

# NBP GOVERNMENT SECURITIES SAVINGS FUND

**QUARTERLY REPORT**  
**MARCH 31, 2022**

# MISSION STATEMENT

"To become country's most  
investor-focused company,  
by assisting investors  
in achieving their financial goals."

# 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 INFORMATION	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
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	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
Mr. Tauqeer Mazhar	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 Alfalah Limited  
 Bank Al Habib Limited  
 Bank Islami Pakistan Limited  
 Habib Bank Limited  
 Habib Metropolitan Bank Limited  
 JS Bank Limited  
 Khushali Microfinance Bank Limited  
 MCB Bank Limited  
 National Bank of Pakistan  
 Soneri Bank Limited  
 Mobilink Microfinance Bank Limited  
 Telenor Microfinance Bank Limited  
 HBL Microfinance Bank Limited  
 United Bank Limited  
 U Microfinance Bank Limited  
 Samba 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](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

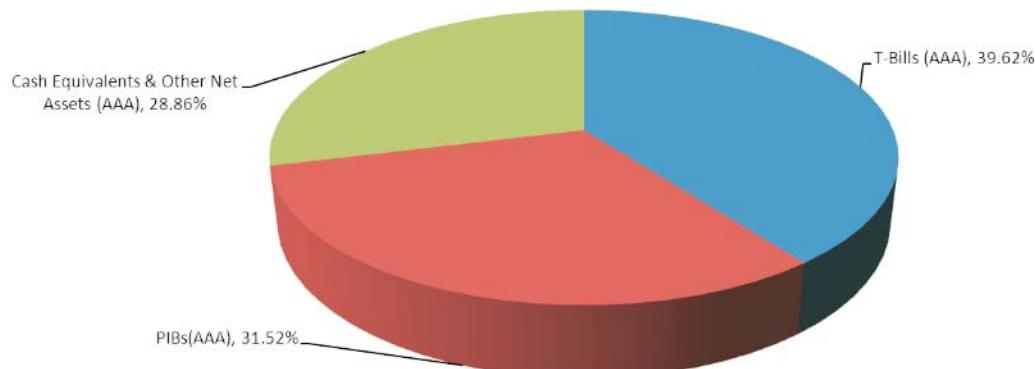
The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Government Securities Savings Fund (NGSSF)** for the period ended March 31, 2022.

### Fund's Performance

During 9MFY22, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings and increased the policy rate by 2.75% to arrive at 9.75%. The MPC, monitoring the domestic economic conditions and high degree of uncertainty in the outlook for international commodity prices & global financial conditions, took the much needed and timely action to safeguard the macroeconomic stability. While the business sentiment and overall market activity has improved, the downside risk still persists due to the ongoing Russia-Ukraine conflict carrying adverse impacts - posing risks and challenges to the current account deficit (CAD) and inflation expectations. Furthermore, there has been a sharp decline in the SBP's foreign exchange reserves to USD 12 bn largely due to elevated CAD & debt repayments. Deteriorating macros coupled with heightened political uncertainty also contributed to a 16% depreciation of the rupee, and a sharp rise in domestic secondary market yields. Sovereign yields also responded to inflation & external account outlook. During the period, SBP held nineteen (19) T-Bill auctions realizing a total of Rs. 11.69 trillion. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 454 basis points, 484 basis points and 464 basis points, respectively. Similarly, PIB yields increased by 316 bps, 253 bps, and 194 bps for 3-year, 5-year, and 10-year tenures, respectively. There were nine (9) PIB auctions held where an amount of Rs. 1.18 trillion was realized.

The size of NBP Government Securities Savings Fund decreased from Rs. 213 million to Rs. 157 million during the period (a decline of 26%). During the period, the unit price of the Fund has increased from Rs. 10.3991 on June 30, 2021 to Rs. 11.1653 on March 31, 2022, thus showing return of 9.8% as compared to the benchmark return of 9.4% 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. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is a one-off event and is not likely to be repeated in the future.

The Fund has earned a total income of Rs. 15.70 million during the period. After deducting total expenses of Rs. 2.57 million, the net income is Rs. 13.13 million. The asset allocation of NGSSF as on March 31, 2022 is as follows:



## 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 27, 2022**

Place: Karachi.

## ڈائریکٹر رپورٹ

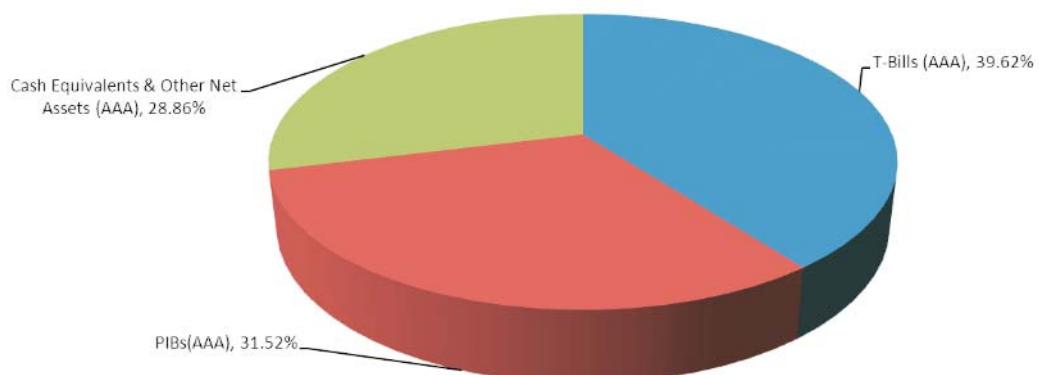
NBP نفڈ میجمنٹ لمبند کے بورڈ آف ڈائریکٹرز بصد مرت 31 مارچ 2022ء کو ختم ہونے والی نو ماہی کے لئے NBP گورنمنٹ سیکورٹیز سیو گرینڈ فنڈ (NGSSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

9MFY22 کے دوران، اسٹریٹ بینک آف پاکستان (SBP) نے چھ ماہی پالیسی کمیٹی (MPC) کے اجلas منعقد کیے اور پالیسی کی شرح میں 2.75bps کا اضافہ کر کے 9.75% تک پہنچا دیا۔ MPC نے ملکی اقتصادی حالات اور میں الاقوامی اجنس کی قیتوں اور عالمی مالیاتی حالات کے تناظر میں اعلیٰ درجے کی غیر یقینی صورتحال کو دیکھتے ہوئے میکرو اتناک انتظام کے تحفظ کے لیے احتیاطی ضروری اور برقوقت اقدام کیا۔ اگرچہ کاروباری حالات اور مارکیٹ کی مجموعی سرگرمی میں بہتری آتی ہے، روئے۔ یوکرین کے جاری تنازع مکے مقی اثرات کے باعث کرنٹ اکاؤنٹ خارے (CAD) اور افراتازر کی توقعات کے لیے خراط اور چنانچہ کا خطرہ اب بھی برقرار ہے۔ مزید برآں، SBP کے غیر ملکی زر مبادلہ کے ذخرا میں شدید کی سے 12 ملین امریکی ڈالر ہو گئے جس کی وجہ برہتے ہوئے CAD اور قرض کی ادائیگیوں میں اضافہ ہے۔ برہتی ہوئی سیاسی غیر یقینی صورتحال کے ساتھ خراب میکروزے روپیہ کی قدر میں 16% فیصد کی اور مقامی ٹانوی منڈی کی شرح متافع میں تیزی سے اضافہ کیا۔ حکومتی متافع نے افراط زر اور برونوی اکاؤنٹ کے نقطہ نظر کا بھی جواب دیا۔ اس مدت کے دوران، SBP نے انہیں (19) ٹی بلز نیلامیوں کا اعتماد کیا جس میں کل 11.69 ٹریلیون روپے کی وصولی ہوئی۔ 3-ماہ اور 12-ماہ کی مدت کے لیے T-Bills کی شرح متافع میں بالترتیب 454 اور 484 bps کا اضافہ ہوا۔ اسی طرح، 3 سال، 5 سال، 10 سال کی مدت کے لئے پی آئی بی پیداوار میں بالترتیب 194 اور 253 bps، 316 bps اور 325 bps کا اضافہ ہوا۔ (9) پی آئی بی نیلامیاں منعقد کی گئیں جہاں 1.18 ٹریلیون روپے کی رقم حاصل ہوئی۔

موجودہ مدت کے دوران NBP گورنمنٹ سیکورٹیز سیو گرینڈ فنڈ (NGSSF) کا سائز 213 ملین روپے سے کم ہو کر 157 ملین روپے ہو گیا یعنی 26% کی کمی۔ موجودہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 10.3991 روپے سے بڑھ کر 31 مارچ 2022ء کو 11.1653 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے نئے مارک کے مقابلے میں 9.8% کا متافع درج کیا۔ فنڈ کی یہ کارکردگی میجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کے ذریعے (f)-AA کی انتظام کی درجہ بنندی توفیض کی گئی ہے۔ اگست 2021 کے دوران، سندھ و کرذ ویلفیئر فنڈ کی پروپرٹی نگاہ روپیں کردو گئی۔ اس پروپرٹی کے روپریل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

فنڈ نے موجودہ مدت کے دوران 15.70 ملین روپے کی مجموعی آمدی کیا۔ 2 ملین روپے کے اخراجات متها کرنے کے بعد خالص آمدی 13.13 ملین روپے ہے۔ 31 مارچ 2022 کو NGSSF کی ایسٹ ایلوکشن حصہ ذیلی ہے:



اعلمہ رشکر

یورڈ اس موقع سے فائدہ اٹھاتے ہوئے میجنت کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکر یاد کرتا ہے۔ یسکورٹیز اینڈ آئچیشن آف پاکستان اور اسیٹس بینک آف پاکستان کی سروپتی اور رہنمائی کے لئے ان کے ملکی رویہ کا بھی اعتراف کرتا ہے۔

یورڈ اپنے اسٹاف اور ٹرینر کی طرف سے سخت محنت، گلن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

مجنوب یورڈ آف ڈائریکٹر  
**NBP** میجنت لائبری

ڈائریکٹر

چیف ایگزیکیوٹو

تاریخ: 27 اپریل 2022ء

مقام: کراچی

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2022

		Unaudited 31 March 2022	Audited 30 June 2021
	<i>Note</i>	-----(Rupees in '000)-----	
<b>Assets</b>			
Bank balances	4	49,372	141,405
Investments	5	111,898	190,662
Profit receivable		1,547	3,814
Deposit, prepayment and other receivables		752	943
<b>Total assets</b>		<b>163,569</b>	<b>336,824</b>
<b>Liabilities</b>			
Payable to NBP Funds Management Limited - Management Company		5,874	5,884
Payable to Central Depository Company of Pakistan Limited - Trustee	8	14	
Payable to the Securities and Exchange Commission of Pakistan	27	58	
Payable against purchase of investments	5	108,837	
Payable against redemption of units	-	3,000	
Accrued expenses and other liabilities	369	6,494	
<b>Total liabilities</b>		<b>6,283</b>	<b>124,287</b>
<b>Net assets</b>		<b>157,286</b>	<b>212,537</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>157,286</b>	<b>212,537</b>
<b>Contingencies and commitments</b>	7		
-----(Number of units)-----			
<b>Number of units in issue</b>		<b>14,087,028</b>	<b>20,438,133</b>
(Rupees)			
<b>Net assets value per unit</b>		<b>11.1653</b>	<b>10.3991</b>

The annexed notes 1 to 14 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 31 MARCH 2022

	Nine Months Ended		Quarter Ended	
	March 31 2022	March 31 2021	March 31 2022	March 31 2021
<b>Income</b>	<b>Note ----- (Rupees in '000) -----</b>			
Income from Market Treasury Bills	3,634	3,062	301	1,817
Income from Pakistan Investment Bonds	4,549	9,125	2,482	1,766
Income from Term Deposit Receipts	-	1,675	-	-
Profit on bank deposits	4,006	6,656	1,287	2,422
(Loss) on sale of investments - net	(888)	(8,056)	-	(1,062)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(281)	(868)	(147)	227
<b>Total income</b>	<b>11,020</b>	<b>11,594</b>	<b>3,922</b>	<b>5,170</b>
<b>Expenses</b>				
Remuneration of NBP Funds Management Limited - Management Company	276	543	76	155
Sindh Sales Tax on remuneration to Management Company	36	71	10	21
Reimbursement of selling and marketing expenses	946	1,656	266	527
Remuneration of Central Depository Company of Pakistan Limited Pakistan Limited - Trustee	80	154	21	49
Sindh Sales Tax on remuneration to Trustee	10	20	2	6
Annual fee - Securities and Exchange Commission of Pakistan	27	47	8	15
Reimbursement of operational expenses to the Management Company	169	266	48	94
Auditors' remuneration	384	330	109	108
Securities transaction cost	10	17	-	2
Settlement and bank charges	54	97	6	5
Listing fee	19	16	5	5
Legal & Professional charges	220	112	63	94
Mutual fund rating fee	291	251	90	83
Printing and other charges	51	92	2	-
<b>Total expenses</b>	<b>2,573</b>	<b>3,672</b>	<b>706</b>	<b>1,164</b>
<b>Net income from operating activities</b>	<b>8,447</b>	<b>7,922</b>	<b>3,216</b>	<b>4,006</b>
Reversal of Provision / (Provision) against Sindh Workers' Welfare Fund - net	6	4,681	(158)	-
<b>Net income for the period before taxation</b>	<b>13,128</b>	<b>7,764</b>	<b>3,216</b>	<b>3,926</b>
Taxation	9	-	-	-
<b>Net income for the period</b>	<b>13,128</b>	<b>7,764</b>	<b>3,216</b>	<b>3,926</b>
<b>Allocation of net income for the period</b>				
Net income for the period		13,128	7,764	3,216
Income already paid on units redeemed		(3,299)	(1,748)	(2,751)
		<b>9,829</b>	<b>6,016</b>	<b>2,508</b>
<b>Accounting income available for distribution:</b>				
-Relating to capital gains		-	-	-
-Excluding capital gains		9,829	6,016	465
		<b>9,829</b>	<b>6,016</b>	<b>2,508</b>

The annexed notes 1 to 14 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 31 MARCH 2022

	<b>Nine Months Ended</b>		<b>Quarter Ended</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
----- (Rupees in '000) -----				
Net income for the period	<b>13,128</b>	7,764	<b>3,216</b>	3,926
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>13,128</u></b>	<b><u>7,764</u></b>	<b><u>3,216</u></b>	<b><u>3,926</u></b>

The annexed notes 1 to 14 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 31 MARCH 2022

	Nine Months Ended March 31 2022			Nine Months Ended March 31 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	170,323	42,214	212,537	650,168	42,005	692,173
Issuance of 7,025,025 units (2021: 31,212,475 units)						
- Capital value	73,054	-	73,054	323,018	-	323,018
- Element of income	3,450	-	3,450	4,278	-	4,278
Total proceeds on issuance of units	76,504	-	76,504	327,296	-	327,296
Redemption of 13,376,130 units (2021: 77,165,107 units)						
- Capital value	(139,100)	-	(139,100)	(798,582)	-	(798,582)
- Element of loss	(2,484)	(3,299)	(5,783)	(2,842)	(1,748)	(4,590)
Total payments on redemption of units	(141,584)	(3,299)	(144,883)	(2,923,082)	(1,748)	(803,171)
Total comprehensive income for the period	-	13,128	13,128	-	7,764	7,764
Net assets at end of the period	<u>105,243</u>	<u>52,043</u>	<u>157,286</u>	<u>(1,945,618)</u>	<u>48,021</u>	<u>224,061</u>
Undistributed income brought forward						
- Realised	42,641				21,754	
- Unrealised	(427)				20,251	
	<u>42,214</u>				<u>42,005</u>	
Accounting income available for distribution:						
- Relating to capital gains	-				-	
- Excluding capital gains	9,829				6,016	
	<u>9,829</u>				<u>6,016</u>	
Undistributed income carried forward		<u>52,043</u>			<u>48,021</u>	
Undistributed income carried forward						
- Realised	52,324				48,889	
- Unrealised	(281)				(868)	
	<u>52,043</u>				<u>48,021</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period		<u>10.3991</u>			<u>10.7049</u>	
Net assets value per unit at end of the period		<u>11.1653</u>			<u>10.7049</u>	

The annexed notes 1 to 14 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 31 MARCH 2022

	Nine Months Ended March 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(Rupees in '000)</b>
Net income for the period before taxation	13,128	7,764
<b>Adjustments:</b>		
Realized (gain) on sale of investments - net	888	8,056
Net unrealised (dimunition) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	281	868
(Reversal of Provision) / provision against Sindh Workers' Welfare Fund - net	(4,681)	158
	<u>9,616</u>	<u>16,846</u>
<b>Decrease / (Increase) in assets</b>		
Investments - net	77,595	352,553
Profit receivable	2,267	12,846
Deposits and prepayment	192	(43)
	<u>80,054</u>	<u>365,356</u>
<b>Decrease / (Increase) in liabilities</b>		
Payable to the Management Company	(10)	(1,117)
Payable to the Trustee	(6)	(79)
Payable to the Securities and Exchange Commission of Pakistan	(31)	(114)
Payable against purchase of investments	(108,832)	31,248
Accrued expenses and other liabilities	(1,444)	(150)
	<u>(110,323)</u>	<u>29,788</u>
<b>Net cash (used in) / generated from operating activities</b>	<u>(20,653)</u>	411,990
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received on issue of units	76,504	327,641
Payments against redemption of units	(147,883)	(791,475)
<b>Net cash flows (used in) / generated from financing activities</b>	<u>(71,379)</u>	<u>(463,834)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(92,033)</u>	<u>(51,845)</u>
Cash and cash equivalents at beginning of the period	141,405	214,955
<b>Cash and cash equivalents at end of the period</b>	<u>49,372</u>	<u>163,110</u>

The annexed notes 1 to 14 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 31 MARCH 2022

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

- 1.1 NBP Government Securities Savings Fund (Formerly NAFA 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 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. 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)" (2021: "AA-(f)" on March 29, 2021) on March 29, 2022.
- 1.6 The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.
- 1.7 During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

### 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:

- There were no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIA 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, 2021.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

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

	Note	31 March 2022	30 June 2021
		Unaudited	Audited
		(Rupees in '000)	
<b>4 BANK BALANCES</b>			
Current accounts		-	431
Savings accounts		<b>49,372</b>	<b>140,974</b>
		<b>49,372</b>	<b>141,405</b>

## 5 INVESTMENTS

### Financial assets 'at fair value through profit or loss'

#### Government Securities

Pakistan Investment Bonds	5.1	<b>49,575</b>	81,814
Market Treasury Bills	5.2	<b>62,323</b>	108,848
		<b>111,898</b>	<b>190,662</b>

#### 5.1 Government Securities - Pakistan Investment Bonds

Issue date	Tenor in years	Face value				Market value as at March 31, 2022	Market value as a percentage of net assets	Market value as a percentage of total investments (%)
		As at 01 July 2021	Purchased during the period	Sold during the period	As at March 31, 2022			
----- (Rupees in '000) -----								
July 19, 2012	10	34,000	-	34,000	34,000	-		
September 19, 2019	3	45,900	-	45,900	45,900	-		
October 22, 2020	3	-	50,000	-	-	49,575	31.52	44.30
<b>Total</b>		<b>79,900</b>	<b>50,000</b>	<b>79,900</b>	<b>79,900</b>	<b>49,575</b>		
Carrying value as at March 31, 2022						<b>49,734</b>		
Market value as at June 30, 2021						<b>81,814</b>		
Carrying value as at June 30, 2021						<b>82,253</b>		

5.1.1 This carry rate of return of 10.37% (2021: 9% to 12%) per annum.

## 5.2 Government Securities - Market Treasury Bills

Issue date	Tenor in months	Face value				Market value as at March 31, 2022	Market value as a percentage of net assets	Market value as a percentage of total investments (%)
		As at 01 July 2021	Purchases during the period	Sales / matured during the period	As at March 31, 2022			
-----(Rupees in '000)-----								
May 20, 2021	3	-	15,000	15,000	-	-	-	-
June 3, 2021	3	110,000	-	110,000	-	-	-	-
June 3, 2021	6	-	10,000	10,000	-	-	-	-
July 2, 2021	3	-	28,000	28,000	-	-	-	-
July 15, 2021	3	-	14,000	14,000	-	-	-	-
August 12, 2021	3	-	34,000	34,000	-	-	-	-
August 12, 2021	6	-	45,000	45,000	-	-	-	-
August 26, 2021	6	-	100,000	100,000	-	-	-	-
October 7, 2021	3	-	1,000	1,000	-	-	-	-
October 21, 2021	3	-	61,000	61,000	-	-	-	-
December 16, 2021	3	-	77,000	77,000	-	-	-	-
February 10, 2022	3	-	15,000	-	15,000	14,881	9.46	13.30
March 10, 2022	6	-	50,000	-	50,000	47,442	30.16	42.40
<b>Total</b>		<b>110,000</b>	<b>450,000</b>	<b>495,000</b>	<b>65,000</b>	<b>62,323</b>		
Carrying value as at March 31, 2022						<b>62,445</b>		
Market value as at June 30, 2021						<b>108,848</b>		
Carrying value as at June 30, 2021						<b>108,836</b>		

**5.2.1** These carry rate of return ranging from 10.77% to 12.30% (2021: 7.05% to 7.31%) per annum.

## 6 SINDH WORKERS' WELFARE FUND

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF amounting to Rs. 4.72 million recognised in these condensed interim financial statements of the Fund, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

## 8 REIMBURSEMENT OF 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 0.70% per annum of the net assets of the Fund.

## 9 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 as cash dividend. 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, 2022 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.

## 10 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.91% (March 31, 2021: 1.63%) which includes 0.06% (March 31, 2021: 0.13%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

## 11 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 11.1** 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.
- 11.2** 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.

- 11.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 11.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 11.5 The Allocated expenses and Selling and marketing expenses are charged to the fund by the Management Company subject to the maximum prescribed total expense ratio.

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

#### **NBP Fund Management Limited**

Remuneration of the Management Company	276	543
Sindh Sales Tax on remuneration of Management Company	36	71
Reimbursement of operational expenses to the Management Company	169	266
Sale load	631	440
Reimbursement of selling and marketing expenses	946	1,656

#### **Employees of the Management Company**

Units Issued: 29,501 units (31 March 2021: 179,608 units)	320	1,873
Units redeemed: 62,221 units (31 March 2021: 299,432 units)	688	3,092

#### **Central Depository Company of Pakistan Limited - Trustee**

Remuneration of the Trustee	80	154
Sindh Sales Tax on remuneration of Trustee	10	20

#### **National Bank of Pakistan**

Purchases of Market Treasury Bills	31,607	-
Purchases of PIB	-	-
Profit income	8	29

#### **Telenor Microfinance Bank Limited - common directorship**

Profit income	-	1
---------------	---	---

#### **Khushhali Bank Limited - common directorship**

Profit income	10	27
---------------	----	----

#### **Bank Islami Pakistan Limited**

Profit income	30	34
---------------	----	----

#### **NBP Financial Sector Income Fund**

Sell of PIB	35,787	-
-------------	--------	---

	Unaudited 31 March 2022	Audited 30 June 2021
<b>11.6 Amounts outstanding as at period / year end:</b>		<b>----- (Rupees in '000) -----</b>
<b>NBP Fund Management Limited</b>		
Management remuneration payable	26	34
Sindh Sales Tax payable on management remuneration	5	5
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	2,838	2,724
Sindh Sales Tax on sales load	389	374
Reimbursement of operational expenses to the Management Company	48	70
Other payable	45	45
Reimbursement of Selling and Marketing Expenses	267	385
ADC charges payable including sindh sales tax	20	12
<b>Employees of the Management Company</b>		
Units held: 12,283 (30 June 2021: 49,762 units)	137	517
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	7	12
Security deposit	102	102
<b>Century Insurance Company Limited - unit holder with 10% or more holding*</b>		
Units held: Nil units (June 30, 2020: 8,033,785 units)	-	83,142
<b>Franey N. Irani - unit holder with 10% or more holding*</b>		
Units held: 2,297,442 units (June 30, 2021: 2,297,442 units)	25,652	23,891
<b>National Bank of Pakistan</b>		
Bank balances	91	90
Profit receivable	3	1
<b>Telenor Microfinance Bank Limited - common directorship</b>		
Bank balances	83	80
Profit receivable	14	21
<b>Khushhali Bank Limited - common directorship</b>		
Bank balances	49	46
Profit receivable	7	12
<b>Bank Islami Pakistan Limited</b>		
Balance in saving account	2,208	781
Profit receivable	-	1
<b>ASML Employees Provident Fund Trust - unit holder with 10% or more holding *</b>		
Units held: 2,090,006 units (June 30, 2021: Nil units)	23,336	-

## 12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

### **Fair value hierarchy**

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

## 13 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 27, 2022.

## 14 GENERAL

- 14.1** Figures have been rounded off to the nearest thousand rupees.
- 14.2** 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)**

**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