

**NAFA ISLAMIC ACTIVE ALLOCATION
FUND - III**



**HALF YEARLY REPORT
DECEMBER 31, 2020**



MISSION STATEMENT

**To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.**



Contents

| | |
|---|-----------|
| FUND'S INFORMATION | 03 |
| DIRECTORS' REPORT | 05 |
| REPORT OF THE TRUSTEE TO THE UNITHOLDERS | 11 |
| INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS | 12 |
| CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES | 13 |
| CONDENSED INTERIM INCOME STATEMENT | 14 |
| CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME | 16 |
| CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND | 18 |
| CONDENSED INTERIM CASH FLOW STATEMENT | 20 |
| NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION | 21 |



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 |
| Ms. Mehnaz Salar | Director |
| Syed Hasan Irtiza Kazmi | Director |
| Mr. Ali Saigol | Director |
| Mr. Imran Zaffar | Director |
| Mr. Khalid Mansoor | Director |
| Mr. Saad Amanullah Khan | Director |
| Mr. Humayun Bashir | Director |

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

| | |
|-------------------------|----------|
| Mr. Humayun Bashir | Chairman |
| Ms. Mehnaz Salar | 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



Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office

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



DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed condensed financial statements of **NAFA Islamic Active Allocation Fund - III** (NIAAF-III) for the half year ended December 31, 2020.

Fund's Performance

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

Islamic Income Fund:
Islamic Money Market:

NBP Active Allocation Riba Free Savings Fund
NBP Islamic Money Market Fund
NBP Islamic Daily Dividend Fund

Islamic Equity Fund:

NBP Islamic Active Allocation Equity Fund

During 1HFY2021, riding on the positive momentum, the stock market delivered robust returns as the benchmark KMI-30 Index surged by around 29%. To recall, the market staged a sharp recovery after Coronavirus-induced sell-off of equities in March 2020. The rally at the local bourse is attributable to the unprecedented monetary and fiscal policy response; gradual lifting of the lockdown; and earlier than expected arrival of the effective vaccines.

The unprecedented policy measures on the fiscal and monetary fronts cushioned the economy from the Coronavirus shock. The SBP slashed the Policy Rate by a cumulative 6.25% and emended prudential regulations to provide relief for loan repayments and the government launched a massive stimulus package of Rs. 1.2 trillion. On the healthcare front, active cases of Covid-19 declined significantly after peaking in July; the fatality rate fell sharply; and infection ratios also dropped to a low single-digit. Improvement on the pandemic front allowed re-opening of the economy, which gathered steam as evidenced by the frequently released economic data such as cement dispatches, retail fuel sales, and sale of automobiles. SBP-IBA survey shows that business confidence also reached at a two year high after bottoming in April 2020. External account also remained beneficiary of the Coronavirus pandemic as workers' remittances have shown a hefty 25% growth in 1HFY21 on a year-on-year basis. Resultantly, the country has posted a current account surplus of USD 1.1 billion in the 1HFY2021 versus a current account deficit of USD 2.0 billion in corresponding period last year. Despite elevated food prices, average inflation also eased off somewhat. The encouraging development on the healthcare front, improving economic activity, promising corporate earnings prospects, and attractive market valuations buoyed market sentiments.

Looking at the sector wise performance of the market, Automobiles, Cable & Elec. Goods, Cements, Engineering, Glass & Ceramics, Paper & Board, Refineries, Technology and Textiles outperformed the market, while Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, Pharmaceuticals, Power Generation and Distribution, Sugar, and Transport sectors lagged behind. In terms of participant-wise activity, Individuals remained the largest buyers during the period under review with net inflows of USD 159 million. Alongside, Companies and Insurance were also large net buyers, adding positions worth USD 91 million and USD 83 million, respectively. On the other hand, Foreigners and Banks/DFIs were the largest sellers in the market with net outflows amounting to USD 279 million and USD 69 million, respectively.

During 1HFY21, the SBP held two Monetary Policy Committee (MPC) meetings wherein it left the Policy Rate unchanged at 7%, citing the prevailing accommodative monetary policy stance appropriate for the nascent economic recovery. Inflation as measured by the CPI clocked-in at 8% for December 2020, owing to supply side issues and rise in prices of perishable food items.

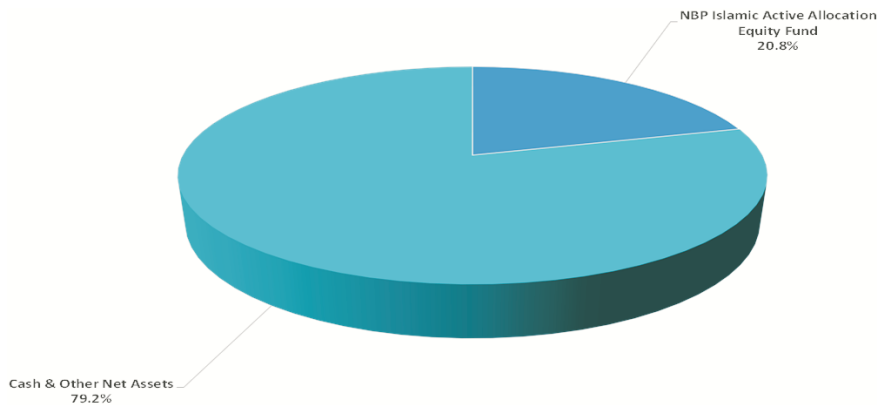
The market saw a decent increase in the issuance of debt securities in the primary market, although it remained under-supplied against the large and growing demand. In the secondary market, the trading activity improved in the Corporate Sukuks with cumulative traded value of around Rs. 10.9 billion compared to Rs. 3.9 billion in the same period last year.

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

Plan's Performance

During the period, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs. 99.0600 (Ex-Div) on June 30, 2020 to Rs. 103.4424 on December 31, 2020, thus showing an increase of 4.4%. The Benchmark increased by 4.8%. Thus, the Plan has underperformed its Benchmark by 0.4%. Since inception, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs.94.6916 (Ex-Div) on June 22, 2018 to Rs.103.4424 on December 31, 2020, thus showing an increase of 9.2%. The Benchmark increased during the same period was 5.0%. Thus, the Plan has outperformed its Benchmark by 4.2%. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 98 million.

The Plan has earned a total income of Rs. 6.746 million during the period. After deducting total expenses of Rs. 1.242 million, the net income is Rs. 5.504 million. The asset allocation of the Plan as on December 31, 2020 is as follows:

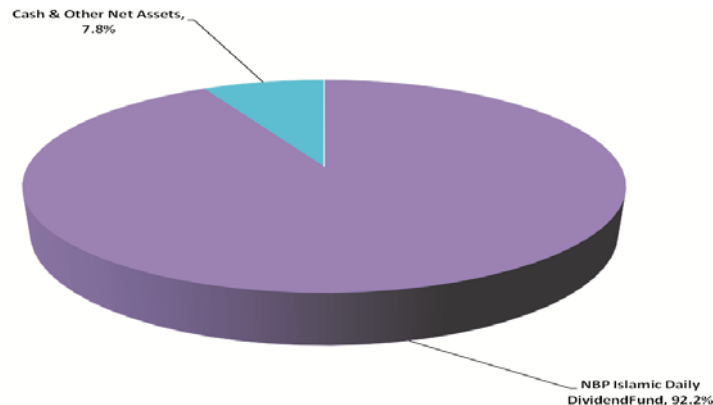


NAFA Islamic Capital Preservation Plan-IV (NICPP-IV)

Plan's Performance

During the period, the unit price of NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has increased from Rs. 98.9102 on June 30, 2020 to Rs. 101.3607 on December 31, 2020, thus showing an increase of 2.5%. The Benchmark increased by 1.9%. Thus, the Plan has outperformed its Benchmark by 0.6%. Since inception, the unit price of NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has increased from Rs.96.5816 (Ex-Div) September 14, 2018 to Rs. 101.3607 on December 31, 2020, thus showing an increase of 4.9%. The Benchmark increased during the same period was 1.6%. Thus, the Plan has outperformed its Benchmark by 3.3%. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 62 million

The Plan has earned a total income of Rs. 3.317 million during the period. After deducting total expenses of Rs. 0.759 million, the net income is Rs. 2.558 million. The asset allocation of the Plan as on December 31, 2020 is as follows:

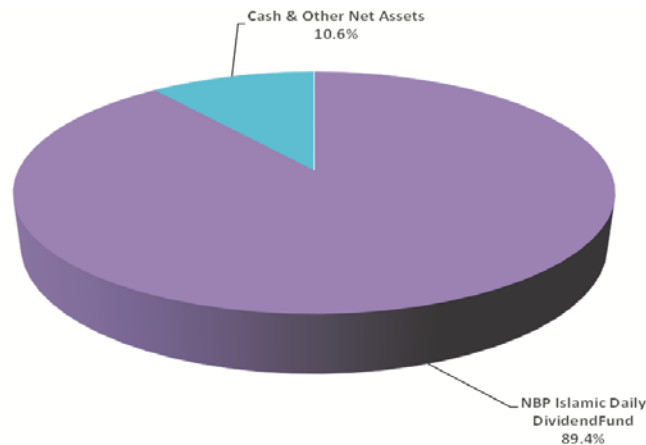


NBP Islamic Capital Preservation Plan-V (NICPP-V)

Plan's Performance

During the period, the unit price of NBP Islamic Capital Preservation Plan-V (NICPP-V) has increased from Rs. 98.2859 on June 30, 2020 to Rs. 100.6257 on December 31, 2020, thus showing an increase of 2.4%. The Benchmark increased by 1.9%. Thus, the Plan has outperformed its Benchmark by 0.5%. Since inception, the unit price of NBP Islamic Capital Preservation Plan-V (NICPP-V) has increased from Rs.97.0758 (Ex-Div) on December 17, 2018 to Rs. 100.6257 on December 31, 2020, thus showing an increase of 3.7%. The Benchmark increased during the same period was 1.6%. Thus, the Plan has outperformed its Benchmark by 2.1%. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 63 million.

The Plan has earned a total income of Rs. 2.561 million during the period. After deducting total expenses of Rs. 0.688 million, the net income is Rs. 1.873 million. The asset allocation of the Plan as on December 31, 2020 is as follows:



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: **February 26, 2021**
 Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2020ء کو ختم ہونے والی ششماہی کے لئے NAFA اسلامک ایکٹو ایلوکیشن فنڈ (NIAAF-III) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

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

اسلامک اگلم فنڈ: NBP ایکٹو ایلوکیشن ری بافری سیونگ فنڈ

اسلامک منی مارکیٹ فنڈ: NBP اسلامک منی مارکیٹ فنڈ

NBP اسلامک ڈیلی ڈیویڈنڈ فنڈ

اسلامک ایکویٹی فنڈ: NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ

اسٹاک مارکیٹ نے مئی سال 2021 کی پہلی ششماہی کے دوران مضبوط کارکردگی کا تاثر دیا جیسا کہ سچائی مارک KMI-30 انڈیکس میں 29 فیصد کا اضافہ ہوا۔ کورونا وائرس کے تناظر میں مارچ 2020 میں ایکویٹی کی فروخت کے بعد مارکیٹ تیزی سے بحالی کا مظاہرہ کیا۔ مقامی سطح پر ہونے والی بحالی غیر معمولی مالیاتی اور مالی پالیسی کے رد عمل، لاک ڈاؤن کو بندرتج اٹھانے، اور مؤثر ویکسینوں کی توقع سے قبل آمد کے باعث پیدا ہوئی ہے۔

مالی اور مالیاتی محاذوں پر غیر معمولی پالیسی اقدامات نے معیشت کو کورونا وائرس کے خطرات سے تحفظ دیا۔ اسٹیٹ بینک نے پالیسی شرح میں مجموعی طور پر 6.25 فیصد کمی کی اور قرضوں کی ادائیگیوں میں مدد دینے کے لئے احتیاطی ضوابط میں ترمیم کی اور حکومت نے 1.2 ٹریلین روپے کے ایک محرک پیکیج کا آغاز کیا۔ صحت کی دیکھ بھال کے حوالے سے، جولائی میں بلندی پر پہنچنے کے بعد کوویڈ-19 کے فعال کیسز میں نمایاں کمی واقع ہوئی، اموات کی شرح میں تیزی سے کمی آئی اور انفیکشن کا تناسب بھی کم ہو کر واحد ہندسے پر آ گیا۔ وبائی محاذ پر بہتری نے معیشت کو دوبارہ کھولنے کی اجازت دی، سہمنٹ کی تریل، خوردہ ایندھن کی فروخت اور آٹوموبائل کی فروخت کے لئے جاری کردہ معاشی اعداد و شمار اس بات کا ثبوت دیتے ہیں۔ SBP-IBA سروے ظاہر کرتا ہے کہ اپریل 2020 میں چلنے والی سطح پر پہنچنے کے بعد کاروباری اعتماد بھی دو سال کی بلند ترین سطح پر پہنچ گیا۔ بیرونی اکاؤنٹ اب تک کورونا وائرس میں فائدہ مند رہا ہے کیونکہ کارکنوں کی ترسیلات زر نے سالانہ بنیاد پر مالی سال 2021 کی پہلی ششماہی میں 25 فیصد کا نمایاں اضافہ ظاہر کیا ہے۔ نتیجتاً ملک نے مئی سال 2021 کی پہلی ششماہی میں 1.1 ٹریلین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس درج کرایا ہے جبکہ گذشتہ سال کے اسی عرصے میں کرنٹ اکاؤنٹ خسارہ 2.0 ٹریلین امریکی ڈالر تھا۔ خوراک کی بلند ترین قیمتوں کے باوجود، اوسط افراط زر میں بھی کسی حد تک کمی آئی ہے۔ صحت کی دیکھ بھال کے محاذ پر حوصلہ افزاء بہتری، معاشی سرگرمیوں میں بہتری، کارپوریٹ آمدنی کے امکانات کا وعدہ، اور مارکیٹ کی برکشش قیمتوں نے مارکیٹ کے بڑھنے کو فروغ دیا۔

مارکیٹ کی سیکٹر وائز کارکردگی کے تناظر میں، آٹوموبائل، کیبل اور ایکٹوٹک کا سامان، سہمنٹ، انجینئرنگ، شیشہ اور سرکس، کاغذ اور بورڈ، ریفاٹریز، فیکٹوری اور نیٹ ورکس نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا جبکہ کھاد، خوراک اور ذاتی نگہداشت، انشورنس، آئل اینڈ گیس ایکسپلوریشن، دواسازی، بجلی پیداوار اور تقسیم کرنے، چینی اور ٹرانسپورٹ کے شعبے پیچھے رہے۔ شریک و سرگرمی کے لحاظ سے، زبرد جائزہ مدت کے دوران انفرادی سرمایہ کار 159 ملین امریکی ڈالر کی خالص ان فلوز کے ساتھ بڑے خریدار رہے۔ اس کے علاوہ کمپنیز اور انشورنس بھی خالص خریدار تھے، جنہوں نے بالترتیب 91 ملین امریکی ڈالر اور 83 ملین امریکی ڈالر کا اضافہ کیا۔ دوسری طرف، غیر ملکی اور بینک/DFIs مارکیٹ میں بالترتیب 279 ملین امریکی ڈالر اور 69 ملین امریکی ڈالر کے خالص آؤٹ فلوز کے ساتھ بڑے فروخت کنندگان رہے۔

مالی سال 2021 کی پہلی ششماہی میں سٹیٹ بینک آف پاکستان نے مائٹری پالیسی کمیٹی (MPC) کے دو اجلاس طلب کئے جس میں موجودہ معاشی بحالی کے لئے موزوں مائٹری پالیسی کا حوالہ دیتے ہوئے، پالیسی شرح 7% کو تینڈیل نہیں کیا۔ خراب ہونے والی اشیائے خورد و نوش کی قیمتوں میں اضافے اور رسد کی فراہمی کے مسئلے کے باعث پی آئی افراط زر کی شرح دسمبر 2020 میں 8 فیصد رہی۔

بنیادی مارکیٹ میں ڈیٹ سیکورٹیز کے اجراء میں کافی اضافہ ہوا، اگرچہ مارکیٹ کی زیادہ طلب کے مقابلہ میں رسد کم رہی۔ ثانوی منڈی میں، کارپوریٹ سٹاک کا تجارتی سرگرمی کی جانب زیادہ جھکاؤ رہا جس کی مجموعی تجارتی قدر گذشتہ سال کی اسی مدت میں 3.9 بلین روپے کے مقابلہ میں 10.9 بلین روپے رہی۔

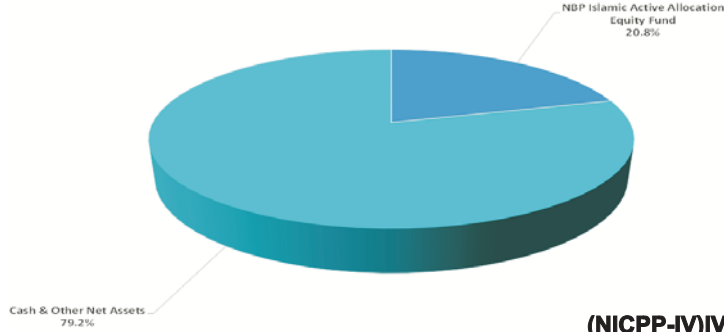
NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III)

پلان کی کارکردگی

موجودہ مدت کے دوران NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کے یونٹ کی قیمت 30 جون 2020 کو 99.0600 روپے سے بڑھ کر 31 دسمبر 2020 کو 103.4424 روپے ہو چکی ہے اور اس طرح 4.4% کا اضافہ دکھایا ہے۔ بیچ مارک بڑھ کر 4.8% ہو گیا۔ لہذا پلان نے اپنے بیچ مارک سے 0.4% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 22 جون 2018 کو اپنے قیام کے وقت اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کے یونٹ کی قیمت 94.6916 روپے سے بڑھ کر 31 دسمبر 2020 کو 103.4424 روپے ہو گئی، لہذا 9.2% کا اضافہ دکھایا۔ اس مدت کے دوران بیچ مارک 5.0% زیادہ ہوا۔ لہذا پلان نے اپنے بیچ مارک سے 4.2% کی بہتر کارکردگی کا مظاہرہ کیا۔ پلان کی یہ کارکردگی بینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ پلان کا سائز 98 ملین روپے ہے۔

اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کو اس مدت کے دوران 6.746 ملین روپے کی آمدنی ہوئی۔ 1.242 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 5.504 ملین روپے ہے۔

31 دسمبر 2020 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:



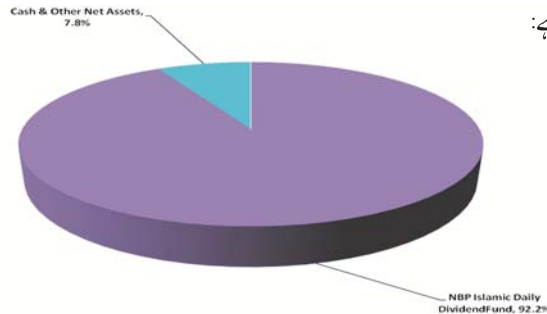
NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV)

پلان کی کارکردگی

موجودہ مدت کے دوران NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کے یونٹ کی قیمت 30 جون 2020 کو 98.9102 روپے سے بڑھ کر 31 دسمبر 2020 کو 101.3607 روپے ہو چکی ہے اور اس طرح 2.5% کا اضافہ دکھایا ہے۔ بیچ مارک 1.9% سے بڑھا۔ لہذا پلان نے اپنے بیچ مارک سے 0.6% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 14 ستمبر 2018 کو اپنے قیام کے وقت اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کے یونٹ کی قیمت 96.5816 روپے سے بڑھ کر 31 دسمبر 2020 کو 101.3607 روپے ہو گئی، لہذا 4.9% کا اضافہ دکھایا۔ اس مدت کے دوران بیچ مارک 1.6% زیادہ ہوا۔ لہذا پلان نے اپنے بیچ مارک سے 3.3% کی بہتر کارکردگی کا مظاہرہ کیا۔ پلان کی یہ کارکردگی بینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ پلان کا سائز 62 ملین روپے ہے۔

NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کو اس مدت کے دوران 3.317 ملین روپے کی مجموعی آمدنی ہوئی۔ 0.759 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 2.558 ملین روپے ہے۔

31 دسمبر 2020 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:



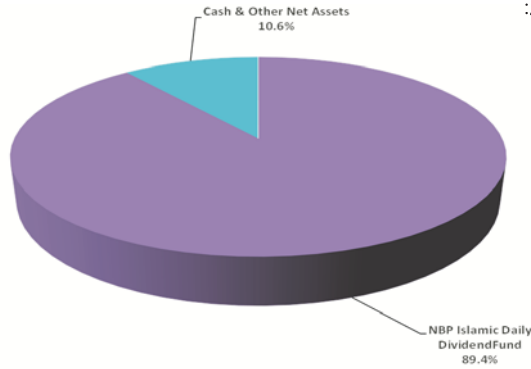
NBP اسلامک کیپٹل پریزرویشن پلان (NICPP-V)

پلان کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک کیپٹل پریزرویشن پلان V- (NICPP-V) کے یونٹ کی قیمت 30 جون 2020 کو 98.2859 روپے سے بڑھ کر 31 دسمبر 2020 کو 100.6257 روپے ہو چکی ہے اور اس طرح 2.4% کا اضافہ دکھایا ہے۔ نیچ مارک بڑھ کر 1.9% ہو گیا۔ لہذا پلان نے اپنے نیچ مارک سے 0.5% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 17 دسمبر 2018 کو اپنے قیام کے وقت اسلامک کیپٹل پریزرویشن پلان V- (NICPP-V) کے یونٹ کی قیمت 97.758 روپے سے بڑھ کر 31 دسمبر 2020 کو 100.6257 روپے ہو گئی، لہذا 3.7% کا اضافہ ظاہر کیا۔ اس مدت کے دوران نیچ مارک 1.6% زیادہ ہوا۔ لہذا پلان نے اپنے نیچ مارک سے 2.1% کی بہتر کارکردگی کا مظاہرہ کیا۔ پلان کی یہ کارکردگی بیٹھمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ پلان کا سائز 63 ملین روپے ہے۔

NBP اسلامک کیپٹل پریزرویشن پلان V- (NICPP-V) کو اس مدت کے دوران 2.561 ملین روپے کی آمدنی ہوئی۔ 0.688 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1.873 ملین روپے ہے۔

31 دسمبر 2020 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:



اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 فروری 2021ء

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Islamic Active Allocation Fund-III (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

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

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2021



INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Islamic Active Allocation Fund - III** (the Fund) as at December 31, 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2020. The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: **February 26, 2021**

Karachi



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2020

| Note | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | | |
|---|--------------------------------|---------------------------|-----------------|-----------------|---------------------------|------------------|------------------|----------------|----------------|
| | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total | |
| | (Rupees in 000) | | | | (Rupees in 000) | | | | |
| ASSETS | | | | | | | | | |
| Bank balances | 4 | 78,526 | 5,957 | 6,701 | 91,184 | 148,544 | 145,505 | 88,582 | 382,631 |
| Investments | 5 | 20,322 | 57,034 | 56,321 | 133,677 | 8,100 | 798 | 1,648 | 10,546 |
| Profit receivable | | 344 | 40 | 61 | 445 | 1,024 | 956 | 576 | 2,556 |
| Prepayments and other receivables | | 225 | 5 | 455 | 685 | 220 | - | 450 | 670 |
| Preliminary expenses and floatation costs | 6 | - | - | - | - | - | 114 | 121 | 235 |
| Total assets | | 99,417 | 63,036 | 63,538 | 225,991 | 157,888 | 147,373 | 91,377 | 396,638 |
| LIABILITIES | | | | | | | | | |
| Payable to NBP Fund Management Limited - Management Company | 7 | 132 | 48 | 59 | 239 | 238 | 199 | 133 | 570 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 7 | 4 | 4 | 15 | 12 | 10 | 6 | 28 |
| Payable to the Securities and Exchange Commission of Pakistan | 8 | 12 | 10 | 8 | 30 | 54 | 36 | 22 | 112 |
| Payable against redemption of units | | 410 | 582 | - | 992 | 4,211 | - | - | 4,211 |
| Accrued expenses and other liabilities | 9 | 962 | 503 | 446 | 1,911 | 1,991 | 1,181 | 982 | 4,154 |
| Total liabilities | | 1,523 | 1,147 | 517 | 3,187 | 6,506 | 1,426 | 1,143 | 9,075 |
| NET ASSETS | | 97,894 | 61,889 | 63,021 | 222,804 | 151,382 | 145,947 | 90,234 | 387,563 |
| UNIT HOLDERS' FUND (as per statement attached) | | 97,894 | 61,889 | 63,021 | 222,804 | 151,382 | 145,947 | 90,234 | 387,563 |
| CONTINGENCIES AND COMMITMENTS | 10 | | | | | | | | |
| | | -----Number of units----- | | | -----Number of units----- | | | | |
| NUMBER OF UNITS IN ISSUE | | <u>946,365</u> | <u>610,585</u> | <u>626,295</u> | | <u>1,528,180</u> | <u>1,475,548</u> | <u>918,073</u> | |
| | | ----- Rupees ----- | | | ----- Rupees ----- | | | | |
| NET ASSETS VALUE PER UNIT | 11 | <u>103.4424</u> | <u>101.3607</u> | <u>100.6257</u> | | <u>99.0600</u> | <u>98.9102</u> | <u>98.2859</u> | |

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

| | Half year ended December 31, 2020 | Half year ended December 31, 2020 | Half year ended December 31, 2020 | Total | Half year ended December 31, 2019 | Half year ended December 31, 2019 | Half year ended December 31, 2019 | Total |
|--|-----------------------------------|-----------------------------------|-----------------------------------|---------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------|
| | NICPP-III | NICPP-IV | NICPP-V | | NICPP-III | NICPP-IV | NICPP-V | |
| Note ----- (Rupees in 000) ----- (Rupees in 000) ----- | | | | | | | | |
| INCOME | | | | | | | | |
| Dividend income | - | 2,534 | 1,821 | 4,355 | - | - | - | - |
| Profit on bank deposits | 3,327 | 763 | 699 | 4,789 | 15,850 | 9,305 | 5,458 | 30,613 |
| | 3,327 | 3,297 | 2,520 | 9,144 | 15,850 | 9,305 | 5,458 | 30,613 |
| Gain / (loss) on sale of investments - net | 406 | 20 | 41 | 467 | (2,771) | (1,448) | 1,007 | (3,212) |
| Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net | 3,013 | - | - | 3,013 | 19,939 | 11,160 | 7,621 | 38,720 |
| 5.2 | 3,419 | 20 | 41 | 3,480 | 17,168 | 9,712 | 8,628 | 35,508 |
| | 6,746 | 3,317 | 2,561 | 12,624 | 33,018 | 19,017 | 14,086 | 66,121 |
| EXPENSES | | | | | | | | |
| Remuneration of NBP Fund Management Limited - Management Company | 537 | 121 | 109 | 767 | 1,204 | 720 | 422 | 2,346 |
| 7.1 | | | | | | | | |
| Sindh Sales Tax on remuneration of the Management Company | 70 | 16 | 14 | 100 | 156 | 94 | 55 | 305 |
| 7.2 | | | | | | | | |
| Allocated expenses | 62 | 52 | 40 | 154 | 158 | 100 | 61 | 319 |
| 7.3 | | | | | | | | |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 43 | 37 | 28 | 108 | 111 | 70 | 43 | 224 |
| Sindh Sales Tax on remuneration of the Trustee | 6 | 5 | 4 | 15 | 14 | 9 | 6 | 29 |
| Annual fee of the Securities and Exchange Commission of Pakistan | 12 | 10 | 8 | 30 | 32 | 20 | 12 | 64 |
| 8.1 | | | | | | | | |
| Settlement and bank charges | 12 | 5 | 2 | 19 | 39 | 14 | 19 | 72 |
| Annual listing fee | 4 | 5 | 5 | 14 | 5 | 5 | 5 | 15 |
| Auditors' remuneration | 250 | 207 | 205 | 662 | 184 | 223 | 252 | 659 |
| Legal and professional charges | 102 | 111 | 99 | 312 | 55 | 12 | 16 | 83 |
| Shari'ah advisory fee | 10 | 6 | 5 | 21 | 27 | 18 | 10 | 55 |
| Amortisation of preliminary expenses and floatation costs | - | 114 | 121 | 235 | 499 | 277 | 134 | 910 |
| 6.1 | | | | | | | | |
| Printing charges | 22 | 18 | 10 | 50 | 31 | 23 | 34 | 88 |
| Total expenses | 1,130 | 707 | 650 | 2,487 | 2,515 | 1,585 | 1,069 | 5,169 |
| Net income from operating activities | 5,616 | 2,610 | 1,911 | 10,137 | 30,503 | 17,432 | 13,017 | 60,952 |
| 9.1 | | | | | | | | |
| Provision for Sindh Workers' Welfare Fund | (112) | (52) | (38) | (202) | (610) | (349) | (260) | (1,219) |
| Net income for the period before taxation | 5,504 | 2,558 | 1,873 | 9,935 | 29,893 | 17,083 | 12,757 | 59,733 |
| 12 | | | | | | | | |
| Taxation | - | - | - | - | - | - | - | - |
| Net income for the period after taxation | 5,504 | 2,558 | 1,873 | 9,935 | 29,893 | 17,083 | 12,757 | 59,733 |
| 13 | | | | | | | | |
| Earnings per unit | | | | | | | | |
| Allocation of net income for the period: | | | | | | | | |
| Net income for the period after taxation | 5,504 | 2,558 | 1,873 | 9,935 | 29,893 | 17,083 | 12,757 | 59,733 |
| Income already paid on units redeemed | (1,356) | (1,062) | (407) | (2,825) | (1,761) | (810) | (985) | (3,556) |
| | 4,148 | 1,496 | 1,466 | 7,110 | 28,132 | 16,273 | 11,772 | 56,177 |
| Accounting income available for distribution: | | | | | | | | |
| - Relating to capital gains | 3,419 | 20 | 41 | 3,480 | 16,372 | 9,237 | 8,096 | 33,705 |
| - Excluding capital gains | 729 | 1,476 | 1,425 | 3,630 | 11,760 | 7,036 | 3,676 | 22,472 |
| | 4,148 | 1,496 | 1,466 | 7,110 | 28,132 | 16,273 | 11,772 | 56,177 |

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

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

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2020

| | Quarter ended December, 2020 | Quarter ended December 31, 2020 | Quarter ended December 31, 2020 | Total | Quarter ended December 31, 2019 | Quarter ended December 31, 2019 | Quarter ended December 31, 2019 | Total |
|--|------------------------------|---------------------------------|---------------------------------|-------|---------------------------------|---------------------------------|---------------------------------|--------|
| | NICPP-II | NICPP-IV | NICPP-V | | NICPP-III | NICPP-IV | NICPP-V | |
| Note (Rupees in 000) (Rupees in 000) | | | | | | | | |
| INCOME | | | | | | | | |
| Dividend income | - | 930 | 906 | 1,836 | - | - | - | - |
| Profit on bank deposits | 1,436 | 147 | 232 | 1,815 | 6,446 | 3,652 | 2,189 | 12,287 |
| | 1,436 | 1,077 | 1,138 | 3,651 | 6,446 | 3,652 | 2,189 | 12,287 |
| Gain on sale of investments - net | 224 | - | - | 224 | - | - | 1,185 | 1,185 |
| Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net | 5.2 | 1,023 | - | - | 1,023 | 21,814 | 13,747 | 9,302 |
| | | 1,247 | - | - | 1,247 | 21,814 | 13,747 | 10,487 |
| | | 2,683 | 1,077 | 1,138 | 4,898 | 28,260 | 17,399 | 12,676 |
| | | | | | | | | 58,335 |
| EXPENSES | | | | | | | | |
| Remuneration of NBP Fund Management Limited - Management Company | 7.1 | 223 | 22 | 40 | 285 | 495 | 287 | 170 |
| Sindh Sales Tax on remuneration of the Management Company | 7.2 | 29 | 3 | 5 | 37 | 64 | 38 | 22 |
| Allocated expenses | 7.3 | 27 | 17 | 19 | 63 | 74 | 45 | 28 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | | 18 | 12 | 13 | 43 | 52 | 31 | 20 |
| Sindh Sales Tax on remuneration of the Trustee | | 3 | 2 | 2 | 7 | 6 | 4 | 3 |
| Annual fee of the Securities and Exchange Commission of Pakistan | 8.1 | 5 | 3 | 4 | 12 | 15 | 9 | 5 |
| Settlement and bank charges | | 11 | 1 | 2 | 14 | 6 | 5 | 1 |
| Annual listing fee | | 2 | 3 | 3 | 8 | 3 | 3 | 1 |
| Auditors' remuneration | | 178 | 110 | 89 | 377 | 106 | 113 | 184 |
| Legal and professional charges | | 56 | 57 | 73 | 186 | 37 | 6 | 20 |
| Shari'ah advisory fee | | 7 | - | 2 | 9 | 12 | 7 | - |
| Amortisation of preliminary expenses and floatation costs | 6.1 | - | - | 64 | 64 | 250 | 138 | 67 |
| Printing charges | | 19 | - | 1 | 20 | 22 | 6 | 25 |
| Total expenses | | 578 | 230 | 317 | 1,125 | 1,142 | 692 | 546 |
| Net income from operating activities | | 2,105 | 847 | 821 | 3,773 | 27,118 | 16,707 | 12,130 |
| Provision for Sindh Workers' Welfare Fund | 9.1 | (42) | (17) | (16) | (75) | (542) | (335) | (242) |
| Net income for the period before taxation | | 2,063 | 830 | 805 | 3,698 | 26,576 | 16,372 | 11,888 |
| Taxation | 12 | - | - | - | - | - | - | - |
| Net income for the period after taxation | | 2,063 | 830 | 805 | 3,698 | 26,576 | 16,372 | 11,888 |
| Earnings per unit | 13 | | | | | | | |
| Allocation of net income for the period: | | | | | | | | |
| Net income for the period after taxation | | 2,063 | 830 | 805 | 3,698 | 26,576 | 16,372 | 11,888 |
| Income already paid on units redeemed | | (653) | (316) | (326) | (1,295) | (1,660) | (796) | (985) |
| | | 1,410 | 514 | 479 | 2,403 | 24,916 | 15,576 | 10,903 |
| Accounting income available for distribution: | | | | | | | | |
| - Relating to capital gains | | 1,247 | - | - | 1,247 | 16,372 | 9,237 | 8,096 |
| - Excluding capital gains | | 163 | 514 | 479 | 1,156 | 8,544 | 6,339 | 2,807 |
| | | 1,410 | 514 | 479 | 2,403 | 24,916 | 15,576 | 10,903 |
| | | | | | | | | 51,395 |

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

| | Half year ended December 31, 2020 | Half year ended December 31, 2020 | Half year ended December 31, 2020 | Total | Half year ended December 31, 2019 | Half year ended December 31, 2019 | Half year ended December 31, 2019 | Total |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------|
| | NICPP-III | NICPP-IV | NICPP-V | | NICPP-III | NICPP-IV | NICPP-V | |
| | ----- (Rupees in 000) ----- | | | | ----- (Rupees in 000) ----- | | | |
| Net income for the period after taxation | 5,504 | 2,558 | 1,873 | 9,935 | 29,893 | 17,083 | 12,757 | 59,733 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | 5,504 | 2,558 | 1,873 | 9,935 | 29,893 | 17,083 | 12,757 | 59,733 |

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2020

| | Quarter ended December 31, 2020 | Quarter ended December 31, 2020 | Quarter ended December 31, 2020 | Total | Quarter ended December 31, 2019 | Quarter ended December 31, 2019 | Quarter ended December 31, 2019 | Total |
|--|---------------------------------------|---------------------------------------|---------------------------------------|--------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------|
| | NICPP-III | NICPP-IV | NICPP-V | | NICPP-III | NICPP-IV | NICPP-V | |
| | (Rupees in 000) | | | | (Rupees in 000) | | | |
| Net income for the period after taxation | 2,063 | 830 | 805 | 3,698 | 26,576 | 16,372 | 11,888 | 54,836 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | 2,063 | 830 | 805 | 3,698 | 26,576 | 16,372 | 11,888 | 54,836 |

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

| | For the half year ended December 31, 2020 | | | For the half year ended December 31, 2020 | | | For the half year ended December 31, 2020 | | | Total | | |
|---|--|------------------------------|---------------------------|--|----------------------------|---------------------------|--|----------------------------|---------------|------------------|--|----------------|
| | NICPP-III | | | NICPP-IV | | | NICPP-V | | | | | |
| | Capital value | Undistrib- uted income | Total | Capital value | Accumu- lated losses | Total | Capital value | Accumu- lated losses | Total | Capital value | (Accumu- lated losses) / undistrib- uted income | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | | (Rupees in '000) | | | (Rupees in '000) | | |
| Net assets at the beginning of the period (audited) | 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: nil units / NICPP-IV: nil units / NICPP-V: nil units | | | | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | - | - | - | - | - | - | - | - | - | - | - | - |
| - Element of loss | - | - | - | - | - | - | - | - | - | - | - | - |
| Total proceeds on issuance of units | - | - | - | - | - | - | - | - | - | - | - | - |
| Redemption of units: | | | | | | | | | | | | |
| NICPP-III: 581,815 units / NICPP-IV: 864,963 units / NICPP-V: 291,778 units | | | | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (57,636) | - | (57,636) | (85,554) | - | (85,554) | (28,679) | - | (28,679) | (171,869) | - | (171,869) |
| - Element of loss | - | (1,356) | (1,356) | - | (1,062) | (1,062) | - | (407) | (407) | - | (2,825) | (2,825) |
| Total payments on redemption of units | (57,636) | (1,356) | (58,992) | (85,554) | (1,062) | (86,616) | (28,679) | (407) | (29,086) | (171,869) | (2,825) | (174,694) |
| Total comprehensive income for the period | - | 5,504 | 5,504 | - | 2,558 | 2,558 | - | 1,873 | 1,873 | - | 9,935 | 9,935 |
| Net assets at the end of the period (un-audited) | <u>93,415</u> | <u>4,479</u> | <u>97,894</u> | <u>63,848</u> | <u>(1,959)</u> | <u>61,889</u> | <u>64,367</u> | <u>(1,346)</u> | <u>63,021</u> | <u>221,630</u> | <u>1,174</u> | <u>222,804</u> |
| Undistributed income / (accumulated loss) brought forward | | | | | | | | | | | | |
| - Realised income / (loss) | | 370 | | | (3,465) | | | (2,812) | | | (5,907) | |
| - Unrealised (loss) / income | | (39) | | | 10 | | | - | | | (29) | |
| | | <u>331</u> | | | <u>(3,455)</u> | | | <u>(2,812)</u> | | | <u>(5,936)</u> | |
| Accounting income available for distribution | | | | | | | | | | | | |
| - Relating to capital gains | 3,419 | | | 20 | | | 41 | | | | 3,480 | |
| - Excluding capital gains | <u>729</u> | | | <u>1,476</u> | | | <u>1,425</u> | | | | <u>3,630</u> | |
| | 4,148 | | | 1,496 | | | 1,466 | | | | 7,110 | |
| Undistributed income / (accumulated loss) carried forward | <u>4,479</u> | | | <u>(1,959)</u> | | | <u>(1,346)</u> | | | | <u>1,174</u> | |
| Undistributed income / (accumulated loss) carried forward | | | | | | | | | | | | |
| - Realised income / (loss) | | 1,466 | | | (1,959) | | | (1,346) | | | (1,839) | |
| - Unrealised gain | | <u>3,013</u> | | | - | | | - | | | <u>3,013</u> | |
| | | <u>4,479</u> | | | <u>(1,959)</u> | | | <u>(1,346)</u> | | | <u>1,174</u> | |
| Net asset value per unit as at beginning of the period | | | <u>Rupees 99.0600</u> | | | <u>Rupees 98.9102</u> | | | | | <u>Rupees 98.2859</u> | |
| Net asset value per unit as at end of the period | | | <u>103.4424</u> | | | <u>101.3607</u> | | | | | <u>100.6257</u> | |

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

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

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

| | Half year ended December 31, 2020 | Half year ended December 31, 2020 | Half year ended December 31, 2020 | Total | Half year ended December 31, 2019 | Half year ended December 31, 2019 | Half year ended December 31, 2019 | Total |
|---|-----------------------------------|-----------------------------------|-----------------------------------|------------------|-----------------------------------|-----------------------------------|-----------------------------------|------------------|
| | NICPP-III | NICPP-IV | NICPP-V | | NICPP-III | NICPP-IV | NICPP-V | |
| Note (Rupees in 000) | | | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Net profit for the period before taxation | 5,504 | 2,558 | 1,873 | 9,935 | 29,893 | 17,083 | 12,757 | 59,733 |
| Adjustments | | | | | | | | |
| Unrealised (appreciation) / diminution on re-measurement of investments 'financial assets at fair value through profit or loss' - net | 5.2 (3,013) | - | - | (3,013) | (19,939) | (11,160) | (7,621) | (38,720) |
| Dividend income | - | (2,534) | (1,821) | (4,355) | - | - | - | - |
| Profit on bank deposits | (3,327) | (763) | (699) | (4,789) | (15,850) | (9,305) | (5,458) | (30,613) |
| Provision for Sindh Workers' Welfare Fund | 9.1 112 | 52 | 38 | 202 | 610 | 349 | 260 | 1,219 |
| Amortisation of preliminary expenses and floatation cost | 6.1 - | 114 | 121 | 235 | 499 | 277 | 134 | 910 |
| | (6,228) | (3,131) | (2,361) | (11,720) | (34,680) | (19,839) | (12,685) | (67,204) |
| (Increase) / decrease in assets | | | | | | | | |
| Investments | (9,209) | (56,236) | (54,673) | (120,118) | (19,825) | (410) | 6,464 | (13,771) |
| Preliminary expenses and floatation costs | - | 114 | 121 | 235 | 499 | 277 | 134 | 910 |
| Prepayments and other receivables | (5) | (5) | (5) | (15) | (5) | (5) | (4) | (14) |
| | (9,214) | (56,127) | (54,557) | (119,898) | (19,331) | (138) | 6,594 | (12,875) |
| (Increase) / decrease in liabilities | | | | | | | | |
| Payable to NBP Fund Management Limited - the Management Company | (106) | (151) | (74) | (331) | (2,583) | (1,389) | (659) | (4,631) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (5) | (6) | (2) | (13) | (18) | (15) | (8) | (41) |
| Payable to Securities and Exchange Commission of Pakistan | (42) | (26) | (14) | (82) | (615) | (309) | (102) | (1,026) |
| Accrued expenses and other liabilities | (1,141) | (844) | (695) | (2,680) | (411) | (229) | (55) | (695) |
| | (1,294) | (1,027) | (785) | (3,106) | (3,627) | (1,942) | (824) | (6,393) |
| Dividend received | - | 2,534 | 1,821 | 4,355 | - | - | - | - |
| Profit received on bank deposits | 4,007 | 1,679 | 1,214 | 6,900 | 17,209 | 10,567 | 6,032 | 33,808 |
| Net cash (used in) / generated from operating activities | (7,225) | (53,514) | (52,795) | (113,534) | (10,536) | 5,731 | 11,874 | 7,069 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Amount received on issuance of units | - | - | - | - | 3,110 | - | - | 3,110 |
| Amount paid on redemption of units | (62,793) | (86,034) | (29,086) | (177,913) | (128,265) | (123,395) | (55,458) | (307,118) |
| Distributions paid | - | - | - | - | (4,000) | - | - | (4,000) |
| Net cash used in financing activities | (62,793) | (86,034) | (29,086) | (177,913) | (129,155) | (123,395) | (55,458) | (308,008) |
| Net decrease in cash and cash equivalents during the period | (70,018) | (139,548) | (81,881) | (291,447) | (139,691) | (117,664) | (43,584) | (300,939) |
| Cash and cash equivalents at the beginning of the period | 148,544 | 145,505 | 88,582 | 382,631 | 306,399 | 215,994 | 105,924 | 628,317 |
| Cash and cash equivalents at the end of the period | 4 78,526 | 5,957 | 6,701 | 91,184 | 166,708 | 98,330 | 62,340 | 327,378 |

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Active Allocation Fund-III (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on March 30, 2018 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

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

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (2019: AM1 on December 24, 2019) on June 24, 2020. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has not been rated yet.

The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan as the Trustee of the Fund.

1.1 Impact of COVID -19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.



The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the half year ended December 31, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of the financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

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

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the audited annual financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2020.



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

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2021. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4 BANK BALANCES

| | Note | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|-------------------------|------|--------------------------------|--------------|--------------|---------------|-------------------------|----------------|---------------|----------------|
| | | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total |
| Balances with banks in: | | (Rupees in 000) | | | | (Rupees in 000) | | | |
| Savings accounts | 4.1 | 78,366 | 5,688 | 6,121 | 90,175 | 148,140 | 145,249 | 88,326 | 381,715 |
| Current accounts | | 160 | 269 | 580 | 1,009 | 404 | 256 | 256 | 916 |
| | | <u>78,526</u> | <u>5,957</u> | <u>6,701</u> | <u>91,184</u> | <u>148,544</u> | <u>145,505</u> | <u>88,582</u> | <u>382,631</u> |

4.1 These carry profits at rates ranging from 6.25% to 6.5% (June 30, 2020: 5% to 7.5%) per annum for NICPP - III, 6.25% to 6.5% (June 30, 2020: 5% to 7.5%) per annum for NICPP - IV and 6.25% to 6.5% (June 30, 2020: 5% to 7.5%) for NICPP - V.

5 INVESTMENTS

| | Note | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|---|------|--------------------------------|----------|---------|---------|-------------------------|----------|---------|--------|
| | | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total |
| Financial assets at 'fair value through profit or loss' | | (Rupees in 000) | | | | (Rupees in 000) | | | |
| - Units of open ended mutual fund | 5.1 | 20,322 | 57,034 | 56,321 | 133,677 | 8,100 | 798 | 1,648 | 10,546 |

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

5.1.1 NAFA Islamic Capital Preservation Plan - III

| Name of the Investee Company | Number of units | | | | Carrying value | Market value | Market value as a percentage of net assets | Market value as a percentage of total investment |
|---|--------------------|-----------------------------|----------------------------|-------------------------|----------------|---------------|--|--|
| | As at July 1, 2020 | Purchased during the period | Redeemed during the period | As at December 31, 2020 | | | | |
| NBP Islamic Active Allocation Equity Fund | 930,431 | 1,239,049 | 368,686 | 1,800,794 | 17,309 | 20,322 | 20.76% | 100% |
| As at December 31, 2020 | | | | <u>1,800,794</u> | <u>17,309</u> | <u>20,322</u> | <u>20.76%</u> | <u>100%</u> |
| As at June 30, 2020 | | | | <u>930,431</u> | <u>8,139</u> | <u>8,100</u> | | |



5.1.2 NAFA Islamic Capital Preservation Plan - IV

| Name of the Investee Company | Number of units | | | | Carrying value | Market value | Market value as a percentage of net assets | Market value as a percentage of total investment |
|---|--------------------|-----------------------------|----------------------------|-------------------------|----------------|---------------|--|--|
| | As at July 1, 2020 | Purchased during the period | Redeemed during the period | As at December 31, 2020 | | | | |
| ------(Rupees in 000)----- % | | | | | | | | |
| NBP Islamic Active Allocation Equity Fund | 91,674 | - | 91,674 | - | - | - | - | - |
| NBP Islamic Daily Dividend Fund | - | 13,503,386 | 7,800,000 | 5,703,386 | 57,034 | 57,034 | 92.16% | 100% |
| As at December 31, 2020 | | | | <u>5,703,386</u> | <u>57,034</u> | <u>57,034</u> | <u>92.16%</u> | <u>100%</u> |
| As at June 30, 2020 | | | | <u>91,674</u> | <u>788</u> | <u>798</u> | | |

5.1.3 NBP Islamic Capital Preservation Plan - V

| Name of the Investee Company | Number of units | | | | Carrying value | Market value | Market value as a percentage of net assets | Market value as a percentage of total investment |
|---|--------------------|-----------------------------|----------------------------|-------------------------|----------------|---------------|--|--|
| | As at July 1, 2020 | Purchased during the period | Redeemed during the period | As at December 31, 2020 | | | | |
| ------(Rupees in 000)----- % | | | | | | | | |
| NBP Islamic Active Allocation Equity Fund | 189,245 | - | 189,245 | - | - | - | - | - |
| NBP Islamic Daily Dividend Fund | - | 8,132,123 | 2,500,000 | 5,632,123 | 56,321 | 56,321 | 89.37% | 100% |
| As at December 31, 2020 | | | | <u>5,632,123</u> | <u>56,321</u> | <u>56,321</u> | <u>89.37%</u> | <u>100%</u> |
| As at June 30, 2020 | | | | <u>189,245</u> | <u>1,648</u> | <u>1,648</u> | | |

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

| | Note | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|------------------------------------|------|--------------------------------|----------|----------|--------------|-------------------------|-----------|----------|-------------|
| | | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total |
| ------(Rupees in 000)----- | | | | | | | | | |
| Market value of investments | 5.1 | 20,322 | 57,034 | 56,321 | 133,677 | 8,100 | 798 | 1,648 | 10,546 |
| Less: carrying value of investment | 5.1 | 17,309 | 57,034 | 56,321 | 130,664 | (8,139) | (788) | (1,648) | (10,575) |
| | | <u>3,013</u> | <u>-</u> | <u>-</u> | <u>3,013</u> | <u>(39)</u> | <u>10</u> | <u>-</u> | <u>(29)</u> |

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

| | Note | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|--------------------------------------|------|--------------------------------|-----------|----------|----------|-------------------------|------------|------------|------------|
| | | NICPP -III | NICPP -IV | NICPP -V | Total | NICPP -III | NICPP -IV | NICPP -V | Total |
| ------(Rupees in '000)----- | | | | | | | | | |
| At the beginning of the period | | - | 114 | 121 | 235 | 967 | 669 | 387 | 2,023 |
| Less: amortisation during the period | | - | (114) | (121) | (235) | (967) | (555) | (266) | (1,788) |
| At the end of the year / period | 6.1 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>114</u> | <u>121</u> | <u>235</u> |



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

7 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

| | Note | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|---|------|--------------------------------|-----------|-----------|------------|----------------------------|------------|------------|------------|
| | | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total |
| | | ------(Rupees in 000)----- | | | | ------(Rupees in 000)----- | | | |
| Management fee payable | 7.1 | 68 | 6 | 10 | 84 | 142 | 122 | 73 | 337 |
| Sindh Sales Tax payable on remuneration of the Management Company | 7.2 | 9 | 1 | 1 | 11 | 18 | 16 | 9 | 43 |
| Allocated expenses payable | 7.3 | 27 | 17 | 19 | 63 | 50 | 37 | 22 | 109 |
| Other payable | | 28 | 24 | 29 | 81 | 28 | 24 | 29 | 81 |
| | | <u>132</u> | <u>48</u> | <u>59</u> | <u>239</u> | <u>238</u> | <u>199</u> | <u>133</u> | <u>570</u> |

- 7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, The Management Company has charged its remuneration at the rate of 1% per annum of the average net assets of the fund after deducting market value of investment in collective investments (June 30, 2020: 1% per annum of the average net assets of the fund after deducting market value of investment in collective investments) per annum of the average net assets of the Fund during the period ended December 31, 2020. The remuneration is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 0.070 million (2019: Rs 0.156 million) NICPP III, Rs. 0.016 million (2019: Rs 0.094 million) NICPP IV and Rs. 0.014 million (2019: Rs 0.055 million) NICPP V, was charged on account of sales tax at the rate of 13% (2019: 13%) on management fee levied through Sindh Sales Tax on Services Act, 2011.
- 7.3 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).

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

Accordingly, the Management Company based on its discretion has charged accounting and operational charges at the rate of 0.1% (June 30, 2020; 0.1%) of the average annual net assets.

8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

| | Note | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|--------------------|------|--------------------------------|----------|---------|-------|----------------------------|----------|---------|-------|
| | | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total |
| | | ------(Rupees in 000)----- | | | | ------(Rupees in 000)----- | | | |
| Annual fee payable | 8.1 | 12 | 10 | 8 | 30 | 54 | 36 | 22 | 112 |



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

As per the guideline issued by the SECP vide its SRO No. 685(1)/2019 dated June 28, 2019, the Fund has charged the SECP fee at the rate of 0.02% (June 30, 2020: 0.02%).

9 ACCRUED EXPENSES AND OTHER LIABILITIES

| | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | | |
|---|--------------------------------|------------|------------|--------------|----------------------------|--------------|------------|--------------|-----|
| | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total | |
| Note | ------(Rupees in 000)----- | | | | ------(Rupees in 000)----- | | | | |
| Auditors' remuneration payable | 254 | 204 | 201 | 659 | 260 | 252 | 251 | 763 | |
| Printing charges payable | 18 | 13 | 9 | 40 | 20 | 18 | 22 | 60 | |
| Legal and professional charges payable | 58 | 65 | 53 | 176 | 52 | 50 | 50 | 152 | |
| Withholding tax payable | 6 | 6 | 9 | 21 | 1,129 | 686 | 513 | 2,328 | |
| Provision for Sindh Workers' Welfare Fund | 9.1 | 554 | 181 | 133 | 868 | 442 | 128 | 95 | 665 |
| Shari'ah advisor fee payable | 11 | 7 | 6 | 24 | 41 | 26 | 17 | 84 | |
| Bank charges payable | 61 | 27 | 35 | 123 | 47 | 21 | 34 | 102 | |
| | <u>962</u> | <u>503</u> | <u>446</u> | <u>1,911</u> | <u>1,991</u> | <u>1,181</u> | <u>982</u> | <u>4,154</u> | |

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

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from commencement of the plan to December 31, 2020, the net assets value would have been higher by Re 0.585 per unit (June 30, 2020: Re 0.289 per unit) for NICPP III, Re 0.296 per unit (June 30, 2020: Re 0.087 per unit) for NICPP IV and Re 0.213 per unit (June 30, 2020: Re 0.103 per unit) for NICPP V.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

11 NET ASSETS VALUE PER UNIT

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



12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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

13 EARNINGS PER UNIT

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

14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.02% (December 31, 2019: 1.98%) - NICPP - III, 1.45% (December 31, 2019: 1.95%) - NICPP - IV and 1.72% (December 31, 2019: 2.17%) - NICPP - V which includes 0.33% (December 31, 2019: 0.52%) - NICPP - III, 0.16% (December 31, 2019: 0.48%) - NICPP - IV and 0.16% (December 31, 2019: 0.54%) - NICPP - V, representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (December 31, 2019: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "Fund of funds" scheme.

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1** 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, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 15.2** Transactions with connected persons / related parties are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 15.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 15.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 15.5** Allocated expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.



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

| | Un-audited | | | | Un-audited | | | |
|--|-------------------|----------|---------|------------------|-------------------|----------|---------|--------|
| | December 31, 2020 | | | | December 31, 2019 | | | |
| | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total |
| (Rupees in '000) | | | | (Rupees in '000) | | | | |
| NBP Fund Management Limited - Management Company | | | | | | | | |
| Remuneration of the Management Company | 537 | 121 | 109 | 767 | 1,204 | 720 | 422 | 2,346 |
| Sindh Sales Tax on remuneration of Management Company | 70 | 16 | 14 | 100 | 156 | 94 | 55 | 305 |
| Allocated expenses | 62 | 52 | 40 | 154 | 158 | 100 | 61 | 319 |
| Central Depository Company of Pakistan Limited - Trustee | | | | | | | | |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 43 | 37 | 28 | 108 | 111 | 70 | 43 | 224 |
| Sindh Sales Tax on remuneration | 6 | 5 | 4 | 15 | 14 | 9 | 6 | 29 |
| Investment in NBP Islamic Active Allocation Equity Fund | | | | | | | | |
| Units purchased | | | | | | | | |
| - 1,239,049 units (December 31, 2019: 7,092,491 units) (NICPP - III) | 12,603 | - | - | 12,603 | 65,658 | - | - | 65,658 |
| - Nil units (December 31, 2019: 1,890,694 units) (NICPP - IV) | - | - | - | - | - | 19,029 | - | 19,029 |
| - Nil units (December 31, 2019: 1,664,768 units) (NICPP - V) | - | - | - | - | - | - | 15,633 | 15,633 |
| Units sold | | | | | | | | |
| - 368,686 units (December 31, 2019: 5,046,401 units) (NICPP - III) | 3,800 | - | - | 3,800 | 43,061 | - | - | 43,061 |
| - 91,674 units (December 31, 2019: 2,049,988 units) (NICPP - IV) | - | 818 | - | 818 | - | 17,170 | - | 17,170 |
| - 189,245 units (December 31, 2019: 2,425,509 units) (NICPP - V) | - | - | 1,688 | 1,688 | - | - | 23,105 | 23,105 |
| Investment in NBP Islamic Daily Dividend Fund | | | | | | | | |
| Units purchased | | | | | | | | |
| - Nil units (December 31, 2019: Nil units) (NICPP - III) | - | - | - | - | - | - | - | - |
| - 13,250,000 units (December 31, 2019: Nil units) (NICPP - IV) | - | 132,500 | - | 132,500 | - | - | - | - |
| - 7,950,000 units (December 31, 2019: Nil units) (NICPP - V) | - | - | 79,500 | 79,500 | - | - | - | - |



| | Un-audited | | | | Un-audited | | | |
|---|-------------------|----------|---------|--------|-------------------|----------|---------|-------|
| | December 31, 2020 | | | | December 31, 2019 | | | |
| | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total |
| | (Rupees in '000) | | | | (Rupees in '000) | | | |
| Dividend reinvest units | | | | | | | | |
| - Nil units (December 31, 2019): | | | | | | | | |
| Nil units (NICPP - III) | - | - | - | - | - | - | - | - |
| - 253,386 units (December 31, 2019): | | | | | | | | |
| Nil units (NICPP - IV) | - | 2,534 | - | 2,534 | - | - | - | - |
| - 182,123 units (December 31, 2019): | | | | | | | | |
| Nil units (NICPP - V) | - | - | 1,821 | 1,821 | - | - | - | - |
| Units sold | | | | | | | | |
| - Nil units (December 31, 2019): | | | | | | | | |
| Nil units (NICPP - III) | - | - | - | - | - | - | - | - |
| - 7,800,000 units (December 31, 2019): | | | | | | | | |
| Nil units (NICPP - IV) | - | 78,000 | - | 78,000 | - | - | - | - |
| - 2,500,000 units (December 31, 2019): | | | | | | | | |
| Nil units (NICPP - V) | - | - | 25,000 | 25,000 | - | - | - | - |
| PITC Employees Trust (Pension) Fund - unit holder with more than 10% holding | | | | | | | | |
| Units redeemed / transferred out: 462,830 units (December 31, 2019: Nil units) | | | | | | | | |
| (NICPP - IV) | - | 46,344 | - | 46,344 | - | - | - | - |
| Pakistan Stock Exchange Limited | | | | | | | | |
| Listing fee paid | 8 | 8 | 9 | 25 | 8 | 8 | 9 | 25 |

15.7 Amounts outstanding as at period / year end:

| | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|---|--------------------------------|----------|---------|-------|-------------------------|----------|---------|-------|
| | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total |
| | (Rupees in 000) | | | | (Rupees in 000) | | | |
| NBP Fund Management Limited - Management Company | | | | | | | | |
| Management fee payable | 68 | 6 | 10 | 84 | 142 | 122 | 73 | 337 |
| Sindh Sales Tax payable on remuneration | 9 | 1 | 1 | 11 | 18 | 16 | 9 | 43 |
| Other payable | 28 | 24 | 29 | 81 | 28 | 24 | 29 | 81 |
| Allocated expenses payable | 27 | 17 | 19 | 63 | 50 | 37 | 22 | 109 |
| Central Depository Company of Pakistan Limited - Trustee | | | | | | | | |
| Remuneration payable | 6 | 4 | 4 | 14 | 11 | 9 | 5 | 25 |
| Sindh Sales Tax payable on remuneration | 1 | - | - | 1 | 1 | 1 | 1 | 3 |



| | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|---|--------------------------------|----------|---------|--------|----------------------------|----------|---------|--------|
| | NICPP-III | NICPP-IV | NICPP-V | Total | NICPP-III | NICPP-IV | NICPP-V | Total |
| | ------(Rupees in 000)----- | | | | ------(Rupees in 000)----- | | | |
| PITC Employees Trust (Pension) Fund - unit holder with more than 10% holding | | | | | | | | |
| Units held: Nil units (June 30, 2020: | | | | | | | | |
| 462,830 units) (NICPP - IV) | - | - | - | - | - | 45,779 | - | 45,779 |
| Mid City International - unit holder with more than 10% holding* | | | | | | | | |
| Units held: Nil units (June 30, 2020: | | | | | | | | |
| 102,883 units) (NICPP - V) | - | - | - | - | - | - | 10,112 | 10,112 |
| IM Sciences Trust - unit holder with more than 10% holding | | | | | | | | |
| Units held: 100,037 units (June 30, 2020: | | | | | | | | |
| 100,037 units) (NICPP - V) | - | - | 10,066 | 10,066 | - | - | 9,832 | 9,832 |
| Station Head Quarter Rawalpindi - unit holder with more than 10% holding | | | | | | | | |
| Units held: 143,480 units (June 30, 2020: | | | | | | | | |
| 100,006 units) (NICPP - III)** | 14,842 | - | - | 14,842 | - | - | - | - |
| Units held: 100,006 units (June 30, 2020: | | | | | | | | |
| 100,006 units) (NICPP - V) | - | - | 10,063 | 10,063 | - | - | 9,829 | 9,829 |
| NBP Islamic Active Allocation Equity Fund | | | | | | | | |
| Investment in: | | | | | | | | |
| - 1,800,794 units (June 30, 2020: 930,431 units) (NICPP - III), | 20,322 | - | - | 20,322 | 8,100 | - | - | 8,100 |
| - Nil units (June 30, 2020: 91,674 units) (NICPP - IV) and | - | - | - | - | - | 798 | - | 798 |
| - Nil units (June 30, 2020: 189,245 units) (NICPP - V) | - | - | - | - | - | - | 1,648 | 1,648 |
| NBP Islamic Daily Dividend Fund | | | | | | | | |
| Investment in: | | | | | | | | |
| - Nil units (June 30, 2020: Nil units) (NICPP - III), | - | - | - | - | - | - | - | - |
| - 5,703,386 units (June 30, 2020: Nil units) (NICPP - IV) and | - | 57,034 | - | 57,034 | - | - | - | - |
| - 5,632,123 units (June 30, 2020: Nil units) (NICPP - V) | - | - | 56,321 | 56,321 | - | - | - | - |
| Welfare Fund Account (Signal Battalion) holder with more than 10% holding** | | | | | | | | |
| - 62,351 units (June 30, 2020: Nil units) (NICPP - IV) and | - | 6,320 | - | 6,320 | - | - | - | - |

*Current period figure has not been presented as the person is not classified as a related party / connected person as at December 31, 2020.

**Prior period figures have not been presented as the person was not a related party / connected person as at June 30, 2020 and December 31, 2019.



16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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.

16.1 Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

As at December 31, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

16.2 NAFA Islamic Capital Preservation Plan - III

| ASSETS | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|---|--------------------------------|---------|---------|--------|----------------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | ------(Rupees in 000)----- | | | | ------(Rupees in 000)----- | | | |
| Financial assets 'at fair value through profit or loss' | | | | | | | | |
| - Mutual fund units | - | 20,322 | - | 20,322 | - | 8,100 | - | 8,100 |

16.3 NAFA Islamic Capital Preservation Plan - IV

| ASSETS | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|---|--------------------------------|---------|---------|--------|----------------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | ------(Rupees in 000)----- | | | | ------(Rupees in 000)----- | | | |
| Financial assets 'at fair value through profit or loss' | | | | | | | | |
| - Mutual fund units | - | 57,034 | - | 57,034 | - | 798 | - | 798 |



16.4 NBP Islamic Capital Preservation Plan - V

| ASSETS | December 31, 2020 (Un-audited) | | | | June 30, 2020 (Audited) | | | |
|---|--------------------------------|---------|---------|--------|----------------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | ------(Rupees in 000)----- | | | | ------(Rupees in 000)----- | | | |
| Financial assets 'at fair value through profit or loss' | | | | | | | | |
| - Mutual fund units | - | 56,321 | - | 56,321 | - | 1,648 | - | 1,648 |

17 GENERAL

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

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

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 26, 2021.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds