	Unaudited	Audited
NBP Fund Management Limited - Management Company		(Rupees in '000)
Management remuneration payable	699	867
Sind Sales Tax payable	181	113
Allocation of expenses related to registrar services, accounting, operation and valuation services	489	302
Sales and transfer load	234	1,643
Sind Sales Tax payable on sales load	41	212
Selling & Marketing expense	2,736	2,116
ADC Shares payable	39	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	90	69
Sindh Sales Tax payable	23	20
Security deposit	100	100
CDC charges payable	134	47
K.T.H CP Fund (M.T.I)		
Units held: 21,986,273 units (2020: 20,945,449 units)	226,101	205,146
NBP Employees pension fund		
(Pension fund of the parent of Management Company)		
Units held: 75,220,001 units (2020: 75,220,001 units)	773,540	736,727
Employees of the Management Company		
Units held: 205,245 units (2020: 648,465 units)	2,111	6,351
Bank Islami Pakistan Limited (Common Directorship)		
Bank Balance	1,498	541
Profit receivable	24	23
Fauji Fertilizer Company Limited (Common Directorship)		
Units held: 32 units (2020: Nil units)	-	-
National Clearing Company of Pakistan Limited (Common Directorship)		
Security Deposit	250	250
NCCPL Charges payable	30	13
Khushhali Microfinance Bank Limited**		
Bank Balance	959	-
Mark-up on Bank Balance	82	-
Term Deposit Receipt	165,000	-
Mark-up Receivable on TDR	3,302	-
Telenor Microfinance Bank Limited **		
Bank Balance	101	-
Mark-up on Bank Balance	22	-
Receivables from funds against conversion of units*		
NBP Islamic Sarmaya Izafa Fund	-	740
NBP Islamic Mahana Amdani Fund	-	612
NBP Islamic Stock Fund	-	247

* Current balances with this party has not been disclosed as it did not remain connected person and related party as at the period end.

** Comparative balances with these parties have not been disclosed as these parties were not related parties in the last term.

12 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**.

13 GENERAL

- 13.1 Figures have been rounded off the nearest thousand rupees,unless otherwise is specified.
- 13.2 Corresponding figures have been rearranged and reclassified , wherever necessary, for the purpose of better presentation.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds