

**NAFA ISLAMIC ACTIVE ALLOCATION  
FUND - III**



**HALF YEARLY REPORT  
DECEMBER 31, 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 Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Humayun Bashir	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

### Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member

### Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

### Trustee

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

### Bankers to the Fund

Allied Bank Limited  
Bank Al Habib Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
JS Bank Limited  
Meezan Bank Limited  
Soneri Bank Limited  
United Bank Limited



## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

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

## **Lahore Office:**

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

## **Islamabad Office:**

1st Floor, Ranjha Arcade  
Main Double Road, Gulberg Greens,  
Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
Fax: 051-4859031

## **Peshawar Office:**

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

## **Multan Office:**

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



## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of NAFA Islamic Active Allocation Fund - III (NIAAF- III) for the half year ended December 31, 2019

NAFA Islamic Active Allocation Fund-III has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through three (3) Allocation Plans including NAFA Islamic Capital Preservation Plan-III (NICPP-III), NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) & NBP Islamic Capital Preservation Plan-V (NICPP-V).

Islamic Money Market:  
Islamic Equity Fund:

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

Reversing the negative trend of the last two years, the market staged a strong recovery as the benchmark KMI-30 Index surged by 22.0% during 1HFY2020, however the period was characterized with large swings. Despite flurry of positive developments that included accord of the IMF for USD 6 billion Extended Funds facility (EFF); commencement of Saudi oil facility worth USD 3.3 billion, and USD 500 million flow of funds from Qatar; the market started off the period under review on a frail note. The benchmark KMI-30 Index declined by around 17% by mid-August as investors remained concerned over slowdown in economic activity. The deteriorating Pakistan-India relations over repealing of article 370 in Kashmir by the later triggered panic selling with the Index hitting multi-year low of 44,929 points on August 16, 2019. Consequently, the attractive valuations prompted value buying and the shift in investors' mood was also supported by improving macroeconomic indicators, mainly on external account front, as the current account deficit declined massively by 74% to USD 2.2 billion during 1HFY2020, from USD 8.6 billion in same period last year. Resumption of foreign currency inflows from multilateral donor agencies and portfolio inflows in government securities boosted the SBP's FX reserves to USD 11.3 billion, the highest level since April, 2018. Sharply falling yields on the longer tenure government securities (PIBs), a harbinger to reversal of monetary tightening cycle also buoyed market sentiment. As a result, the market staged robust rally, surging by 47.0% from the bottom in mid-August, taking 1HFY2020 return to 22.0%.

In terms of sectoral performance, Engineering, Pharmaceuticals, Paper & Board, Chemicals and Transport out-performed the market, while Automobile, Commercial Banks, Power Generation & Distribution lagged behind. On the participant-wise activity, Individuals remained major buyers with net inflows of USD 140 million, along with Other Organizations that accumulated positions worth USD 14 million. On the other hand, Banks/DFIs, Mutual Funds, and Insurance were net sellers with net outflows to the tune of USD 91 million, USD 53 million, and USD 20 million, respectively.

During 1HFY20, the State Bank of Pakistan (SBP) held three bi-monthly Monetary Policy Committee (MPC) meetings. To contain inflationary pressures, the SBP in its Monetary Policy Meeting in July 2019, increased the policy rate by 100bps to 13.25%. In the later two Monetary Policy Statements, the SBP left the Policy Rate unchanged despite uptick in inflation. The market saw an increase in the issuance of debt securities in the primary market, although it remained under-supplied against the large and growing demand. In the secondary market, the trading activity in the Corporate Sukuks remained skewed towards high quality debt issues with cumulative traded value of around Rs. 3.9 billion compared to Rs. 4.8 billion in the same period last year.

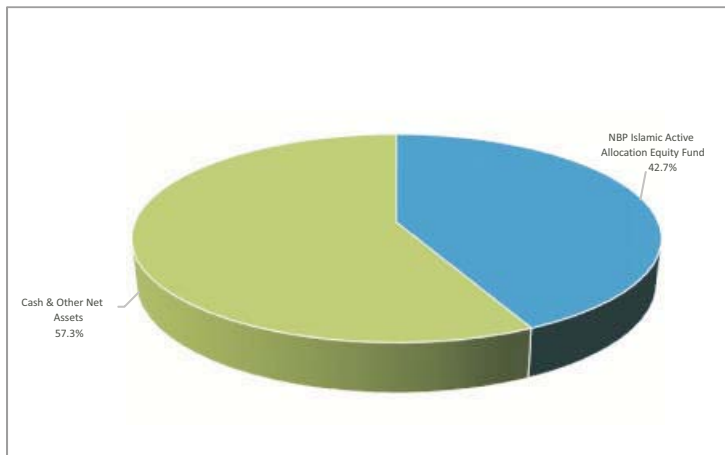
### NAFA Islamic Capital Preservation Plan-III (NICPP-III)

#### Plan's Performance

During the period, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs. 98.9251 (Ex-Div) on June 30, 2019 to Rs. 109.6459 on December 31, 2019, thus showing an increase of 10.8%. The Benchmark increased by 9.6%. Thus, the Plan has outperformed its Benchmark by 1.2%. Since inception, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs.98.8114 (Ex-Div) on June 22, 2018 to Rs. 109.6459 on December 31, 2019, thus showing an increase of 11.0%. The Benchmark increased during the same period was 7.0%. Thus, the Plan has outperformed its Benchmark by 6.0%. This performance is net of management fee and all other expenses. The size of the Plan is Rs.293 million.

The Plan has earned a total income of Rs. 33.02 million during the period. After deducting total expenses of Rs. 3.13 million, the net income is Rs. 29.89 million

The asset allocation of the Plan as on December 31, 2019 is as follows:



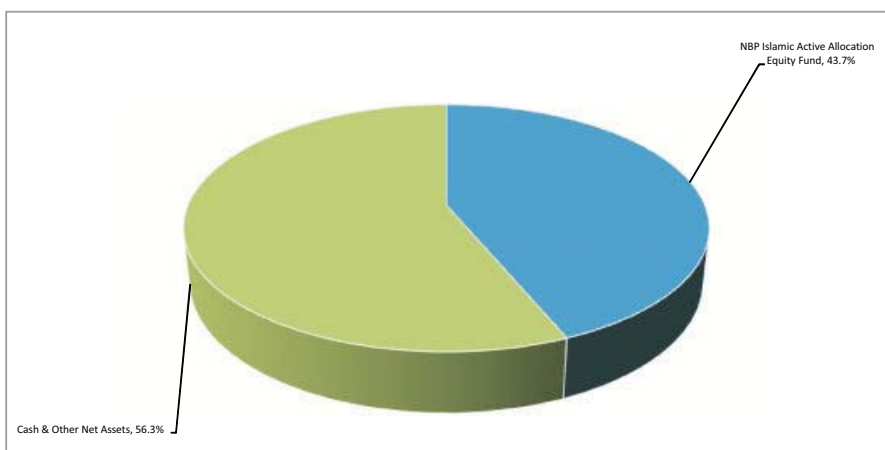
## NAFA Islamic Capital Preservation Plan-IV (NICPP-IV)

### Plan's Performance

During the period, the unit price of NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has increased from Rs. 98.7262 on June 30, 2019 to Rs. 109.4856 on December 31, 2019, thus showing an increase of 10.9%. The Benchmark increased by 10.3%. Thus, the Plan has outperformed its Benchmark by 0.6%. Since inception, the unit price of NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has increased from Rs.100.000 September 14, 2018 to Rs. 109.4856 on December 31, 2019, thus showing an increase of 9.5%. The Benchmark increased during the same period was 7.2%. Thus, the Plan has outperformed its Benchmark by 2.3%. This performance is net of management fee and all other expenses. The size of the Plan is Rs.176 million

The Plan has earned a total income of Rs. 19.02 million during the period. After deducting total expenses of Rs. 1.93 million, the net income is Rs. 17.09 million.

The asset allocation of the Plan as on December 31, 2019 is as follows:



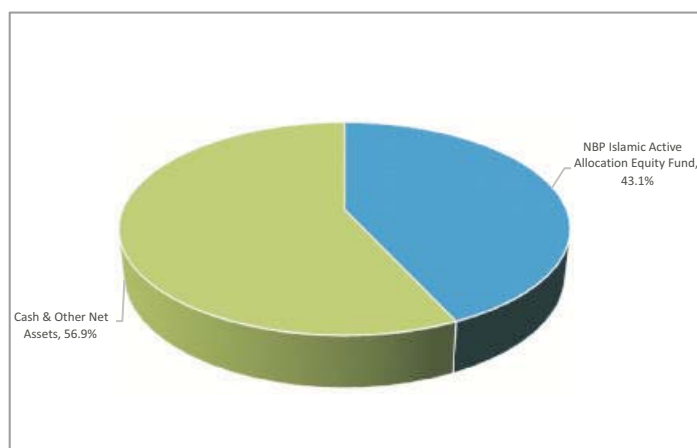
## NBP Islamic Capital Preservation Plan-V (NICPP-V)

### Plan's Performance

During the period, the unit price of NBP Islamic Capital Preservation Plan-V (NICPP-V) has increased from Rs. 98.1965 on June 30, 2019 to Rs. 110.2363 on December 31, 2019, thus showing an increase of 12.3%. The Benchmark increased by 11.9%. Thus, the Plan has outperformed its Benchmark by 0.4%. Since inception, the unit price of NBP Islamic Capital Preservation Plan-V (NICPP-V) has increased from Rs.100.00 on December 17, 2018 to Rs. 110.2363 on December 31, 2019, thus showing an increase of 10.2%. The Benchmark increased during the same period was 8.5%. Thus, the Plan has outperformed its Benchmark by 1.7%. This performance is net of management fee and all other expenses. The size of the Plan is Rs.111 million.

The Plan has earned a total income of Rs. 14.09 million during the period. After deducting total expenses of Rs. 1.33 million, the net income is Rs. 12.76 million.

The asset allocation of the Plan as on December 31, 2019 is as follows:



### 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: February 27, 2020  
Place: Karachi.



## ڈائریکٹرز کی رپورٹ

NBP فنڈ میٹجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2019 کو ختم ہونے والی ششماہی کے لئے NAFA اسلامک ایکٹو ایلوکیشن فنڈ (NIAAF-III) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

NAFA اسلامک ایکٹو ایلوکیشن فنڈ (NIAAF-III) ایک ٹرسٹ اسکیم کی شکل میں تیار کیا گیا ہے جو کہ تین (3) ایلوکیشن پلانز کے ذریعے درج ذیل مجموعی سرمایہ کاری اسکیموں میں سرمایہ کاری کریں گے، یہ پلانز NAFA اسلامک کیپٹل پریزیرویشن پلان III- (NICCP-III)، NAFA اسلامک کیپٹل پریزیرویشن پلان IV- (NICCP-IV) اور NAFA اسلامک کیپٹل پریزیرویشن پلان V- (NICCP-V) ہیں۔

اسلامک منی مارکیٹ: NBP اسلامک منی مارکیٹ فنڈ

اسلامک ایکویٹی فنڈ: NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ

گذشتہ دو برسوں کے منفی رجحان کو ختم کرتے ہوئے مالی سال 2020 کی پہلی ششماہی میں مارکیٹ مستحکم ہوئی اور KMI-30 انڈیکس میں 22 فی صد اضافہ ہوا تاہم اس دوران مارکیٹ میں اتار چڑھاؤ آتے رہے۔ آئی ایم ایف سے 6 بلین ڈالر کے توسیعی قرضہ (EFF) کی منظوری، سعودی عرب سے 3.3 بلین ڈالر مالیت کی پٹرولیم مصنوعات کی فراہمی اور قطر سے 500 بلین ڈالر جیسی پرجوش مثبت پیش رفت کے باوجود برجزائزہ مدت کا آغاز سست روی کا شکار رہا۔ سرمایہ کاروں کا سست معاشی سرگرمیوں کے تحفظات کے باعث وسط اگست تک KMI-30 انڈیکس میں 17 فی صد کمی واقع ہوئی۔ کشمیر میں آرٹیکل 370 کے نفاذ پر پاک بھارت کشیدگی کی وجہ سے 16 اگست 2019ء کو انڈیکس گذشتہ برسوں کی کم ترین سطح 44,929 پوائنٹس تک پہنچ گیا۔ نتیجتاً، پُرکشش قیمتوں نے خریداری کی حوصلہ افزائی کی اور بہتر معاشی اشاروں نے سرمایہ کاروں کے مزاج میں تبدیلی کی جسکی بنیادی وجہ بیرونی اکاؤنٹ میں بہتری تھی جیسا کہ بڑے پیمانے پر کرنٹ اکاؤنٹ خسارہ مالی سال 2020 کی پہلی ششماہی کے دوران 74 فی صد کم ہوا یعنی 2.2 بلین ڈالر ہو گیا جو گذشتہ برس کی اسی مدت میں 8.6 بلین ڈالر تھا۔ کثیر طرفہ ڈونر ایجنسیوں سے غیر ملکی ترسیلات زر کا آغاز حکومتی سیکورٹیز کے پورٹ فولیو میں اضافہ کی وجہ سے اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر میں 11.3 بلین ڈالر تک اضافہ ہوا جو اپریل 2018ء سے بلند ترین سطح ہے۔ طویل مدتی حکومتی سیکورٹیز (PIB) میں تیزی سے کمی معاشی تناؤ کو ختم کرنے کا پیش خیمہ ثابت ہوا جس کی وجہ سے مارکیٹ میں استحکام آیا۔ نتیجتاً، وسط اگست میں مارکیٹ میں کم ترین سطح سے 47.0 فی صد کا مضبوط اضافہ دیکھا گیا اور مالی سال 2020 کی پہلی ششماہی میں مارکیٹ میں 22 فی صد اضافہ رہا۔

شعبہ جاتی کارکردگی کے تناظر میں انجینئرنگ، فارماسیوٹیکلز، کاغذ اور بورڈ، کیمیکلز اور ٹرانسپورٹ نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹوموبائل، کمرشل بینک، پاور جنریشن اور ڈسٹری بیویشن نے ان کی بیرونی کی۔ شریک دارسرگرمیوں کے تناظر میں انفرادی شرکت دار 140 بلین ڈالر کے مجموعی ان فلو کے ساتھ بڑے خریدار رہے جب کہ دیگر اداروں نے 14 بلین ڈالر کے ساتھ پوزیشن مستحکم کی۔ دوسری جانب، بینک/DFI، میوچل فنڈز اور انشورنس بالترتیب 91 بلین ڈالر، 53 بلین ڈالر اور 20 بلین ڈالر کے مجموعی آؤٹ فلو کے ساتھ بڑے فروخت کنندگان رہے۔

مالی سال 2020 کی پہلی ششماہی میں اسٹیٹ بینک آف پاکستان نے تین دو ماہی معاشی پالیسی کمیٹی (MPC) کے اجلاس طلب کئے۔ افراط زر کو قابو کرنے کے لئے SBP نے جولائی 2019ء میں منعقدہ مانیٹری پالیسی کے اجلاس میں پالیسی ریٹ کو 100bps کے اضافہ کے ساتھ 13.25 فی صد تک بڑھا دیا۔ دیگر دو مانیٹری پالیسی بیانات میں افراط زر میں اضافہ کے باوجود SBP نے پالیسی ریٹ کو مستحکم رکھا۔ بنیادی مارکیٹ میں debt سیکورٹیز کے اجراء میں اضافہ ہوا اگرچہ بڑھتی ہوئی طلب کے مقابلہ میں اس کی رسد کم رہی۔ ثانوی مارکیٹ میں کارپوریٹ سلوک کی تجارتی سرگرمیوں کا رجحان بہتر معیار کے debt اجراء کی طرف رہا اور تجارتی حجم گزشتہ سال 4.8 بلین روپے کے مقابلہ میں 3.9 بلین روپے رہا۔

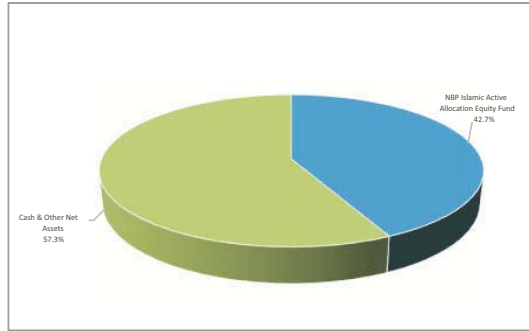
**NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICCP-III)**

**پلان کی کارکردگی**

موجودہ مدت کے دوران NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICCP-III) کے یونٹ کی قیمت 30 جون 2019 کو 98.9251 روپے سے بڑھ کر 31 دسمبر 2019 کو 109.6459 روپے ہو چکی ہے اور اس طرح %10.8 کا اضافہ دکھایا ہے۔ نیچ مارک بڑھ کر %9.6 ہو گیا۔ لہذا پلان نے اپنے نیچ مارک سے %1.2 بہتر کارکردگی کا مظاہرہ کیا ہے۔ 22 جون 2018 کو اپنے قیام کے وقت اسلامک کیپٹل پریزرویشن پلان-III (NICCP-III) کے یونٹ کی قیمت 98.8114 روپے سے بڑھ کر 31 دسمبر 2019 کو 109.6459 روپے ہو گئی، لہذا %11.0 کا اضافہ دکھایا۔ اس مدت کے دوران نیچ مارک %7.0 زیادہ ہوا۔ لہذا پلان نے اپنے نیچ مارک سے %6.0 کی بہتر کارکردگی کا مظاہرہ کیا۔ پلان کی یہ کارکردگی بیٹھمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ پلان کا سائز 293 ملین روپے ہے۔

اسلامک کیپٹل پریزرویشن پلان-III (NICCP-III) کو اس مدت کے دوران 33.02 ملین روپے کی مجموعی آمدنی ہوئی۔ 3.13 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 29.89 ملین روپے ہے۔

31 دسمبر 2019 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:



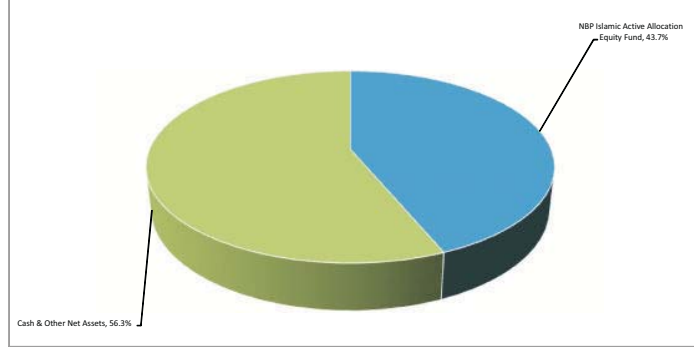
**NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV)**

**پلان کی کارکردگی**

موجودہ مدت کے دوران NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کے یونٹ کی قیمت 30 جون 2019 کو 98.7262 روپے سے بڑھ کر 31 دسمبر 2019 کو 109.4856 روپے ہو چکی ہے اور اس طرح %10.9 کا اضافہ دکھایا ہے۔ نیچ مارک بڑھ کر %10.3 ہو گیا۔ لہذا پلان نے اپنے نیچ مارک سے %0.6 بہتر کارکردگی کا مظاہرہ کیا ہے۔ 14 ستمبر 2018 کو اپنے قیام کے وقت اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کے یونٹ کی قیمت 100.00 روپے سے بڑھ کر 31 دسمبر 2019 کو 109.4856 روپے ہو گئی، لہذا %9.5 کا اضافہ دکھایا۔ اس مدت کے دوران نیچ مارک %7.2 زیادہ ہوا۔ لہذا پلان نے اپنے نیچ مارک سے %2.3 کی بہتر کارکردگی کا مظاہرہ کیا۔ پلان کی یہ کارکردگی بیٹھمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ پلان کا سائز 176 ملین روپے ہے۔

NBP اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کو اس مدت کے دوران 19.02 ملین روپے کی مجموعی آمدنی ہوئی۔ 1.93 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 17.09 ملین روپے ہے۔

31 دسمبر 2019 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:

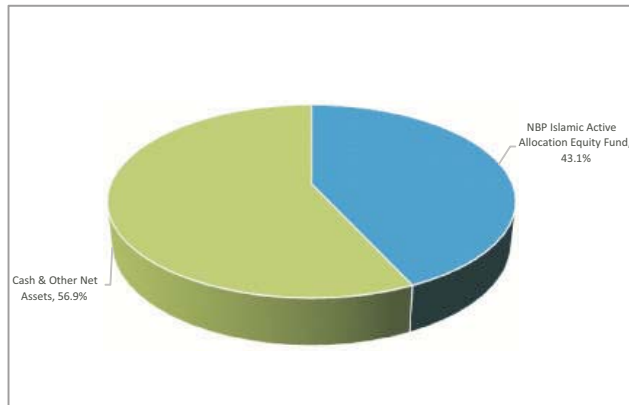


## NBP اسلامک کیپیٹل پریزرویشن پلان (NICPP-V) پلان کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک کیپیٹل پریزرویشن پلان (NICPP-V) کے یونٹ کی قیمت 30 جون 2019 کو 98.1965 روپے سے بڑھ کر 31 دسمبر 2019 کو 110.2363 روپے ہو چکی ہے اور اس طرح 12.3% کا اضافہ دکھایا ہے۔ نیچ مارک بڑھ کر 11.9% ہو گیا۔ لہذا پلان نے اپنے نیچ مارک سے 0.4% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 17 دسمبر 2018 کو اپنے قیام کے وقت اسلامک کیپیٹل پریزرویشن پلان (NICPP-V) کے یونٹ کی قیمت 100.00 روپے سے بڑھ کر 31 دسمبر 2019 کو 110.2363 روپے ہو گئی، لہذا 10.2% کا اضافہ دکھایا۔ اس مدت کے دوران نیچ مارک 8.5% زیادہ ہوا۔ لہذا پلان نے اپنے نیچ مارک سے 1.7% کی بہتر کارکردگی کا مظاہرہ کیا۔ پلان کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ پلان کا سائز 111 ملین روپے ہے۔

NBP اسلامک کیپیٹل پریزرویشن پلان (NICPP-V) کو اس مدت کے دوران 14.09 ملین روپے کی مجموعی آمدنی ہوئی۔ 1.33 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 12.76 ملین روپے ہے۔

31 دسمبر 2019 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:





## اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔  
بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 فروری 2020ء

مقام: کراچی



## TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Islamic Active Allocation Fund-III (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund for the period ended December 31, 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, February 26, 2020



## INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNIT HOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Islamic Active Allocation Fund - III (the Fund)** as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year then ended. The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Fergusons & Co.**  
Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 27, 2020  
Karachi

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2019

	Note	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
		----- (Rupees in 000) -----				----- (Rupees in 000) -----			
<b>ASSETS</b>									
Balances with banks	4	166,708	98,330	62,340	327,378	306,399	215,994	105,924	628,317
Investments	5	125,063	76,858	47,629	249,550	85,299	65,288	46,472	197,059
Profit receivable		2,007	1,101	622	3,730	3,366	2,363	1,196	6,925
Prepayments and other receivables		225	5	454	684	220	-	450	670
Preliminary expenses and floatation costs		468	392	253	1,113	967	669	387	2,023
<b>Total assets</b>		<b>294,471</b>	<b>176,686</b>	<b>111,298</b>	<b>582,455</b>	<b>396,251</b>	<b>284,314</b>	<b>154,429</b>	<b>834,994</b>
<b>LIABILITIES</b>									
Payable to NBP Fund Management Limited - Management Company	6	266	165	113	544	2,849	1,554	772	5,175
Payable to Central Depository Company of Pakistan Limited - Trustee	7	20	12	7	39	38	27	15	80
Payable to the Securities and Exchange Commission of Pakistan	8	32	20	12	64	647	329	114	1,090
Payable against redemption of units		49	-	-	49	-	-	-	-
Accrued expenses and other liabilities	9	1,220	781	575	2,576	522	384	236	1,142
<b>Total liabilities</b>		<b>1,587</b>	<b>978</b>	<b>707</b>	<b>3,272</b>	<b>4,056</b>	<b>2,294</b>	<b>1,137</b>	<b>7,487</b>
<b>NET ASSETS</b>		<b>292,884</b>	<b>175,708</b>	<b>110,591</b>	<b>579,183</b>	<b>392,195</b>	<b>282,020</b>	<b>153,292</b>	<b>827,507</b>
<b>UNIT HOLDERS' FUND</b>		<b>292,884</b>	<b>175,708</b>	<b>110,591</b>	<b>579,183</b>	<b>392,195</b>	<b>282,020</b>	<b>153,292</b>	<b>827,507</b>
(as per statement attached)									
<b>CONTINGENCIES AND COMMITMENTS</b> 10									
		-----Number of units-----				-----Number of units-----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>2,671,179</b>	<b>1,604,845</b>	<b>1,003,218</b>		<b>3,921,193</b>	<b>2,856,590</b>	<b>1,561,069</b>	
		----- Rupees -----				----- Rupees -----			
<b>NET ASSETS VALUE PER UNIT</b>	11	<b>109.6459</b>	<b>109.4856</b>	<b>110.2363</b>		<b>100.0193</b>	<b>98.7262</b>	<b>98.1965</b>	

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31, 2019	Half year ended December 31, 2019	Half year ended December 31, 2019	Total	Half year ended December 31, 2018	For the period from September 14, 2018 to December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total	
	NICPP-III	NICPP-IV	NICPP-V		NICPP-III	NICPP-IV	NICPP-V		
Note ----- (Rupees in 000) ----- (Rupees in 000) -----									
<b>INCOME</b>									
Gain / (loss) on sale of investments - net	(2,771)	(1,448)	1,007	(3,212)	(9,857)	(6,819)	-	(16,676)	
Profit on balances with banks	15,850	9,305	5,458	30,613	29,207	12,504	1,263	42,974	
	13,079	7,857	6,465	27,401	19,350	5,685	1,263	26,298	
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	19,939	11,160	7,621	38,720	(10,397)	(7,275)	-	(17,672)	
	33,018	19,017	14,086	66,121	8,953	(1,590)	1,263	8,626	
<b>EXPENSES</b>									
Remuneration of NBP Fund Management Limited - Management Company	6.1	1,204	720	422	2,346	3,714	1,411	111	5,236
Sindh Sales Tax on remuneration of the Management Company		156	94	55	305	483	183	14	680
Remuneration of Central Depository Company of Pakistan Limited - Trustee		111	70	43	224	396	150	10	556
Sindh Sales Tax on remuneration of the Trustee		14	9	6	29	51	20	1	72
Annual fee of the Securities and Exchange Commission of Pakistan		32	20	12	64	390	153	11	554
Settlement and bank charges		39	14	19	72	82	81	26	189
Listing fee		5	5	5	15	5	5	1	11
Auditors' remuneration		184	223	252	659	214	181	35	430
Allocated expenses	6.2	158	100	61	319	411	161	11	583
Legal and professional charges		55	12	16	83	24	32	3	59
Shar'ah advisory fee		27	18	10	55	77	25	2	104
Amortisation of preliminary expenses and floatation costs		499	277	134	910	772	196	10	978
Printing charges		31	23	34	88	37	-	1	38
<b>Total expenses</b>		2,515	1,585	1,069	5,169	6,656	2,598	236	9,490
<b>Net income / (loss) from operating activities</b>		30,503	17,432	13,017	60,952	2,297	(4,188)	1,027	(864)
Provision for Sindh Workers' Welfare Fund		(610)	(349)	(260)	(1,219)	(46)	-	(21)	(67)
<b>Net income / (loss) for the period before taxation</b>		29,893	17,083	12,757	59,733	2,251	(4,188)	1,006	(931)
Taxation	12	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		29,893	17,083	12,757	59,733	2,251	(4,188)	1,006	(931)
<b>Allocation of net income for the period:</b>									
Net income for the period after taxation		29,893	17,083	12,757	59,733	2,251	-	1,006	3,257
Income already paid on units redeemed		(1,761)	(810)	(985)	(3,556)	(1,869)	-	(18)	(1,887)
		28,132	16,273	11,772	56,177	382	-	988	1,370
<b>Accounting income available for distribution:</b>									
- Relating to capital gains		16,372	9,237	8,096	33,705	-	-	-	-
- Excluding capital gains		11,760	7,036	3,676	22,472	382	-	988	1,370
		28,132	16,273	11,772	56,177	382	-	988	1,370

Earnings / (loss) per unit

13

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2019

	Quarter ended December, 2019	Quarter ended December 31, 2019	Quarter ended December 31, 2019	Total	Quarter ended December 31, 2018	For the period from September 14, 2018 to December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total
	NICPP-III	NICPP-IV	NICPP-V		NICPP-III	NICPP-IV	NICPP-V	
Note -----(Rupees in 000)-----								
<b>INCOME</b>								
Gain / (loss) on sale of investments - net	-	-	1,185	1,185	(9,857)	(6,819)	-	(16,676)
Profit on balances with banks	6,446	3,652	2,189	12,287	14,390	10,707	1,263	26,360
	6,446	3,652	3,374	13,472	4,533	3,888	1,263	9,684
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	21,814	13,747	9,302	44,863	(8,482)	(7,275)	-	(15,757)
	28,260	17,399	12,676	58,335	(3,949)	(3,387)	1,263	(6,073)
<b>EXPENSES</b>								
Remuneration of NBP Fund Management Limited - Management Company	495	287	170	952	1,595	1,178	111	2,884
Sindh Sales Tax on remuneration of the Management Company	64	38	22	124	207	153	14	374
Remuneration of Central Depository Company of Pakistan Limited - Trustee	52	31	20	103	177	127	10	314
Sindh Sales Tax on remuneration of the Trustee	6	4	3	13	22	17	1	40
Annual fee of the Securities and Exchange Commission of Pakistan	15	9	5	29	182	131	11	324
Settlement and bank charges	6	5	1	12	(4)	55	26	77
Listing fee	3	3	1	7	4	5	1	10
Auditors' remuneration	106	113	184	403	124	165	35	324
Allocated expenses	74	45	28	147	192	138	11	341
Legal and professional charges	37	6	20	63	1	31	3	35
Shari'ah advisory fee	12	7	-	19	(44)	9	2	(33)
Amortisation of preliminary expenses and floatation costs	250	138	67	455	292	165	10	467
Printing charges	22	6	25	53	29	-	1	30
<b>Total expenses</b>	<b>1,142</b>	<b>692</b>	<b>546</b>	<b>2,380</b>	<b>2,777</b>	<b>2,174</b>	<b>236</b>	<b>5,187</b>
<b>Net income / (loss) from operating activities</b>	<b>27,118</b>	<b>16,707</b>	<b>12,130</b>	<b>55,955</b>	<b>(6,726)</b>	<b>(5,561)</b>	<b>1,027</b>	<b>(11,260)</b>
Provision for Sindh Workers' Welfare Fund	(542)	(335)	(242)	(1,119)	134	-	(21)	113
<b>Net income / (loss) for the period before taxation</b>	<b>26,576</b>	<b>16,372</b>	<b>11,888</b>	<b>54,836</b>	<b>(6,592)</b>	<b>(5,561)</b>	<b>1,006</b>	<b>(11,147)</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>26,576</b>	<b>16,372</b>	<b>11,888</b>	<b>54,836</b>	<b>(6,592)</b>	<b>(5,561)</b>	<b>1,006</b>	<b>(11,147)</b>
<b>Earnings / (loss) per unit</b>	13							

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31, 2019	Half year ended December 31, 2019	Half year ended December 31, 2019	Total	Half year ended December 31, 2018	For the period from September 14, 2018 to December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total
	NICPP-III	NICPP-IV	NICPP-V		NICPP-III	NICPP-IV	NICPP-V	
	(Rupees in 000)				(Rupees in 000)			
Net income / (loss) for the period after taxation	29,893	17,083	12,757	59,733	2,251	(4,188)	1,006	(931)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>29,893</b>	<b>17,083</b>	<b>12,757</b>	<b>59,733</b>	<b>2,251</b>	<b>(4,188)</b>	<b>1,006</b>	<b>(931)</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2019

	Quarter ended December 31, 2019	Quarter ended December 31, 2019	Quarter ended December 31, 2019	Total	Quarter ended December 31, 2018	Quarter ended December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total
	NICPP-III	NICPP-IV	NICPP-V		NICPP-III	NICPP-IV	NICPP-V	
	(Rupees in 000)				(Rupees in 000)			
Net income / (loss) for the period after taxation	26,576	16,372	11,888	54,836	(6,592)	(5,561)	1,006	(11,147)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>26,576</b>	<b>16,372</b>	<b>11,888</b>	<b>54,836</b>	<b>(6,592)</b>	<b>(5,561)</b>	<b>1,006</b>	<b>(11,147)</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director



### CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	For the half year ended December 31, 2019			For the half year ended December 31, 2019			For the half year ended December 31, 2019			Total		
	NICPP-III			NICPP-IV			NICPP-V					
	Capital Value	Undistributed income	Total	Capital Value	(Accumulated loss) / Undistributed income	Total	Capital Value	(Accumulated loss) / Undistributed income	Total	Capital Value	(Accumulated loss) / Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period (audited)	387,783	4,412	392,195	285,475	(3,455)	282,020	156,104	(2,812)	153,292	829,362	(1,855)	827,507
Issuance of units: NICPP-III: 31,160 units / NICPP-IV: nil units / NICPP-V: nil units												
- Capital value	3,083	-	3,083	-	-	-	-	-	-	3,083	-	3,083
- Element of loss	(22)	-	(22)	-	-	-	-	-	-	(22)	-	(22)
Total proceeds on issuance of units	3,061	-	3,061	-	-	-	-	-	-	3,061	-	3,061
Redemption of units: NICPP-III: 1,281,174 units / NICPP-IV: 1,251,745 units / NICPP-V: 557,851 units												
- Capital value (at net asset value per unit at the beginning of the period)	(126,504)	-	(126,504)	(122,585)	-	(122,585)	(54,473)	-	(54,473)	(303,562)	-	(303,562)
- Element of loss	-	(1,761)	(1,761)	-	(810)	(810)	-	(985)	(985)	-	(3,556)	(3,556)
Total payments on redemption of units	(126,504)	(1,761)	(128,265)	(122,585)	(810)	(123,395)	(54,473)	(985)	(55,458)	(303,562)	(3,556)	(307,118)
Total comprehensive income for the period	-	29,893	29,893	-	17,083	17,083	-	12,757	12,757	-	59,733	59,733
Final distribution @ Re 1.0847 per unit declared on July 18, 2019	-	(4,000)	(4,000)	-	-	-	-	-	-	-	(4,000)	(4,000)
<b>Net assets at the end of the period (un-audited)</b>	<b>264,340</b>	<b>28,544</b>	<b>292,884</b>	<b>162,890</b>	<b>12,818</b>	<b>175,708</b>	<b>101,631</b>	<b>8,960</b>	<b>110,591</b>	<b>528,861</b>	<b>50,322</b>	<b>579,183</b>
Undistributed income / (accumulated loss) brought forward												
- Realised income		22,560			9,343			4,369			36,272	
- Unrealised loss		(18,148)			(12,798)			(7,181)			(38,127)	
		4,412			(3,455)			(2,812)			(1,855)	
Accounting income available for distribution												
- Relating to capital gains		16,372			9,237			8,096			33,705	
- Excluding capital gains		11,760			7,036			3,676			22,472	
		28,132			16,273			11,772			56,177	
Final distribution for the year ended June 30, 2019 @ Rs. 1.0847 per unit (date of declaration: July 18, 2019)		(4,000)			-			-			(4,000)	
Undistributed income carried forward		<u>28,544</u>			<u>12,818</u>			<u>8,960</u>			<u>50,322</u>	
Undistributed income carried forward												
- Realised income		8,605			1,658			1,339			11,602	
- Unrealised gain		19,939			11,160			7,621			38,720	
		<u>28,544</u>			<u>12,818</u>			<u>8,960</u>			<u>50,322</u>	
Net asset value per unit as at beginning of the period		Rupees			Rupees			Rupees				
		<u>100.0193</u>			<u>98.7262</u>			<u>98.1965</u>				
Net asset value per unit as at end of the period		<u>109.6459</u>			<u>109.4856</u>			<u>110.2363</u>				

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC ACTIVE ALLOCATION FUND - III



**NBP FUNDS**  
Managing Your Savings

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	For the half year ended December 31, 2018			For the period from September 14, 2018 to December 31, 2018			For the period from December 17, 2018 to December 31, 2018			Total		
	NICPP-III			NICPP-IV			NICPP-V					
	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income / (Accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period (audited)	953,819	791	954,610	-	-	-	-	-	-	953,819	791	954,610
Issuance of units: NICPP-III: 7,480 units including 1,203 additional units / NICPP-IV: 6,166,465 units / NICPP-V: 2,951,272 units												
- Capital value	754	-	754	616,646	-	616,646	295,127	-	295,127	912,527	-	912,527
- Element of income	-	-	-	221	-	221	-	-	-	221	-	221
Total proceeds on issuance of units	754	-	754	616,867	-	616,867	295,127	-	295,127	912,749	-	912,749
Redemption of units: NICPP-III: 2,579,530 units / NICPP-IV: 1,216,440 units / NICPP-V: 104,009 units												
- Capital value (at net asset value per unit at the beginning of the period)	(257,954)	-	(257,954)	(121,644)	-	(121,644)	(10,401)	-	(10,401)	(389,999)	-	(389,999)
- Element of loss	-	(1,869)	(1,869)	(352)	-	(352)	-	(18)	(18)	(352)	(1,887)	(2,239)
Total payments on redemption of units	(257,954)	(1,869)	(259,823)	(121,995)	-	(121,995)	(10,401)	(18)	(10,419)	(390,351)	(1,887)	(392,238)
Total comprehensive income / (loss) for the period	-	2,251	2,251	-	(4,188)	(4,188)	-	1,006	1,006	-	(931)	(931)
Final distribution @ Re 0.0957 per unit declared on July 04, 2018	(126)	(767)	(892)	-	-	-	-	-	-	(126)	(767)	(892)
<b>Net assets at the end of the period (un-audited)</b>	<b>696,494</b>	<b>406</b>	<b>696,900</b>	<b>494,872</b>	<b>(4,188)</b>	<b>490,684</b>	<b>284,726</b>	<b>988</b>	<b>285,714</b>	<b>1,476,091</b>	<b>(2,794)</b>	<b>1,473,298</b>
Undistributed income / accumulated (loss) brought forward												
- Realised income		791			-			-			791	
- Unrealised income		-			-			-			-	
		791			-			-			791	
Accounting income available for distribution												
- Relating to capital gains		-			-			-			-	
- Excluding capital gains		382			-			988			1,370	
		382			-			988			1,370	
Net loss for the period after taxation		-			(4,188)			-			(4,188)	
Final distribution for the year ended June 30, 2018 @ Re 0.0957 per unit (date of declaration: July 04, 2018)		(767)			-			-			(767)	
Undistributed income carried forward		406			(4,188)			988			(2,794)	
Undistributed income / accumulated (loss) carried forward												
- Realised income		10,803			3,087			988			14,878	
- Unrealised loss		(10,397)			(7,275)			-			(17,672)	
		406			(4,188)			988			(2,794)	
Net asset value per unit as at beginning of the period			Rupees			Rupees			Rupees			
			100.0962			-			-			
Net asset value per unit as at end of the period			100.0591			99.1275			100.3470			

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31, 2019	Half year ended December 31, 2019	Half year ended December 31, 2019	Total	Half year ended December 31, 2018	For the period from September 14, 2018 to December 31, 2018	For the period from December 17, 2018 to December 31, 2018	Total
	NICPP-III	NICPP-IV	NICPP-V		NICPP-III	NICPP-IV	NICPP-V	
(Rupees in 000)								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net profit / (loss) for the period before taxation	29,893	17,083	12,757	59,733	2,251	(4,188)	1,006	(931)
<b>Adjustments</b>								
Unrealised (appreciation) / diminution on re-measurement of investments' financial assets at fair value through profit or loss' - net	(19,939)	(11,160)	(7,621)	(38,720)	10,397	7,275	-	17,672
Profit on balances with banks	(15,850)	(9,305)	(5,458)	(30,613)	(29,207)	(12,504)	(1,263)	(42,974)
Amortisation of preliminary expenses and floatation cost	499	277	134	910	772	196	10	978
	(35,290)	(20,188)	(12,945)	(68,423)	(18,038)	(5,033)	(1,253)	(24,324)
<b>(Increase) / decrease in assets</b>								
Investments	(19,825)	(410)	6,464	(13,771)	(88,294)	(62,286)	-	(150,580)
Preliminary expenses and floatation costs	499	277	134	910	1,668	(1,139)	(530)	(1)
Other receivables	(5)	(5)	(4)	(14)	(120)	(4)	(63)	(187)
	(19,331)	(138)	6,594	(12,875)	(86,746)	(63,429)	(593)	(150,768)
<b>(Increase) / decrease in liabilities</b>								
Payable to NBP Fund Management Limited - the Management Company	(2,583)	(1,389)	(659)	(4,631)	(25,627)	1,742	8,878	(15,007)
Payable to Central Depository Company of Pakistan Limited - Trustee	(18)	(15)	(8)	(41)	44	45	11	100
Payable to Securities and Exchange Commission of Pakistan	(615)	(309)	(102)	(1,026)	372	153	11	536
Accrued expenses and other liabilities	199	120	205	524	175	234	62	471
	(3,017)	(1,593)	(564)	(5,174)	(25,036)	2,174	8,962	(13,900)
Profit received on balances with banks	17,209	10,567	6,032	33,808	25,126	8,725	-	33,851
<b>Net cash (used in) / generated from operating activities</b>	<b>(10,536)</b>	<b>5,731</b>	<b>11,874</b>	<b>7,069</b>	<b>(102,443)</b>	<b>(61,751)</b>	<b>8,122</b>	<b>(156,072)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Amount received on issuance of units	3,110	-	-	3,110	628	616,867	295,127	912,622
Amount paid on redemption of units	(128,265)	(123,395)	(55,458)	(307,118)	(259,823)	(121,218)	(9,607)	(390,648)
Distributions paid	(4,000)	-	-	(4,000)	(767)	-	-	(767)
<b>Net cash (used in) / generated from financing activities</b>	<b>(129,155)</b>	<b>(123,395)</b>	<b>(55,458)</b>	<b>(308,008)</b>	<b>(259,962)</b>	<b>495,649</b>	<b>285,520</b>	<b>521,207</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(139,691)</b>	<b>(117,664)</b>	<b>(43,584)</b>	<b>(300,939)</b>	<b>(362,405)</b>	<b>433,898</b>	<b>293,642</b>	<b>365,135</b>
Cash and cash equivalents at the beginning of the period	306,399	215,994	105,924	628,317	978,453	-	-	978,453
<b>Cash and cash equivalents at the end of the period</b>	<b>166,708</b>	<b>98,330</b>	<b>62,340</b>	<b>327,378</b>	<b>616,048</b>	<b>433,898</b>	<b>293,642</b>	<b>1,343,588</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NAFA Islamic Active Allocation Fund-III (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on March 30, 2018 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.
- 1.2** 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 Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3** 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.
- 1.4** The objective of NAFA Islamic Active Allocation Fund-III is to earn a potentially high return through dynamic asset allocation between Shari'ah compliant dedicated equity and money market based collective investment schemes, while providing capital preservation of the initial investment value including sales load at completion of twenty four months and beyond. The investment objectives and policies are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM1 as at December 24, 2019 to the Management Company. The Fund has not yet been rated.
- 1.6** The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.



**2.3** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

**3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**

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

**3.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the audited annual financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2019.

**3.3** Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period:

There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore, have not been stated in these condensed interim financial statements.

**3.4** Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

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

<b>Amendments</b>	<b>Effective date (accounting periods beginning on or after)</b>
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendments)	January 1, 2020

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

**3.4.1** There are certain other standards, interpretations and amendments that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 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 condensed interim financial statements.



## 4 BALANCES WITH BANKS

	Note	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
		------(Rupees in 000)-----				------(Rupees in 000)-----			
Profit and loss savings accounts	4.1	165,644	97,402	61,602	324,648	306,115	214,291	105,886	626,292
Current accounts		1,064	928	738	2,730	284	1,703	38	2,025
		<u>166,708</u>	<u>98,330</u>	<u>62,340</u>	<u>327,378</u>	<u>306,399</u>	<u>215,994</u>	<u>105,924</u>	<u>628,317</u>

- 4.1 These carry profits at rates ranging from 7.1% to 13.5% (June 30, 2019: 6.4% to 12.5%) per annum for NICPP - III, 6.3% to 13.35% (June 30, 2019: 2.6% to 13%) per annum for NICPP - IV and 12.25% to 13.35% (June 30, 2019: 10% to 12.5%) for NICPP - V.

## 5 INVESTMENTS

	Note	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
		------(Rupees in 000)-----				------(Rupees in 000)-----			
<b>Financial assets at 'fair value through profit or loss'</b>									
- Units of open-ended mutual fund									
	5.1	<u>125,063</u>	<u>76,858</u>	<u>47,629</u>	<u>249,550</u>	<u>85,299</u>	<u>65,288</u>	<u>46,472</u>	<u>197,059</u>

### 5.1 Investment in units of open-ended mutual fund - related parties

#### 5.1.1 NAFA Islamic Capital Preservation Plan - III

Name of the investee company	Number of Units				Carrying value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 1, 2019	Purchased during the period	Redeemed during the period	As at December 31, 2019				
------(Rs in 000)-----								
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	9,391,858	7,092,491	5,046,401	11,437,948	105,124	125,063	42.7%	100%
As at December 31, 2019				<u>11,437,948</u>	<u>105,124</u>	<u>125,063</u>	<u>42.7%</u>	<u>100%</u>
As at June 30, 2019				<u>9,391,858</u>	<u>103,447</u>			

#### 5.1.2 NAFA Islamic Capital Preservation Plan - IV

Name of the investee company	Number of Units				Carrying value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 1, 2019	Purchased during the period	Redeemed during the period	As at December 31, 2019				
------(Rs in 000)-----								
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	7,188,521	1,890,694	2,049,988	7,029,227	65,698	76,858	43.74%	100%
As at December 31, 2019				<u>7,029,227</u>	<u>65,698</u>	<u>76,858</u>	<u>43.74%</u>	<u>100%</u>
As at June 30, 2019				<u>7,188,521</u>	<u>78,086</u>			

# NAFA ISLAMIC ACTIVE ALLOCATION FUND - III



## 5.1.3 NAFA Islamic Capital Preservation Plan - V

Name of the investee company	Number of Units				Carrying value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 1, 2019	Purchased during the period	Redeemed during the period	As at December 31, 2019				
------(Rs in 000)-----								
NBP Islamic Active Allocation Equity Fund (Formerly: NAFA Islamic Active Allocation Equity Fund)	5,116,830	1,664,768	2,425,509	4,356,089	40,008	47,629	43.07%	100%
<b>As at December 31, 2019</b>				<b>4,356,089</b>	<b>40,008</b>	<b>47,629</b>	<b>43.07%</b>	<b>100%</b>
<b>As at June 30, 2019</b>				<b>5,116,830</b>	<b>53,653</b>			

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

	Note	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
------(Rupees in 000)-----									
Market value of investments	5.1	125,063	76,858	47,629	249,550	85,299	65,288	46,472	197,059
Less: carrying value of investments		105,124	65,698	40,008	210,830	(103,447)	(78,086)	(53,653)	(235,186)
		<b>19,939</b>	<b>11,160</b>	<b>7,621</b>	<b>38,720</b>	<b>(18,148)</b>	<b>(12,798)</b>	<b>(7,181)</b>	<b>(38,127)</b>

## 6 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
------(Rupees in 000)-----									
Management fee payable	6.1	145	86	49	280	263	182	92	537
Sindh sales tax payable on remuneration of the Management Company		19	11	6	36	34	24	12	70
Allocated expenses payable	6.2	74	44	29	147	271	185	109	565
Other payable		28	24	29	81	2,281	1,163	559	4,003
		<b>266</b>	<b>165</b>	<b>113</b>	<b>544</b>	<b>2,849</b>	<b>1,554</b>	<b>772</b>	<b>5,175</b>

6.1 During the period, the Management Company has charged its remuneration at the rate of 1% per annum of the average annual net assets (June 30, 2019: 1% per annum of the average annual net assets). The remuneration is payable to the Management Company monthly in arrears.

6.2 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%.

Accordingly, the Management Company based on its own discretion has currently fixed a maximum capping of 0.1% per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund.

## 7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Trustee fee payable	7.1	18	11	6	35	34	24	13	71
Sindh Sales Tax on trustee remuneration		2	1	1	4	4	3	2	9
		<u>20</u>	<u>12</u>	<u>7</u>	<u>39</u>	<u>38</u>	<u>27</u>	<u>15</u>	<u>80</u>

- 7.1 During the period, the Fund has charged Trustee remuneration at the rate of 0.07% per annum of the average annual net assets (June 30, 2019: on net assets upto Rs 1,000 million at the rate of 0.10% per annum of net assets and on net assets exceeding Rs 1,000 million at the rate of Rs 1 million plus 0.075% per annum of net assets exceeding Rs 1,000 million).

## 8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Annual fee payable	8.1	32	20	12	64	647	329	114	1,090

- 8.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% per annum of the average annual net assets of the Fund as annual fee, applicable to all categories of CISs. Previously, the rate of annual fee applicable to fund of funds was 0.095% per annum of the average annual net assets. Accordingly, the Fund has charged SECP fee at the rate of 0.02% per annum of the average annual net assets during the current period.

## 9 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Auditors' remuneration payable		182	197	194	573	248	224	191	663
Printing charges payable		20	14	11	45	13	14	1	28
Legal and professional charges payable		44	46	31	121	11	56	15	82
Withholding tax payable		76	71	35	182	5	3	1	9
Provision for Sindh Workers' Welfare Fund	9.1	725	349	260	1,334	115	-	-	115
Shari'ah advisor fee payable		146	77	33	256	119	59	23	201
Bank charges		27	27	11	65	11	28	5	44
		<u>1,220</u>	<u>781</u>	<u>575</u>	<u>2,576</u>	<u>522</u>	<u>384</u>	<u>236</u>	<u>1,142</u>

- 9.1 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 these condensed interim financial statements, the net asset value per unit of the NICPP - III and NICPP - IV and NICPP - V respectively as at December 31, 2019 would have been higher by Re 0.272 (June 30, 2019: 0.0293), Re 0.217 (June 30: 2019: Nil) and Re 0.259 (June 30: 2019: Nil) per unit.

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

## 11 NET ASSETS VALUE PER UNIT

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

## 12 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% net accounting income other than capital gains 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. Since the Management Company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

## 13 EARNINGS / (LOSS) PER UNIT

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

## 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 1.98% (June 30, 2019: 1.56%) - NICPP - III, 1.95% (June 30, 2019: 1.51%) - NICPP - IV and 2.17% (June 30, 2019: 1.54%) - NICPP - V which includes 0.52% (June 30, 2019: 0.23%) - NICPP - III, 0.48% (June 30, 2019: 0.21%) - NICPP - IV and 0.54% (June 30, 2019: 0.2%) - NICPP - V representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, 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.

## 15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1 Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, Funds under management of the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.
- 15.2 Transactions with related parties / connected persons 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 related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.
- 15.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the Trust Deed and Offering Document.

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

	Un-audited				Un-audited			
	December 31, 2019				December 31, 2018			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
(Rupees in '000)				(Rupees in '000)				
<b>NBP Fund Management Limited -</b>								
<b>Management Company</b>								
Remuneration of the Management Company	1,204	720	422	2,346	3,714	1,411	111	5,236
Sindh Sales Tax on remuneration of Management Company	156	94	55	305	483	183	14	680
Allocated expenses	158	100	61	319	411	161	11	583
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration of Central Depository Company of Pakistan Limited - Trustee	111	70	43	224	396	150	10	556
Sindh Sales Tax on remuneration	14	9	6	29	51	20	1	72
<b>Investment in NBP Islamic Active Allocation Equity Fund</b>								
Units purchased	65,658	19,029	15,633	100,320	215,688	151,571	-	367,259
-7,092,491 (December 31, 2018: 18,635,293) (NICPP - III)								
-1,890,694 (December 31, 2018: 13,109,732) (NICPP - IV)								
-1,664,768 (December 31, 2018: nil) (NICPP - V)								
Units sold	43,061	17,170	23,105	83,336	117,538	82,465	-	200,003
-5,046,401 (December 31, 2018: 11,006,798) (NICPP - III)								
-2,049,988 (December 31, 2018: 7,722,425) (NICPP - IV)								
-2,425,509 (December 31, 2018: nil) (NICPP - V)								
<b>Company Secretary / Chief Operating Officer of the Management Company</b>								
Units issued - nil (December 31, 2018: 4,864)	-	-	-	-	-	503	-	503
<b>Pakistan Stock Exchange Limited**</b>								
Listing fee paid	8	8	9	25	-	-	-	-

# NAFA ISLAMIC ACTIVE ALLOCATION FUND - III



## 15.5 Amounts outstanding as at period / year end

	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	------(Rupees in 000)-----				------(Rupees in 000)-----			
<b>NBP Fund Management Limited - Management Company</b>								
Management fee payable	145	86	49	280	263	182	92	537
Sindh Sales Tax payable on remuneration	19	11	6	36	34	24	12	70
Other payable	28	24	29	81	2,281	1,163	559	4,003
Allocated expenses payable	74	44	29	147	271	185	109	565
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration payable	18	11	6	35	34	24	13	71
Sindh Sales Tax payable on remuneration	2	1	1	4	4	3	2	9
<b>PITC Employees Trust (Pension) Fund - unit holder with more than 10% holding</b>								
Units held - NICPP IV - 447,014 (June 2019: 447,014)	-	48,942	-	48,942	-	44,132	-	44,132
<b>NBP Islamic Active Allocation Equity Fund</b>								
Investment of:								
-11,437,948 (June 2019: 9,391,858) - NICPP - III	125,063	76,858	47,629	249,550	85,299	65,288	46,472	197,059
-7,029,227 (June 2019: 7,188,521) - NICPP - IV								
-4,356,089 (June 2019: 5,116,830) - NICPP - V								
<b>Mid City International - unit holder with more than 10% holding**</b>								
Units held - 100,316 (June 2019: NICPP V - nil)	-	-	11,058	11,058	-	-	-	-
<b>FCS Limited Employees Provident Fund - unit holder with more than 10% holding*</b>								
Units held - Nil (June 2019: NICPP IV - 398,045)	-	-	-	-	-	39,297	-	39,297

\* Current year figure has not been presented as the person is not classified as a related party / connected person as at December 31, 2019.

\*\* Prior period figure has not been presented as the person was not classified as a related party / connected person as at June 30, 2019.

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Consequently, differences can arise between carrying values and the fair value estimates.

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 tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

## 16.1 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 that the entity can access at the measurement date;
- Level 2 : inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3 : unobservable inputs for the asset or liability.

As at December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

## 16.2 NAFA Islamic Capital Preservation Plan - III

	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	------(Rupees in 000)-----				------(Rupees in 000)-----			
Investment - financial assets 'at fair value through profit or loss'								
- Mutual fund units	-	125,063	-	125,063	-	85,299	-	85,299

## 16.3 NAFA Islamic Capital Preservation Plan - IV

	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	------(Rupees in 000)-----				------(Rupees in 000)-----			
Investment - financial assets 'at fair value through profit or loss'								
- Mutual fund units	-	76,858	-	76,858	-	65,288	-	65,288

## 16.4 NBP Islamic Capital Preservation Plan - V

	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	------(Rupees in 000)-----				------(Rupees in 000)-----			
Investment - financial assets 'at fair value through profit or loss'								
- Mutual fund units	-	47,629	-	47,629	-	46,472	-	46,472

## 17 GENERAL

17.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

17.2 No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.



**18 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on **February 27, 2020**.

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

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

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

\_\_\_\_\_  
**Director**



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