



NBP FUNDS

Managing Your Savings

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Rated by PACRA

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

QUARTERLY

REPORT

MARCH

31, 2019



NBP SAVINGS FUND
(Formerly: NAFA INCOME FUND)

**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.**

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

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 THE CONDENSED INTERIM FINANCIAL INFORMATION	14

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	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
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Summit Bank Limited
Silk Bank Limited
Telenor Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

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:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NBP SAVINGS FUND (Formerly: NAFA INCOME FUND)

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)** (Formerly: NAFA INCOME FUND) for the period ended March 31, 2019.

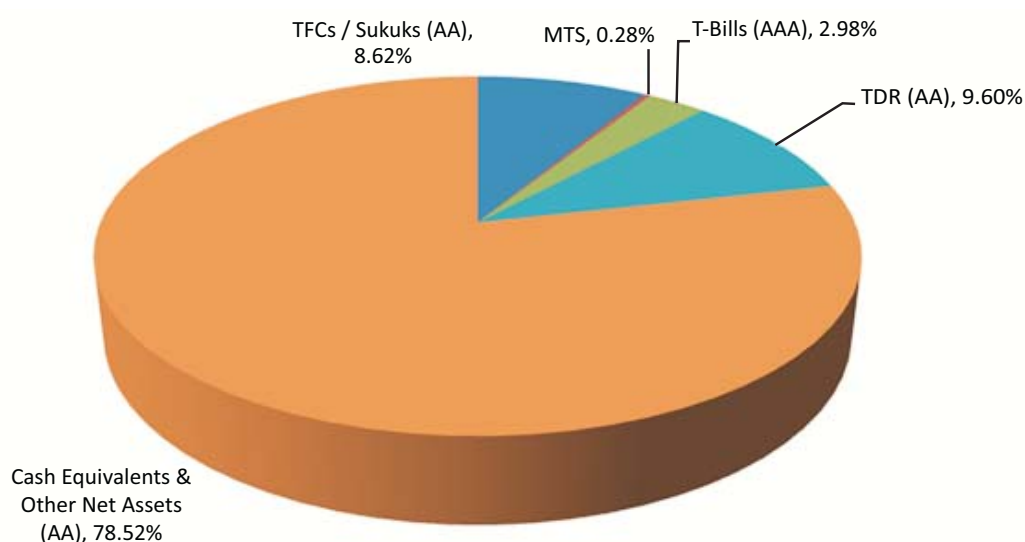
Fund's Performance

The size of **NBP SAVINGS FUND** (Formerly: NAFA INCOME FUND) has increased from Rs. 804 million to Rs. 995 million during the period (i.e. a growth of 24%). During the period, the unit price of NAFA Income Fund has increased from Rs. 9.7548 (Ex-Div) on June 30, 2018 to Rs. 10.3955 on March 31, 2019, thus showing a return of 8.7% as compared to the benchmark return of 9.6% 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. During 9MFY2019, the State Bank of Pakistan (SBP) pursued tightening monetary policy and cumulatively hiked the Discount Rate by 425 basis points to 11.25% to contain underlying inflationary pressures and restore financial stability. Since FY2019, sovereign yields responded consequently to every policy rate increase. The yields on T-bills for 3-month, 6-month and 12-month tenors increased by 412 basis points, 410 basis points and 395 basis points respectively during the period under review. Similarly, 10-year PIB yield inched up by 410 basis points to 13.12%. Foreseeing further upside risks to inflation and interest rates, investors' preference remained tilted towards shorter tenor maturities.

After remaining relatively dormant, the market witnessed a surge in fresh issuances of debt securities to meet the increasing working capital and fixed capital investment requirement during the period under review. However, trading activity in corporate debt securities remained thin and was recorded at Rs. 11.4 billion compared to Rs. 16.1 billion in the same period last year. Trading activity in the longer tenor sovereign bonds (PIBs) also remained subdued mainly due to upside risks to interest rates.

The Fund has earned total income of Rs.69.74 million during the period. After accounting for expenses of Rs.13.07 million, the net income is Rs.56.67million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIF:



NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

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 26, 2019
Place: Karachi.

NBP SAVINGS FUND (Formerly: NAFA INCOME FUND)

ڈائریکٹرز کی رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی مدت کیلئے NBP سیونگس فنڈ (NBP-SF) (سابقہ: NAFA انکم فنڈ) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

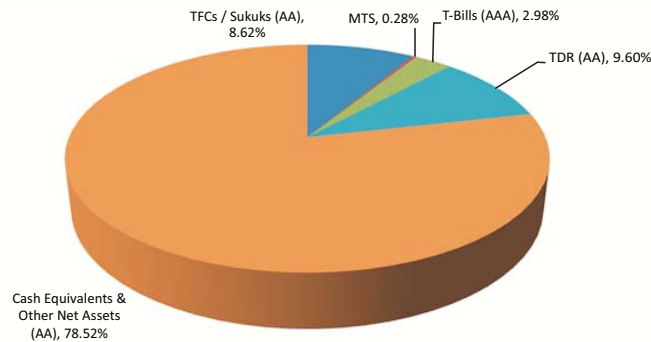
فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP سیونگس فنڈ (NBP-SF) (سابقہ: NAFA انکم فنڈ) کا سائز 804 ملین روپے سے بڑھ کر 995 ملین روپے ہو گیا یعنی 24% کی نمو ہوئی۔ اس مدت کے دوران، NAFA انکم فنڈ کے یونٹ کی قیمت 30 جون 2018 کو 9.7548 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2019 کو 10.3955 روپے ہو گئی۔ چنانچہ زیر جائز مدت کے دوران فنڈ نے اپنے بچ مارک 9.6% کے مقابلے میں 8.7% منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP سیونگس فنڈ (NBP-SF) (سابقہ: NAFA انکم فنڈ) کی انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔ زیر جائز مدت کے دوران بنیادی افراط زر کے دباؤ کی روک تھام اور مالیاتی استحکام کو بحال کرنے کے لئے اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی پر عمل درآمد کرتے ہوئے پالیسی کی شرح 425 بیسس پوائنٹ اضافے کے ساتھ 11.25% کر دی۔ مالی سال 2019 سے، ہر پالیسی کی شرح میں اضافہ کے نتیجے میں Sovereign Yields میں بھی اضافہ دیکھا گیا۔ 3 ماہ، 6 ماہ، 12 ماہ کے T-bills پر yields زیر جائز مدت کے دوران علی الترتیب 412 بیسس پوائنٹس، 410 بیسس پوائنٹس اور 395 بیسس پوائنٹس تک کا اضافہ ہوا۔ اسی طرح 10 سالہ PIB کی yield 410 بیسس پوائنٹس کے اضافہ کے ساتھ 13.12% ہو گئی۔ افراط زر کے خدشات اور شرح سود میں اضافہ کے پیش نظر سرمایہ کاروں نے حکومت کی قلیل المدتی میچورٹیز کو ترجیح دی۔

نسبتاً غیر فعال رہنے کے بعد، زیر جائز مدت کے دوران مارکیٹ میں بڑھتے ہوئے ورکنگ کیپٹل اور فیکسڈ کیپٹل انویسٹمنٹ کی ضروریات کو پورا کرنے کے لئے Debt سیکورٹیز کے نئے اجراء میں اضافہ دیکھا گیا۔ تاہم، کارپوریٹ Debt سیکورٹیز میں تجارتی سرگرمی گزشتہ سال کی نسبت کم رہی اور گزشتہ سال کی اسی مدت میں 16.1 بلین روپے کے مقابلے میں 11.4 بلین روپے درج کی گئی۔ طویل المدتی حکومتی بانڈز (PIBs) میں تجارتی سرگرمی بھی شرح سود بڑھنے کے خدشات کے سبب کم رہی۔

NBP سیونگس فنڈ (NBP-SF) (سابقہ: NAFA انکم فنڈ) نے موجودہ مدت کے دوران 69.74 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 13.07 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 56.67 بلین روپے ہے۔ درج ذیل چارٹ NIF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



NBP SAVINGS FUND (Formerly: NAFA INCOME FUND)

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے بینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکر یہ 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 ڈسٹری بیوٹرز 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 بینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 اپریل 2019

مقام: کراچی

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2019

	Note	Unaudited 31 March 2019	Audited 30 June 2018
		(Rupees in '000)	
Assets			
Bank balances		782,464	452,098
Investments	4	211,006	213,274
Receivable against Margin Trading System		2,773	142,690
Profit receivables		8,483	3,192
Deposits, prepayment and other receivable		998	929
Total assets		1,005,724	812,183
Liabilities			
Payable to the Management Company		2,313	970
Payable to the Trustee		247	77
Payable to Securities and Exchange Commission of Pakistan		502	654
Accrued expenses and other liabilities		7,608	6,762
Total liabilities		10,670	8,463
Net assets		995,054	803,720
Unit holders' fund (as per statement attached)		995,054	803,720
Contingencies and commitments			
	6	(Number of units)	
Number of units in issue		95,719,583	78,077,784
		(Rupees)	
Net assets value per unit		10.3955	10.2938

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended		Quarter ended	
	2019	2018	2019	2018
	Note ----- (Rupees in '000) -----			
Income				
Income from government securities	2,053	1,419	764	462
Income from term deposit receipts	6,164	5,890	2,541	1,381
Profit on bank deposits	42,411	23,715	18,512	6,416
Income from term finance certificate	6,997	6,726	2,645	2,017
Income from Margin Trading System	7,907	6,643	1,660	3,165
Income on letter of placement	-	60	-	60
Income on certificate of investment	-	1,378	-	1,302
Income from commercial paper	1,727	-	554	-
(Loss) / gain on sale of investments - net	(37)	(41)	(2)	1
Reversal of provision	4,194	-	548	-
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1,677)	(726)	(421)	107
Total income	69,739	45,064	26,801	14,911
Expenses				
Remuneration of Management company	4,649	4,191	1,697	1,367
Sindh Sales Tax on remuneration of Management Company	604	545	220	178
Remuneration to Trustee	947	667	396	214
Sindh Sales Tax on remuneration of Trustee	123	87	51	28
Annual fee - Securities and Exchange Commission of Pakistan	502	500	175	160
Allocation of expenses related to registrar services, accounting, operation and valuation services	669	667	233	214
Selling and marketing expense	2,050	-	932	-
Settlement and bank charges	1,547	1,430	209	541
Annual listing fee	21	19	7	5
Auditors' remuneration	501	431	72	135
Professional charges	-	19	-	6
Fund rating fee	288	157	90	-
Printing charges	17	40	1	-
Total expenses	11,918	8,753	4,084	2,848
Net income from operating activities	57,821	36,311	22,717	12,063
Provision for Sindh Workers' Welfare Fund	(1,156)	(726)	(454)	(241)
Net income for the period before taxation	56,665	35,585	22,263	11,822
Taxation	-	-	-	-
Net income for the period	56,665	35,585	22,263	11,822
Allocation of net income for the period				
Net income for the period	56,665	35,585	22,263	11,822
Income already paid on units redeemed	(5,204)	(7,450)	(1,147)	(4,593)
	51,461	28,135	21,116	7,229
Accounting income available for distribution:				
-Relating to capital gains	-	-	-	-
-Excluding capital gains	51,461	28,135	21,116	7,229
	51,461	28,135	21,116	7,229

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended		Quarter ended	
	2019	2018	2019	2018
	(Rupees in '000)			
Net income for the period	56,665	35,585	22,263	11,822
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	56,665	35,585	22,263	11,822

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended					
	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	767,782	35,938	803,720	923,819	(1,762)	922,057
Issuance of 72,566,106 units (2018: 36,170,887 units)						
- Capital value	707,868	-	707,868	352,838	-	352,838
- Element of income	23,047	-	23,047	5,822	-	5,822
Total proceeds on issuance of units	730,915	-	730,915	358,660	-	358,660
Redemption of 54,924,307 units (2018: 57,430,390 units)						
- Capital value	(535,776)	-	(535,776)	(560,220)	-	(560,220)
- Element of loss	(13,182)	(5,204)	(18,386)	(4,741)	(7,450)	(12,191)
Total payments on redemption of units	(548,958)	(5,204)	(554,162)	(564,961)	(7,450)	(572,411)
Total comprehensive income for the period	-	56,665	56,665	-	35,585	35,585
Final Distribution for the year ended 30 June 2018: 5.39% declared on 04 July 2018 (30 June 2017: nil unit)						
- Cash distribution	-	(37,694)	(37,694)	-	-	-
- Refund of capital	(4,390)	-	(4,390)	-	-	-
	(4,390)	(37,694)	(42,084)	-	-	-
Net assets at end of the period	945,349	49,705	995,054	717,518	26,373	743,891
Undistributed loss brought forward						
- Realised		37,008			(2,511)	
- Unrealised		(1,070)			749	
		35,938			(1,762)	
Accounting income available for distribution:						
- Relating to capital gains	-			-		
- Excluding capital gains	51,461			28,135		
	51,461			28,135		
Final Distribution for the year ended 30 June 2018: 5.39% declared on 04 July 2018 (30 June 2017: nil unit)						
- Cash distribution		(37,694)			-	
Undistributed income carried forward		49,705			26,373	
Undistributed income carried forward						
- Realised		51,382			27,099	
- Unrealised		(1,677)			(726)	
		49,705			26,373	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			10,2938			9,7548
Net assets value per unit at end of the period			10,3955			10,1535

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	56,665	35,585
Adjustments:		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,677	726
Reversal of provision	4,194	-
Loss on sale of investments - net	37	42
	62,573	36,353
Decrease / (Increase) in assets		
Investments - net	(3,640)	4,085
Receivable against Margin Trading System	139,917	(2,918)
Profit and other receivables	(5,291)	(3,859)
Deposits, prepayment and other receivables	(69)	(120)
	130,917	(2,812)
Increase / (decrease) in liabilities		
Payable to the Management Company	1,343	(284)
Payable to the Trustee	170	(28)
Payable to Securities and Exchange Commission of Pakistan	(152)	(106)
Accrued expenses and other liabilities	846	(41)
	2,207	(459)
Net cash generated from operating activities	195,697	33,082
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issue of units	726,525	358,659
Cash distribution	(37,694)	-
Net payments against redemption of units	(554,162)	(572,411)
Net cash generated / (used in) from financing activities	134,669	(213,752)
Net increase / (decrease) in cash and cash equivalents during the period	330,366	(180,670)
Cash and cash equivalents at beginning of the period	452,098	494,759
Cash and cash equivalents at end of the period	782,464	314,089

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NAFA Income 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. During the period, CDC is 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.
- 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 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 With the approval of SECP, the Management Company has changed the name of the fund from 'NAFA Income Fund' to 'NBP Savings Fund' with effect from April 25, 2019. The trust deed has been amended through supplemental trust deed executed for the change of name.
- 1.5 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.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a stability rating of 'A(f)' to the Fund and an asset manager rating of 'AM1' to the Management Company.
- 1.7 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 as 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
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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 requirements of the Trust Deed differ from 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 requirements of the Trust Deed have been followed.

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does 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 financial statements of the Fund for the year ended June 30, 2018

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, 2019.

3 ACCOUNTING POLICIES

3.1 The accounting policies, basis of accounting estimates applied and method of computation adopted in the preparation of this condensed interim financial information and financial risk management objectives and policies are the same as those applied in the preparation of the financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has an impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost."

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

3.3 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, 2018. 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, 2018.

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

4	INVESTMENTS		31 March 2019	30 June 2018
			Unaudited	Audited
	Investments by category		(Rupees in '000)	
	At fair value through profit or loss			
	Term finance certificates - listed	4.1	60,804	69,422
	Term finance certificates - unlisted	4.2	25,000	30,350
	Sukuks	4.3	-	-
	Government securities - Market Treasury Bills	4.4	29,668	29,668
	Amortized Cost			
	Term deposit receipt	4.7	95,534	83,834
			211,006	213,274

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 2018	Purchas es during the period	Sales / matured during the period	As at 31 March 2019	Market value/ Carrying value as at 31 March 2019	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)	5 years	15,000	-	-	15,000	-	-	-
Jahangir Siddiqui and Company Limited (18 Jul 2017)	5 years	4,660	-	-	4,660	20,326	2.04	9.63
Worldcall Telecom Limited (Note 4.5.1)	13 years	14,000	-	-	14,000	-	-	-
Jahangir Siddiqui and Company ' Limited (08 April 2014)	5 years	5,000	-	-	5,000	4,377	0.44	2.07
Askari Commercial Bank Limited	10 years	7,400	-	-	7,400	36,101	3.63	17.11
		46,060	-	-	46,060	60,804	6.11	28.82

Carrying value before fair value adjustments as at 31 March 2019.

126,129

Accumulated impairment

64,009

- 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.

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

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 2018	Purchases during the period	Sales / matured during the period	As at 31 March 2019	Market value/ Carrying value as at 31 March 2019	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)	12 years	30,000	-	-	30,000	-	-	-
Agritech Limited V (Note 4.2.2)	6 years	4,436	-	-	4,436	-	-	-
Jahangir Siddiqui and Company Limited (24 June 2016)	5 years	8,000	-	-	8,000	25,000	2.51	11.85
		42,436	-	-	42,436	25,000	2.51	11.85

Carrying value before fair value adjustments as at 31 March 2019.

197,406

Accumulated impairment

172,057

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 Sukuks - Unlisted

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

Name of the investee company	Tenor	As at 01 July 2018	Purchases during the period	Sales / matured during the period	As at 31 March 2019	Market value/ Carrying value as at 31 March 2019	Market value / Carrying value as a percentage of net assets	Market value/ carrying value as a percentage of total
		-----Number of certificates-----				(Rupees in'000)	-----(%)-----	
Eden Housing Limited (Note 4.6.1)	12 years	20,000	-	-	20,000	-	-	-
New Allied Electronics (Private) Limited (Note 4.3.1)	11 years	10,000	-	-	10,000	-	-	-

Carrying value before fair value adjustments as at 31 March 2019.

68,742

Accumulated impairment

68,742

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

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.

4.4 Investments in government securities

Issue date	Tenor	Face value				Market value / Carrying value as at 31 March 2019	Market value / Carrying value as a percentage of net assets	Market value / Carrying value as a percentage of total investments
		As at 01 July 2018	Purchases during the period	Sales / matured during the period	As at 31 March 2019			
		----- (Rupees in '000) -----				----- (%) -----		
Market Treasury Bills								
7 June 2018	03	30,000	-	30,000	-	-	-	-
19 July 2018	03		30,000	30,000	-	-	-	-
2 August 2018	03	-	30,000	30,000	-	-	-	-
11 October 2018	03	-	30,000	30,000	-	-	-	-
6 December 2018	03	-	30,000	30,000	-	-	-	-
February 14, 2019	03	-	30,000	-	30,000	29,668	3.16	3.50
Total						29,668	3.16	-

Carrying value before fair value adjustments as at 31 March 2019.

29,679

4.4.1 Investments include market treasury bills with market value of Rs 29.668 million (30 June 2018: Rs 29.668 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.

4.5.1 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.

4.6.1 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.

4.6.2 The Sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

4.7 This represents term deposits receipts placed with JS Bank Limited carrying markup rate of 11.15%, having maturity of 27 June 2019.

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 3.936 million for the nine month ended March 31, 2018 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2018 would have been higher by Rs. 0.0411 per unit (June 30, 2018: Rs. 0.0356 per unit)

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2019 and 30 June 2018

7 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, 2019 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.

8 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2019 is 1.95% which includes 0.36% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

9 SELLING AND MARKETING EXPENSE

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) 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 money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs. 2.050 million at the rate of 0.4% of the net assets of the Fund being lower than the actual expenses chargeable to the Fund for the period.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

10.1 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

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

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

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

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

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

	Unaudited	
	Nine months period ended	
	2019	2018
	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Management remuneration	4,649	4,191
Sindh Sales Tax on remuneration of Management Company	604	545
Allocation of expenses related to registrar services, accounting, operation and valuation services	669	667
Selling and marketing expense	2,050	-
MCB Financial Services Limited - Trustee		
Remuneration to the Trustee	241	667
Sindh Sales Tax on remuneration of Trustee	31	87
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee	706	-
Sindh Sales Tax on remuneration of Trustee	92	-
Employees of the Management Company		
Nil units redeemed (31 March 2018: 26,890 units)	-	263
315 units issued of dividend reinvestment (31 March 2018: Nil units)	3	-
NBP Employees pension fund		
2,448,712 units issued of dividend reinvestment (31 March 2018: Nil units)	23,903	-
NAFA Money Market Fund		
Sell of T-bill	29,979	-
NAFA Government Securities Liquid Fund		
Sell of T-bill	29,911	-

NBP SAVINGS FUND

(Formerly: NAFA INCOME FUND)

10.6 Amounts outstanding as at period / year end:

	Unaudited 31 March 2019 (Rupees in '000)	Audited 30 June 2018
NBP Fund Management Limited - Management Company		
Management remuneration payable	444	453
Sind Sales Tax payable	58	59
Allocation of expenses related to registrar services, accounting, operation and valuation services	233	419
Selling and marketing expense	932	-
Sales and transfer load	573	36
Sind Sales Tax payable on sales load	73	3
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	213	-
Sindh Sales Tax on Trustee remuneration payable	34	-
Security deposit	100	-
MCB Financial Services Limited - Trustee		
Trustee fee payable	-	68
Sindh Sales Tax on Trustee remuneration payable	-	9
NBP Employees pension fund		
Units held: 61,577,619 units (June 2018: 59,128,907 units)	640,130	608,661
National Bank of Pakistan Limited- Parent Company		
Balance in bank account	-	443
Employees of the Management Company		
Units held: 6,995 units (June 2018: 6,679 units)	73	69
Summit Bank Limited		
Bank Balances	587	16

10 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 26, 2019.

11 GENERAL

11.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise is specified.

11.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and disclosure. There have been no significant reclassification during the period except for the impact of change in accounting policy.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

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