



NBP FUNDS

Managing Your Savings

AM1
Rated by PACRA

NBP BALANCED FUND



QUARTERLY REPORT
SEPTEMBER 30, 2019

MISSION STATEMENT

To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.

Contents

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

NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



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. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	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

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	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
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan

NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



Sindh Bank Limited
Soneri Bank Limited
Summit Bank Limited
The Bank of Punjab
United Bank Limited
Zarai Taraqati Bank Limited

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 4, 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
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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the condensed unaudited financial statements of **NBP Balanced Fund** (Formerly; NAFA Multi Asset Fund) (NBF) for the quarter ended September 30, 2019.

The size of NBP Balanced Fund (Formerly: NAFA Multi Asset Fund) has decreased from Rs. 1,404 million to Rs. 1,338 million during the period, i.e. a decrease of 5%. During the period, the unit price of NBP Balanced Fund (NBF) has decreased from Rs. 16.4866 on June 30, 2019 to Rs. 16.3239 on September 30, 2019, thus showing a decrease of 1.0%. The Benchmark increase during the same period was 0.3%. Thus, the Fund has underperformed its Benchmark by 1.3% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.7741 (Ex-Div) on January 19, 2007 to Rs. 16.3239 on September 30, 2019, thus showing an increase of 332.5%. During the said period, the Benchmark increased by 150.3%, translating into outperformance of 182.2%. This performance is net of management fee and all other expenses.

The Stock market started 1QFY2020 on a faltering note and the KSE-100 Index fell sharply to a multi-year low level of 28,765 points by mid-August. The sell-off was witnessed at the local bourse despite positive developments on the external account front, as the IMF accorded approval to USD 6 billion Extended Fund Facility (EFF) along with the immediate release of USD 1 billion. In addition to this, first tranche of USD 500 million was received from Qatar under the USD 3 billion package, and monthly oil facility from Saudi Arabia of USD 275 million was also commenced in July 2019. Drag on the performance of the market was pervasive negative mainly stemming from concerns over slowdown in economic activity amid increasing cost of doing business, rising cost of capital, tapering off consumer demand, and cut in public sector spending. Onerous taxation measures announced in the Federal Budget FY2020 and drive for the documentation of economy with its short-term negative implications for the corporate profitability also had impact on investors' sentiments. Deteriorating relationship between the nuclear-armed India-Pakistan after the repeal of article 370 and imposition of curfew/lockdown in Indian occupied Kashmir also sent jitters in the market.

However, the market staged a strong recovery of 12% after bottoming out in mid-August as improving macroeconomic indicators come to fore notably, a significant improvement in Current Account Deficit that dropped by 55% in 2MFY2020 to USD 1.29 billion. Concerns on spiraling inflation started to wane as inflation trajectory appears relatively soft after rebasing of the index. Investors also drew comfort from falling yields on longer tenure government securities, a precursor to reversal of monetary tightening cycle that buoyed the market sentiment. Overall, the benchmark KSE-100 Index finished the quarter under review with a decline of 5.4%. Looking at participant-wise activity during the period, foreign investors remained net buyers with net inflows amounting to USD 23 million. On the local front, Mutual Funds sold equities worth USD 82 million, while individual investors added positions to the tune of USD 49 million.

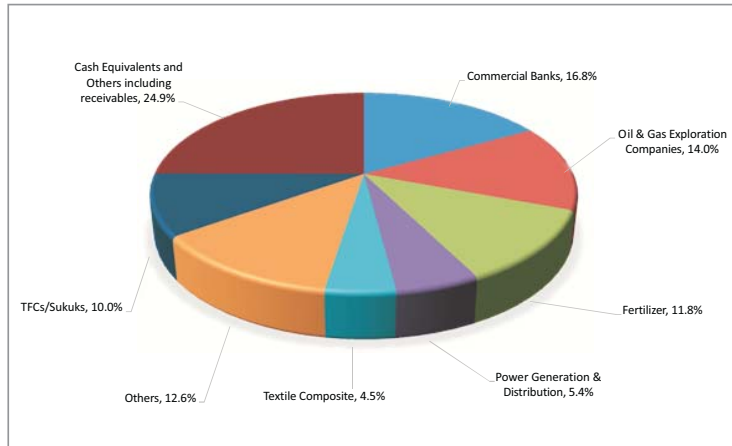
During 1QFY20, the State Bank of Pakistan (SBP) held two (02) bi-monthly monetary policy reviews and increased the Policy Rate by 100bps in the first monetary policy review from 12.25% to 13.25%. In the second monetary policy review on September 16th, the SBP decided to keep the policy rate unchanged. The SBP cited favorable adjustments in the Current Account Deficit (CAD) mainly driven by 11% growth in exports and 25.8% contraction in imports while maintaining its inflation expectation. As expected, inflation kept rising and year-on-year CPI inflation spiked to 11.4% in September 2019 compared with 5.1% in September 2018. The inflation is expected to remain on the upward trajectory due to the pass-through of currency devaluation, volatility in international oil prices, unabated government borrowing, and impact of upward adjustment in utility tariffs. In line with the hike in the Policy Rate, yields on 3-month, 6-month, and 12-month T-Bills went up by 100 bps, 91 bps and 62 bps, respectively. The trading activity in the corporate debt securities was sluggish during the period under review with the cumulative traded value of around Rs. 2.8 billion versus Rs. 3.8 billion in 1QFY19. The market saw pick-up in issuance of debt securities in the primary market as companies turn to capital market for working capital and long-term financing.

NBP Balanced Fund has incurred a loss of Rs. 3.396 million during the quarter. After incurring total expenses of Rs. 11.198 million, the net loss is Rs. 14.594 million.

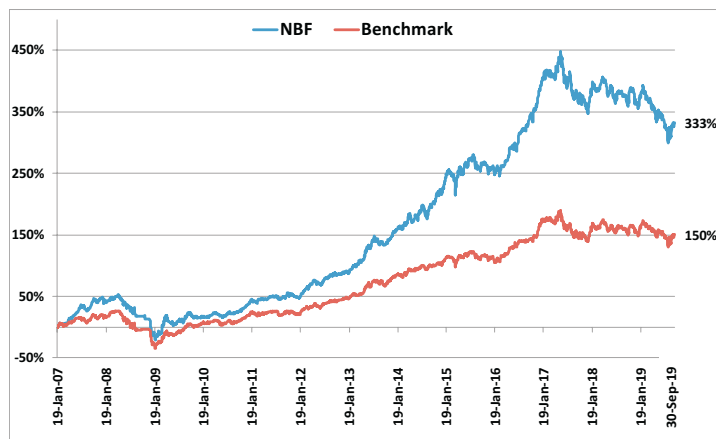
NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



The asset allocation of the Fund as on September 30, 2019 is as follows



NBF Performance versus Benchmark (Since Inception)



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: October 24, 2019
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NBP-ہیلنڈ فنڈ (سابقہ: NAFA ملٹی ایسیٹ فنڈ) (NBF) کے کنڈیٹینڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

NBP-ہیلنڈ فنڈ (سابقہ: NAFA ملٹی ایسیٹ فنڈ) (NBF) کا سائز زیر جائزہ مدت کے دوران 1,404 ملین روپے سے کم ہو کر 1,338 ملین روپے ہو گیا، یعنی 5% کی کمی ہوئی۔ اس مدت کے دوران NBP-ہیلنڈ فنڈ (سابقہ: NAFA ملٹی ایسیٹ فنڈ) (NBF) کے یونٹ کی قیمت 30 جون 2019 کو 16.4866 روپے سے کم ہو کر 30 ستمبر 2019 کو 16.3239 روپے ہو گئی۔ لہذا 1.0% کی کمی ظاہر کرتی ہے۔ اسی مدت کے دوران نیچ مارک بڑھ کر 0.3% ہو گیا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے نیچ مارک سے 1.3% سے ابتر کارکردگی دیکھائی۔ اپنے قیام سے اب تک فنڈ کی NAV 19 جنوری 2007 کو 3.7741 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2019 کو 16.3239 روپے ہو گئی، لہذا 332.5% کا اضافہ ہوا۔ اس مدت کے دوران نیچ مارک میں 150.3% اضافہ ہوا۔ لہذا فنڈ نے 182.2% سے بہتر کارکردگی دیکھائی۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 2020ء کی پہلی سہ ماہی میں اسٹاک مارکیٹ کا آغاز مندی سے ہوا اور KSE-100 انڈیکس وسط اگست تک تیزی سے کمی کے بعد 28,765 پونٹس کی کثیر سالہ کم ترین سطح پر پہنچ گیا۔ بیرونی کھاتوں کی مد میں مثبت پیش رفت کے باوجود مقامی مارکیٹ میں فروخت کا رجحان رہا۔ جیسا کہ IMF نے 6 بلین امریکی ڈالر کی توسیعی فنڈ فیسلٹی (EFF) کے ساتھ فوری طور پر 1 بلین امریکی ڈالر جاری کرنے کی منظوری دے دی۔ اس کے علاوہ، 3 بلین امریکی ڈالر منصوبہ کے تحت قطر سے 500 بلین امریکی ڈالر کی وصولی اور سعودی عرب سے 275 بلین امریکی ڈالر کی ماییت کے تیل کی ماہانہ فراہمی کا آغاز جولائی 2019ء میں ہو گیا۔ کاروبار کرنے کی لاگت میں اضافہ، سرمایہ کی بڑھتی قیمت، صارفین کی طلب میں کمی اور سرکاری شعبہ کے اخراجات میں کمی جیسی سست رومعاشی سرگرمیوں نے مارکیٹ کی کارکردگی پر منفی اثر ڈالا۔ مالیاتی سال 2020ء کے لئے وفاقی بجٹ میں زبردست نکس اصلاحات کا نفاذ اور دستاویزی معیشت کو اس کے قلیل مدتی منفی مضمرات کے ساتھ شکل دینے کے اقدام کی وجہ سے سرمایہ داروں کے جذبات پر اثر پڑا۔ آرٹیکل 370 کے خاتمہ کے بعد دو ایٹمی ممالک انڈیا پاکستان کے درمیان تناؤ اور بھارتی مقبوضہ کشمیر میں کرفیو/لاک ڈاؤن کے اطلاق کے باعث مارکیٹ شدید دباؤ کا شکار رہی۔

تاہم، وسط اگست میں اقتصادی اشارہ میں بہتری خاص طور پر مالی سال 2020 کے دوسرے ماہ میں کرنٹ اکاؤنٹ خسارہ میں 55 فی صد کی واقع ہوئی اور یہ خسارہ 1.29 بلین امریکی ڈالر ہو گیا جسکی بدولت مارکیٹ نے اپنے انحطاطی نقطہ سے 12 فیصد کی مضبوط بحالی کا مظاہرہ کیا۔ انڈیکس میں تبدیلی کے بعد بڑھتے ہوئے افراط زر میں کچھ کمی واقع ہوئی جبکہ افراط زر میں اضافہ کے خدشات چھائے رہے۔ طویل مدتی حکومتی سیکورٹیز میں منافع کے اضافہ کی وجہ سے سرمایہ داروں کو کچھ اطمینان ہوا۔ یہ سیکورٹیز معاشی استحکام کے لئے متعارف کرائی گئیں جس کی وجہ سے مارکیٹ میں تحریک پیدا ہوئی۔ مجموعی طور پر KSE-100 انڈیکس نے زیر جائزہ سہ ماہی کے دوران 5.4 فی صد کی کمی کے ساتھ اختتام پذیر ہوا۔ زیر جائزہ مدت کے دوران انفرادی سرگرمی کو دیکھتے ہوئے غیر ملکی سرمایہ داروں 23 بلین ڈالر ماییت کے ان فلوز کے ساتھ نمایاں خریدار رہے۔ مقامی سطح پر میوچل فنڈ نے 82 ملین ڈالر کی ایکویٹیز فروخت کیں جب کہ انفرادی سرمایہ داروں نے 49 بلین ڈالر کی سرمایہ داری کی۔

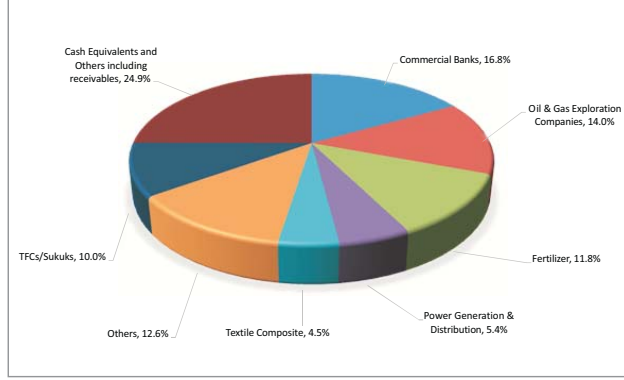
مالی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو ماہی پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے ماہی پالیسی پالیسی جائزہ میں، افراط زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مد نظر رکھتے ہوئے SBP نے پالیسی شرح 12.25 فی صد سے بڑھا کر 13.25 فی صد کر دی۔ 16 ستمبر کو دوسرے ماہی پالیسی پالیسی جائزہ میں SBP نے پالیسی کی شرح کو برقرار رکھنے کا فیصلہ کیا۔ SBP نے کرنٹ اکاؤنٹ خسارہ (CAD) میں واضح تبدیلی دیکھی جو برآمدات میں 11 فی صد نمو اور درآمدات میں 25.8 فی صد کمی کے مہیوں منت ہے جب کہ افراط زر میں اضافہ متوقع تھا۔ توقعات کے مطابق افراط زر میں اضافہ ہوتا رہا اور سالانہ بنیاد پر CPI افراط زر میں ستمبر 2018ء میں 5.1 فی صد کے مقابلہ میں ستمبر 2019ء کے دوران 11.4 فی صد اضافہ ہوا۔ روپے کی قدر میں کمی، تیل کی بین الاقوامی قیمتوں میں عدم استحکام، مسلسل حکومتی قرضوں کا حصول اور یوٹیٹی نروں میں اضافہ کے اثرات کی وجہ سے افراط زر میں مزید اضافہ کی توقع ہے۔ پالیسی شرح میں اضافہ کے تحت سہ ماہی، ششماہی اور سالانہ ٹی بلز پر پیداوار میں بلترتیب 100، 91 اور 62 بی پی ایس کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران کارپوریٹ ڈیٹ سیکورٹیز میں تجارتی سرگرمی ناقص رہی جس کے تحت مالیاتی سال 2019ء کے پہلی سہ ماہی میں 3.8 بلین روپے کے مقابلہ میں رواں سہ ماہی کے دوران مجموعی تجارت تقریباً 2.8 بلین رہی۔ بنیادی مارکیٹس میں ڈیٹ سیکورٹیز کے اجراء میں تیزی دیکھی گئی کیونکہ کمپنیوں نے ورکنگ کپٹل اور طویل مدتی قرضوں کے لئے کپٹل مارکیٹ سے رجوع کیا۔

فنڈ کو موجودہ سہ ماہی کے دوران 3,396 ملین روپے کا خسارہ ہوا ہے۔ 11,198 ملین روپے کے اخراجات کے شمار کے بعد خالص نقصان 14,594 ملین روپے ہے۔

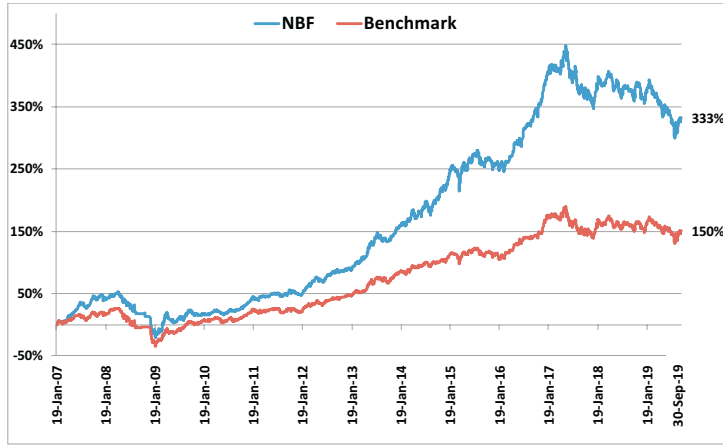
NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



30 ستمبر 2019 کے مطابق فنڈ کی ایسٹ ایلوکییشن حسب ذیل ہے:



NBF کی کارکردگی بمقابلہ بنچ مارک (اپنے قیام سے)



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے بیجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ 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 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 بیجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 24 اکتوبر 2019

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

	(Un-audited) September 30, 2019	(Audited) June 30, 2019
Note	-----Rupees in '000 -----	
ASSETS		
Balances with banks	349,186	464,789
Investments	1,006,877	960,831
Dividend and profit receivable	14,809	9,173
Receivable against sale of unities	797	-
Advances, deposits, prepayments and other receivables	3,808	3,842
Total assets	1,375,477	1,438,635
LIABILITIES		
Payable to the Management Company	5,672	6,510
Payable to the Trustee	217	270
Payable to Securities and Exchange Commission of Pakistan	66	1,352
Payable against purchase of investments	4,025	-
Accrued expenses and other liabilities	27,063	26,369
Total liabilities	37,043	34,501
NET ASSETS	1,338,434	1,404,134
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	1,338,434	1,404,134
CONTINGENCIES AND COMMITMENTS	6	-
	-----Number of units-----	
Number of units in issue	81,992,160	85,168,283
	-----Rupees-----	
NET ASSET VALUE PER UNIT	16.3239	16.4866

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
Note	----- Rupees in '000 -----	
INCOME		
(Loss) on sale of investments - net	(1,566)	(5,271)
Income from term finance certificates and sukuk bonds	4,508	2,608
Income from government securities	-	7,699
Dividend income	14,259	7,766
Profit on bank deposits and Term deposits	15,762	9,692
Unrealised (diminution) in the value of investments 'at fair value through profit or loss' - net	(36,359)	(12,414)
Total Income/(loss)	(3,396)	10,080
EXPENSES		
Remuneration of the Management Company	5,186	8,365
Sales tax on Remuneration of the Management Company	674	1,087
Accounting and operational charges to the Management Company	332	418
Selling and marketing expenses charged by the Management Company	3,496	454
Remuneration of the Trustee	583	670
Sales tax on Remuneration of the Trustee	76	87
Annual fee - Securities and Exchange Commission of Pakistan	66	356
Securities transaction cost	193	203
Settlement and bank charges	267	163
Annual listing fee	7	7
Auditors' remuneration	247	192
Legal Fee	8	-
Printing Expenses	8	19
Fund's rating fee	55	50
Total Expenses	11,198	12,071
Net (loss) from operating activities	(14,594)	(1,991)
Provision for Sindh Workers' Welfare Fund	-	-
Net (loss) for the period before taxation	(14,594)	(1,991)
Taxation	-	-
Net (loss) for the period after taxation	(14,594)	(1,991)
Earnings per unit	-	-
Allocation of Net income for the period:		
Net income for the year after taxation	-	-
Income already paid on units redeemed	-	-
Accounting income available for distribution:	-	-
- Relating to Capital Gains	-	-
- Excluding Capital Gains	-	-
Accounting Income available for Distribution	-	-

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	----- Rupees in '000 -----	
Net (Loss) for the period	(14,594)	(1,991)
Other comprehensive income		
Total comprehensive (loss) for the period	<u>(14,594)</u>	<u>(1,991)</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30, 2019			Quarter Ended September 30, 2018		
	Value	Undistributed income	Total	Value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	894,200	509,934	1,404,134	1,010,443	643,581	1,654,024
Issue of 240,492 units (2018: 1,299,357 units)	(0)					
- Capital value	3,965	-	3,965	23,399	-	23,399
- Element of loss	(64)	-	(64)	46	-	46
Total proceeds on issuance of units	3,901	-	3,901	23,445	-	23,445
Redemption of 3,416,615 units (2018: 1,542,726 units)						
- Capital value	(56,328)	-	(56,328)	(27,782)	-	(27,782)
- Element of income	1,321	-	1,321	27	-	27
Total payments on redemption of units	(55,007)	-	(55,007)	(27,755)	-	(27,755)
Total comprehensive (loss) / income for the period	-	(14,594)	(14,594)	-	(1,991)	(1,991)
Net assets at end of the period	843,094	495,340	1,338,434	1,006,133	641,590	1,647,723
Undistributed income brought forward						
- Realised		660,449			730,114	
- Unrealised		(150,515)			(86,533)	
		509,934			643,581	
Net (loss) for the period		(14,594)			(1,991)	
Undistributed income carried forward		495,340			641,590	
Undistributed income carried forward						
- Realised		531,699			654,004	
- Unrealised		(36,359)			(12,414)	
		495,340			641,590	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			16.4866			18.0084
Net assets value per unit at end of the period			16.3239			17.9874

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) for the period before taxation	(14,594)	(1,991)
Adjustments		
Unrealised (appreciation) / diminution in the value of investments 'at fair value through profit or loss' - net	36,359	12,414
Capital loss / (gain) on sale of investments - net	1,566	5,271
	37,925	17,685
	23,331	15,694
(Increase)/Decrease in assets		
Investments	(83,971)	(436,466)
Dividend and profit receivable	(5,636)	(4,646)
Advances, deposits, prepayments and other receivables	34	(81)
	(89,573)	(441,193)
Increase / (Decrease) in liabilities		
Payable to the Management Company	(838)	354
Payable to the Trustee	(53)	(104)
Payable to Securities and Exchange Commission of Pakistan	(1,286)	(1,120)
Payable against purchase of investment	4,025	8,286
Accrued expenses and other liabilities	694	485
	2,542	7,901
Net cash (used in) operating activities	(63,700)	(417,598)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	3,104	23,445
Payments on redemption of units	(55,007)	(27,755)
Net cash (used in) financing activities	(51,903)	(4,310)
Net (decrease) in cash and cash equivalents during the period	(115,603)	(421,908)
Cash and cash equivalents at the beginning of the period	464,789	729,754
Cash and cash equivalents at the end of the period	349,186	307,846

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

1 LEGAL STATUS AND NATURE OF BUSINESS

The NBP Balanced Fund (Formerly; NAFA Multi Asset Fund) 'the Fund' was established under a Trust Deed executed between the NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on 06 December 2006 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on 20 December 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The effective date of change of name of the Fund is 5 April 2019.

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).

The Fund is an open-ended mutual fund classified as a "balanced scheme" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to provide its investors with a combination of capital growth and income. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments etc.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company, long term and short term performance ranking of "4" star to the Fund.

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, 2019.

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 September 30, 2019.

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

3 SUMMARY OF ACCOUNTING POLICIES

The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2019 that have a material effect on the financial statements of the Fund.

4 INVESTMENTS

September 30,
2019
(Un-audited)

June 30,
2019
(Audited)

Note ----- Rupees in '000 -----

At fair value through profit or loss

	4.1	4.2	4.3	4.4
Listed equity securities	872,944	-	83,933	-
Term Finance certificate - listed	-	-	-	-
Term Finance certificate - unlisted	-	-	94,588	-
Sukuk bonds	50,000	-	-	-
Term deposits	-	-	-	95,745
	1,006,877	1,056,576		

4.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at Sep 30, 2019	Investment as a percentage of		
	As at July 01, 2019	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sep 30, 2019		Net assets	Market value of total investments	Paid up capital of the investee company
Rupees in '000 ----- % -----									
Oil & Gas Exploration Companies									
Mari Petroleum Limited	26,376	7,300	-	-	33,676	30,280	2.26	3.01	0.03
Oil and Gas Development Company Limited (Note 4.1.2)	413,396	143,500	-	-	556,896	68,515	5.12	6.80	0.01
Pakistan Oilfields Limited (Note 4.1.2)	61,623	23,000	(0)	-	84,623	32,148	2.40	3.19	0.03
Pakistan Petroleum Limited (Note 4.1.2)	304,452	110,000	-	-	414,452	56,378	4.21	5.60	0.02
	805,847	283,800	(0)	-	1,089,647	187,321	14.00	18.60	0.09
Oil & Gas Marketing Companies									
Attock Petroleum Limited	16,261	-	-	-	16,261	5,008	0.37	0.50	0.02
Hascol Petroleum Limited	2,152	-	-	1,375	777	16	0.00	0.00	0.00
Pakistan State Oil Company Limited	95,319	34,300	-	-	129,619	20,414	1.53	2.03	0.03
Sui Northern Gas Pipelines	161,000	149,500	-	-	310,500	19,127	1.43	1.90	0.05
	274,732	183,800	-	1,375	457,157	44,565	3.33	4.43	0.10
Fertilizers									
Engro Fertilizers Limited	449,001	274,500	-	-	723,501	49,364	3.69	4.90	0.05
Engro Corporation Limited	156,220	12,000	-	-	168,220	44,896	3.35	4.46	0.03
Fauji Fertilizer Company Limited	475,501	204,000	-	-	679,501	63,214	4.72	6.28	0.05
	1,080,722	490,500	-	-	1,571,222	157,474	11.77	15.64	0.14
Chemicals									
Engro Polymer & Chemicals Limited	453,623	482,500	-	-	936,123	22,982	1.72	2.28	0.10
Lotte Chemical Pakistan Ltd NC	425,000	-	-	289,500	135,500	1,848	0.14	0.18	0.01
	878,623	482,500	-	289,500	1,071,623	24,830	1.86	2.47	0.11

NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



Name of the investee company	Number of shares					Market value as at Sep 30, 2019	Investment as a percentage of		
	As at July 01, 2019	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sep 30, 2019		Net assets	Market value of total investments	Paid up capital of the investee company
						Rupees in '000	----- % -----		
Cement									
D.G. Khan Cement Pakistan Limited	-	41,000	-	-	41,000	1,982	0.15	0.20	0.01
Fauji Cement Company Limited	-	150,000	-	-	150,000	2,010	0.15	0.20	0.01
Lucky Cement Limited (Note 4.1.2)	41,364	13,000	-	-	54,364	18,600	1.39	1.85	0.02
Cherat Cement Co. Ltd.	48,800	-	-	48,800	-	-	-	-	-
Kohat Cement Co. Ltd.	102,250	-	-	-	102,250	4,706	0.35	0.47	0.05
Maple Leaf Cement Cement Factory Limited	45,000	-	-	45,000	-	-	-	-	-
	<u>237,414</u>	<u>204,000</u>	<u>-</u>	<u>93,800</u>	<u>347,614</u>	<u>27,298</u>	<u>2.04</u>	<u>2.71</u>	<u>0.09</u>
Automobile Parts & Accessories									
Thal Limited	11	-	-	-	11	3	0.00	0.00	0.00
	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>3</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Textile Composite									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.42	0.56	14.61
Gul Ahmed Textile Mills Limited	579,500	-	-	97,000	482,500	22,890	1.71	2.27	0.14
Interloop Limited	105,918	-	-	-	105,918	4,653	0.35	0.46	0.01
Kohinoor Textile Mills Limited	179,113	-	-	-	179,113	4,252	0.32	0.42	0.06
Nishat (Chunian) Limited	194,000	-	-	-	194,000	6,493	0.49	0.64	0.08
Nishat Mills Limited (Note 4.1.2)	134,700	58,500	-	-	193,200	16,229	1.21	1.61	0.05
	<u>2,000,231</u>	<u>58,500</u>	<u>-</u>	<u>97,000</u>	<u>1,961,731</u>	<u>60,166</u>	<u>4.50</u>	<u>5.98</u>	<u>14.96</u>
Engineering									
Aisha Steel Limited	-	177,000	-	-	177,000	1,375	0.10	0.14	0.02
International Industries Limited	32,000	-	3,200	-	35,200	2,440	0.18	0.24	0.03
International Steels Limited	105,100	124,000	-	120,000	109,100	4,336	0.32	0.43	0.03
Mughal Iron & Steel Industries	381,000	211,000	-	-	592,000	16,564	1.24	1.65	0.24
	<u>518,100</u>	<u>512,000</u>	<u>3,200</u>	<u>120,000</u>	<u>913,300</u>	<u>24,715</u>	<u>1.85</u>	<u>2.45</u>	<u>0.31</u>
Power Generation & Distribution									
The Hub Power Company Limited	573,916	213,500	-	-	787,416	55,710	4.16	5.53	0.06
K-Electric Limited	900,000	-	-	-	900,000	3,195	0.24	0.32	0.00
Lalpir Power Limited	644,000	-	-	-	644,000	7,393	0.55	0.73	0.17
Pakgen Power Limited	373,000	-	-	-	373,000	4,360	0.33	0.43	0.10
Saif Power Limited	130,000	-	-	-	130,000	2,015	0.15	0.20	0.03
	<u>2,620,916</u>	<u>213,500</u>	<u>-</u>	<u>-</u>	<u>2,834,416</u>	<u>72,673</u>	<u>5.43</u>	<u>7.22</u>	<u>0.37</u>
Commercial Banks									
Allied Bank Limited	254,300	-	-	-	254,300	22,066	1.65	2.19	0.02
Askari Bank Limited	130,000	-	-	-	130,000	2,287	0.17	0.23	0.01
Bank Al-falah Limited	1,042,050	47,000	-	19,000	1,070,050	43,808	3.27	4.35	0.06
Bank Al-Habib Limited (Note 4.1.2)	433,400	82,000	-	-	515,400	34,434	2.57	3.42	0.05
Bank of Punjab	737,500	-	-	327,000	410,500	3,580	0.27	0.36	0.02
Faysal Bank Limited	228,097	-	-	-	228,097	3,656	0.27	0.36	0.02
Habib Bank Limited	349,680	-	-	-	349,680	41,322	3.09	4.10	0.02
MCB Bank Limited	91,600	-	-	-	91,600	15,533	1.16	1.54	0.01
Meezan Bank Limited	17,793	33,500	-	-	51,293	3,695	0.28	0.37	0.00
National Bank of Pakistan	70,000	62,500	-	-	132,500	3,836	0.29	0.38	0.01
United Bank Limited	383,091	-	-	12,300	370,791	51,254	3.83	5.09	0.03
	<u>3,737,511</u>	<u>225,000</u>	<u>-</u>	<u>358,300</u>	<u>3,604,211</u>	<u>225,471</u>	<u>16.85</u>	<u>22.39</u>	<u>0.24</u>
VANASPATI AND ALLIED INDUSTRIES									
Unity Foods Limited	-	-	-	-	-	-	-	-	-
Unity Foods Limited - Right	14	-	-	-	14	-	-	-	-
	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Glass and Ceramics									
Shabbir Tiles & Ceramics Limited	100,000	-	-	-	100,000	794	0.06	0.08	0.04
Tariq Glass Industries Limited	119,500	2,500	-	-	122,000	9,547	0.71	0.95	0.17
	<u>219,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>222,000</u>	<u>10,341</u>	<u>0.77</u>	<u>1.03</u>	<u>0.21</u>
Technology & Communication									
Avanceon Limited	23,200	-	-	-	23,200	809	0.06	0.08	0.01
Netsol Technologies Limited	185,800	-	-	-	185,800	10,466	0.78	1.04	0.21
P.T.C.L. "A"	480,000	-	-	-	480,000	3,312	0.25	0.33	0.01
Systems Limited	83,550	-	-	-	83,550	6,956	0.52	0.69	0.07
	<u>772,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>772,550</u>	<u>21,543</u>	<u>1.61</u>	<u>2.14</u>	<u>0.30</u>
Insurance									
Adamjee Insurance Company Limited	90,500	-	-	-	90,500	2,539	0.19	0.25	0.03
	<u>90,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,500</u>	<u>2,539</u>	<u>0.19</u>	<u>0.25</u>	<u>0.03</u>

NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



Name of the investee company	Number of shares					Market value as at Sep 30, 2019	Investment as a percentage of		
	As at July 01, 2019	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sep 30, 2019		Net assets	Market value of total investments	Paid up capital of the investee company
Rupees in '000 ----- % -----									
Paper & Board									
Century Paper & Board Mills Limited	145,400	-	-	-	145,400	3,999	0.30	0.40	0.10
Cherat Packaging Limited	79,100	-	-	-	79,100	5,237	0.39	0.52	0.20
	<u>224,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,500</u>	<u>9,236</u>	<u>0.69</u>	<u>0.92</u>	<u>0.30</u>
Automobile Assembler									
Indus Motor Company Limited	1,220	-	-	-	1,220	1,179	0.09	0.12	0.00
	<u>1,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,220</u>	<u>1,179</u>	<u>0.09</u>	<u>0.12</u>	<u>0.00</u>
Pharmaceuticals									
Highnoon Laboratories Limited	1,140	-	-	-	1,140	365	0.03	0.04	0.00
	<u>1,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,140</u>	<u>365</u>	<u>0.03</u>	<u>0.04</u>	<u>0.00</u>
Miscellaneous									
Synthetic Products Ltd XD	2,000	-	-	-	2,000	34	0.00	0.00	0.00
	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>34</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Food & Personal Care Products									
Fauji Foods Limited	10,500	-	-	-	10,500	110	0.01	0.01	0.00
Matco Foods Limited	131,000	-	-	-	131,000	3,081	0.23	0.31	0.11
	<u>141,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,500</u>	<u>3,191</u>	<u>0.24</u>	<u>0.32</u>	<u>0.11</u>
	<u>13,607,031</u>	<u>2,656,100</u>	<u>3,200</u>	<u>959,975</u>	<u>15,306,356</u>	<u>872,944</u>	<u>65.22</u>	<u>86.70</u>	<u>17.35</u>
Carrying value as at Sep 30, 2019						<u><u>909,335</u></u>			

4.1.1 All shares have a nominal face value of Rs 10 each except for shares of Thal Limited and Shabbir Tiles & Ceramics Limited which have a face value of Rs 5 and K-Electric Limited which has a face value of Rs.4.

4.1.2 Investments include shares with market value of Rs. 30.23 million (June 30, 2019: Rs. 43.86 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no.11 dated October 23, 2007 issued by the SECP.

4.2 Term finance certificates - Listed - at fair value through profit or loss

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

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2019	Investment as a percentage of		
	As at July 01, 2019	Purchases during the period	Sales during the period	As at Sep 30, 2019		Net assets	Market value of total investments	Issue size
Rupees in '000 ----- % -----								
Saudi Pak Leasing Company Limited (note 4.2.1)	10,000	-	-	10,000	-	-	-	-
	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying value as at September 30, 2019					<u><u>27,547</u></u>			
Provision for impairment loss as at September 30, 2019					<u><u>27,547</u></u>			

4.2.1 This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as Non-performing since April 30, 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 the said circular.

4.3 Term finance certificates - un-listed - at fair value through profit or loss

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

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2019	Investment as a percentage of		
	As at July 01, 2019	Purchases during the period	Sales during the period	As at Sep 30, 2019		Net assets	Market value of total investments	Issue size
					Rupees in '000	----- % -----		
Jehangir Siddiqui and Company Limited	8,000	-	-	8,000	20,000	1.49	1.99	5.33
Jehangir Siddiqui and Company Limited	17,100	-	-	17,100	63,933	4.78	6.35	11.40
	25,100	-	-	25,100	83,933	6.27	8.34	
Carrying value as at September 30, 2019					83,901			

4.4 SUKUK BONDS

Name of investee company	Number of certificates / bonds				Market value as at Sep 30, 2019	Investment as a percentage of		
	As at July 01, 2019	Purchases during the period	Sales during the period	As at Sep 30, 2019		Net assets	Market value of total investments	Issue size
					Rupees in '000	----- % -----		
Hubco Sukuk	-	500	-	500	50,000	3.74	4.97	-
	-	500	-	500	50,000	3.74	4.97	-
Carrying value as at Sep 30, 2019					50,000			

4.5 At Fair value through profit or loss

Name of investee company	Number of certificates / bonds				Market value as at Sep 30, 2019	Investment as a percentage of		
	As at July 01, 2019	Purchases during the period	Sales during the period	As at Sep 30, 2019		Net assets	Market value of total investments	Issue size
					Rupees in '000	----- % -----		
Term finance certificate - unlisted								
Sukuk bonds								
New Allied Electronics Industries (Private) Limited (note 4.5.1)	32,000	-	-	32,000	-	-	-	-
Eden Housing Limited (note 4.5.2)	10,000	-	-	10,000	-	-	-	-
	42,000	-	-	42,000	-	-	-	-
Carrying value as at September 30, 2019					19,844			
Provision for impairment loss as at September 30, 2019					19,844			

4.5 All term finance certificates have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics Industries (Private) Limited which have a face value of Rs 312.50 each.

4.5.1 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 NPA by MUFAP since January 9, 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 circular. This has been classified as fair value through profit and loss as per IFRS 09 from this year.

4.5.2 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was classified as NPA by MUFAP. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular. This has been classified as fair value through profit and loss as per IFRS 09 from this year.

4.5.3 The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer

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 14.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, being prudent, recognised provision for SWWF amounting to Rs.12.213 million for the period ended September 30, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2019 would have been higher by Rs. 0.0149 per unit (June 30, 2019: Rs. 0.1434 per unit).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019 and June 30, 2019.

7 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 1.15% per annum of the net assets of the Fund.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 3.38% (2018: 2.89%) which includes 0.25% (2018: 0.37%) 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 4.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant equity scheme'.

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

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

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non - compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non - compliant investments:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision (Rupees in '000)	Provision held, if any	Value of investment after provision	Value as a percentage of net assets (%)	Value as a percentage of gross assets
New Allied Electronic Industries (Private) Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates	10,000	(10,000)	-	-	-
Saudi Pak Leasing Company	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates (17.1)	27,547	(27,547)	-	-	-
Eden Housing Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks	9,844	(9,844)	-	-	-

11 TRANSACTIONS WITH CONNECTED PERSONS

11.1 Connected persons include NBP Fund Management Limited being the Management Company, 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 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 and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

11.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at year end are as follows.

NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



	Quarter ended September 30, 2019 (Un-audited) ----- Rupees in '000 -----	Quarter ended September 30, 2018 (Un-audited) ----- Rupees in '000 -----
11.5 Details of the transactions with connected persons are as follows:		
NBP Fund Management Limited - Management Company		
Management fee expense for the year	5,186	8,365
Sales Tax on remuneration of the management company	674	1,087
Selling and Marketing Expense	3,496	454
Front end load	11	582
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	583	670
Sales tax on Remuneration of the Trustee	76	87
CDS charges	28	28
Employees of the Management Company		
Units redeemed / transferred out 17,269 units	284	-
International Steel Limited		
Shares sold: Nil (30 Sep, 2018: sold: 46,000 shares)	-	3,935
Cherat Cement Company Limited		
Shares purchased: 48,800 shares (30 Sep, 2018: Nil shares)	1,318	-
Taurus Securities Limited (Subsidiary of parent company)		
Brokerage paid	7	29
	September 30, 2018	June 30, 2019
	----- Rupees in '000 -----	
11.6 Amounts outstanding as at year end are as follows:		
NBP Fund Management Limited - Management Company		
Management remuneration payable	1,613	2,381
Sindh Sales Tax payable	210	310
Allocation of expenses related to registrar services, accounting, operation and valuation services	332	762
Selling and Marketing expense payable	3,496	3,048
Sales load payable & sale tax on sale load payable	21	9
Employees of the Management Company		
Units held: 983 units (30 June 2019: 18,252 units)	16	301
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	192	204
Sindh Sales Tax payable	25	26
Settlement charges payable	114	40
Security deposit	100	100
Askari Bank Limited (common directorship)		
Bank Balance in savings account	295	6,895
Ordinary shares held:130,000 (30 June 2019: 130,000 shares)	2,287	2,458
National Bank of Pakistan (parent of Management company)		
Bank Balance in current account	3,314	3,113

NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



	September 30, 2018	June 30, 2019
	----- Rupees in '000 -----	
NBP Employees Pension Fund Units held: 26,464,902 units (30 June 2019: 26,464,902 units)	432,010	436,316
Karachi Electric Provident Fund (10% holding) Units held: 34,224,720 units (30 June 2019: 34,224,720 units)	615,614	564,249
Summit Bank Bank Balance in current account	3,014	3,094
BankIslami Pakistan Limited Bank Balance in saving account	6	6
International Steel Limited (common directorship) Ordinary shares held: 109,100 (30 June 2019: 105,100 shares)	4,336	4,174
International Industries Limited (common directorship) Ordinary shares held: 35,200 (30 June 2019: 32,000 shares)	2,440	2,466

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

www.jamapunji.pk



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

- 📄 Licensed Entities Verification
- 📊 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🏢 Company Verification
- 📄 Insurance & Investment Checklist
- ?? FAQs Answered

- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📄 Risk profiler*
- 📄 Financial calculator
- 📄 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📄 Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices

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

 /nbpffunds