



# NBP FUNDS

*Managing Your Savings*

**AM1**

Rated by PACRA

## NBP MONEY MARKET FUND



QUARTERLY REPORT  
**SEPTEMBER 30, 2020**



# **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.**



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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. 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

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



## **Auditors**

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

## **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.nbpffunds.com](http://www.nbpffunds.com)

## **Lahore Office:**

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

## **Islamabad Office:**

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

## **Peshawar Office:**

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

## **Multan Office:**

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

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Money Market Fund** (NMMF) for the quarter ended September 30, 2020.

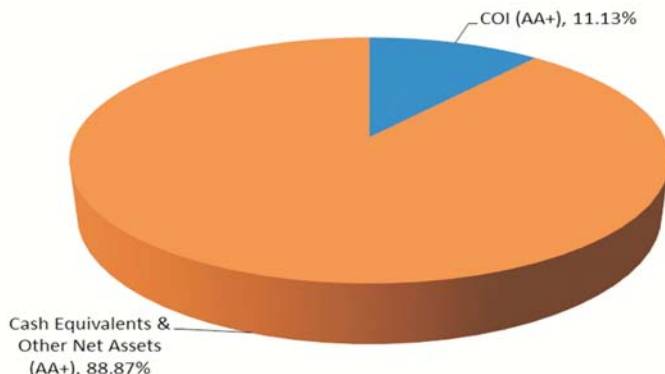
### Fund's Performance

The size of NBP Money Market Fund has increased from Rs. 28,236 million to Rs. 30,334 million during the period (i.e. a growth of 7%). During the period, the unit price of the Fund has increased from Rs. 9.7447 (Ex-Div) on June 30, 2020 to Rs. 9.8881 on September 30, 2020, thus showing a return of 5.8% p.a. as compared to the benchmark return of 6.7% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a Money Market scheme, the Fund has strict investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is 'AA', while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

During 1QFY21, the State Bank of Pakistan (SBP) held Monetary Policy Committee (MPC) meeting in September 2020 and, in line with the market expectation, left the Policy Rate unchanged at 7%. The SBP cited that the outlook for growth and business confidence has improved since the last review. The CPI inflation clocked in at 9% for September 2020, above the market consensus due to spike in prices of perishable food items. During the period under review, T-Bills yields increased by 44 bps, 55 bps, and 59 bps for 3-month, 6-month, and 12-month tenures respectively, primarily due to demand versus supply side factors. The SBP held six T-Bills auctions during the period, realizing a total of Rs. 1.5 trillion against the maturity of Rs. 1.9 trillion and target of Rs. 1.4 trillion.

The Fund has earned a total income of Rs. 563.49 million during the period. After deducting total expenses of Rs. 81.33 million, the net income is Rs. 482.16 million. The asset allocation of NBP Money Market Fund as on September 30, 2020 is as follows:



### Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 1.41% of the opening ex-NAV (1.39% of the par value) for the period ended September 30, 2020.



## **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 27, 2020  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2020ء کو ختم ہونے والی سہ ماہی کے لئے NBP منی مارکیٹ فنڈ (NMMF) کے کنڈیٹنڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

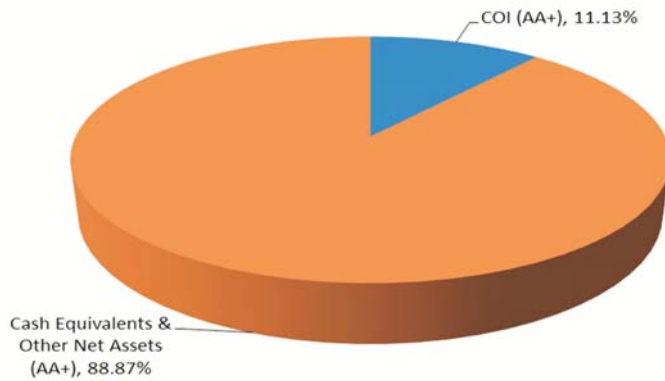
موجودہ مدت کے دوران NBP منی مارکیٹ فنڈ کا سائز 28,236 ملین روپے سے بڑھ کر 30,334 ملین روپے ہو گیا ہے یعنی 7% کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران فنڈ کے پونٹ کی قیمت 30 جون 2020 کو 9.7447 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2020 کو 9.8881 روپے ہو گئی، لہذا فنڈ نے اسی مدت میں 6.7% بیچ مارک منافع کے مقابلے میں 5.8% منافع دیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NMMF کو PACRA کی طرف سے AA(f) کی مستحکم ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ ایک منی مارکیٹ اسکیم کی حیثیت سے فنڈ سرمایہ کاری کی انتہائی سخت ہدایات رکھتا ہے۔ فنڈ کی منظور شدہ انویسٹمنٹس میں ٹی بلز، بینک ڈپازٹس اور منی مارکیٹ انسٹرومنٹس شامل ہیں۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی کسی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نئی تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

مالی سال 2021 کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان نے ستمبر 2020 میں مانیٹری پالیسی کمیٹی (MPC) کا اجلاس طلب کیا، اور مارکیٹ توقعات کے مطابق، پالیسی کی شرح 7% پر برقرار رکھی۔ اسٹیٹ بینک آف پاکستان نے حوالہ دیا کہ آخری جائزہ کے بعد سے شرح نمو اور کاروباری اعتماد میں بہتری آئی ہے۔ روزمرہ استعمال ہونے والی اشیائے خورد و نوش کی قیمتوں میں اضافے کے باعث سی پی آئی افراط زر کی شرح ستمبر 2020 میں 9 فیصد رہی۔ زیر جائزہ مدت کے دوران، بنیادی طور پر طلب کے مقابلے میں رسد کے حوالے کی وجہ سے T-Bills کی شرح منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کے T-Bills میں بالترتیب 44bps، 55bps اور 59bps اضافہ ہوا۔ طویل مدتی حکومتی شرح منافع بھی افراط زر کی قیمتوں میں اضافے کی توقعات کے باعث بڑھ گئی۔ اسٹیٹ بینک آف پاکستان نے اس عرصے کے دوران چھ T-Bills کی نیلامی کی، جس میں 1.9 بلین روپے کی میچورٹی اور 1.9 ٹریلین روپے کے ہدف کے عوض مجموعی طور پر 1.4 ٹریلین روپے حاصل کئے۔

فنڈ کو مدت کے دوران 563.49 بلین روپے کل آمدنی ہوئی۔ 81.33 بلین روپے کے مجموعی اخراجات منہا کرنے کے بعد، خالص آمدنی 482.16 بلین روپے ہے۔

30 ستمبر 2020 کو NBP منی مارکیٹ فنڈ کی ایسٹ ایلوکییشن درج ذیل ہے:



### آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 ستمبر 2020 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 1.41% (بنیادی قدر کا 1.39%) عبوری نقد ڈیویڈنڈ منظور کیا ہے۔





## اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر بونٹ 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 تخلص 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 فونڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اکتوبر 2020

مقام: کراچی



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

		(Un-Audited) September 30, 2020	(Audited) June 30, 2020
	Note	-----Rupees in '000-----	
<b>ASSETS</b>			
Bank balances	4	27,202,993	22,428,934
Investments	5	3,375,000	6,043,726
Mark-up accrued		61,002	17,435
Receivable against transfer of units		3,159	337
Deposit and prepayments		298	118,817
<b>Total assets</b>		<b>30,642,452</b>	<b>28,609,249</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - Management Company		54,606	66,177
Payable to Central Depository Company of Pakistan Limited - Trustee		2,031	1,724
Payable to the Securities and Exchange Commission of Pakistan		1,678	5,730
Payable against redemption of units		19,404	82,968
Accrued expenses and other liabilities		230,960	216,488
<b>Total liabilities</b>		<b>308,679</b>	<b>373,087</b>
<b>NET ASSETS</b>		<b>30,333,773</b>	<b>28,236,162</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>30,333,773</b>	<b>28,236,162</b>
<b>Contingencies and commitments</b>	7		
		-----Number of units-----	
<b>Number of units in issue</b>		<b>3,067,712,890</b>	<b>2,857,199,837</b>
		-----Rupees-----	
<b>Net asset value per unit</b>		<b>9.8881</b>	<b>9.8825</b>

The annexed notes from 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, 2020

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	Note -----Rupees in '000-----	
<b>INCOME</b>		
Return / mark-up on:		
- bank balances	145,480	827,329
- government securities	342,661	42,869
- letter of placement	52,640	-
- Certificate of Income	43,147	-
- Commercial Paper	-	19,565
- Sukuk Income	-	15,834
Net loss on sale of investments	(20,437)	(458)
<b>Total income</b>	<b>563,491</b>	<b>905,139</b>
<b>EXPENSES</b>		
Remuneration of NBP Fund Management Limited - Management Company	12,586	29,677
Sindh Sales Tax on remuneration of the Management Company	1,636	3,858
Allocation of operational expenses to the Management Company	8,390	6,439
Selling and Marketing Expenses	40,413	40,609
Remuneration of Central Depository Company of Pakistan Limited - Trustee	5,454	4,185
Sindh Sales Tax on remuneration of the Trustee	709	544
Annual fee to the Securities and Exchange Commission of Pakistan	1,678	1,288
Settlement charges	178	50
Bank charges	92	129
Auditors' remuneration	236	226
Legal and professional charges	31	19
Fund rating fee	60	108
Annual listing fee	7	7
Printing charges	20	9
<b>Total expenses</b>	<b>71,490</b>	<b>87,148</b>
<b>Net income from operating activities</b>	<b>492,001</b>	<b>817,991</b>
Provision for Sindh Workers' Welfare Fund	(9,840)	(16,360)
<b>Net income for the period before taxation</b>	<b>482,161</b>	<b>801,631</b>
Taxation	-	-
<b>Net income for the period after taxation</b>	<b>482,161</b>	<b>801,631</b>
<b>Earnings per unit</b>	-	-
<b>Allocation of net income for the period:</b>		
Net income for the period after taxation	482,161	801,631
Income already paid on units redeemed	(66,572)	(326,637)
	<b>415,589</b>	<b>474,994</b>
<b>Accounting income available for distribution:</b>		
- Relating to capital gain	-	-
- Excluding capital gain	415,589	474,994
	<b>415,589</b>	<b>474,994</b>

The annexed notes from 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, 2020

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	----- Rupees in '000 -----	
Net income for the period after taxation	482,161	801,631
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u><u>482,161</u></u>	<u><u>801,631</u></u>

The annexed notes from 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 MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Quarter ended September 30, 2020			Quarter ended September 30, 2019		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000)					
Net assets at beginning of the period	28,065,892	170,270	28,236,162	20,465,978	132,984	20,598,962
Issue of 2,636,372,933 units (2019: 1,974,912,040 units)						
- Capital value	26,053,994	-	26,053,994	19,489,814	-	19,489,814
- Element of income	55,989	-	55,989	108,871	-	108,871
Total proceeds on issuance of units	26,109,983	-	26,109,983	19,598,685	-	19,598,685
Redemption of 2,425,859,880 units (2019: 1,509,012,425 units)						
- Capital value	(23,974,740)	-	(23,974,740)	(14,570,796)	-	(14,570,796)
- Element of loss	(3,057)	(66,572)	(69,629)	(109,248)	(326,637)	(435,885)
Total payments on redemption of units	(23,977,797)	(66,572)	(24,044,369)	(14,680,044)	(326,637)	(15,006,681)
Total comprehensive income for the period	-	482,161	482,161	-	801,631	801,631
<b>Interim Distribution @ 0.0390 per unit declared on July 28, 2020</b> (July 30, 2019: 0.0968 per unit)						
- Cash Distribution	-	(114,110)	(114,110)	-	(189,543)	(189,543)
- Refund of Capital	(21,334)	-	(21,334)	(47,977)	-	(47,977)
<b>Interim Distribution @ 0.0467 per unit declared on August 28, 2020</b> (August 29, 2019: 0.1014 per Unit)						
- Cash Distribution	-	(123,698)	(123,698)	-	(240,420)	(240,420)
- Refund of Capital	(11,246)	-	(11,246)	(30,492)	-	(30,492)
<b>Interim Distribution @ 0.0534 per unit declared on September 28, 2020</b> (September 28, 2019: 0.1018 per unit)						
- Cash Distribution	-	(159,417)	(159,417)	-	(236,314)	(236,314)
- Refund of Capital	(20,360)	-	(20,360)	(24,516)	-	(24,516)
<b>Total distribution during the period</b>	<b>(52,939)</b>	<b>(397,225)</b>	<b>(450,164)</b>	<b>(102,985)</b>	<b>(666,277)</b>	<b>(769,262)</b>
<b>Net assets at end of the period</b>	<b>30,145,139</b>	<b>188,634</b>	<b>30,333,773</b>	<b>25,281,633</b>	<b>(58,299)</b>	<b>25,223,335</b>
Undistributed income brought forward						
- Realised		158,881			132,984	
- Unrealised		11,389			-	
		170,270			132,984	
Accounting income available for distribution						
- Relating to capital gain	-			-		
- Excluding capital gain	415,589			474,994		
	415,589			474,994		
Interim Distribution during the period		(397,225)			(666,277)	
<b>Undistributed income carried forward</b>		<b>188,634</b>			<b>(58,299)</b>	
Undistributed income carried forward						
- Realised		188,634			(58,299)	
- Unrealised		-			-	
		188,634			(58,299)	
Net assets value per unit at beginning of the period			<u>9.8825</u>			<u>9.8687</u>
Net assets value per unit at end of the period			<u>9.8881</u>			<u>9.8791</u>

The annexed notes from 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, 2020

	Un - Audited Quarter ended September 30, 2020	Un - Audited Quarter ended September 30, 2019
Note	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	482,161	801,631
<b>Adjustments:</b>		
Return / mark-up on bank balances		
- bank balances	(145,480)	(827,329)
- government securities	(342,661)	(42,869)
- letter of placement	(52,640)	-
- Certificate of Income	(43,147)	-
- Commercial Paper	-	(19,565)
- Sukuk Income	-	(15,834)
- Net loss / (gain) on Investments	20,437	-
Provision for Sindh Workers' Welfare Fund	9,840	16,360
	<u>(553,651)</u>	<u>(889,237)</u>
	(71,490)	(87,606)
<b>decrease / (Increase) in assets</b>		
Investments	2,648,289	(1,768,152)
Deposit and prepayments	118,519	87
	<u>2,766,808</u>	<u>(1,768,065)</u>
<b>(decrease) / Increase in liabilities</b>		
Payable to the Management Company	(11,571)	21,470
Payable to the Trustee	307	(58)
Payable to the Securities and Exchange Commission of Pakistan	(4,052)	(16,764)
Accrued expenses and other liabilities	4,632	11,996
	<u>(10,684)</u>	<u>16,644</u>
Mark-up on bank balances received	145,060	794,531
Mark-up on government securities received	342,661	42,869
Mark-up on letter of placement received	52,640	-
Mark-up on Commercial Paper received	-	19,565
	<u>540,361</u>	<u>856,965</u>
<b>Net cash generated / (used in) from operating activities</b>	<u>3,224,995</u>	<u>(982,062)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received on issuance of units	26,054,222	19,353,332
Amounts paid on redemption of units	(24,107,933)	(14,925,853)
Distributions paid	(397,225)	(666,277)
<b>Net cash generated from financing activities</b>	<u>1,549,064</u>	<u>3,761,201</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>4,774,059</u>	<u>2,779,139</u>
<b>Cash and cash equivalents at the beginning of the period</b>	22,428,934	19,789,023
<b>Cash and cash equivalents at the end of the period</b>	<u>4</u> <u>27,202,993</u>	<u>22,568,162</u>

The annexed notes from 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, 2020

### 1. LEGAL STATUS AND NATURE OF BUSINESS

NBP Money Market 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 May 4, 2011 and was approved by Securities and Exchange Commission of Pakistan (SECP) on April 14, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an asset management company under the NBFC rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

The Fund is an open-ended mutual fund categorised as "money market scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to generate stable income stream for its unit holders while ensuring capital preservation by investing in AA and above rated banks and money market instruments.

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

Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

### 2. BASIS OF PREPARATION

#### 2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS) 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 IFRS Standards, 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.

- 2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.



2.3 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, 2020.

2.4 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, 2020.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2020 that have a material effect on the financial statements of the Fund.

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, 2020. 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, 2020.

	Note	(Un-Audited) September 30, 2020	(Audited) June 30, 2020
-----Rupees in '000-----			
<b>4. BANK BALANCES</b>			
Current Account	4.1	16,527	13,491
Saving Account	4.2 & 4.3	27,186,466	22,415,443
		<b>27,202,993</b>	<b>22,428,934</b>

4.1 This include bank balances of Rs.0.16 million (June 30, 2020: Rs. 0.16 million), maintained with National Bank of Pakistan.

4.2 These savings accounts carry mark-up at rates ranging from 4% to 9% per annum (June 30, 2020: 10.25% to 14.35%) per annum.

4.3 These include bank balance of Rs. 2.78 million and 3.09 million (June 30, 2020: Rs. 2.097 million), maintained with National Bank of Pakistan and BankIslami Pakistan Limited, related parties, and carrying mark-up at the rate of 5.5% and 6% respectively. (June 30, 2020: 11.25%) per annum.

	Note	(Un-Audited) September 30, 2020	(Audited) June 30, 2020
-----Rupees in '000-----			
<b>5 INVESTMENTS</b>			
<b>Financial Assets at fair value through profit or loss</b>			
Government securities - Market Treasury Bills	5.1	-	6,043,726
Certificate of Investments	5.2	3,375,000	-
		<b>3,375,000</b>	<b>6,043,726</b>





## 5.1 Investment in Government securities

Issue Date	Tenor	As at July 01, 2020 during the period	Purchased during the period	Sales / Matured during the period	As at September 30, 2020	Market value as at September 30, 2020	Market value of net assets	Market value of total investments
-----Rupees in '000-----						----- (%) -----		
12-Sep-19	12 Months	-	2,650,000	2,650,000	-	-	-	-
26-Sep-19	12 Months	98,000	3,200,000	3,298,000	-	-	-	-
10-Oct-19	12 Months	1,583,000	7,727,000	9,310,000	-	-	-	-
19-Dec-19	12 Months	-	2,150,000	2,150,000	-	-	-	-
26-Mar-20	6 Months	1,405,000	1,000,000	2,405,000	-	-	-	-
9-Apr-20	6 Months	1,575,000	2,450,000	4,025,000	-	-	-	-
23-Apr-20	6 Months	1,375,000	4,650,000	6,025,000	-	-	-	-
7-May-20	6 Months	-	6,511,800	6,511,800	-	-	-	-
18-Jun-20	6 Months	125,000	-	125,000	-	-	-	-
16-Jul-20	3 Months	-	3,075,000	3,075,000	-	-	-	-
16-Jul-20	6 Months	-	75,000	75,000	-	-	-	-
27-Aug-20	3 Months	-	1,701,000	1,701,000	-	-	-	-
27-Aug-20	6 Months	-	3,050,000	3,050,000	-	-	-	-
10-Sep-20	3 Months	-	500,000	500,000	-	-	-	-
<b>Total as at September 30, 2020</b>						-	-	-
<b>Carrying value of investments as at September 30, 2020</b>						-	-	-

5.2 This represents the purchase of Certificate of Investments on July 10, 2020 and August 10, 2020 (having face value of Rs. 1,500 million & 1,875 million respectively) from Pak Oman Investment Company Limited. This carry profit at the rate of 7.05% and 7.15% respectively and will mature on October 09, 2020 and November 20, 2020 respectively.

## 6 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 18 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 151.667 million for the period ended September 30, 2020 in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2020 would have been higher by Rs. 0.0494 per unit (June 30, 2020: Rs. 0.0496 per unit).

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

## 8 SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.4% (w.e.f September 14, 2020) per annum (June 30, 2020 0.5%) of the net assets of the Fund.



## 9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund intends to distribute such accounting income for the year ending June 30, 2021 to its unit holders. Accordingly, no provision in respect of taxation has been made in the current period.

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

## 10 TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the period divided by Average net assets value for the period) of the Fund as at September 30, 2020 is 0.97% (2019: 1.6%) which includes 0.17% (2019: 0.34%) representing government levies on the Fund such as Sindh sales taxes, Sindh Workers' Welfare Fund and annual fee to the Securities and Exchange Commission of Pakistan. This ratio is within the maximum limit of 2% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Money Market scheme'.

## 11 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

11.1 Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post employment benefit funds of the Management Company its parent and Sponsor. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

11.2 The transactions with connected persons and related parties are carried at agreed rates.

11.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

11.4 Remuneration of the Trustee is determined in accordance with the rates agreed between the Management Company and the Trustee.

	----- (Un-audited) -----	
	Quarter ended	
	September 30, 2020	September 30, 2019
	----- Rupees in '000 -----	
11.5 Details of transactions with connected persons and related parties are as follows:		

### NBP Fund Management Limited (Management Company)

Remuneration of the Management Company	12,586	29,677
Sindh Sales Tax on remuneration of the Management Company	1,636	3,858
Reimbursement of operational expenses to the Management Company	8,390	6,439
Selling and Marketing expenses to the Management Company	40,413	40,609
Dividend re-invest Nil units (2019: 3,249 Units)	-	32
Units issued / transferred in Nil units (2019: Nil units)	-	-
Units redeemed / transferred out Nil (2019: 392,993 units)	-	3,910



	----- (Un-audited) -----	
	Quarter ended	
	September 30, 2020	September 30, 2019
	----- Rupees in '000 -----	
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	5,454	4,185
Sindh Sales Tax on remuneration of the Trustee	709	544
<b>Employees of the Management Company</b>		
Dividend re-invest 8,258 units (2018: 90,764 Units)	82	728
Units issued / transferred in 3,371,708 units (2018: 842,510 units)	33,343	5,401
Units redeemed / transferred out 4,438,450 units (2018: 1,362,212 units)	43,929	7,230
<b>National Bank of Pakistan (Parent of the Management Company)</b>		
Mark-up on bank balances	179	98
Purchase of Treasury Bills	443,170	-
<b>*Askari Bank Limited (Common Directorship with the Management Company)</b>		
Markup on bank balance	-	28
<b>Dr. Amjad Waheed - Chief Executive Officer</b>		
Dividend re-invest 13,689 units (2019: 5,191 units)	135	52
Units issued / transferred in 4,705,017 units (2019: 1 units)	46,500	-
Units redeemed / transferred out 1,707,684 units (2019: Nil units)	16,903	-
<b>**Syed Hasan Irtiza Kazmi - Director of Management Company</b>		
Dividend re-invest 2,443 units (2019: Nil units)	24	-
<b>Humayun Bashir (Director of the Management Company)</b>		
Dividend re-invest 1,557 units (2019: Nil units)	15	-
Units issued / transferred in 1,977,155 units (2019: Nil units)	19,539	-
<b>*Kamal Amir Chinoy (Director of the Management Company)</b>		
Units issued / transferred in Nil units (2019: 6,623 units)	-	65
<b>Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary</b>		
Units redeemed / transferred out Nil units (2019: 779 units)	-	8
<b>National Fullerton Asset Management Employee Provident Fund (Provident Fund of the Management Company)</b>		
Dividend re-invest 612 units (2019: Nil units)	6	-
Units issued / transferred in 4,993,520 units (2019: Nil units)	49,365	-
Units redeemed / transferred out 2,932,914 units (2019: Nil units)	29,126	-



	----- (Un-audited) -----	
	Quarter ended	
	September 30, 2020	September 30, 2019
	----- Rupees in '000 -----	
<b>**National Clearing Company of Pakistan Limited (NCCPL)</b>		
<b>(Common Directorship with the Management Company)</b>		
Dividend re-invest 895 units (2019: Nil units)	9	-
Units issue / transferred in 8,451,174 units (2019: Nil units)	83,519	-
Units redeemed / transferred out 8,423,293 units (2019: Nil units)	83,623	-
<b>Baltoro Partners Private Limited</b>		
<b>(Common Directorship with the Management Company)</b>		
Dividend re-invest 12,245 units (2019: Nil units)	121	-
Units issue / transferred in 1 units (2019: Nil units)	0	-
<b>**Mutual Fund Association of Pakistan (MUFAP)</b>		
<b>(Common Directorship with the Management Company)</b>		
Dividend re-invest 723 units (2019: Nil units)	7	-
Units issue / transferred in 0 units (2019: Nil units)	0	-
<b>Reliance Enterprises</b>		
<b>(COO Holding more than 10% in RE)</b>		
Dividend re-invest 34 units (2019: 2,434 units)	-	24
Units issue / transferred in 1 units (2019: 1 units)	-	-
Units redeemed / transferred out 140,511 units (2019: 140,511 units)	-	1,400
<b>Fauji Fertilizer Company Limited</b>		
<b>(Common Directorship with the Management Company)</b>		
Dividend re-invest 3,944,555 units (2019: 609,488 units)	38,989	144,080
Units issued / transferred in 1,224,386,542 units (2019: 257,165,754 units)	12,100,000	2,550,000
Units redeemed / transferred out 466,420,516 units (2019: Nil units)	4,625,259	-
<b>**Pakistan Stock Exchange Limited</b>		
<b>(Common Directorship with the Management Company)</b>		
Listing Fee Paid	25	25
<b>NBP Financial Sector Income Fund</b>		
<b>(Fund Managed by Management Company)</b>		
Sale of Treasury Bills	499,382	-
<b>Portfolios managed by the Management Company</b>		
Dividend re-invest 226,343 units (2019: 609,488 units)	2,237	6,350
Units issued / transferred in 73,017,061 units (2019: 35,140,225 units)	722,447	537,994
Units redeemed / transferred out 46,477,767 units (2019: 27,420,015 units)	460,935	542,612

\* Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the period."

\*\* Comparative transactions with these parties have not been disclosed as these parties were not related parties in last period.



	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	----- Rupees in '000 -----	
<b>11.6 Balances outstanding as at are as follows</b>		
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of the Management Company	4,148	3,575
Sindh Sales Tax on remuneration of the Management Company	539	465
Operational expenses	8,390	8,703
Selling and marketing expenses	40,413	52,530
Sales load	746	559
Sindh Sales Tax and Federal Excise Duty on sales load	369	345
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	1,797	1,526
Sindh Sales Tax on remuneration of the Trustee	234	198
Security deposit	100	100
<b>National Bank of Pakistan (Parent of the Management Company)</b>		
Bank balances		
- in savings account	2,786	2,097
- in current account	166	166
Accrued markup	21	61
<b>BankIslami Pakistan Limited (Common Directorship with the Management Company)</b>		
Bank balances		
- in savings account	3,092	-
Accrued markup	1	-
<b>Employees of the Management Company</b>		
Investment held in the Fund: 699,588 units (2020: 1,758,071 units)	6,918	17,374
<b>Dr. Amjad Waheed - Chief Executive Officer</b>		
Investment held in the Fund: 3,485,419 units (2020: 474,397 units)	34,464	4,688
<b>Muhammad Murtaza Ali - Company Secretary &amp; COO</b>		
Investment held in the Fund: 1 units (2020: 1 units)	-	-
<b>National Fullerton Asset Management Employee Provident Fund (Provident Fund of the Management Company)</b>		
Investment held in the Fund: 2,347,520 (2020:286,302) units	23,213	2,829
<b>Baltoro Partners Private Limited (Common Directorship with the Management Company)</b>		
Investment held in the Fund: 1,031,956 units (2020: 1,019,710 units)	10,204	10,077
<b>Mutual Fund Association of Pakistan (MUFAP) (Common Directorship with the Management Company)</b>		
Investment held in the Fund: 60,930 (2020: 60,207) units	602	595
<b>National Clearing Company of Pakistan Limited (NCCPL) (Common Directorship with the Management Company)</b>		
Investment held in the Fund: 2,828,352 (2020: 2,799,576) units	27,967	27,667



	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	----- Rupees in '000 -----	
<b>Reliance Enterprises</b> (COO Holding more than 10% in RE)		
Investment held in the Fund: 2,886 (2020: 2,852) units	29	28
<b>Fauji Fertilizer Company Limited</b> (Common Directorship with the Management Company)		
Investment held in the Fund: 761,910,581 (2020: Nil) units	7,533,848	-
<b>Syed Hasan Irtiza Kazmi - Director of Management Company</b>		
Investment held in the Fund: 205,848 (2020: 203,405) units	2,035	2,010
<b>Humayun Bashir - Director of Management Company</b>		
Investment held in the Fund: 1,978,712 (2020: Nil) units	19,566	-
<b>Portfolios Managed By the Management Company</b>		
Investment held in the Fund: 53,817,699 (2020: 27,052,457) units	532,153	267,345

## 12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 27, 2020 by the Board of Directors of the Management Company.

## 13 GENERAL

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

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## Head Office

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