NBP FUNDS
Managing Your Savings
AM1
Rated by PACRA

# NBP MAHANA AMDANI 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

**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**

Albaraka Bank of Pakistan
Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Faysal Bank Limited

Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Khushhali Bank Limited
MCB Bank Limited
Meezan Bank Limited
Samba Bank Limited
Silk Bank Limited
Sindh Bank Limited
Soneri Bank Limited
Summit Bank Limited
Telenor Microfinance Bank Limited
The First Microfinance Bank Limited
The Bank of Punjab
U Microfinance Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited

**Auditors**

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

**Legal Advisor**

Akhund Forbes
D-21, Block 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 unaudited Condensed Interim financial statements of NBP Mahana Amdani Fund (Formerly; NAFA Savings Plus Fund) (NMAF) for the quarter ended September 30, 2019.

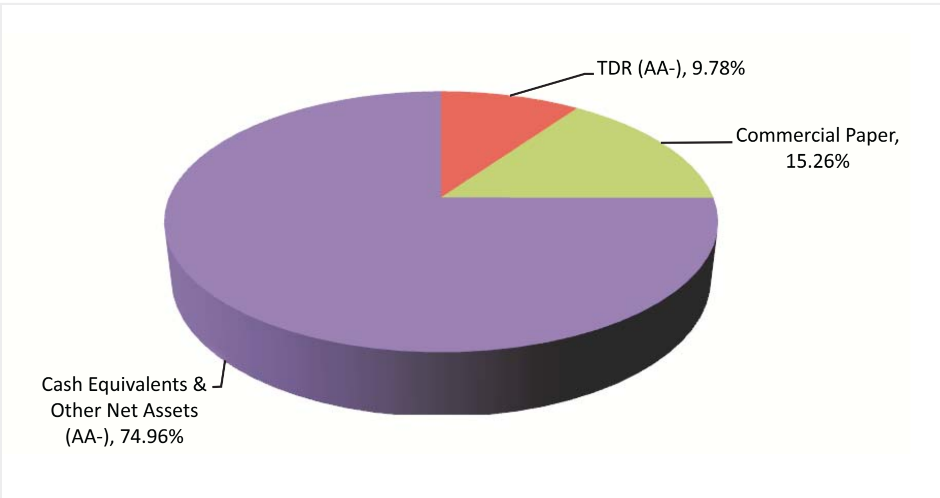
**Fund's Performance**

The size of NBP Mahana Amdani Fund has increased from Rs. 545 million to Rs. 614 million during the quarter, i.e. a growth of 13%. During the period under review, the unit price of the Fund has increased from Rs. 10.1629 on June 30, 2019 to Rs. 10.4750 on September 30, 2019 thus posting a return of 12.2% per annum as compared to its Benchmark return of 13.9% per annum for the same period. The return of the Fund is net of management fee and all other expenses.

The Fund is rated 'AA- (f)' by PACRA, which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund is allowed to invest in MTS. However, internal guidelines permit financing in only fundamentally strong companies. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rate of return with no direct exposure to the stock market.

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. During 1QFY20, the State Bank of Pakistan (SBP) held two bi-monthly monetary policy reviews. In its first monetary policy review, considering upside risks to inflation and the need to contain demand pressure, the SBP increased the Policy Rate by 100bps 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. However, expecting a rate cut sooner than later and due to hunt for yield, yields on PIBs witnessed significant decline with yield on 3-years, 5- years, and 10- years PIBs dropping by 121 bps, 158 bps and 154 bps, respectively.

The Fund has earned a total income of Rs. 20.773 million during the quarter. After deducting total expenses of Rs. 3.433 million, the net income is Rs. 17.340 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset class of NMAF:



**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 مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NBP ماہانہ آمدنی فنڈ (سابقہ: NAFA سیونگز پلس فنڈ) (NMAF) کے کنڈیسنڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران NBP ماہانہ آمدنی فنڈ کا سائز 545 ملین روپے سے بڑھ کر 614 ملین روپے ہوگیا ہے، یعنی 13% کی اضافہ ہوا۔ اس مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 10.1629 روپے سے بڑھ کر 30 ستمبر 2019 کو 10.4750 روپے تک پہنچ چکی ہے، لہٰذا اسی مدت کے لئے اپنے بنچ مارک منافع 13.9% کے مقابلے میں 12.2% منافع درج کرایا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

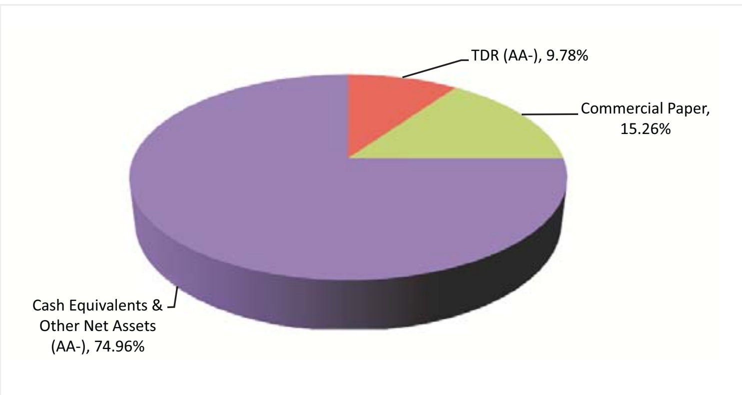
فنڈ کو PACRA کی طرف سے AA-(f) کی ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشاندہی کرتی ہے۔ فنڈ کو MTS میں سرمایہ کاری کی اجازت ہے، تاہم NBP فنڈز کی داخلی ہدایات صرف بنیادی طور پر مستحکم کمپنیوں میں سرمایہ کاری کی اجازت دیتی ہیں۔ یہ یہاں ذکر مناسب ہے کہ اس ایسیٹ کلاس میں فنڈ منافع کی پہلے سے طے شدہ شرح منافع پر فائنانسنگ فراہم کرتا ہے اور اسٹاک مارکیٹ میں براہ راست سرمایہ کاری نہیں کرتا۔

زیر جائزہ مدت کے دوران کارپوریٹ ڈیبٹ سیکیورٹیز 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 سیکیورٹیز کے اجرا میں تیزی دیکھی گئی کیونکہ کمپنیوں نے ورکنگ کیپٹل اور طویل مدتی قرضوں کے لئے کیپٹل مارکیٹ سے رجوع کیا۔

مالی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو مانیٹری پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے مانیٹری پالیسی جائزہ میں، افراط زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مدنظر رکھتے ہوئے SBP نے پالیسی شرح 12.25 فی صد سے بڑھا کر 13.25 فی صد کردی۔ 16 ستمبر کو دوسرے مانیٹری 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 مرہون منت ہے جب کہ افراط زر میں اضافہ متوقع تھا۔ توقعات کے مطابق افراط زر میں اضافہ ہوتا رہا اور سالہا سال کی 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 یوٹیلٹی نرخوں 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 بالترتیب 100، 91 اور 62 بی پی ایس کا اضافہ ہوا۔ تاہم، شرح میں جلد ہی کمی کا امکان ہے اور پیداوار میں کمی کی وجہ سے PIB کی پیداوار میں تین، پانچ اور 10 برسوں کی PIB بالترتیب 121، 158 اور 154 بی پی ایس کم ہوئی۔

فنڈ کو اس مدت کے دوران 20.773 ملین روپے کی مجموعی آمدنی ہوئی۔ 3.433 ملین روپے کے اخراجات منہا کرنے کے بعد کل آمدنی 17.340 ملین روپے ہے۔

درج ذیل چارٹ NMAF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



## اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو

ڈائریکٹر

تاریخ: 24 اکتوبر 2019
مقام: کراچی

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

| | Note | Un-Audited September 30, 2019 | Audited June 30, 2019 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **ASSETS** | | | |
| Balances with banks | 4 | **467,708** | 465,647 |
| Investments | 5 | **153,655** | 89,710 |
| Receivable against Margin Trading System | | **-** | 19 |
| Profit receivable | | **8,607** | 5,628 |
| Receivable against conversion of units | | **2,239** | 973 |
| Deposits, prepayments and other receivables | | **490** | 590 |
| **Total assets** | | **632,699** | 562,567 |
| **LIABILITIES** | | | |
| Payable to the Management Company | | **2,549** | 1,907 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | **42** | 80 |
| Payable to Securities and Exchange Commission of Pakistan | | **29** | 327 |
| Payable against redemption of units | | **412** | - |
| Accrued expenses and other liabilities | | **15,900** | 15,221 |
| **Total liabilities** | | **18,932** | 17,535 |
| **NET ASSETS** | | **613,767** | 545,032 |
| **UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)** | | **613,767** | 545,032 |
| **CONTINGENCIES AND COMMITMENTS** | 7 | | |
| | | **Number of units** | |
| **Number of units in issue** | | **58,593,310** | 53,629,608 |
| | | **Rupees** | |
| **NET ASSET VALUE PER UNIT** | | **10.4750** | 10.1629 |

The annexed notes 1 to 12 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

| | Note | Quarter Ended September 30, 2019 | Quarter Ended September 30, 2018 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **INCOME** | | | |
| Income from government securities | | **17** | 487 |
| Income from term deposit receipts | | **1,783** | 947 |
| Income from commercial papers | | **1,069** | - |
| Income on bank deposits | | **17,903** | 6,701 |
| Income from Margin Trading System | | **-** | 1,973 |
| Gain/(Loss) on sale of investments | | **1** | (16) |
| Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | | **-** | (6) |
| **Total income** | | **20,773** | 10,086 |
| **EXPENSES** | | | |
| Remuneration of the Management Company | | **1,163** | 838 |
| Sindh sales tax on Management Fee | | **151** | 109 |
| Accounting and operational charges to the Management Company | | **144** | 120 |
| Selling and marketing expense | 8 | **960** | 104 |
| Remuneration of the Trustee | | **108** | 203 |
| Sindh sales tax on Trustee Fee | | **14** | 26 |
| Annual fee - Securities and Exchange Commission of Pakistan | | **29** | 90 |
| Settlement and bank charges | | **95** | 253 |
| Annual listing fee | | **7** | 7 |
| Legal & Professional charges | | **9** | 9 |
| Auditors' remuneration | | **157** | 100 |
| Fund rating Fee | | **120** | 109 |
| Other charges | | **122** | 107 |
| **Total Expenses** | | **3,079** | 2,075 |
| **Net Income from operating activities** | | **17,694** | 8,011 |
| Provision for Sindh Workers' Welfare Fund | 6 | **(354)** | (160) |
| **Net Income for the period before taxation** | | **17,340** | 7,851 |
| Taxation | 9 | **-** | - |
| **Net income for the period after taxation** | | **17,340** | 7,851 |
| **Earnings per unit** | | | |
| **Allocation of Net income for the period:** | | | |
| Net income for the period | | **17,340** | 7,851 |
| Income already paid on units redeemed | | **(1,301)** | (572) |
| | | **16,039** | 7,279 |
| **Accounting income available for distribution:** | | **-** | - |
| -Relating to capital gains | | **1** | - |
| -Excluding capital gains | | **16,038** | 7,279 |
| | | **16,039** | 7,279 |

The annexed notes 1 to 12 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) | |
| Accounting income available for distribution | **17,340** | 7,851 |
| Other Comprehensive Income | **-** | - |
| **Total comprehensive income for the period** | **17,340** | 7,851 |

The annexed notes 1 to 12 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, 2019

| | Quarter Ended September 30, 2019 | | | Quarter Ended September 30, 2018 | | |
|---|---|---|---|---|---|---|
| | 2019 | | | 2018 | | |
| | Value | Undistributed income | Total | Value | Undistributed income | Total |
| | ------ (Rupees in '000) ------ | | | | | |
| Net assets at beginning of the period | **534,778** | **10,254** | **545,032** | 466,867 | 28,902 | 495,769 |
| Issuance of 26,899,749 units (2018: 10,593,886 units) | | | | | | |
| - Capital value | **273,379** | **-** | **273,379** | 101,275 | - | 101,275 |
| - Refund of Capital | **-** | | **-** | 6,170 | | 6,170 |
| - Element of income | **4,218** | **-** | **4,218** | 299 | - | 299 |
| Total proceeds on issuance of units | **277,597** | **-** | **277,597** | 107,744 | - | 107,744 |
| Redemption of 21,936,047 units (2018: 12,872,982 units) | | | | | | |
| - Capital value | **(222,934)** | **-** | **(222,934)** | (130,559) | - | (130,559) |
| - Element of loss | **(1,967)** | **(1,301)** | **(3,268)** | (7) | (572) | (579) |
| Total payments on redemption of units | **(226,202)** | **(1,301)** | **(226,202)** | (130,566) | (572) | (131,138) |
| Total comprehensive income for the period | **-** | **17,340** | **17,340** | - | 7,851 | 7,851 |
| **Distribution Nil (RS. 0.5519 declared on July 04.2018)** | | | | | | |
| - Cash distribution | **-** | | **-** | - | (19,708) | (19,708) |
| - Refund of Capital | | **-** | | (6,170) | - | (6,170) |
| | **-** | **-** | **-** | (6,170) | (19,708) | (25,878) |
| **Interim distribution :** | | | | | | |
| - Cash distribution Nil (Rs.0.1072 on 29th Aug-2018) | **-** | | **-** | - | (4,645) | (4,645) |
| - Cash distribution Nil (Rs.0.0557 on 28th Sep-2018) | **-** | | **-** | - | (2,371) | (2,371) |
| **Net assets at end of the period** | **586,173** | **26,293** | **613,767** | 437,875 | 9,457 | 447,332 |
| Undistributed income brought forward | | | | | | |
| - Realised | | **10,261** | | | 28,904 | |
| - Unrealised | | **(7)** | | | (2) | |
| | | **10,254** | | | 28,902 | |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | | **-** | | | - | |
| - Excluding capital gains | | **16,038** | | | 7,279 | |
| | | **16,038** | | | 7,279 | |
| **Distribution Nil (RS. 0.5519 declared on July 04.2018)** | | **-** | | | (19,708) | |
| **Interim distribution :** | | | | | | |
| - Cash distribution Nil (Rs.0.1072 on 29th Aug-2018) | | **-** | | | (4,645) | |
| - Cash distribution Nil (Rs.0.0557 on 28th Sep-2018) | | **-** | | | (2,371) | |
| Undistributed income carried forward | | **26,292** | | | **9,457** | |
| Undistributed income carried forward | | | | | | |
| - Realised | | **26,292** | | | 9,463 | |
| - Unrealised | | **-** | | | (6) | |
| | | **26,292** | | | 9,457 | |
| | | | **(Rupees)** | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | **10.1629** | | | 10.6940 |
| Net assets value per unit at end of the period | | | **10.4750** | | | 10.1481 |

The annexed notes 1 to 12 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

| | Note | Quarter Ended September 30, 2019 | Quarter Ended September 30, 2018 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Income for the period before taxation | | **17,340** | 7,851 |
| **Adjustments** | | | |
| Unrealised diminution in the value of investment carried at fair value through profit and loss - net | | **-** | 6 |
| | | **17,340** | 7,857 |
| **(Increase) / decrease in assets** | | | |
| Investments | | **(63,945)** | 355 |
| Receivable against Margin Trading System | | **19** | (24,420) |
| Profit receivable | | **(2,979)** | (1,852) |
| Deposits, prepayments and other receivables | | **100** | (130) |
| | | **(66,805)** | (26,047) |
| **Increase / (decrease) in liabilities** | | | |
| Payable to the Management Company | | **642** | (73) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | **(38)** | (9) |
| Payable to the Securities and Exchange Commission of Pakistan | | **(298)** | (266) |
| Accrued expenses and other liabilities | | **679** | 369 |
| | | **985** | 21 |
| **Net cash (used in) Operating activities** | | **(48,480)** | (18,169) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Net receipts from issue of units | | **276,331** | 101,574 |
| Net payments on redemption of units | | **(225,790)** | (131,113) |
| Distributions made | | **-** | (26,724) |
| **Net cash generated from (used in) financing activities** | | **50,541** | (56,263) |
| **Net Increased in cash and cash equivalents during the period** | | **2,061** | (74,432) |
| Cash and cash equivalents at the beginning of the period | 4 | **465,647** | 350,506 |
| **Cash and cash equivalents at the end of the period** | | **467,708** | 276,074 |

The annexed notes 1 to 12 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

NBP Mahana Amdani Fund (Formerly: NAFA Savings Plus Fund) (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited (management company) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 09 October 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The effective date of change of name of the Fund is 4 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 Mutual Funds of Pakistan (MUFAP)

The Fund is an open-ended mutual fund, categorised as an income scheme as per the criteria for categorisation 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 objective of the Fund is to provide an open-end income scheme, seeking to minimize risk, preserve capital and generate a reasonable return along with a high degree of liquidity from a portfolio primarily constituted of bank deposits and money market instruments.

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

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 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 SIGNIFICANT ACCOUNTING POLICIES**

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

| | | | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| 4 | **BALANCES WITH BANKS** | | | |
| | Current accounts | | **2,719** | 2,118 |
| | Savings accounts | 4.1 | **464,989** | 463,529 |
| | | | **467,708** | 465,647 |

**4.1** These savings accounts carry markup at rates ranging from 7.30% to 15.50% per annum (2019: 7.30% to 14% per annum).

| | | Note | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| 5 | **INVESTMENTS** | | | |
| | **At fair value through profit or loss** | | | |
| | Commercial Paper | 5.1 | **93,655** | 34,763 |
| | Term deposit receipt | 5.2 | **60,000** | 50,000 |
| | Investment in Government Securities -Market Treasury Bills | 5.3 | **-** | 4,947 |
| | | | **153,655** | 89,710 |

5.1 This represents the purchase of commercial paper from K- Electric Limited on Agust 28, 2019 having face value of Rs. 50 million, (Carrying value of Rs. 47.0867 million) which carry profit at the rate of 15.38% and will mature on February 28, 2020. It also includes purchase of commercial paper from Hub Power Company Limited on September 26, 2019 having a face value of Rs. 50 million, (Carrying value of Rs. 46.569 million) which carry profit at the rate of 15.40% and will mature on March 24, 2020.

5.2 This represents TDR placed with JS Bank Limited carrying mark-up at the rate of 14.20% percent per annum and matures on 27 December 2019.

**5.3 Investment in government securities**

| Issue date | Tenor | Face value | | | | Market Value As at September 30, 2019 | Market value as a percentage of net assets | Market value as a percentage of total investments |
|---|---|---|---|---|---|---|---|---|
| | | As at July 1, 2019 | Purchased during the period | Disposed / matured during the period | As at September 30, 2019 | | | |
| **Market Treasury Bills** | | | | | | | | |
| 09 May 2019 | 3 Months | 5,000 | - | 5,000 | - | - | - | - |
| | | | | | | - | - | - |

## 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 15.1 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.2.487 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. 0.0424 per unit (June 30, 2019: Rs. 0.0398 per unit).

## 7 CONTINGENCIES AND COMMITMENTS

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

## 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 0.7% per anum of the net assets of the Fund.

## 9 TAXATION

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

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

## 10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 2.38% (2018: 1.87%) which includes 0.38% (2018: 0.32%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (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'.

## 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.

| | Un-audited Quarter Ended September 30, 2019 | Un-audited Quarter Ended September 30, 2018 |
|---|---|---|
| | (Rupees in '000) | |
| **11.4 Details of the transactions with connected persons are as follows:** | | |
| **NBP Fund Management Limited - Management Company** | | |
| Management fee expense for the period | **1,163** | 838 |
| Sindh sales tax on remuneration of the Management Company | **151** | 109 |
| Selling and marketing expense | **960** | 104 |
| Front end load for the period | **495** | 26 |
| Accounting and operational charges to the Management Company | **144** | 120 |
| **Employees of the Management Company** | | |
| Units issued / transferred In 36,358 units; September 30, 2018: 101,458 units;) | **375** | 805 |
| Units redeemed / transferred out Nil units; September 30, 2018: 486,657 units) | **-** | 4,964 |
| **Central Depository Company of Pakistan Limited - Trustee** | | |
| Remuneration | **108** | 203 |
| Sindh sales tax on remuneration of trustee | **14** | 26 |
| **NBP ENDOWMENT FUND STUDENT LOAN SCHEME - RELATED PARTY** | | |
| Units issued / transferred In Nil units; September 30, 2018: 772 units | - | 8 |
| **BankIslami Pakistan Limited** | | |
| Income from saving account | **183** | - |

| | Un-audited September 30, 2019 | Audited June 30, 2019 |
|---|---|---|
| | (Rupees in '000) | |
| **11.5 Amounts outstanding as at period end** | | |
| **NBP Fund Management Limited - Management Company** | | |
| Management remuneration payable | **396** | 357 |
| Sindh Sales Tax payable on remuneration | **51** | 46 |
| Sales load payable to Management Company | **628** | 133 |
| Sindh Sales Tax payable on Sales load | **82** | 17 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services payable | **144** | 213 |
| Selling and Marketing expense | **960** | 853 |
| Other payable | **288** | 288 |
| **Central Depository Company of Pakistan Limited - Trustee** | | |
| Remuneration payable | **37** | 71 |
| Sindh Sales Tax payable | **8** | 9 |
| Security deposit | **100** | 100 |
| **National Bank of Pakistan (NBP) - Sponsor** | | |
| Bank Balances | **4,985** | 5,343 |
| **NBP Endowment Fund Student Loan Scheme** | | |
| Units held: Nil units (30 June 2019: 16,058 units) | **-** | 163 |
| **Employees of the Management Company** | | |
| Units held: 52,303 units (30 June 2019: 1,5945 units) | **548** | 162 |
| **Summit Bank Limited** | | |
| Bank balances | **1,349** | 748 |
| **Askari Bank Limited** | | |
| Bank balances | **343** | 93 |
| **BankIslami Pakistan Limited** | | |
| Bank balances | **250** | 323 |
| **Syed Muhammad Asif Ali -- (10% Holding)** | | |
| Units held: 6,476,677 units (30 June 2019: 6,476,677 units) | **67,843** | 65,822 |
| **Muhammad Naseem** | | |
| Units held: 5,935,273 units (30 June 2019: Nil units) | **62,172** | - |

**11 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.

**12 GENERAL**

**12.1** Figures have been rounded off to the nearest thousand rupees.

**12.2** 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 |
|---|---|---|

## Head Office

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

**UAN:** 021-111-111-632

**Toll Free:** 0800-20002

**Sms:** INVEST to 9995

**Fax:** 021-35825335

**Email:** info@nbpfunds.com

**Website:** www.nbpfunds.com

/nbpfunds

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# NBP FINANCIAL SECTOR INCOME 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

### 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
Summit Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Sindh Bank Limited
National Bank of Pakistan

Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited
Faysal Bank Limited
The Bank of Punjab
Albaraka Bank of Pakistan
Bank Islami Pakistan Limited
U Microfinance Bank Limited
Telenor Microfinance Bank Limited
Khushali Microfinance Bank Limited
The First Microfinance Bank Limited

**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

# DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited condensed interim financial statements of **NBP Financial Sector Income Fund (Formerly: NAFA Financial Sector Income Fund) (NFSIF)** for the quarter ended September 30, 2019.

**Fund's Performance**

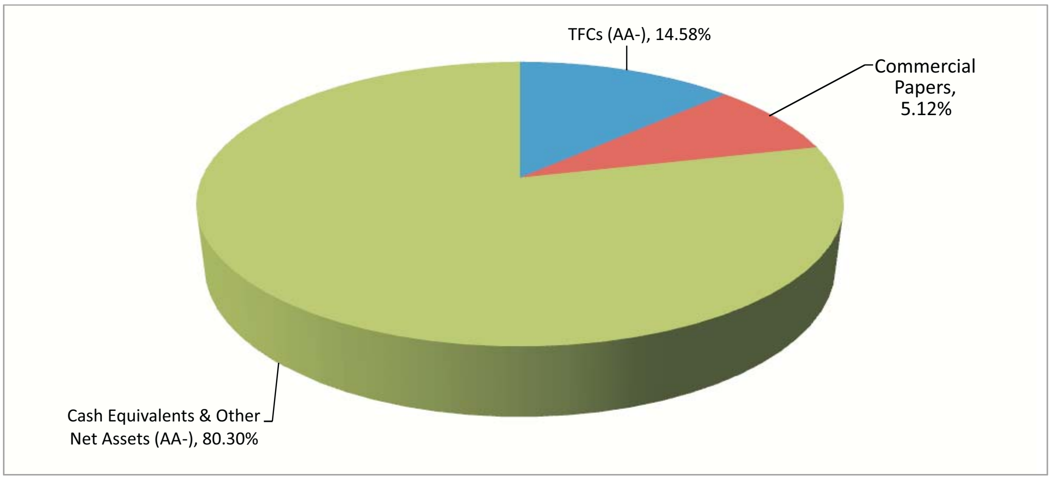
The size of NBP Financial Sector Income Fund has increased from Rs. 4,179 million to Rs. 9,198 million during the quarter, a handsome growth of 120%. During the period under review, the unit price of the Fund has increased from Rs. 10.5124 on June 30, 2019 to Rs. 10.8464 on September 30, 2019 thus posting a return of 12.6% p.a as compared to its Benchmark return of 13.9% p.a for the same period. The return of the Fund is net of management fee and all other expenses.

The Fund is unique as it invests a minimum of 70% of its assets in financial sector (mainly banks) debt securities, instruments or deposits. Minimum entity/instrument rating of debt securities are AA-. This minimizes credit risk and at the same time enhances the liquidity of the Fund. Duration of the Fund cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances the liquidity profile of the Fund.

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. During 1QFY20, the State Bank of Pakistan (SBP) held two bi-monthly monetary policy reviews. In its first monetary policy review, considering upside risks to inflation and the need to contain demand pressure, the SBP increased the Policy Rate by 100bps 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. However, expecting a rate cut sooner than later and due to hunt for yield, yields on PIBs witnessed significant decline with yield on 3-years, 5- years, and 10- years PIBs dropping by 121 bps, 158 bps and 154 bps, respectively.

The Fund has earned a total income of Rs. 246.978 million during the quarter. After deducting total expenses of Rs. 35.807 million, the net income is Rs. 211.171 million.

The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset class of NFSIF:



**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 مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NBP فنانشل سیکٹر انکم فنڈ (سابقہ: NAFA فائنینشل سیکٹر انکم فنڈ) (NFSIF) کے کنڈینسڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

## فنڈ کی کارکردگی

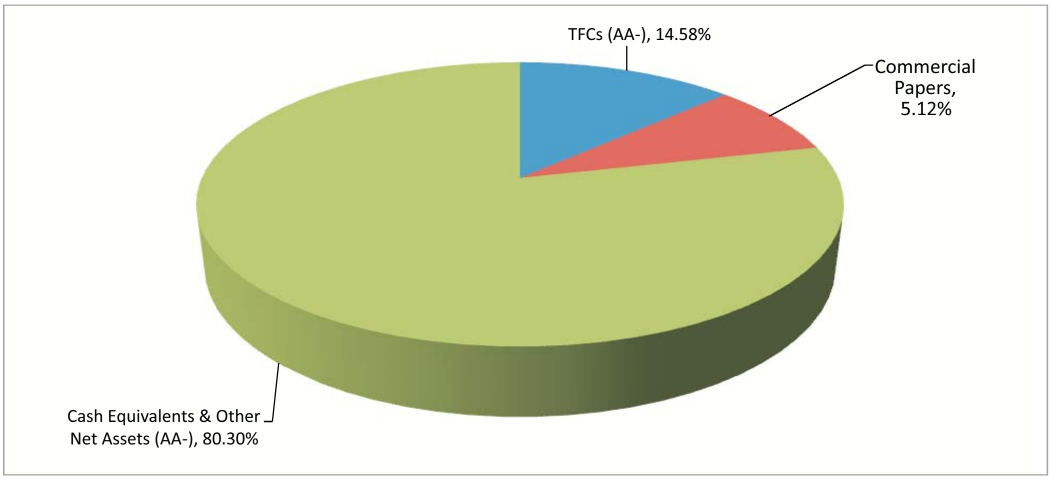
NBP فائنینشل سیکٹر انکم فنڈ (NFSIF) کا فنڈ سائز اس مدت کے دوران 4,179 ملین روپے سے بڑھ کر 9,198 ملین روپے تقریباً دگنا ہو گیا یعنی 120% کا خاطر خواہ اضافہ۔ اس مدت کے دوران، یونٹ کی قیمت 30 جون 2019 کو 10.5124 روپے سے بڑھ کر 30 ستمبر 2019 کو 10.8464 روپے تک پہنچ چکی ہے، لہٰذا اسی مدت کے لئے اپنے بنچ مارک منافع 13.9% کے مقابلے میں 12.6% کا منافع درج کرایا۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ اس حوالے سے منفرد ہے کہ یہ اپنے اثاثوں کا کم از کم 70% فائنانشل سیکٹر (بنیادی طور پر بینکس) Debt سیکورٹیز، انسٹرومنٹ یا ڈپازٹس میں سرمایہ کاری کرتا ہے۔ Debt سیکورٹیز کی کم از کم اینٹٹی / انسٹرومنٹ ریٹنگ "-AA" ہیں۔ اس سے کریڈٹ رسک میں کمی اور اس کے ساتھ ساتھ فنڈ کی لیکویڈیٹی میں اضافہ ہوتا ہے۔ فنڈ کی میعاد ایک سال سے زائد نہیں ہو سکتی۔ یہ شرح سود یا پرائسنگ رسک کو کم کرتا ہے۔ فنڈ اپنے اثاثوں کا 25 فیصد، 90 دن سے کم مدت کے T-Bills بلز میں یا بینکوں کے ساتھ سیونگ اکاؤنٹس میں سرمایہ کاری کرتا ہے جس سے فنڈ کے لیکویڈیٹی پروفائل میں مزید اضافہ ہو جاتا ہے۔

زیر جائزہ مدت کے دوران کارپوریٹ ڈیبٹ سیکیورٹیز 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 سیکیورٹیز کے اجرا میں تیزی دیکھی گئی کیونکہ کمپنیوں نے ورکنگ کیپٹل اور طویل مدتی قرضوں کے لئے کیپٹل مارکیٹ سے رجوع کیا۔ مالی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو مانیٹری پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے مانیٹری پالیسی جائزہ میں، افراد ط زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مدنظر رکھتے ہوئے SBP نے پالیسی شرح 12.25 فی صد سے بڑھا کر 13.25 فی صد کر دی۔ 16 ستمبر کو دوسرے مانیٹری 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 مرہون منت ہے جب کہ افراط زر میں اضافہ متوقع تھا۔ توقعات کے مطابق افراط زر میں اضافہ ہوتا رہا اور سالہا سال کی 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 یوٹیلٹی نرخوں 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 بالترتیب 100، 91 اور 62 بی پی ایس کا اضافہ ہوا۔ تاہم، شرح میں جلد ہی کمی کا امکان ہے اور پیداوار میں کمی کی وجہ سے PIB کی پیداوار میں تین، پانچ اور 10 برسوں کی PIB بالترتیب 121، 158 اور 154 بی پی ایس کم ہوئی۔

فنڈ نے موجودہ مدت کے دوران 246.978 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 35.807 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 211.171 ملین روپے ہے۔

درج ذیل چارٹ NFSIF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



اظہارتشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBPفنڈ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو

ڈائریکٹر

تاریخ: 24اکتوبر 2019

مقام: کراچی

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

| | Note | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|---|---|---|
| | | Rupees in '000 | |
| **ASSETS** | | | |
| Balances with banks and term deposit | 4 | **7,568,862** | 3,303,901 |
| Investments | 5 | **1,812,348** | 889,708 |
| Profit receivable | | **79,946** | 60,850 |
| Advance,deposit and prepayment | | **177,927** | 570 |
| **Total assets** | | **9,639,083** | **4,255,029** |
| **LIABILITIES** | | | |
| Payable to the Management Company | | **24,950** | 17,699 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | **588** | 460 |
| Payable to the Securities and Exchange Commission of Pakistan | | **338** | 2,722 |
| Payable against redemption of units | | **376,080** | 80 |
| Accrued expenses and other liabilities | | **38,690** | 55,135 |
| **Total liabilities** | | **440,646** | **76,096** |
| **NET ASSETS** | | **9,198,437** | **4,178,933** |
| **Unit holders' fund (as per statement attached)** | | **9,198,437** | **4,178,933** |
| **CONTINGENCIES AND COMMITMENTS** | **7** | | |
| **Number of units in issue** | | **848,060,827** | 397,524,703 |
| | | -----------Rupees--------- | |
| **Net asset value per unit** | | **10.8464** | 10.5124 |

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

| | Note | Quarter ended September 30, 2019 | Quarter ended September 30, 2018 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **INCOME** | | | |
| Income from term finance certificates and commercial papers | | **40,294** | 12,686 |
| Income on bank and term deposit receipts | | **207,671** | 42,640 |
| Net unrealised (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' | | **(987)** | (2,108) |
| **Total income** | | **246,978** | 53,218 |
| **EXPENSES** | | | |
| Remuneration of the Management Company | | **14,074** | 4,850 |
| Sindh sales tax on remuneration of the Management Company | | **1,830** | 630 |
| Accounting and operating charges to the Management Company | | **1,692** | 660 |
| Selling and marketing expenses | *8* | **11,438** | 719 |
| Remuneration of the Trustee | | **1,269** | 775 |
| Sindh sales tax on remuneration of the Trustee | | **165** | 101 |
| Annual fee - Securities and Exchange Commission of Pakistan | | **338** | 495 |
| Settlement and bank charges | | **338** | 6 |
| Annual listing fee | | **7** | 7 |
| Auditors' remuneration | | **231** | 148 |
| Fund's Rating fee | | **90** | 86 |
| Legal and professional charges | | **13** | 12 |
| Printing charges | | **12** | 9 |
| Brokerage expenses | | **-** | 50 |
| **Total expenses** | | **31,497** | 8,548 |
| **Net income from operating activities** | | **215,481** | 44,670 |
| Provision for Sindh workers' welfare fund | *6* | **(4,310)** | (893) |
| **Net income for the period before taxation** | | **211,171** | 43,777 |
| Taxation | *9* | **-** | - |
| **Net income for the period after taxation** | | **211,171** | 43,777 |
| **Allocation of net income for the period** | | | |
| Net income for the period | | **211,171** | 43,777 |
| Income already paid on units redeemed | | **(30,712)** | (3,156) |
| | | **180,459** | 40,621 |
| **Accounting income available for distribution:** | | | |
| - Relating to capital gains | | **-** | - |
| - Excluding capital gains | | **180,459** | 40,621 |
| | | **180,459** | 40,621 |

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 -------------- | |
| Net income for the period | **211,171** | 43,777 |
| Other comprehensive income | **-** | - |
| **Total comprehensive income for the period** | **211,171** | 43,777 |

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 MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
## FOR THE QUARTER ENDED SEPTEMBER 30, 2019

| | Quarter ended September 30, 2019 | | | Quarter ended September 30, 2018 | | |
|---|---|---|---|---|---|---|
| | Capital Value | Undistributed income | Total | Capital Value | Undistributed income | Total |
| | (Rupees in '000) | | | | | |
| Net assets at beginning of the period | 4,069,622 | 109,311 | 4,178,933 | 2,175,702 | 179,207 | 2,354,909 |
| Issue of 790,096,895 units (2018: 135,141,783 units) | | | | | | |
| - Capital value | 8,305,803 | - | 8,305,803 | 1,361,738 | - | 1,361,738 |
| - Refund of Capital | - | - | - | 56,392 | | 56,392 |
| - Element of income | 132,420 | - | 132,420 | 11,945 | - | 11,945 |
| Total proceeds on issuance of units | 8,438,223 | - | 8,438,223 | 1,430,075 | - | 1,430,075 |
| Redemption of 339,560,771 units (2018: 54,284,112 units) | | | | | | |
| - Capital value | (3,569,594) | - | (3,569,594) | (569,652) | - | (569,652) |
| - Element of loss | (29,585) | (30,712) | (60,297) | (895) | (3,156) | (4,051) |
| Total payments on redemption of units | (3,599,179) | (30,712) | (3,629,891) | (570,547) | (3,156) | (573,703) |
| Distribution during the period: Nil (2018: Re. 0.6309 per unit on July 04, 2018) | | | | | | |
| - Capital value | - | - | - | - | (77,157) | (77,157) |
| - Refund of Capital | - | - | - | (56,392) | - | (56,392) |
| | - | - | - | (56,392) | (77,157) | (133,549) |
| Total comprehensive income for the period | - | 211,171 | 211,171 | - | 43,777 | 43,777 |
| **Net assets at end of the period** | 8,908,667 | 289,770 | 9,198,437 | 2,978,838 | 142,671 | 3,121,509 |
| Undistributed income / (loss) brought forward | | | | | | |
| - Realised | | 111,674 | | | 175,373 | |
| - Unrealised | | (2,363) | | | 3,834 | |
| | | 109,311 | | | 179,207 | |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | | - | | | - | |
| - Excluding capital gains | | 180,459 | | | 40,621 | |
| | | 180,459 | | | 40,621 | |
| Distribution during the period | | - | | | (77,157) | |
| Undistributed income carried forward | | 289,770 | | | 142,671 | |
| Undistributed income carried forward | | | | | | |
| - Realised | | 289,770 | | | 142,671 | |
| - Unrealised | | - | | | - | |
| | | 289,770 | | | 142,671 | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | 10.5124 | | | 11.1248 |
| Net assets value per unit at end of the period | | | 10.8464 | | | 10.6704 |

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

| | Note | Quarter ended September 30, 2019 | Quarter ended September 30, 2018 |
|---|---|---|---|
| | | ------------------ Rupees | -------------- |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Net income for the period before taxation | | **211,171** | 43,777 |
| **Adjustments :** | | | |
| Net unrealised Diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | | **987** | 2,108 |
| | | **212,158** | 45,885 |
| **(Increase) / decrease in assets** | | | |
| Investments | | **(923,627)** | (206,383) |
| Profit receivable | | **(19,096)** | (8,650) |
| Receivable against sale of units | | **-** | - |
| Advance,deposit and prepayment | | **(177,357)** | (120) |
| | | **(1,120,080)** | (215,153) |
| **(Decrease) / Increase in liabilities** | | | |
| Payable to the Management Company | | **7,251** | 1,034 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | **128** | 42 |
| Payable to the Securities and Exchange Commission of Pakistan | | **(2,384)** | (999) |
| Payable against purchase of investment | | **-** | (223,657) |
| Accrued expenses and other liabilities | | **(16,445)** | (702) |
| | | **(11,450)** | (224,282) |
| **Net cash (used in) operating activities** | | **(919,372)** | (393,550) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Receipts from issue of units | | **8,438,223** | 1,430,075 |
| Payment on redemption of units | | **(3,253,891)** | (573,833) |
| Distribution paid during the period | | **-** | (133,549) |
| **Net cash generated from financing activities** | | **5,184,333** | 722,693 |
| **Net increase in cash and cash equivalents during the period** | | **4,264,961** | 329,143 |
| Cash and cash equivalents at the beginning of the period | | **3,303,901** | 1,601,764 |
| **Cash and cash equivalents as at the end of the period** | 4 | **7,568,862** | 1,930,907 |

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

NBP Financial Sector Income Fund (Formerly; NAFA Financial Sector Income Fund) [the Fund] was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 28 July 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 16 August 2011 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The effective date of change of name of the Fund is 29 May 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 Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund classified as an "income scheme" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commision 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 income enhancement and preservation of capital by investing in prime quality Financial Sector term finance certificates (TFCs) / sukuks, bank deposits and short-term money market instruments.

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

Title to 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 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 SIGNIFICANT ACCOUNTING POLICIES**

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

**3.2** 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 BANK BALANCES** | **(Un-audited) September 30, 2019** | **(Audited) June 30, 2019** |
|---|---|---|
| In current accounts | 3,972 | 2,771 |
| In savings accounts | 7,564,890 | 3,301,130 |
| | **7,568,862** | **3,303,901** |

These accounts carry profit at the rates ranging from 6.3% to 15.5% (30 June 2019: 3.75% to 14%) per annum.

| **5 INVESTMENTS** | | **(Un-audited) September 30, 2019** | **(Audited) June 30, 2019** |
|---|---|---|---|
| | ***Note*** | **Rupees in '000** | |
| **Investments By Category** | | | |
| **Financial Assets 'at fair value through profit or loss'** | | | |
| Term Finance Certificates - Listed | *5.1* | **100,338** | 100,804 |
| Term Finance Certificates - Unlisted | *5.2* | **1,241,144** | 441,272 |
| Commercial Paper | *5.3* | **470,867** | 347,632 |
| | | **1,812,348** | **889,708** |

**5.1 Term Finance Certificates - Listed**

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 September 30, 2019 | Investment as a percentage of | |
|---|---|---|---|---|---|---|---|
| | As at July 01, 2019 | Purchases during the period | Sale / matured during the period | As at September 30, 2019 | | Net assets | Market value of total investments |
| | | | | | Rupees in '000 | ------------- % | --------------- |
| **Term Finance Certificates - Listed** | | | | | | | |
| Bank Al Falah V | 501 | - | - | 501 | 2,498 | 0.03 | 0.14 |
| Habib Bank Limited | 1,000 | - | - | 1,000 | 97,839 | 1.06 | 5.40 |
| | **1,501** | **-** | **-** | **1,501** | **100,338** | **1.09** | **5.54** |
| **Carrying Value as at September 30, 2019** | | | | | **100,783** | | |

**5.2 Term Finance Certificates - Unlisted**

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 September 30, 2019 | Investment as a percentage of | |
|---|---|---|---|---|---|---|---|
| | As at July 01, 2019 | Purchases during the period | Sale / matured during the period | As at September 30, 2019 | | Net assets | Market value of total investments |
| | | | | | Rupees in '000 | ------------- % | --------------- |
| **Term finance certificates - unlisted** | | | | | | | |
| JS Bank Limited | 23,400 | - | - | 23,400 | 117,389 | 1.28 | 6.48 |
| Jahangir Siddiqui and Company Ltd. | 4,000 | - | - | 4,000 | 10,000 | 0.11 | 0.55 |
| Jahangir Siddiqui and Company Ltd. | 23,340 | - | - | 23,340 | 87,262 | 0.95 | 4.81 |
| Jahangir Siddiqui and Company Ltd. | 32,800 | - | - | 32,800 | 162,934 | 1.77 | 8.99 |
| Bank of Punjab | 500 | - | - | 500 | 48,558 | 0.53 | 2.68 |
| HUBCO Sukuk - 2 | - | 8,150 | - | 8,150 | 815,000 | 8.86 | 44.97 |
| | **84,040** | **8,150** | **-** | **92,190** | **1,241,144** | **4.63** | **23.51** |
| **Carrying Value as at September 30, 2019** | | | | | **1,241,685** | | |

## 5.3 Commercial Papers

This represents the purchase of commercial paper from K-Electric Limited on August 28, 2019 having face value of Rs. 500 million , (carrying value of Rs. 470.867 million) carrying profit at the rate of 15.38% and that mature on February 28, 2020.

## 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 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 15.372 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. 0.0181 per unit (June 30, 2019: Rs. 0.0278 per unit).

**7 CONTINGENCIES AND COMMITMENTS**

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

**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 0.7% per anum of the net assets of the Fund.

**9 TAXATION**

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

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

**10 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 2.10% (2018: 1.43%) which includes 0.39% (2018: 0.32%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'income scheme'.

**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, 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 to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

**11.4** The details of significant transactions and balances with connected persons at year end except those disclosed elsewhere in these financial statements are as follows:

11.5 **Details of the transactions with connected persons are as follows:**

| | (Un-audited) For the quarter ended September 30, 2019 | (Un-audited) For the quarter ended September 30, 2018 |
|---|---|---|
| | (Rs. In '000') | |
| **NBP Fund Management Limited - Management Company** | | |
| Remuneration of the Management Company | **14,074** | 4,850 |
| Sindh sales tax on remuneration of the Management Company | **1,830** | 630 |
| Accounting and operating charges to the Management Company | **1,692** | 660 |
| Selling & Marketing Expense | **11,438** | 719 |
| Front end load | **4,494** | 587 |
| Units issued / transferred in: 6,929,181 units (2018: Nil units) | **73,467** | - |
| Units redeemed / transferred out: 10,773,411 units (2018: Nil units) | **115,000** | - |
| **Central Depository Company of Pakistan Limited - Trustee** | | |
| Remuneration of the Trustee | **1,269** | 775 |
| Sindh sales tax on remuneration of the Trustee | **165** | 101 |
| Settlement charges | **92** | 9 |
| **Employees of the NBP Fund Management Company** | | |
| Units issued / transferred in: 2,862,454 units (2018: 598,461 units) | **30,529** | 6,256 |
| Units redeemed / transferred out: 2,155,217 units (2018: 256,875 units) | **23,024** | 2,706 |
| Dividend Re-investment: Nil Units (2018: 1,966 units) | **-** | 21 |
| **Barret Hudgson Pakistan Private Limited (10% or more holding in CIS)** | | |
| Dividend Re-investment: Nil Units (2018: 1,741,977 units) | **-** | 15,903 |
| **Murree Brewery Company Limited** | | |
| Dividend Re-investment: Nil Units (2018: 1,994,275 units) | **-** | 3,746 |
| **Pakistan Electronic Media Regulatory Authority** | | |
| Dividend Re-investment: Nil Units (2018: 163,666 units) | **-** | 1,717 |
| **Fauji Fertilizer Company Ltd (10% or more holding in CIS)** | | |
| Units issued / transferred: 277,177,109 units (2018 : Nil units) | **2,968,251** | - |
| Units redeemed / transferred out: 159,671,855 units (2018: Nil units) | **1,706,143** | - |
| **Chief Operating Officer & Company Secretary** | | |
| Units issued / transferred in: 474 units (2018: Nil units) | **5** | - |
| Units redeemed / transferred out: 185,527 units (2018: Nil units) | **1,995** | - |
| **Portfolios Managed By Management Company** | | |
| Units issued / transferred in: 591,375 units (2018: Nil units) | **6,241** | - |
| Units redeemed / transferred out: 2,206,632 units (2018: Nil units) | **23,685** | - |
| **Bank Islami Pakistan Limited** | | |
| Markup Income | **556** | - |

| | (Un-Audited) As at September 30, 2019 | (Audited) As at June 30, 2019 |
|---|---|---|
| **11.6 Balances outstanding as at period end** | Rupees in '000 | |
| **NBP Fund Management Limited - Management Company** | | |
| Management remuneration payable | **5,742** | 3,465 |
| Sindh Sales Tax payable | **746** | 450 |
| Sales load and transfer load payable | **4,569** | 2,954 |
| Sindh Sales Tax on sales and transfer load | **594** | 384 |
| Selling and marketing expenses | **11,438** | 8,222 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | **1,692** | 2,055 |
| Other payable | **169** | 169 |
| Units held: 2,965,532 units (2019: 6,809,762 units) | **32,165** | 71,587 |
| **Central Depository Company of Pakistan Limited - Trustee** | | |
| Remuneration payable | **588** | 460 |
| Security deposit | **100** | 100 |
| **National Bank of Pakistan - Sponsor** | | |
| Balance in current account | **325** | 325 |
| Balance in savings account | **9,888** | 10,760 |
| Profit receivable on bank deposit | **44** | 85 |
| **Barret Hudgson Pakistan Private Limited (10% or more holding in CIS)** | | |
| Units held: Nil units (2019: 47,471,284 units) | **-** | 499,037 |
| **Employees of the NBP Fund Management Company** | | |
| Units held: 2,482,671 units (2019: 1,775,434 units) | **26,928** | 18,664 |
| **Pak American Fertilizers Ltd. Provident Fund Trust - Related Party** | | |
| Units held: Nil units (2019: 57,630 units) | **-** | 606 |
| **Askari Commercial Bank Limited** | | |
| Balance in savings account | **199** | 179 |
| Profit recievable on bank deposit | **109** | 109 |
| **Summit Bank Limited** | | |
| Balance in current account | **3,647** | 2,446 |
| **Chief Operating Officer & Company Secretary** | | |
| Units held: 7,212 units (2019: 192,265 units) | **78** | 2,021 |
| **National Clearing Company of Pakistan** | | |
| Units held: 4,807,740 units (2019: 4,807,740 units) | **52,147** | 50,541 |
| **Bank Islami Pakistan Limited** | | |
| Bank balance | **15,409** | 105 |
| Profit recievable on bank deposit | **906** | 350 |
| **Fauji Fertilizer Company Ltd (10% or more holding in CIS)** | | |
| Units held: 117,505,254 units (2019: Nil units) | **1,274,509** | - |

**12 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on October 24, 2019 by the Board of Directors of the Management Company.

**13 GENERAL**

**13.1** Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

**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** |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SECP

## Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.
**UAN:** 021-111-111-632
**Toll Free:** 0800-20002
**Sms:** INVEST to 9995
**Fax:** 021-35825335
**Email:** info@nbpfunds.com
**Website:** www.nbpfunds.com
/nbpfunds

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# NBP GOVERNMENT SECURITIES FUND-I

# 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

NBP FUNDS
Managing Your Savings

## 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

JS Bank Limited
Soneri Bank Limited
Habib Metropolitan 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 unaudited Condensed Interim financial statements of **NBP Government Securities Fund - I (NGSF-I)** for the quarter ended September 30, 2019.

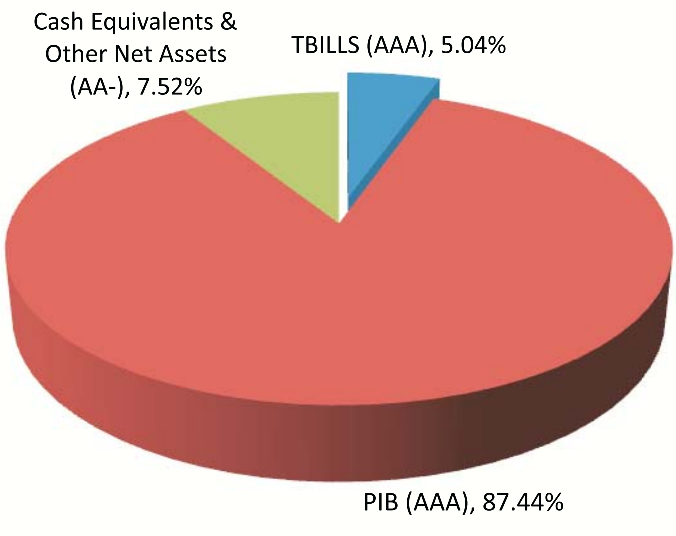
**Fund's Performance**

The size of NBP Government Securities Plan - I has increased from Rs. 276 million to Rs. 277 million during the quarter. The unit price of the Fund has increased from Rs. 10.0024 on June 30, 2019 to Rs. 10.3961 on September 30, 2019 thus posting a return of 15.6% p.a as compared to its Benchmark return of 13.7% p.a for the same period. The return of the Fund is net of management fee and all other expenses.

NGSP-I is categorized as an Income Fund. The Fund aims to provide attractive return with capital preservation at maturity of the plan, by investing in Government Securities not exceeding maturity of the plan. NBP Government Securities Plan-I has a fixed maturity of July 12, 2021. The Fund invests a minimum of 90% in Government Securities and minimum 10% of its assets in saving accounts with banks or in up to 90 days T-bills, which enhances liquidity profile of the Fund.

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. However, expecting a rate cut sooner than later and due to hunt for yield, yields on PIBs witnessed significant decline with yield on 3-years, 5- years, and 10- years PIBs dropping by 121 bps, 158 bps and 154 bps, respectively.

The Fund has earned a total income of Rs. 11.792 million during the quarter. After deducting total expenses of Rs. 1.204 million, the net income is Rs. 10.588 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset class of NGSP-I:



**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 مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NBP گورنمنٹ سیکیورٹیز فنڈ-I (NGSF-I) کے کنڈینسڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

## فنڈ کی کارکردگی

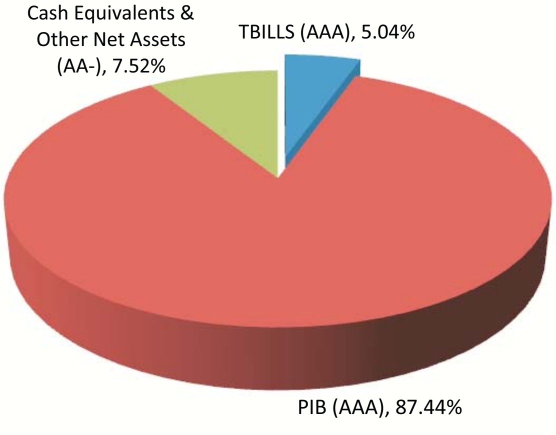
موجودہ سہ ماہی کے دوران NBP گورنمنٹ سیکیورٹیز پلان-I کا سائز 276 ملین روپے سے بڑھ کر 277 ملین روپے ہوگیا۔ 30 جون 2019 کو فنڈ کی یونٹ قیمت 10.0024 روپے سے بڑھ کر 30 ستمبر 2019 کو 10.3961 روپے لہٰذا اسی مدت میں اپنے بنچ مارک منافع 13.7% کے مقابلے 15.6% کا سالانہ منافع دیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NGSP-I کی انکم فنڈ کے طور پر درجہ بندی کی گئی ہے۔ فنڈ کا مقصد پلان کی میچورٹی سے قبل تک گورنمنٹ سیکیورٹیز میں سرمایہ کاری کر کے پلان کی میچورٹی پر کیپٹل پریزرویشن کے ساتھ متاثر کن منافع فراہم کرنا ہے۔ NBP گورنمنٹ سیکیورٹیز پلان-I کی فکسڈ میچورٹی 12 جولائی 2021 کی ہے۔ فنڈ گورنمنٹ سیکیورٹیز میں کم از کم 90% اور بینکوں کے ساتھ سیونگ اکاؤنٹ میں اپنے ایسیٹ کا کم از کم 10% یا T-Bills میں 90 دن تک انویسٹ کرنے کی اجازت دیتا ہے، جو فنڈ کی لیکویڈیٹی پروفائل کو بڑھاتا ہے۔

مالی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو مانیٹری پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے مانیٹری پالیسی جائزہ میں، افراد ط زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مدنظر رکھتے ہوئے SBP نے پالیسی شرح 12.25 فی صد سے بڑھا کر 13.25 فی صد کر دی۔ 16 ستمبر کو دوسرے مانیٹری 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 مرہون منت ہے جب کہ افراط زر میں اضافہ متوقع تھا۔ توقعات کے مطابق افراط زر میں اضافہ ہوتا رہا اور سالہا سال کی 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 یوٹیلٹی نرخوں 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 بالترتیب 100، 91 اور 62 بی پی ایس کا اضافہ ہوا۔ تاہم، شرح میں جلد ہی کمی کا امکان ہے اور پیداوار میں کمی کی وجہ سے PIB کی پیداوار میں تین، پانچ اور 10 برسوں کی PIB بالترتیب 121، 158 اور 154 بی پی ایس کم ہوئی۔

فنڈ نے موجودہ مدت کے دوران 11.792 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 1.204 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 10.588 ملین روپے ہے۔

درج ذیل چارٹ NGSP-I کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



اظہارِ تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

**NBP** فنڈ مینجمنٹ لمیٹڈ

| | |
|---|---|
| چیف ایگزیکٹو | ڈائریکٹر |

تاریخ: 24 اکتوبر 2019

مقام: کراچی

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

| | Note | NGSP-I (Un-Audited) September 30, 2019 | NGSP-I (Audited) June 30, 2019 |
|---|---|---|---|
| | | Rupees in '000 | |
| **ASSETS** | | | |
| Balances with banks | | **16,777** | 17,364 |
| Investments | 4 | **255,986** | 251,160 |
| Profit receivables | | **4,298** | 9,029 |
| Prepayments and other receivables | | **1,636** | 212 |
| Preliminary expenses and floatation costs | | **950** | 1,085 |
| **Total assets** | | **279,647** | 278,850 |
| **LIABILITIES** | | | |
| Payable to the Management Company | | **2,276** | 2,336 |
| Payable to the Trustee | | **16** | 27 |
| Payable to the Securities and Exchange Commission of Pakistan | | **14** | 72 |
| Accrued expenses and other liabilities | | **547** | 430 |
| **Total liabilities** | | **2,853** | 2,865 |
| **NET ASSETS** | | **276,794** | 275,985 |
| **UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)** | | **276,794** | 275,985 |
| **CONTINGENCIES AND COMMITMENTS** | 6 | | |
| | | **Number of units** | |
| **NUMBER OF UNITS IN ISSUE** | | **26,624,756** | 27,592,030 |
| | | **Rupees** | |
| **NET ASSET VALUE PER UNIT** | | **10.3961** | 10.0024 |

The annexed notes 1 to 12 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

| | Note | NGSP - I<br>Quarter Ended September 30, 2019<br>Rupees in '000 |
|---|---|---|
| **INCOME** | | |
| Income from Market Treasury Bills | | 470 |
| Income from Pakistan Investment Bonds | | 3,680 |
| Mark up income on Pakistan Investment Bonds | | 4,861 |
| Profit on bank deposits | | 727 |
| Income from contingent load | | 25 |
| Loss on sale of investments at fair value through profit or loss (FVTPL) - net | | (5) |
| Net unrealised appreciation on re-measurement of investments at FVTPL | | 2,034 |
| **Total income** | | **11,792** |
| **EXPENSES** | | |
| Remuneration of the Management Company | | 415 |
| Sindh Sales Tax on remuneration of the Management Company | | 54 |
| Accounting and operational expenses | | 69 |
| Selling and marketing expenses | 7 | 69 |
| Remuneration of the Trustee | | 41 |
| Sindh Sales Tax on remuneration of the Trustee | | 5 |
| Annual fee of the Securities and Exchange Commission of Pakistan | | 14 |
| Amortisation of preliminary expenses and floatation costs | | 135 |
| Auditors' remuneration | | 73 |
| Legal and professional charges | | 10 |
| Listing Fee | | 7 |
| Settlement and bank charges | | 48 |
| Printing expenses | | 5 |
| Rating fee | | 43 |
| **Total operating expenses** | | **988** |
| **Net income from operating activities** | | **10,804** |
| Provision for Sindh Workers' Welfare Fund | 5 | (216) |
| **Net profit for the period before taxation** | | **10,588** |
| Taxation | 8 | - |
| **Net profit for the period after taxation** | | **10,588** |
| **Allocation of net profit for the period:** | | |
| - Net profit for the period after taxation | | 10,588 |
| - Income already paid on units redeemed | | (103) |
| | | 10,485 |
| **Accounting income available for distribution** | | |
| - Relating to capital gains | | 2,029 |
| - Excluding capital gains | | 8,456 |
| | | 10,485 |

The annexed notes 1 to 12 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

| | Note | NGSP - I<br>Quarter Ended September 30, 2019<br>Rupees in '000 |
|---|---|---|
| Net profit for the period after taxation | | 10,588 |
| Other comprehensive income for the period | | - |
| **Total comprehensive income for the period** | | **10,588** |

The annexed notes 1 to 12 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, 2019

| | NGSP - I | | |
|---|---|---|---|
| | Quarter Ended September 30, 2019 | | |
| | ------------------(Rupees in '000)------------------ | | |
| | Capital Value | Undistributed income | Total |
| Net Assets at beginning of the year | 275,920 | 65 | 275,985 |
| Issuance of Nil units | | | |
| - Capital value | - | - | - |
| - Element of loss | - | - | - |
| Total proceeds on issuance of units | - | - | - |
| Redemption of 967,274 units | | | |
| - Capital value | (9,676) | - | (9,676) |
| - Element of income | - | (103) | (103) |
| Total payments on redemption of units | (9,676) | (103) | (9,779) |
| Total comprehensive income for the period | - | 10,588 | 10,588 |
| | - | - | - |
| Net income for the period | - | 10,588 | 10,588 |
| **Net assets at end of the period (un-audited)** | **266,244** | **10,550** | **276,794** |
| Undistributed Income brought forward | | | |
| Realized | | 6,725 | |
| Unrealized | | (6,660) | |
| | | 65 | |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | 2,029 | |
| - Excluding capital gains | | 8,456 | |
| | | 10,485 | |
| Undistributed income carried forward | | 10,550 | |
| Undistributed income carried forward | | | |
| - Realised income | | 8,516 | |
| - Unrealised income | | 2,034 | |
| | | 10,550 | |
| | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | 10.0024 |
| Net assets value per unit at end of the period | | | 10.3961 |

The annexed notes 1 to 12 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

| | Note | NGSP - I Quarter Ended September 30, 2019 |
|---|---|---|
| | | Rupees in '000 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net profit for the period before taxation | | 10,588 |
| **Adjustments:** | | |
| Provision for Sindh Workers' Welfare Fund | | 216 |
| Net unrealised appreciation on re-measurement of investments or loss (FVTPL) - net | | (2,034) |
| Amortisation of preliminary expenses and floatation costs | | 135 |
| | | 8,905 |
| **Decrease in assets** | | |
| Investments | | (2,792) |
| Profit receivables | | 4,731 |
| Prepayments and other receivables | | (1,424) |
| | | 515 |
| **Decrease in liabilities** | | |
| Payable to the Management company | | (60) |
| Payable to the Trustee | | (11) |
| Payable to the Securities and Exchange Commission of Pakistan | | (58) |
| Accrued expenses and other liabilities | | (99) |
| | | (228) |
| **Net cash generated from operating activities** | | 9,192 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Total proceeds on issuance of units | | - |
| Total payments on redemption of units | | (9,779) |
| **Net cash (used in) financing activities** | | (9,779) |
| **Net decrease in cash and cash equivalents during the period** | | (587) |
| Cash and cash equivalents at the beginning of the period | | 17,364 |
| **Cash and cash equivalents at the end of the period** | | 16,777 |

The annexed notes 1 to 12 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**

NBP Government Securities Fund – I (""the Fund"") was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 07 December 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 04 January 2019 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by 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 has been categorised as an open ended 'Income scheme' and is listed on Pakistan Stock Exchange. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at initial price of Rs. 10 . The maturity of NBP Government Securities Plan - I will be 12 July 2021.

The Fund has initially offered NBP Government Securities Plan - I (NGSP - I) and may offer upto a total of five allocation plans. The objective of the NBP Government Securities Fund – I is to provide attractive return with capital preservation at maturity of the plan, by investing primarily in Government Securities not exceeding maturity of the plan.

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

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

**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 SIGNIFICANT 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

| | Note | (Un-Audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|---|---|---|
| **Financial Assets at fair value through profit or loss** | | Rupees in '000 | |
| **Government Securities** | | | |
| Market Treasury Bills | 4.1 | **13,953** | 14,841 |
| Pakistan Investment Bonds | 4.2 | **242,033** | 236,319 |
| | | **255,986** | 251,160 |

### 4.1 Market Treasury Bills

| Issue date | Tenor | As at July 01, 2019 | Purchases during the period | sales/matured during the period | As at September 30, 2019 | Market value as at September 30, 2019 | Market value as a %age of net assets | Market value as a % age of total Investments |
|---|---|---|---|---|---|---|---|---|
| | | ----Rupees in '000---- | | | | | ----(%)---- | |
| 9-May-19 | 3 months | 15,000 | - | 15,000 | - | - | - | - |
| 18-Jul-19 | 3 months | - | 14,000 | - | 14,000 | 13,953 | 0.05 | 0.05 |
| | | **15,000** | **14,000** | **15,000** | **14,000** | **13,953** | **0.05** | **0.05** |

**Carrying value before fair value adjustment as at 30 September 2019** **13,954**

4.1.1 These carry rate of return at 13.74% per annum

### 4.2 Pakistan Investment Bonds

| Issue date | Tenor | As at July 01, 2019 | Purchases during the period | sales/matured during the period | As at September 30, 2019 | Market value as at September 30, 2019 | Market value as a %age of net assets | Market value as a % age of total Investments |
|---|---|---|---|---|---|---|---|---|
| | | ----Rupees in '000---- | | | | | ----(%)---- | |
| 12-Jul-18 | 03 years | 266,000 | - | - | 266,000 | 242,033 | 0.87 | 0.95 |
| | | **266,000** | **-** | **-** | **266,000** | **242,033** | **0.87** | **0.95** |

**Carrying value before fair value adjustment as at 30 September 2019** **239,998**

4.2.1 These carry rate of return at 12.30% per annum

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 12.1 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.0.269 million as at 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. 0.0101 per unit (June 30, 2019: Rs. 0.0019 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 0.1% 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 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, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

9 **TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 1.74% (June 30, 2019: 1.61%) which includes 0.42% (June 30, 2019: 0.22%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Income scheme'.

10 **TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

**10.1** Connected persons include NBP Fund Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and its connected persons, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, 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, directors and their close family members and key management personnel of the Management Company.

**10.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

**10.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

10.5 **Details of transactions with related parties / connected persons during the period are as follows:**

| | (Un-Audited) For the Quarter Ended September 30, 2019 |
|---|---|
| | Rupees in '000 |
| **NBP Fund Management Limited - Management Company** | |
| Remuneration of the Management Company | **415** |
| Sindh sales tax on remuneration | **54** |
| Accounting and operational expenses | **69** |
| Selling and marketing expenses | **69** |
| Preliminary expenses and floatation costs | **135** |
| **Central Depository Company of Pakistan Limited - Trustee** | |
| Remuneration | **41** |
| Sindh sales tax on remuneration of Trustee | **5** |

| | (Un-Audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|---|---|
| | Rupees in '000 | |
| **10.6 Amounts / balances outstanding as at period end:** | | |
| **NBP Fund Management Limited - Management Company** | | |
| Management fee payable | **136** | 142 |
| Sindh sales tax on remuneration of the Management Company | **18** | 18 |
| Accounting and operational expenses | **69** | 96 |
| Selling and marketing expenses | **69** | 96 |
| Sales load payable to Management Company | **626** | 626 |
| Sales tax payable on sales load | **81** | 81 |
| Formation Cost Payable | **1,237** | 1,237 |
| Other payable to Management Company | **40** | 40 |
| **Central Depository Company of Pakistan Limited - Trustee** | | |
| Remuneration payable | **14** | 24 |
| Sales tax payable | **2** | 3 |
| **Fauji Akbar Portia Marine Terminals Limited** | | |
| Units held: 10,044,534 units (June 30 , 2019 : 10,044,534 units) | **104,424** | 100,469 |
| **Barret Hudgson Pakistan (Private) Limited** | | |
| Units held: 8,203,541 units (June 30 , 2019 : 8,203,541 units) | **85,285** | 82,055 |
| **GIA Export Marketing Service (Private) Limited** | | |
| Units held: 3,193,652 units (June 30 , 2019 : 3,193,652 units) | **33,202** | 31,944 |

**11 DATE OF AUTHORISATION FOR ISSUE**

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

**12 GENERAL**

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

**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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# NBP INCOME OPPORTUNITY 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

### 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
MCB Bank Limited
Summit Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
Sindh Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited

Faysal Bank Limited
Silk Bank Limited
Soneri Bank Limited
The Bank of Punjab
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
Al Baraka Bank Limited
Dubai Islamic Bank Limited
Khushhali Bank Limited
Bankislami Pakistan Limited
NRSP Microfinance Bank Limited
First Microfinance 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, 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

# DIRECTORS' REPORT

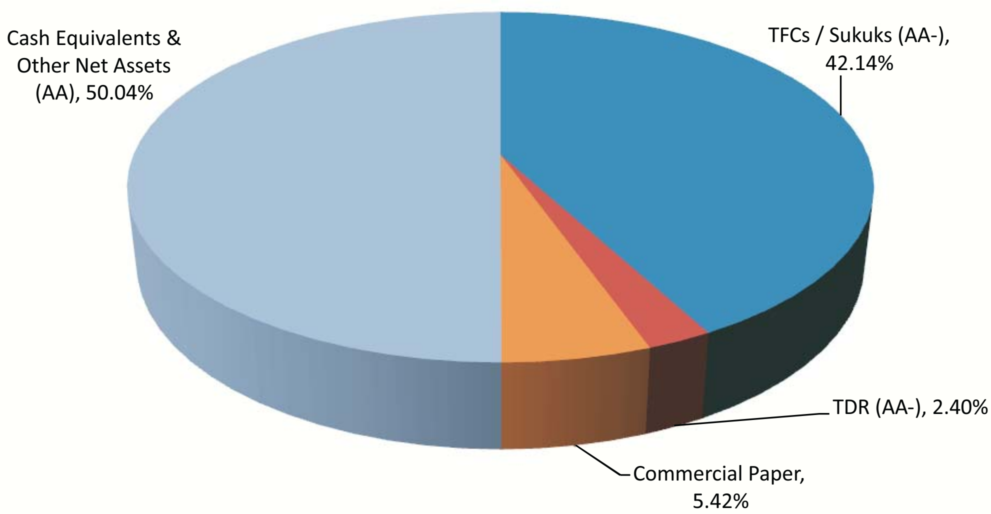
The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Income Opportunity Fund (Formerly; NAFA Income Opportunity Fund) (NIOF)** for the quarter ended September 30, 2019.

## Fund's Performance

The size of NBP Income Opportunity Fund has decreased from Rs. 5,296 million to Rs. 5,203 million during the quarter, i.e. a decline of 2%. During the period under review, the unit price of the Fund has increased from Rs. 10.7303 on June 30, 2019 to Rs. 11.0469 on September 30, 2019 thus posting a return of 11.7% as compared to its Benchmark return of 13.9% for the same period. The return of the Fund is net of management fee and all other expenses.

NIOF is categorized as an Income Scheme and has been awarded stability rating of A (f) by PACRA. 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. During 1QFY20, the State Bank of Pakistan (SBP) held two bi-monthly monetary policy reviews. In its first monetary policy review, considering upside risks to inflation and the need to contain demand pressure, the SBP increased the Policy Rate by 100bps 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. However, expecting a rate cut sooner than later and due to hunt for yield, yields on PIBs witnessed significant decline with yield on 3-years, 5- years, and 10- years PIBs dropping by 121 bps, 158 bps and 154 bps, respectively.

The Fund has earned a total income of Rs. 184.604 million during the quarter. After deducting total expenses of Rs. 27.924 million, the net income is Rs. 156.680 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset class of NIOF:



**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 مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2019ء کو ختم ہونے والی پہلی سہ ماہی کے لئے NAFA انکم اپرچونٹی فنڈ (NIOF) کے کنڈینسڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

## فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP انکم اپرچونٹی فنڈ (NIOF) کا سائز 5,296 ملین روپے سے کم ہو کر 5,203 ملین روپے ہوگیا ہے یعنی 2% کی کمی ہوئی۔ زیرِ جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 10.7303 روپے سے بڑھ کر 30 ستمبر 2019 کو 11.0469 روپے ہوگئی، لہٰذا اس مدت کے دوران فنڈ نے اپنے بنچ مارک 11.7% کے مقابلے میں 13.9% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

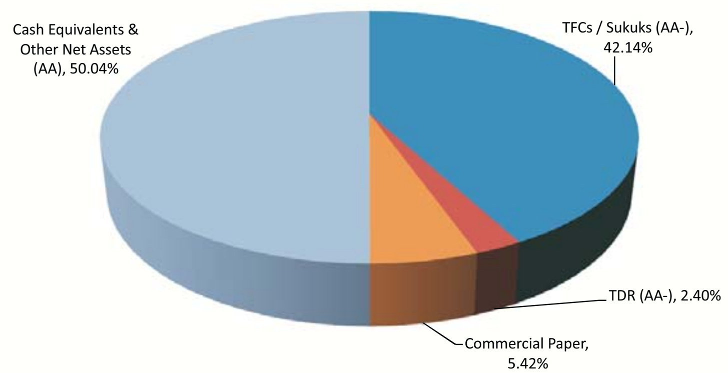
NIOF کی انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔

زیر جائزہ مدت کے دوران کارپوریٹ ڈیبٹ سیکیورٹیز 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 ڈیبٹ سیکیورٹیز کے اجرا میں تیزی دیکھی گئی کیونکہ کمپنیوں نے ورکنگ کیپٹل اور طویل مدتی قرضوں کے لئے کیپٹل مارکیٹ سے رجوع کیا۔

مالیاتی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو مانیٹری پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے مانیٹری پالیسی جائزہ میں، افراط زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مدنظر رکھتے ہوئے SBP نے پالیسی شرح 12.25 فی صد سے بڑھا کر 13.25 فی صد کر دی۔ 16 ستمبر کو دوسرے مانیٹری 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 مرہون منت ہے جب کہ افراط زر میں اضافہ متوقع تھا۔ توقعات کے مطابق افراط زر میں اضافہ ہوتا رہا اور سالہا سال کی 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 یوٹیلیٹی نرخوں 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 بالترتیب 100، 91 اور 62 بی پی ایس اضافہ ہوا۔ تاہم، شرح میں جلد ہی کمی کا امکان ہے اور پیداوار میں کمی کی وجہ سے PIB کی پیداوار میں تین، پانچ اور 10 برسوں کی PIB بالترتیب 121، 158 اور 154 بی پی ایس کم ہوئی۔

فنڈ نے موجودہ مدت کے دوران 184.604 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 27.924 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 156.680 ملین روپے ہے۔

درج ذیل چارٹ NIOF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



**اظہار تشکر**

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

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

منجانب بورڈ آف ڈائریکٹرز
**NBP فنڈ مینجمنٹ لمیٹڈ**

چیف ایگزیکٹو | ڈائریکٹر

تاریخ: 24 اکتوبر 2019
مقام: کراچی

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

| | Note | (Unaudited) 30 September 2019 | (Audited) 30 June 2019 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Assets** | | | |
| Bank Balances | 4 | **2,748,465** | 2,418,997 |
| Investments | 5 | **2,599,701** | 2,933,092 |
| Mark-up accrued | | **118,519** | 54,566 |
| Deposit, prepayments and other receivables | | **16,189** | 16,112 |
| **Total assets** | | **5,482,874** | 5,422,767 |
| **Liabilities** | | | |
| Payable to Management Company | | **21,217** | 24,468 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | **377** | 519 |
| Payable to Securities and Exchange Commission of Pakistan - annual fee | | **271** | 4,307 |
| Payable against redemption | | **184,025** | - |
| Accrued expenses and other liabilities | | **74,325** | 97,704 |
| **Total liabilities** | | **280,215** | 126,998 |
| **Net assets** | | **5,202,659** | 5,295,769 |
| **Unit holders' fund** | | **5,202,659** | 5,295,769 |
| **Contingencies and commitments** | 7 | | |
| | | (Number of units) | |
| **Number of units in issue** | | **470,961,510** | 493,535,933 |
| | | (Rupees) | |
| **Net assets value per unit** | | **11.0469** | 10.7303 |

The annexed notes 1 to 14 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

| | Note | Quarter Ended September 30 2019 | Quarter Ended September 30 2018 |
|---|---|---|---|
| | | ------------- (Rupees in '000) ------------- | |
| **Income** | | | |
| Return / mark-up on: | | | |
| - bank balances and term deposits | | **104,617** | 79,618 |
| - term finance certificates and sukuks | | **71,815** | 39,036 |
| - government securities | | **68** | 3,899 |
| - commercial paper | | **14,941** | 3,337 |
| - margin trading system | | **-** | 2,847 |
| Net income on spread transactions | | **-** | 79 |
| Dividend income on spread transactions | | **-** | 2,151 |
| Net gain / (loss) on sale of investments | | **3** | (126) |
| Net unrealised loss on re-measurement of investments | | **(6,840)** | (11,693) |
| Reversal of provision in respect of non-performing investments | | **-** | 10,093 |
| **Total income** | | **184,604** | 129,241 |
| **Expenses** | | | |
| Remuneration of Management Company | | **10,911** | 14,432 |
| Sales tax on remuneration of Management Company | | **1,418** | 1,876 |
| Accounting and operational charges | | **1,355** | 1,562 |
| Selling and marketing expense | *8* | **9,008** | 1,364 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | | **1,016** | 1,497 |
| Sindh Sales tax on remuneration of trustee | | **132** | 195 |
| Annual fee - Securities and Exchange Commission of Pakistan | | **271** | 1,172 |
| Settlement and bank charges | | **331** | 547 |
| Securities and transaction cost | | **-** | 450 |
| Rating Fee | | **115** | 91 |
| Listing Fee | | **7** | 7 |
| Auditors' remuneration | | **162** | 91 |
| **Total expenses** | | **24,726** | 23,284 |
| | | **159,878** | 105,957 |
| Provision for Sindh workers' welfare fund | *6* | **(3,198)** | (2,119) |
| **Net income for the period before taxation** | | **156,680** | 103,838 |
| Taxation | *9* | - | - |
| **Net income for the period after taxation** | | **156,680** | 103,838 |
| **Allocation of Net income for the period:** | | | |
| Net income for the period after taxation | | 156,680 | 103,838 |
| Income already paid on units redeemed | | (10,806) | (12,874) |
| | | 145,874 | 90,964 |
| -Relating to capital gains | | - | - |
| -Excluding capital gains | | 145,874 | 90,964 |
| Accounting Income available for Distribution | | **145,874** | **90,964** |

The annexed notes 1 to 14 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** | Quarter Ended September 30 |
|---|---|---|
| | **2019** | 2018 |
| | ------------ (Rupees in '000) ------------ | |
| **Accounting Income available for Distribution** | **156,680** | 103,838 |
| **Other comprehensive income** | | |
| *Items that may be reclassified subsequently to income statement* | | |
| Net unrealised appreciation on re-measurement of investments classified as fair value through other comprehensive income | - | 9,544 |
| **Total comprehensive income for the period** | **156,680** | 113,382 |

The annexed notes 1 to 14 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, 2019

| | **Quarter Ended September 30, 2019** | | | Quarter Ended September 30, 2019 | | | |
|---|---|---|---|---|---|---|---|
| | ---------- (Rupees in '000) ---------- | | | | | | |
| | **Capital Value** | **Undistributed Income** | **Total** | Capital Value | Undistributed Income | Unrealised appreciation / (diminution) 'through comprehensive income` | Total |
| Net assets at beginning of the year | **4,800,495** | **495,274** | **5,295,769** | 5,590,674 | 760,482 | - | 6,351,156 |
| Issuance of 112,103,017 units (2018:114,261,814 units) | | | | | | | |
| - Capital value | **1,202,894** | **-** | **1,202,894** | 1,287,369 | - | - | 1,287,369 |
| - Refund of Capital | **-** | **-** | **-** | 38,321 | - | - | 38,321 |
| - Element of income | **10,613** | **-** | **10,613** | (89,598) | - | - | (89,598) |
| Total proceeds on issuance of units | **1,213,507** | **-** | **1,213,507** | 1,236,092 | - | - | 1,236,092 |
| Redemption of 134,677,440 units (2018: 143,496,517 units) | | | | | | | |
| - Capital value | **(1,445,124)** | **-** | **(1,445,124)** | (1,616,752) | - | - | (1,616,752) |
| - Element of loss | **(7,367)** | **(10,806)** | **(18,173)** | 73,285 | (12,874) | - | 60,411 |
| Total payments on redemption of units | **(1,452,491)** | **(10,806)** | **(1,463,297)** | (1,543,467) | (12,874) | - | (1,556,341) |
| Total comprehensive income for the period | **-** | **156,680** | **156,680** | - | 103,838 | 9,544 | 113,382 |
| Distribution during the period | | | | | | | |
| Nil distribution (2018: Final distribution @ Re. 0.5704 / unit declared on July 04, 2018) | | | | | | | |
| - Cash Distribution | **-** | **-** | **-** | - | (283,215) | - | (283,215) |
| - Refund of Capital | **-** | **-** | **-** | (38,321) | - | - | (38,321) |
| | | | **-** | | | | (321,536) |
| **Net assets at end of the period** | **4,561,511** | **641,148** | **5,202,659** | 5,283,299 | 568,231 | 9,544 | 5,822,754 |
| Undistributed income brought forward | | | | | | | |
| - Realised | | **512,819** | | | 779,623 | | |
| - Unrealised | | **(17,545)** | | | (19,141) | | |
| | | **495,274** | | | 760,482 | | |
| Accounting income available for distribution | | | | | | | |
| - Relating to capital gain | | **-** | | | - | | |
| - Excluding capital gains | | **145,874** | | | 90,964 | | |
| | | **145,874** | | | 90,964 | | |
| Distribution during the period | | | | | | | |
| Nil distribution (2018: Final distribution @ Re. 0.5704 / unit declared on July 04, 2018) | | **-** | | | (283,215) | | |
| **Undistributed income carried forward** | | **641,148** | | | 568,231 | | |
| Undistributed income carried forward | | | | | | | |
| - Realised | | **647,988** | | | 587,372 | | |
| - Unrealised | | **(6,840)** | | | (19,141) | | |
| | | **641,148** | | | 568,231 | | |
| | | | **(Rupees)** | | | | (Rupees) |
| Net assets value per unit at beginning of the year | | | **10.7303** | | | | 11.2668 |
| Net assets value per unit at end of the period | | | **11.0469** | | | | 10.8945 |

The annexed notes 1 to 14 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 income for the period before taxation | **156,680** | 103,838 |
| ***Adjustments for non-cash charges and other items:*** | | |
| Net unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' | **6,840** | 11,693 |
| Reversal of provision in respect of non-performing investments | **-** | (10,093) |
| Provision for Sindh workers' welfare fund | **3,198** | 2,119 |
| Net income on spread transactions | **-** | (79) |
| | **166,718** | 107,478 |
| **Decrease / (increase) in assets** | | |
| Investments | **326,551** | (343,264) |
| Mark-up accrued | **(63,953)** | (13,624) |
| Receivable against margin trading system | **-** | 168,933 |
| Receivable against sale of investment | **-** | (87,151) |
| Deposit, prepayments and other receivables | **(77)** | (4,150) |
| | **262,521** | (279,256) |
| **Increase in liabilities** | | |
| Payable to Management Company | **(3,251)** | (2,510) |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | **(142)** | 96 |
| Payable to Securities and Exchange Commission of Pakistan - Annual fee | **(4,036)** | (5,061) |
| Payable against purchase of investments | **-** | 88,782 |
| Accrued expenses and other liabilities | **(26,577)** | (19,840) |
| | **(34,006)** | 61,467 |
| **Net cash generated / (used in) from operating activities** | **395,234** | (110,310) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Receipts from issuance of units | **1,213,507** | 1,197,771 |
| Payments on redemption of units | **(1,279,272)** | (1,556,341) |
| Distribution | **-** | (283,215) |
| **Net cash (used in) financing activities** | **(65,765)** | (641,785) |
| **Net increase / decrease in cash and cash equivalents during the period** | **329,469** | (752,095) |
| Cash and cash equivalents at beginning of the period | **2,418,997** | 3,641,276 |
| **Cash and cash equivalents at end of the period** | **2,748,466** | 2,889,181 |

The annexed notes 1 to 14 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

NBP Income Opportunity Fund (Formerly NAFA Income Opportunity Fund) ("the Fund") was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on February 11, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 30, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Deed was amended through first supplemental trust deed executed for the change of name and categorisation of the Fund as an income scheme and other allied matters.

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 classified as an 'income scheme' by the Management Company and is listed on the Pakistan Stock Exchange Limited. 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 seek maximum preservation of capital and a reasonable rate of return. The principal activity of the Fund is to make investments in money market and debt securities having a good credit rating and liquidity subject to the guidelines prescribed by SECP. Other avenues of investments include ready future arbitrage in listed securities and transactions under margin trading system.

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

Title to the assets of the Fund is 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 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 SIGNIFICANT ACCOUNTING POLICIES

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

| | **(Un-audited) September 30, 2019** | (Audited) June 30, 2019 |
|---|---|---|
| | **(Rupees in '000)** | |
| **4 BANK BALANCES** | | |
| Current accounts | **8,925** | 10,769 |
| Saving accounts | **2,739,540** | 2,408,228 |
| | **2,748,465** | 2,418,997 |

These saving accounts carry mark-up at the rates ranging from 6.25% to 15.50% per annum (June 2019: 6.10% to 14.00% per annum).

| | Note | (Un-audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|---|---|---|
| **5. INVESTMENTS** | | (Rupees in '000) | |
| **At fair value through profit or loss** | | | |
| Equity securities - listed | 5.1 | - | - |
| Government securities | | - | 19,788 |
| Term finance certificates - listed | 5.2 | 162,327 | 162,359 |
| Term finance certificates - unlisted | 5.3 | 1,298,153 | 1,298,388 |
| Commercial paper | 5.5 | 282,194 | 890,435 |
| Sukuks | 5.4 | 732,027 | 433,270 |
| Term deposits receipts | 5.6 | 125,000 | 128,852 |
| | | 2,599,701 | 2,933,092 |

### 5.1 Equity securities - listed - at fair value through profit or loss

| Name of the investee company | Number of shares: As at July 01, 2019 | Purchased during the period | Sold during the period | As at September 30, 2019 | Market Value as at September 30, 2019 | Investment as a percentage of: Net assets | Market value of total investment | Paid-up capital of investee company |
|---|---|---|---|---|---|---|---|---|
| | | | | | (Rupees in '000) | -------------- % ---------------- | | |
| All shares have a nominal face value of Rs 10 each. | | | | | | | | |
| **Textile composite** | | | | | | | | |
| Azgard Nine Limited (Non-voting) | 308 | - | - | 308 | - | - | - | - |
| **Carrying value before mark to market as at September 30, 2019** | | | | | 13 | | | |
| **Accumulated impairment** | | | | | 13 | | | |

### 5.2 Term finance certificates - listed at fair value through profit or loss

| Name of the investee company | Number of certificates: As at July 01, 2019 | Purchases during the period | Sales during the period | As at Setember 30, 2019 | Market As at Setember 30, 2019 | Investment as a percentage of: Net assets | Market value of total investment | Issue size |
|---|---|---|---|---|---|---|---|---|
| | | | | | (Rupees in '000) | -------------- % ---------------- | | |
| All term finance certificates have a face value of Rs 5,000 each unless stated otherwise. | | | | | | | | |
| Bank Alfalah Limited - V | 32,550 | - | - | 32,550 | 162,327 | 1.38 | 6.51 | 3.26 |
| Pace (Pakistan) Limited 4.2.1 | 30,000 | - | - | 30,000 | - | - | - | 10 |
| Saudi Pak Leasing Company Limited 4.2.2 | 15,000 | - | - | 15,000 | - | - | - | 5 |
| Worldcall Telecom Limited 4.2.3 | 45,000 | - | - | 45,000 | - | - | - | 10 |
| | | | | | 162,327 | | | |
| **Carrying value before mark to market as at September 30, 2019** | | | | | 428,445 | | | |
| **Accumulated impairment** | | | | | 266,118 | | | |

5.2.1 This represents investment in listed term finance certificates 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 a non performing asset by Mutual Funds Association of Pakistan (MUFAP) since September 5, 2011. 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.

5.2.2 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 term finance certificates complied with repayment terms since it was rescheduled 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 asset by MUFAP 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 circulars.

5.2.3 This represents investment in listed term finance certificates with a term of 5 years. On April 07, 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 since November 8, 2012. 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.

**5.3 Term finance certificates - unlisted at fair value through profit or loss**

| Name of the investee company | Number of certificates | | | | Market value as at September 30, 2019 | Investment as a percentage of | | |
|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2019 | Purchases during the period | Sales during the period | As at Setember 30, 2019 | | Net assets | Market value of total investment | Issue size |
| | | | | | (Rupees in '000) | ------------- % --------------- | | |
| All term finance certificates have a face value of Rs 5,000 each unless stated otherwise. | | | | | | | | |
| Habib Bank Limited | 2,000 | - | - | 2,000 | 195,678 | 3.76% | 7.53% | 0.10 |
| JS Bank Limited (December 14, 2016) | 60,000 | - | - | 60,000 | 300,998 | 5.79% | 11.58% | 10.00 |
| Javedan Corporation Limited (October 04, 2018) | 1,000 | - | - | 1,000 | 94,984 | 1.83% | 3.65% | 0.17 |
| Shakarganj Foods (July 10, 2018) | 70 | - | - | 70 | 66,892 | 1.29% | 2.57% | 0.05 |
| Jahangir Siddiqui and Company Limited (June 24, 2016) | 20,000 | - | - | 20,000 | 50,000 | 0.96% | 1.92% | 10.00 |
| Jahangir Siddiqui and Company Limited (July 18, 2017) | 23,340 | - | - | 23,340 | 87,262 | 1.68% | 3.36% | 7.78 |
| Silk Bank Limited | 20,000 | - | - | 20,000 | 88,650 | 1.70% | 3.41% | 5.00 |
| JS Bank Limited (December 29, 2017) | 1,000 | - | - | 1,000 | 98,990 | 1.90% | 3.81% | 0.25 |
| Jahangir Siddiqui and Company Limited (March 06, 2018) | 30,000 | - | - | 30,000 | 149,025 | 2.86% | 5.73% | 10.00 |
| Bank of Punjab (April 16, 2018) | 1,500 | - | - | 1,500 | 145,674 | 2.80% | 5.60% | 0.17 |
| Kashaf Foundation (Sep 30, 2019) | - | 20 | - | 20 | 20,000 | 0.38% | 0.77% | 0.08 |
| Azgard Nine Limited III | 50,000 | - | - | 50,000 | - | 0.00% | 0.00% | 10.00 |
| Azgard Nine Limited V | 16,436 | - | - | 16,436 | - | 0.00% | 0.00% | 2.35 |
| Dewan Cement Limited | 30,000 | - | - | 30,000 | - | 0.00% | 0.00% | 7.50 |
| New Allied Electronics Industries (Private) Limited | 15,000 | - | - | 15,000 | - | 0.00% | 0.00% | 8.33 |
| Agritech Limited V | 6,464 | - | - | 6,464 | - | 0.00% | 0.00% | 10 |
| Agritech Limited I | 30,000 | - | - | 30,000 | - | 0.00% | 0.00% | 10.00 |
| | | | | | 1,298,153 | | | |
| **Carrying value before mark to market as at September 30, 2019** | | | | | 1,858,194 | | | |
| **Accumulated impairment** | | | | | 554,444 | | | |

5.4 **Sukuk - at fair value through profit or loss**

| Name of the investee company | Number of certificates | | | | Market value as at September 30, 2019 | Investment as a percentage of | | |
|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2019 | Purchases during the period | Sales during the period | As at Setember 30, 2019 | | Net assets | Market value of total investment | Issue size |
| All term finance certificates have a face value of Rs 100,000 each unless stated otherwise. | | | | | | | | |
| Dawood Hercules Corporation Limited - Sukuk | 4,830 | - | - | 4,830 | 432,027 | 8.30% | 16.62% | 9.29 |
| The HUB power company - Sukuk | - | 3,000 | - | 3,000 | 300,000 | 5.77% | 11.54% | 3.21 |
| New Allied Electronics Industries (Private) Limited 4.4.1 | 9,000 | - | - | 9,000 | - | | | |
| Eden Housing Limited 4.4.2 | 9,200 | - | - | 9,200 | - | | | |
| | | | | | 732,027 | | | |
| **Carrying value before mark to market as at September 30, 2019** | | | | | 786,475 | | | |
| **Accumulated impairment** | | | | | 53,205 | | | |

5.4.1 These represent investments in privately placed sukuks (term: 5 years) of the investee company. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly had been classified as non performing asset by MUFAP since January 9, 2009. 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.

5.4.2 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 January 9, 2009. 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.

5.5 This represents the purchase of commercial paper from HUB Power Company Limited (having face value of Rs. 200 million). This carry profit at the rate of 13.68% and will mature on Mar 24, 2020, TPL Corporation (having face value of Rs. 100 million). This carry profit at the rate of 13.62% and will mature on Jan 11, 2020.

5.6 These represents term deposits paper having original maturity period of three months. These carry mark-up rate of 14.20% per annum.

## 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, 2019.

The Fund, being prudent, recognised provision for SWWF amounting to Rs.32.6963 million as at 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. 0.0694 per unit (June 30, 2019: Rs. 0.0598 per unit).

## 7 CONTINGENCIES AND COMMITMENTS

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

## 8 SELLING AND MARKETING

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 0.7% per anum of the net assets of the Fund.

## 9 TAXATION

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

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

## 10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 2.06% (2018: 3.21%) which includes 0.37% (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 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'fixed income scheme'.

## 11 DETAILS OF NON-COMPLIANT INVESTMENTS

The SECP vide circular no. 7 of 2009 dated March 6, 2009, required all asset management companies to categorize funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Income 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 :

| Type of Investment | Name of non-compliant investment | Value of investment befor provision | Provision held, if any | Value of investment after provision | Percentage of net assets | Percentage of gross assets |
|---|---|---|---|---|---|---|
| Investment in Debt securities & Sukuks** | Agritech Limited | 149,860 | (149,860) | - | - | - |
| | Agritech Limited V | 32,320 | (32,320) | - | - | - |
| | Azgard Nine Limited III | 108,377 | (108,377) | - | - | - |
| | Azgard Nine Limited V | 82,180 | (82,180) | - | - | - |
| | Dewan Cement Limited | 150,000 | (150,000) | - | - | - |
| | Eden Housing Limited - Sukuk II | 9,056 | (9,056) | - | - | - |
| | New Allied Electronics Industries (Private) Limited - PPTFC | 31,707 | (31,707) | - | - | - |
| | New Allied Electronics Industries (Private) Limited - Sukuk II | 44,149 | (44,149) | - | - | - |
| | PACE Pakistan Limited | 149,820 | (149,820) | - | - | - |
| | Saudi Pak Leasing Company Limited | 41,321 | (41,321) | - | - | - |
| | World Call Telecom Limited | 74,977 | (74,977) | - | - | - |
| Investment in Equity scheme | Azgard Nine Limited (Non-Voting) | 13 | (13) | - | - | - |
| | | 873,780 | (873,780) | - | - | - |

11.1 At the time of purchase, these term finance certificates and sukuks were in compliance with the aforementioned circular. However, they either subsequently defaulted or were downgraded to non investment grade.

**12 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS**

12.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Fund), 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 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.

12.2 The transactions with connected persons are carried out at agreed terms.

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

12.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

| | (Un-audited) | |
|---|---|---|
| | Quarter Ended September 30,2019 | Quarter Ended September 30,2018 |
| **12.5 Details of the transactions with connected persons are as follows:** | (Rupees in '000) | |
| **NBP Fund Management Limited - Management Company** | | |
| Remuneration of the Management Company | **10,911** | 14,432 |
| Sindh sales tax on remuneration of the Management Company | **1,418** | 1,876 |
| Accounting and operational charges to the Management Company | **1,355** | 1,562 |
| Selling and marketing expense | **9,008** | 1,364 |
| **Central Depository Company of Pakistan Ltd. - Trustee** | | |
| Remuneration of the Trustee | **1,016** | 1,497 |
| Sindh Sales Tax on remuneration of the Trustee | **132** | 195 |
| CDS charges | **184** | 184 |
| **Employees of Management Company** | | |
| Units Issued / transferred in 97,138 units (2018: 171,391 units) | **1,056** | 1,672 |
| Units redeemed / transferred out 1,427,808 units (2018: 679,212 units) | **15,597** | 7,321 |
| Dividend Re-invest Nil Units (2018 : 236,64 units) | **-** | 253 |
| **NBP Employees Pension Fund** | | |
| Dividend Re-invest Nil Units (2018 : 3,364,549 units) | **-** | 35,998 |
| **NBP Employees Benevolent Fund Trust** | | |
| Dividend Re-invest Nil Units (2018 : 114 units) | **-** | 1 |
| **Portfolio managed by the Management Company** | | |
| Units issued / transferred in 1,864,028 units (2018: 805,756 units) | **20,100** | 2,510 |
| Units redeemed / transferred out 6,920,237 units (2018: 9,348,173 units) | **75,042** | 100,443 |
| **NBP Savings Fund (Formerly; NAFA Income Fund)** | | |
| CIS managed by the Management Company | | |
| Sell of Commercial Paper | 23,182 | - |

| | | (Un-audited) As at September 30, 2019 | (Audited) As at June 30, 2019 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **12.6** | **Amounts outstanding as at period / year end** | | |
| | **NBP Fund Management Limited - Management Company** | | |
| | Remuneration of the Management Company | **3,602** | 5,941 |
| | Sindh Sales Tax on remuneration of the Management Company | **468** | 772 |
| | Operational expenses | **1,355** | 3,917 |
| | Selling and marketing expense | **9,008** | - |
| | Sales tax and FED payable on sales load | **2,161** | 1,694 |
| | Sales load | **4,623** | 1,043 |
| | **Central Depository Company of Pakistan Limited (Trustee)** | | |
| | Remuneration of the trustee | **333** | 547 |
| | Sindh sales tax on remuneration of the trustee | **43** | 72 |
| | CDS charges | **99** | 106 |
| | Security deposit | **100** | 100 |
| | **Humayun Bashir - Director** | | |
| | Investment held in the Fund 2,189,728 units (June 30, 2019: 2,189,728 units) | **24,190** | 23,496 |
| | **National Bank of Pakistan (Parent of the Management Company)** | | |
| | Bank balance | **7,829** | 13,708 |
| | Accrued markup on bank balance | **-** | 8 |
| | **Summit Bank Limited (Common Directorship with the Management Company)** | | |
| | Bank balance | **2,518** | 13,207 |
| | Accued markup on bank balances | **-** | 10 |
| | **Bank Islami Limited (Common Directorship with the Management Company)** | | |
| | Bank balance | **1,316** | 117 |
| | Accued markup on bank balances | **-** | 4 |
| | **Askari Bank Limited (Common Directorship with the Management Company)** | | |
| | Bank balance | **1,360** | 6,360 |
| | Accued markup on bank balances | **10** | 4 |
| | **NBP Employees Pension Fund (Pension Fund of the parent of the Management Company)** | | |
| | Investment held in the Fund: 94,820,660 units (June 30, 2019: 94,820,660 units) | **1,047,474** | 1,017,454 |
| | **Employees of the Management Company** | | |
| | Investment held in the Fund: 170,274 units (June 30, 2019: 1,500,944 units) | **1,881** | 16,106 |
| | **Portfolio managed by the Management Company** | | |
| | Investment held in the Fund: 730,517 units (June 30, 2019: 4,964,666 units) | **8,070** | 53,272 |

## 13 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.

## 14 GENERAL

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

**14.2** 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** |

## Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.
**UAN:** 021-111-111-632
**Toll Free:** 0800-20002
**Sms:** INVEST to 9995
**Fax:** 021-35825335
**Email:** info@nbpfunds.com
**Website:** www.nbpfunds.com
/nbpfunds

NBP FUNDS
Managing Your Savings

Islamic Savings

Aitemaad اعتماد

اسلامک سیونگز

AM1
Rated by PACRA

# NBP ISLAMIC MAHANA AMDANI 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

### 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

Al Baraka Bank Limited
Allied Bank Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Sindh Bank Limited
Summit Bank Limited
United Bank Limited

**Auditors**

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

**Legal Advisor**

Akhund Forbes
D-21, Block 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 unaudited Condensed Interim financial statements of **NBP Islamic Mahana Amdani Fund (Formerly; NBP Aitemaad Mahana Amdani Fund) (NIMAF)** for the quarter ended September 30, 2019.

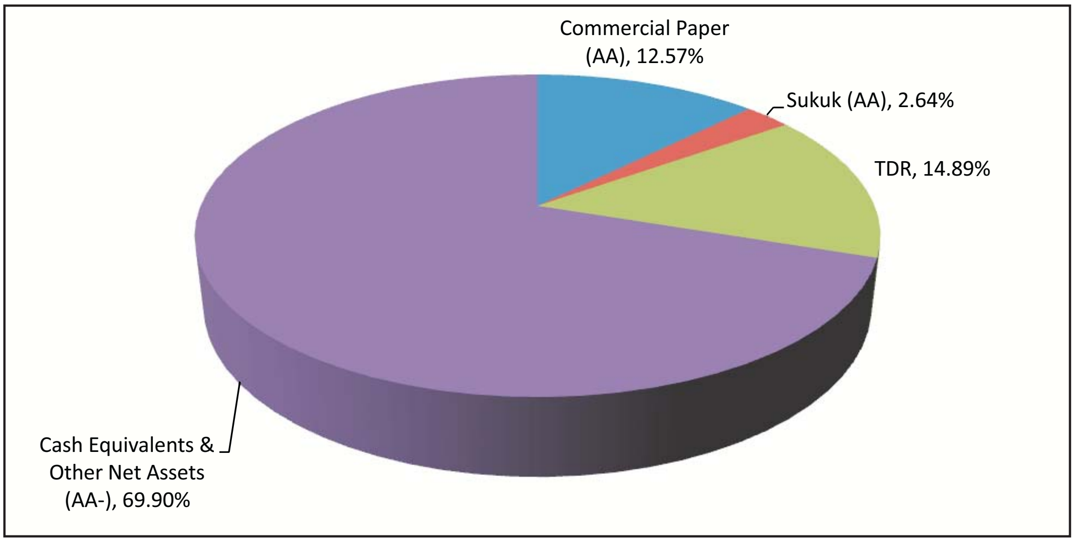
**Fund's Performance**

The size of NBP Islamic Mahana Amdani Fund has increased from Rs. 8,556 million to Rs. 12,695 million during the quarter, i.e. a substantial growth of 48%. During the period under review, the unit price of the Fund has increased from Rs. 9.9262 (Ex-Div) on June 30, 2019 to Rs. 10.2340 on September 30, 2019 thus posting a return of 12.3% per annum as compared to its Benchmark return of 5.7% per annum for the same period. The return of the Fund is net of management fee and all other expenses.

NIMAF is categorized as a Shariah Compliant Income Fund. The Fund aims to provide monthly income to investors by investing in Shariah Compliant money market and debt avenues. Minimum eligible rating is A-, while the Fund is allowed to invest with Islamic Banks, Islamic branches / windows of conventional banks providing easy liquidity. The Fund is allowed to invest in Shariah Compliant Money Market instruments & debt securities rated A- or better. The Fund is not authorized to invest in Equities. The weighted average time to maturity of the Fund cannot exceed 4 years excluding government securities.

The primary market for Corporate Sukuks remained under-supplied against the large and growing demand. In the secondary market, the trading activity in the Corporate Sukuks remained skewed towards high quality debt issues with cumulative traded value of around Rs. 2.5 billion in 1QFY20 compared to Rs. 2.9 billion during same period last year. During 1QFY20, the State Bank of Pakistan (SBP) held two bi-monthly monetary policy reviews. In its first monetary policy review, considering upside risks to inflation and the need to contain demand pressure, the SBP increased the Policy Rate by 100bps 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 pass-through impact 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, 3-month, 6-month, and 12-month KIBOR went up by 88 bps, 79 bps, and 42 bps, respectively.

The Fund has earned a total income of Rs. 344.452 million during the quarter. After deducting total expenses of Rs. 36.102 million, the net income is Rs. 308.35 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset class of NIMAF:



**Income Distribution**

The Board of Directors of the Management Company has approved interim cash dividend of 0.966% of the Ex-NAV (0.968% of the par value) for the period ended September 30, 2019.

**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 مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NBP اسلامک ماہانہ آمدنی فنڈ (سابقہ: NBP اعتماد ماہانہ آمدنی فنڈ) (NIMAF) کے کنڈینسڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

## فنڈ کی کارکردگی

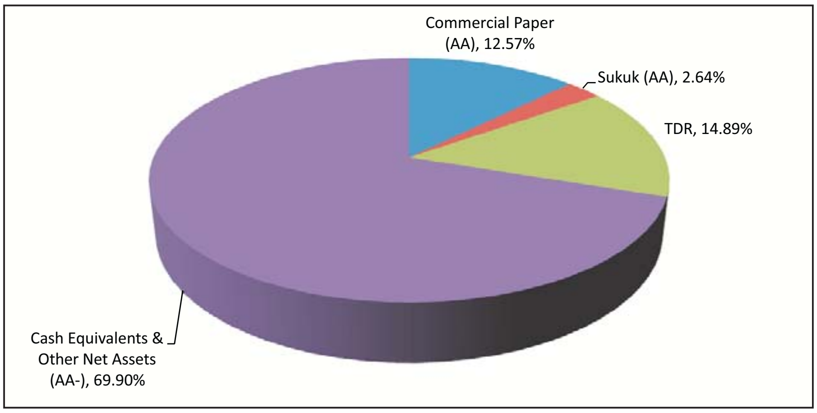
موجودہ مدت کے دوران NBP اسلامک ماہانہ آمدنی فنڈ کا سائز 8,556 ملین روپے سے بڑھ کر 12,695 ملین روپے ہوگیا ہے یعنی 48% کا نمایاں اضافہ ہوا۔ زیرِ جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 9.9262 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2019 کو 10.2340 روپے ہوگئی، لہٰذا اس مدت کے دوران فنڈ نے اپنے بنچ مارک 5.7% کے مقابلے میں 12.3% منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NIMAF شریعت کے مطابق انکم فنڈ کے طور پر درجہ بندی کیا جاتا ہے۔ فنڈ کا مقصد شریعی مطابقت پذیر منی مارکیٹ اور قرض کی آمد میں سرمایہ کاری کر کے سرمایہ کاروں کو ماہانہ آمدنی فراہم کرنا ہے۔ کم از کم اہل درجہ بندی A-، جبکہ فنڈ اسلامی بینکوں، اسلامی شاخوں / روایتی بینکوں کی ونڈو آسان فراہمی کرنے کے ساتھ سرمایہ کاری کرنے کی اجازت دی جاتی ہے۔ فنڈ شریعت کے مطابق Money Market Instruments اور Debt Securities میں سرمایہ کاری کرنے کی اجازت دیتا ہے جو A- یا اس سے بہتر ہو۔ فنڈ ایکیوٹیز میں سرمایہ کاری کرنے کا اختیار نہیں رکھتا۔ فنڈ کی اوسط میچورٹی گورنمنٹ سیکیورٹیز کے علاوہ 4 سال سے زائد نہیں ہے۔

کارپوریٹ سکوک کے لئے ابتدائی مارکیٹ کی زیادہ طلب کے مقابلہ میں رسد کم رہی۔ ثانوی منڈی میں، کارپوریٹ سکوک کا تجارتی سرگرمی اعلیٰ کوالٹی ڈیبٹ اجرا کی جانب زیادہ جھکاؤ رہا جس کی مجموعی تجارتی قدر مالیاتی سال 2019ء میں 2.9 بلین روپے کے مقابلہ میں مالیاتی سال 2020ء میں 2.5 بلین روپے رہی۔ مالی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو مانیٹری پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے مانیٹری پالیسی جائزہ میں، افراط زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مدنظر رکھتے ہوئے SBP نے پالیسی شرح 12.25 فی صد سے بڑھا کر 13.25 فی صد کردی۔ 16 ستمبر کو دوسرے مانیٹری 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 مرہون منت ہے جب کہ افراط زر میں اضافہ متوقع تھا۔ توقعات کے مطابق افراط زر میں اضافہ ہوتا رہا اور سالہا سال کی 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 یوٹیلٹی نرخوں 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 KIBOR میں بالترتیب 88، 79 اور 42 بی پی ایس اضافہ ہوا۔

فنڈ نے موجودہ مدت کے دوران 344.452 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 36.102 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 308.35 ملین روپے ہے۔

درج ذیل چارٹ NIMAF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



## آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 ستمبر 2019 کو ختم ہونے والی مدت کے لئے ex-NAV کا 0.966% (بنیادی قدر کا 0.968%) عبوری نقد ڈیویڈینڈ منظور کیا ہے۔

## اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو

ڈائریکٹر

تاریخ: 24 اکتوبر 2019
مقام: کراچی

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

| | Note | (Un-Audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Assets** | | | |
| Bank balances | 4 | **9,021,497** | 6,633,350 |
| Investments | 5 | **3,820,776** | 1,891,327 |
| Profit receivable | | **116,179** | 62,027 |
| Preliminary expenses and floatation costs | | **806** | 857 |
| Deposits, prepayments and other receivables | | **39,877** | 2,836 |
| **Total assets** | | **12,999,135** | 8,590,397 |
| **Liabilities** | | | |
| Payable to the Management Company | | **34,852** | 19,000 |
| Payable to the Trustee | | **851** | 608 |
| Payable to Securities and Exchange Commission of Pakistan | | **508** | 1,259 |
| Payable against redemption of units | | **252,566** | - |
| Accrued expenses and other liabilities | | **15,079** | 13,758 |
| **Total liabilities** | | **303,856** | 34,625 |
| **Net assets** | | **12,695,279** | 8,555,772 |
| **Unit holders' funds (As per Statement attached)** | | **12,695,279** | 8,555,772 |
| **Contingencies and commitments** | 7 | | |
| | | (Number of units) | |
| **Number of units in issue** | | **1,240,505,171** | 853,643,044 |
| | | (Rupees) | |
| **Net asset value per unit** | | **10.2340** | 10.0227 |

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

| | Note | Quarter Ended September 30, 2019 |
|---|---|---|
| | | Rupees in '000 |
| **Income** | | |
| Income on sukuk | | 11,788 |
| Income on commercial papers | | 22,868 |
| Income on term deposit receipts | | 48,527 |
| Profit on bank deposits | | 261,269 |
| **Total income** | | 344,452 |
| **Expenses** | | |
| Remuneration of the Management Company | | 7,040 |
| Sindh Sales Tax on remuneration of the Management Company | | 915 |
| Allocated expenses | | 2,540 |
| Selling and marketing expenses | 8 | 15,910 |
| Remuneration of the Trustee | | 1,905 |
| Sales Tax on remuneration of the Trustee | | 248 |
| Annual fees to the Securities and Exchange Commission of Pakistan | | 508 |
| Amortisation of preliminary expenses and floatation costs | | 51 |
| Settlement and bank charges | | 303 |
| Auditors' remuneration | | 101 |
| Annual rating fee | | 43 |
| Shariah advisory fee | | 223 |
| Listing fee | | 7 |
| Printing charges | | 5 |
| Legal and professional charges | | 10 |
| **Total expenses** | | 29,809 |
| **Net income from operating activities** | | 314,643 |
| Provision for Sindh Workers' Welfare Fund | 6 | (6,293) |
| **Net income for the period before taxation** | | 308,350 |
| **Taxation** | 9 | - |
| **Net income for the period after taxation** | | 308,350 |
| **Allocation of Net income for the period:** | | |
| Net income for the period | | 308,350 |
| Income already paid on units redeemed | | (53,323) |
| | | 255,027 |
| **Accounting Income available for distribution:** | | |
| - Relating to capital gains | | - |
| - Excluding capital gains | | 255,027 |
| | | 255,027 |

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 |
|---|---|
| | Rupees in '000' |
| Net income for the period after taxation | **308,350** |
| Other comprehensive income | - |
| **Total comprehensive income for the period** | **308,350** |

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

| | Quarter Ended September 30, 2019 | | |
|---|---|---|---|
| | Capital value | Undistributed loss | Total |
| | (Rupees in '000) | | |
| **Net Assets at beginning of the year** | 8,538,068 | 17,704 | 8,555,772 |
| Issuance of 1,190,108,202 units | | | |
| - Capital value | 11,927,383 | - | 11,927,383 |
| - Element of Income | 103,213 | - | 103,213 |
| Total proceeds on issuance of units | 12,030,596 | - | 12,030,596 |
| Redemption of 803,246,075 units | | | |
| - Capital value | (8,050,212) | - | (8,050,212) |
| - Element of (Loss) | (23,004) | (53,323) | (76,327) |
| Total payments on redemption of units | (8,073,216) | (53,323) | (8,126,539) |
| Total comprehensive Income for the period | - | 308,350 | 308,350 |
| Interim Cash distribution | | | |
| - @ Re. 0.0006 per unit (date of declaration: on July 19, 2019) | - | (519) | (519) |
| - @ Re. 0.0968 per unit (date of declaration: on July 30, 2019) | (13,911) | (58,470) | (72,381) |
| | (13,911) | (58,989) | (72,900) |
| **Net assets at end of the period** | 12,481,537 | 213,742 | 12,695,279 |
| Undistributed Income brought forward | | | |
| Realized | | 17,704 | |
| Unrealized | | - | |
| | | 17,704 | |
| Accounting income available for distribution: | | | |
| - Relating to capital gains | | - | |
| - Excluding capital gains | | 255,027 | |
| | | 255,027 | |
| Interim cash distribution | | (58,989) | |
| Undistributed loss carried forward | | 213,742 | |
| Undistributed loss carried forward | | | |
| - Realised Income | | 213,742 | |
| - Unrealised Income | | - | |
| | | 213,742 | |
| | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | 10.0227 |
| Net assets value per unit at end of the period | | | 10.2340 |

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

| | Note | Quarter Ended September 30, 2019 (Rupees in '000) |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Net income for the period before taxation | | 308,350 |
| **Adjustments for:** | | |
| Provision for Sindh Workers' Welfare Fund | | 6,293 |
| Amortisation of preliminary expenses and floatation costs | | 51 |
| | | 314,694 |
| **Increase in assets** | | |
| Investments | | (1,929,449) |
| Profit receivable | | (54,152) |
| Deposits, prepayments and other receivables | | (37,041) |
| | | (2,020,642) |
| **Increase in liabilities** | | |
| Payable to the Management Company | | 15,852 |
| Payable to the Trustee | | 243 |
| Payable to Securities and Exchange Commission of Pakistan | | (751) |
| Accrued expenses and other liabilities | | (4,972) |
| | | 10,372 |
| **Net cash (used in) operating activities** | | (1,695,576) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Net receipts from issue of units | | 12,016,685 |
| Net payments on redemption of units | | (7,873,973) |
| Distribution paid | | (58,989) |
| **Net cash generated from financing activities** | | 4,083,723 |
| **Net increase in cash and cash equivalents during the period** | | 2,388,147 |
| Cash and cash equivalents at the beginning of the period | | 6,633,350 |
| **Cash and cash equivalents at the end of the period** | 4 | 9,021,497 |

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

NBP Islamic Mahana Amdani Fund (Formerly: NBP Aitemaad Mahana Amdani Fund) (the Fund) is an open end mutual fund constituted under a trust deed entered into on October 09, 2018 between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 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 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Shari'ah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs.10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from October 07, 2018 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shari'ah compliant money market and debt securities.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM1 to the Management Company. The Fund has been rated A(f) with stable outlook.

The title to the assets of the Fund is held in the name of the CDC as the Trustee of 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.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**3.2** 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 BANK BALANCES

| | Note | (Un-Audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|---|---|---|
| | | Rupees in '000 | |
| Balances with banks in: | | | |
| Savings accounts | 4.1 | **9,000,510** | 6,616,900 |
| Current accounts | 4.2 | **20,987** | 16,450 |
| | | **9,021,497** | 6,633,350 |

**4.1** These include a balance of Rs 2,111 million (2019 : 831 million) maintained with BankIslami Pakistan Limited (a related party) and balance of Rs 4.288 million (2019 : 1.063 million) with National Bank of Pakistan Limited that carries profit at the rate of 13.5% per annum and 6.25% per annum respectively. Other profit and loss savings accounts of the Fund carries profit rates ranging from 6.25% to 14.45% per annum.

4.2 These include a balance of Rs 4.329 million (2019 : 3.096 million) maintained with Summit Bank Limited (a related party).

## 5 INVESTMENTS

| | Note | (Un-Audited) September 30, 2019 | (Audited) June 30, 2019 |
|---|---|---|---|
| | | Rupees in '000 | |
| **Financial assets at fair value through profit or loss** | | | |
| Sukuk certificates - listed | 5.1 | **335,000** | 335,000 |
| Commercial paper | 5.2 | **1,595,776** | 286,327 |
| Term deposit receipts | 5.3 | **1,890,000** | 1,270,000 |
| | | **3,820,776** | 1,891,327 |

**5.1 Sukuk certificates - listed**

| Name of the security | Issue date | Profit rate (%) / Tenor | As at July 01, 2019 | Purchased during the period | Matured during the period | As at September 30, 2019 | Carrying value as at September 30, 2019 | Market value as at September 30, 2019 | Market value as a percentage of total investments | Market value as a percentage of net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Rupees in '000 | | | | | | Percentage | |
| Hub Power Company Limited | April 02, 2019 | 13.96 6 months | 335,000 | - | - | 335,000 | 335,000 | 335,000 | 0.09 | 0.03 |
| **Total as at September 30, 2019** | | | | | | | **335,000** | **335,000** | | |

5.2 **Commercial paper**

| Name of the security | Issue date | Profit rate (%) / Tenor | As at July 01, 2019 | Purchased during the period | Matured during the period | As at September 30, 2019 | Carrying value as at September 30, 2019 | Market value as at September 30, 2019 | Market value as a percentage of total investments | Market value as a percentage of net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | ---------- Rupees in '000 | | | | | ---------- | -------- Percentage | -------- |
| K-Electric Limited | 27-Aug-19 | 15.38<br>6 months | - | 951,248 | - | 951,248 | 965,277 | 965,277 | 0.25 | 0.08 |
| K-Electric Limited | 19-Sep-19 | 15.23<br>6 months | - | 627,358 | - | 627,358 | 630,499 | 630,499 | 0.17 | 0.05 |
| **Total as at September 30, 2019** | | | | | | | **1,595,776** | **1,595,776** | | |

5.3 **Term deposit receipts**

| Name of the security | Issue date | Profit rate (%) / Tenor | As at July 01, 2019 | Purchased during the period | Matured during the period | As at September 30, 2019 | Carrying value as at September 30, 2019 | Market value as at September 30, 2019 | Market value as a percentage of total investments | Market value as a percentage of net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | ---------- Rupees in '000 | | | | | ---------- | ----------- Percentage | ----------- |
| BankIslami Pakistan Limited - a related party | 27-Sep-19 | 13.65<br>1 month | - | 1,890,000 | - | 1,890,000 | 1,890,000 | 1,890,000 | 0.49 | 0.15 |
| **Total as at September 30, 2019** | | | | | | | **1,890,000** | **1,890,000** | | |

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

The Fund, being prudent, recognized provision for SWWF amounting to Rs.9.838 million as at 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. 0.0079 per unit (June 30, 2019: Rs. 0.0042 per unit).

## 7 CONTINGENCIES AND COMMITMENTS

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

## 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 0.7% per annum of the net assets of the Fund.

## 9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 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.

## 10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 1.41% (June 30, 2019: 1.49%) which includes 0.31% (June 30, 2019: 0.39%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (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 income scheme'.

## 11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

**11.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.

**11.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

**11.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

**11.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

**11.5 Details of transactions with related parties / connected persons during the period are as follows:**

| | (Un-Audited) Quarter Ended September 30, 2019 |
|---|---|
| | Rupees in '000 |
| **NBP Fund Management Limited - Management Company** | |
| Remuneration of the Management Company | **7,040** |
| Sindh Sales Tax on remuneration of the Management Company | **915** |
| Allocated expenses | **2,540** |
| Selling and marketing expenses | **15,910** |
| Amortisation of preliminary expenses and floatation costs | **51** |
| **Central Depository Company of Pakistan Limited - Trustee** | |
| Remuneration | **1,905** |
| Sindh sales tax on remuneration of Trustee | **248** |
| **Employees of NBP Fund Management Limited** | |
| 4,098,490 units issued / transferred in | **41,493** |
| 4,130,377 units redeemed / transferred out | **41,860** |
| **Khalid Mehmood - Chief Financial Officer** | |
| 100,040 units issued / transferred in | **1,023** |
| **Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary** | |
| 114 units issued / transferred in | **1** |
| 1,767 units redeemed / transferred out | **18** |
| **Imran Zaffar - Director** | |
| 12,953 units issued / transferred in | **130** |
| 577,190 units redeemed / transferred out | **5,801** |
| **Portfolio managed by the Management Company** | |
| 1,197,155 units issued / transferred in | **12,032** |
| **BankIslami Pakistan Limited - common directorship** | |
| Profit income | **104,965** |
| Income from term deposit receipts | **48,527** |
| Placement of term deposit receipts | **4,890,000** |

**11.6 Amounts / balances outstanding as at period end:**

| | (Un- Audited) September 30, 2019 | Audited June 30, 2019 |
|---|---|---|
| | Rupees in '000 | |
| **NBP Fund Management Limited - Management Company** | | |
| Payable against formation cost | **1,004** | 1,004 |
| Remuneration payable to the Management Company | **2,015** | 5,069 |
| Sales load payable to management company | **10,867** | 8,438 |
| Transfer load payable | **667** | 891 |
| Other payable to the Management Company | **80** | 80 |
| Sindh sales tax payable on remuneration of the Management Company | **262** | 659 |
| Sindh sales tax payable on sales load | **1,507** | 1,220 |
| Allocated expense payable | **2,540** | 1,639 |
| Selling and marketing expense payable | **15,910** | - |
| **Employees of the Management Company** | | |
| 2,113,275 units held (June 30, 2019 : 2,145,163 units) | **21,627** | 21,500 |
| **Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary** | | |
| 1,504 units held (June 30, 2019 : 3,157 units) | **15** | 32 |
| **Imran Zaffar - Director** | | |
| 1,502,726 units held (June 30, 2019 : 2,066,964 units) | **15,379** | 20,717 |
| **Portfolio managed by the Management Company** | | |
| 1,398,802 units held (June 30, 2019 : 1,005,739 units) | **14,315** | 10,080 |
| **Khalid Mehmood - Chief Financial Officer** | | |
| 381,760 units held (June 30, 2019 : 281,720 units) | **3,907** | 2,824 |
| **Bulk Management Pakistan Private Limited - unit holder with more than 10% holding *** | | |
| Nil units held (June 30, 2019 : 89,415,527 units) | **-** | 896,185 |
| **Central Depository Company of Pakistan Limited - the Trustee** | | |
| Remuneration payable | **753** | 538 |
| Sindh sales tax on remuneration of the Trustee | **98** | 70 |
| Security deposit | **103** | 103 |
| **BankIslami Pakistan Limited - common directorship** | | |
| Balance with bank including TDR | **4,000,509** | 2,100,857 |
| Profit receivable | **51,038** | 17,199 |
| **Summit Bank Limited - common directorship** | | |
| Balance with bank | **4,329** | 3,096 |
| **National Bank of Pakistan Limited - parent company** | | |
| Balance with bank | **3,788** | 1,063 |
| Profit receivable | **4** | 8 |

* Balances outstanding have not been presented as the person has ceased to be a related party / connected person of the Fund as at September 30, 2019.

**12 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 24, 2019

**13 GENERAL**

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

**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
/nbpfunds