



NBP
GOVERNMENT SECURITIES
LIQUID FUND

QUARTERLY REPORT
MARCH 31, 2022

AM1
Rated by PACRA



MISSION STATEMENT

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



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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
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

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



Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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



DIRECTORS' REPORT

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

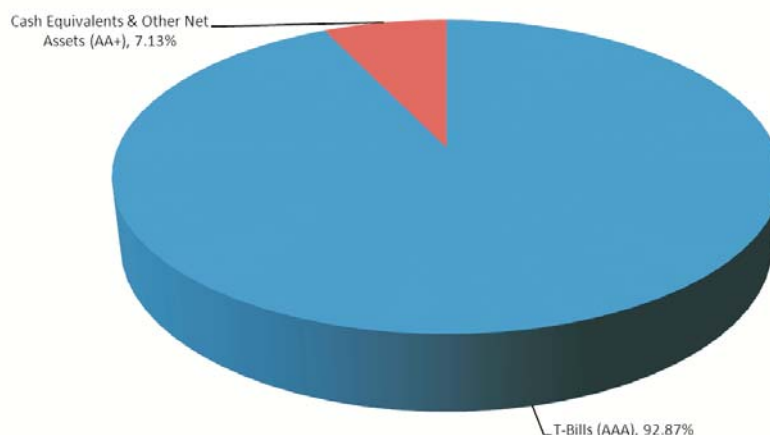
Fund's Performance

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.

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

The size of NBP Government Securities Liquid Fund has decreased from Rs. 1,439 million to Rs. 926 million during the period (a decline of 36%). During the period, the unit price of the Fund has increased from Rs. 9.4598 (Ex-Div) on June 30, 2021 to Rs. 10.2261 on March 31, 2022, thus showing a return of 10.8% as compared to the benchmark return of 8.2% for the same period. The performance of the Fund is net of management fee and all other expenses. 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. 96.64 million during the period. After deducting total expenses of Rs. 8.76 million, the net income is Rs. 87.88 million. The asset allocation of NGSLF as on March 31, 2022 is as follows:





Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 7.73% of the opening ex-NAV (7.89% of the par value) during the period ended March 31, 2022.

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.



ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2022ء کو ختم ہونے والی نو ماہی کے لئے NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

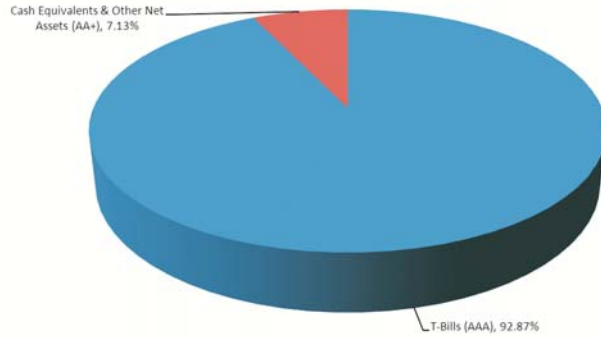
9MFY22 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے چھ ماہی پالیسی کمیٹی (MPC) کے اجلاس منعقد کیے اور پالیسی کی شرح میں 2.75pps کا اضافہ کر کے 9.75% تک پہنچا دیا۔ MPC نے ملکی اقتصادی حالات اور بین الاقوامی اجناس کی قیمتوں اور عالمی مالیاتی حالات کے تناظر میں اعلیٰ درجے کی غیر یقینی صورتحال کو دیکھتے ہوئے میکرو اکنامک استحکام کے تحفظ کے لیے انتہائی ضروری اور بروقت اقدام کیا۔ اگرچہ کاروباری حالات اور مارکیٹ کی مجموعی سرگرمی میں بہتری آئی ہے، روس-یوکرین کے جاری تنازعہ کے منفی اثرات کے باعث کرنٹ اکاؤنٹ خسارے (CAD) اور افراط زر کی توقعات کے لیے خطرات اور چیلنجز کا خطرہ اب بھی برقرار ہے۔ مزید برآں، SBP کے غیر ملکی زرمبادلہ کے ذخائر میں شدید کمی سے 12 بلین امریکی ڈالر ہو گئے جس کی وجہ بڑھتے ہوئے CAD اور قرض کی ادائیگیوں میں اضافہ ہے۔ بڑھتی ہوئی سیاسی غیر یقینی صورتحال کے ساتھ خراب میکرو زونے روپیہ کی قدر میں 16% فیصد کمی اور مقامی ثانوی منڈی کی شرح منافع میں تیزی سے اضافہ کیا۔ حکومتی منافع نے افراط زر اور بیرونی اکاؤنٹ کے نقطہ نظر کا بھی جواب دیا۔ اس مدت کے دوران، SBP نے انیس (19) ٹی بلز نیلامیوں کا انعقاد کیا جس میں کل 11.69 ٹریلین روپے کی وصولی ہوئی۔ 3-ماہ، 6-ماہ اور 12-ماہ کی مدت کے لیے Bills-T کی شرح منافع میں بالترتیب 454 پیس، پوائنٹس، 484 پیس، پوائنٹس اور 464 پیس، پوائنٹس کا اضافہ ہوا۔

NGSLF کو PACRA کی طرف سے مستحکم ریٹنگ "AAA(f)" دی گئی ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈیٹی پروفائل کی عکاسی کرتی ہے۔ T-Bills اس فنڈ کی بڑی ایسیٹ کلاس ہے۔ 45 دنوں میں مجموعی پورٹ فولیو کی اوسط مپچورٹی کے ساتھ گورنمنٹ سیکورٹیز (T-Bills) میں کم از کم 70% سرمایہ کاری کے باعث فنڈ کے کریڈٹ، لیکویڈیٹی اور انٹر سٹ ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی مپچورٹی کے ساتھ AA یا زائد ریٹنگ والے ٹیکوں/DFIs میں انویسٹ کرنے کی اجازت ہے۔

اس مدت کے دوران NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا سائز 1,439 ملین روپے سے کم ہو کر 926 ملین روپے ہو گیا یعنی 36% کی کمی ہوئی۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 9.4598 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2022 کو 10.2261 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 8.2% کے مقابلے میں 10.8% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈیونگ ریورس کر دی گئی۔ اس پروڈیونگ کے ریورسل 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 اس مدت کے دوران 96.64 ملین روپے کی مجموعی آمدنی کمائی۔ 8.76 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 87.88 ملین روپے ہے۔
31 مارچ 2022 کو NGSFL کی ایسٹ ایلوکیشن حسب ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2022 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 7.73% (par value کا 7.89%) عبوری نقد ڈیویڈنڈ منظور کیا۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اپریل 2022ء

مقام: کراچی



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

	Note	Unaudited March 31, Rupees in '000	Audited June 30, Rupees in '000
ASSETS			
Bank balances	4	971,228	1,501,997
Investments	5	859,894	1,434,754
Mark-up accrued		1,005	5,345
Receivable against conversion of units		1,349	-
Advance and prepayment		9,985	10,212
Total assets		1,843,461	2,952,308
LIABILITIES			
Payable to the Management Company		1,935	2,929
Payable to the Trustee		48	83
Payable to Securities and Exchange Commission of Pakistan		159	401
Payable on redemption of units		6,255	252
Payable against purchase of investment		859,885	1,434,608
Accrued expenses and other liabilities		49,273	74,851
Total liabilities		917,555	1,513,124
NET ASSETS		925,906	1,439,184
Unit Holders' Funds (as per statement attached)		925,906	1,439,184
Contingencies and Commitments	7	-----Number of units-----	
Number of units in issue		90,543,515	140,893,274
		Rupees	
Net assets value per unit		10.2261	10.2147

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 MARCH 31, 2022

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note -----Rupees in '000-----				
INCOME				
(Loss) / gain on sale of investments - net	(357)	(313)	131	(55)
Income from government securities	54,324	87,716	21,767	25,444
Income from letter of placements	-	2,237	-	311
Profit on bank deposits	16,713	26,711	5,496	12,537
Net unrealised appreciation / (diminution) on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	9	(14)	(6)	(93)
Total Income	70,689	116,337	27,388	38,144
EXPENSES				
Remuneration of the Management Company	1,625	4,616	514	1,025
Sindh sales tax on remuneration of the Management Company	211	600	67	133
Remuneration of the Trustee	469	1,036	142	333
Sindh sales tax on remuneration of Trustee	61	135	18	44
Annual fee - Securities and Exchange Commission of Pakistan	159	319	51	103
Reimbursement of operational expenses to the Management Company	997	1,815	321	641
Reimbursement of selling and marketing expenses	3,987	7,972	1,284	2,563
Securities transaction cost	13	6	8	-
Bank charges	1	77	-	32
Annual listing fee	21	21	7	7
Rating fee	361	409	127	144
Auditors' remuneration	594	613	143	166
Legal and professional charges	261	209	25	67
Printing Charges	2	116	-	56
Total Expenses	8,762	17,944	2,707	5,314
Net income from operating activities	61,927	98,393	24,681	32,830
Reversal / (provision) for Sindh Workers' Welfare Fund	25,954	(1,968)	-	(657)
Net income for the period before taxation	87,881	96,425	24,681	32,173
Taxation	-	-	-	-
Net income for the period after taxation	87,881	96,425	24,681	32,173
Earnings per unit				
Allocation of net income for the period				
Net income for the period after taxation	87,881	96,425	24,681	32,173
Income already paid on redemption of units	(13,091)	(3,516)	(2,844)	(1,100)
	74,790	92,909	21,837	31,073
Accounting income available for distribution:				
- Relating to capital gain	-	-	-	-
- Excluding capital gain	74,790	92,909	21,837	31,073
	74,790	92,909	21,837	31,073

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 MARCH 31, 2022

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	-----Rupees in '000-----			
Net income for the period after taxation	87,881	96,425	24,681	32,173
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	87,881	96,425	24,681	32,173

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 MARCH 31, 2022

	Nine months period ended					
	March 31, 2022			March 31, 2021		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
(Rupees in '000)						
Net assets at beginning of the period	1,335,998	103,186	1,439,184	2,123,920	101,482	2,225,402
Issue of 86,841,305 units (2021: 117,768,302 units)						
- Capital value	887,058	-	887,058	1,201,496	-	1,201,496
- Element of income	3,627	-	3,627	2,368	-	2,368
Total proceeds on issuance of units	890,685	-	890,685	1,203,864	-	1,203,864
Redemption of 137,191,064 units (2021: 133,983,455 units)						
- Capital value	(1,401,366)	-	(1,401,366)	(1,366,926)	-	(1,366,926)
- Element of loss	(154)	(13,091)	(13,245)	(757)	(3,516)	(4,273)
Total payments on redemption of units	(1,401,520)	(13,091)	(1,414,611)	(1,367,683)	(3,516)	(1,371,199)
Total comprehensive income for the period	-	87,881	87,881	-	96,425	96,425
Interim distributions made during the period:						
July 28, 2021: Re. 0.0489 (July 28, 2020: Re. 0.0422)	(22)	(6,809)	(6,831)	(104)	(8,903)	(9,007)
August 26, 2021: Re. 0.2519 (August 28, 2020: Re. 0.0478)	(4)	(23,031)	(23,035)	(34)	(9,940)	(9,974)
September 28, 2021: Re. 0.0611 (September 28, 2020: Re. 0.0523)	(280)	(5,569)	(5,849)	(45)	(10,487)	(10,532)
October 26, 2021: Re. 0.0514 (October 27, 2020: Re. 0.0498)	(93)	(4,844)	(4,937)	(18)	(9,944)	(9,962)
November 26, 2021: Re. 0.0541 (November 26, 2020: Re. 0.0513)	(53)	(4,861)	(4,914)	(42)	(10,219)	(10,261)
December 28, 2021: Re. 0.0782 (December 24, 2020: Re. 0.0481)	(997)	(6,720)	(7,717)	(409)	(9,365)	(9,774)
January 27, 2022: Re. 0.0821 (January 27, 2021: Re. 0.0617)	(1,665)	(8,334)	(9,999)	(470)	(11,944)	(12,414)
February 24, 2022: Re. 0.0728 (February 24, 2021: Re. 0.0477)	(265)	(6,143)	(6,408)	(311)	(9,405)	(9,716)
March 29, 2022: Re. 0.0886 (March 26, 2021: Re. 0.0530)	(73)	(7,470)	(7,543)	(175)	(10,515)	(10,690)
	(3,452)	(73,781)	(77,233)	(1,608)	(90,722)	(92,330)
Net assets at end of the period	821,711	104,195	925,906	1,958,493	103,669	2,062,162
Undistributed income brought forward						
- Realised income		102,815			100,082	
- Unrealised income		371			1,400	
		<u>103,186</u>			<u>101,482</u>	
Accounting income available for distribution						
- Relating to capital gain	-			-		
- Excluding capital gain	74,790			92,909		
	<u>74,790</u>			<u>92,909</u>		
Interim distributions made during the period:		(73,781)			(90,722)	
Undistributed income carried forward		<u>104,195</u>			<u>103,669</u>	
Undistributed income carried forward						
- Realised income		104,186			103,683	
- Unrealised income / (loss)		9			(14)	
		<u>104,195</u>			<u>103,669</u>	
Net assets value per unit at beginning of the period		(Rupees)			(Rupees)	
		<u>10.2147</u>			<u>10.2022</u>	
Net assets value per unit at end of the period		<u>10.2261</u>			<u>10.2130</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 MARCH 31, 2022

	Nine months ended	
	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	87,881	96,425
Adjustments		
Net unrealised (appreciation) / diminution on re-measurement of investment classified as financial assets at fair value through profit or loss'	(9)	14
(Reversal) / provision for Sindh Workers' Welfare Fund	(25,954)	1,968
	<u>61,918</u>	<u>98,407</u>
Decrease / (increase) in assets		
Investments	574,869	80,074
Mark-up accrued	4,340	(1,994)
Advance and prepayment	227	258
	<u>579,436</u>	<u>78,338</u>
(Decrease) / Increase in liabilities		
Payable to the Management Company	(994)	(1,362)
Payable to the Trustee	(35)	-
Payable to Securities and Exchange Commission of Pakistan	(242)	(155)
Payable against purchase of investment	(574,723)	1,497,960
Accrued expenses and other liabilities	376	(389)
	<u>(575,618)</u>	<u>1,496,054</u>
Net cash generated from operating activities	<u>65,736</u>	<u>1,672,799</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	885,884	1,266,256
Payments on redemption of units	(1,408,608)	(1,366,511)
Distribution paid	(73,781)	(90,722)
Net cash (used in) financing activities	<u>(596,505)</u>	<u>(190,977)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(530,769)</u>	<u>1,481,822</u>
Opening balance of cash and cash equivalents	1,501,997	651,697
Cash and cash equivalents at the end of the period	<u>971,228</u>	<u>2,133,519</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 MARCH 31, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

During the year ended 30 June, 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 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, 2021.

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, 2022.

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, 2021.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

		(Unaudited) March 31, 2022	(Audited) June 30, 2021
	Note	------(Rupees in '000)-----	
4 BANK BALANCES			
Current accounts		26	3,040
Savings accounts	4.1	<u>971,202</u>	<u>1,498,957</u>
		<u>971,228</u>	<u>1,501,997</u>

- 4.1 These accounts carry rates of return ranging from 6.75% to 12.5% (30 June 2021: 4.5% to 8.1%) per annum.

		(Unaudited) March 31, 2022	(Audited) June 30, 2021
	Note	------(Rupees in '000)-----	
5 INVESTMENTS			
At fair value through profit or loss			
Government securities - Market Treasury Bills	5.1	<u>859,894</u>	<u>1,434,754</u>



5.1 Investment in government securities - 'at fair value through profit or loss'

Issue date	Tenor	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 July 1, 2021	Purchased during the period	Sold / matured during the period	As at March 31, 2022			
-----Rupees in '000-----							------(%)-----	
Market Treasury Bills								
8-Apr-21	6 Months	-	799,800	799,800	-	-	-	-
6-May-21	6 Months	-	460,000	460,000	-	-	-	-
20-May-21	3 Months	-	350,000	350,000	-	-	-	-
3-Jun-21	3 Months	1,450,000	-	1,450,000	-	-	-	-
3-Jun-21	6 Months	-	867,000	867,000	-	-	-	-
2-Jul-21	3 Months	-	945,000	945,000	-	-	-	-
15-Jul-21	3 Months	-	350,000	350,000	-	-	-	-
15-Jul-21	6 Months	-	420,000	420,000	-	-	-	-
29-Jul-21	3 Months	-	500,000	500,000	-	-	-	-
12-Aug-21	3 Months	-	457,000	457,000	-	-	-	-
12-Aug-21	6 Months	-	250,000	250,000	-	-	-	-
26-Aug-21	6 Months	-	50,000	50,000	-	-	-	-
23-Sep-21	3 Months	-	820,000	820,000	-	-	-	-
7-Oct-21	3 Months	-	665,000	665,000	-	-	-	-
21-Oct-21	3 Months	-	500,000	500,000	-	-	-	-
4-Nov-21	3 Months	-	814,000	814,000	-	-	-	-
2-Dec-21	3 Months	-	545,000	545,000	-	-	-	-
16-Dec-21	3 Months	-	835,000	835,000	-	-	-	-
30-Dec-21	3 Months	-	835,000	835,000	-	-	-	-
27-Jan-22	3 Months	-	1,650,000	835,000	815,000	810,289	87.51	94.23
10-Feb-22	3 Months	-	100,000	50,000	50,000	49,605	5.36	5.77
		1,450,000	12,212,800	12,797,800	865,000	859,894	92.87	100.00
Carrying Value before fair value adjustment as at March 31, 2022						859,885		

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. 26.18 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 0.5% 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. 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 Total Expense Ratio (TER) of the Fund as at March 31, 2022 is 1.10% (2021: 1.25%) which includes 0.05% (2021: 0.19%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.0% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'money market scheme'.

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 (CDC) 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, Voluntary Pension 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.
- 11.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 11.5** Details of the transactions with connected persons are as follows:

	----- (Unaudited) -----	
	Nine months ended	
	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	
NBP Fund Management Company Limited - Management Company		
Remuneration of the Management Company	1,625	4,616
Sindh sales tax on remuneration of the Management Company	211	600
Reimbursement of operational expenses to the Management Company	997	1,815
Reimbursement of selling and marketing expenses	3,987	7,972
Sales load including Sindh Sales Tax	239	167
ADC charges	8	16



	----- (Unaudited) ----- Nine months ended March 31, 2022 March 31, 2021 ----- Rupees in '000 -----	
National Bank of Pakistan (Parent of the Management Company)		
T-Bills purchased during the period	1,452,852	-
Bank profit earned by the fund on deposit in saving account	29	153
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	469	1,036
Sindh sales tax on remuneration of Trustee	61	135
Muhammad Murtaza Ali (Company Secretary and Chief Operating Officer)		
Units issued: Nil units (March 31, 2021: 2 units)	-	-
Employees of the Management Company		
Dividend reinvested: 20,709 units (March 31, 2021: 12,001 units)	212	122
Units issued: 26,751 units (March 31, 2021: 30,900 units)	274	315
Units redeemed: 58,927 units (March 31, 2021: 224,011 units)	605	2,291
NBP Employees Pension Fund (Subsidiary of the parent company)		
Dividend reinvested: 1,887,029 units (March 31, 2021: 1,081,278 units)	19,280	11,032
Units issued: 36,740 units (March 31, 2021: 157 units)	372	-
Fauji Fertilizer Company Limited (Common directorship)		
Dividend reinvested: 27 units (March 31, 2021: 10 units)	-	-
Units issued: Nil units (March 31, 2021: 48,976,303 units)	-	500,004
Units redeemed: Nil units (March 31, 2021: 48,975,914 units)	-	501,322
NBP Fund Management Limited - Employees Provident Fund		
Units issued: Nil units (March 31, 2021: 554,926 units)	-	5,666
Units redeemed: Nil units (March 31, 2021: 554,926 units)	-	5,685
NBP Financial Sector Income Fund (CIS managed by the Management Company)		
Market Treasury Bills purchased	-	24,966
Portfolios managed by the Management Company		
Units issued: Nil units (March 31, 2021: 4,274,070 units)	-	43,660
Units redeemed: Nil units (March 31, 2021: 4,274,070 units)	-	43,701
* K & N's Foods Private Limited (Unit holder of 10% or more of units of the CIS)		
Units issued: Nil units (March 31, 2021: 2,456,870 units)	-	25,066
* Fauji Akbar Portia Marine Terminals Limited (Unit holder of 10% or more of units of the CIS)		
Units issued: Nil units (March 31, 2021: 1,428,594 units)	-	14,575



	(Unaudited) As at March 31, 2022	(Audited) As at June 30, 2021
	----- Rupees in '000 -----	
11.6 Amounts outstanding as at period / year end		
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	153	226
Sindh Sales Tax on remuneration of the Management Company	20	29
Reimbursement of operational expenses to the Management Company	321	514
Reimbursement of selling and marketing expenses	1,284	2,058
Sales load including Sindh Sales Tax	141	94
ADC charges	16	8
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	42	73
Sindh Sales Tax on remuneration of the Trustee	6	10
National Bank of Pakistan □ (Parent of the Management Company)		
Bank balance	846	869
Mark up receivable	7	45
BankIslami Pakistan Limited(Related Party)		
Bank balance	126	-
Employees of the Management Company		
Investment held in the Fund: 327,918 units (June 30, 2021: 339,391 units)	3,353	3,467
NBP Employees Pension Fund - (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: 27,252,429 units (June 30, 2021: 25,328,660 units)	278,686	258,725
*Fauji Akbar Portia Marine Terminals Ltd.		
(Unit holder of 10% or more of units of the CI)		
Investment held in the Fund: Nil units (June 30, 2021: 39,127,774 units)	-	399,678
Fauji Fertilizer Company Limited- (Common Directorship)		
Investment held in the Fund: 432 units (June 30, 2021: 405 units)	4	4

* Current period transactions / balances with these parties have not been disclosed as they did not remain connected persons and related parties during / as at period end.

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

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@nbpffunds.com

Website: www.nbpffunds.com

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