

NAFA ISLAMIC ACTIVE ALLOCATION FUND - III



ANNUAL REPORT
JUNE 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.**



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource and Remuneration Committee

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

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Bank Al Habib Limited
Dubai Islami Bank Limited
Habib Bank Limited
JS Bank Limited
Meezan Bank Limited
Soneri Bank Limited



Auditors

A.F. Fergusons & 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, 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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Kamal Amir Chinoy
Director



Mr. Humayun Bashir
Director



Mr. Nasir Husain
Director



Mr. Ali Saigol
Director



Mr. Shehryar Faruque
Director



Mr. Imran Zaffar
Director



Mr. Abdul Hadi Palekar
Director

Senior Management



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Samiuddin Ahmed
Country Head Corporate Marketing



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Innovation & Strategy Officer



Mr. Muhammad Ali, CFA, FRM
Head Of Fixed Income



Mr. Taha Khan Javed, CFA
Head Of Equity



Mr. Hassan Raza, CFA
Head Of Research



Mr. Waheed Abidi
Head Of Internal Audit



Mr. Salman Ahmed, CFA
Head Of Risk Management



Mr. Zaheer Iqbal, ACA, FPFA
Head Of Operations



Mr. Raheel Rehman, ACA
Head Of Compliance



Mr. Shahbaz Umer
Head Of Human Resource

DIRECTORS' REPORT

This is the Second Annual Report for the period ended June 30, 2019, since launch of NAFA Islamic Active Allocation Fund-III (NIAAF-III) on June 22, 2018.

The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Money Market Funds.

NAFA Islamic Active Allocation Fund-III has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through five (5) Allocation Plans including NAFA Islamic Capital Preservation Plan-III (NICPP-III), NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) & NBP Islamic Capital Preservation Plan-V (NICPP-V).

Islamic Money Market:	NBP Islamic Money Market Fund
Islamic Equity Fund:	NBP Islamic Active Allocation Equity Fund

After challenging FY2017-18, amid thin trading volumes, the stock market depicted dismal performance during FY2018-19 as the benchmark KMI-30 Index fell sharply by 23.8% on a year-on-year basis. Though the market started off the year on a positive note as investors cheered the peaceful transition between two democratically elected governments, the rebound turned out to be short-lived as investors' attention shifted to the deteriorating economic fundamentals emanating from the intractable twin deficits, especially the heightened Current Account Deficit (CAD).

Faced with the challenging economic conditions, with the objectives to contain inflation and curtail external account imbalances, the incumbent government embarked on tightening policies including massive devaluation of overvalued Pak Rupee against the US Dollar, sharp hike in the Policy Rate, increasing/expanding the scope of duties on non-essential imported luxury goods, and deep cut in public spending. The tightening policies led to a sharp decline in the economic activity as manifested by contraction in the Large Scale Manufacturing sector while the GDP growth rate slowed to 3.3% for FY2019 compared with 5.5% in the previous year. This in turn weighed on the corporate profitability, especially of cyclical sectors due to demand slowdown and cost pressures that in turn further dampened market sentiment.

To bridge the gap on external account, though the government was able to secure a sizable financial assistance from friendly countries such as China, KSA and UAE, the delay in the IMF program irked the market participants, as despite the government's efforts, CAD for the year clocked in at unsustainably high level of USD 13.6 billion albeit down from USD 19.9 billion in the previous year. The unfortunate Pulwama Attack led to escalation of tension between Pakistan and India, which also weighed on the market sentiment. Negative headlines pertaining to the ongoing proceedings of Financial Action Task Force (FATF), which expressed its concerns on lack of operational reforms also perturbed investors throughout the year. Tax laden Federal Budget FY2019-20 along with ongoing drive for the documentation of economy are causing short-term pain with its negative implications for the economic growth, corporate profitability, consumer confidence, and market sentiment.

During FY2019, the State Bank of Pakistan (SBP) held six bi-monthly monetary policy reviews. Aiming to curb the surging demand pressures to address the external account woes and addressing the underlying inflationary pressures, the SBP increased the policy rate from 6.50% to 12.25%. Inflation as measured by CPI increased from 5.2% in June 2018 to 8.9% in June 2019 due to upward adjustment in energy and fuel prices, higher imported inflation due to currency devaluation, and unabated government borrowing from the SBP. Inflation is expected to remain on the upward trajectory due to excessive government borrowings, significant increase in perishable food prices, volatility in international oil prices, currency devaluation, trickle down impact of expected upward adjustment in utility tariffs, pass-through of taxes, and second round impact of currency devaluation.

The trading activity in the Corporate Sukuks remained thin with skew towards high quality debt issues with cumulative traded value of around Rs. 12 billion in FY2019 compared to Rs. 10 billion in FY2018. The issuance of government guaranteed energy sector sukuk to the tune of Rs. 200 billion helped the undersupplied market for long-term shariah compliant debt instruments.

NAFA Islamic Capital Preservation Plan-III (NICPP-III)

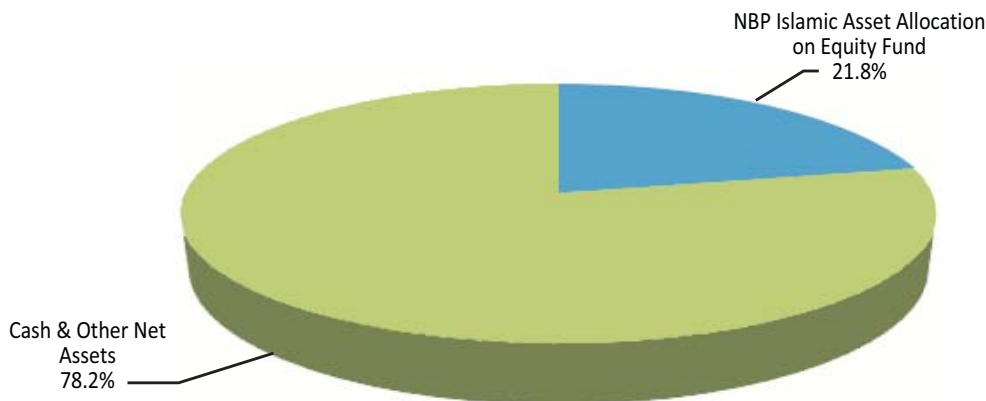
This is the second annual report for the period ended June 30, 2019, since launch NAFA Islamic Capital Preservation Plan-III (NICPP-III) on June 22, 2018. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Money Market Fund.

Plan's Performance

During the fiscal year, NAFA Islamic Capital Preservation Plan-III (NICPP III) increased by 0.02% as against the benchmark which decreased by 2.4%, thus, the Fund outperformed the benchmark by 2.4% during the year. Since launch of the plan, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs. 99.9044 (Ex-Div) on June 22, 2018 to Rs. 100.0193 on June 30, 2019, thus showing an increase of 0.1%. The Benchmark return during the same period was decreased by 2.4%. Thus, the Fund has outperformed its Benchmark by 2.5% since its inception on June 22, 2018. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 392 million.

The Plan has earned a total income of Rs. 15.45 million during the year. After deducting total expenses of Rs. 10.60 million, the net income is Rs. 4.85 million.

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



NAFA Islamic Capital Preservation Plan-IV (NICPP-IV)

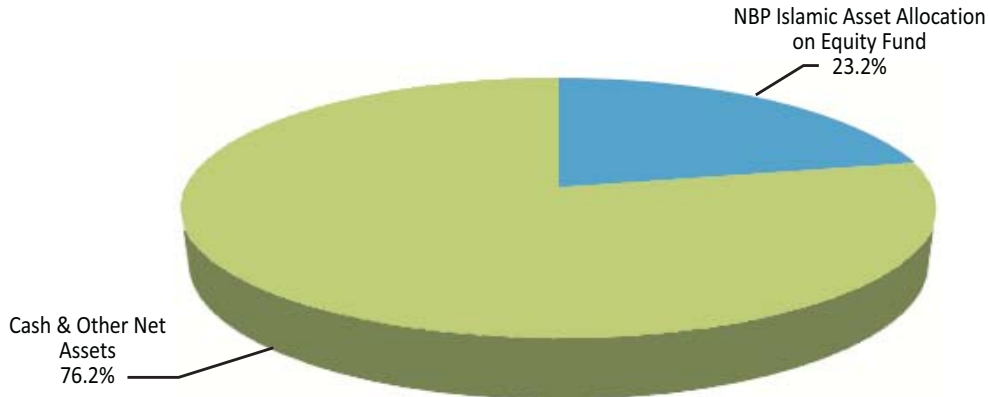
This is the first annual report for the period ended June 30, 2019, since launch NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) on September 14, 2018. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Money Market Fund.

Plan's Performance

Since launch of the plan, the unit price of NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has decreased from Rs. 100.00 on September 14, 2018 to Rs. 98.7262 on June 30, 2019, thus showing a decrease of 1.3%. The Benchmark during the same period decreased by 2.8%. Thus, the Fund has outperformed its Benchmark by 1.5% since its inception on September 14, 2018. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 282 million.

The Plan has earned a total income of Rs. 1.76 million during the year. After deducting total expenses of Rs. 5.22 million, the net loss is Rs. 3.46 million.

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



NBP Islamic Capital Preservation Plan-V (NICPP-V)

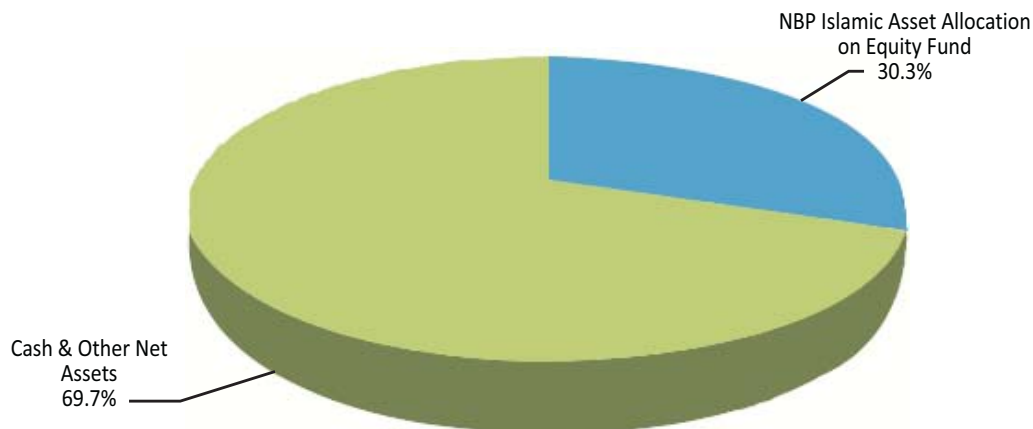
This is the first annual report for the period ended June 30, 2019, since launch NBP Islamic Capital Preservation Plan-V (NICPP-V) on December 17, 2018. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Money Market Fund.

Plan's Performance

Since launch of the plan, the unit price of NBP Islamic Capital Preservation Plan-V (NICPP-V) has decreased from Rs. 100.00 on December 17, 2018 to Rs. 98.1965 on June 30, 2019, thus showing a decrease of 1.8%. The Benchmark during the same period was decreased by 3.0%. Thus, the Fund has outperformed its Benchmark by 1.2% since its inception on December 17, 2018. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 153 million.

The Plan has incurred a total loss of Rs. 0.97 million during the year. After deducting total expenses of Rs. 1.84 million, the net loss is Rs. 2.81 million.

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



Income Distribution

The Board of Directors of the Management Company has approved Final cash dividend of 1.085% of the opening ex-NAV (1.085% of the par value) in NAFA Islamic Capital Preservation Plan - III (NICPP III) for the period ended June 30, 2019.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, A.F Fergusons & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ending June 30, 2020.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held four meetings during the year. The attendance of all directors is disclosed in the note 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 20 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Management Company, being an un-listed company, does not have any minority interest. As at June 30, 2019, the Board included:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Nasir Husain 3. Mr. Abdul Hadi Palekar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar



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: August 30, 2019
Place: Karachi.

DIRECTORS' REPORT

22 جون 2018 کو قائم ہونے والے NAFA اسلامک ایکٹو ایلوکیشن فنڈ-III (NIAAF-III) کی 30 جون 2019 مختصر سال کے لئے یہ تیسری سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کیپلیٹ ایکٹیو فنڈ اور منی مارکیٹ فنڈز کی فعال طور منظم پورٹ فولیو سے انویسٹرز کو متنوع منافع کمانے کا موقع فراہم کرنا ہے۔

NAFA اسلامک ایکٹو ایلوکیشن فنڈ-III (NIAAF-III) ایک ٹرسٹ اسکیم کی شکل میں تیار کیا گیا ہے جو کہ پانچ (5) ایلوکیشن پلانز کے ذریعے درج ذیل مجموعی سرمایہ کاری اسکیموں میں سرمایہ کاری کریں گے، یہ پلانز NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICCP-III)، NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICCP-IV) اور NAFA اسلامک کیپٹل پریزرویشن پلان-V (NICCP-V) ہیں۔

اسلامک منی مارکیٹ فنڈ: NAFA اسلامک منی مارکیٹ فنڈ
اسلامک ایکٹیو فنڈ: NAFA اسلامک ایکٹیو ایلوکیشن ایکٹیو فنڈ

بعد از مشکل مالی سال 2017-18، مالی سال 2019 بھی تجارتی حجم میں کمی کے باعث اسٹاک مارکیٹ نے اپوز کن کارکردگی کا مظاہرہ کیا جیسا کہ 100-KSE انڈیکس میں سالانہ بنیادوں پر 19.1% کی کمی واقع ہوئی اگرچہ اس سال مارکیٹ کا آغاز مثبت انداز سے ہوا جیسا کہ سرمایہ کاروں نے دو منتخب جمہوری حکومتوں کے ٹرانس انتقال اقتدار کو سراہا۔ تاہم مقامی سرمایہ کاروں کا جوش وقتی ثابت ہوا جس کی وجہ سے سرمایہ کاروں کا خراب معیشت کی طرف متوجہ ہونا تھا۔ یہ صورتحال دو ہرے خسارے، خاص طور پر بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) سے صاف ظاہر ہو رہی تھی۔

مہنگائی پر قابو پانے اور بیرونی اکاؤنٹ کے عدم توازن کو کم کرنے کے مقاصد کے ساتھ مشکل اقتصادی حالات سے دوچار موجودہ حکومت نے امریکی ڈالر کے برعکس روپیہ کی قدر میں خاطر خواہ کمی، پالیسی شرح میں تیز ترین اضافہ، غیر ضروری پریشانی درآمدی اشیاء کی ڈیوٹی میں اضافہ اور عوامی اخراجات میں کمی جیسی سخت پالیسیوں کا آغاز کیا۔ نخت پالیسیوں کی وجہ سے معاشی سرگرمیوں میں واضح کمی واقع ہوئی جس کا اظہار بڑے پیمانے کے پیداواری شعبے میں کمی سے ہوا جبکہ جی ڈی پی نمو کی شرح گزشتہ سال 5.5% کے مقابلے میں مالی سال 2019 میں 3.3% کی شرح سے سست رفتاری کا شکار رہی۔ جس کا اثر کاروباری منافع خاص طور پر گردش شیعوں کے منافع پر طلب کی کمی اور لاگتوں کے باعث ہوا جس کے نتیجے میں سرمایہ کاروں کے جذبات مزید مدہم پڑ گئے۔

بیرونی اکاؤنٹ کے خلاء کو پورا کرنے کے لئے اگرچہ حکومت، چین، سعودی عرب اور متحدہ عرب امارات جیسے دوست ممالک سے قابل ذکر مالی امداد حاصل کرنے میں کامیاب ہو گئی تھی تاہم IMF پروگرام میں تاخیر نے مارکیٹ کے شرکاء کو پریشان کیا۔ حکومتی کوششوں کے باعث کرنٹ اکاؤنٹ خسارہ گزشتہ سال میں 19.9 امریکی ڈالر سے کم ہو کر رواں سال 13.6 امریکی ڈالر کی غیر مستحکم اعلیٰ سطح پر پہنچ گیا۔ بد قسمتی سے پلوائے کے بعد پاکستان اور بھارت کے درمیان کشیدگی بڑھ گئی جس سے سرمایہ کاروں کے جذبات بھی مدہم ہوئے۔ فنانشل ایکشن ٹاسک فورس (ایف آئی ایف) کی جاری کارروائی سے متعلق منفی خبروں نے آپریشنل اصلاحات کی عدم فراہمی پر خدشات کے اظہار نے سال بھر سرمایہ کاروں کو پریشان کئے رکھا۔ دستاویزی معیشت کے لئے جاری مہم کے ساتھ ٹیکسوں سے بھرپور وفاقی بجٹ مالی سال 2019-2020 قلیل مدت پریشانی کا حامل رہا جس کے منفی اثرات اقتصادی ترقی، کاروباری منافع، صارفین کے اعتماد اور سرمایہ کاروں کے مدہم جذبات کی شکل میں ظاہر ہوئی۔

مالی سال 2019 کے دوران، بینک دولت پاکستان (SBP) نے دو ماہ کے وقفے سے چھ ماہی پالیسی جائزوں کا انعقاد کیا۔ بیرونی اکاؤنٹ کی مشکلات اور درپیش افراط زر کے دباؤ کو دور کرنے کے رجحان SBP نے پالیسی کی شرح 6.50% سے 12.25% تک بڑھادی۔ نیکی اور ایندھن کی قیمتوں میں اضافہ، کرنسی کی قدر کی کمی کے باعث درآمدی افراط زر اور SBP سے پلانٹیف سرکاری قرضہ لینے کے رجحان کے باعث CPI سے پیکش کردہ افراط زر جون 2018 میں 5.2% سے بڑھ کر جون 2019 میں 8.9% ہو گیا۔ حکومت کی طرف سے ضرورت سے زائد قرضہ لینے، ایشیا نے خورد و نوش کی قیمتوں میں نمایاں اضافے، بین الاقوامی تیل کی قیمتوں میں اتار چڑھاؤ، کرنسی کی قدر میں کمی، یوٹی لیبز کے نرخوں میں متوقع اضافی ایلوکیشن، ٹیکسوں کا بڑھنا اور کرنسی کی قدر میں کمی کے دوسرے دور جیسے اثرات کی وجہ سے افراط زر میں اضافہ متوقع ہے۔

کارپوریٹ سکوک میں تجارتی سرگرمی مالی سال 2018 میں 10 بلین روپے کے مقابلے میں مالی سال 2019 میں تقریباً 12 بلین روپے کے مجموعی تجارتی حجم کے ساتھ اعلیٰ کوائٹی ڈیٹ الٹوز کے لحاظ سے قدرے کم رہی۔ انزری کیلئے حکومت کے گارنٹی شدہ 200 بلین پاکستانی روپے کے Sukuks کے اجراء نے طویل مدتی شریعہ کیپلیٹ ڈیٹ انسر وینٹس کے زیر اثر مارکیٹ کی مدد کی۔

NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICCP-III)

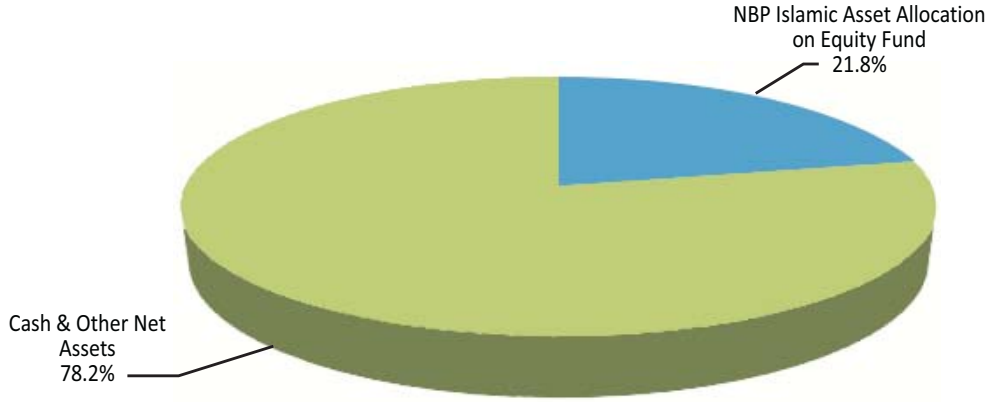
22 جون 2018 کو قائم ہونے والے NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICCP-III) کی 30 جون 2019 مختصر سال کے لئے یہ دوسری سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کیپلیٹ ایکٹیو فنڈ اور منی مارکیٹ فنڈز کی فعال طور منظم پورٹ فولیو سے انویسٹرز کو متنوع منافع کمانے کا موقع فراہم کرنا ہے۔

پلان کی کارکردگی

مالی سال کے دوران NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICCP-III) کے شیئرمارک جو 2.4% کم ہوا کے مقابلے میں 0.02% بڑھ گیا، لہذا، پلان نے سال کے دوران 2.4% شیئرمارک کی بہتر کارکردگی دکھائی۔ 22 جون 2018 کو اپنے قیام سے NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICCP-III) کے یونٹ کی قیمت 99.9044 روپے (Ex-Div) سے بڑھ کر 30 جون 2019 کو 100.0193 روپے ہو گئی، لہذا 0.1% کا اضافہ ظاہر کیا۔ اس مدت کے دوران شیئرمارک منافع میں 2.4% کمی ہوئی۔ لہذا فنڈ کی کارکردگی اپنے شیئرمارک سے 2.5% بہتر رہی۔ فنڈ کی بیکارکردگی پیچھے مارک سے 2.5% بہتر رہی۔ فنڈ کا ساٹھ ماہ کا ساٹھ ماہ 392 بلین روپے ہے۔

اسلامک کیپیٹل پریزرویشن پلان-III (NICCP-III) کو اس مدت کے دوران 15.45 ملین روپے کی آمدنی ہوئی۔ 10.60 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 4.85 ملین روپے ہے۔

30 جون 2019 کو فنڈ کی ایسٹ ایبلکیشن درج ذیل ہے:



NAFA اسلامک کیپیٹل پریزرویشن پلان-IV (NICCP-IV)

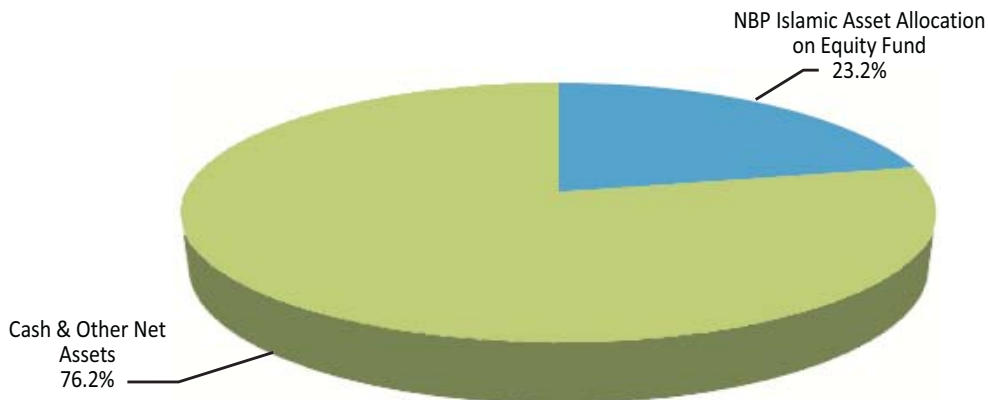
14 ستمبر 2018 کو قائم ہونے والے NAFA اسلامک کیپیٹل پریزرویشن پلان-IV (NICCP-IV) کی 30 جون 2019 مختتمہ سال کے لئے یہ پہلی سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کیپلیٹ ایکٹیو فنڈ اور مٹی مارکیٹ فنڈز کی فعال طور پر منظم پورٹ فولیو سے انویسٹرز کو متنوع منافع کمائے کا موقع فراہم کرنا ہے۔

پلان کی کارکردگی

پلان کے آغاز (14 ستمبر 2018) سے NAFA اسلامک کیپیٹل پریزرویشن پلان-IV (NICCP-IV) کے پوزٹ کی قیمت 100.00 روپے سے کم ہو کر 30 جون 2019 کو 98.7262 روپے ہو گئی، لہذا 1.3% کی کمی ظاہر کی۔ مدت کے دوران بیچ مارک 2.8% کم ہوا۔ لہذا فنڈ نے 14 ستمبر 2018 کو اپنے قیام سے اپنے بیچ مارک میں 1.5% کی بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی بینیمٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 282 ملین روپے ہے۔

NAFA اسلامک کیپیٹل پریزرویشن پلان-IV (NICCP-IV) کو اس مدت کے دوران 1.76 ملین روپے کی آمدنی ہوئی۔ 5.22 ملین روپے کے اخراجات منہا کرنے کے بعد خالص خسارہ 3.46 ملین روپے ہے۔

30 جون 2019 کو فنڈ کی ایسٹ ایبلکیشن درج ذیل ہے:



NBP اسلامک کیپیٹل پریزرویشن پلان -V (NICCP-V)

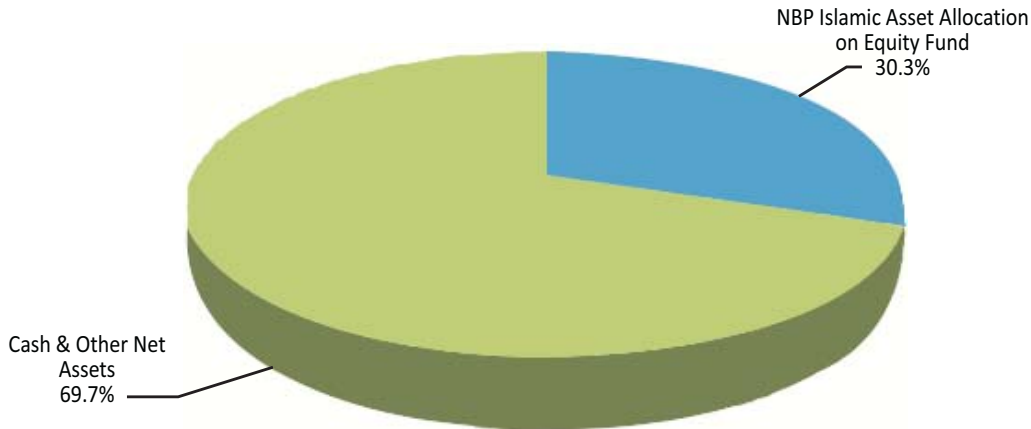
17 دسمبر 2018 کو قائم ہونے والے این پی ای اسلامک کیپیٹل پریزرویشن پلان -V (NICCP-V) کی 30 جون 2019 مختتمہ سال کے لئے یہ پہلی سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کیپلیٹ ایکٹیوٹی فنڈ اور سی مارکیٹ فنڈ کی فعال طور منظم پورٹ فولیو سے انویسٹرز کو متنوع متنوع منافع کمائے کا موقع فراہم کرنا ہے۔

پلان کی کارکردگی

17 دسمبر 2018 کو اپنے قیام سے این پی ای اسلامک کیپیٹل پریزرویشن پلان -V (NICCP-V) کے یونٹ کی قیمت 100.00 روپے سے کم ہو کر 30 جون 2019 کو 98.1965 روپے ہو چکی ہے اور اس طرح %1.8 کی کمی ہوئی ہے۔ اس مدت کے دوران بیچ مارک %3.0 کم ہوا۔ لہذا فنڈ نے اپنے آغاز (17 دسمبر 2018) سے اپنے بیچ مارک کی %1.2 بہتر کارکردگی کا مظاہرہ کیا ہے۔ فنڈ کی یہ کارکردگی بیچمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 153 ملین روپے ہے۔

این پی ای اسلامک کیپیٹل پریزرویشن پلان -V (NICCP-V) کو اس مدت کے دوران 0.97 ملین روپے کا خسارہ ہوا۔ 1.84 ملین روپے کے اخراجات منہا کرنے کے بعد خالص خسارہ 2.81 ملین روپے ہے۔

30 جون 2019 کو فنڈ کی ایٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

بیچمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2019 کے اختتام کے بعد NAFA اسلامک کیپیٹل پریزرویشن پلان -III (NICCP-III) میں اوپننگ ex-NAV کا %1.085 (بناوی قدر کا %1.085) عبوری فنڈ منافع منقسمہ کی منظوری دی ہے۔

ہیکسیٹیشن

ذکورہ بالا فنڈ منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپیٹل گین منہا کرنے کے بعد 90 فیصد ہے، اس لئے فنڈ پر ایکٹو آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شیٹ 99 کے تحت ٹیکس لائونٹیں ہوتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز، ہمسز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ اکاؤنٹنٹس، ریٹائرڈ ہو گئے ہیں اور اہل ہونے کی بناء پر انہوں نے خود کو 30 جون 2020 کو ختم ہونے والے سال میں دوبارہ تقرر کے لئے پیش کیا ہے۔

لسٹڈ کمپنیوں کے کوڈ آف کارپوریشن گورننس ریگولیشنز 2017 ("CCG") کی بیرونی میں ڈائریکٹرز اسٹیٹمنٹ

1. بیچمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل بیرونی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظر بات پڑتی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی بیرونی کی گئی ہے۔



- 5 • انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
 - 6 • فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
 - 7 • کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
 - 8 • پرفارمنس ٹیمیل / اہم مالیاتی ڈیٹا اس سال انڈر پورٹ میں شامل ہیں۔
 - 9 • ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
 - 10 • اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں کی گئی ہے۔
 - 11 • یونٹ ہولڈنگ کا تفصیلی پیرین مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
 - 12 • ڈائریکٹرز ہی ای او سی ایف او، کمپنی بیکٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 20 میں ظاہر کی گئی ہے۔
 - 13 • مینجمنٹ کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ مینجمنٹ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔
- 30 جون 2019 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

کیٹگری	نام
غیر جانبدار ڈائریکٹرز	01 • جناب کمال مامر چٹائے
	02 • جناب شہر یار فاروق
	03 • جناب ہمایوں بشیر
ایگزیکٹو ڈائریکٹر	ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)
نان ایگزیکٹو ڈائریکٹر	01 • شیخ محمد عبدالواحد سیٹھی (چیئر مین)
	02 • جناب ناصر حسین
	03 • جناب عبدالہادی پالنگر
	04 • جناب علی سیگل
	05 • جناب عمران ظفر

اظہار تشکر

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

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

مناوب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو ڈائریکٹرز

تاریخ: 30 اگست 2019

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Islamic Active Allocation Fund III (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period ended June 30, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 26, 2019

FUND MANAGER REPORT

NAFA Islamic Asset Allocation Fund -III (NIAAF-III) is an Open-ended Shariah Compliant Fund of Funds.

Investment Objective of the Fund

The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Money Market Funds.

NAFA Islamic Active Allocation Fund-III has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through five (5) Allocation Plans including NAFA Islamic Capital Preservation Plan-III (NICPP III).

Islamic Money Market:

NBP Islamic Money Market Fund

Islamic Equity:

NBP Islamic Active Allocation Equity Fund

Fund performance review

Plans	Launch Date	Fund Size (Million)	Cumulative Performance Since Inception	
			Plans Return	Benchmark* Return
NICPP-III	22-06-2018	392	0.1%	(2.4%)
NICPP-IV	14-09-2018	282	(1.3%)	(2.8%)
NICPP-V	17-12-2018	153	(1.8%)	(3.0%)

After challenging FY2017-18, amid thin trading volumes, the stock market depicted dismal performance during FY2018-19 as the benchmark KMI-30 Index fell sharply by 23.8% on a year-on-year basis. Though the market started off the year on a positive note as investors cheered the peaceful transition between two democratically elected governments, the rebound turned out to be short-lived as investors' attention shifted to the deteriorating economic fundamentals emanating from the intractable twin deficits, especially the heightened Current Account Deficit (CAD).

Faced with the challenging economic conditions, with the objectives to contain inflation and curtail external account imbalances, the incumbent government embarked on tightening policies including massive devaluation of overvalued Pak Rupee against the US Dollar, sharp hike in the Policy Rate, increasing/expanding the scope of duties on non-essential imported luxury goods, and deep cut in public spending. The tightening policies led to a sharp decline in the economic activity as manifested by contraction in the Large Scale Manufacturing sector while the GDP growth rate slowed to 3.3% for FY2019 compared with 5.5% in the previous year. This in turn weighed on the corporate profitability, especially of cyclical sectors due to demand slowdown and cost pressures that in turn further dampened market sentiment.

To bridge the gap on external account, though the government was able to secure a sizable financial assistance from friendly countries such as China, KSA and UAE, the delay in the IMF program irked the market participants, as despite the government's efforts, CAD for the year clocked in at unsustainably high level of USD 13.6 billion albeit down from USD 19.9 billion in the previous year. The unfortunate Pulwama Attack led to escalation of tension between Pakistan and India, which also weighed on the market sentiment. Negative headlines pertaining to the ongoing proceedings of Financial Action Task Force (FATF), which expressed its concerns on lack of operational reforms also perturbed investors throughout the year. Tax laden Federal Budget FY2019-20 along with ongoing drive for the documentation of economy are causing short-term pain with its negative implications for the economic growth, corporate profitability, consumer confidence, and market sentiment.

The trading activity in the Corporate Sukuks remained thin with skew towards high quality debt issues with cumulative traded value of around Rs. 12 billion in FY2019 compared to Rs. 10 billion in FY2018. The issuance of government guaranteed energy sector sukuk to the tune of Rs. 200 billion helped the undersupplied market for long-term shariah compliant debt instruments. During FY2019, the State Bank of Pakistan (SBP) held six bi-monthly monetary policy reviews. Aiming to curb the surging demand pressures to address the external account woes and addressing the underlying inflationary pressures, the SBP increased the policy rate from 6.50% to 12.25%. Inflation as measured by CPI increased from 5.2% in June 2018 to 8.9% in June 2019 due to upward adjustment in energy and fuel prices, higher imported inflation due to currency devaluation, and unabated government borrowing from the SBP. Inflation is expected to remain on the upward trajectory due to excessive government borrowings, significant increase in perishable food prices, volatility in international oil prices, currency devaluation, trickle down impact of expected upward adjustment in utility tariffs, pass-through of taxes, and second round impact of currency devaluation.

During FY2019, the State Bank of Pakistan (SBP) held six bi-monthly monetary policy reviews. Aiming to curb the surging demand pressures to address the external account woes and addressing the underlying inflationary pressures, the SBP increased the policy rate from 6.50% to 12.25%. Inflation as measured by CPI increased from 5.2% in June 2018 to 8.9% in June 2019 due to upward adjustment in energy and fuel prices, higher imported inflation due to currency devaluation, and unabated government borrowing from the SBP. Inflation is expected to remain on the upward trajectory due to excessive government borrowings, significant increase in perishable food prices, volatility in international oil prices, currency devaluation, trickle down impact of expected upward adjustment in utility tariffs, pass-through of taxes, and second round impact of currency devaluation.

Asset Allocation of the Fund (% of NAV)

Plans	Asset Allocation of Plans		
	NAFA Islamic Active Allocation Funds		Cash & Other Net Assets/Liabilities
	Equity	NBP Islamic Money Market Fund	
NICPP-III	21.8%	-	78.2%
NICPP-IV	23.2%	-	76.8%
NICPP-V	30.3%	-	69.7%

NAFA Islamic Capital Preservation Plan-I (NICPP III)

NAFA launched its NAFA Islamic Capital Preservation Plan-III (NICPP III) in June 2018 which is the 11th plan under NAFA Islamic Active Allocation Fund-III. The Active Allocation Plan will be dynamically managed between dedicated equity & Money Market schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NICPP-III has an initial maturity of two years.

The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shariah Compliant Equity Fund and Money Market Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Capital Preservation Plan-III (NICPP III) decreased by 0.02% as against the benchmark which decreased by 2.4%, thus, the Fund outperformed the benchmark by 2.4% during the year. Since launch of the plan, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs. 99.9044 (Ex-Div) on June 22, 2018 to Rs. 100.0193 on June 30, 2019, thus showing an increase of 0.1%. The Benchmark during the same period was decreased by 2.4%. Thus, the Fund has outperformed its Benchmark by 2.5% since its inception on June 22, 2018. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 392 million.

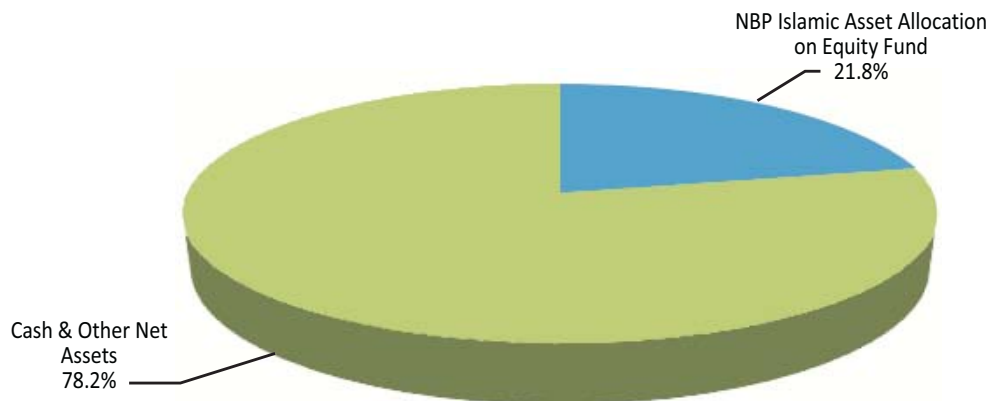
Sindh Workers' Welfare Funds (SWWF)

During the year, the provision in respect of Sindh Workers' Welfare Fund has been made on a prudent basis with effect from launch date of the fund, based on recommendation by MUFAP to all its members. For further details, refer note 12.1 to the financial statements.

During the period under question

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The Fund does not have any soft commission arrangement with any broker in the industry.

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



Distribution for the Financial Year 2019

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
June 2019	1.085%	1.0847	98.0633

Unit Holding Pattern of NAFA Islamic Capital Preservation Plan III as on June 30, 2019

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	03
1-1000	152
1001-5000	231
5001-10000	94
10001-50000	82
50001-100000	5
100001-500000	2
Total	569

NAFA Islamic Capital Preservation Plan-IV (NICPP IV)

NAFA launched its NAFA Islamic Capital Preservation Plan-IV (NICPP IV) in September 2018 which is the 12th plan under NAFA Islamic Active Allocation Fund-III. The Active Allocation Plan will be dynamically managed between dedicated equity & Money Market schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NICPP-IV has an initial maturity of two years.

The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shariah Compliant Equity Fund and Money Market Fund.

Fund's Performance

Since launch of the plan, the unit price of NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has decreased from Rs. 100.00 on September 14, 2018 to Rs. 98.7262 on June 30, 2019, thus showing a decrease of 1.3%. The Benchmark during the same period decreased by 2.8%. Thus, the Fund has outperformed its Benchmark by 1.5% since its inception on September 14, 2018. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 282 million.

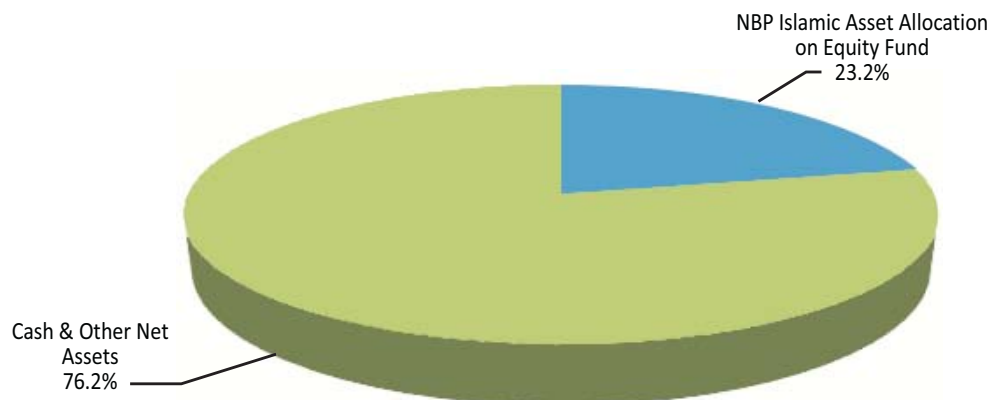
Sindh Workers' Welfare Funds (SWWF)

During the year, the provision in respect of Sindh Workers' Welfare Fund has been made on a prudent basis with effect from launch date of the fund, based on recommendation by MUFAP to all its members. For further details, refer note 12.1 to the financial statements.

During the period under question

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The Fund does not have any soft commission arrangement with any broker in the industry.

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



Unit Holding Pattern of NAFA Islamic Capital Preservation Plan IV as on June 30, 2019

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	02
1-1000	95
1001-5000	116
5001-10000	55
10001-50000	46
50001-100000	2
100001-500000	2
Total	318

NBP Islamic Capital Preservation Plan-V (NICPP V)

NAFA launched its NBP Islamic Capital Preservation Plan-V (NICPP V) in December 2018 which is the 13th plan under NAFA Islamic Active Allocation Fund-III. The Active Allocation Plan will be dynamically managed between dedicated equity & Money Market schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NICPP-V has an initial maturity of two years.

The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shariah Compliant Equity Fund and Money Market Fund.

Fund's Performance

Since launch of the plan, the unit price of NBP Islamic Capital Preservation Plan-V (NICPP-V) has decreased from Rs. 100.00 on December 17, 2018 to Rs. 98.1965 on June 30, 2019, thus showing a decrease of 1.8%. The Benchmark during the same period was decreased by 3.0%. Thus, the Fund has outperformed its Benchmark by 1.2% since its inception on December 17, 2018. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 153 million.

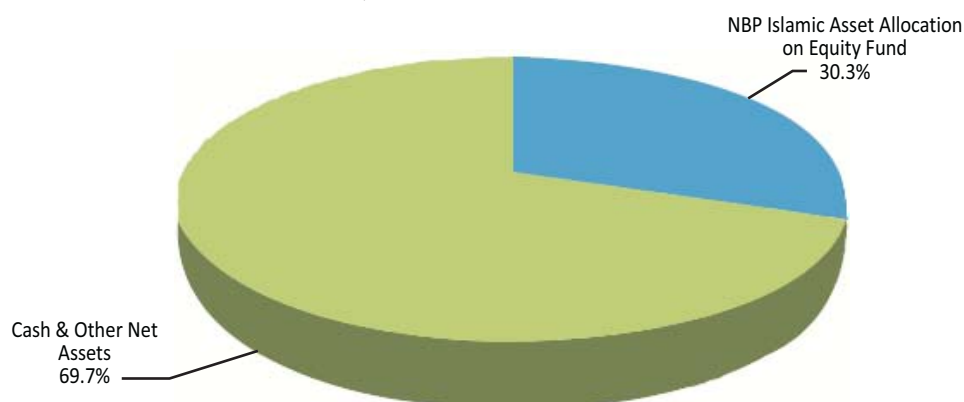
Sindh Workers' Welfare Funds (SWWF)

During the year, the provision in respect of Sindh Workers' Welfare Fund has been made on a prudent basis with effect from launch date of the fund, based on recommendation by MUFAP to all its members. For further details, refer note 12.1 to the financial statements.

During the period under question

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The Fund does not have any soft commission arrangement with any broker in the industry.

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





Unit Holding Pattern of NAFA Islamic Capital Preservation Plan V as on June 30, 2019

Size of Unit Holding (Units)	# of Unit Holders
1-1000	44
1001-5000	62
5001-10000	41
10001-50000	31
50001-100000	31
100001-500000	1
Total	182



STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NAFA Islamic Active Allocation Fund - III (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2019. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: August 30, 2019
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer

Report of the Shari'ah Supervisory Board

August 26, 2019/ Dhu Al-Hijjah 24, 1440

Alhamdulillah, it is the first year of the operations of NAFA Islamic Active Allocation Fund-III (NIAAF-III). Under this fund, NBP Funds launched its NAFA Islamic Capital Preservation Plan-III (NICPP-III) on June 22, 2018, NAFA Islamic Capital Preservation Plan-IV on September 14, 2018 and NBP Islamic Capital Preservation Plan-V on December 17, 2018. This report is being issued in accordance with clause 3.7.1 of the Offering Document of the Fund. The scope of the report is to express an opinion on the Shari'ah Compliance of the Fund's activity.

In the capacity of Shari'ah Supervisory Board, we have prescribed criteria and procedure to be followed in ensuring Shari'ah Compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure Shari'ah compliance with the Shari'ah policies & guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of NIAAF-III in light of Shari'ah guidelines.
- ii. All the provisions of the scheme and investments made on account of NIAAF-III by NBP Funds are Shari'ah Compliant and are in accordance with the criteria established.
- iii. On the basis of information provided by the management, nothing has come to our attention that cause us to believe that all the operations of NIAAF-III for the year ended June 30, 2019 are not in compliance with Shari'ah principles.

May Allah bless us with best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and On Behalf of Meezan Bank Limited
Shari'ah Technical Services and Support Provider

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waqar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit Holders of NAFA Islamic Active Allocation Fund - III

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NAFA Islamic Active Allocation Fund - III (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Net Asset Value (Refer notes 4 and 5 to the financial statements)</p> <p>The bank balances and investments constitute the most significant component of the NAV. The bank balances aggregated to Rs 628.317 million and investments of the Fund as at June 30, 2019 amounted to Rs 197.059 million.</p> <p>The existence of bank balances and existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of the key controls for valuation of investments; • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 27, 2019

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2019

	June 30, 2019				June 30, 2018	
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	
------(Rupees in 000)-----						
ASSETS						
Balances with banks	4	306,399	215,994	105,924	628,317	978,453
Investments	5	85,299	65,288	46,472	197,059	-
Profit receivable	6	3,366	2,363	1,196	6,925	1,291
Other receivables	7	220	-	450	670	104
Preliminary expenses and floatation costs	8	967	669	387	2,023	3,878
Total assets		396,251	284,314	154,429	834,994	983,726
LIABILITIES						
Payable to NBP Fund Management Limited - the Management Company	9	2,849	1,554	772	5,175	28,913
Payable to the Central Depository Company of Pakistan Limited - the Trustee	10	38	27	15	80	20
Payable to the Securities and Exchange Commission of Pakistan	11	647	329	114	1,090	18
Accrued expenses and other liabilities	12	522	384	236	1,142	165
Total liabilities		4,056	2,294	1,137	7,487	29,116
NET ASSETS		392,195	282,020	153,292	827,507	954,610
UNIT HOLDERS' FUND (as per statement attached)		392,195	282,020	153,292	827,507	954,610
CONTINGENCIES AND COMMITMENTS	13					
-----Number of units-----						
NUMBER OF UNITS IN ISSUE	14	3,921,193	2,856,590	1,561,069	8,338,852	9,536,930
-----Rupees-----						
NET ASSETS VALUE PER UNIT	16	100.0193	98.7262	98.1965		100.0962

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Year ended June 30, 2019	For the period from September 14, 2018 to June 30, 2019	For the period from December 17, 2018 to June 30, 2019	Total	For the period from June 22, 2018 to June 30, 2018
	NICPP-III	NICPP-IV	NICPP-V		NICPP-III
INCOME					
Loss on sale of investments - net	(17,151)	(12,257)	(3,094)	(32,502)	-
Profit on balances with banks	50,756	26,817	9,304	86,877	1,291
	33,605	14,560	6,210	54,375	1,291
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss' - net	5.2 (18,148)	(12,798)	(7,181)	(38,127)	-
	15,457	1,762	(971)	16,248	1,291
EXPENSES					
Remuneration of NBP Fund Management Limited the Management Company	9.1 5,686	2,729	839	9,254	184
Sindh sales tax on remuneration of the Management Company	9.3 739	355	109	1,203	24
Remuneration of the Central Depository Company of Pakistan Limited - the Trustee	10.1 656	329	115	1,100	18
Sindh sales tax on remuneration of the Trustee	10.2 85	43	15	143	2
Annual fee of the Securities and Exchange Commission of Pakistan	11.1 647	329	114	1,090	18
Settlement and bank charges	180	152	63	395	32
Listing fee	9	9	9	27	-
Auditors' remuneration	15 370	302	271	943	115
Allocated expenses	9.2 681	346	120	1,147	18
Legal and professional charges	43	78	15	136	10
Shari'ah advisory fee	131	59	23	213	11
Amortisation of preliminary expenses and floatation costs	1,243	468	143	1,854	43
Printing charges	35	18	5	58	8
Total expenses	10,505	5,217	1,841	17,563	483
Net income / (loss) from operating activities	4,952	(3,455)	(2,812)	(1,315)	808
Provision for Sindh Workers' Welfare Fund	(99)	-	-	(99)	(16)
Net income / (loss) for the year / period before taxation	4,853	(3,455)	(2,812)	(1,414)	792
Taxation	17 -	-	-	-	-
Net income / (loss) for the year / period after taxation	4,853	(3,455)	(2,812)	(1,414)	792
(Loss) / earnings per unit	18				
Allocation of net income for the period					
Net income for the period after taxation	4,853	-	-		792
Income already paid on units redeemed	(466)	-	-		(1)
	4,387	-	-		791
Accounting income available for distribution					
- Relating to capital gains	-	-	-		-
- Excluding capital gains	4,387	-	-		791
	4,387	-	-		791

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

Year ended June 30, 2019	For the period from September 14, 2018 to June 30, 2019	For the period from December 17, 2018 to June 30, 2019	Total	For the period from June 22, 2018 to June 30, 2018	
NICPP-III	NICPP-IV	NICPP-V		NICPP-III	
----- (Rupees in 000) -----					
Net income / (loss) for the year / period after taxation	4,853	(3,455)	(2,812)	(1,414)	792
Other comprehensive income for the year / period	-	-	-	-	-
Total comprehensive income / (loss) for the year / period	4,853	(3,455)	(2,812)	(1,414)	792

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC ACTIVE ALLOCATION FUND - III



NBP FUNDS
Managing Your Savings

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2019

	Year ended June 30, 2019		For the period from September 14, 2018 to June 30, 2019		For the period from December 17, 2018 to June 30, 2019		For the period from June 22, 2018 to June 30, 2018	
	Capital value	Undistributed income	Capital value	Undistributed income	Capital value	Undistributed income	Capital value	Undistributed income
Net assets at the beginning of the year / period	953,819	791	954,610	953,819	791	954,610	953,819	791
Issuance of units:								
- NICPP-III: 7,480 units / NICPP-IV: 6,166,465 units								
- Capital value (at net asset value per unit at the beginning of the year / period)	768	-	768	295,118	-	295,118	912,520	954,732
- Element of income	-	-	-	226	-	-	226	126
Total proceeds on issuance of units	768	-	768	616,634	-	295,118	912,746	954,858
Redemption of units:								
- NICPP-III: 5,623,217 units / NICPP-IV: 3,309,875 units / NICPP-V: 1,390,107 units (2018: NICPP - III: 1,0391 units)	(4,353)	(466)	(5,225)	(330,387)	(139,011)	(139,011)	(1,032,323)	(1,039)
- Capital value (at net asset value per unit at the beginning of the year / period)	(4,353)	(466)	(5,225)	(330,387)	(139,011)	(139,011)	(1,032,323)	(1,039)
- Element of income	(466)	(466)	(466)	(398)	(3)	(3)	(466)	(1)
Total payments on redemption of units	(466)	(466)	(5,225)	(331,385)	(139,014)	(139,014)	(1,037,077)	(1,039)
Total comprehensive income / (loss) for the year / period	4,853	4,853	4,853	(3,455)	(2,812)	(2,812)	(1,414)	792
Final distribution for the period ended June 30, 2018 @ Re 0.095 per unit (date of declaration: July 01, 2018)	(126)	(766)	(892)	-	-	-	(126)	-
Net assets at end of the period	387,783	4,412	392,195	285,475	156,104	153,292	828,362	953,819
Undistributed income / accumulated (loss) brought forward								
- Realised income	791	-	791	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-	-	-
Accounting income available for distribution								
- Relating to capital gains	4,387	-	4,387	-	-	-	-	-
- Excluding capital gains	-	-	-	(3,455)	(2,812)	(2,812)	-	791
Net loss for the year / period after taxation	(766)	-	(766)	(3,455)	(2,812)	(2,812)	-	791
Final distribution for the period ended June 30, 2018 @ Re 0.095 per unit (date of declaration: July 01, 2018)	4,412	-	4,412	-	-	-	-	-
Undistributed income / (accumulated loss) carried forward								
- Realised income	22,560	9,343	31,903	4,369	4,369	4,369	791	791
- Unrealised (loss)	(18,148)	(12,798)	(30,946)	(7,181)	(7,181)	(7,181)	-	-
Net asset value per unit at beginning of the year / period	100.092	100.092	100.092	100.000	100.000	100.000	100.000	100.000
Net asset value per unit at end of the year / period	100.019	100.019	100.019	98.762	98.195	98.195	100.082	100.082

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Year ended June 30, 2019	For the period from September 14, 2018 to June 30, 2019	For the period from December 17, 2018 to June 30, 2019	Total	For the period from June 22, 2018 to June 30, 2018
Note	NICPP-III	NICPP-IV	NICPP-V		NICPP-III
----- (Rupees in 000) -----					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss) for the year / period before taxation	4,853	(3,455)	(2,812)	(1,414)	792
Adjustments					
Unrealised diminution on re-measurement of investments 'financial assets at fair value through profit or loss' - net Profit on balances with banks	18,148 (50,756)	12,798 (26,817)	7,181 (9,304)	38,127 (86,877)	- (1,291)
Amortisation of preliminary expenses and floatation cost	1,243	468	143	1,854	43
	(31,365)	(13,551)	(1,980)	(46,896)	(1,248)
Decrease / (increase) in assets					
Investments	(103,448)	(78,086)	(53,653)	(235,187)	-
Preliminary expenses and floatation costs	1,668	(1,136)	(530)	2	-
Other receivables	(116)	-	(450)	(566)	(104)
	(101,896)	(79,222)	(54,633)	(235,751)	(104)
Increase / (decrease) in liabilities					
Payable to NBP Fund Management Limited - the Management Company	(26,064)	1,554	772	(23,738)	28,913
Payable to the Central Depository Company of Pakistan Limited - the Trustee	18	27	15	60	20
Payable to the Securities and Exchange Commission of Pakistan	629	329	114	1,072	18
Accrued expenses and other liabilities	358	382	236	976	165
	(25,059)	2,292	1,137	(21,630)	29,116
Floatation cost paid during the year	-	-	-	-	(3,921)
Profit received on balances with banks	48,681	24,455	8,108	81,244	-
Net cash (used in) / generated from operating activities	(104,786)	(69,481)	(50,180)	(224,447)	28,556
CASH FLOWS FROM FINANCING ACTIVITIES					
Net receipts from issuance of units	642	616,860	295,118	912,620	954,858
Net payments against redemption of units	(567,144)	(331,385)	(139,014)	(1,037,543)	(1,040)
Distributions paid	(766)	-	-	(766)	-
Net cash (used in) / generated from financing activities	(567,268)	285,475	156,104	(125,689)	953,818
Net (decrease) / increase in cash and cash equivalents during the year / period	(672,054)	215,994	105,924	(350,136)	978,453
Cash and cash equivalents at the beginning of the period	978,453	-	-	978,453	-
Cash and cash equivalents at the end of the year / period	4 306,399	215,994	105,924	628,317	978,453

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Active Allocation Fund-III (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on March 30, 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 (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 a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended Shari'ah compliant fund of funds 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 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from June 22, 2018 (NICPP - III), September 15, 2018 (NICPP - IV) and December 18, 2018 (NICPP - V) and are transferable and redeemable by surrendering them to the Fund.

The objective of NAFA Islamic Active Allocation Fund-III is to earn a potentially high return through dynamic asset allocation between the Shari'ah compliant dedicated equity and money market based collective investment schemes, while providing capital preservation of the initial investment value including sales load at completion of twenty four months and beyond. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM1 as at June 30, 2019 (2018: AM1) to the Management Company. The Fund has not yet been rated.

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

As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly the financial statements of NICPP - IV and NICPP - V have been prepared from September 14, 2018 to June 30, 2019 and December 17, 2018 to June 30, 2019.

This is the first accounting period of the plans NICPP - IV and NICPP - V, hence there are no comparative figures.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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 from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year

2.2.1 Effective from July 1, 2018, the Fund has adopted IFRS 9: 'Financial instruments' which has replaced IAS 39: 'Financial instruments: recognition and measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of the ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as fair value through profit or loss (FVPL). The investment of an entity in a mutual fund is required to be classified as 'at fair value through profit or loss' based on criteria mentioned in IFRS-9. The Fund has all its investments in mutual funds which were previously also classified under 'fair value through profit or loss' category. Furthermore, all other financial assets of the Fund which are held for collection continue to be measured at amortised cost.

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

2.2.2 There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.3 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective

2.3.1 The following amendments to the published accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

	Effective from accounting period beginning on or after:
- IFRS 9 - 'Financial instruments' (amendments)	January 1, 2019
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendments)	January 1, 2020

The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

2.3.2 There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.3 and 5), provision for Federal Excise Duty (note 10.3) and provision for taxation (notes 3.13 and 17).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. 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 principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years except for the change in accounting policy as explained in note 2.2.1 above.

3.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are classified as fair value through profit or loss.

3.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

Financial assets at fair value through profit or loss

Basis of valuation - investment in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the income statement.

3.3.3 Impairment

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the income statement.

3.3.7 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

3.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- "Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on bank balances is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.

3.12 Expenses

All expenses including management fee and the Trustee and annual fee of SECP are recognised in the income statement on an accrual basis.

3.13 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) has not been disclosed in these financial statements as, in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

	Note	June 30, 2019			Total	June 30, 2018
		NICPP-III	NICPP-IV	NICPP-V		NICPP-III
4 BALANCES WITH BANKS		(Rupees in '000)				
Profit and loss savings accounts	4.1	306,115	214,291	105,886	626,292	978,453
Current accounts		284	1,703	38	2,025	-
		<u>306,399</u>	<u>215,994</u>	<u>105,924</u>	<u>628,317</u>	<u>978,453</u>

- 4.1 These carry profits at rates ranging from 6.4% to 12.5% per annum (June 30, 2018: 2.75% to 6.45% per annum) for NICPP - III, 2.6% to 13% per annum for NICPP - IV and 10% to 12.5% per annum for NICPP - V.

- 4.1 These includes a balance of Rs 16.574 million (2018: Rs 232.632 million) maintained with BankIslami Pakistan Limited (a related party) that carries profit at the rate of 13.5% per annum (2018: 6.5% per annum). Other profit and loss sharing accounts of the Fund carry profit rates ranging from 11.2% to 13% per annum (2018: 2.75% to 6.50% per annum).

5 INVESTMENTS	Note	June 30, 2019			June 30, 2018
		NICPP-III	NICPP-IV	NICPP-V	NICPP-III
(Rupees in '000)					
Financial assets at 'fair value through profit or loss'					
- Units of open ended mutual funds	5.1	85,299	65,288	46,472	197,058
					-

5.1 Investment in units of open ended mutual funds - related parties

5.1.1 NAFA Islamic Capital Preservation Plan-III

Name of the investee company	Number of Units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2018	Purchased during the period	Redeemed during the period	As at June 30, 2019			net assets	total investment
------(Rs in 000)-----								
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	-	31,180,553	21,788,695	9,391,858	103,447	85,299	21.75%	100%
As at June 30, 2019				9,391,858	103,447	85,299	21.75%	100%
As at June 30, 2018				-	-			

5.1.2 NAFA Islamic Capital Preservation Plan-IV

Name of the investee company	Number of Units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2018	Purchased during the period	Redeemed during the period	As at June 30, 2019			net assets	total investment
------(Rs in 000)-----								
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	-	23,278,584	16,090,063	7,188,521	78,086	65,288	23.15%	100%
As at June 30, 2019				7,188,521	78,086	65,288	23.15%	100%

5.1.3 NBP Islamic Capital Preservation Plan-V

Name of the investee company	Number of Units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2018	Purchased during the period	Redeemed during the period	As at June 30, 2019			net assets	total investment
------(Rs in 000)-----								
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	-	10,949,253	5,832,423	5,116,830	53,653	46,472	30.32%	100%
As at June 30, 2019				5,116,830	53,653	46,472	30.32%	100%



5.2 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

	Note	June 30, 2019				June 30, 2018
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III
----- (Rupees in '000) -----						
Market value of investments	5.1	85,299	65,288	46,472	197,059	-
Less: carrying value of investments	5.1	(103,447)	(78,086)	(53,653)	(235,186)	-
		<u>(18,148)</u>	<u>(12,798)</u>	<u>(7,181)</u>	<u>(38,127)</u>	<u>-</u>

6	PROFIT RECEIVABLE	Note	June 30, 2019				June 30, 2018
			NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III
----- (Rupees in '000) -----							
	Profit accrued on bank balances		<u>3,366</u>	<u>2,363</u>	<u>1,196</u>	<u>6,925</u>	<u>1,291</u>

7	OTHER RECEIVABLE	Note	June 30, 2019				June 30, 2018
			NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III
----- (Rupees in '000) -----							
	Advance Tax	7.1	<u>220</u>	<u>-</u>	<u>450</u>	<u>670</u>	<u>104</u>
			<u>220</u>	<u>-</u>	<u>450</u>	<u>670</u>	<u>104</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the period ended June 30, 2019, withholding tax on profit on bank deposit paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. No. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withhold. The tax withhold on profit on bank deposit amounts to Rs 0.670 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable High Court of Sindh (HCS) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by HCS in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court (HSC) through their trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the HSC by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the HSC granted the petitioners leave to appeal from the initial judgment of HCS. Pending resolution of the matter, the amount of withholding tax deducted has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PRELIMINARY EXPENSES AND FLOATATION COSTS

	Note	June 30, 2019				June 30, 2018
		NICPP - III	NICPP - IV	NICPP - V	Total	NICPP - III
----- (Rupees in '000) -----						
At the beginning of the year / period		3,878	-	-	3,878	-
Incurred during the year / period	8.1	-	1,137	530	1,667	3,921
Transfer during the year / period		(1,668)	-	-	(1,668)	
Less: amortisation during the year / period		(1,243)	(468)	(143)	(1,854)	(43)
At the end of the year / period		<u>967</u>	<u>669</u>	<u>387</u>	<u>2,023</u>	<u>3,878</u>

- 8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of two years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

9 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY

	Note	June 30, 2019				June 30, 2018
		NICPP - III	NICPP - IV	NICPP - V	Total	NICPP - III
		(Rupees in '000)				
Management fee payable	9.1	263	182	92	537	184
Sindh sales tax payable on remuneration of the Management Company	9.3	34	24	12	70	24
Allocated expenses	9.2	271	185	109	565	18
Sales load payable		-	-	-	-	21,904
Sindh sales tax payable on sales load payable		-	-	-	-	2,847
Other payable		2,281	1,163	559	4,003	3,936
		<u>2,849</u>	<u>1,554</u>	<u>772</u>	<u>5,175</u>	<u>28,913</u>

- 9.1 As per the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding 1.5% of the average annual net assets in case of fund of funds schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% per annum of the average net assets of the fund after deducting market value of investment in collective investments during the year / period ended June 30, 2019. The remuneration is payable to the Management Company monthly in arrears.

- 9.2 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate of 0.1% of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 9.3 During the year / period, an amount of Rs. 0.739 million (2018: Rs 0.024 million) NICPP III, Rs. 0.355 million NICPP IV and Rs. 0.109 million NICPP V, was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

10 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN - THE TRUSTEE

	Note	June 30, 2019				June 30, 2018
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III
		(Rupees in '000)				
Trustee fee payable	10.1	34	24	13	71	18
Sindh sales tax on trustee fee	10.2	4	3	2	9	2
		<u>38</u>	<u>27</u>	<u>15</u>	<u>80</u>	<u>20</u>

- 10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs 1,000 million 0.1% per annum of net assets.
- over Rs 1,000 million Rs 1 million plus 0.075% per annum of net assets exceeding Rs 1,000 million.

- 10.2 During the year / period, an amount of Rs 0.085 million NICPP III, Rs. 0.043 million NICPP IV and Rs. 0.015 million NICPP V, was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Note	June 30, 2019				June 30, 2018
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III
	----- (Rupees in '000) -----				
Annual fee payable	647	329	114	1,090	18

- 11.1 In accordance with NBFC Regulations, 2008, a collective investment scheme classified as a Shari'ah compliant scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.095% of the average annual net assets of the Fund as an annual fee.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	June 30, 2019				June 30, 2018
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III
	----- (Rupees in '000) -----				
Auditors' remuneration payable	248	224	191	663	115
Printing charges payable	13	14	1	28	8
Legal and professional charges payable	11	56	15	82	10
Withholding tax payable	5	3	1	9	-
Provision for Sindh Workers' Welfare Fund	115	-	-	115	16
Shari'ah advisor fee payable	119	59	23	201	11
Bank Charges	11	28	5	44	5
	<u>522</u>	<u>384</u>	<u>236</u>	<u>1,142</u>	<u>165</u>

12.1 Provisions for Sindh Worker's Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period June 30, 2018 to June 30, 2019, the net assets value of the NICPP III would have been higher by Re 0.0293 per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 (June 30, 2018: Nil)



14 NUMBER OF UNITS IN ISSUE

	June 30, 2019			June 30, 2018
	NICPP - III	NICPP - IV	NICPP - V	NICPP - III
	-----Number of units-----			
Total units in issue at the beginning of the year / period	9,536,930	-	-	-
Units issued during the year / period	7,480	6,166,465	2,951,176	9,547,321
Less: units redeemed during the year / period	5,623,217	3,309,875	1,390,107	10,391
Total units in issue at the end of the year / period	<u>3,921,193</u>	<u>2,856,590</u>	<u>1,561,069</u>	<u>9,536,930</u>

15 AUDITORS' REMUNERATION

	June 30, 2019				June 30, 2018
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III
	----- (Rupees in '000) -----				
Annual audit fee	178	178	144	500	90
Other certification	36	36	37	109	
Half yearly review of condensed interim financial statements	71	71	71	213	-
Out of pocket expenses	85	17	20	122	25
	<u>370</u>	<u>302</u>	<u>272</u>	<u>944</u>	<u>115</u>

16 NET ASSETS VALUE PER UNIT

The net assets value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

17 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 unitholders. Since the management has distributed the required minimum percentage of income earned by NICPP - III for the year ended June 30, 2019 to the unit holders in cash during the year and subsequent to the year ended June 30, 2019, no provision for taxation has been made in these financial statements for NICPP - III. Further, NICPP - IV and NICPP - V has not recorded any tax liability as the same has incurred a net loss during the period.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

18 (LOSS) / EARNINGS PER UNIT

(Loss) / earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

19 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 1.56% (June 30, 2018: 0.06%) - NICPP - III, 1.51% - NICPP - IV and 1.54% - NICPP - V which includes 0.23% (June 30, 2018: 0.01%) - NICPP - III, 0.21% - NICPP - IV and 0.2% - NICPP - V 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% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Fund of Funds' scheme.

20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 20.1 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 Baltoro Growth Fund being the sponsors, 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.

- 20.2** 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.
- 20.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 20.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 20.5** **Details of the transactions with related parties / connected persons are as follows:**

	June 30, 2019				June 30, 2018
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III
	----- (Rupees in '000) -----				
NBP Fund Management Limited - the Management Company					
Remuneration of the Management Company	5,686	2,729	839	9,254	184
Sindh sales tax on remuneration of the Management Company	739	355	109	1,203	24
Preliminary expenses and floatation costs	-	1,137	530	1,667	3,921
Accounting and operational expenses	681	346	120	1,147	18
Central Depository Company of Pakistan Limited - the Trustee					
Remuneration of the Central Depository Company Of Pakistan Limited - the Trustee	656	329	115	1,100	18
Sindh sales tax on remuneration of the Trustee	85	43	15	143	2
Employees of NBP Fund management limited					
Dividend re-invested - 2 units (NICPP III)	-	-	-	-	-
Redemption of 2,017 (2018: Nil) units (NICPP III)	204	-	-	204	-
FCS Limited Employees Provident Fund - unit holder with more than 10% holding					
Units issued: 398,045 (2018: Nil) units (NICPP - IV)	-	40,699	-	40,699	-
PITC Employees Trust (Pension) Fund - unit holder with more than 10% holding					
Units issued: 447,014 (2018: Nil) units (NICPP - IV)	-	45,739	-	45,739	-
Investment in NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)					
Units purchased:	349,607	259,416	116,325	725,348	-
- 31,180,552 (2018: Nil) units (NICPP - III),					
- 23,278,586 (2018: Nil) units (NICPP - IV) and					
- 10,949,253 (2018: Nil) units (NICPP - V)					
Units sold:	229,010	169,073	59,578	457,661	-
- 21,788,695 (2018: Nil) units (NICPP - III),					
- 16,090,065 (2018: Nil) units (NICPP - IV) and					
- 5,832,423 (2018: Nil) units (NICPP - V)					

20.6 Amounts outstanding as at year / period end

	June 30, 2019			June 30, 2018	
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III
----- (Rupees in '000) -----					
NBP Fund Management Limited - the Management Company					
Management fee payable	263	182	92	537	184
Sindh sales tax payable on remuneration	34	24	12	70	24
Sales load payable	-	-	-	-	21,904
Sindh sales tax payable on sales load payable	-	-	-	-	2,847
Other payable	2,281	1,163	559	4,003	3,936
Accounting and operational charges payable	271	185	109	565	18
Central Depository Company of Pakistan Limited - the Trustee					
Remuneration payable	34	24	13	71	18
Sindh sales tax payable on remuneration of the Trustee	4	3	2	9	2
Employees of NBP Fund management limited					
Units held: Nil (2018: 2,105) units (NICPP - III)	-	-	-	-	202
FCS Limited Employees Provident Fund - unit holder with more than 10% holding					
Units held: 398,045 (2018: Nil) units (NICPP - IV)	-	39,297	-	39,297	-
PITC Employees Trust (Pension) Fund - unit holder with more than 10% holding					
Units held: 447,014 (2018: Nil) units (NICPP - IV)	-	44,132	-	44,132	-
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)					
Investment of:	85,299	65,288	46,472	197,058	-
- 9,391,856 (2018: Nil) units (NICPP - III),					
- 7,188,521 (2018: Nil) units (NICPP - IV) and					
- 5,116,830 (2018: Nil) units (NICPP - V)					

21 FINANCIAL INSTRUMENTS BY CATEGORY

21.1 NAFA Islamic Capital Preservation Plan - III

Financial assets

	----- 2019 -----		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees in 000) -----			
Bank balances	306,399	-	306,399
Investments	-	85,299	85,299
Profit receivable	3,366	-	3,366
	<u>309,765</u>	<u>85,299</u>	<u>395,064</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	2,849	-	2,849
Payable to the Central Depository Company of Pakistan Limited - the Trustee	38	-	38
Accrued expenses and other liabilities	402	-	402
	<u>3,289</u>	<u>-</u>	<u>3,289</u>

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk and price risk.

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2019, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net loss / profit for the year and net assets of the Fund would have been lower / higher by for NICPP - III: Rs. 0.255 million (June 30, 2018: 0.013 million), NICPP - IV: Rs. 0.18 million (June 30, 2018: Nil) and NICPP - V: Rs. 0.088 million (June 30, 2018: Nil)

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2019, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2019 can be determined as follows:



NAFA Islamic Capital Preservation Plan - III

----- 2019 -----					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

----- (Rupees in 000) -----

Financial assets

Bank balances	6.4% - 12.5%	306,399	-	-	-	306,399
Investments		-	-	-	85,299	85,299
Profit receivable		-	-	-	3,366	3,366
		306,399	-	-	88,665	395,064

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	2,849	2,849
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	38	38
Accrued expenses and other liabilities		-	-	-	402	402
		-	-	-	3,289	3,289

On-balance sheet gap

306,399	-	-	85,376	391,775
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Total profit rate sensitivity gap

306,399	-	-
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Cumulative profit rate sensitivity gap

306,399	306,399	306,399
---------	---------	---------

----- 2018 -----					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

----- (Rupees in 000) -----

Financial assets

Bank balances	2.75% - 6.55%	978,453	-	-	-	978,453
Investments		-	-	-	-	-
Profit receivable		-	-	-	1,291	1,291
		978,453	-	-	1,291	979,744

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	28,913	28,913
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	20	20
Accrued expenses and other liabilities		-	-	-	149	149
		-	-	-	29,082	29,082

On-balance sheet gap

978,453	-	-	(27,791)	950,662
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Total profit rate sensitivity gap

978,453	-	-
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Cumulative profit rate sensitivity gap

978,453	978,453	978,453
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NAFA Islamic Capital Preservation Plan - IV

2019					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

(Rupees in 000)

Financial assets

Bank balances	2.6% - 13%	215,994	-	-	-	215,994
Investments		-	-	-	65,288	65,288
Profit receivable		-	-	-	2,363	2,363
		215,994	-	-	67,651	283,645

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	1,554	1,554
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	27	27
Accrued expenses and other liabilities		-	-	-	381	381
		-	-	-	1,962	1,962

On-balance sheet gap

	215,994	-	-	65,689	281,683
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Total profit rate sensitivity gap

	215,994	-	-		
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Cumulative profit rate sensitivity gap

	215,994	215,994	215,994		
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NBP Islamic Capital Preservation Plan - V

2019					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

(Rupees in 000)

Financial assets

Bank balances	10% - 12.5%	105,924	-	-	-	105,924
Investments		-	-	-	46,472	46,472
Profit receivable		-	-	-	1,196	1,196
		105,924	-	-	47,668	153,592

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	772	772
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	15	15
Accrued expenses and other liabilities		-	-	-	235	235
		-	-	-	1,022	1,022

On-balance sheet gap

	105,924	-	-	46,646	152,570
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Total profit rate sensitivity gap

	105,924	-	-		
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Cumulative profit rate sensitivity gap

	105,924	105,924	105,924		
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(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Presently, the allocation plans are exposed to price risk due to their investment in the units of mutual funds. In case of 5% increase / (decrease) in the net asset value per unit of the funds i.e. NAFA Islamic Active Allocation Fund, the net income of the NICPP - III, NICPP - IV and NICPP - V for the year / period would increase / (decrease) by Rs 4.265 million (2018: Nil), Rs 3.264 million and Rs 2.234 million. The Fund did not have any investments as of June 30, 2018.

22.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions requests, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:



NAFA Islamic Capital Preservation Plan - III

----- 2019 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial assets

Bank balances	306,399	-	-	-	-	306,399
Investments	-	-	-	-	85,299	85,299
Profit receivable	3,366	-	-	-	-	3,366
	309,765	-	-	-	85,299	395,064

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	2,849	-	-	-	-	2,849
Payable to Central Depository Company of Pakistan Limited - the Trustee	38	-	-	-	-	38
Accrued expenses and other liabilities	402	-	-	-	-	402
	3,289	-	-	-	-	3,289

Net assets

	306,476	-	-	-	85,299	391,775
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----- 2018 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial assets

Bank balances	978,453	-	-	-	-	978,453
Investments	-	-	-	-	-	-
Profit receivable	1,291	-	-	-	-	1,291
	979,744	-	-	-	-	979,744

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	28,913	-	-	-	-	28,913
Payable to Central Depository Company of Pakistan Limited - the Trustee	20	-	-	-	-	20
Accrued expenses and other liabilities	149	-	-	-	-	149
	29,082	-	-	-	-	29,082

Net assets

	950,662	-	-	-	-	950,662
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NAFA Islamic Capital Preservation Plan - IV

2019						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial assets

Bank balances	215,994	-	-	-	-	215,994
Investments		-	-	-	65,288	65,288
Profit receivable	2,363	-	-	-	-	2,363
	218,357	-	-	-	65,288	283,645

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	1,554	-	-	-	-	1,554
Payable to Central Depository Company of Pakistan Limited - the Trustee	27	-	-	-	-	27
Accrued expenses and other liabilities	381	-	-	-	-	381
	1,962	-	-	-	-	1,962

Net assets

	216,395	-	-	-	65,288	281,683
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NBP Islamic Capital Preservation Plan - V

2019						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial assets

Bank balances	105,924	-	-	-	-	105,924
Investments		-	-	-	46,472	46,472
Profit receivable	1,196	-	-	-	-	1,196
	107,120	-	-	-	46,472	153,592

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	772	-	-	-	-	772
Payable to the Central Depository Company of Pakistan Limited - the Trustee	15	-	-	-	-	15
Accrued expenses and other liabilities	235	-	-	-	-	235
	1,022	-	-	-	-	1,022

Net assets

	106,098	-	-	-	46,472	152,570
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22.3 Credit risk

22.3.1 There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments' guidelines approved by the Investment Committee.

22.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk		
	NICPP - III	NICPP - IV June 30, 2019	NICPP - V
Banks			
AAA	0.14%	0.02%	0.01%
AA+	-	0.02%	0.09%
AA	77.34%	75.51%	68.83%
AA-	-	-	-
	<u>77.48%</u>	<u>75.55%</u>	<u>68.94%</u>

Rating	% of financial assets exposed to credit risk
	NICPP - III June 30, 2018
Banks	
AAA	47.26%
AA+	52.61%
AA-	0.00%
AA	0.00%
	<u>99.87%</u>

23 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of investments is determined as follows:

- Fair value of quoted equity securities is determined on the basis of closing market prices on the Pakistan Stock Exchange.
- The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

International Financial Reporting Standard 13, 'Fair value measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at the reporting date, the Fund held the following financial instruments measured at fair value:

23.1 NAFA Islamic Capital Preservation Plan-III

As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			
ASSETS			
Investments - financial assets 'at fair value through profit or loss'			
- Mutual fund units			
85,299	-	-	85,299

As at June 30, 2018			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			
ASSETS			
Investments - financial assets 'at fair value through profit or loss'			
- Mutual fund units			
-	-	-	-

23.2 NAFA Islamic Capital Preservation Plan-IV

As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			
ASSETS			
Investments - financial assets 'at fair value through profit or loss'			
- Mutual fund units			
65,288	-	-	65,288

23.3 NBP Islamic Capital Preservation Plan-V

As at June 30, 2019			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			
ASSETS			
Investments - financial assets 'at fair value through profit or loss'			
- Mutual fund units			
46,472	-	-	46,472

24 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

25 UNIT HOLDING PATTERN OF THE FUND

NAFA Islamic Capital Preservation Plan - III

Category	2019			2018		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	561	345,415	88.07%	1,035	848,164	88.85%
Retirement Funds	2	14,248	3.63%	4	21,751	2.28%
Others	6	32,532	8.29%	11	84,695	8.87%
	<u>569</u>	<u>392,195</u>	<u>100%</u>	<u>1,050</u>	<u>954,610</u>	<u>100.00%</u>

Category	2019		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total

NAFA Islamic Capital Preservation Plan - IV

Individuals	309	178,430	63.27%
Retirement Funds	4	90,214	31.99%
Others	5	13,376	4.74%
	<u>318</u>	<u>282,020</u>	<u>100.00%</u>

NBP Islamic Capital Preservation Plan - V

Individuals	177	118,783	77.49%
Retirement Funds	1	763	0.50%
Others	4	33,746	22.01%
	<u>182</u>	<u>153,292</u>	<u>100%</u>

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	31
Sajjad Anwar	Chief Investment Officer	CFA / MBA	19
Muhammad Ali Bhabha	Head of Fixed Income	CFA / MBA / FRM / MS	24
Hassan Raza	Head of Research	ACCA / BSC / CFA	8
Taha Khan Javed	Fund Manager	MBA / CFA	13

27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund Manager
Sajjad Anwar	Fund Manager	CFA / MBA	NISF, NIPPF -II, NIAAF -I, NIAAF -II, NIAAF -III, NIPF, NPF

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 68th, 69th, 70th and 71st Board meetings were held on September 5, 2018, October 30, 2018, February 25, 2019 and April 26, 2019, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of director	Number of meetings			Meetings not attended
	Held / applicable	Attended	Leave granted	
Mudassir Husain Khan [note 28.1]	2	1	1	69th
Tariq Jamali [note 28.2]	2	-	2	68th and 69th
Abdul Hadi Palekar	4	3	1	70th
Foo Chiah Chiung (Kelvin Foo) [note 28.3]	2	1	1	69th
Kamal Amir Chinoy	4	3	1	70th
Shehryar Faruque	4	3	1	68th
Hamayun Bashir	4	4	-	-
Wajahat Rasul Khan [note 28.4]	2	2	-	-
Amjad Waheed	4	4	-	-
Shaikh Muhammad Abdul Wahid Sethi [note 28.5]	2	2	-	-
Nasir Husain [note 28.5]	2	2	-	-
Ali Saigol [note 28.5]	2	2	-	-
Imran Zaffar [note 28.5]	2	2	-	-

28.1 Mr. Mudassir Husain Khan resigned from the Board with effect from October 12, 2018.

28.2 Mr. Tariq Jamali resigned from the Board with effect from October 12, 2018.

28.3 Mr. Foo Chiah Chiung (Dr. Kelvin Foo) resigned from the Board with effect from October 08, 2018.

28.4 Mr. Wajahat Rasul Khan resigned from the Board with effect from October 08, 2018.

28.5 Mr. Shaikh Muhammad Abdul Wahid Sethi, Mr. Nasir Husain, Mr. Ali Saigol and Mr. Imran Zaffar were appointed as directors on Board with effect from December 17, 2018

29 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year / period. No significant rearrangements or reclassifications have been made in these financial statements during the current year / period.

30 EVENT AFTER REPORTING PERIOD

Subsequent to the year end, the Management Company of the Fund has declared dividend of Re 1.0847 per unit for NICPP - III on the face value of Rs 100 each (i.e. 1.085%) amounting to Rs 3.99 million. The financial statements of the Fund for the year ended June 30, 2019 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2020.

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 30, 2019.

32 GENERAL

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



PERFORMANCE TABLE

Particulars	NICPP III	NICPP IV	NICPP V	NICPP-III
	For the Period Ended June 30, 2019	For the period from September 14, 2018 to June 30, 2019	For the period from December 17, 2018 to June 30, 2019	For the period from June 22, 2018 to June 30, 2018
Net assets at the year / period ended (Rs '000)	392,195	282,020	153,292	954,610
Net income/(loss) for the year / period ended (Rs '000)	4,853	(3,455)	(2,812)	792
Net Asset Value per unit at the year / period ended (Rs)	100.0193	98.7262	98.1965	100.0962
Offer Price per unit	99.9963	98.7056	98.1608	100.0962
Redemption Price per unit	100.0193	98.7262	98.1965	100.0962
Ex - Highest offer price per unit (Rs.)	N/A	N/A	N/A	103.4895
Ex - Lowest offer price per unit (Rs.)	N/A	N/A	N/A	103.4162
Ex - Highest redemption price per unit (Rs.)	102.1492	102.4752	103.2478	100.0962
Ex - Lowest redemption price per unit (Rs.)	97.6754	97.6165	97.2199	100.0253
Opening Nav of Fiscal Year/Since inception NAV	98.9065	100.0000	100.0000	100.0000
Total return of the fund	0.019%	(1.27%)	(1.80%)	0.10%
Capital growth	(1.087%)	(1.27%)	(1.80%)	0.00%
Income distribution as a % of e x nav	1.106%	-	-	0.10%
Income distribution as a % of par value	1.085%	-	-	0.10%
Distribution				
Interim distribution per unit				-
Final distribution per unit	1.0847	-	-	0.0950
Distribution Dates				
Interim				
Final	19-Jul-19			4-Jul-18
Average annual return of the fund (launch date January 09, 2015)				
(Since inception to June 30, 2019)	0.113%	-1.274%	-1.80%	
(Since inception to June 30, 2018)				0.10%
(Since inception to June 30, 2017)				
(Since inception to June 30, 2016)				
(Since inception to June 30, 2015)				
Portfolio Composition (Please see Fund Manager Report)				
Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up				

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





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