

NAFA ISLAMIC ACTIVE ALLOCATION FUND - I



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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Albaraka Bank of Pakistan
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Silk Bank Limited
United Bank Limited



Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpfunds.com

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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



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



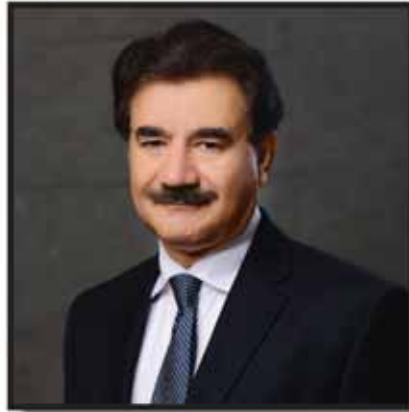
Mr. Abdul Hadi Palekar
Director



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 Fourth Annual Report for the period ended June 30, 2019, since launch of NAFA Islamic Active Allocation Fund-I (NIAAF-I) on January 15, 2016.

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 Income/Money Market Funds.

NAFA Islamic Active Allocation Fund-I 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 Active Allocation Plan-I (NIAAP-I), NAFA Islamic Active Allocation Plan-II (NIAAP-II) & NAFA Islamic Active Allocation Plan-III (NIAAP-III), NAFA Islamic Active Allocation Plan-IV (NIAAP-IV), NAFA Islamic Active Allocation Plan-V (NIAAP-V).

Islamic Income Fund:	NBP Active Allocation Riba Free Savings 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.

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.

NAFA Islamic Active Allocation Plan-I (NIAAP-I)

This is the fourth annual report for the period ended June 30, 2019, since launch of NAFA Islamic Active Allocation Plan-I (NIAAP-I) on January 15, 2016. 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 Income Fund.

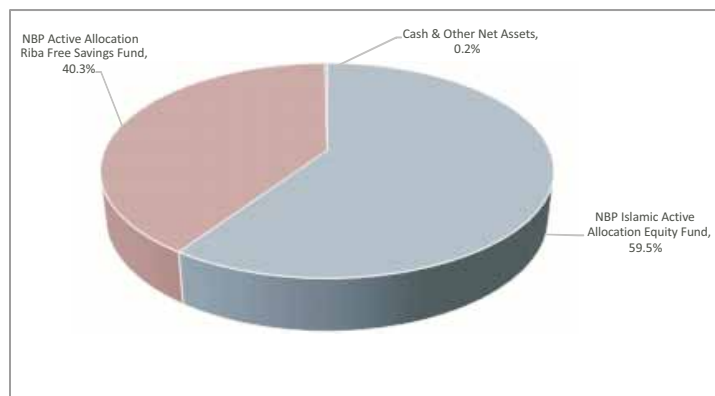


Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-I (NIAAP-I) decreased by 9.5% as against the benchmark which decreased by 11.0%. Thus, the Fund outperformed the benchmark by 1.5% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-I (NIAAP-I) has increased from Rs. 96.3133 (Ex-Div) on January 15, 2016 to Rs. 105.5664 on June 30, 2019, thus showing an increase of 9.6%. The Benchmark return during the same period was 9.9%. Thus, the Fund has underperformed its Benchmark by 0.3% since its inception on January 15, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.147 million.

The Plan has earned a total loss of Rs. 22.795 million during the year. After deducting total expenses of Rs. 1.506 million, the net loss is Rs. 24.301 million.

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



Income Distribution

Due to net loss for the year, no distribution has been made.

NAFA Islamic Active Allocation Plan-II (NIAAP-II)

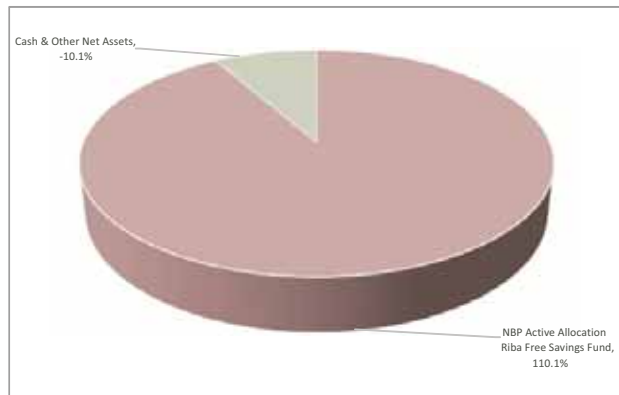
This is the fourth annual report for the period ended June 30, 2019, since launch of NAFA Islamic Active Allocation Plan-II (NIAAP-II) on March 04, 2016. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-II (NIAAP-II) decreased by 4.1% as against the benchmark which decreased by 6.0%. Thus, the Fund outperformed the benchmark by 1.9% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-II (NIAAP-II) has increased from Rs. 92.5617 (Ex-Div) on March 04, 2016 to Rs. 104.8409 on June 30, 2019, thus showing an increase of 13.3%. The Benchmark return during the same period was 10.6%. Thus, the Fund has outperformed its Benchmark by 2.7% since its inception on March 04, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.47 million.

The Plan has earned a total loss of Rs. 5.526 million during the year. After deducting total expenses of Rs. 1.250 million, the net loss is Rs. 6.776 million.

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



Income Distribution

Due to net loss for the year, no distribution has been made.

NAFA Islamic Active Allocation Plan-III (NIAAP-III)

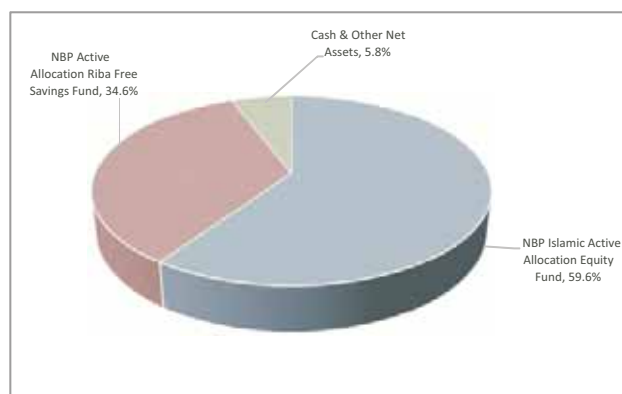
This is the fourth annual report for the period ended June 30, 2019, since launch of NAFA Islamic Active Allocation Plan-III (NIAAP-III) on June 28, 2016. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-III (NIAAP-III) decreased by 8.1% as against the benchmark which decreased by 9.4%. Thus, the Fund outperformed the benchmark by 1.3% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-III (NIAAP-III) has increased from Rs. 97.4023 (Ex-Div) on June 28, 2016 to Rs. 97.8500 on June 30, 2019, thus showing an increase of 0.5%. The Benchmark during the same period was decreased by 1.7%. Thus, the Fund has outperformed its Benchmark by 2.2% since its inception on June 28, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 378 million.

The Plan has incurred a total loss of Rs. 30.542 million during the year. After deducting total expenses of Rs. 2.499 million, the net loss is Rs. 33.041 million.

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



Income Distribution

Due to net loss for the year, no distribution has been made.

NAFA Islamic Active Allocation Plan-IV (NIAAP-IV)

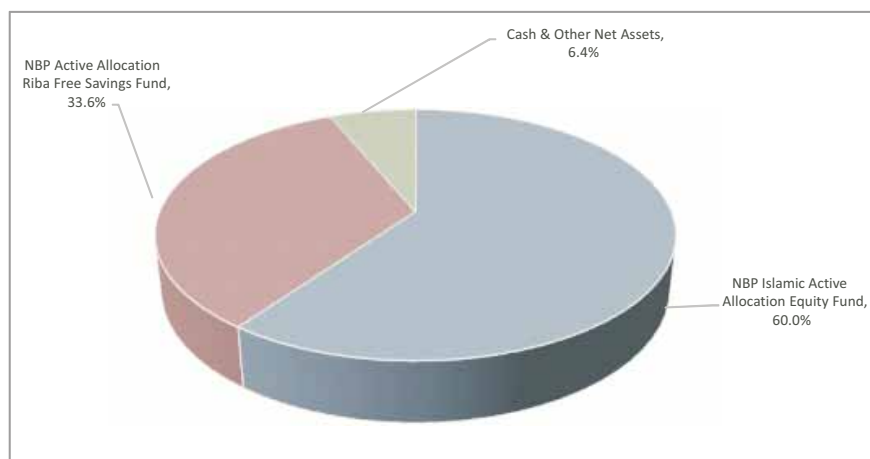
This is the third annual report for the period ended June 30, 2019, since launch of NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) on September 30, 2016. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) decreased by 9.3% as against the benchmark which decrease by 10.3%. Thus, the Fund outperformed the benchmark by 1.0% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) has decreased from Rs. 96.1581 (Ex-Div) on September 30, 2016 to Rs. 88.509 on June 30, 2019, thus showing a decrease of 8.0%. The Benchmark during the same period was decreased by 6.5%. Thus, the Fund has underperformed its Benchmark by 1.5% since its inception on September 30, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.218 million.

The Plan has incurred a total loss of Rs. 28.717 million during the year. After deducting total expenses of Rs. 1.949 million, the net loss is Rs. 30.666 million.

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



Income Distribution

Due to net loss for the year, no distribution has been made.

NAFA Islamic Active Allocation Plan-V (NIAAP-V)

This is the third annual report for the period ended June 30, 2019, since launch of NAFA Islamic Active Allocation Plan-V (NIAAP-V) on January 12, 2017. 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 Income Fund.

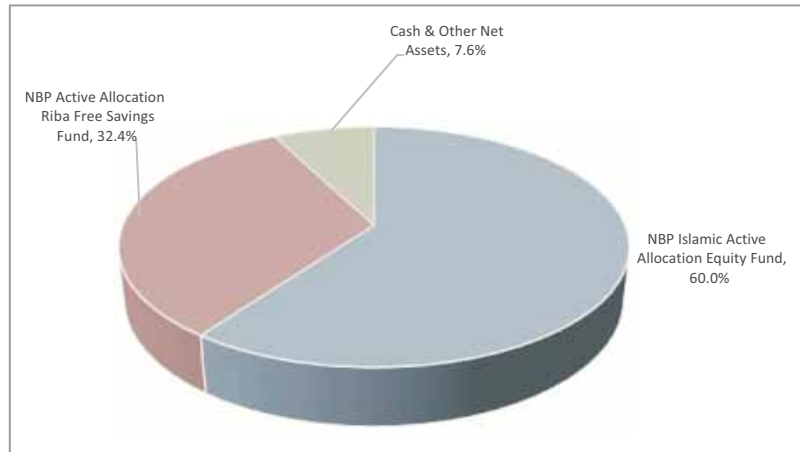
Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-V (NIAAP-V) decreased by 9.5% as against the benchmark which decreased by 10.9%. Thus, the Fund outperformed the benchmark by 1.4% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-V (NIAAP-V) has decreased from Rs.100.0000 January 12, 2017 to Rs. 81.1099 on June 30, 2019, thus showing a decrease of 18.9%.The Benchmark return during the same period decreased by 19.5%. Thus, the Fund has outperformed its Benchmark by 0.6% since its inception on January 12, 2017. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 363 million.



The Plan has incurred a total loss of Rs. 44.533 million during the year. After deducting total expenses of Rs. 2.914 million, the net loss is Rs. 47.447 million.

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



Income Distribution

Due to net loss for the year, no distribution has been made.

Taxation

On account of net loss, no provision for taxation was made in the financial statements of the Fund.

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	<ol style="list-style-type: none"> 1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	<ol style="list-style-type: none"> 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.



ڈائریکٹرز رپورٹ

این پی پی فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NAFA اسلامک ایکٹو ایلوکیشن فنڈ (NIAAF-I) کی چوتھی سالانہ رپورٹ برائے تختہ سال 30 جون 2019ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔ فنڈ کا مقصد شریعہ کمپلیٹ ایکٹیو فنڈ اور آئی ایم ڈی کی فعال طور پر منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

NAFA اسلامک ایکٹو ایلوکیشن فنڈ (NIAAF-I) 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 ایکٹو ایلوکیشن پلان (NIAAF-I)، NAFA اسلامک ایکٹو ایلوکیشن پلان (NIAAF-II)، NAFA اسلامک ایکٹو ایلوکیشن پلان (NIAAF-III)، NAFA اسلامک ایکٹو ایلوکیشن پلان (NIAAF-IV) اور NAFA اسلامک ایکٹو ایلوکیشن پلان (NIAAF-V) ہیں۔

اسلامک ایکٹو فنڈ: INBP ایکٹو ایلوکیشن ریفرفری سٹیٹمنٹ
اسلامک ایکٹیو فنڈ: NBP اسلامک ایکٹو ایلوکیشن ایکٹیو فنڈ

بعد از مشکل مالی سال 2017-18، مالی سال 2019 بھی تجارتی حجم میں کمی کے باعث اسٹاک مارکیٹ نے مایوس کن کارکردگی کا مظاہرہ کیا جیسا کہ KSE-100 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 پرامن 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 پر تیش درآمدی اشیاء کی ڈیوٹی میں اضافہ اور عوامی اخراجات میں کمی جیسی سخت پالیسیوں کا آغاز کیا۔ سخت پالیسیوں کی وجہ سے معاشی سرگرمیوں میں واضح کمی واقع ہوئی جس کا اظہار بڑے پیمانے کے پیداواری شعبے میں کمی سے ہوا جبکہ ڈی پی ٹی 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 شعبوں کے منافع پر طلب کی کمی اور لاگت دباؤ 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 ہوئی 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 حملے کے بعد پاکستان اور بھارت کے درمیان کشیدگی بڑھ گئی جس سے سرمایہ کاروں کے جذبات بھی مدہم ہوئے۔ فنانس ٹیکنالوجی ناسک فورس (ایف اے ٹی 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 فायوٹو 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۔

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 کوالٹی ڈیٹ ایٹو کے لحاظ سے قدر سے کم رہی۔ انرجی سیکٹر کو حکومت کے گارنٹی شدہ 200 بلین پاکستانی روپے کے Sukuks کے اجراء نے طویل مدتی شریعہ کمپلیٹ ڈیٹ انشورمنٹس کے لئے undersupplied مارکیٹ کی مدد کی۔ 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۔ بجلی اور ایندھن کی قیمتوں میں اضافہ، کرنسی کی قدر کی کمی کے باعث درآمدی افراط زر اور SBP سے ہلکے سہولت سرکاری قرضہ لینے کے رجحان کے باعث CPI سے پائین 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 خورد و نوش کی قیمتوں میں نمایاں اضافے، بین الاقوامی تیل کی قیمتوں میں اتار چڑھاؤ، کرنسی کی قدر میں کمی، یوٹی لیبیر کے نزخوں میں متوقع اضافی ایڈجسٹمنٹ، بینکوں کا بڑھنا اور کرنسی کی قدر میں کمی کے دوسرے دور جیسے اثرات کی وجہ سے افراط زر میں اضافہ متوقع ہے۔

NAFA اسلامک ایکٹو ایلوکیشن پلان (NIAAF-I)

15 جنوری 2016 کو NAFA اسلامک ایکٹو ایلوکیشن پلان (NIAAF-I) کے آغاز سے، 30 جون 2019ء تختہ سال کے لئے یہ چوتھی سالانہ رپورٹ ہے۔
فنڈ کا مقصد شریعہ کمپلیٹ ایکٹیو فنڈ اور آئی ایم ڈی کی فعال طور پر منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

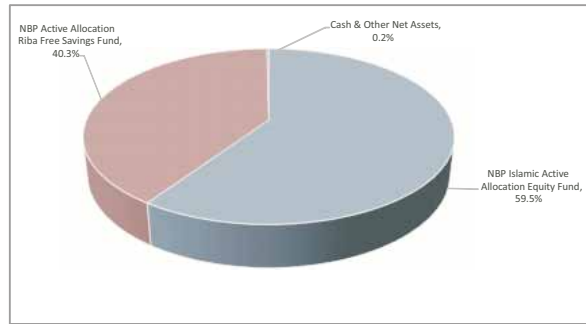


فنڈ کی کارکردگی

مالی سال کے دوران NAFA اسلامک ایکٹو ایلوکیشن پلان-I (NIAAP-I) کے یونٹ کی قیمت بیچ مارک جو %11.0 کم ہوئی کے مقابلے %9.5 کم ہوئی۔ لہذا سال کے دوران فنڈ نے اپنے بیچ مارک سے %1.5 بہتر کارکردگی کا مظاہرہ کیا ہے۔ 15 جنوری 2016 کو اپنے قیام سے NAFA اسلامک ایکٹو ایلوکیشن پلان-I (NIAAP-I) کے یونٹ کی قیمت 96.3133 روپے (EX-Div) سے بڑھ کر 30 جون 2019 کو 105.5664 روپے ہو گئی، لہذا %9.6 کا اضافہ دکھایا۔ اس مدت کے دوران بیچ مارک منافع %9.9 تھا۔ لہذا 15 جنوری 2016 اپنے آغاز سے فنڈ کی کارکردگی اپنے بیچ مارک سے %0.3 برتری۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 147 ملین روپے ہے۔

پلان کو سال کے دوران 22.795 ملین روپے کا خسارہ ہوا۔ 1.506 ملین روپے کے اخراجات منہا کرنے کے بعد کل خسارہ 24.301 ملین روپے ہے۔

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



آمدنی کی تقسیم

سال میں خالص نقصان کے سبب آمدنی کی کوئی تقسیم نہیں کی گئی۔

NAFA اسلامک ایکٹو ایلوکیشن پلان-II (NIAAP-II)

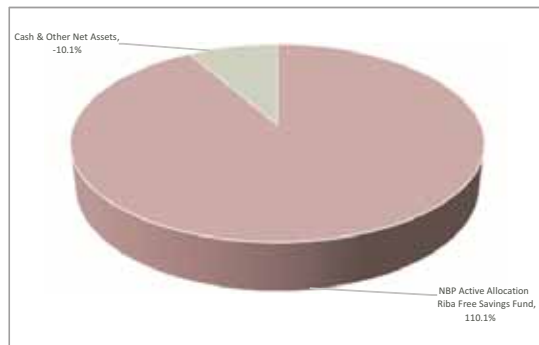
04 مارچ 2016 کو NAFA اسلامک ایکٹو ایلوکیشن پلان-II (NIAAP-II) کے آغاز سے، 30 جون 2019 تک سال کے لئے یہ چوتھی سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کی پابندی میں منافع بخش سرمایہ کاریوں کو فروغ دینا اور منافع بخش فنڈ کی فعال طور پر منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

فنڈ کی کارکردگی

مالی سال کے دوران NAFA اسلامک ایکٹو ایلوکیشن پلان-II (NIAAP-II) بیچ مارک جو %6.0 کم ہوا کے مقابلے %4.1 کم ہوا۔ لہذا سال کے دوران فنڈ نے %1.9 بیچ مارک کی بہتر کارکردگی کا مظاہرہ کیا ہے۔ 04 مارچ 2016 کو اپنے قیام کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان-II (NIAAP-II) کے یونٹ کی قیمت 92.5617 روپے (EX-Div) سے بڑھ کر 30 جون 2019 کو 104.8409 روپے ہو گئی، لہذا %13.3 کا اضافہ دکھایا۔ اس مدت کے دوران بیچ مارک منافع %10.6 تھا۔ لہذا فنڈ نے 04 مارچ 2016 کو آغاز سے اپنے بیچ مارک سے %2.7 بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 47 ملین روپے ہے۔

NIAAP-II کو سال کے دوران 5.526 ملین روپے کا خسارہ ہوا۔ 1.250 ملین روپے کے اخراجات منہا کرنے کے بعد کل خسارہ 6.776 ملین روپے ہے۔

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





آمدنی کی تقسیم

سال میں خالص نقصان کے سبب آمدنی کی کوئی تقسیم نہیں کی گئی۔

NAFA اسلامک ایکٹو ایلوکیشن پلان-III (NIAAP-III)

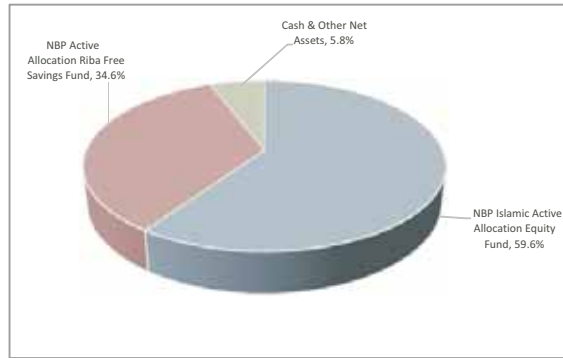
28 جون 2016 کو NAFA اسلامک ایکٹو ایلوکیشن پلان-III (NIAAP-III) کے آغاز سے، 30 جون 2019 تک سال کے لئے یہ چوتھی سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کمپلیٹ ایکٹیو فنڈ اور ایک فنڈ کی فعال طور پر منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

فنڈ کی کارکردگی

مالی سال کے دوران، NAFA اسلامک ایکٹو ایلوکیشن پلان-III (NIAAP-III) بیچ مارک جو 9.4% کم ہوا کے مقابلے میں 8.1% کم ہوا۔ لہذا سال کے دوران فنڈ نے 1.3% بیچ مارک کی بہتر کارکردگی کا مظاہرہ کیا ہے۔ 28 جون 2016 کو اپنے قیام کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان-III (NIAAP-III) کے پونٹ کی قیمت 97.4023 روپے (EX-Div) سے بڑھ کر 30 جون 2019 کو 97.8500 روپے ہو گئی، لہذا 0.5% کا اضافہ دکھایا۔ اسی مدت کے دوران بیچ مارک 1.7% کم ہوا۔ لہذا فنڈ نے 28 جون 2016 کو آغاز سے اپنے بیچ مارک سے 2.7% بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی ٹینجٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 378 ملین روپے ہے۔

NIAAP-III کو اس مدت کے دوران 30.542 ملین روپے کا مجموعی خسارہ ہوا۔ 2.499 ملین روپے کے اخراجات منہا کرنے کے بعد خالص خسارہ 33.041 ملین روپے ہے۔

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



آمدنی کی تقسیم

سال میں خالص نقصان کے سبب آمدنی کی کوئی تقسیم نہیں کی گئی۔

NAFA اسلامک ایکٹو ایلوکیشن پلان-IV (NIAAP-IV)

30 ستمبر 2016 کو NAFA اسلامک ایکٹو ایلوکیشن پلان-IV (NIAAP-IV) کے آغاز سے، 30 جون 2019 تک سال کے لئے یہ تیسری سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کمپلیٹ ایکٹیو فنڈ اور ایک فنڈ کی فعال طور پر منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

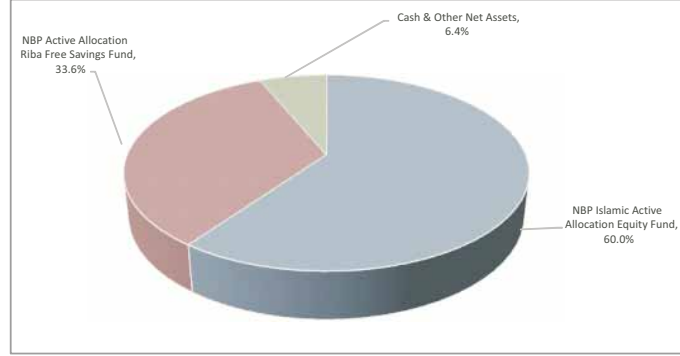
فنڈ کی کارکردگی

مالی سال کے دوران، NAFA اسلامک ایکٹو ایلوکیشن پلان-IV (NIAAP-IV) بیچ مارک جو 10.3% کمی کے مقابلے میں 9.3% کم ہوا۔ لہذا سال کے دوران فنڈ نے 1.0% بیچ مارک کی بہتر کارکردگی کا مظاہرہ کیا ہے۔ 30 ستمبر 2016 کو اپنے قیام کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان-IV (NIAAP-IV) کے پونٹ کی قیمت 96.1581 روپے (EX-Div) سے کم ہو کر 30 جون 2019 کو 88.509 روپے ہو گئی، لہذا 8.0% کمی ظاہر کر رہی ہے۔ اس مدت کے دوران بیچ مارک 6.5% کم ہوا۔ لہذا فنڈ نے 30 ستمبر 2016 کو آغاز سے اپنے بیچ مارک سے 1.5% اہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی ٹینجٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 218 ملین روپے ہے۔

NIAAP-IV کو اس مدت کے دوران 28.717 ملین روپے کا خسارہ ہوا۔ 1.949 ملین روپے کے اخراجات منہا کرنے کے بعد خالص خسارہ 30.666 ملین روپے ہے۔



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



آمدنی کی تقسیم

سال میں خالص نقصان کے سبب آمدنی کی کوئی تقسیم نہیں کی گئی۔

NAFA اسلامک ایکٹیو ایلوکیشن پلان (NIAAP-V)

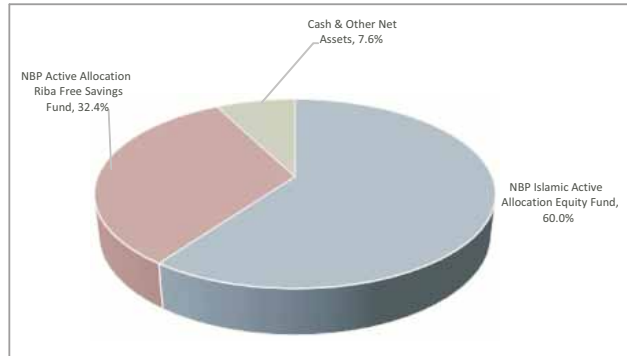
12 جنوری 2017 کو NAFA اسلامک ایکٹیو ایلوکیشن پلان (NIAAP-V) کے آغاز سے، 30 جون 2019 مختتمہ سال کے لئے یہ تیسری سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کمپلیمنٹ ایکٹیو فنڈ اور آگم فنڈز کی فعال طور منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

فنڈ کی کارکردگی

مالی سال کے دوران، NAFA اسلامک ایکٹیو ایلوکیشن پلان (NIAAP-V) 10.9% بیچ مارک کمی کے مقابلے میں 9.5% کم ہوا۔ لہذا سال کے دوران فنڈ نے 1.4% بیچ مارک کی بہتر کارکردگی کا مظاہرہ کیا ہے۔ 12 جنوری 2017 کو اپنے قیام کے وقت NAFA اسلامک ایکٹیو ایلوکیشن پلان (NIAAP-V) کے یونٹ کی قیمت 100.0000 روپے (EX-Div) سے کم ہو کر 30 جون 2019 کو 81.1099 روپے ہو گئی، لہذا 18.9% کمی ظاہر کر رہی ہے۔ اس مدت کے دوران بیچ مارک منافع 19.5% کم ہوا۔ لہذا فنڈ نے 12 جنوری 2017 کو آغاز سے اپنے بیچ مارک سے 0.6% بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی بیسجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 363 ملین روپے ہے۔

NIAAP-V کو اس مدت کے دوران 44.533 ملین روپے کا خسارہ ہوا۔ 2.914 ملین روپے کے اخراجات منہا کرنے کے بعد کل خسارہ 47.447 ملین روپے ہے۔

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



آمدنی کی تقسیم

سال میں خالص نقصان کے سبب آمدنی کی کوئی تقسیم نہیں کی گئی۔

ٹیکسیشن

خالص نقصان کے سبب، فنڈ کے مالیاتی گوشوارے میں ٹیکس کا کوئی پروویژن نہیں رکھا گیا۔



آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر 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۔

لٹڈ کمپنیوں کے کوڈ آف کارپوریشن گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز انٹیمینٹ

- 1 مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور بونٹ ہولڈرز فنڈز میں تبدیلی کی مصفاہ 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 پیروی کی گئی ہے۔ ثنائیاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی 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 کارپوریشن گورننس کی اعلیٰ ترین روایات سے کوئی پہلو توہی نہیں کی گئی۔
- 8 پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مد 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 بونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری 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:

نام	کینگری
•1 جناب کمال عامر چٹانے	غیر جانبدار ڈائریکٹرز
•2 جناب شہر یار فاروق	
•3 جناب مایوں بشیر	
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹرز
•1 شیخ محمد عبدالواحد سیٹھی (چیئرمین)	نان ایگزیکٹو ڈائریکٹرز
•2 جناب ناصر حسین	
•3 جناب عبدالہادی پائیکر	
•4 جناب علی سینگل	
•5 جناب عمران ظفر	



اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ 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) and Clause 9 of Schedule V 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-I (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 year 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 Active Allocation Fund - I

NAFA Islamic Asset Allocation Fund -I (NIAAF-I) is an Open-ended Shari'ah 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 Income/Money Market Funds.

NAFA Islamic Active Allocation Fund-I 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 Active Allocation Plan-I (NIAAP-I), NAFA Islamic Active Allocation Plan-II (NIAAP-II), NAFA Islamic Active Allocation Plan-III (NIAAP-III), NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) & NAFA Islamic Active Allocation Plan-V (NIAAP-V).

Islamic Income: NBP Active Allocation Riba Free Savings Fund
Islamic Equity: NBP Islamic Active Allocation Equity Fund

Fund performance review

Plans	Launch Date	Fund Size (Million)	Cumulative Performance Since Inception	
			Plan Return	Benchmark Return
NIAAP-I	15-Jan-16	147	9.6%	9.9%
NIAAP-II	4-Mar-16	47	13.3%	10.6%
NIAAP-III	28-Jun-16	378	0.5%	(1.7%)
NIAAP-IV	30-Sep-16	218	(8.0%)	(6.5%)
NIAAP-V	12-Jan-17	363	(18.9%)	(19.5%)

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.

Plans	Asset Allocation of Plans		
	NAFA Islamic Active Allocation Funds		Cash & Other Net Assets/Liabilities
	Equity	Riba Free Savings	
NIAAP-I	59.5%	40.3%	0.2%
NIAAP-II	-	110.1%	(10.1%)
NIAAP-III	59.6%	34.6%	5.8%
NIAAP-IV	60.0%	33.6%	6.4%
NIAAP-V	60.0%	32.4%	7.6%

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.

NAFA Islamic Active Allocation Plan - I

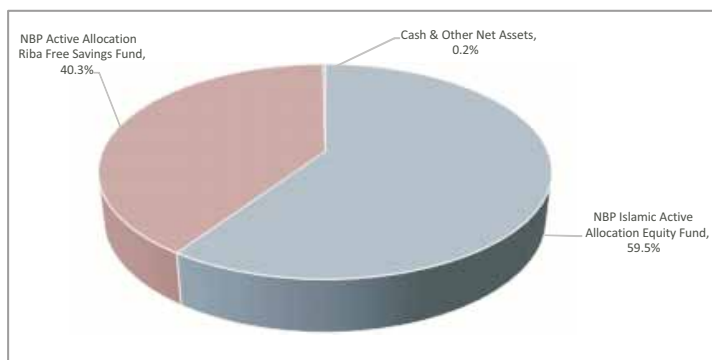
NAFA launched its NAFA Islamic Active Allocation Plan-I (NIAAP-I) in January, 2016 which is the first plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity and Income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-I 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 Shari'ah Compliant Equity Fund and Income Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-I (NIAAP-I) decreased by 9.5% as against the benchmark which decreased by 11.0%. Thus, the Fund outperformed the benchmark by 1.5% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-I (NIAAP-I) has increased from Rs. 96.3133 (Ex-Div) on January 15, 2016 to Rs. 105.5664 on June 30, 2019, thus showing an increase of 9.6%. The Benchmark return during the same period was 9.9%. Thus, the Fund has underperformed its Benchmark by 0.3% since its inception on January 15, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.147 million.

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





Distribution for the Financial Year 2019

Due to net loss for the year, no distribution has been made.

Unit Holding Pattern of NAFA Islamic Active Allocation Plan -I as on June 30, 2019

Size of Unit Holding (Units)	# of Unit Holders
0 - 0.99	2
1 - 1000	27
1001 - 5000	48
5001 - 10000	13
10001 - 50000	5
50001 - 100000	1
1000001 - 5000000	1
Total	97

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 4.842 million. If the same were not made the NAV per unit/FY19 return of scheme would be higher by Rs. 3.4797 / 3.30%. For details investors are advised to read note 13.1 of the Financial Statement of the Scheme for the year ended June 30, 2019.

NAFA Islamic Active Allocation Plan - II

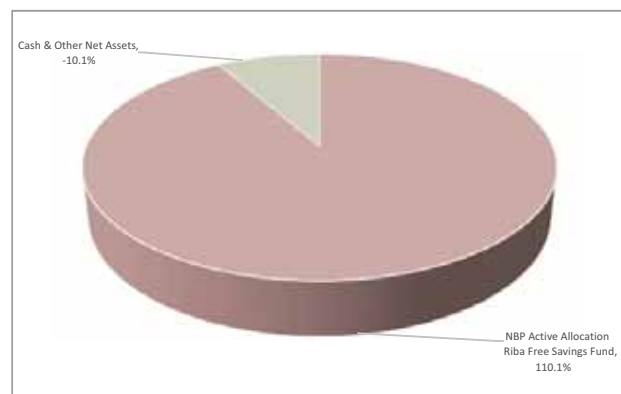
NAFA launched its NAFA Islamic Active Allocation Plan-II (NIAAP-II) in March 2016 which is the second plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity and Income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-II 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 Shari'ah Compliant Equity Fund and Income Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-II (NIAAP-II) decreased by 4.1% as against the benchmark which decreased by 6.0%. Thus, the Fund outperformed the benchmark by 1.9% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-II (NIAAP-II) has increased from Rs. 92.5617 (Ex-Div) on March 04, 2016 to Rs. 104.8409 on June 30, 2019, thus showing an increase of 13.3%. The Benchmark return during the same period was 10.6%. Thus, the Fund has outperformed its Benchmark by 2.7% since its inception on March 04, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.47 million.

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





Distribution for the Financial Year 2019

Due to net loss for the year, no distribution has been made.

Unit Holding Pattern of NAFA Islamic Active Allocation Plan -II as on June 30, 2019

Size of Unit Holding (Units)	# of Unit Holders
1 - 1000	10
1001 - 5000	16
5001 - 10000	6
10001 - 50000	13
50001 - 100000	1
Total	46

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 3.957 million. If the same were not made the NAV per unit/FY19 return of scheme would be higher by Rs. 8.7795 / 8.37%. For details investors are advised to read note 13.1 of the Financial Statement of the Scheme for the year ended June 30, 2019.

NAFA Islamic Active Allocation Plan - III

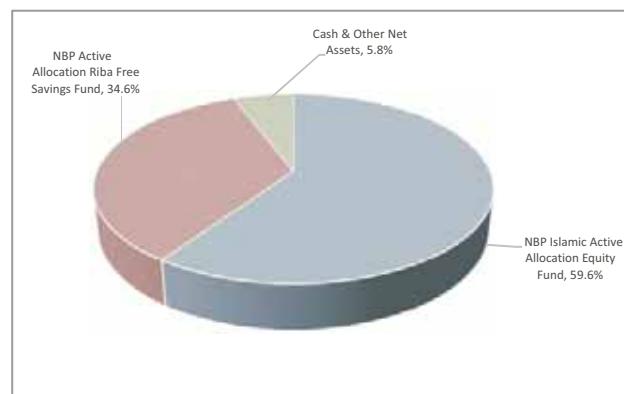
NAFA launched its NAFA Islamic Active Allocation Plan-III (NIAAP-III) in June 2016 which is the third plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity and Income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-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 Shari'ah Compliant Equity Fund and Income Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-III (NIAAP-III) decreased by 8.1% as against the benchmark which decreased by 9.4%. Thus, the Fund outperformed the benchmark by 1.3% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-III (NIAAP-III) has increased from Rs. 97.4023 (Ex-Div) on June 28, 2016 to Rs. 97.8500 on June 30, 2019, thus showing an increase of 0.5%. The Benchmark during the same period was decreased by 1.7%. Thus, the Fund has outperformed its Benchmark by 2.2% since its inception on June 28, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 378 million.

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





Distribution for the Financial Year 2019

Due to net loss for the year, no distribution has been made.

Unit Holding Pattern of NAFA Islamic Active Allocation Plan -III as on June 30, 2019

Size of Unit Holding (Units)	# of Unit Holders
1 - 1000	17
1001 - 5000	30
5001 - 10000	14
10001 - 50000	21
50001 - 100000	3
100001 - 500000	4
1000001 - 5000000	1
Total	90

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 3.817 million. If the same were not made the NAV per unit/FY19 return of scheme would be higher by Rs. 0.9872 / 1.01%. For details investors are advised to read note 13.1 of the Financial Statement of the Scheme for the year ended June 30, 2019.

NAFA Islamic Active Allocation Plan - IV

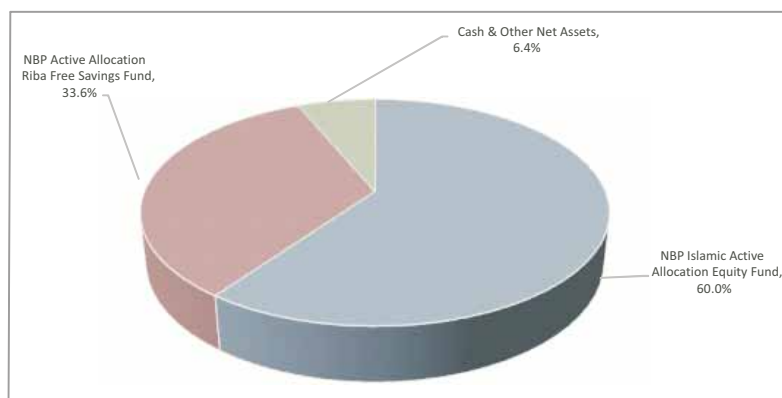
NAFA launched its NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) in September 2016 which is the fourth plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity and Income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-I 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 Shari'ah Compliant Equity Fund and Income Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) decreased by 9.3% as against the benchmark which decrease by 10.3%. Thus, the Fund outperformed the benchmark by 1.0% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) has decreased from Rs. 96.1581 (Ex-Div) on September 30, 2016 to Rs. 88.509 on June 30, 2019, thus showing a decrease of 8.0%. The Benchmark during the same period was decreased by 6.5%. Thus, the Fund has underperformed its Benchmark by 1.5% since its inception on September 30, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.218 million.

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





Distribution for the Financial Year 2019

Due to net loss for the year, no distribution has been made.

Unit Holding Pattern of NAFA Islamic Active Allocation Plan -IV as on June 30, 2019

Size of Unit Holding (Units)	# of Unit Holders
0 - 0.99	2
1 - 1000	29
1001 - 5000	51
5001 - 10000	14
10001 - 50000	33
50001 - 100000	4
100001 - 500000	3
500001 - 1000000	1
Total	137

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 1.740 million. If the same were not made the NAV per unit/FY19 return of scheme would be higher by Rs. 0.7053 / 0.80%. For details investors are advised to read note 13.1 of the Financial Statement of the Scheme for the year ended June 30, 2019.

NAFA Islamic Active Allocation Plan - V

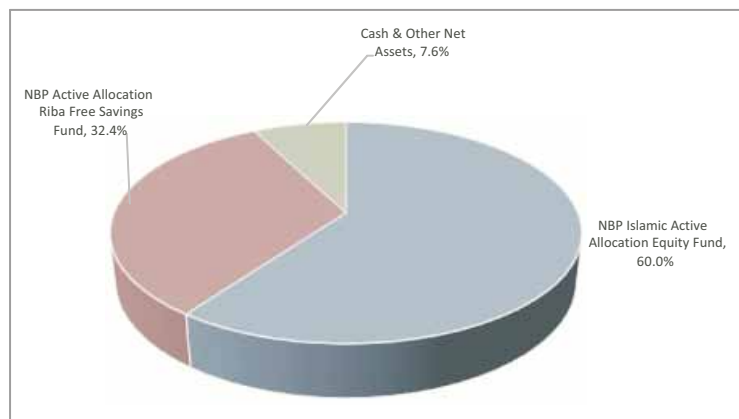
NAFA launched its NAFA Islamic Active Allocation Plan-V (NIAAP-V) in January, 2017 which is the fifth plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity and Income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-I 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 Income Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-V (NIAAP-V) decreased by 9.5% as against the benchmark which decreased by 10.9%. Thus, the Fund outperformed the benchmark by 1.4% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-V (NIAAP-V) has decreased from Rs.100.0000 January 12, 2017 to Rs. 81.1099 on June 30, 2019, thus showing a decrease of 18.9%.The Benchmark return during the same period decreased by 19.5%. Thus, the Fund has outperformed its Benchmark by 0.6% since its inception on January 12, 2017. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 363 million.

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





Distribution for the Financial Year 2019

Due to net loss for the year, no distribution has been made.

Unit Holding Pattern of NAFA Islamic Active Allocation Plan -V as on June 30, 2019

Size of Unit Holding (Units)	# of Unit Holders
0 - 0.99	2
1 - 1000	70
1001 - 5000	106
5001 - 10000	45
10001 - 50000	50
50001 - 100000	9
100001 - 500000	7
500001 - 1000000	1
Total	290

Sindh Workers' Welfare Fund (SWWF)

Due to net loss since inception, no provision in respect of Sindh Worker's Welfare Fund has been made.



STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NAFA Islamic Active Allocation Fund - I (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 was the Fourth year of the operations of NAFA Islamic Active Allocation Fund-I (NIAAF-I). Under this fund, NBP Funds launched its NAFA Islamic Active Allocation Plan-I (NIAAP-I) on January 15, 2016, NAFA Islamic Active Allocation Plan-II (NIAAP-II) on March 04, 2016, NAFA Islamic Active Allocation Plan-III (NIAAP-III) on June 28, 2016, NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) on September 30, 2016 and NAFA Islamic Active Allocation Plan-V (NIAAP-V) on January 12, 2017. This report is being issued in accordance with clause 3.7 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-I in light of Shari'ah guidelines.
- ii. All the provisions of the scheme and investments made on account of NIAAF-I 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-I 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 Waquar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NAFA Islamic Active Allocation Fund - I (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
	<p>Net Asset Value (NAV) (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 169.081 million and investments of the Fund as at June 30, 2019 amounted to Rs 1,094.153 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

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
Note	June 30, 2019						June 30, 2018						
	(Rupees in 000)						(Rupees in 000)						
Assets													
Bank balances	4	36,634	2,551	29,554	70,677	29,665	169,081	27,425	24,236	42,509	43,188	77,493	214,851
Investments	5	146,670	52,011	356,539	204,134	334,799	1,094,153	353,768	385,128	646,616	495,342	803,083	2,683,937
Other receivables	6	-	-	-	-	47	47	-	-	-	-	47	47
Profit receivable	7	179	77	438	411	363	1,468	113	151	310	229	412	1,215
Preliminary expenses and floatation costs	8	-	-	-	-	-	-	-	-	-	17	80	97
Total assets		183,483	54,639	386,531	275,222	364,874	1,264,749	381,306	409,515	689,435	538,776	881,115	2,900,147
Liabilities													
Payable to NBP Fund Management Limited - the Management Company	10	3,245	2,825	3,269	1,845	1,222	12,406	3,343	3,029	3,430	1,987	1,613	13,402
Payable to the Central Depository Company of Pakistan Limited - the Trustee	11	19	6	34	25	42	126	29	33	54	43	80	239
Payable to the Securities and Exchange Commission of Pakistan	12	285	231	496	373	568	1,953	505	514	764	573	1,206	3,562
Payable against purchase of investment		27,778	-	-	52,520	-	80,298	-	-	-	-	-	-
Accrued expenses and other liabilities	13	5,231	4,323	4,308	2,127	395	16,384	5,326	4,528	4,241	2,154	337	16,586
Total liabilities		36,558	7,385	8,107	56,890	2,227	111,167	9,203	8,104	8,489	4,757	3,236	33,789
NET ASSETS		146,925	47,254	378,424	218,332	362,647	1,153,582	372,103	401,411	680,946	534,019	877,879	2,866,358
UNIT HOLDERS' FUND (as per statement attached)		146,925	47,254	378,424	218,332	362,647	1,153,582	372,103	401,411	680,946	534,019	877,879	2,866,358
CONTINGENCIES AND COMMITMENTS													
NUMBER OF UNITS IN ISSUE	9	1,391,776	450,724	3,867,391	2,466,777	4,471,054	3,189,662	3,673,281	6,392,242	5,473,015	9,791,987		
NET ASSET VALUE PER UNIT		105.5664	104.8409	97.8500	88.5089	81.1099	116.6589	109.2786	106.5269	97.5732	89.6528		

The annexed notes from 1 to 31 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 30 JUNE 2019

Note	For the year ended June 30, 2019						For the year ended June 30, 2018					
	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
(Rupees in 000)												
Income												
Profit earned	2,173	1,683	3,600	2,612	3,697	13,765	2,505	2,609	3,578	2,852	5,744	17,288
Dividend income	4,118	4,534	10,359	7,118	7,053	33,182	6,762	6,216	8,831	6,488	14,119	42,416
Loss on sale of investments - net	(11,781)	(12,230)	(321)	(12,859)	(12,475)	(49,666)	(81,026)	(63,992)	(101,330)	(51,714)	(116,919)	(414,981)
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(17,305)	487	(44,180)	(25,588)	(42,808)	(129,394)	(8,668)	(15,602)	(4,315)	(25,210)	(49,770)	(103,565)
	(29,086)	(11,743)	(44,501)	(38,447)	(55,283)	(179,060)	(89,694)	(79,594)	(105,645)	(76,924)	(166,689)	(518,546)
Total loss	(22,795)	(5,526)	(30,542)	(28,717)	(44,533)	(132,113)	(80,427)	(70,769)	(93,236)	(67,584)	(146,826)	(458,842)
Expenses												
Remuneration of NBP Fund Management Limited - the Management Company	190	150	381	296	499	1,516	390	413	637	542	1,218	3,200
Sindh sales tax on remuneration of the Management Company	25	19	50	38	65	197	51	54	83	70	158	416
Allocated expenses	301	243	522	393	598	2,057	532	540	801	603	1,270	3,746
Remuneration of the Central Depository Company of Pakistan Limited - the Trustee	260	208	455	341	516	1,780	503	508	749	563	1,135	3,458
Sindh sales tax on remuneration of the trustee	34	27	58	45	67	231	65	66	97	73	147	448
Annual fees to the Securities and Exchange Commission of Pakistan	285	231	496	373	568	1,953	505	513	764	573	1,206	3,561
Auditors' remuneration	290	258	310	283	290	1,431	240	290	277	251	249	1,307
Amortisation of floatation costs	-	-	-	17	80	97	59	57	156	65	147	484
Annual listing fee	-	-	-	-	-	-	-	-	3	1	1	5
Printing charges	-	-	13	16	12	41	-	-	2	17	10	29
Legal and professional charges	70	64	79	70	70	353	48	47	42	45	40	222
Shari'ah advisor fee	51	43	96	68	104	362	96	98	98	99	99	490
Bank charges	-	7	39	9	45	100	30	13	79	90	121	333
Total operating expenses	1,506	1,250	2,499	1,949	2,914	10,118	2,519	2,599	3,788	2,992	5,801	17,699
Net loss from operating activities	(24,301)	(6,776)	(33,041)	(30,666)	(47,447)	(142,231)	(82,946)	(73,368)	(97,024)	(70,576)	(152,627)	(476,541)
Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the year before taxation	(24,301)	(6,776)	(33,041)	(30,666)	(47,447)	(142,231)	(82,946)	(73,368)	(97,024)	(70,576)	(152,627)	(476,541)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the year after taxation	(24,301)	(6,776)	(33,041)	(30,666)	(47,447)	(142,231)	(82,946)	(73,368)	(97,024)	(70,576)	(152,627)	(476,541)
(Loss) / earnings per unit												
Allocation of net income for the year												
Net income for the year after taxation	-	-	-	-	-	-	-	-	-	-	-	-
Income already paid on units redeemed	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution												
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-

The annexed notes from 1 to 31 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 30 JUNE 2019

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	-----For the year ended June 30, 2019-----						-----For the year ended June 30, 2018-----					
	----- (Rupees in 000) -----						----- (Rupees in 000) -----					
Net loss for the year after taxation	(24,301)	(6,776)	(33,041)	(30,666)	(47,447)	(142,231)	(82,946)	(73,368)	(97,024)	(70,576)	(152,627)	(476,541)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	(24,301)	(6,776)	(33,041)	(30,666)	(47,447)	(142,231)	(82,946)	(73,368)	(97,024)	(70,576)	(152,627)	(476,541)

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



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

	For the year ended June 30, 2019 NIAAP-I			For the year ended June 30, 2019 NIAAP-II			For the year ended June 30, 2019 NIAAP-III		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	243,988	128,115	372,103	333,587	67,824	401,411	618,917	62,029	680,946
Issuance of units:									
NIAAP-I: Nil units / NIAAP-II: Nil units /									
NIAAP-III: 207 units / NIAAP-IV: Nil units /									
NIAAP-V: Nil units									
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	-	22	-	22
- Element of income / loss	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	22	-	22
Redemption of units:									
NIAAP-I: 1,797,886 units / NIAAP-II: 3,222,557 units /									
NIAAP-III: 2,525,058 units / NIAAP-IV: 3,006,238 units /									
NIAAP-V: 5,320,933 units									
- Capital value (at net asset value per unit at the beginning of the year)	(209,738)	-	(209,738)	(352,158)	-	(352,158)	(268,988)	-	(268,988)
- Element of income / (loss)	8,861	-	8,861	4,777	-	4,777	(515)	-	(515)
Total payments on redemption of units	(200,877)	-	(200,877)	(347,381)	-	(347,381)	(269,503)	-	(269,503)
Total comprehensive loss for the year	-	(24,301)	(24,301)	-	(6,776)	(6,776)	-	(33,041)	(33,041)
Cash distribution for the year	-	-	-	-	-	-	-	-	-
Net assets at end of the year	43,111	103,814	146,925	(13,794)	61,048	47,254	349,436	28,988	378,424
Undistributed income / (accumulated loss) brought forward									
- Realised income / (loss)		136,783			83,426			66,344	
- Unrealised loss		(8,668)			(15,602)			(4,315)	
		<u>128,115</u>			<u>67,824</u>			<u>62,029</u>	
Accounting income available for distribution									
- Relating to capital gains		-			-			-	
- Excluding capital gains		-			-			-	
Net loss for the year after taxation		(24,301)			(6,776)			(33,041)	
Cash distribution for the year		-			-			-	
Undistributed income / (accumulated loss) carried forward		<u>103,814</u>			<u>61,048</u>			<u>28,988</u>	
Undistributed income / (accumulated loss) carried forward									
- Realised income / (loss)		121,119			60,561			73,168	
- Unrealised income / (loss)		(17,305)			487			(44,180)	
		<u>103,814</u>			<u>61,048</u>			<u>28,988</u>	
		(Rupees)			(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		<u>116.6589</u>			<u>109.2786</u>			<u>106.5269</u>	
Net assets value per unit at end of the year		<u>105.5664</u>			<u>104.8409</u>			<u>97.8500</u>	

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



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

	For the year ended June 30, 2019 NIAAP-IV			For the year ended June 30, 2019 NIAAP-V			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total	Capital value	Undistributed income / (accumulated loss)	Total
Net assets at beginning of the year	547,814	(13,795)	534,019	1,054,314	(176,435)	877,879	2,798,620	67,738	2,866,358
Issuance of units:									
NIAAP-I: Nil units / NIAAP-II: Nil units /									
NIAAP-III: 207 units / NIAAP-IV: Nil units /									
NIAAP-V: Nil units									
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	-	22	-	22
- Element of income / loss	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	22	-	22
Redemption of units:									
NIAAP-I: 1,797,886 units / NIAAP-II: 3,222,557 units /									
NIAAP-III: 2,525,058 units / NIAAP-IV: 3,006,238 units /									
NIAAP-V: 5,320,933 units									
- Capital value (at net asset value per unit at the beginning of the year)	(293,328)	-	(293,328)	(477,037)	-	(477,037)	(1,601,249)	-	(1,601,249)
- Element of income / (loss)	8,307	-	8,307	9,252	-	9,252	30,682	-	30,682
Total payments on redemption of units	(285,021)	-	(285,021)	(467,785)	-	(467,785)	(1,570,567)	-	(1,570,567)
Total comprehensive (loss) for the year	-	(30,666)	(30,666)	-	(47,447)	(47,447)	-	(142,231)	(142,231)
Cash distribution for the year	-	-	-	-	-	-	-	-	-
Net assets at end of the year	262,793	(44,461)	218,332	586,529	(223,882)	362,647	1,228,075	(74,493)	1,153,582
Undistributed income / (accumulated loss) brought forward									
- Realised income / (loss)	11,415			(126,665)			171,303		
- Unrealised loss	(25,210)			(49,770)			(103,565)		
	(13,795)			(176,435)			67,738		
Accounting income available for distribution									
- Relating to capital gains	-			-			-		
- Excluding capital gains	-			-			-		
Net loss for the year after taxation	(30,666)			(47,447)			(142,231)		
Cash distribution for the year	-			-			-		
Undistributed income / (accumulated loss) carried forward	(44,461)			(223,882)			(74,493)		
Undistributed income / (accumulated loss) carried forward									
- Realised income / (loss)	(18,873)			(181,074)			54,901		
- Unrealised income / (loss)	(25,588)			(42,808)			(129,394)		
	(44,461)			(223,882)			(74,493)		
		(Rupees)			(Rupees)				
Net assets value per unit at beginning of the year		<u>97.5732</u>			<u>89.6528</u>				
Net assets value per unit at end of the year		<u>88.5089</u>			<u>81.1099</u>				

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



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

	For the year ended June 30, 2018			For the year ended June 30, 2018			For the year ended June 30, 2018		
	NIAAP-I			NIAAP-II			NIAAP-III		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	567,711	213,561	781,272	588,715	143,692	732,407	934,804	160,553	1,095,357
Issuance of units:									
NIAAP-I: 16,855 units / NIAAP-II: 17,512 units /									
NIAAP-III: 11,166 units / NIAAP-IV: 28,428 units /									
NIAAP-V: Nil units									
- Capital value (at net asset value per unit at the beginning of the year)	2,234	-	2,234	2,154	-	2,154	1,306	-	1,306
- Element of loss	(168)	-	(168)	(164)	-	(164)	(97)	-	(97)
Total proceeds on issuance of units	2,066	-	2,066	1,990	-	1,990	1,209	-	1,209
Redemption of units:									
NIAAP-I: 2,699,631 units / NIAAP-II: 2,275,508 units /									
NIAAP-III: 2,966,012 units / NIAAP-IV: 1,660,670 units /									
NIAAP-V: 8,219,497 units									
- Capital value (at net asset value per unit at the beginning of the year)	(358,165)	-	(358,165)	(280,234)	-	(280,234)	(347,303)	-	(347,303)
- Element of income	32,376	-	32,376	23,116	-	23,116	30,207	-	30,207
Total payments on redemption of units	(325,789)	-	(325,789)	(257,118)	-	(257,118)	(317,096)	-	(317,096)
Total comprehensive loss for the year	-	(82,946)	(82,946)	-	(73,368)	(73,368)	-	(97,024)	(97,024)
Cash distribution for the year ended June 30, 2017 @									
NIAAP-I: 0.474 per unit / NIAAP-II: 0.4786 per unit /									
NIAAP-III: 0.1921 per unit / NIAAP-IV: 0.567 per unit /									
NIAAP-V: Nil (date of declaration: September 15, 2017)	-	(2,500)	(2,500)	-	(2,500)	(2,500)	-	(1,500)	(1,500)
Net assets at end of the year	243,988	128,115	372,103	333,587	67,824	401,411	618,917	62,029	680,946
Undistributed income / (accumulated loss) brought forward									
- Realised income		154,351			88,841			98,385	
- Unrealised income / (loss)		59,210			54,851			62,168	
		213,561			143,692			160,553	
Accounting income / (loss) available for distribution									
- Relating to capital gains		-			-			-	
- Excluding capital gains		-			-			-	
Net loss for the year after taxation		(82,946)			(73,368)			(97,024)	
Cash distribution for the year ended June 30, 2017 @									
NIAAP-I: 0.474 per unit / NIAAP-II: 0.4786 per unit /									
NIAAP-III: 0.1921 per unit / NIAAP-IV: 0.567 per unit /									
NIAAP-V: Nil (date of declaration: September 15, 2017)		2,500			2,500			1,500	
Undistributed income / (accumulated loss) carried forward		128,115			67,824			62,029	
Undistributed income / (accumulated loss) carried forward									
- Realised income / (loss)		136,783			83,426			66,344	
- Unrealised loss		(8,668)			(15,602)			(4,315)	
		128,115			67,824			62,029	
		(Rupees)			(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		133.0408			123.4823			117.1869	
Net assets value per unit at end of the year		116.6589			109.2786			106.5269	

The annexed notes from 1 to 31 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



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

	For the year ended June 30, 2018 NIAAP-IV			For the year ended June 30, 2018 NIAAP-V			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Accumulated loss	Total	Capital value	Undistributed income / (accumulated loss)	Total
Net assets at beginning of the year	710,524	60,281	770,805	1,801,149	(23,808)	1,777,341	4,602,903	554,279	5,157,182
Issuance of units:									
NIAAP-I: 16,855 units / NIAAP-II: 17,512 units /									
NIAAP-III: 11,166 units / NIAAP-IV: 28,428 units /									
NIAAP-V: Nil units									
- Capital value (at net asset value per unit at the beginning of the year)	3,068	-	3,068	-	-	-	8,762	-	8,762
- Element of loss	(229)	-	(229)	-	-	-	(658)	-	(658)
Total proceeds on issuance of units	2,839	-	2,839	-	-	-	8,104	-	8,104
Redemption of units:									
NIAAP-I: 2,699,631 units / NIAAP-II: 2,275,508 units /									
NIAAP-III: 2,966,012 units / NIAAP-IV: 1,660,670 units /									
NIAAP-V: 8,219,497 units									
- Capital value (at net asset value per unit at the beginning of the year)	(179,743)	-	(179,743)	(811,085)	-	(811,085)	(1,976,530)	-	(1,976,530)
- Element of income	14,194	-	14,194	64,250	-	64,250	164,143	-	164,143
Total payments on redemption of units	(165,549)	-	(165,549)	(746,835)	-	(746,835)	(1,812,387)	-	(1,812,387)
Total comprehensive loss for the year	-	(70,576)	(70,576)	-	(152,627)	(152,627)	-	(476,541)	(476,541)
Cash distribution for the year ended June 30, 2017 @									
NIAAP-I: 0.474 per unit / NIAAP-II: 0.4786 per unit /									
NIAAP-III: 0.1921 per unit / NIAAP-IV: 0.567 per unit /									
NIAAP-V: Nil (date of declaration: September 15, 2017)	-	(3,500)	(3,500)	-	-	-	-	(10,000)	(10,000)
Net assets at end of the year	547,814	(13,795)	534,019	1,054,314	(176,435)	877,879	2,798,620	67,738	2,866,358
Undistributed income / (accumulated loss) brought forward									
- Realised income		44,701			136,104			522,382	
- Unrealised income / (loss)		15,580			(159,912)			31,897	
		60,281			(23,808)			554,279	
Accounting income / (loss) available for distribution									
- Relating to capital gains		-			-			-	
- Excluding capital gains		-			-			-	
Net (loss) for the year after taxation		(70,576)			(152,627)			(476,541)	
Cash distribution for the year ended June 30, 2017 @									
NIAAP-I: 0.474 per unit / NIAAP-II: 0.4786 per unit /									
NIAAP-III: 0.1921 per unit / NIAAP-IV: 0.567 per unit /									
NIAAP-V: Nil (date of declaration: September 15, 2017)		3,500			-			10,000	
Undistributed income / (accumulated loss) carried forward		<u>(13,795)</u>			<u>(176,435)</u>			<u>67,738</u>	
Undistributed income / (accumulated loss) carried forward									
- Realised income / (loss)		11,415			(126,665)			171,303	
- Unrealised (loss)		(25,210)			(49,770)			(103,565)	
		<u>(13,795)</u>			<u>(176,435)</u>			<u>67,738</u>	
		(Rupees)			(Rupees)				
Net assets value per unit at beginning of the year		<u>108.4838</u>			<u>98.6782</u>				
Net assets value per unit at end of the year		<u>97.5732</u>			<u>89.6528</u>				

The annexed notes from 1 to 31 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 30 JUNE 2019

Note	For the year ended June 30, 2019						For the year ended June 30, 2018					
	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
(Rupees in 000)												
CASH FLOWS FROM OPERATING ACTIVITIES												
Net loss for the year before taxation	(24,301)	(6,776)	(33,041)	(30,666)	(47,447)	(142,231)	(82,946)	(73,368)	(97,024)	(70,576)	(152,627)	(476,541)
Adjustments for:												
Profit earned	15 (2,173)	(1,683)	(3,600)	(2,612)	(3,697)	(13,765)	(2,505)	(2,609)	(3,578)	(2,852)	(5,744)	(17,288)
Amortisation of floatation costs	8 -	-	-	17	80	97	59	57	156	65	147	484
Reversal of floatation cost	8 -	-	-	-	-	-	16	8	11	5	7	47
Dividend income	(4,118)	(4,534)	(10,359)	(7,118)	(7,053)	(33,182)	(6,762)	(6,216)	(8,831)	(6,488)	(14,119)	(42,416)
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2 17,305	(487)	44,180	25,588	42,808	129,394	8,668	15,602	4,315	25,210	49,770	103,565
	11,014	(6,704)	30,221	15,875	32,138	82,544	(524)	6,842	(7,927)	15,940	30,061	44,392
Decrease / (Increase) in assets												
Investments	189,793	333,604	245,897	265,620	425,476	1,460,390	358,146	278,074	390,306	198,246	779,604	2,004,376
Other receivables	-	-	-	-	-	-	-	-	-	-	102	102
	189,793	333,604	245,897	265,620	425,476	1,460,390	358,146	278,074	390,306	198,246	779,706	2,004,478
(Decrease) / Increase in liabilities												
Payable to NBP Fund Management Limited - the Management company	(98)	(204)	(161)	(142)	(391)	(996)	(2,107)	(1,479)	(3,102)	(434)	(689)	(7,811)
Payable to the Central Depository Company of Pakistan Limited - the Trustee	(10)	(27)	(20)	(18)	(38)	(113)	(52)	(37)	(44)	(30)	(71)	(234)
Payable to the Securities and Exchange Commission of Pakistan	(220)	(283)	(268)	(200)	(638)	(1,609)	(392)	(216)	(492)	(69)	338	(831)
Payable against purchase of investment	27,778	-	-	52,520	-	80,298	-	-	-	-	-	-
Payable against redemption of units	-	-	-	-	-	-	-	-	(2,277)	-	-	(2,277)
Accrued expenses and other liabilities	(95)	(205)	67	(27)	58	(202)	(4,143)	(9,182)	(4,591)	(3,403)	(315)	(21,634)
	27,355	(719)	(382)	52,133	(1,009)	77,378	(6,694)	(10,914)	(10,506)	(3,936)	(737)	(32,787)
	203,861	319,405	242,695	302,962	409,158	1,478,081	267,982	200,634	274,849	139,674	656,403	1,539,542
Dividend received	4,118	4,534	10,359	7,118	7,053	33,182	6,762	6,216	8,831	6,488	14,119	42,416
Profit received	2,107	1,757	3,472	2,430	3,746	13,512	2,705	2,743	3,715	2,909	5,844	17,916
Net cash generated from operating activities	210,086	325,696	256,526	312,510	419,957	1,524,775	277,449	209,593	287,395	149,071	676,366	1,599,874
CASH FLOWS FROM FINANCING ACTIVITIES												
Net receipts from issuance of units	-	-	22	-	-	22	2,066	1,990	1,209	2,839	-	8,104
Net payments against redemption of units	(200,877)	(347,381)	(269,503)	(285,021)	(467,785)	(1,570,567)	(325,789)	(257,118)	(317,096)	(165,549)	(746,835)	(1,812,387)
Distribution paid	-	-	-	-	-	-	(2,500)	(2,500)	(1,500)	(3,500)	-	(10,000)
Net cash used in financing activities	(200,877)	(347,381)	(269,481)	(285,021)	(467,785)	(1,570,545)	(326,223)	(257,628)	(317,387)	(166,210)	(746,835)	(1,814,283)
Net increase / (decrease) in cash and cash equivalents	9,209	(21,685)	(12,955)	27,489	(47,828)	(45,770)	(48,774)	(48,035)	(29,992)	(17,139)	(70,469)	(214,409)
Cash and cash equivalents at the beginning of the year	27,425	24,236	42,509	43,188	77,493	214,851	76,199	72,271	72,501	60,327	147,962	429,260
Cash and cash equivalents at the end of the year	36,634	2,551	29,554	70,677	29,665	169,081	27,425	24,236	42,509	43,188	77,493	214,851

The annexed notes from 1 to 31 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 30 JUNE 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NAFA Islamic Active Allocation Fund - I (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 03, 2015 and was approved by the Securities and Exchange Commission of Pakistan (the SECP) on November 13, 2015 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008).

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).

- 1.2 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.
- 1.3 The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of the Shari'ah compliant equity fund and income fund which the Fund aims to deliver mainly by investing in equity asset class (NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)) and moderate risk income asset class (NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund)) and bank deposits that may be allowed by the SECP. The Management Company may also invest in any other Collective Investment Schemes available to it with the prior approval of the SECP. 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 27, 2019 (2018: AM1) to the Management Company. The Fund has not yet been rated.

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

2 BASIS OF PREPARATION

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 an 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:

Standards, amendments and interpretations	Effective date (accounting periods 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 standards and 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 conformity with the accounting and reporting standards 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 judgements 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 19).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which is measured at fair value.

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 - investments 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 an 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.

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 of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the net assets value (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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 (NAV) per unit on the issuance or redemption date, as the case may be, of units and the net assets value (NAV) 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 (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders Fund is 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 year 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 chargeable to the Fund including remuneration of the Management Company and the Trustee and annual fee of the 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 as cash dividend to the unit holders.

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, the determination of cumulative weighted average number of outstanding 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.

4 BANK BALANCES

		NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
Note		June 30, 2019						June 30, 2018					
		(Rupees in 000)						(Rupees in 000)					
Balances with banks in:													
Savings accounts	4.1	36,480	1,976	29,027	70,579	29,598	167,660	26,361	23,811	42,142	42,260	76,169	210,743
Current accounts		154	575	527	98	67	1,421	1,064	425	367	928	1,324	4,108
		<u>36,634</u>	<u>2,551</u>	<u>29,554</u>	<u>70,677</u>	<u>29,665</u>	<u>169,081</u>	<u>27,425</u>	<u>24,236</u>	<u>42,509</u>	<u>43,188</u>	<u>77,493</u>	<u>214,851</u>

- 4.1 These include a balance of Rs 1.705 million (2018: Rs 25.588 million) NIAAP - I, Rs 1.277 million (2018: Rs 23.374 million) NIAAP - II, Rs 2.63 million (2018: Rs 41.679 million) NIAAP - III, Rs 2.59 million (2018: Rs. 41.263 million) NIAAP - IV and Rs 1.871 million (2018: Rs 74.509 million) NIAAP - V 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 13% per annum (2018: 2.75% to 7.50% per annum).

5 INVESTMENTS

		NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
Note		June 30, 2019						June 30, 2018					
		(Rupees in 000)						(Rupees in 000)					
At fair value through profit or loss													
- Units of mutual funds	5.1	146,670	52,011	356,539	204,134	334,799	1,094,153	353,768	385,128	646,616	495,342	803,083	2,683,937



5.1 Investment in mutual funds - related parties

NAFA Islamic Active Allocation Plan I

Name of the fund	As at July 01, 2018	Acquired during the year	Redeemed during the year	As at June 30, 2019	Market value as at June 30, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Number of units held-----				Rs in '000	----- Percentage -----	
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	16,119,727	15,236,945	21,725,539	9,631,133	87,472	59.64%	59.54%
NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund)	16,398,814	20,797,112	31,291,261	5,904,665	59,198	40.36%	40.29%
Total					<u>146,670</u>	<u>100.00%</u>	<u>99.83%</u>
Carrying amount as at June 30, 2019					<u>163,975</u>		
Total as at June 30, 2018					<u>353,768</u>	<u>100.00%</u>	<u>95.08%</u>
Carrying amount as at June 30, 2018					<u>362,436</u>		

NAFA Islamic Active Allocation Plan II

Name of the fund	As at July 01, 2018	Acquired during the year	Redeemed during the year	As at June 30, 2019	Market value as at June 30, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Number of units held-----				Rs in '000	----- Percentage -----	
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	16,279,951	10,681,563	26,961,514	-	-	-	-
NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund)	19,233,113	17,272,140	31,317,476	5,187,777	52,011	100.00%	110.07%
Total					<u>52,011</u>	<u>100.00%</u>	<u>110.07%</u>
Carrying amount as at June 30, 2019					<u>51,524</u>		
Total as at June 30, 2018					<u>385,128</u>	<u>100.00%</u>	<u>95.94%</u>
Carrying amount as at June 30, 2018					<u>400,730</u>		

NAFA Islamic Active Allocation Plan III

Name of the fund	As at July 01, 2018	Acquired during the year	Redeemed during the year	As at June 30, 2019	Market value as at June 30, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Number of units held-----				Rs in '000	----- Percentage -----	
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	7,478,189	32,293,203	14,927,983	24,843,409	225,633	63.28%	59.62%
NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund)	53,897,945	15,666,805	56,507,603	13,057,147	130,906	36.72%	34.59%
Total					<u>356,539</u>	<u>100.00%</u>	<u>94.21%</u>
Carrying amount as at June 30, 2019					<u>400,719</u>		
Total as at June 30, 2018					<u>646,616</u>	<u>100.00%</u>	<u>94.96%</u>
Carrying amount as at June 30, 2018					<u>650,931</u>		

NAFA ISLAMIC ACTIVE ALLOCATION FUND - I



NBP FUNDS
Managing Your Savings

NAFA Islamic Active Allocation Plan IV

Name of the fund	As at July 01, 2018	Acquired during the year	Redeemed during the year	As at June 30, 2019	Market value as at June 30, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Number of units held -----				Rs in '000	----- Percentage -----	
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	17,295,890	26,772,645	29,661,178	14,407,357	130,850	64.10%	59.93%
NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund)	28,701,435	31,603,357	52,995,166	7,309,626	73,284	35.90%	33.57%
Total					<u>204,134</u>	<u>100.00%</u>	<u>93.50%</u>
Carrying amount as at June 30, 2019					<u>229,722</u>		
Total as at June 30, 2018					<u>495,342</u>	<u>100.00%</u>	<u>92.76%</u>
Carrying amount as at June 30, 2018					<u>520,552</u>		

NAFA Islamic Active Allocation Plan V

Name of the fund	As at July 01, 2018	Acquired during the year	Redeemed during the year	As at June 30, 2019	Market value as at June 30, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Number of units held -----				Rs in '000	----- Percentage -----	
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	37,867,800	27,518,349	41,442,009	23,944,140	217,465	64.95%	59.97%
NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund)	35,839,698	35,199,073	59,335,427	11,703,344	117,334	35.05%	32.35%
Total					<u>334,799</u>	<u>100.00%</u>	<u>92.32%</u>
Carrying amount as at June 30, 2019					<u>377,607</u>		
Total as at June 30, 2018					<u>803,083</u>	<u>100.00%</u>	<u>91.48%</u>
Carrying amount as at June 30, 2018					<u>852,853</u>		

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

		NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
Note		----- June 30, 2019 -----						----- June 30, 2018 -----					
		----- (Rupees in 000) -----						----- (Rupees in 000) -----					
Market value of investments	5.1	146,670	52,011	356,539	204,134	334,799	1,094,153	353,768	385,128	646,616	495,342	803,083	2,683,937
Carrying value of investments	5.1	163,975	51,524	400,719	229,722	377,607	1,223,547	362,436	400,730	650,931	520,552	852,853	2,787,502
		<u>(17,305)</u>	<u>487</u>	<u>(44,180)</u>	<u>(25,588)</u>	<u>(42,808)</u>	<u>(129,394)</u>	<u>(8,668)</u>	<u>(15,602)</u>	<u>(4,315)</u>	<u>(25,210)</u>	<u>(49,770)</u>	<u>(103,565)</u>

6 OTHER RECEIVABLES

Note	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	----- June 30, 2019 -----						----- June 30, 2018 -----					
	----- (Rupees in 000) -----						----- (Rupees in 000) -----					
Advance tax	6.1	-	-	-	47	47	-	-	-	-	47	47



- 6.1** This represents tax withhold on dividend of Rs 0.047 million (2018: Rs 0.047 million) - NIAAP V.
- 6.2** 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, withholding tax on dividend paid to the Fund has been 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 withholder.

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 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 Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Honourable Supreme Court 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.

7 PROFIT RECEIVABLE

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	June 30, 2019						June 30, 2018					
	(Rupees in 000)						(Rupees in 000)					
Profit receivable on bank balances	179	77	438	411	363	1,468	113	151	310	229	412	1,215

8 PRELIMINARY EXPENSES AND FLOATATION COSTS

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
Note	June 30, 2019						June 30, 2018					
	(Rupees in 000)						(Rupees in 000)					
At the beginning of the year	-	-	-	17	80	97	75	65	167	87	234	628
Reversal of floatation cost	-	-	-	-	-	-	(16)	(8)	(11)	(5)	(7)	(47)
Less: amortisation during the year	8.1	-	-	(17)	(80)	(97)	(59)	(57)	(156)	(65)	(147)	(484)
At the end of the year	-	-	-	-	-	-	-	-	-	17	80	97



8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements as set out in the Trust Deed.

9 NUMBER OF UNITS IN ISSUE

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V
	June 30, 2019					June 30, 2018				
	Number of units					Number of units				
Total units in issue at the beginning of the year	3,189,662	3,673,281	6,392,242	5,473,015	9,791,987	5,872,438	5,931,277	9,347,088	7,105,257	18,011,484
Units issued during the year	-	-	207	-	-	16,855	17,512	11,166	28,428	-
Less: units redeemed during the year	1,797,886	3,222,557	2,525,058	3,006,238	5,320,933	2,699,631	2,275,508	2,966,012	1,660,670	8,219,497
Total units in issue at the end of the year	<u>1,391,776</u>	<u>450,724</u>	<u>3,867,391</u>	<u>2,466,777</u>	<u>4,471,054</u>	<u>3,189,662</u>	<u>3,673,281</u>	<u>6,392,242</u>	<u>5,473,015</u>	<u>9,791,987</u>

10 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
Note	June 30, 2019						June 30, 2018						
	(Rupees in 000)						(Rupees in 000)						
Management fee payable	10.1	6	2	26	26	29	89	22	26	44	44	85	221
Sindh sales tax payable on remuneration of the Management Company	10.2	5	-	3	3	7	18	3	3	6	6	22	40
Federal Excise Duty payable on remuneration of the Management Company	10.3	78	40	5	-	-	123	78	40	5	-	-	123
Sales load payable		-	-	1,640	932	2,572	-	-	-	1,640	932	2,572	
Federal excise duty payable on sales load		3,002	2,698	2,993	-	-	8,693	3,002	2,698	2,993	-	-	8,693
Allocated expenses payable	10.4	129	60	217	161	234	801	213	237	357	282	554	1,643
Other payable		25	25	25	15	20	110	25	25	25	15	20	110
		<u>3,245</u>	<u>2,825</u>	<u>3,269</u>	<u>1,845</u>	<u>1,222</u>	<u>12,406</u>	<u>3,343</u>	<u>3,029</u>	<u>3,430</u>	<u>1,987</u>	<u>1,613</u>	<u>13,402</u>

10.1 As per regulation 61 of 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 a fund of funds scheme. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.25% (2018: 1.25%) per annum during the year ended June 30, 2019. The remuneration is payable to the Management Company monthly in arrears.

10.2 During the year, an amount of Rs. 0.025 million (2018: Rs 0.051 million) NIAAP I, Rs. 0.019 million (2018: Rs 0.054 million) NIAAP II, Rs. 0.05 million (2018: Rs 0.083 million) NIAAP III, Rs. 0.038 million (2018: Rs 0.070 million) NIAAP IV and Rs. 0.065 million (2018: Rs 0.158 million) NIAAP V, was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

10.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) by the Management Company together with various other asset management companies challenging the levy of FED.



With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution, the provision for FED made for the period from December 08, 2015 till June 30, 2016 (NIAAP I), March 4, 2016 till June 30, 2016, (NIAAP II) June 28, 2016 till June 30, 2016 (NIAAP III) amounting to Rs 0.078 million (2018: Rs 0.078 million) NIAAP I, Rs 0.040 million (2018: Rs 0.040) NIAAP II and Rs 0.005 million (2018: Rs 0.005 million) NIAAP III is being retained in these financial statements of the Fund as the matter is pending before the Honourable Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at June 30, 2019 would have been higher by Re 0.056 (2018: Re 0.024) NIAAP I, Re 0.089 (2018: Re 0.011) NIAAP II and Re 0.001 (2018: Re 0.001) NIAAP III per unit.

- 10.4** 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, the 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 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.

11 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE

Note	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
	June 30, 2019						June 30, 2018						
	(Rupees in 000)						(Rupees in 000)						
Trustee fee payable	11.1	14	5	30	22	31	102	26	29	48	38	71	212
Sindh sales tax payable on trustee fee	11.2	5	1	4	3	11	24	3	4	6	5	9	27
		<u>19</u>	<u>6</u>	<u>34</u>	<u>25</u>	<u>42</u>	<u>126</u>	<u>29</u>	<u>33</u>	<u>54</u>	<u>43</u>	<u>80</u>	<u>239</u>

- 11.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as per the following tariff structure.

Net Assets	Tariff per annum
Upto Rs 1,000 million	Rs. 0.10 percent per annum of the net assets
On an amount exceeding Rs 1,000 million	Rs 1.0 million plus 0.075 percent per annum of the net assets exceeding Rs 1,000 million

- 11.2** During the year, an amount of Rs. 0.034 million (2018: Rs 0.065 million) NIAAP I, Rs. 0.027 million (2018: Rs 0.066 million) NIAAP II, Rs. 0.058 million (2018: Rs 0.097 million) NIAAP III, Rs. 0.045 million (2018: Rs 0.073 million) NIAAP IV and Rs. 0.67 million (2018: Rs 0.147 million) NIAAP V was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.



12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
Note		June 30, 2019						June 30, 2018					
		(Rupees in 000)						(Rupees in 000)					
Annual fee payable	12.1	285	231	496	373	568	1,953	505	514	764	573	1,206	3,562

12.1 In accordance with NBFC Regulations, 2008, a collective investment scheme classified as a Shari'ah Compliant fund of funds 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.

13 ACCRUED EXPENSES AND OTHER LIABILITIES

		NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
Note		June 30, 2019						June 30, 2018					
		(Rupees in 000)						(Rupees in 000)					
Auditors' remuneration payable		225	193	245	218	225	1,106	170	170	170	170	170	850
Printing charges payable		61	51	25	27	19	183	70	60	21	20	18	189
Bank charges payable		24	60	42	54	18	198	47	72	30	80	9	238
Listing fee payable		11	11	1	-	1	24	17	16	7	6	6	52
Shar'ah advisor fee payable		51	42	95	68	103	359	99	99	99	99	99	495
Withholding tax payable		5	4	63	9	18	99	49	126	69	11	7	262
Provision for Sindh Workers' Welfare Fund	13.1	4,842	3,957	3,817	1,740	-	14,356	4,844	3,957	3,816	1,740	-	14,357
Others		12	5	20	11	11	59	30	28	29	28	28	143
		<u>5,231</u>	<u>4,323</u>	<u>4,308</u>	<u>2,127</u>	<u>395</u>	<u>16,384</u>	<u>5,326</u>	<u>4,528</u>	<u>4,241</u>	<u>2,154</u>	<u>337</u>	<u>16,586</u>

13.1 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 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, 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 from December 08, 2015 (NIAAP I), March 4, 2016 (NIAAP II) June 28, 2016 (NIAAP III), September 29, 2016 (NIAAP IV) till June 30, 2019, the net asset value of the NIAAP I, NIAAP II, NIAAP III and NIAAP IV respectively as at June 30, 2019 would have been higher by Re. 3.479 per unit (2018: Re 1.519), Re. 8.780 per unit (2018: Re 1.077), Re. 0.987 per unit (2018: Re 0.597) and Re. 0.705 per unit (2018: Re 0.318).

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.



	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	For the year ended June 30, 2019						For the year ended June 30, 2018					
	(Rupees in '000)						(Rupees in '000)					
15 PROFIT EARNED												
Profit on savings deposits	2,173	1,683	3,600	2,612	3,697	13,765	2,505	2,609	3,578	2,852	5,744	17,288
16 AUDITORS' REMUNERATION												
Annual audit fee	171	135	171	171	171	819	149	149	149	149	149	745
Half yearly review of condensed interim financial statements	78	78	78	78	78	390	71	71	71	71	71	355
Out of pocket expenses	21	25	41	14	21	122	20	70	57	31	29	207
Other certification	20	20	20	20	20	100	-	-	-	-	-	-
	<u>290</u>	<u>258</u>	<u>310</u>	<u>283</u>	<u>290</u>	<u>1,431</u>	<u>240</u>	<u>290</u>	<u>277</u>	<u>251</u>	<u>249</u>	<u>1,307</u>

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 0.5% (2018: 0.47%) - NIAAP - I, 0.52% (2018: 0.48%) - NIAAP - II, 0.48% (2018: 0.47%) - NIAAP - III, 0.50% (2018: 0.50%) - NIAAP - IV and 0.49% (2018: 0.46%) - NIAAP - V which includes 0.11% (2018: 0.11%) - NIAAP - I, 0.12% (2018: 0.12%) - NIAAP - II, 0.12% (2018: 0.11%) - NIAAP - III, 0.12% (2018: 0.12%) - NIAAP - IV and 0.12% (2018: 0.12%) - NIAAP - 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.

18 (Loss) / earnings per unit

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

19 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the year.

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.

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 and National Bank of Pakistan (NBP) and its connected persons, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.



- 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 Trust Deed.
- 20.5** Details of the transactions with related parties / connected persons during the year are as follows:

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	For the year ended June 30, 2019						For the year ended June 30, 2018					
	(Rupees in 000)						(Rupees in 000)					
NBP Fund Management Limited - the Management Company												
Remuneration	190	150	381	296	499	1,516	390	413	637	542	1,218	3,200
Sindh sales tax on remuneration	25	19	50	38	65	197	51	54	83	70	158	416
Allocated expenses	301	243	522	393	598	2,057	532	540	801	603	1,270	3,746
Sales load paid during the year	-	-	-	-	-	-	809	598	1,704	-	-	3,111
Central Depository Company of Pakistan Limited - the Trustee												
Remuneration	260	208	455	341	516	1,780	503	508	749	563	1,135	3,458
Sindh sales tax on remuneration	34	27	58	45	67	231	65	66	97	73	147	448
Investment in NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)												
Units purchased:	164,759	117,678	353,284	292,753	298,457	1,226,931	256,978	104,477	107,467	69,289	324,424	862,635
- 15,236,946 (2018: 22,149,388) units (NIAAP - I),												
- 10,681,564 (2018: 9,191,742) units (NIAAP - II),												
- 32,293,205 (2018: 9,224,497) units (NIAAP - III),												
- 26,772,644 (2018: 5,930,685) units (NIAAP - IV) and												
- 27,518,352 (2018: 28,089,569) units (NIAAP - V)												
Units sold:	225,066	285,692	158,632	311,555	442,863	1,423,808	621,582	454,985	822,853	437,722	1,051,458	3,388,600
- 21,725,541 (2018: 54,035,499) units (NIAAP - I),												
- 26,961,515 (2018: 39,301,064) units (NIAAP II),												
- 14,927,985 (2018: 70,085,344) units (NIAAP - III),												
- 29,661,177 (2018: 36,976,584) units (NIAAP - IV) and												
- 41,442,012 (2018: 89,878,213) units (NIAAP - V)												
Dividend income	-	-	-	-	-	-	6,762	6,216	8,831	6,488	14,119	42,416
Investment in NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund)												
Units purchased:	204,484	170,640	142,023	309,786	343,715	1,170,648	502,833	366,250	712,803	355,116	675,368	2,612,370
- 20,797,109 (2018: 49,394,973) units (NIAAP - I),												
- 17,272,141 (2018: 36,049,057) units (NIAAP II),												
- 15,666,806 (2018: 69,614,395) units (NIAAP - III),												
- 31,603,356 (2018: 34,725,920) units (NIAAP - IV) and												
- 35,199,073 (2018: 65,984,443) units (NIAAP - V)												
Units sold:	322,189	324,001	582,251	543,745	612,311	2,384,497	415,349	229,824	286,394	133,214	611,020	1,675,801
- 31,291,259 (2018: 40,624,991) units (NIAAP - I),												
- 31,317,476 (2018: 22,439,273) units (NIAAP - II),												
- 56,507,605 (2018: 28,118,983) units (NIAAP - III),												
- 52,995,164 (2018: 13,025,073) units (NIAAP - IV) and												
- 59,335,428 (2018: 59,619,110) units (NIAAP - V)												
Dividend income	4,118	4,534	10,359	7,118	7,053	33,182	-	-	-	-	-	-



	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	For the year ended June 30, 2019						For the year ended June 30, 2018					
	(Rupees in 000)						(Rupees in 000)					
Hamdard Laboratories (Waqf) Pakistan (Unit Holder with more than 10% holding)												
Units issued:	-	-	-	-	-	-	356	577	360	-	-	1,293
- Nil (2018: 2,903) units (NIAAP - I),												
- Nil (2018: 5,077) units (NIAAP - II) and												
- Nil (2018: 3,325) units (NIAAP - III)												
Units redeemed:	-	174,636	-	-	-	174,636	-	-	-	-	-	-
-1,612,918 (2018: Nil) units (NIAAP - II)												
PSOCL- Management Employees Pension Fund (Unit Holder with more than 10% holding)**												
Units issued:	-	-	-	-	-	-	184	-	-	-	-	184
- Nil (2018: 1,499) units (NIAAP - I)												
Zulqarnain Nawaz Chattha (Unit Holder with more than 10% holding)**												
Units issued:	-	-	-	-	-	-	184	-	-	-	-	184
- Nil (2018: 1,498) units (NIAAP I)												
Global Technologies & Services (Unit Holder with more than 10% holding)**												
Units issued:	-	-	-	-	-	-	-	141	-	-	-	141
- Nil (2018: 1,240) units (NIAAP II)												
Employees of the Management Company												
Units issued:	-	-	-	-	-	-	1	-	-	1	-	2
- Nil (2018: 5) units (NIAAP - I) and												
- Nil (2018: 9) units (NIAAP - IV)												
Units redeemed:	-	-	-	149	-	149	123	-	-	33	-	156
- Nil (2018: 1,034) units (NIAAP - I),												
- 1,534 (2018: 335) units (NIAAP IV)												
BankIslami Pakistan Limited - Common Directorship												
Profit income	1,996	1,594	3,334	2,371	3,426	12,721	2,494	2,606	3,556	2,810	5,559	17,025

20.6 Amounts outstanding as at year end

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	As at June 30, 2019						As at June 30, 2018					
	(Rupees in 000)						(Rupees in 000)					
NBP Fund Management Limited - the Management Company												
Management remuneration payable	6	2	26	26	29	89	22	26	44	44	85	221
Sindh sales tax payable on remuneration	5	-	3	3	7	18	3	3	6	6	22	40
Federal excise duty payable on remuneration	78	40	5	-	-	123	78	40	5	-	-	123
Accounting and operational charges payable	129	60	217	161	234	801	213	237	357	282	554	1,643
Sales load payable	-	-	-	1,640	932	2,572	-	-	-	1,640	932	2,572
Federal excise duty payable on sales load	3,002	2,698	2,993	-	-	8,693	3,002	2,698	2,993	-	-	8,693
Other payable	25	25	25	15	20	110	25	25	25	15	20	110
Central Depository Company of Pakistan Limited - the Trustee												
Remuneration payable	14	5	30	22	31	102	26	29	48	38	71	212
Sales tax payable	5	1	4	3	11	24	3	4	6	5	9	27
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)												
Investment of:	87,472	-	225,633	130,850	217,465	661,420	182,838	184,655	84,821	196,179	429,516	1,078,009
- 9,631,132 (2018: 16,119,727) units (NIAAP - I),												
- Nil (2018: 16,279,951) units (NIAAP - II),												
- 24,843,409 (2018: 7,478,189) units (NIAAP - III),												
- 14,407,357 (2018: 17,295,890) units (NIAAP - IV) and												
- 23,944,140 (2018: 37,867,800) units (NIAAP - V)												
NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund)												
Investment of:	59,198	52,011	130,906	73,283	117,333	432,731	170,930	200,472	561,794	299,164	373,568	1,605,928
- 5,904,664 (2018: 16,398,814) units (NIAAP - I),												
- 5,187,777 (2018: 19,233,112) units (NIAAP - II),												
- 13,057,146 (2018: 53,897,945) units (NIAAP - III),												
- 7,309,627 (2018: 28,701,435) units (NIAAP - IV) and												
- 11,703,343 (2018: 35,839,698) units (NIAAP - V)												



	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	As at June 30, 2019						As at June 30, 2018					
	(Rupees in 000)						(Rupees in 000)					
Hamdard Laboratories (Waqf) Pakistan (Unit Holder with more than 10% holding)												
Units held:	105,975	-	244,967	45,564	-	396,506	117,110	176,257	266,690	-	-	560,057
- 1,003,870 (2018: 1,003,870) units (NIAAP - I),												
- Nil (2018: 1,612,918) units (NIAAP II) and												
- 2,503,495 (2018: 2,503,495) units (NIAAP III)												
- 514,795 (2018: Nil) units (NIAAP IV)												
PSOCL- Management Employees Pension Fund (Unit Holder with more than 10% holding) **												
Units held:	-	-	-	-	-	-	60,478	-	-	-	-	60,478
- Nil (2018: 518,415) units (NIAAP - I)												
Zulqarnain Nawaz Chattha (Unit Holder with more than 10% holding)**												
Units held:	-	-	-	-	-	-	51,832	-	-	-	-	51,832
- Nil (2018: 444,307) units (NIAAP - I)												
Global Technologies & Services (Unit Holder with more than 10% holding) **												
Units held:	-	-	-	-	-	-	-	43,058	-	-	-	43,058
- Nil (2018: 394,023) units (NIAAP - II)												
Tapal Tea (Private) Limited Employees Gratuity Fund (Unit Holder with more than 10% holding) *												
Units held:	-	10,484	-	-	-	10,484	-	-	-	-	-	-
-100,000 (2018: Nil) units (NIAAP - II)												
State Oil Company Limited Staff Provident Fund (Unit Holder with more than 10% holding) *												
Units held:	-	-	-	36,865	-	36,865	-	-	-	-	-	-
-416,508 (2018: Nil) units (NIAAP - IV)												
Pakistan State Oil Company Limited Employees Provident Fund (Unit Holder with more than 10% holding) *												
Units held:	-	-	-	36,565	-	36,565	-	-	-	-	-	-
-413,120 (2018: Nil) units (NIAAP - IV)												
Fauji Fertilizer Company Limited Management Staff Pension Fund (Unit Holder with more than 10% holding) *												
Units held:	-	-	-	-	45,423	45,423	-	-	-	-	-	-
-560,016 (2018: Nil) units (NIAAP - V)												
Fauji Fertilizer Company Limited Provident Fund trust (Unit Holder with more than 10% holding) *												
Units held:	-	-	-	-	38,773	38,773	-	-	-	-	-	-
-478,030 (2018: Nil) units (NIAAP - V)												
Employees of the Management Company												
Units held:	55	-	-	-	-	55	61	-	-	150	-	211
- 519 (2018: 519) units (NIAAP - I) and												
- Nil (2018: 1,534) units (NIAAP - IV)												
BankIslami Pakistan Limited - Common Directorship												
Balance with bank	1,705	1,277	2,630	2,590	1,871	10,073	25,588	23,374	41,679	41,263	74,509	206,413
Profit receivable	126	75	315	266	259	1,041	110	150	296	225	393	1,174



*Prior period comparative has not been shown as the company was not a related party / connected person as at June 30, 2018

**Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2019

20.7 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

21 FINANCIAL INSTRUMENTS BY CATEGORY

2019			2018		
At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total

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

NAFA Islamic Active Allocation Fund Plan I

Financial assets

Bank balances	36,634	-	36,634	27,425	-	27,425
Investments	-	146,670	146,670	-	353,768	353,768
Profit receivable	179	-	179	113	-	113
	<u>36,813</u>	<u>146,670</u>	<u>183,483</u>	<u>27,538</u>	<u>353,768</u>	<u>381,306</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	3,245	-	3,245	3,343	-	3,343
Payable to the Central Depository Company of Pakistan Limited - the Trustee	19	-	19	29	-	29
Payable against purchase of investment	27,778	-	27,778	-	-	-
Accrued expenses and other liabilities	384	-	384	433	-	433
	<u>31,426</u>	<u>-</u>	<u>31,426</u>	<u>3,805</u>	<u>-</u>	<u>3,805</u>

NAFA Islamic Active Allocation Fund Plan II

Financial assets

Bank balances	2,551	-	2,551	24,236	-	24,236
Investments	-	52,011	52,011	-	385,128	385,128
Profit receivable	77	-	77	151	-	151
	<u>2,628</u>	<u>52,011</u>	<u>54,639</u>	<u>24,387</u>	<u>385,128</u>	<u>409,515</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	2,825	-	2,825	3,029	-	3,029
Payable to the Central Depository Company of Pakistan Limited - the Trustee	6	-	6	33	-	33
Accrued expenses and other liabilities	362	-	362	445	-	445
	<u>3,193</u>	<u>-</u>	<u>3,193</u>	<u>3,507</u>	<u>-</u>	<u>3,507</u>

NAFA Islamic Active Allocation Fund Plan III

Financial assets

Bank balances	29,554	-	29,554	42,509	-	42,509
Investments	-	356,539	356,539	-	646,616	646,616
Profit receivable	438	-	438	310	-	310
	<u>29,992</u>	<u>356,539</u>	<u>386,531</u>	<u>42,819</u>	<u>646,616</u>	<u>689,435</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	3,269	-	3,269	3,430	-	3,430
Payable to the Central Depository Company of Pakistan Limited - the Trustee	34	-	34	54	-	54
Accrued expenses and other liabilities	428	-	428	356	-	356
	<u>3,731</u>	<u>-</u>	<u>3,731</u>	<u>3,840</u>	<u>-</u>	<u>3,840</u>



2019			2018		
At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total

(Rupees in 000)

NAFA Islamic Active Allocation Fund Plan IV

Financial assets

Bank balances	70,677	-	70,677	43,188	-	43,188
Investments	-	204,134	204,134	-	495,342	495,342
Profit receivable	411	-	411	229	-	229
	<u>71,088</u>	<u>204,134</u>	<u>275,222</u>	<u>43,417</u>	<u>495,342</u>	<u>538,759</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	1,845	-	1,845	1,987	-	1,987
Payable to the Central Depository Company of Pakistan Limited - the Trustee	25	-	25	43	-	43
Payable against purchase of investment	52,520	-	52,520	-	-	-
Accrued expenses and other liabilities	378	-	378	403	-	403
	<u>54,768</u>	<u>-</u>	<u>54,768</u>	<u>2,433</u>	<u>-</u>	<u>2,433</u>

NAFA Islamic Active Allocation Fund Plan V

Financial assets

Bank balances	29,665	-	29,665	77,493	-	77,493
Investments	-	334,799	334,799	-	803,083	803,083
Profit receivable	363	-	363	412	-	412
	<u>30,028</u>	<u>334,799</u>	<u>364,827</u>	<u>77,905</u>	<u>803,083</u>	<u>880,988</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	1,222	-	1,222	1,613	-	1,613
Payable to the Central Depository Company of Pakistan Limited - the Trustee	42	-	42	80	-	80
Accrued expenses and other liabilities	377	-	377	330	-	330
	<u>1,641</u>	<u>-</u>	<u>1,641</u>	<u>2,023</u>	<u>-</u>	<u>2,023</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 for the year and net assets of the Fund would have been lower / higher by Rs. 0.0305 million (2018: Rs 0.0229 million) NIAAP I, Rs. 0.0021 million (2018: Rs 0.0202 million) NIAAP II, Rs. 0.0246 million (2018: Rs 0.0354 million) NIAAP III, Rs. 0.0589 million (2018: Rs 0.0360 million) NIAAP IV and Rs. 0.0247 million (2018: Rs 0.0646 million) NIAAP V.

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:

2019						2018					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	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				Up to three months	More than three months and up to one year	More than one year		

(Rupees in 000)

NAFA Islamic Active Allocation Fund Plan I

Financial assets

Bank balances	13%	36,480	-	-	154	36,634	2.75% - 7.5%	26,361	-	-	1,064	27,425
Investments		-	-	-	146,670	146,670		-	-	-	353,768	353,768
Profit receivable		-	-	-	179	179		-	-	-	113	113
		36,480	-	-	147,003	183,483		26,361	-	-	354,945	381,306

Financial liabilities

Payable to NBP Fund Management Limited - the management company		-	-	-	3,245	3,245		-	-	-	3,343	3,343
Payable to the Central Depository Company of Pakistan Limited - the trustee		-	-	-	19	19		-	-	-	29	29
Payable against purchase of investment		-	-	-	27,778	27,778		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	384	384		-	-	-	433	433
		-	-	-	31,426	31,426		-	-	-	3,805	3,805

On-balance sheet gap

	36,480	-	-	115,577	152,057		26,361	-	-	351,140	377,501
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Total profit rate sensitivity gap

	36,480	-	-				26,361	-	-		
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Cumulative profit rate sensitivity gap

	36,480	36,480	36,480				26,361	26,361	26,361		
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2019						2018					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	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				Up to three months	More than three months and up to one year	More than one year		

(Rupees in 000)

(Rupees in 000)

NAFA Islamic Active Allocation Fund Plan II

Financial assets

Bank balances	13%	1,976	-	-	575	2,551	5.5% - 7.5%	24,236	-	-	-	24,236
Investments		-	-	-	52,011	52,011		-	-	-	385,128	385,128
Profit receivable		-	-	-	77	77		-	-	-	151	151
		1,976	-	-	52,663	54,639		24,236	-	-	385,279	409,515

Financial liabilities

Payable to NBP Fund Management Limited - the management company		-	-	-	2,825	2,825		-	-	-	3,029	3,029
Payable to the Central Depository Company of Pakistan Limited - the trustee		-	-	-	6	6		-	-	-	33	33
Accrued expenses and other liabilities		-	-	-	362	362		-	-	-	445	445
		-	-	-	3,193	3,193		-	-	-	3,507	3,507

On-balance sheet gap

	1,976	-	-	49,470	51,446		24,236	-	-	381,772	406,008
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Total profit rate sensitivity gap

	1,976	-	-				24,236	-	-		
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Cumulative profit rate sensitivity gap

	1,976	1,976	1,976				24,236	24,236	24,236		
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NAFA Islamic Active Allocation Fund Plan III

Financial assets

Bank balances	13%	29,027	-	-	527	29,554	5.5% - 7.5%	42,142	-	-	367	42,509
Investments		-	-	-	356,539	356,539		-	-	-	646,616	646,616
Profit receivable		-	-	-	438	438		-	-	-	310	310
		29,027	-	-	357,504	386,531		42,142	-	-	647,293	689,435

Financial liabilities

Payable to NBP Fund Management Limited - the management company		-	-	-	3,269	3,269		-	-	-	3,430	3,430
Payable to the Central Depository Company of Pakistan Limited - the trustee		-	-	-	34	34		-	-	-	54	54
Accrued expenses and other liabilities		-	-	-	428	428		-	-	-	356	356
		-	-	-	3,731	3,731		-	-	-	3,840	3,840

On-balance sheet gap

	29,027	-	-	353,773	382,800		42,142	-	-	643,453	685,595
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Total profit rate sensitivity gap

	29,027	-	-				42,142	-	-		
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Cumulative profit rate sensitivity gap

	29,027	29,027	29,027				42,142	42,142	42,142		
--	--------	--------	--------	--	--	--	--------	--------	--------	--	--



2019						2018					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	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				Up to three months	More than three months and up to one year	More than one year		

(Rupees in 000)

(Rupees in 000)

NAFA Islamic Active Allocation Fund Plan IV

Financial assets

Bank balances	13%	70,579	-	-	98	70,677	5.5% - 7.5%	42,260	-	-	928	43,188
Investments		-	-	-	204,134	204,134		-	-	-	495,342	495,342
Profit receivable		-	-	-	411	411		-	-	-	229	229
		70,579	-	-	204,643	275,222		42,260	-	-	496,499	538,759

Financial liabilities

Payable to NBP Fund Management Limited - the management company		-	-	-	1,845	1,845		-	-	-	1,987	1,987
Payable to the Central Depository Company of Pakistan Limited - the trustee		-	-	-	25	25		-	-	-	43	43
Payable against purchase of investment		-	-	-	52,520	52,520		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	378	378		-	-	-	403	403
		-	-	-	54,768	54,768		-	-	-	2,433	2,433

On-balance sheet gap

	70,579	-	-	149,875	220,454		42,260	-	-	494,066	536,326
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Total profit rate sensitivity gap

	70,579	-	-				42,260	-	-		
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Cumulative profit rate sensitivity gap

	70,579	70,579	70,579				42,260	42,260	42,260		
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NAFA Islamic Active Allocation Fund Plan V

Financial assets

Bank balances	13%	29,598	-	-	67	29,665	5.5% - 5.75%	76,169	-	-	1,324	77,493
Investments		-	-	-	334,799	334,799		-	-	-	803,083	803,083
Profit receivable		-	-	-	363	363		-	-	-	412	412
		29,598	-	-	335,229	364,827		76,169	-	-	804,819	880,988

Financial liabilities

Payable to NBP Fund Management Limited - the management company		-	-	-	1,222	1,222		-	-	-	1,613	1,613
Payable to the Central Depository Company of Pakistan Limited - the trustee		-	-	-	42	42		-	-	-	80	80
Accrued expenses and other liabilities		-	-	-	377	377		-	-	-	330	330
		-	-	-	1,641	1,641		-	-	-	2,023	2,023

On-balance sheet gap

	29,598	-	-	333,588	363,186		76,169	-	-	802,796	878,965
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Total profit rate sensitivity gap

	29,598	-	-				76,169	-	-		
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Cumulative profit rate sensitivity gap

	29,598	29,598	29,598				76,169	76,169	76,169		
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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. NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund) and NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund), the net income of the NIAAP - I, NIAAP - II, NIAAP - III, NIAAP - IV and NIAAP - V for the year would increase / (decrease) by Rs 7.333 million (2018: 17.688 million), Rs 2.601 million (2018: 19.256 million), Rs 17.827 million (2018: 32.331 million), Rs 10.207 million (2018: 24.767 million) and Rs 16.74 million (2018: 40.154 million).

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 ACTIVE ALLOCATION FUND - I



NBP FUNDS
Managing Your Savings

2019							2018						
Within 1 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 5 years	Financial instruments with no fixed maturity	Total	Within 1 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 5 years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

(Rupees in 000)

NAFA Islamic Active Allocation Fund Plan I

Financial assets

Bank balances	36,634	-	-	-	-	36,634	27,425	-	-	-	-	-	27,425
Investments	-	-	-	-	-	146,670	-	-	-	-	-	353,768	353,768
Profit receivable	179	-	-	-	-	179	113	-	-	-	-	-	113
	36,813	-	-	-	-	146,670	27,538	-	-	-	-	353,768	381,306

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	3,245	-	-	-	-	3,245	3,343	-	-	-	-	-	3,343
Payable to the Central Depository Company of Pakistan Limited - the Trustee	19	-	-	-	-	19	29	-	-	-	-	-	29
Payable against purchase of investment	27,778	-	-	-	-	27,778	-	-	-	-	-	-	-
Accrued expenses and other liabilities	384	-	-	-	-	384	433	-	-	-	-	-	433
	31,426	-	-	-	-	31,426	3,805	-	-	-	-	-	3,805
Net assets	5,387	-	-	-	-	146,670	23,733	-	-	-	-	353,768	377,501

NAFA Islamic Active Allocation Fund Plan II

Financial assets

Bank balances	2,551	-	-	-	-	2,551	24,236	-	-	-	-	-	24,236
Investments	-	-	-	-	-	52,011	-	-	-	-	-	385,128	385,128
Profit receivable	77	-	-	-	-	77	151	-	-	-	-	-	151
	2,628	-	-	-	-	52,011	24,387	-	-	-	-	385,128	409,515

Financial liabilities

Payable to NBP Fund Management Limited - the management company	2,825	-	-	-	-	2,825	3,029	-	-	-	-	-	3,029
Payable to the Central Depository Company of Pakistan Limited - the Trustee	6	-	-	-	-	6	33	-	-	-	-	-	33
Accrued expenses and other liabilities	362	-	-	-	-	362	445	-	-	-	-	-	445
	3,193	-	-	-	-	3,193	3,507	-	-	-	-	-	3,507
Net assets	(565)	-	-	-	-	52,011	20,880	-	-	-	-	385,128	406,008

NAFA Islamic Active Allocation Fund Plan III

Financial assets

Bank balances	29,554	-	-	-	-	29,554	42,509	-	-	-	-	-	42,509
Investments	-	-	-	-	-	356,539	-	-	-	-	-	646,616	646,616
Profit receivable	438	-	-	-	-	438	310	-	-	-	-	-	310
	29,992	-	-	-	-	356,539	42,819	-	-	-	-	646,616	689,435

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	3,269	-	-	-	-	3,269	3,430	-	-	-	-	-	3,430
Payable to the Central Depository Company of Pakistan Limited - the Trustee	34	-	-	-	-	34	54	-	-	-	-	-	54
Accrued expenses and other liabilities	428	-	-	-	-	428	356	-	-	-	-	-	356
	3,731	-	-	-	-	3,731	3,840	-	-	-	-	-	3,840
Net assets	26,261	-	-	-	-	356,539	38,979	-	-	-	-	646,616	685,595



2019							2018						
Within 1 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 5 years	Financial instruments with no fixed maturity	Total	Within 1 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 5 years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

(Rupees in 000)

NAFA Islamic Active Allocation Fund Plan IV

Financial assets

Bank balances	70,677	-	-	-	-	70,677	43,188	-	-	-	-	-	43,188
Investments	-	-	-	-	-	204,134	-	-	-	-	-	495,342	495,342
Profit receivable	411	-	-	-	-	411	229	-	-	-	-	-	229
	71,088	-	-	-	-	204,134	43,417	-	-	-	-	495,342	538,759

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	1,845	-	-	-	-	1,845	1,987	-	-	-	-	-	1,987
Payable to the Central Depository Company of Pakistan Limited - the Trustee	25	-	-	-	-	25	43	-	-	-	-	-	43
Payable against purchase of investment	52,520	-	-	-	-	52,520	-	-	-	-	-	-	-
Accrued expenses and other liabilities	378	-	-	-	-	378	403	-	-	-	-	-	403
	54,768	-	-	-	-	54,768	2,433	-	-	-	-	-	2,433
Net assets	16,320	-	-	-	-	204,134	40,984	-	-	-	-	495,342	536,326

NAFA Islamic Active Allocation Fund Plan V

Financial assets

Bank balances	29,665	-	-	-	-	29,665	77,493	-	-	-	-	-	77,493
Investments	-	-	-	-	-	334,799	-	-	-	-	-	803,083	803,083
Profit receivable	363	-	-	-	-	363	412	-	-	-	-	-	412
	30,028	-	-	-	-	334,799	77,905	-	-	-	-	803,083	880,988

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	1,222	-	-	-	-	1,222	1,613	-	-	-	-	-	1,613
Payable to the Central Depository Company of Pakistan Limited - the Trustee	42	-	-	-	-	42	80	-	-	-	-	-	80
Accrued expenses and other liabilities	377	-	-	-	-	377	330	-	-	-	-	-	330
	1,641	-	-	-	-	1,641	2,023	-	-	-	-	-	2,023
Net assets	28,387	-	-	-	-	334,799	75,882	-	-	-	-	803,083	878,965

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				
	NIAAP-I	NIAAP - II	NIAAP - III	NIAAP - IV	NIAAP - V
	June 30, 2019				
Banks					
AAA	0.31%	0.86%	-	0.04%	0.15%
AA	18.60%	0.19%	6.80%	24.72%	7.48%
AA+	0.01%	0.01%	0.03%	-	-
AA-	0.08%	1.05%	0.14%	0.04%	0.02%
A+	1.00%	2.47%	0.76%	1.04%	0.58%
A-	0.00%	0.01%	0.03%	-	-
A	0.06%	0.20%	-	-	-
	<u>20.06%</u>	<u>4.79%</u>	<u>7.76%</u>	<u>25.84%</u>	<u>8.23%</u>
Investment in mutual funds - related parties					
4 star initial	47.67%	-	58.37%	47.54%	59.61%
A-(f)	32.26%	95.19%	33.87%	26.63%	32.16%
	<u>79.93%</u>	<u>95.19%</u>	<u>92.24%</u>	<u>74.17%</u>	<u>91.77%</u>

Rating	% of financial assets exposed to credit risk				
	NIAAP-I	NIAAP - II	NIAAP - III	NIAAP - IV	NIAAP - V
	June 30, 2018				
Banks					
AAA	0.19%	0.09%	0.04%	0.07%	0.11%
AA+	0.00%	0.01%	0.00%	0.00%	-
AA-	0.29%	0.12%	0.08%	0.29%	0.23%
A+	6.71%	5.71%	6.05%	7.66%	8.46%
A-	-	-	0.01%	-	-
A	-	0.01%	-	-	-
	<u>7.19%</u>	<u>5.94%</u>	<u>6.18%</u>	<u>8.02%</u>	<u>8.80%</u>
Investment in mutual funds - related parties					
4 star initial	47.95%	45.09%	12.30%	36.41%	48.75%
A-(f)	44.83%	48.95%	81.49%	55.53%	42.40%
	<u>92.78%</u>	<u>94.04%</u>	<u>93.79%</u>	<u>91.94%</u>	<u>91.15%</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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

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: quoted prices (unadjusted) in active markets for identical assets or liabilities;



Level 2: 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); and

Level 3: 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 values:

	2019			2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in 000)			(Rupees in 000)		
Financial assets						
At fair value through profit or loss						
- Investment in units of mutual funds						
- NIAAP I	146,670	-	-	353,768	-	-
- NIAAP II	52,011	-	-	385,128	-	-
- NIAAP III	356,539	-	-	646,616	-	-
- NIAAP IV	204,134	-	-	495,342	-	-
- NIAAP V	334,799	-	-	803,083	-	-
	<u>1,094,153</u>	<u>-</u>	<u>-</u>	<u>2,683,937</u>	<u>-</u>	<u>-</u>

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

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
NAFA Islamic Active Allocation Fund Plan I						
Individuals	96	40,950	27.87%	159	181,734	48.84%
Retirement Funds	-	-	0.00%	2	73,259	19.69%
Others	1	105,975	72.13%	1	117,110	31.47%
	<u>97</u>	<u>146,925</u>	<u>100.00%</u>	<u>162</u>	<u>372,103</u>	<u>100.00%</u>



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
NAFA Islamic Active Allocation Fund Plan II						
Individuals	42	33,895	71.73%	141	144,884	36.09%
Retirement Funds	2	10,628	22.49%	2	11,078	2.76%
Others	2	2,731	5.78%	6	245,449	61.15%
	<u>46</u>	<u>47,254</u>	<u>100.00%</u>	<u>149</u>	<u>401,411</u>	<u>100.00%</u>
NAFA Islamic Active Allocation Fund Plan III						
Individuals	76	55,259	14.60%	172	219,137	32.18%
Retirement Funds	9	57,695	15.25%	15	129,328	18.99%
Public Limited Companies	1	11,077	2.93%	1	12,060	1.77%
Others	4	254,393	67.22%	10	320,421	47.06%
	<u>90</u>	<u>378,424</u>	<u>100.00%</u>	<u>198</u>	<u>680,946</u>	<u>100.00%</u>
NAFA Islamic Active Allocation Fund Plan IV						
Individuals	130	82,436	37.76%	272	271,328	50.81%
Retirement Funds	3	79,958	36.62%	11	199,075	37.28%
Others	4	55,937	25.62%	5	63,616	11.91%
	<u>137</u>	<u>218,332</u>	<u>100.00%</u>	<u>288</u>	<u>534,019</u>	<u>100.00%</u>
NAFA Islamic Active Allocation Fund Plan V						
Individuals	277	204,278	56.33%	496	522,969	59.58%
Retirement Funds	6	116,734	32.19%	12	208,969	23.80%
Public Limited Companies	1	8,111	2.24%	1	8,965	1.02%
Others	6	33,524	9.24%	9	136,976	15.60%
	<u>290</u>	<u>362,647</u>	<u>100.00%</u>	<u>518</u>	<u>877,879</u>	<u>100.00%</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 (CS)	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-II, NIAAF-III, NIPF and NPF.



28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 68th, 69th, 70th and 71th 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. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

30 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.

31 GENERAL

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

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

Chief Financial Officer

Chief Executive Officer

Director



PERFORMANCE TABLE

Particulars	For the year ended June 30, 2019				For the year ended June 30, 2018				For the year ended June 30, 2017				For the year ended June 30, 2016			
	N/AAP I	N/AAP II	N/AAP III	N/AAP IV	N/AAP I	N/AAP II	N/AAP III	N/AAP IV	N/AAP I	N/AAP II	N/AAP III	N/AAP IV	N/AAP I	N/AAP II	N/AAP III	N/AAP IV
Net assets at the year / period ended (Rs '000)	146,925	47,254	376,424	216,332	362,967	372,103	401,411	600,946	534,019	87,619	781,274	732,406	1,066,336	770,035	1,771,341	851,789
Net (loss) / Income for the year / period ended (Rs '000)	(24,310)	(6,776)	(33,041)	(9,066)	(47,447)	(89,946)	(73,300)	(97,024)	(70,576)	(152,671)	156,416	146,218	183,959	85,266	(28,308)	82,566
Net Assets Value per unit at the year / period ended (Rs)	105.5664	104.8409	97.6600	88.5398	81.1099	116.6599	109.2786	103.5269	97.5732	89.6239	133.9408	123.4623	117.1869	109.4938	96.6792	110.7339
Offer Price per unit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Redemption Price per unit	105.5664	104.8409	97.735	88.5398	81.1089	116.6599	109.2786	103.5269	97.5722	89.6228	133.9408	123.4623	117.1869	109.4938	96.6792	110.7223
Ex - Highest offer price per unit (Rs.)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ex - Lowest offer price per unit (Rs.)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ex - Highest redemption price per unit (Rs.)	1201.829	1125.946	110.9946	100.8300	92.3169	134.7142	124.3897	118.046	103.2238	99.9721	144.6610	134.6570	127.9691	113.1146	106.9905	112.277
Ex - Lowest redemption price per unit (Rs.)	104.6602	102.8096	96.7807	87.7636	80.1863	115.2406	106.862	101.1663	93.135	85.3269	107.4646	100.3726	97.9192	93.9965	95.5394	98.8337
Opening NAV of Fiscal Year	116.6939	109.2796	105.3293	97.5722	88.6320	132.5294	123.9622	116.9797	107.6721	96.6792	107.6734	99.8691	97.6536	100.0000	100.0000	100.0000
Total return of the fund	-9.51%	-4.06%	-8.15%	-9.29%	-9.33%	-11.97%	-11.13%	-9.94%	-9.55%	-9.15%	24.26%	23.65%	20.0%	8.4%	-1.3%	10.73%
Capital growth	-9.51%	-4.06%	-8.15%	-9.29%	-9.33%	-11.97%	-11.13%	-9.94%	-9.55%	-9.15%	20.10%	14.78%	17.19%	4.87%	-1.3%	10.73%
Income distribution as % of Ex netv	-	-	-	-	-	-	-	-	-	-	4.16%	8.88%	2.81%	3.61%	-	-
Income distribution as % of Par nav	-	-	-	-	-	-	-	-	-	-	4.45%	8.87%	2.75%	3.61%	-	-
Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim distribution per unit	-	-	-	-	-	-	-	-	-	-	4.639	8.8702	2.7488	3.6094	-	-
Final distribution per unit	-	-	-	-	-	-	-	-	-	-	0.474	0.4786	0.1921	0.587	-	0.257
Distribution Dates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim	-	-	-	-	-	-	-	-	-	-	21/06/2017	21/06/2017	21/06/2017	21/06/2017	-	-
Final	-	-	-	-	-	-	-	-	-	-	15/09/2017	15/09/2017	15/09/2017	15/09/2017	23-Sep-16	23-Sep-16
Average annual return of the fund (launch date December 08, 2015)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Since inception to June 30, 2019)	27%	302%	0.15%	-297%	-815%	-	-	-	-	-	-	-	-	-	-	-
(Since inception to June 30, 2018)	-	-	-	-	-	8.11%	741%	457%	104%	-7.19%	-	-	-	-	-	-
(Since inception to June 30, 2017)	-	-	-	-	-	-	-	-	-	-	24.46%	23.94%	19.98%	12.18%	-1.32%	-
(Since inception to June 30, 2016)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.73%	744%
																0.06%








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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