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Islamic Savings

الادخار الإسلامي

NBP Fund Management Limited



NAFA ISLAMIC ACTIVE ALLOCATION FUND – III

ANNUAL REPORT
2022

AM1
Rated by PACRA

MISSION STATEMENT

"To become country's most
investor-focused company,
by assisting investors
in achieving their financial goals."

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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. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	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
Mr. Saad Amanullah Khan	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Tauqeer Mazhar	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 Islami Bank 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.nbpfund.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

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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Humayun Bashir
Director



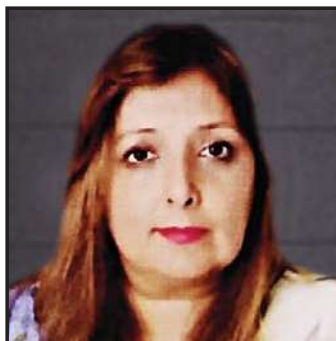
Mr. Tauqeer Mazhar
Director



Mr. Ali Saigol
Director



Mr. Saad Amanullah Khan
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Innovation &
Strategy Officer



Mr. Samiuddin Ahmed
Country Head Corporate Marketing



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Hassan Raza, CFA
Head of Research



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Mr. Waheed Abidi
Head of Internal Audit



Mr. Muhammad Imran, CFA, ACCA
Head of Portfolio Management



Syed Haseeb Ahmed Shah
Head of Compliance

DIRECTORS' REPORT

This is the Fifth Annual Report for the period ended June 30, 2022, since launch of **NAFA Islamic Active Allocation Fund-III** (NIAAF-III) on June 22, 2018.

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

NAFA Islamic Active Allocation Fund-III has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through four (4) 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) and NBP Islamic Capital Preservation Plan-VI (NICPP VI).

Islamic Money Market:

NBP Islamic Money Market Fund

Islamic Money Market:

NBP Daily Dividend Fund

Islamic Equity Fund:

NBP Islamic Active Allocation Equity Fund

FY22 remained a disappointing year for stock market, as the KMI-30 index fell by around 10.3% on a yearly basis. This comes after robust return in FY21 when index surged by a healthy 39.3% YoY. Throughout the year, the market remained quite volatile and amid thin volumes, traded within a range showing lack of investors' interest

The subdued equity market performance was despite robust corporate profitability of listed space, which for the first three quarters of FY22 stood at 25% and, even with the imposition of super tax, is expected to close in double digits. Investors remained focused on external numbers, especially the burgeoning current account deficit (CAD) which rose sharply to USD 17.3 billion in FY22 (up from USD 2.8 billion in FY21). Strong aggregate domestic demand and ongoing commodity super-cycle amidst the conflict between Russia & Ukraine worsened the external trade numbers. Market participants also remained wary of impact of elevated commodity prices on inflation, which averaged around 12.2% in FY22, with June-22 monthly inflation at multi-year high of 21.3%. The elevated contractual payments on financial account, due to impending external loan repayments, also raised concerns over solvency of the country. The international bond yields also pointed towards the same direction, with short tenure bonds trading at yield to maturities of around 50% at one point. To compress both the external imbalances and the rampant inflation, the central bank raised Policy Rates aggressively by a cumulative 6.75% in FY22. For the same reason, PKR also devalued by a whopping 30% during the year. The inordinate delay in resumption of IMF program remained another reason for nervousness in the market. The downgrade of Pakistan from MSCI Emerging Market to MSCI Frontier Market also took place during the year, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows, which also dented market performance. Lastly, there was heightened political uncertainty in the country as the ruling party lost its majority in the assembly and new coalition government was formed.

In terms of sector wise performance, Auto Assemblers, Chemicals, Commercial Banks, Fertilizers, Oil & Gas Exploration, and Power Generation & Distribution sectors outperformed the market. On the other hand, Auto Parts & Acc., Cable & Electrical Goods, Cements, Engineering, Food & Personal Care, Insurance, Oil & Gas Marketing, Pharmaceutical, Refinery, and Technology sectors lagged the market. On participants-wise market activity, Foreigners and Mutual Funds were the largest net sellers with outflows of around USD 298 million and USD 128 million, respectively. On the contrary, Individual & Bank/DFIs increased their net holdings by around USD 157 million and USD 115 million, respectively.

Trading activity in corporate sukuks further reduced as cumulative traded value stood at Rs. 4 billion compared to Rs. 16 billion in FY21. However, the fresh issuance of Shariah Compliant commercial papers helped the undersupplied market for long-term Shariah Compliant debt instruments to some extent.

During FY22, State Bank of Pakistan (SBP) held eight (8) Monetary Policy meetings and increased the discount rate from 8% to 14.75% - to counter inflationary pressures, ensure economic sustainability and safeguard external & price stability; owing to significant domestic political noise and global uncertainty. During the second half, global economic conditions deteriorated due to Russia-Ukraine conflict and burgeoning commodity prices, which pushed all the central banks across the world to confront multi-year high inflation and challenging outlook. Domestically, the inflation trajectory also remained on an uptrend due to i) sharp spike in prices of food component, ii) continued pressure on the Rupee, iii) increase in utility tariffs, and iv) reversal of fuel subsidies. Inflation as measured by CPI clocked in at 21.3% in June-22 as against 9.7% during corresponding month last year. Gross foreign exchange reserves with SBP also shrunk to USD 9.8 billion at June-22 end compared to USD 17.3 billion a year ago. The outlook for inflation has deteriorated and risks to external stability have risen, with further rate hikes likely in the initial half of the upcoming year.

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

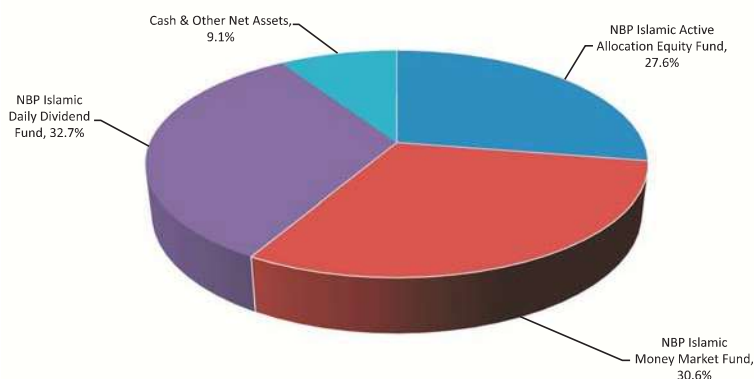
This is the Fifth Annual Report for the period ended June 30, 2022, since launch NAFA Islamic Capital Preservation Plan-III (NICPP-III) on June 22, 2018. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Plan's Performance

During the fiscal year, NAFA Islamic Capital Preservation Plan-III (NICPP III) decreased by 0.4% as against the benchmark which decreased by 2.4%, thus, the Fund outperformed the benchmark by 2.0% during the year. Since launch of the plan, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs. 89.9085 (Ex-Div) on June 22, 2018 to Rs. 100.6506 on June 30, 2022, thus showing an increase of 11.9%. The Benchmark return during the same period was increased by 5.4%. Thus, the Fund has outperformed its Benchmark by 6.5%. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 43 million.

The Plan has earned a total income of Rs. 1.75 million during the year. After deducting total expenses of Rs. 0.83 million, the net income is Rs. 0.92 million.

The asset allocation of the Plan as on June 30, 2022 is as follows:



Income Distribution

As the plan has no distributable income, no distribution has been made.

Taxation

As the plan has no distributable income, no provision for taxation was made in the financial statements of the plan.

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

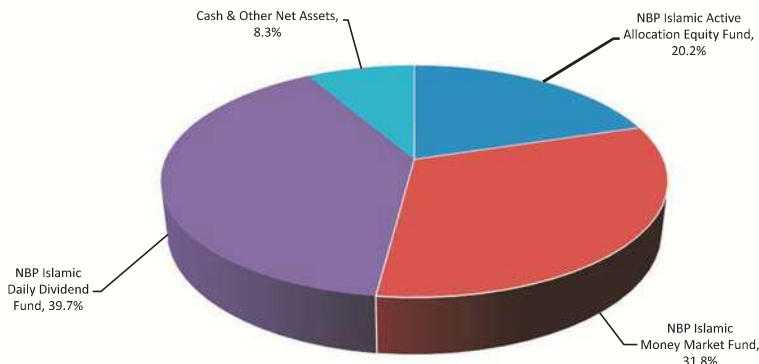
This is the Fourth Annual Report for the period ended June 30, 2022, since launch NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) on September 14, 2018. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Plan's Performance

During the fiscal year, NAFA Islamic Capital Preservation Plan-IV (NICPP IV) increased by 2.0% as against the benchmark which increased by 0.2%, thus, the Fund outperformed the benchmark by 1.8% during the year. Since launch of the plan, the unit price of NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has increased from Rs. 90.5701 (Ex-Div) on September 14, 2018 to Rs. 99.2145 on June 30, 2022, thus showing a increase of 9.5%. The Benchmark during the same period was increased by 3.7%. Thus, the Fund has outperformed its Benchmark by 5.8%. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 25 million.

The Plan has earned a total income of Rs. 1.72 million during the year. After deducting total expenses of Rs. 0.79 million, the net income is Rs. 0.93 million.

The asset allocation of the Fund as on June 30, 2022 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved cash dividend of 1.97% of the opening ex-NAV (1.96% of the par value) in NAFA Islamic Capital Preservation Plan - IV (NICPP IV) during the year ended June 30, 2022.

Taxation

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

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

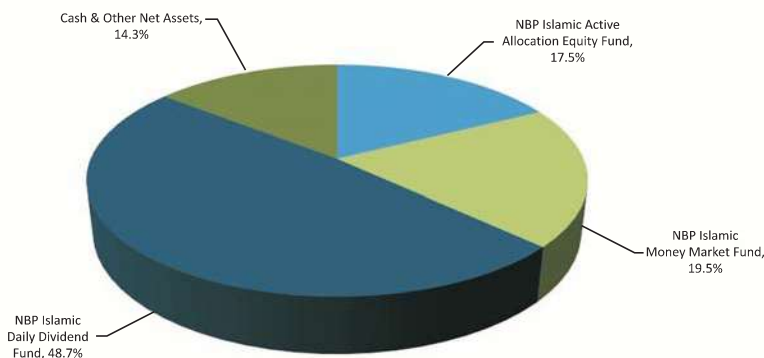
This is the Fourth Annual Report for the period ended June 30, 2022, since launch NBP Islamic Capital Preservation Plan-V (NICPP-V) on December 17, 2018. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Plan's Performance

During the fiscal year, NBP Islamic Capital Preservation Plan-V (NICPP V) increased by 2.7% as against the benchmark which increased by 1.1%, thus, the Fund outperformed the benchmark by 1.6% during the year. Since launch of the plan, the unit price of NBP Islamic Capital Preservation Plan-V (NICPP-V) has increased from Rs. 90.6452 (Ex-Div) on December 17, 2018 to Rs. 98.5976 on June 30, 2022, thus showing an increase of 8.8%. The Benchmark during the same period was increased by 4.4%. Thus, the Fund has outperformed its Benchmark by 4.4%. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 28 million.

The Plan has earned a total income of Rs. 2.12 million during the year. After deducting total expenses of Rs. 0.74 million, the net income is Rs. 1.38 million.

The asset allocation of the Fund as on June 30, 2022 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 2.69% of the opening ex-NAV (2.65% of the par value) in NBP Islamic Capital Preservation Plan -V (NICPP V) during the year ended June 30, 2022.

Taxation

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

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

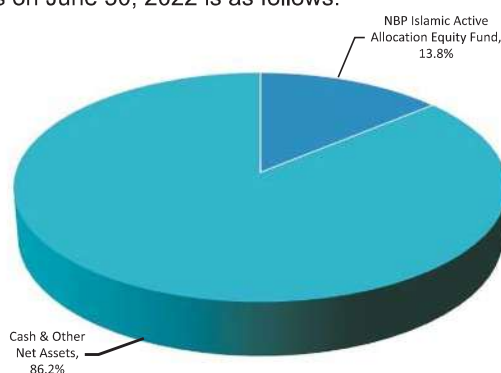
This is the First Annual Report for the period ended June 30, 2022, since launch NBP Islamic Capital Preservation Plan-VI (NICPP-VI) on June 28, 2022. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Plan's Performance

Since launch of the plan, the unit price of NBP Islamic Capital Preservation Plan-VI (NICPP-VI) has increased from Rs. 99.8903 on June 28, 2022 to Rs. 100.0020 on June 30, 2022, thus showing an increase of 0.1% inline with the Benchmark. The size of the Plan is Rs. 181million.

The Plan has earned a total income of Rs. 0.25 million during the year. After deducting total expenses of Rs. 0.01 million, the net income is Rs. 0.24 million.

The asset allocation of the Fund as on June 30, 2022 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 0.11% of the opening ex-NAV (0.11% of the par value) in NBP Islamic Capital Preservation Plan -VI (NICPP VI) during the year ended June 30, 2022.

Taxation

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

Sindh Workers' Welfare Fund (SWWF)

On August 13, 2021, provisioning against Sindh Workers' Welfare Fund by NAFA Islamic Active Allocation Fund-III has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV on August 13, 2021 of sub-plans as detailed below. This is one-off event and is not likely to be repeated in the future.

Plans	SWWF Reversed (Rs million)	Increase in NAV (%)
NICPP-III	0.62	0.78%
NICPP-IV	0.21	0.45%
NICPP-V	0.16	0.31%

Auditors

The present auditors Messrs A. F. Ferguson & Co Chartered Accountants, has completed their five years tenure in the capacity of Auditor of the Fund. As per the requirement of Regulation 38(1) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the replacement would be required. The Board has approved the appointment of Messrs Yousuf Adil Chartered Accountants, offer for appointment for the year ending June 30, 2023.

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 five meetings during the year. The attendance of all directors is disclosed in the note 26 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 24 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 19 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2022, the Board included.

Category	Names
Independent Directors	<ol style="list-style-type: none"> 1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 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. Tauqeer Mazhar 3. Ms. Mehnaz Salar 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 Officer

Director

Date: **September 27, 2022**
Place: Karachi.

ڈائریکٹرز رپورٹ

22 جون 2018 کو قائم ہونے والے NAFA اسلامک ایکٹو ایلوکیشن فنڈ-III (NIAAF-III) کی 30 جون 2022 مختتمہ سال کے لئے یہ پانچویں سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کمپلیٹ ایکٹو فنڈ اور اراکم امنی مارکیٹ فنڈ کی فعال طور منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

NAFA اسلامک ایکٹو ایلوکیشن فنڈ-III (NIAAF-III) ایک ٹرسٹ اسکیم کی شکل میں تیار کیا گیا ہے جو کچھ (4) ایلوکیشن پلانز کے ذریعے درج ذیل مجموعی سرمایہ کاری اسکیموں میں سرمایہ کاری کریں گے، یہ پلانز NAFA اسلامک کمپنیل پر یزرویشن پلان III- (NICPP-III)، NAFA اسلامک کمپنیل پر یزرویشن پلان IV- (NICPP-IV)، NAFA اسلامک کمپنیل پر یزرویشن پلان V- (NICPP-V) اور NAFA اسلامک کمپنیل پر یزرویشن پلان VI- (NICPP-VI) ہیں۔

اسلامک منی مارکیٹ فنڈ: NBP اسلامک منی مارکیٹ فنڈ

اسلامک منی مارکیٹ فنڈ: NBP اسلامک ڈبلیو ڈیویڈنڈ فنڈ

اسلامک ایکٹو ایلوکیشن فنڈ: NBP اسلامک ایکٹو ایلوکیشن ایکٹو فنڈ

مالی سال 22 اسٹاک مارکیٹ کے لیے ایک مایوس کن سال رہا، کیونکہ KMI-30 انڈیکس سالانہ بنیادوں پر تقریباً 10.3 فیصد گر گیا۔ یہ کمی مالی سال 21 میں انڈیکس میں 39.3 فیصد سالانہ مستحکم اضافہ کے بعد ہوئی۔ پورے سال کے دوران، مارکیٹ حجم کے کافی اتار چڑھاؤ کا شکار رہی، تجارت ایک حد کے اندر کی گئی اور سرمایہ کاروں کی دلچسپی میں کمی دکھائی دی۔

لسٹڈ کمپنیوں کے مستحکم کارپوریٹ منافع کے باوجود ایکٹیو مارکیٹ کی کارکردگی ناقص رہی، جو کہ مالی سال 22 کی پہلی تین سہ ماہیوں میں 25 فیصد رہی اور سپر نیٹس کے نفاذ کے بعد نمود و ہندسوں میں رہنے کی توقع ہے۔ سرمایہ کاروں کی توجہ بیرونی اعداد پر مرکوز رہی، خاص طور پر بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) جو مالی سال 22 میں تیزی سے بڑھ کر 17.3 بلین امریکی ڈالر (FY21 میں 2.8 بلین امریکی ڈالر) ہو گیا۔ روس اور یوکرین کے درمیان تنازعہ کے باعث مضبوط مجموعی ملکی طلب اور اجناس کے جاری سپر سائیکل نے بیرونی تجارتی اعداد کو مزید خراب کر دیا۔ مارکیٹ کے شرکاء اجناس کی افراط زور زیادہ قیمتوں کے اثرات سے بھی متاثر ہے، جو کہ مالی سال 22 میں اوسط تقریباً 12.2 فیصد سے جون-22 میں ماہانہ افراط زر 21.3 فیصد کی کثیر سالہ بلند ترین سطح پر تھی۔ اس عرصے کے دوران بین الاقوامی بانڈ کے منافع میں خاطر خواہ اضافہ ہوا۔ دونوں، بیرونی عدم توازن اور بڑھتی ہوئی افراط زر کو کم کرنے کے لیے، مرکزی بینک نے مالی سال 22 میں مجموعی طور پر پالیسی کی ضرورت پڑی جس کے نتیجے میں بڑے اضافہ کیا۔ اسی وجہ سے، پاکستانی روپیہ کی قدر میں بھی سال کے دوران 30% کمی ہوئی۔ آئی ایم ایف پروگرام کی دوبارہ بحالی ہونے میں غیر معمولی تاخیر مارکیٹ میں پریشانی کی دوسری اہم وجہ رہی۔ سال کے دوران MSCI ایمریکنگ مارکیٹ سے MSCI فرنیچر مارکیٹ میں پاکستان کی تیزی بھی ہوئی، جس سے غیر ملکی سرمایہ کاروں کی جانب سے دوبارہ توازن کی ضرورت پڑی جس کے نتیجے میں بڑے پیمانے پر غیر ملکی اخراج ہوا، جس نے مارکیٹ کی کارکردگی کو مزید نقصان پہنچایا۔ آخر، ملک میں سیاسی غیر یقینی صورتحال عروج پر پہنچ گئی کیونکہ حکمران جماعت اسمبلی میں اپنی اکثریت کھو بیٹھی اور نئی مخلوط حکومت قائم ہوئی۔

شعبہ جات کارکردگی کے لحاظ سے، آئی او ایس ایف، کیپیکلز، کمرشل بینک، فریڈلانڈرز، آئل اینڈ گیس ایکسپلوریشن، اور پاور جنریشن اور ڈسٹری بیوشن سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری طرف، آئی او پائلز اینڈ ایکسیسریز، کیپیل اور ایکٹیو بیکن سامان، سینٹ، انجینئرنگ، خوراک اینڈ ڈائی گھدااشت، انشورنس، آئل اینڈ گیس مارکیٹنگ، فارماسیوٹیکل، ریفائنری اور میکانا لوہی کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، غیر ملکی اور میوچل فنڈز بااثر تیب 298 ملین امریکی ڈالر اور 128 ملین امریکی ڈالر کے اخراج کے ساتھ سب سے زیادہ خالص فروخت کنندگان رہے۔ اس کے برعکس، افراد اور بینک/DFIs نے اپنے خالص ہولڈنگز میں بااثر تیب 157 ملین امریکی ڈالر اور 115 ملین امریکی ڈالر کا اضافہ کیا۔

کارپوریٹ سکوک میں تجارتی سرگرمی مزید کم ہوئی کیونکہ مجموعی تجارت مالی سال 21 میں 16 بلین روپے کے مقابلے 4 بلین روپے رہی۔ تاہم، شریعہ کمپلائنس کمرشل پیپر کے نئے اجراء سے طویل مدتی شریعہ کمپلائنس قرضی آلات سے زیر سپلائی مارکیٹ کو کچھ حد تک مدد ملی۔

مالی سال 22 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے آٹھ (8) مائیکرو پالیسی اجلاس منعقد کئے اور اہم ملکی سیاسی شورا اور عالمی غیر یقینی صورتحال کی وجہ سے افراط زر کے دباؤ کا مقابلہ کرنے، معاشی استحکام کو یقینی بنانے اور بیرونی اور قرضوں کے استحکام کی حفاظت کے لیے؛ ڈسکونٹ کی شرح کو 8% سے بڑھا کر 14.75% کر دیا۔ دوسری ششماہی کے دوران، روس-یوکرین تنازعہ اور ایشیاء کی بڑھتی ہوئی قیمتوں کی وجہ سے عالمی اقتصادی حالات خراب ہو گئے، جس نے دنیا بھر کے تمام مرکزی بینکوں کو ملکی سالوں کی بلند افراط زر اور چیلنجنگ آؤٹ لک کا سامنا کرنے پر مجبور کر دیا۔ ملکی سطح پر، افراط زر میں بھی بڑھنے کا رجحان رہا جس کی وجہ سے (i) غذائی اجزاء کی قیمتوں میں تیزی سے اضافہ (ii) روپیہ پر مسلسل دباؤ (iii) یٹیلیٹی ٹیرف میں اضافہ اور (iv) ایندھن کی سبسڈی کا ختم ہونا۔ CPI کی پیمائش کردہ افراط زر جون-22 میں 21.3 فیصد تک پہنچ گئی جو گزشتہ سال کے اسی مہینے کے دوران 9.7 فیصد تھی۔ اسٹیٹ بینک پاکستان کے پاس غیر ملکی زرمبادلہ کے مجموعی ذخائر بھی ایک سال قبل 17.3 بلین امریکی ڈالر کے مقابلے جون-22 کے آخر میں 9.8 بلین امریکی ڈالر تک کم ہو گئے۔ افراط زر کا نقطہ نظر خراب ہو گیا اور بیرونی استحکام کے لیے خطرات بڑھ گئے ہیں، آئندہ سال کی پہلی ششماہی میں شرح مزید بڑھنے کا امکان ہے۔

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

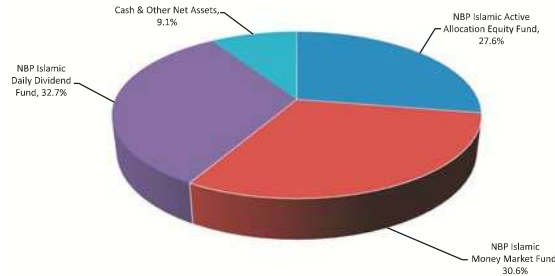
22 جون 2018 کو قائم ہونے والے NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کی 30 جون 2022 مختتمہ سال کے لئے یہ پانچویں سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کیپٹل ایکویٹی فنڈ اور انکم فنڈ کی فعال طور منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

پلان کی کارکردگی

مالی سال کے دوران NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کے بیچ مارک جو 2.4% کم ہوا کے مقابلے میں 0.4% کم ہوا، لہذا، پلان نے سال کے دوران 2.0% بیچ مارک کی بہتر کارکردگی دکھائی۔ 22 جون 2018 کو اپنے قیام سے NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کے یونٹ کی قیمت 89.9085 روپے (Ex-Div) سے بڑھ کر 30 جون 2022 کو 100.6506 روپے ہو گئی، لہذا 11.9% کا اضافہ ظاہر کیا۔ اسی مدت کے دوران بیچ مارک منفعت میں 5.4% کا اضافہ ہوا تھا۔ لہذا فنڈ کی کارکردگی اپنے بیچ مارک سے 6.5% بہتر رہی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 43 ملین روپے ہے۔

پلان کو اس مدت کے دوران 1.75 ملین روپے کی آمدنی ہوئی۔ 0.83 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 0.92 ملین روپے ہے۔

30 جون 2022 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

چونکہ اس منصوبے کی کوئی قابل تقسیم آمدنی نہیں ہے، اس لیے کوئی تقسیم نہیں کی گئی ہے۔

ٹیکسیشن

چونکہ منصوبے کی کوئی قابل تقسیم آمدنی نہیں ہے، اس لیے پلان کے مالی بیانات میں ٹیکس لگانے کا کوئی بندوبست نہیں کیا گیا تھا۔

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

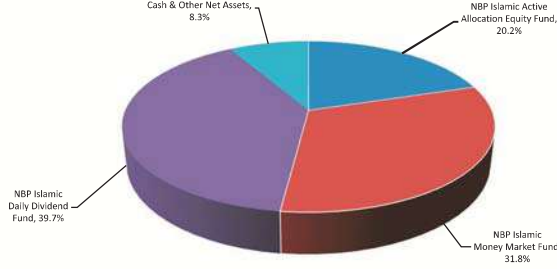
14 ستمبر 2018 کو قائم ہونے والے NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کی 30 جون 2022 مختتمہ سال کے لئے یہ چوتھی سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کیپٹل ایکویٹی فنڈ اور انکم/ہنسی مارکیٹ فنڈ کی فعال طور منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

پلان کی کارکردگی

مالی سال کے دوران NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کی بیچ مارک منفعت جو 0.2% زیادہ ہوئی کے مقابلے میں 2.0% زیادہ ہوئی۔ لہذا فنڈ نے سال کے دوران اپنے بیچ مارک سے 1.8% کی بہتر کارکردگی ظاہر کی۔ 14 ستمبر 2018 کو اپنے قیام سے NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کے یونٹ کی قیمت 90.5701 روپے سے بڑھ کر 30 جون 2022 کو 99.2145 روپے ہو گئی، لہذا 9.5% کا اضافہ ظاہر کیا۔ اسی مدت کے دوران بیچ مارک 3.7% زیادہ ہوا۔ لہذا، فنڈ نے اپنے بیچ مارک میں 5.8% کی بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 25 ملین روپے ہے۔

پلان کو اس مدت کے دوران 1.72 ملین روپے کی آمدنی ہوئی۔ 0.79 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 0.93 ملین روپے ہے۔

30 جون 2022 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

ہیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2022 کے اختتام کے بعد NIFA اسلامک کیپیٹل پریزرویشن پلان (NICPP-V) میں اوپننگ ex-NAV کا 1.97% (بنیادی قدر کا 1.96%) نقد منافع منقسمہ کی منظوری دی ہے۔

ہیکسیٹھ

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

NBP اسلامک کیپیٹل پریزرویشن پلان (NICPP-V)

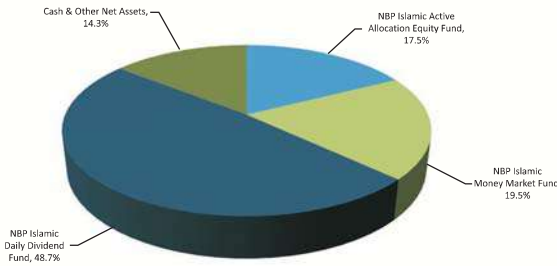
17 دسمبر 2018 کو قائم ہونے والے NBP اسلامک کیپیٹل پریزرویشن پلان (NICPP-V) کی 30 جون 2022 تختہ سال کے لئے یہ چوتھی سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کیپلیٹ ایکٹیو فنڈ اور ایکٹو فنڈز کی فعال طور منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

پلان کی کارکردگی

مالی سال کے دوران NBP اسلامک کیپیٹل پریزرویشن پلان (NICPP-V) کی بیچ مارک منفعت جو 1.1% زیادہ ہوئی کے مقابلے میں 2.7% زیادہ ہوئی۔ لہذا فنڈ نے سال کے دوران اپنے بیچ مارک سے 1.6% کی بہتر کارکردگی ظاہر کی۔ 17 دسمبر 2018 کو اپنے قیام سے NBP اسلامک کیپیٹل پریزرویشن پلان (NICPP-V) کے پونٹ کی قیمت 90.6452 روپے سے بڑھ کر 30 جون 2022 کو 98.5976 روپے ہو چکی ہے اور اس طرح 8.8% کا اضافہ ہوا ہے۔ اسی مدت کے دوران بیچ مارک 4.4% زیادہ ہوا۔ لہذا فنڈ نے اپنے بیچ مارک کی 4.4% بہتر کارکردگی کا مظاہرہ کیا ہے۔ فنڈ کی یہ کارکردگی ہیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا ساٹھ 28 ملین روپے ہے۔

پلان کو اس مدت کے دوران 2.12 ملین روپے کی آمدنی ہوئی۔ 0.74 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 1.38 ملین روپے ہے۔

30 جون 2022 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

ہیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2022 کے اختتام کے بعد NBP اسلامک کیپیٹل پریزرویشن پلان (NICPP-V) میں اوپننگ ex-NAV کا 2.69% (بنیادی قدر کا 2.65%) نقد منافع منقسمہ کی منظوری دی ہے۔

تیسیس

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین متناہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر آئٹم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

NBP اسلامک کیپٹل پریزرویشن پلان (NICPP-VI) VI

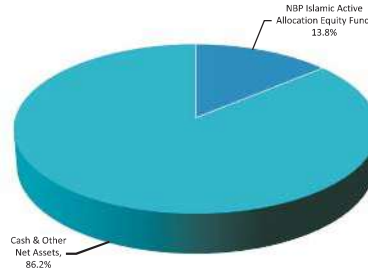
28 جون 2022 کو قائم ہونے والے این بی پی اسلامک کیپٹل پریزرویشن پلان (NICPP-VI) VI کی 30 جون 2022 تختہ سال کے لئے یہ پہلی سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کیپٹل ایکویٹی فنڈ اور آئٹم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

پلان کی کارکردگی

28 جون 2020 کو اپنے قیام سے NBP اسلامک کیپٹل پریزرویشن پلان (NICPP-VI) VI کے پورٹ کی قیمت 99.8903 روپے سے بڑھ کر 30 جون 2022 کو 100.0020 روپے ہو چکی ہے اور لائن میں سچ مارک %0.1 زیادہ ہوا۔ فنڈ کا سائز 181 ملین روپے ہے۔

پلان کو اس مدت کے دوران 0.25 ملین روپے کی آمدنی ہوئی۔ 0.01 ملین روپے کے اخراجات متناہا کرنے کے بعد خالص آمدنی 0.24 ملین روپے ہے۔

30 جون 2022 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقیم

میتجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2022 کے اختتام کے بعد NBP اسلامک کیپٹل پریزرویشن پلان (NICPP-VI) VI میں اوپننگ ex-NAV کا %0.11 (بنیادی قدر کا %0.11) نقد منافع منقسمہ کی منظوری دی ہے۔

تیسیس

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین متناہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر آئٹم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

سندھ ورکرز ویلفیئر فنڈ (SWWF)

13 اگست 2021 کو NAFA اسلامک ایکٹیو ایلوکیشن فنڈ III کی طرف سے سندھ ورکرز ویلفیئر فنڈ کی پروڈنگ کے بعد مر اسلہ نمبر SRB/TP/70/2013/8772 مورخہ 12 اگست 2021 کی رو سے سندھ ریونیو بورڈ کی طرف سے موصول کلیریفیکیشن پر مبنی فنڈ زاہیوسی ایٹن آف پاکستان کو دی گئی رقم واپس کر دی گئی۔ پروڈنگ کی اس واپسی کے باعث 13 اگست 2021 کو NAFA اسلامک ایکٹیو ایلوکیشن فنڈ III کے NAV میں غیر معمولی اضافہ ہوا ہے۔ یہ ایک ایسا موقع ہے جو کہ مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

Plans	SWWF Reversed (Rs million)	Increase in NAV (%)
NICPP-III	0.62	0.78%
NICPP-IV	0.21	0.45%
NICPP-V	0.16	0.31%

آڈیٹرز

موجودہ آڈیٹرز میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے فنڈ کے آڈیٹ کی حیثیت سے اپنی پانچ سالہ مدت پوری کر لی ہے۔ غیر بینکنگ مالیاتی کمپنیز اور مطلع شدہ اداروں کے ریگولیشنز، 2008 کے ریگولیشن 38(1) کی ضرورت کے مطابق، متبادل کی ضرورت ہوگی۔ بورڈ نے میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کی تقرری کی منظوری دے دی، 30 جون 2023 کو ختم ہونے والے سال کے لیے تقرری کی پیشکش کی ہے۔

لسٹڈ کمپنیوں کے بورڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

- 1 مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلواور پونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- 2 فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 3 مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شریاتی 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 کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی 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 پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کی گئی ہے۔
- 11 پونٹ ہولڈنگ کا تفصیلی پیرین مالیاتی گوشواروں کے نوٹ 24 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 پینس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریٹ نہیں رکھتی۔ 30 جون 2022 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں

نام	کینگری
•1 جناب خالد منصور	غیر جانبدار ڈائریکٹرز
•2 جناب سعدا مان اللہ خان	
•3 جناب ہمایوں بشیر	
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
•1 شیخ محمد عبدالواحد سیٹھی (چیئر مین)	نان ایگزیکٹو ڈائریکٹرز
•2 جناب توقیر مظہر	
•3 محترمہ مہنا سالار	
•4 جناب علی سیدگل	
•5 جناب عمران ظفر	



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ انویسٹمنٹ 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 آرٹسٹری کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فونڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 27 ستمبر 2022ء

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-III (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 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 28, 2022

FUND MANAGER REPORT

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

Investment Objective of the Fund

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

NAFA Islamic Active Allocation Fund-III has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through four (4) 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) & NBP Islamic Capital Preservation Plan- VI (NICPP VI).

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

Fund performance review

Plans	Launch Date	Fund Size (Million)	Cumulative Performance Since Inception	
			Plans Return	Benchmark* Return
NICPP-III	22-06-2018	43	11.9%	5.4%
NICPP-IV	14-09-2018	25	9.5%	3.7%
NICPP-V	17-12-2018	28	8.8%	4.4%
NICPP-VI	28-06-2022	181	0.1%	0.1%

FY22 remained a disappointing year for the stock market, as the KMI-30 index fell by around 10.3% on a yearly basis. This comes after robust return in FY21 when index surged by a healthy 39.3% YoY. Throughout the year, the market remained quite volatile amid thin volumes, traded within a range and showing lack of investors' interest.

The subdued equity market performance was despite robust corporate profitability of listed companies, which for the first three quarters of FY22 stood at 25% and, even after the imposition of super tax, is expected to deliver double digit growth. Investors remained focused on external numbers, especially the burgeoning current account deficit (CAD) which rose sharply to USD 17.3 billion in FY22 (up from USD 2.8 billion in FY21). Strong aggregate domestic demand and ongoing commodity super-cycle amidst the conflict between Russia & Ukraine worsened the external trade numbers. Market participants also remained wary of impact of elevated commodity prices on inflation, which averaged around 12.2% in FY22, with June-22 monthly inflation at multi-year high of 21.3%. The international bond yields rose substantially during the period. To compress both external imbalances and rampant inflation, the central bank raised Policy Rates aggressively by a cumulative 6.75% in FY22. For the same reason, PKR also devalued by a whopping 30% during the year. The inordinate delay in resumption of IMF program remained another reason for nervousness in the market. The downgrade of Pakistan from MSCI Emerging Market to MSCI Frontier Market also took place during the year, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows, which further dented market performance. Lastly, there was heightened political uncertainty in the country as the ruling party lost its majority in the assembly and new coalition government was formed.

In terms of sector wise performance, Auto Assemblers, Chemicals, Commercial Banks, Fertilizers, Oil & Gas Exploration, and Power Generation & Distribution sectors outperformed the market. On the other hand, Auto Parts & Acc., Cable & Electrical Goods, Cements, Engineering, Food & Personal Care, Insurance, Oil & Gas Marketing, Pharmaceutical, Refinery, and Technology sectors lagged the market. On participants-wise market activity, Foreigners and Mutual Funds

were the largest net sellers with outflows of around USD 298 million and USD 128 million, respectively. On the contrary, Individuals & Bank/DFIs increased their net holdings by around USD 157 million and USD 115 million, respectively.

Trading activity in corporate sukuks further reduced as cumulative traded value stood at Rs. 4 billion compared to Rs. 16 billion in FY21. However, the fresh issuance of Shariah Compliant commercial papers helped the undersupplied market for long-term Shariah Compliant debt instruments to some extent.

During FY22, State Bank of Pakistan (SBP) held eight (8) Monetary Policy meetings and increased the discount rate from 8% to 14.75% - to counter inflationary pressures, ensure economic sustainability and safeguard external & price stability; owing to significant domestic political noise and global uncertainty. During the second half, global economic conditions deteriorated due to Russia-Ukraine conflict and burgeoning commodity prices, which pushed all the central banks across the world to confront multi-year high inflation and challenging outlook. Domestically, the inflation trajectory also remained on an uptrend due to i) sharp spike in prices of food component, ii) continued pressure on the Rupee, iii) increase in utility tariffs, and iv) reversal of fuel subsidies. Inflation as measured by CPI clocked in at 21.3% in June-22 as against 9.7% during corresponding month last year. Gross foreign exchange reserves with SBP also shrunk to USD 9.8 billion at June-22 end compared to USD 17.3 billion a year ago. The outlook for inflation has deteriorated and risks to external stability have risen, with further rate hikes likely in the initial half of the upcoming year.

Asset Allocation of the Fund (% of NAV)

Plans	Asset Allocation of Plans		
	NBP Islamic Active Allocation Equity Funds	NBP Islamic Money Market Fund	Cash & Other Net Assets/Liabilities
NICPP-III	27.6%	63.3%	9.1%
NICPP-IV	20.2%	71.5%	8.3%
NICPP-V	17.5%	68.2%	14.3%
NICPP-VI	13.8%	-	86.2%

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.

Sindh Workers' Welfare Fund (SWWF)

On August 13, 2021, provisioning against Sindh Workers' Welfare Fund by NAFA Islamic Active Allocation Fund-III has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV on August 13, 2021 of sub-plans as detailed below. This is one-off event and is not likely to be repeated in the future.

Plans	SWWF Reversed (Rs million)	Increase in NAV (%)
NICPP-III	0.62	0.78%
NICPP-IV	0.21	0.45%
NICPP-V	0.16	0.31%

NAFA Islamic Capital Preservation Plan-III (NICPP III)

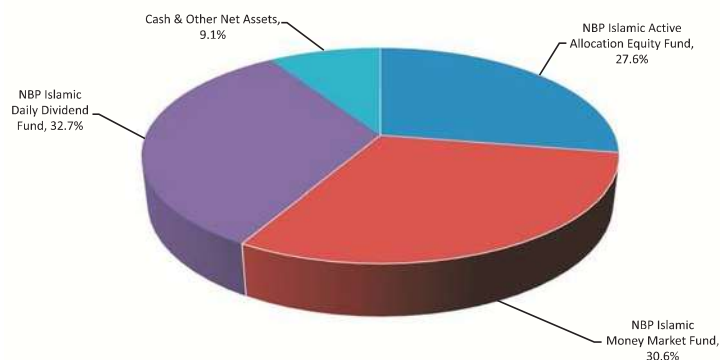
NBP Funds launched its NAFA Islamic Capital Preservation Plan-III (NICPP III) in June 2018 which is the 11th plan under NAFA Islamic Active Allocation Fund-III. The Active Allocation Plan will be dynamically managed between dedicated equity & Money Market schemes managed by NBP Funds based on the Fund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

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

Fund's Performance

During the fiscal year, NAFA Islamic Capital Preservation Plan-III (NICPP III) decreased by 0.4% as against the benchmark which decreased by 2.4%, thus, the Fund outperformed the benchmark by 2.0% during the year. Since launch of the plan, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs. 89.9085 (Ex-Div) on June 22, 2018 to Rs. 100.6506 on June 30, 2022, thus showing an increase of 11.9%. The Benchmark return during the same period was increased by 5.4%. Thus, the Fund has outperformed its Benchmark by 6.5%. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 43 million.

The asset allocation of the Fund as on June 30, 2022 is as follows:



Distribution for the Financial Year 2022

As the plan has no distributable income, no distribution has been made.

Unit Holding Pattern of NAFA Islamic Capital Preservation Plan -III as on June 30, 2022

Size of Unit Holding (Units)	# of Unit Holders
0 - 0.99	2
1 - 1000	50
1001 - 5000	30
5001 - 10000	11
10001 - 50000	9
50001-100000	2
Total	104

NAFA Islamic Capital Preservation Plan-IV (NICPP IV)

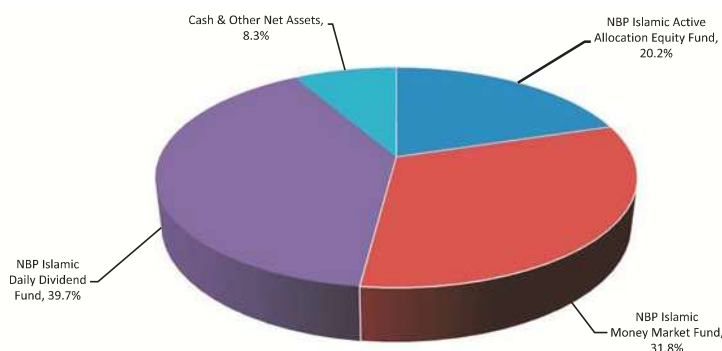
NBP Funds launched its NAFA Islamic Capital Preservation Plan-IV (NICPP IV) in September 2018 which is the 12th plan under NAFA Islamic Active Allocation Fund-III. The Active Allocation Plan will be dynamically managed between dedicated equity & Money Market schemes managed by NBP Funds based on the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

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

Fund's Performance

During the fiscal year, NAFA Islamic Capital Preservation Plan-IV (NICPP IV) increased by 2.0% as against the benchmark which increased by 0.2%, thus, the Fund outperformed the benchmark by 1.8% during the year. Since launch of the plan, the unit price of NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has increased from Rs. 90.5701 (Ex-Div) on September 14, 2018 to Rs. 99.2145 on June 30, 2022, thus showing a increase of 9.5%. The Benchmark during the same period was increased by 3.7%. Thus, the Fund has outperformed its Benchmark by 5.8%. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 25 million.

The asset allocation of the Fund as on June 30, 2022 is as follows:



Distribution for the Financial Year 2022

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-22	1.9574%	100.9946	99.0372

Unit Holding Pattern of NAFA Islamic Capital Preservation Plan -IV as on June 30, 2022

Size of Unit Holding (Units)	# of Unit Holders
0 - 0.99	1
1 - 1000	20
1001 - 5000	18
5001 - 10000	3
10001 - 50000	6
50001-100000	1
Total	49

NBP Islamic Capital Preservation Plan-V (NICPP V)

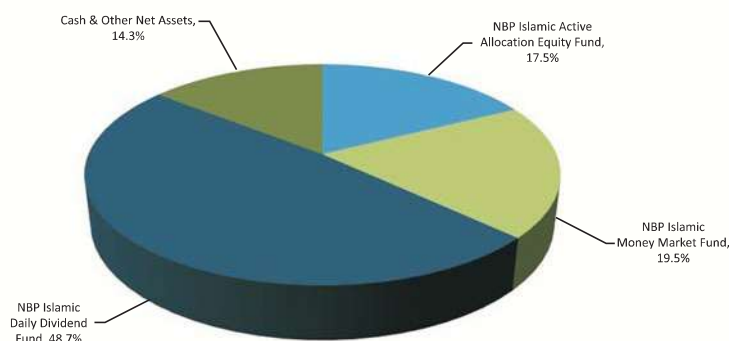
NBP Funds launched its NBP Islamic Capital Preservation Plan-V (NICPP V) in December 2018 which is the 13th plan under NAFA Islamic Active Allocation Fund-III. The Active Allocation Plan will be dynamically managed between dedicated equity & Money Market schemes managed by NBP Funds based on the Fund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

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

Fund's Performance

During the fiscal year, NBP Islamic Capital Preservation Plan-V (NICPP V) increased by 2.7% as against the benchmark which increased by 1.1%, thus, the Fund outperformed the benchmark by 1.6% during the year. Since launch of the plan, the unit price of NBP Islamic Capital Preservation Plan-V (NICPP-V) has increased from Rs. 90.6452 (Ex-Div) on December 17, 2018 to Rs. 98.5976 on June 30, 2022, thus showing an increase of 8.8%. The Benchmark during the same period was increased by 4.4%. Thus, the Fund has outperformed its Benchmark by 4.4%. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 28 million.

The asset allocation of the Fund as on June 30, 2022 is as follows:



Distribution for the Financial Year 2022

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-22	2.6528%	101.1091	98.4563

Unit Holding Pattern of NAFA Islamic Capital Preservation Plan III as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
1 - 1000	9
1001 - 5000	14
5001 - 10000	10
10001 - 50000	5
100001-500000	1
Total	39

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

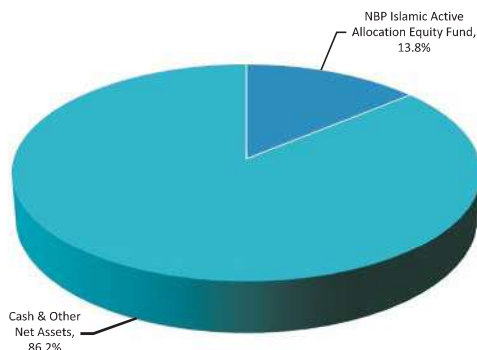
NBP Funds launched its NBP Islamic Capital Preservation Plan-VI (NICPP VI) in June 2022 which is the 14th plan under NAFA Islamic Active Allocation Fund-III. The Active Allocation Plan will be dynamically managed between dedicated equity & Money Market schemes managed by NBP Funds based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NICPP-VI has an initial maturity of two years.

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

Plan's Performance

Since launch of the plan, the unit price of NBP Islamic Capital Preservation Plan-VI (NICPP-VI) has increased from Rs. 99.8903 on June 28, 2022 to Rs. 100.0020 on June 30, 2022, thus showing an increase of 0.1% inline with the Benchmark. The size of the Plan is Rs. 181 million.

The asset allocation of the Fund as on June 30, 2022 is as follows:



Distribution for the Financial Year 2022

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-22	0.1098%	100.0723	99.9625

Unit Holding Pattern of NAFA Islamic Capital Preservation Plan III as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
1 - 1000	11
1001 - 5000	45
5001 - 10000	30
10001 - 50000	30
50001-100000	1
100001-500000	1
500001-1000000	1
Total	119

STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NAFA Islamic Active Allocation Fund - III (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2022. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: **September 27, 2022**
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer

REPORT OF THE SHARI'AH SUPERVISORY BOARD

September 12, 2022/Safar 15, 1444

Alhamdulillah, it is the Fifth year of the operations of NAFA Islamic Active Allocation Fund-III (NIAAF-III). Under this fund, NBP Funds launched its NAFA Islamic Capital Preservation Plan-III (NICPP-III) on June 22, 2018, NAFA Islamic Capital Preservation Plan-IV on September 14, 2018, NBP Islamic Capital Preservation Plan-V on December 17, 2018 and NBP Islamic Capital Preservation Plan-VI on June 28, 2022. 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-III in light of Shari'ah guidelines.
- ii. All the provisions of the scheme and investments made on account of NIAAF-III by NBP Funds are Shari'ah Compliant and are in accordance with the criteria established.
- iii. On the basis of information provided by the management, nothing has come to our attention that cause us to believe that all the operations of NIAAF-III for the year ended June 30, 2022 are not in compliance with Shari'ah principles.

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

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

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waqar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NAFA Islamic Active Allocation Fund - III (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund 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, 2022, and of its financial performance and its cash flows 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:

Key Audit Matter	How the matter was addressed in our audit
<p>Net Asset Value (Refer notes 4 and 5 to the annexed financial statements)</p>	
<p>The bank balances and investments constitute the most significant component of the net asset value (NAV). The bank balances and investments of the Fund as at June 30, 2022 amounted to Rs. 175.864 million and Rs. 111.296 million respectively.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others 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, 2022 and traced balances in these confirmations 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 28, 2022

UDIN: AR202210061XdfJwSYEG

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

	2022					2021				
	NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total	
Note----- (Rupees in 000) -----										
ASSETS										
Balances with banks	4	4,214	2,705	4,277	164,668	175,864	6,359	1,728	5,141	13,228
Investments	5	39,289	22,623	24,384	25,000	111,296	74,199	46,100	49,400	169,699
Profit receivable		43	37	27	248	355	47	29	19	95
Receivable against sale of investments		-	-	-	-	-	-	920	-	920
Other receivables	6	220	-	450	153	823	220	-	450	670
Total assets		43,766	25,365	29,138	190,069	288,338	80,825	48,777	55,010	184,612
LIABILITIES										
Payable to NBP Fund Management Limited - the Management Company	8	44	34	40	7,765	7,883	54	40	46	140
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	2	2	1	1	6	6	3	3	12
Payable to the Securities and Exchange Commission of Pakistan	10	12	8	8	-	28	21	16	13	50
Payable against redemption of units		-	-	-	1,119	1,119	-	-	-	-
Dividend payable		-	67	-	-	67	189	158	35	382
Accrued expenses and other liabilities	11	487	593	613	44	1,737	1,633	1,061	961	3,655
Total liabilities		545	704	662	8,929	10,840	1,903	1,278	1,058	4,239
NET ASSETS		43,221	24,661	28,476	181,140	277,498	78,922	47,499	53,952	180,373
UNIT HOLDERS' FUND		43,221	24,661	28,476	181,140	277,498	78,922	47,499	53,952	180,373
(as per statement attached)										
CONTINGENCIES AND COMMITMENTS										
	12	----- No. of units -----				----- No. of units -----				
NUMBER OF UNITS IN ISSUE	13	<u>429,416</u>	<u>248,566</u>	<u>288,806</u>	<u>1,811,367</u>	<u>780,759</u>	<u>479,034</u>	<u>547,361</u>		
		-----Rupees-----				-----Rupees-----				
NET ASSET VALUE PER UNIT	15	<u>100.6506</u>	<u>99.2145</u>	<u>98.5976</u>	<u>100.0020</u>	<u>101.0840</u>	<u>99.1553</u>	<u>98.5671</u>		

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

	For the year ended June 30, 2022			For the period from June 28, 2022 to June 30, 2022	Total	2021				
	NICPP-III	NICPP-IV	NICPP-V	NICPP-VI		NICPP-III	NICPP-IV	NICPP-V	Total	
Note ----- (Rupees in 000) -----										
INCOME										
Gain on sale of investments - net	531	523	803	-	1,857	1,646	123	121	1,890	
Dividend income	1,723	1,396	1,663	-	4,782	1,653	3,757	3,156	8,566	
Profit on balances with banks	471	336	229	247	1,283	3,907	917	825	5,649	
	2,725	2,255	2,695	247	7,922	7,206	4,797	4,102	16,105	
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.2	(1,582)	(757)	(736)	-	(3,075)	2,675	181	114	2,970
Total income	1,143	1,498	1,959	247	4,847	9,881	4,978	4,216	19,075	
EXPENSES										
Remuneration of NBP Fund Management Limited - the Management Company	8.1	53	36	34	-	123	600	139	128	867
Sindh sales tax on remuneration of the Management Company	8.2	7	5	4	-	16	78	18	17	113
Reimbursement of allocated expenses	8.3	60	41	39	-	140	106	79	67	252
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	9.1	42	28	27	1	98	74	56	47	177
Sindh sales tax on remuneration of the Trustee	9.2	5	4	4	-	13	10	7	6	23
Annual fee of the Securities and Exchange Commission of Pakistan	10	12	8	8	-	28	21	16	13	50
Settlement and bank charges		11	3	1	6	21	35	14	10	59
Annual listing fee		9	9	9	1	28	9	9	9	27
Auditors' remuneration	14	360	371	357	-	1,088	370	367	391	1,128
Legal and professional charges		253	256	250	-	759	251	249	252	752
Shariah advisory fee		8	10	4	2	24	14	10	9	33
Amortisation of preliminary expenses and floatation costs	7	-	-	-	-	-	-	114	121	235
Printing charges		13	7	1	1	22	35	35	33	103
Total expenses		833	778	738	11	2,360	1,603	1,113	1,103	3,819
Net income from operating activities		310	720	1,221	236	2,487	8,278	3,865	3,113	15,256
Reversal of provision / (provision against) Sindh Workers' Welfare Fund	11.1	608	205	157	-	970	(166)	(77)	(62)	(305)
Net income for the year before taxation		918	925	1,378	236	3,457	8,112	3,788	3,051	14,951
Taxation	16	-	-	-	-	-	-	-	-	-
Net income for the year after taxation		918	925	1,378	236	3,457	8,112	3,788	3,051	14,951
Earnings / (loss) per unit	17									
Allocation of net income for the year										
Net income for the after taxation		918	925	1,378	236		8,112	3,788	3,051	
Income already paid on units redeemed		(918)	(430)	(620)	(33)		(2,603)	(1,575)	(703)	
		-	495	758	203		5,509	2,213	2,348	
Accounting income available for distribution										
- Relating to capital gains		-	-	67	-		2,619	200	175	
- Excluding capital gains		-	495	691	203		2,890	2,013	2,173	
		-	495	758	203		5,509	2,213	2,348	

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	2022			For the period from June 28, 2022 to June 30, 2022	Total	2021			
	NICPP-III	NICPP-IV	NICPP-V	NICPP-VI		NICPP-III	NICPP-IV	NICPP-V	Total
Note	----- (Rupees in 000) -----								
Net income for the year after taxation	918	925	1,378	236	3,457	8,112	3,788	3,051	14,951
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	918	925	1,378	236	3,457	8,112	3,788	3,051	14,951

The annexed notes 1 to 28 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 JUNE 30, 2022

	For the year ended June 30, 2022									For the period from June 28, 2022 to June 30, 2022			Total		
	NICPP-III			NICPP-IV			NICPP-V			NICPP-VI			Capital value	Accumulated losses	Total
	Capital value	Undistributed income	Total	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total	Capital value	Undistributed income	Total			
(Rupees in 000)			(Rupees in 000)			(Rupees in 000)			(Rupees in 000)			(Rupees in 000)			
Net assets at the beginning of the year	77,082	1,840	78,922	50,841	(3,342)	47,499	56,616	(2,664)	53,952	-	-	-	184,539	(4,166)	180,373
Issuance of units:															
NICPP-III: Nil units / NICPP-IV: 3,349 units / NICPP-V: 6,086 units / NICPP-VI: 2,270,656 units															
- Capital value (at ex net asset value per unit)	-	-	-	332	-	332	600	-	600	227,066	-	227,066	227,998	-	227,998
- Element of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	332	-	332	600	-	600	227,066	-	227,066	227,998	-	227,998
Redemption of units:															
NICPP-III: 351,343 units / NICPP-IV: 233,817 units / NICPP-V: 264,641 units / NICPP-VI: 459,289 units															
- Capital value (at ex net asset value per unit)	(35,515)	-	(35,515)	(23,184)	-	(23,184)	(26,085)	-	(26,085)	(45,929)	-	(45,929)	(130,713)	-	(130,713)
- Element of income / (loss)	(186)	(918)	(1,104)	(1)	(430)	(431)	1	(620)	(619)	-	(33)	(33)	(186)	(2,001)	(2,187)
Total payments on redemption of units	(35,701)	(918)	(36,619)	(23,185)	(430)	(23,615)	(26,084)	(620)	(26,704)	(45,929)	(33)	(45,962)	(130,899)	(2,001)	(132,900)
Total comprehensive income for the year	-	918	918	-	925	925	-	1,378	1,378	-	236	236	-	3,457	3,457
Distribution for the year ended June 30, 2022: NICPP-III @ Rs nil per unit / NICPP-IV @ Rs 1,9574 per unit / NICPP-V @ Rs 2,6528 per unit / NICPP-VI @ Rs 0.1098 per unit (date of declaration: June 30, 2022)	-	-	-	-	(480)	(480)	-	(750)	(750)	-	(200)	(200)	-	(1,430)	(1,430)
Net assets at the end of the year	41,381	1,840	43,221	27,988	(3,327)	24,661	31,132	(2,656)	28,476	181,137	3	181,140	281,638	(4,140)	277,498
Undistributed income / (loss) brought forward															
- Realised loss		(835)			(3,523)			(2,778)							
- Unrealised income		2,675			181			114							
		1,840			(3,342)			(2,664)							
Accounting income available for distribution															
- Relating to capital gains		-			-			67							
- Excluding capital gains		-			495			691					203		
		-			495			758					203		
Distribution for the year ended June 30, 2022: NICPP-III @ Rs nil per unit / NICPP-IV @ Rs 1,9574 per unit / NICPP-V @ Rs 2,6528 per unit / NICPP-VI @ Rs 0.1098 per unit (date of declaration: June 30, 2022)					(480)			(750)					(200)		
Undistributed income / (accumulated losses) carried forward		1,840			(3,327)			(2,656)					3		
Undistributed income / (accumulated losses) carried forward															
- Realised income / (losses)		3,422			(2,570)			(1,920)					3		
- Unrealised loss		(1,582)			(757)			(736)					-		
		1,840			(3,327)			(2,656)					3		
Net asset value per unit at the beginning of the year			Rupees 101,0840			Rupees 99,1553			Rupees 98,5671				Rupees -		
Net asset value per unit at the end of the year			100,6506			99,2145			98,5976				100,0020		

The annexed notes 1 to 28 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 JUNE 30, 2022

	2021									Total		
	NICPP-III			NICPP-IV			NICPP-V			Capital value	Accumulated losses	Total
	Capital value	Undistributed income	Total	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total			
(Rupees in 000)			(Rupees in 000)			(Rupees in 000)			(Rupees in 000)			
Net assets at the beginning of the year	151,051	331	151,382	149,402	(3,455)	145,947	93,046	(2,812)	90,234	393,499	(5,936)	387,563
Issuance of units:												
NICPP-III: 37,144 units / NICPP-IV: 15,294 units / NICPP-V: 25,878 units												
- Capital value (at ex net asset value per unit)	3,679	-	3,679	1,513	-	1,513	2,543	-	2,543	7,735	-	7,735
- Element of loss	90	-	90	4	-	4	37	-	37	131	-	131
Total proceeds on issuance of units	3,769	-	3,769	1,517	-	1,517	2,580	-	2,580	7,866	-	7,866
Redemption of units:												
NICPP-III: 784,565 units / NICPP-IV: 1,011,808 units / NICPP-V: 396,590 units												
- Capital value (at ex net asset value per unit)	(77,719)	-	(77,719)	(100,078)	-	(100,078)	(38,979)	-	(38,979)	(216,776)	-	(216,776)
- Element of loss	-	(2,603)	(2,603)	-	(1,575)	(1,575)	(1)	(703)	(704)	(1)	(4,881)	(4,882)
Total payments on redemption of units	(77,719)	(2,603)	(80,322)	(100,078)	(1,575)	(101,653)	(38,980)	(703)	(39,683)	(216,777)	(4,881)	(221,658)
Total comprehensive income for the year	-	8,112	8,112	-	3,788	3,788	-	3,051	3,051	-	14,951	14,951
Distribution for the year ended June 30, 2021: NICPP-III @ Rs 5,3681 per unit / NICPP-IV @ Rs 4,5284 per unit / NICPP-V @ Rs 4,2189 per unit (date of declaration: June 30, 2021)	(19)	(4,000)	(4,019)	-	(2,100)	(2,100)	(30)	(2,200)	(2,230)	(49)	(8,300)	(8,349)
Net assets at the end of the year	77,082	1,840	78,922	50,841	(3,342)	47,499	56,616	(2,664)	53,952	184,539	(4,166)	180,373
Undistributed income / (loss) brought forward												
- Realised income / (loss)		370			(3,465)			(2,812)				
- Unrealised (loss) / income		(39)			10			-				
		331			(3,455)			(2,812)				
Accounting income available for distribution												
- Relating to capital gains		2,619			200			175				
- Excluding capital gains		2,890			2,013			2,173				
		5,509			2,213			2,348				
Distribution for the year ended June 30, 2021: NICPP-III @ Rs 5,3681 per unit / NICPP-IV @ Rs 4,5284 per unit / NICPP-V @ Rs 4,2189 per unit (date of declaration: June 30, 2021)		(4,000)			(2,100)			(2,200)				
Undistributed income / (accumulated losses) carried forward		1,840			(3,342)			(2,664)				
Undistributed income / (accumulated losses) carried forward												
- Realised income / (losses)		(835)			(3,523)			(2,778)				
- Unrealised income		2,675			181			114				
		1,840			(3,342)			(2,664)				
Net asset value per unit at the beginning of the year			<u>Rupees</u> 99,0600			<u>Rupees</u> 98,9102			<u>Rupees</u> 98,2859			
Net asset value per unit at the end of the year			<u>101,0840</u>			<u>99,1553</u>			<u>98,5671</u>			

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

	2022			For the period from June 28, 2022 to June 30, 2022	Total	2021			
	NICPP-III	NICPP-IV	NICPP-V	NICPP-VI		NICPP-III	NICPP-IV	NICPP-V	Total
Note (Rupees in 000)									
CASH FLOWS FROM OPERATING ACTIVITIES									
Net income for the year before taxation	918	925	1,378	236	3,457	8,112	3,788	3,051	14,951
Adjustments									
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.2 1,582	757	736	-	3,075	(2,675)	(181)	(114)	(2,970)
Profit on balances with banks	(471)	(336)	(229)	(247)	(1,283)	(3,907)	(917)	(825)	(5,649)
(Reversal of provision) / provision against Sindh Workers' Welfare Fund	(608)	(205)	(157)	-	(970)	166	77	62	305
Amortisation of preliminary expenses and floatation costs	-	-	-	-	-	-	114	121	235
	503	216	350	(247)	822	(6,416)	(907)	(756)	(8,079)
Decrease / (increase) in assets									
Investments	33,328	23,640	24,280	(25,000)	56,248	(63,424)	(46,041)	(47,638)	(157,103)
Other receivables	-	-	-	(153)	(153)	-	-	-	-
	33,328	23,640	24,280	(25,153)	56,095	(63,424)	(46,041)	(47,638)	(157,103)
(Decrease) / increase in liabilities									
Payable to NBP Fund Management Limited - the Management Company	(10)	(6)	(6)	7,765	7,743	(184)	(159)	(87)	(430)
Payable to Central Depository Company of Pakistan Limited - the Trustee	(4)	(1)	(2)	1	(6)	(6)	(7)	(3)	(16)
Payable to the Securities and Exchange Commission of Pakistan	(9)	(8)	(5)	-	(22)	(33)	(20)	(9)	(62)
Dividend payable	(189)	(91)	(35)	-	(315)	189	158	35	382
Accrued expenses and other liabilities	(538)	(263)	(191)	44	(948)	(524)	(197)	(83)	(804)
	(750)	(369)	(239)	7,810	6,452	(558)	(225)	(147)	(930)
Profit received on balances with banks	475	328	221	(1)	1,023	4,884	1,844	1,382	8,110
Net cash generated from / (used in) operating activities	34,474	24,740	25,990	(17,355)	67,849	(57,402)	(41,541)	(44,108)	(143,051)
CASH FLOWS FROM FINANCING ACTIVITIES									
Net receipts from issuance of units	-	332	600	227,066	227,998	3,750	1,517	2,550	7,817
Net payments against redemption of units	(36,619)	(23,615)	(26,704)	(44,843)	(131,781)	(84,533)	(101,653)	(39,683)	(225,869)
Distributions paid	-	(480)	(750)	(200)	(1,430)	(4,000)	(2,100)	(2,200)	(8,300)
Net cash used in financing activities	(36,619)	(23,763)	(26,854)	182,023	94,787	(84,783)	(102,236)	(39,333)	(226,352)
Net decrease in cash and cash equivalents during the year	(2,145)	977	(864)	164,668	162,636	(142,185)	(143,777)	(83,441)	(369,403)
Cash and cash equivalents at the beginning of the year	6,359	1,728	5,141	-	13,228	148,544	145,505	88,582	382,631
Cash and cash equivalents at the end of the year	4,214	2,705	4,277	164,668	175,864	6,359	1,728	5,141	13,228

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Active Allocation Fund-III (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 28, 2018.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 15, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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 (the SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended Shariah compliant fund of funds by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from June 22, 2018 (NICPP - III), September 15, 2018 (NICPP - IV) and December 18, 2018 (NICPP - V) and are transferable and redeemable by surrendering them to the Fund.

The objective of NAFA Islamic Capital Preservation Plan III (NICPP III), NAFA Islamic Capital Preservation Plan IV (NICPP IV), NBP Islamic Capital Preservation Plan V (NICPP V) and NBP Islamic Capital Preservation Plan VI (NICPP VI) is to earn a potentially high return through dynamic asset allocation between the Shariah compliant dedicated equity and money market based collective investment schemes, while providing capital preservation of the initial investment value including sales load at completion of twenty four months and beyond. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed an Asset Manager Rating of AM1 as at June 22, 2022 (June 23, 2021: AM1) to the Management Company. The Fund has not yet been rated.

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

During the year ended June 30, 2022, a new plan namely NBP Islamic Capital Preservation Plan VI (NICPP VI) was introduced. The necessary changes in the Offering Document of the Fund were incorporated vide amendment through 3rd Supplemental Offering Document approved by the SECP vide letter No. SCD/AMCW/NAFA/260/2019 dated January 22, 2019. Pre-Initial Public Offer (the Pre-IPO) period of the Plan started from April 18, 2022 and continued till Initial Public Offer (the IPO) date which was June 28, 2022.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain amendments that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 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 judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.3 and 5).

2.5 Basis of measurement

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

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment

in which the Fund operates. These financial statements are presented in Pakistan Rupees, 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 presented unless otherwise stated.

3.2 Cash and cash equivalents

These comprise balances with banks in profit and loss sharing 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 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.

3.3.2 Classification and subsequent measurement

3.3.2.1 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); and
- 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 categorised as puttable instruments and are mandatorily required to be classified as financial assets 'at fair value through profit or loss'.

3.3.3 Subsequent measurement

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

Financial assets 'at fair value through profit or loss'

Basis of valuation in the collective investment schemes

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.

3.3.4 Impairment

The Fund assesses on a forward-looking basis the expected credit loss (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.3.5 Regular way contracts

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

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

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

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on 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 year 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 asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded on 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 balances with banks is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.

3.12 Expenses

All expenses including 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 to the unit holders in cash.

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

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earning per unit is not practicable as disclosed in note 17.

3.15 Foreign currency translation

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

	Note	2022					2021			
		NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total
4 BALANCES WITH BANKS		(Rupees in 000)								
Profit and loss sharing accounts	4.1	4,160	2,438	3,706	164,668	174,972	6,280	1,461	4,570	12,311
Current accounts		54	267	571	-	892	79	267	571	917
		<u>4,214</u>	<u>2,705</u>	<u>4,277</u>	<u>164,668</u>	<u>175,864</u>	<u>6,359</u>	<u>1,728</u>	<u>5,141</u>	<u>13,228</u>

4.1 These carry profits at rates ranging from 6.5% to 15.59% per annum (2021: 3.75% to 7.4% per annum) for NICPP - III, 6.5% to 15% per annum (2021: 3.75% to 7.4% per annum) for NICPP - IV, 6.5% to 15% per annum (June 30, 2021: 3.75% to 7.4% per annum) for NICPP - V and 14.50% per annum (June 30, 2021: Nil per annum) for NICPP - VI.

	Note	2022					2021			
		NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total
5 INVESTMENTS		(Rupees in 000)								
Financial assets 'at fair value through profit or loss'										
- Units of open ended mutual funds	5.1	39,289	22,623	24,384	25,000	111,296	74,199	46,100	49,400	169,699

NAFA ISLAMIC ACTIVE ALLOCATION FUND-III



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

5.1.1 NAFA Islamic Capital Preservation Plan - III

Name of the investee funds	Number of units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2021	Purchased during the year	Redeemed during the year	As at June 30, 2022			net assets	total investments
					---- (Rupees in 000) ----		----- % -----	
NBP Islamic Active Allocation Equity Fund	2,147,932	1,531,094	2,527,605	1,151,421	13,577	11,920	27.58%	30.34%
NBP Islamic Money Market Fund	4,928,844	2,634,157	6,248,753	1,314,248	13,168	13,243	30.64%	33.71%
NBP Islamic Daily Dividend Fund	-	2,412,589	1,000,000	1,412,589	14,126	14,126	32.68%	35.95%
As at June 30, 2022				3,878,258	40,871	39,289	90.90%	100.00%
As at June 30, 2021				7,076,776	71,524	74,199		

5.1.2 NAFA Islamic Capital Preservation Plan-IV

Name of the investee funds	Number of units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2021	Purchased during the year	Redeemed during the year	As at June 30, 2022			net assets	total investments
					---- (Rupees in 000) ----		----- % -----	
NBP Islamic Active Allocation Equity Fund	587,282	846,369	953,074	480,577	5,760	4,975	20.17%	21.99%
NBP Islamic Money Market Fund	3,915,905	1,498,113	4,634,717	779,301	7,824	7,852	31.84%	34.71%
NBP Islamic Daily Dividend Fund	-	2,371,968	1,392,400	979,568	9,796	9,796	39.72%	43.30%
As at June 30, 2022				2,239,446	23,380	22,623	91.73%	100.00%
As at June 30, 2021				4,503,187	45,919	46,100		

5.1.3 NBP Islamic Capital Preservation Plan-V

Name of the investee funds	Number of units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2021	Purchased during the year	Redeemed during the year	As at June 30, 2022			net assets	total investments
					---- (Rupees in 000) ----		----- % -----	
NBP Islamic Active Allocation Equity Fund	407,422	617,842	543,871	481,393	5,740	4,984	17.50%	20.44%
NBP Islamic Money Market Fund	4,449,786	872,589	4,772,125	550,250	5,524	5,544	19.47%	22.74%
NBP Islamic Daily Dividend Fund	-	2,624,614	1,239,000	1,385,614	13,856	13,856	48.66%	56.82%
As at June 30, 2022				2,417,257	25,120	24,384	85.63%	100.00%
As at June 30, 2021				4,857,208	49,286	49,400		

7 PRELIMINARY EXPENSES AND FLOATATION COSTS

	2022					2021			
	NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	(Rupees in 000)								
At the beginning of the year	-	-	-	-	-	-	114	121	235
Less: amortisation during the year	-	-	-	-	-	-	(114)	(121)	(235)
At the end of the year	-	-	-	-	-	-	-	-	-

- 7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of two years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

8 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY

	Note	2022					2021			
		NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total
		(Rupees in 000)								
Remuneration payable to the Management Company	8.1	3	1	3	-	7	4	3	3	10
Sindh sales tax payable on remuneration of the Management Company	8.2	1	1	1	-	3	1	*	*	1
Reimbursement of allocated expenses payable	8.3	12	8	7	-	27	21	13	14	48
Sales load payable		-	-	-	6,844	6,844	-	-	-	-
Sindh sales tax payable on sales load		-	-	-	893	893	-	-	-	-
Transfer load payable		-	-	-	23	23	-	-	-	-
Other payables		28	24	29	5	86	28	24	29	81
		<u>44</u>	<u>34</u>	<u>40</u>	<u>7,765</u>	<u>7,883</u>	<u>54</u>	<u>40</u>	<u>46</u>	<u>140</u>

* Nil due to rounding off

- 8.1 The Management Company has charged its remuneration for plan NICPP-III, NICPP-IV and NICPP-V at the rate of 1% per annum of the average net assets after deducting market value of investments in collective investment schemes (2021: 1% per annum of the average net assets after deducting market value of investments in collective investment schemes) during the year ended June 30, 2022. However, during the year no remuneration has been charged for plan NICPP-VI. The remuneration is payable to the Management Company monthly in arrears.
- 8.2 During the year, an amount of Rs 0.007 million (2021: Rs 0.078 million) NICPP-III, Rs 0.005 million (2021: Rs 0.018 million) NICPP-IV, Rs 0.004 million (2021: Rs 0.017 million) NICPP-V and Rs Nil in NICPP-VI, was charged on account of sales tax at the rate of 13% (2021: 13%) on management fee levied through Sindh Sales Tax on Services Act, 2011.
- 8.3 In accordance with Regulation 60 of the NBFC Regulations, the 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).

The Management Company based on its discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses during the year.

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

	Note	2022					2021			
		NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total
(Rupees in 000)										
Trustee fee payable	9.1	2	2	1	1	6	5	3	3	11
Sindh sales tax on trustee fee	9.2	-*	-*	-*	-*	-*	1	-*	-*	1
		<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>3</u>	<u>3</u>	<u>12</u>

* Nil due to rounding off

9.1 The Trustee is entitled to monthly remuneration of 0.07% (2021: 0.07%) per annum of average net assets for services rendered to the Fund under the provisions of the Trust Deed.

9.2 During the year, an amount of Rs 0.005 million (2021: Rs 0.010 million) NICPP-III, Rs 0.004 million (2021: Rs 0.007 million) NICPP-IV, Rs 0.004 million (2021: Rs 0.006 million) NICPP-V and Rs Nil in NICPP-VI, was charged on account of sales tax at the rate of 13% (2021: 13%) on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2022					2021			
		NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total
(Rupees in 000)										
Annual fee payable	10.1	12	8	8	-*	28	21	16	13	50

* Nil due to rounding off

10.1 In accordance with SRO No. 685(I)/2019 dated June 28, 2019 issued by the SECP, the Fund has charged the SECP fee at the rate of 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2022					2021			
		NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total
(Rupees in 000)										
Auditors' remuneration payable		266	266	266	-	798	280	269	283	832
Printing charges payable		19	14	10	1	44	27	25	28	80
Legal and professional charges payable		140	139	140	-	419	84	81	82	247
Withholding tax payable		19	99	170	38	326	616	433	343	1,392
Provision for Sindh Workers' Welfare Fund	11.1	-	-	-	-	-	608	205	157	970
Shariah advisor fee payable		10	10	6	2	28	15	11	11	37
Annual listing fee payable		-	-	-	1	1	-	-	-	-
Bank charges payable		27	65	21	2	115	3	37	57	97
Other payables		6	-	-	-	6	-	-	-	-
		<u>487</u>	<u>593</u>	<u>613</u>	<u>44</u>	<u>1,737</u>	<u>1,633</u>	<u>1,061</u>	<u>961</u>	<u>3,655</u>

- 11.1** 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, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (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 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 has 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 had 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and has also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF amounting to Rs. 0.97 million recognised in financial statements of the Fund, for the period from April 27, 2018 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

13 NUMBER OF UNITS IN ISSUE

	2022					2021			
	NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	-----Number of units-----					-----Number of units-----			
Total units in issue at the beginning of the year	780,759	479,034	547,361	-	1,807,154	1,528,180	1,475,548	918,073	3,921,801
Units issued during the year	-	3,349	6,086	2,270,656	2,280,091	37,144	15,294	25,878	78,316
Less: units redeemed during the year	351,343	233,817	264,641	459,289	1,309,090	784,565	1,011,808	396,590	2,192,963
Total units in issue at the end of the year	<u>429,416</u>	<u>248,566</u>	<u>288,806</u>	<u>1,811,367</u>	<u>2,778,155</u>	<u>780,759</u>	<u>479,034</u>	<u>547,361</u>	<u>1,807,154</u>

14 AUDITORS' REMUNERATION

	2022				For the period from June 28, 2022 to June 30, 2022	Total	2021			
	NICPP-III	NICPP-IV	NICPP-V	NICPP-VI			NICPP-III	NICPP-IV	NICPP-V	Total
	----- (Rupees in 000) -----									
Annual audit fee	210	210	210	-	630	191	191	191	573	
Half yearly review	84	84	84	-	252	76	76	76	228	
Other certification	40	40	40	-	120	40	40	40	120	
Out of pocket expenses and sales tax	26	37	23	-	86	63	60	84	207	
	<u>360</u>	<u>371</u>	<u>357</u>	<u>-</u>	<u>1,088</u>	<u>370</u>	<u>367</u>	<u>391</u>	<u>1,128</u>	

15 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 issue at the year end.

16 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management has distributed the required minimum percentage of income earned by NICPP - III, NICPP - IV, NICPP - V and NICPP - VI for the year ended June 30, 2022 to the unit holders in cash during the year, no provision for taxation has been made in these financial statements for NICPP - III, NICPP - IV, NICPP - V and NICPP - VI.

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.

17 EARNINGS / (LOSS) PER UNIT

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

18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 1.39% (2021: 1.67%) - NICPP - III, 1.92% (2021: 1.50%) - NICPP - IV, 1.90% (2021: 1.73%) - NICPP - V and 1.12% (2021: nil) - NICPP - VI which includes 0.04% (2021: 0.26%) - NICPP - III, 0.04% (2021: 0.15%) - NICPP - IV, 0.04% (2021: 0.15%) - NICPP - V and 0.04% (2021: nil) - NICPP - VI which 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.

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

19.2 Transactions with connected persons are 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.

19.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

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

19.5 Allocated expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

19.6 Details of the transactions with related parties / connected persons are as follows:

	2022			For the period from June 28, 2022 to June 30, 2022	Total	2021			
	NICPP-III	NICPP-IV	NICPP-V	NICPP-VI		NICPP-III	NICPP-IV	NICPP-V	Total
(Rupees in 000)									
NBP Fund Management Limited - the Management Company									
Remuneration of the Management Company	53	36	34	-	123	600	139	128	867
Sindh sales tax on remuneration of the Management Company	7	5	4	-	16	78	18	17	113
Reimbursement of allocated expenses	60	41	39	-	140	106	79	67	252
Central Depository Company of Pakistan Limited - the Trustee									
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	42	28	27	1	98	74	56	47	177
Sindh sales tax on remuneration of the Trustee	5	4	4	-***	13	10	7	6	23
Employee of the Management Company*									
Units sold:									
- 1,783 (2021: Nil) units (NICPP - III)	183	-	-	-	183	-	-	-	-
- 4,317 (2021: Nil) units (NICPP - VI)	-	-	-	438	438	-	-	-	-
Dividend re-invested :									
- 3 (2021: Nil) units (NICPP - VI)	-	-	-	-***	-	-	-	-	-
Station Head Quarter Rawalpindi - unit holder with more than 10% holding**									
Dividend re-invested :	-	-	-	-	-	770	-	422	1,192
- Nil (2021: 7,620) units (NICPP - III)									
- Nil (2021: 4,280) units (NICPP V)									
IM Sciences Trust - unit holder with more than 10% holding									
Dividend re-invested - 2,371 (2021: 3,640) units (NICPP V)	-	-	234	-	234	-	-	359	359
Pakistan Stock Exchange Limited - common directorship**									
Listing fee	-	-	-	-	-	9	9	9	27
Welfare Fund Account 25 Signal Battalion - unit holder with more than 10% holding									
Dividend re-invested - 1,286 (2021: 2,848) units (NICPP IV)	-	128	-	-	128	-	282	-	282
Amir Shah Durrani - unit holder with more than 10% holding**									
Dividend re-invested - Nil (2021: 1,932) units (NICPP IV)	-	-	-	-	-	-	192	-	192
Tanveer Ahmad - unit holder with more than 10% holding									
Distribution paid	-	66	-	-	66	-	220	-	220

NAFA ISLAMIC ACTIVE ALLOCATION FUND-III



2022			For the period from June 28, 2022 to June 30, 2022	Total	2021			
NICPP-III	NICPP-IV	NICPP-V	NICPP-VI		NICPP-III	NICPP-IV	NICPP-V	Total

(Rupees in 000)

Hum Network Limited Provident Fund Trust - unit holder with more than 10% holding*

Units purchased: 630,883 (2021: Nil) units (NICPP - VI)	-	-	-	63,088	63,088	-	-	-	-
Dividend re-invested - 589 (2021: Nil) units (NICPP VI)	-	-	-	59	59	-	-	-	-

Investment in NBP Islamic Active Allocation Equity Fund

Dividend income	-	-	-	-	-	424	46	23	493
Units purchased:	18,620	10,379	7,519	25,000	61,518	26,128	8,070	4,383	38,581
- 1,531,094 (2021: 2,437,512) units (NICPP - III),									
- 846,369 (2021: 711,424) units (NICPP - IV),									
- 617,842 (2021: 451,209) units (NICPP - V) and									
- 2,414,922 (2021: Nil) units (NICPP - VI)									
Units sold:	29,241	10,829	6,378	-	46,448	13,541	2,238	1,688	17,467
- 2,527,605 (2021: 1,220,011) units (NICPP - III),									
- 953,074 (2021: 215,816) units (NICPP - IV) and									
- 543,871 (2021: 233,032) units (NICPP - V)									

Investment in NBP Islamic Money Market Fund

Dividend income	465	68	222	-	755	1,229	1,015	1,138	3,382
Units purchased:	26,783	15,313	8,844	-	50,940	67,629	52,711	58,495	178,835
- 2,634,157 (2021: 6,685,644) units (NICPP - III),									
- 1,498,113 (2021: 5,212,472) units (NICPP - IV) and									
- 872,589 (2021: 5,916,145) units (NICPP - V)									
Units sold:	64,147	47,901	48,924	-	160,972	18,437	13,545	15,283	47,265
- 6,248,753 (2021: 1,756,800) units (NICPP - III),									
- 4,634,717 (2021: 1,296,567) units (NICPP - IV) and									
- 4,772,125 (2021: 1,466,359) units (NICPP - V)									

Investment in NBP Islamic Daily Dividend Fund

Dividend income	1,258	1,328	1,441	-	4,027	-	2,696	1,995	4,691
Units purchased:	24,126	23,720	26,246	-	74,092	-	135,196	81,495	216,691
- 2,412,589 (2021: Nil) units (NICPP - III),									
- 2,371,968 (2021: 13,519,604) units (NICPP - IV) and									
- 2,624,614 (2021: 8,149,495) units (NICPP - V)									
Units sold:	10,000	13,924	12,390	-	36,314	-	135,196	81,495	216,691
- 1,000,000 (2021: Nil) units (NICPP - III),									
- 1,392,400 (2021: 13,519,604) units (NICPP - IV) and									
- 1,239,000 (2021: 8,149,495) units (NICPP - V)									

19.7 Amounts outstanding as at year end

	2022					2021			
	NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total
(Rupees in 000)									
NBP Fund Management Limited - the Management Company									
Remuneration payable to the Management Company	3	1	3	-	7	4	3	3	10
Sindh sales tax payable on remuneration of the Management Company	1	1	1	-	3	1	-.***	-.***	1
Other payables	28	24	29	5	86	28	24	29	81
Reimbursement of allocated expenses payable	12	8	7	-	27	21	13	14	48
Sales load payable	-	-	-	6,844	6,844	-	-	-	-
Sindh sales tax payable on sales load	-	-	-	893	893	-	-	-	-
Transfer load payable	-	-	-	23	23	-	-	-	-
Central Depository Company of Pakistan Limited - the Trustee									
Remuneration payable	2	2	1	1	6	5	3	3	11
Sindh sales tax payable on remuneration of the Trustee	-.***	-.***	-.***	-.***	-.***	1	-.***	-.***	1
Employee of the Management Company*									
Units held:	-	-	-	432	432	-	-	-	-
- 4,321 (2021: Nil) units (NICPP - VI)									
Station Head Quarter Rawalpindi - unit holder with more than 10% holding									
Units held:	-	-	-	-	-	15,274	-	10,279	25,553
- Nil (2021: 151,100) units (NICPP - III)**									
- Nil (2021: 104,286) units (NICPP - V)**									
IM Sciences Trust - unit holder with more than 10% holding									
Units held: 106,048 (2021: 103,676) units (NICPP - V)	-	-	10,456	-	10,456	-	-	10,219	10,219
Welfare Fund Account 25 Signal Battalion - unit holder with more than 10% holding*									
Units held: 66,484 (2021: 65,198) units (NICPP IV)	-	6,596	-	-	6,596	-	6,465	-	6,465
Tanveer Ahmad - unit holder with more than 10% holding									
Units held: 48,478 (2021: 48,478) units (NICPP IV)	-	4,810	-	-	4,810	-	4,807	-	4,807
Amir Shah Durrani - unit holder with more than 10% holding**									
Units held: Nil (2021: 51,689) units (NICPP IV)	-	-	-	-	-	-	5,125	-	5,125

NAFA ISLAMIC ACTIVE ALLOCATION FUND-III



2022					2021			
NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	Total	NICPP-III	NICPP-IV	NICPP-V	Total

(Rupees in 000)

BN Fund Account 3 Commando SSG -

unit holder with more than 10% holding*

Units held: 75,523 (2021: Nil) units (NICPP III)

7,601	-	-	-	7,601	-	-	-	-
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Rukia Jaffer - unit holder with more than

10% holding*

Units held: 52,260 (2021: Nil) units (NICPP III)

5,260	-	-	-	5,260	-	-	-	-
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Hum Network Limited Provident Fund Trust -

unit holder with more than 10% holding

Units held: 631,472 (2021: Nil) units (NICPP VI)

-	-	-	63,148	63,148	-	-	-	-
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NBP Islamic Active Allocation Equity Fund

Investment in:

- 1,151,421 (2021: 2,147,932) units (NICPP - III),
- 480,577 (2021: 587,282) units (NICPP - IV) and
- 481,393 (2021: 407,422) units (NICPP - V)
- 2,414,922 (2021: Nil) units (NICPP - VI)

11,920	4,975	4,984	25,000	46,879	24,662	6,744	4,678	36,084
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NBP Islamic Money Market Fund

Investment in:

- 1,314,248 (2021: 4,928,844) units (NICPP - III),
- 779,301 (2021: 3,915,905) units (NICPP - IV) and
- 550,250 (2021: 4,449,786) units (NICPP - V)

13,243	7,852	5,544	-	26,639	49,537	39,356	44,722	133,615
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NBP Islamic Daily Dividend Fund

Investment in:

- 1,412,589 (2021: Nil) units (NICPP - III),
- 979,568 (2021: Nil) units (NICPP - IV) and
- 1,385,614 (2021: Nil) units (NICPP - V)

14,126	9,796	13,856	-	37,778	-	-	-	-
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* Prior period comparative has not been shown as the company was not a related party / connected person as at June 30, 2021.

** Current period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2022.

*** Nil due to rounding off

20 FINANCIAL INSTRUMENTS BY CATEGORY

20.1 NAFA Islamic Capital Preservation Plan - III

	2022			2021		
	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)		
Financial assets						
Balances with banks	4,214	-	4,214	6,359	-	6,359
Investments	-	39,289	39,289	-	74,199	74,199
Profit receivable	43	-	43	47	-	47
	4,257	39,289	43,546	6,406	74,199	80,605
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company	44	-	44	54	-	54
Payable to Central Depository Company of Pakistan Limited - the Trustee	2	-	2	6	-	6
Dividend payable	-	-	-	189	-	189
Accrued expenses and other liabilities	468	-	468	409	-	409
	514	-	514	658	-	658

20.2 NAFA Islamic Capital Preservation Plan - IV

Financial assets

Balances with banks	2,705	-	2,705	1,728	-	1,728
Investments	-	22,623	22,623	-	46,100	46,100
Profit receivable	37	-	37	29	-	29
Receivable against sale of investments	-	-	-	920	-	920
	2,742	22,623	25,365	2,677	46,100	48,777

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	34	-	34	40	-	40
Payable to Central Depository Company of Pakistan Limited - the Trustee	2	-	2	3	-	3
Dividend payable	67	-	67	158	-	158
Accrued expenses and other liabilities	494	-	494	423	-	423
	597	-	597	624	-	624

20.3 NBP Islamic Capital Preservation Plan - V

Financial assets

Balances with banks	4,277	-	4,277	5,141	-	5,141
Investments	-	24,384	24,384	-	49,400	49,400
Profit receivable	27	-	27	19	-	19
	4,304	24,384	28,688	5,160	49,400	54,560

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	40	-	40	46	-	46
Payable to Central Depository Company of Pakistan Limited - the Trustee	1	-	1	3	-	3
Dividend payable	-	-	-	35	-	35
Accrued expenses and other liabilities	443	-	443	461	-	461
	484	-	484	545	-	545

2022			2021		
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) -----

20.4 NBP Islamic Capital Preservation Plan - VI

Financial assets

Balances with banks	164,668	-	164,668	-	-	-
Investments	-	25,000	25,000	-	-	-
Profit receivable	248	-	248	-	-	-
	<u>164,916</u>	<u>25,000</u>	<u>189,916</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	7,765	-	7,765	-	-	-
Payable to Central Depository Company of Pakistan Limited - the Trustee	1	-	1	-	-	-
Payable against redemption of units	1,119	-	1,119	-	-	-
Dividend payable	-	-	-	-	-	-
Accrued expenses and other liabilities	6	-	6	-	-	-
	<u>8,891</u>	<u>-</u>	<u>8,891</u>	<u>-</u>	<u>-</u>	<u>-</u>

21 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.

21.1 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, 2022, the Fund is exposed to such risk on its balances 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 variable held constant, the net profit for the year and net assets of the Fund would have been higher / lower by for NICPP - III: Rs 0.042 million (2021: Rs 0.063 million), NICPP - IV: Rs 0.024 million (2021: Rs 0.015 million), NICPP - V: Rs 0.037 million (2021: Rs 0.046 million) and NICPP - VI: Rs 1.647 million (2021: Rs Nil million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

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, 2022 can be determined as follows:

NAFA Islamic Capital Preservation Plan - III

----- 2022 -----					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

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

Financial assets

Balances with banks	6.5% - 15.59%	4,160	-	-	54	4,214
Investments		-	-	-	39,289	39,289
Profit receivable		-	-	-	43	43
		4,160	-	-	39,386	43,546

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	44	44
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	2	2
Dividend payable		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	468	468
		-	-	-	514	514

On-balance sheet gap	4,160	-	-	38,872
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Total profit rate sensitivity gap	4,160	-	-
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Cumulative profit rate sensitivity gap	4,160	4,160	4,160
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2021					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in 000)					
Financial assets					
Balances with banks	6,280	-	-	79	6,359
Investments	-	-	-	74,199	74,199
Profit receivable	-	-	-	47	47
	6,280	-	-	74,325	80,605
Financial liabilities					
Payable to NBP Fund Management Limited - the Management Company	-	-	-	54	54
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	-	-	6	6
Dividend payable	-	-	-	189	189
Accrued expenses and other liabilities	-	-	-	409	409
	-	-	-	658	658
On-balance sheet gap	6,280	-	-	73,667	
Total profit rate sensitivity gap	6,280	-	-		
Cumulative profit rate sensitivity gap	6,280	6,280	6,280		

NAFA Islamic Capital Preservation Plan - IV

2022					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in 000)					
Financial assets					
Balances with banks	2,438	-	-	267	2,705
Investments	-	-	-	22,623	22,623
Profit receivable	-	-	-	37	37
Receivable against sale of investments	-	-	-	-	-
	2,438	-	-	22,927	25,365
Financial liabilities					
Payable to NBP Fund Management Limited - the Management Company	-	-	-	34	34
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	-	-	2	2
Dividend payable	-	-	-	67	67
Accrued expenses and other liabilities	-	-	-	494	494
	-	-	-	597	597
On-balance sheet gap	2,438	-	-	22,330	
Total profit rate sensitivity gap	2,438	-	-		
Cumulative profit rate sensitivity gap	2,438	2,438	2,438		

2021					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in 000)					
Financial assets					
Balances with banks	1,461	-	-	267	1,728
Investments	-	-	-	46,100	46,100
Profit receivable	-	-	-	29	29
Receivable against sale of investments	-	-	-	920	920
	1,461	-	-	47,316	48,777
Financial liabilities					
Payable to NBP Fund Management Limited - the Management Company	-	-	-	40	40
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	-	-	3	3
Dividend payable	-	-	-	158	158
Accrued expenses and other liabilities	-	-	-	423	423
	-	-	-	624	624
On-balance sheet gap	1,461	-	-	46,692	
Total profit rate sensitivity gap	1,461	-	-		
Cumulative profit rate sensitivity gap	1,461	1,461	1,461		

NBP Islamic Capital Preservation Plan - V

2022					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in 000)					
Financial assets					
Balances with banks	3,706	-	-	571	4,277
Investments	-	-	-	24,384	24,384
Profit receivable	-	-	-	27	27
	3,706	-	-	24,982	28,688
Financial liabilities					
Payable to NBP Fund Management Limited - the Management Company	-	-	-	40	40
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	-	-	1	1
Dividend payable	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	443	443
	-	-	-	484	484
On-balance sheet gap	3,706	-	-	24,498	
Total profit rate sensitivity gap	3,706	-	-		
Cumulative profit rate sensitivity gap	3,706	3,706	3,706		

2021					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

(Rupees in 000)

Financial assets

Balances with banks	3.75% - 7.4%	4,570	-	-	571	5,141
Investments		-	-	-	49,400	49,400
Profit receivable		-	-	-	19	19
		4,570	-	-	49,990	54,560

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	46	46
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	3	3
Dividend payable		-	-	-	35	35
Accrued expenses and other liabilities		-	-	-	461	461
		-	-	-	545	545

On-balance sheet gap

4,570 - - 49,445

Total profit rate sensitivity gap

4,570 - -

Cumulative profit rate sensitivity gap

4,570 4,570 4,570

NBP Islamic Capital Preservation Plan - VI

2022					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

(Rupees in 000)

Financial assets

Balances with banks	14.50%	164,668	-	-	-	164,668
Investments		-	-	-	25,000	25,000
Profit receivable		-	-	-	248	248
		164,668	-	-	25,248	189,916

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	7,765	7,765
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	1	1
Payable against redemption of units		-	-	-	1,119	1,119
Dividend payable		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	6	6
		-	-	-	8,891	8,891

On-balance sheet gap

164,668 - - 16,357

Total profit rate sensitivity gap

164,668 - -

Cumulative profit rate sensitivity gap

164,668 164,668 164,668

(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, the net income of the NICPP - III, NICPP - IV and NICPP - V for the year would increase / decrease by Rs 1.964 million (2021: Rs 3.710 million), Rs 1.131 million (2021: Rs 2.305 million), Rs 1.219 million (2021: Rs 2.470 million) and Rs 1.250 million (2021: Nil) respectively.

21.2 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, 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 liabilities. 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 liabilities that are payable on demand have been included in the maturity grouping of one month:

NAFA Islamic Capital Preservation Plan - III

2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Dividend payable
Accrued expenses and other liabilities

44	-	-	-	-	-	44
2	-	-	-	-	-	2
-	-	-	-	-	-	-
202	266	-	-	-	-	468
248	266	-	-	-	-	514

2021						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Dividend payable
Accrued expenses and other liabilities

54	-	-	-	-	-	54
6	-	-	-	-	-	6
189	-	-	-	-	-	189
129	280	-	-	-	-	409
378	280	-	-	-	-	658

NAFA Islamic Capital Preservation Plan - IV

2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Dividend payable
Accrued expenses and other liabilities

34	-	-	-	-	-	34
2	-	-	-	-	-	2
67	-	-	-	-	-	67
228	266	-	-	-	-	494
331	266	-	-	-	-	597

2021						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Dividend payable
Accrued expenses and other liabilities

40	-	-	-	-	-	40
3	-	-	-	-	-	3
158	-	-	-	-	-	158
154	269	-	-	-	-	423
355	269	-	-	-	-	624

NBP Islamic Capital Preservation Plan - V

2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Dividend payable
Accrued expenses and other liabilities

40	-	-	-	-	-	40
1	-	-	-	-	-	1
-	-	-	-	-	-	-
177	266	-	-	-	-	443
218	266	-	-	-	-	484

2021						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Dividend payable
Accrued expenses and other liabilities

46	-	-	-	-	-	46
3	-	-	-	-	-	3
35	-	-	-	-	-	35
178	283	-	-	-	-	461
262	283	-	-	-	-	545

NBP Islamic Capital Preservation Plan - VI

2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Payable against redemption of units
Dividend payable
Accrued expenses and other liabilities

7,765	-	-	-	-	-	7,765
1	-	-	-	-	-	1
1,119	-	-	-	-	-	1,119
-	-	-	-	-	-	-
6	-	-	-	-	-	6
8,891	-	-	-	-	-	8,891

21.3 Credit risk

21.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

2022		2021	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk

(Rupees in 000)

(Rupees in 000)

NAFA Islamic Capital Preservation Plan - III

Balances with banks	4,214	4,214	6,359	6,359
Investments	39,289	39,289	74,199	74,199
Profit receivable	43	43	47	47
	43,546	43,546	80,605	80,605

NAFA Islamic Capital Preservation Plan - IV

Balances with banks	2,705	2,705	1,728	1,728
Investments	22,623	22,623	46,100	46,100
Profit receivable	37	37	29	29
Receivable against sale of investments	-	-	920	920
	25,365	25,365	48,777	48,777

NBP Islamic Capital Preservation Plan - V

Balances with banks	4,277	4,277	5,141	5,141
Investments	24,384	24,384	49,400	49,400
Profit receivable	27	27	19	19
	28,688	28,688	54,560	54,560

NBP Islamic Capital Preservation Plan - VI

Balances with banks	164,668	164,668	-	-
Investments	25,000	25,000	-	-
Profit receivable	248	248	-	-
	189,916	189,916	-	-

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

21.3.2 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	2022				2021		
	% of financial assets exposed to credit risk				% of financial assets exposed to credit risk		
	NICPP-III	NICPP-IV	NICPP-V	NICPP-VI	NICPP-III	NICPP-IV	NICPP-V
Banks							
AAA	8.94%	9.23%	12.48%	-	6.02%	1.00%	3.43%
AA+	-	-	-	-	0.01%	0.03%	0.23%
AA	0.60%	0.37%	0.35%	-	1.76%	1.96%	4.67%
AA-	0.13%	1.06%	2.09%	86.71%	0.10%	0.55%	1.10%
	<u>9.67%</u>	<u>10.66%</u>	<u>14.92%</u>	<u>86.71%</u>	<u>7.89%</u>	<u>3.54%</u>	<u>9.42%</u>

22 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. 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 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 30 June 2022 and 30 June 2021, the Fund held the following financial instruments measured at fair values:



2022				2021			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total

(Rupees in 000)

(Rupees in 000)

22.1 NAFA Islamic Capital Preservation Plan-III

ASSETS

Investments - financial assets 'at fair value through profit or loss'

- Mutual fund units	-	39,289	-	39,289	-	74,199	-	74,199
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22.2 NAFA Islamic Capital Preservation Plan-IV

ASSETS

Investments - financial assets 'at fair value through profit or loss'

- Mutual fund units	-	22,623	-	22,623	-	46,100	-	46,100
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22.3 NBP Islamic Capital Preservation Plan-V

ASSETS

Investments - financial assets 'at fair value through profit or loss'

- Mutual fund units	-	24,384	-	24,384	-	49,400	-	49,400
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22.4 NBP Islamic Capital Preservation Plan-VI

ASSETS

Investments - financial assets 'at fair value through profit or loss'

- Mutual fund units	-	25,000	-	25,000	-	-	-	-
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23 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 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 21, 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.

24 UNIT HOLDING PATTERN OF THE FUND

Category	2022			2021		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in 000)			(Rupees in 000)		
NAFA Islamic Capital Preservation Plan - III						
Individuals	101	29,892	69.16%	138	50,262	63.69%
Others	3	13,329	30.84%	4	28,660	36.31%
	104	43,221	100.00%	142	78,922	100.00%
NAFA Islamic Capital Preservation Plan - IV						
Individuals	47	18,007	73.02%	70	37,838	79.66%
Retirement funds	-	-	-	1	3,139	6.61%
Others	2	6,654	26.98%	2	6,522	13.73%
	49	24,661	100.00%	73	47,499	100.00%
NBP Islamic Capital Preservation Plan - V						
Individuals	38	18,020	63.28%	54	33,453	62.01%
Retirement funds	-	-	-	-	-	-
Others	1	10,456	36.72%	2	20,499	37.99%
	39	28,476	100.00%	56	53,952	100.00%
NBP Islamic Capital Preservation Plan - VI						
Individuals	118	117,992	65.14%	-	-	-
Retirement funds	1	63,148	34.86%	-	-	-
	119	181,140	100.00%	-	-	-

25 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
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	34
Asim Wahab Khan (note 25.1)	Chief Investment Officer	CFA	16
Salman Ahmed	Head of Fixed Income	CFA	17
Hassan Raza	Head of Research	ACCA / BSC / CFA	11
Usama Bin Razi	Senior Manager Fixed Income	BE, MBA	18

25.1 The name of the Fund Manager is Asim Wahab Khan. Other funds being managed by the Fund Manager are as follows:

- NBP Islamic Sarmaya Izafa Fund
- NBP Islamic Regular Income Fund
- NBP Islamic Stock Fund
- NBP Islamic Energy Fund
- NAFA Islamic Pension Fund
- NAFA Islamic Active Allocation Fund I
- NAFA Islamic Active Allocation Fund II
- NBP Islamic Active Allocation Equity Fund
- NBP Sarmaya Izafa Fund
- NBP Balanced Fund
- NBP Stock Fund
- NBP Financial Sector Fund
- NBP Pakistan Growth Exchange Traded Fund
- NAFA Pension Fund

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 81st, 82nd, 83rd, 84th and 85th Board meetings were held on July 07, 2021, September 16, 2021, October 29, 2021, February 23, 2022 and April 27, 2022 respectively. Information in respect of attendance by directors in the meetings is given below:

Name of directors	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	5	5	-	-
Tauqeer Mazhar [26.1]	4	4	-	-
Mehnaz Salar	5	5	-	-
Ali Saigol	5	5	-	-
Imran Zaffar	5	4	1	85th BOD Meeting
Khalid Mansoor	5	4	1	82nd BOD Meeting
Saad Amanullah Khan	5	5	-	-
Humayun Bashir	5	5	-	-
Syed Hasan Irtiza Kazmi [26.2]	-	-	-	-
Amjad Waheed	5	5	-	-

26.1 Tauqeer Mazhar was appointed as director on the Board with effect from August 04, 2021.

26.2 Syed Hasan Irtiza Kazmi resigned from the Board with effect from June 25, 2021

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 27, 2022 by the Board of Directors of the Management Company.

28 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	NCPP III	NCPP IV	NCPP V	NCPP VI	NCPP III	NCPP IV	NCPP V	NCPP III	NCPP IV	NCPP V	NCPP III	NCPP IV	NCPP V	NCPP III
	For the Period Ended June 30, 2022	For the Period Ended June 30, 2022	For the Period Ended June 30, 2022	For the Period Ended June 30, 2022	For the Period Ended June 30, 2021	For the Period Ended June 30, 2021	For the Period Ended June 30, 2021	For the Period Ended June 30, 2020	For the Period Ended June 30, 2020	For the Period Ended June 30, 2020	For the Period Ended June 30, 2019	For the period from September 14, 2018 to June 30, 2019	For the period from December 17, 2018 to June 30, 2019	For the period from June 22, 2018 to June 30, 2018
Net assets at the year / period ended (Rs '000)	43,221	24,661	28,478	181,140	78,922	47,499	53,952	151,382	145,947	90,234	392,195	282,020	153,292	954,610
Net income/(loss) for the year / period ended (Rs '000)	918	925	1,378	236	6,112	3,788	3,051	16,008	6,292	4,664	4,853	(3,455)	(2,812)	792
Net Asset Value per unit at the year / period ended (Rs)	100.6506	99.2145	98.5976	100.002	101.0640	99.1553	98.5671	99.0600	98.9102	98.2859	100.0193	98.7262	98.1965	100.0962
Offer Price per unit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.9963	98.7066	98.1608	100.0962
Redemption Price per unit	100.6506	99.2145	98.5976	100.002	101.0640	99.1553	98.5671	99.0600	98.9102	98.2859	100.0193	98.7262	98.1965	100.0962
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	103.4895
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	103.4162
Ex - Highest redemption price per unit (Rs.)	106.9494	100.9862	99.6499	100.002	101.9866	99.6553	98.6246	107.7645	108.4784	109.7592	102.1492	102.4752	103.2478	100.0962
Ex - Lowest redemption price per unit (Rs.)	98.3566	97.4055	96.1100	99.8903	94.1901	94.6093	94.2969	93.3896	92.6020	92.5477	97.6754	97.5165	97.2199	100.0253
Opening Nav of Fiscal Year/Since inception NAV	101.0840	97.2335	95.9810	100.0000	94.0562	94.3869	94.2479	94.8005	95.3814	95.3250	98.9065	100.0000	100.0000	100.0000
Total return of the fund	-0.43%	2.04%	2.73%	0.11%	7.47%	3.73%	3.62%	4.49%	3.73%	3.11%	0.02%	-1.27%	-1.80%	0.10%
Capital growth	-0.43%	0.06%	0.03%	0.00%	2.15%	-0.78%	-0.67%	0.14%	0.19%	0.09%	-1.09%	-1.27%	-1.80%	0.00%
Income distribution as a % of ex nav	-	1.98%	2.69%	0.11%	5.32%	4.57%	4.28%	4.33%	3.54%	3.01%	1.11%	0.00%	0.00%	0.10%
Income distribution as a % of par value	-	1.96%	2.65%	0.11%	5.37%	4.53%	4.22%	4.31%	3.50%	2.96%	1.08%	0.00%	0.00%	0.10%
Distribution														
Interim distribution per unit	-	1.9574	2.6528	0.1098	5.2681	4.5284	4.2189	4.3056	3.4990	2.9603				-
Final distribution per unit											1.0847			0.0950
Distribution Dates														
Interim	-	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-21	30-Jun-21	30-Jun-21	29-Jun-20	29-Jun-20	29-Jun-20				
Final											19-Jul-18			4-Jul-18
Average annual return of the fund (launch date June 22, 2018)														
(Since inception to June 30, 2022)	2.84%	2.43%	2.41%	0.11%										
(Since inception to June 30, 2021)					3.95%	2.57%	2.28%							
(Since inception to June 30, 2020)								2.25%	1.34%	0.81%				
(Since inception to June 30, 2019)											0.113%	-1.274%	-1.80%	
(Since inception to June 30, 2018)														0.10%
Portfolio Composition (Please see Fund Manager Report)														
Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up														

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