

**NAFA ISLAMIC ACTIVE ALLOCATION
FUND - III**



QUARTERLY REPORT
SEPTEMBER 30, 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.**



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

Allied Bank Limited
Bank Al Habib Limited
Dubai 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 unaudited Condensed Interim financial statements of **NAFA Islamic Active Allocation Fund - III** (NIAAF-III) for the quarter ended September 30, 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 five (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-IV (NICPP-V).

Islamic Money Market Fund:
Islamic Money Market Fund:
Islamic Equity Fund:

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

Carrying forward the positive momentum, the stock market depicted robust performance during 1QFY2021 as the benchmark KMI-30 Index surged by 17.7%. To put things into perspective, after tumbling to a multi-year low level of 41,365 in March this year, the stock market staged a strong 22.1% recovery during 4QFY20. This impressive market performance was mainly driven by encouraging development on the healthcare front. The active cases of Covid-19 after peaking at 109,000 in July dropped to 9,000 at the end of September; the fatality rate fell sharply, and ratio of new infections to tests also fell to a low single-digit.

The improvement on the pandemic front allowed re-opening of the economy, which picked-up steam earlier than expected as evidenced by the frequently released economic data such as electricity consumption, retail fuel sales, and industrial output (cement, fertilizers, automobiles, textiles). The encouraging development on the healthcare front and improving economic activity, sparked optimism in investors. External account has so far remained beneficiary of the Coronavirus as workers' remittances have shown a hefty 31% growth in 1QFY21 on a year-on-year basis. Resultantly, the country has posted current account surplus of USD 805 million in the first 2 months of FY2021 versus current account deficit of USD 1,241 million in corresponding period last year.

Looking at the sector wise performance of the market, Automobiles, Cements, Engineering, Glass & Ceramics, Oil & Gas Marketing Companies, Paper & Board, Refineries, Technology and Textiles outperformed the market, while Commercial Banks, Fertilizers, Food & Personal Care, Oil & Gas Exploration, Pharmaceuticals, Power Generation and Distribution and Transport sectors lagged behind. In terms of participant-wise activity, Individuals remained the largest buyers during the quarter with net inflows of USD 108 million. Alongside, Mutual Fund and Insurance were also net buyers, adding positions worth USD 26 million and USD 21 million, respectively. On the other hand, Foreigners and Banks/DFIs were the largest sellers in the market with net outflows amounting to USD 95 million and USD 53 million, respectively.

The primary market for Corporate Sukuks remained under-supplied against the large and growing demand. In the secondary market, the trading activity in the Corporate Sukuks remained skewed towards high quality debt issues with cumulative traded value of around Rs. 5.6 billion in 1QFY21 compared to Rs. 2.5 billion during same period last year. During 1QFY21, the State Bank of Pakistan (SBP) held Monetary Policy Committee (MPC) meeting in September 2020 and, in line with the market expectation, left the Policy Rate unchanged at 7%. The SBP cited that the outlook for growth and business confidence has improved since the last review. The CPI inflation clocked in at 9% for September 2020, above the market consensus due to spike in prices of perishable food items.

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

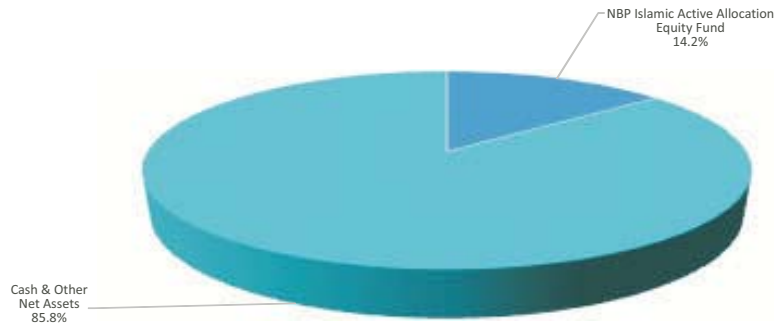
Plan's Performance

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. 101.3684 on September 30, 2020, thus showing an increase of 2.3%. The Benchmark increased by 2.2%. Thus, the Plan has outperformed its Benchmark by 0.1%. Since inception, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs. 94.6916 on June 22, 2018 to Rs. 101.3684

on September 30, 2020, thus showing an increase of 7.1%. The Benchmark increased during the same period was 2.5%. Thus, the Plan has outperformed its Benchmark by 4.6%. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 120 million.

The Plan has earned a total income of Rs. 4.06 million during the quarter. After deducting total expenses of Rs. 0.62 million, the net income is Rs. 3.44 million

The asset allocation of the Plan as on September 30, 2020 is as follows:



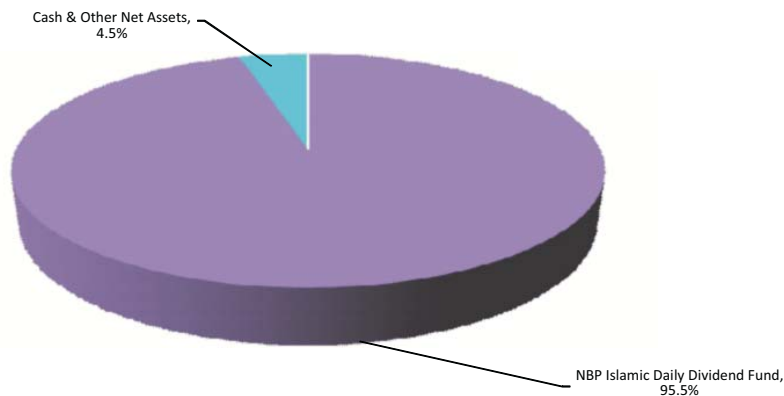
NAFA Islamic Capital Preservation Plan-IV (NICPP-IV)

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. 100.1442 on September 30, 2020, thus showing an increase of 1.2%. The Benchmark increased by 1.0%. Thus, the Plan has outperformed its Benchmark by 0.2%. 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. 100.1442 on September 30, 2020, thus showing an increase of 3.7%. The Benchmark increased during the same period was 0.7%. Thus, the Plan has outperformed its Benchmark by 3.0%. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 80 million.

The Plan has earned a total income of Rs. 2.24 million during the quarter. After deducting total expenses of Rs. 0.512 million, the net income is Rs. 1.728 million.

The asset allocation of the Plan as on September 30, 2020 is as follows:



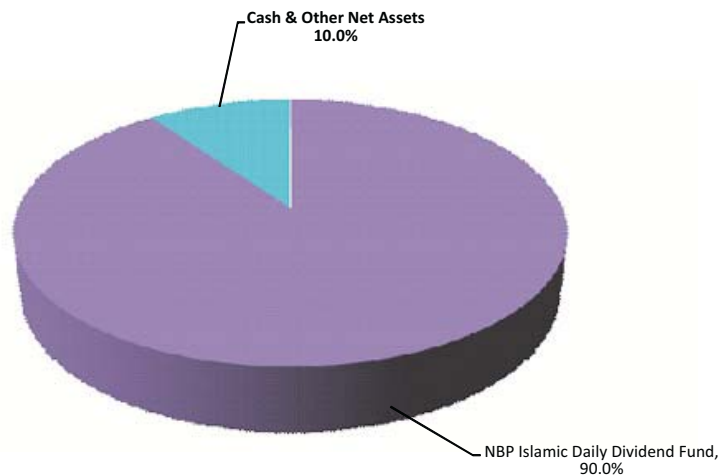
NBP Islamic Capital Preservation Plan-V (NICPP-V)

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. 99.5389 on September 30, 2020, thus showing an increase of 1.3%. The Benchmark increased by 1.0%. Thus, the Plan has outperformed its Benchmark by 0.3%. 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. 99.5389 on September 30, 2020, thus showing an increase of 2.5%. The Benchmark increased during the same period was 0.7%. Thus, the Plan has outperformed its Benchmark by 1.8%. This performance is net of management fee and all other expenses. The size of the Plan is Rs. 78 million.

The Plan has earned a total income of Rs. 1.423 million during the quarter. After deducting total expenses of Rs. 0.355 million, the net income is Rs. 1.068 million.

The asset allocation of the Plan as on September 30, 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: October 27, 2020
 Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2020ء کو ختم ہونے والی سہ ماہی کے لئے NAFA اسلامک ایکٹو ایلوکیشن فنڈ-III (NIAAF-III) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

NAFA اسلامک ایکٹو ایلوکیشن فنڈ-III (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 منی مارکیٹ فنڈ: NBP اسلامک منی مارکیٹ فنڈ

اسلامک منی مارکیٹ فنڈ: NBP اسلامک ڈیلی ڈیویڈنڈ فنڈ

اسلامک ایکویٹی فنڈ: NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ

مثبت پیشرفت کو آگے بڑھاتے ہوئے، اسٹاک مارکیٹ نے مالی سال 2021 کی پہلی سہ ماہی کے دوران مضبوط کارکردگی کا تاثر دیا جیسا کہ شیئنگ مارک KMI-30 انڈیکس میں 17.7 فیصد اضافہ ہوا۔ چیزوں کو مناظر میں رکھتے ہوئے، رواں سال مارچ میں 41,365 کی کثیر سالہ کم سطح پر پہنچنے کے بعد، اسٹاک مارکیٹ نے مالی سال 2020 کی چوتھی سہ ماہی کے دوران 22.1 فیصد کی مضبوط بحالی کا مظاہرہ کیا۔ مارکیٹ کی یہ متاثر کن کارکردگی بنیادی طور پر صحت کی دیکھ بھال کے محاذ پر ترقی کی حوصلہ افزائی کے ذریعہ کارفرما ہوئی۔ جولائی کے مہینے میں کوویڈ 19 کے فعال کیسز 109,000 پر پہنچنے کے بعد، ستمبر کے آخر میں 9,000 گئے، اموات کی شرح میں تیزی سے کمی واقع ہوئی، اور ٹیسٹوں میں نئے انفیکشن کا تناسب بھی کم ہو کر واحد ہندسہ پر آ گیا۔

وہابی محاذ پر بہتری سے معیشت دوبارہ چلنے کے قابل ہوئی، جس سے بجلی کی کھپت، خوردہ ایندھن کی فروخت، اور صنعتی پیداوار (سینٹ، کھادیں، آٹوموبائل، ٹیکسٹائل) جیسے متعدد اقتصادی اعداد و شمار ثابت کرتے ہیں کہ پہلے کی توقع سے کہیں زیادہ تیزی پیدا ہو گئی۔ صحت کی دیکھ بھال کے محاذ پر حوصلہ افزاء ترقی اور معاشی سرگرمیوں میں بہتری نے سرمایہ کاروں میں پُر امید پیدا کر دی۔ بیرونی اکاؤنٹ اب تک کورونا وائرس میں سرپلس رہا ہے کیونکہ کارکنوں کی ترسیلات زر نے سالانہ بنیاد پر مالی سال 2021 کی پہلی سہ ماہی میں 31 فیصد کا نمایاں اضافہ ظاہر کیا ہے۔ نتیجہ کے طور پر، ملک نے مالی سال 2021 کے پہلے 2 مہینوں میں 805 ملین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس درج کرایا ہے جبکہ گذشتہ سال کے اسی عرصے میں کرنٹ اکاؤنٹ خسارہ 1,241 ملین امریکی ڈالر تھا۔

مارکیٹ کی بیکٹروائز کارکردگی پر نظر ڈالیں تو، آٹوموبائل، سینٹ، انجینئرنگ، گلاس اور سرامکس، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پیپرا اینڈ بورڈ، ریفاٹریز، ہیکٹالوجی اور ٹیکسٹائل نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا جبکہ کمرشل بینک، کھاد، خوراک اور ذاتی نگہداشت، آئل اینڈ گیس ایکسپلوریشن، دواسازی، بجلی پیدا اور تقسیم کرنے اور ٹرانسپورٹ کے شعبے پیچھے رہے۔ شراکت دار سرگرمی کے لحاظ سے، انفرادی سرمایہ کار (ریٹیل) سہ ماہی کے دوران 108 ملین امریکی ڈالر کی خالص خریداری کے ساتھ سب سے زیادہ خریدار رہے۔ اس کے علاوہ، میوہل فنڈ اور انشورنس بھی خالص خریدار رہے، جنہوں نے بالترتیب 26 ملین امریکی ڈالر اور 21 ملین امریکی ڈالر تک پوزیشن کو مستحکم کیا۔ دوسری طرف، غیر ملکی اور بینک DFIs مارکیٹ میں بالترتیب 95 ملین امریکی ڈالر اور 53 ملین امریکی ڈالر کے خالص آؤٹ فلوز کے ساتھ سب سے بڑے فروخت کنندگان رہے۔

کارپوریٹ سٹاک کے لئے ابتدائی مارکیٹ کی زیادہ طلب کے مقابلہ میں رسد کم رہی۔ قانونی منڈی میں، کارپوریٹ سٹاک کا تجارتی سرگرمی اعلیٰ کوآئی ڈی بیٹ اجزا کی جانب زیادہ بھجواؤر ہا جس کی مجموعی تجارتی قدر مالی سال 2020ء میں 2.5 بلین روپے کے مقابلہ میں مالیاتی سال 2021ء کی پہلی سہ ماہی میں 5.6 بلین روپے رہی۔ مالی سال 2021 کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان نے ستمبر 2020ء میں مانیٹری پالیسی کمیٹی (MPC) کا اجلاس طلب کیا، اور مارکیٹ توقعات کے مطابق، پالیسی کی شرح 7% پر برقرار رکھی۔ اسٹیٹ بینک آف پاکستان نے حوالہ دیا کہ آخری جائزہ کے بعد سے شرح نمو اور کاروباری اعتماد میں بہتری آئی ہے۔ روزمرہ استعمال ہونے والی اشیاء خورد و نوش کی قیمتوں میں اضافے کے باعث سی پی آئی افراط زر کی شرح ستمبر 2020ء میں 9 فیصد رہی۔

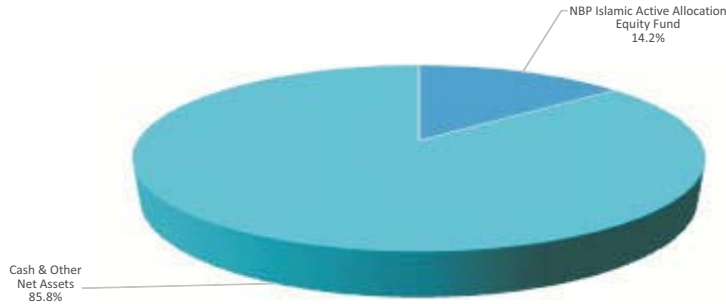
NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III)

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 30 ستمبر 2020 کو 101.3684 روپے ہو چکی ہے اور اس طرح 2.3% کا اضافہ دکھایا ہے۔ بیچ مارک بڑھ کر 2.2% ہو گیا۔ لہذا پلان نے اپنے بیچ مارک سے 0.1% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 22 جون 2018 کو اپنے آغاز کے وقت اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کے یونٹ کی قیمت 94.6916 روپے سے بڑھ کر 30 ستمبر 2020 کو 101.3684 روپے ہو گئی، لہذا 7.1% کا اضافہ دکھایا۔ اس مدت کے دوران بیچ مارک 2.5% زیادہ ہوا۔ لہذا پلان نے اپنے بیچ مارک سے 4.6% کی بہتر کارکردگی کا مظاہرہ کیا۔ پلان کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ پلان کا سائز 120 ملین روپے ہے۔

اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کو اس مدت کے دوران 4.06 ملین روپے کی آمدنی ہوئی۔ 0.62 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 3.44 ملین روپے ہے۔

30 ستمبر 2020 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:



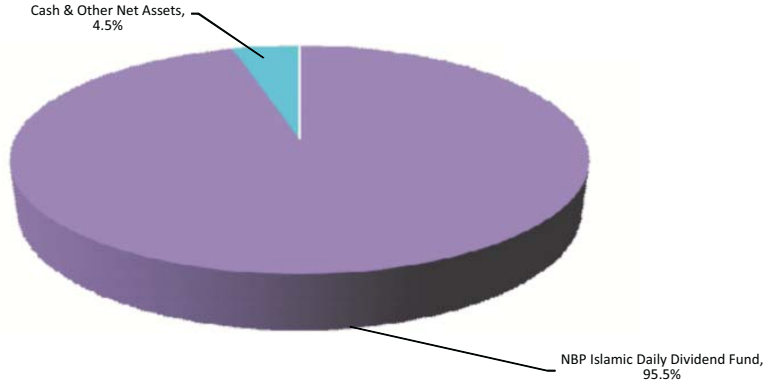
NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV)

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 30 ستمبر 2020 کو 100.1442 روپے ہو چکی ہے اور اس طرح 1.2% کا اضافہ دکھایا ہے۔ بیچ مارک بڑھ کر 1.0% ہو گیا۔ لہذا پلان نے اپنے بیچ مارک سے 0.2% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 14 ستمبر 2018 کو اپنے آغاز کے وقت اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کے یونٹ کی قیمت 96.5816 روپے سے بڑھ کر 30 ستمبر 2020 کو 100.1442 روپے ہو گئی، لہذا 3.7% کا اضافہ دکھایا۔ اس مدت کے دوران بیچ مارک 0.7% زیادہ ہوا۔ لہذا پلان نے اپنے بیچ مارک سے 3.0% کی بہتر کارکردگی کا مظاہرہ کیا۔ پلان کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ پلان کا سائز 80 ملین روپے ہے۔

NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کو اس مدت کے دوران 2.24 ملین روپے کی مجموعی آمدنی ہوئی۔ 0.512 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1.728 ملین روپے ہے۔

30 ستمبر 2020 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:

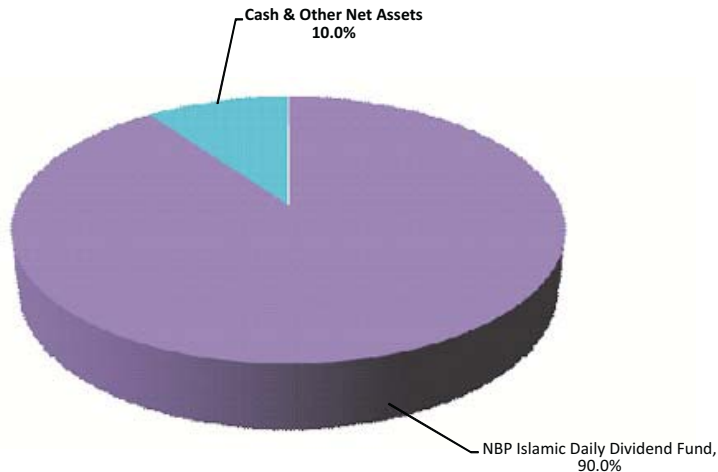


NBP اسلامک کیپٹل پریزرویشن پلان (NICPP-V) پلان کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک کیپٹل پریزرویشن پلان (NICPP-V) کے یونٹ کی قیمت 30 جون 2020 کو 98.2859 روپے سے بڑھ کر 30 ستمبر 2020 کو 99.5389 روپے ہو چکی ہے اور اس طرح 1.3% کا اضافہ دکھایا ہے۔ نیچ مارک بڑھ کر 1.0% ہو گیا۔ لہذا پلان نے اپنے نیچ مارک سے 0.3% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 17 دسمبر 2018 کو اپنے آغاز کے وقت اسلامک کیپٹل پریزرویشن پلان (NICPP-V) کے یونٹ کی قیمت 97.758 روپے سے بڑھ کر 30 ستمبر 2020 کو 99.5389 روپے ہو گئی، لہذا 2.5% کا اضافہ ظاہر کیا۔ اس مدت کے دوران نیچ مارک 0.7% زیادہ ہوا۔ لہذا پلان نے اپنے نیچ مارک سے 1.8% کی بہتر کارکردگی کا مظاہرہ کیا۔ پلان کی یہ کارکردگی بیٹھمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ پلان کا سائز 78 ملین روپے ہے۔

NAFA اسلامک کیپٹل پریزرویشن پلان (NICPP-V) کو اس مدت کے دوران 1.423 ملین روپے کی آمدنی ہوئی۔ 0.355 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1.068 ملین روپے ہے۔

30 اکتوبر 2020 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:





اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اکتوبر 2020

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

	-----Un-Audited----- -----September 30, 2020-----				-----Audited----- -----June 30, 2020-----				
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total	
Note	------(Rupees in 000)-----				------(Rupees in 000)-----				
ASSETS									
Bank Balances	4	103,587	4,733	7,792	116,112	148,544	145,505	88,582	382,631
Investments	5	17,075	76,104	70,415	163,594	8,100	798	1,648	10,546
Profit receivable		493	70	107	670	1,024	956	576	2,556
Advance and other receivable		227	7	457	691	220	-	450	670
Preliminary expenses and floatation costs		-	-	64	64	-	114	121	235
Total assets		121,382	80,914	78,835	281,131	157,888	147,373	91,377	396,638
LIABILITIES									
Payable to NBP Fund Management Limited - Management Company		166	65	58	289	238	199	133	570
Payable to Central Depository Company of Pakistan Limited - Trustee		8	9	5	22	12	10	6	28
Payable to Securities and Exchange Commission of Pakistan		7	7	4	18	54	36	22	112
Payable against redemption of units		-	515	-	515	4,211	-	-	4,211
Accrued expenses and other liabilities		949	594	544	2,087	1,991	1,181	982	4,154
Total liabilities		1,130	1,190	611	2,931	6,506	1,426	1,143	9,075
NET ASSETS		120,252	79,724	78,224	278,200	151,382	145,947	90,234	387,563
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		120,252	79,724	78,224	278,200	151,382	145,947	90,234	387,563
CONTINGENCIES AND COMMITMENTS									
Number of units in issue	7	1,186,283	796,090	785,866		1,528,180	1,475,548	918,073	
		-----Rupees-----				-----Rupees-----			
NET ASSET VALUE PER UNIT		101.3684	100.1442	99.5389		99.0600	98.9102	98.2859	

The annexed notes 1 to 12 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 SEPTEMBER 30, 2020

	Quarter Ended September 30, 2020				Quarter Ended September 30, 2019			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	Note -----(Rupees in 000)-----				----- (Rupees in 000) -----			
INCOME								
Profit on bank deposits	1,891	616	467	2,974	9,404	5,653	3,269	18,326
Gain / (Loss) on sale of Investments - net	182	20	41	243	(2,771)	(1,448)	(178)	(4,397)
Dividend Income	-	1,604	915	2,519	-	-	-	-
Net unrealised appreciation / (diminution) on re-measurement on investments classified as 'financial assets at fair value through profit or loss'	1,990	-	-	1,990	(1,875)	(2,587)	(1,681)	(6,143)
Total Income	4,063	2,240	1,423	7,726	4,758	1,618	1,410	7,786
EXPENSES								
Remuneration of NBP Fund Management Limited - Management Company	314	99	69	482	709	433	252	1,394
Sindh Sales Tax on remuneration of the Management Company	41	13	9	63	92	56	33	181
Remuneration of Central Depository Company Of Pakistan Limited - Trustee	25	25	15	65	59	39	23	121
Sindh Sales Tax on remuneration of the Trustee	3	3	2	8	8	5	3	16
Annual fee - Securities and Exchange Commission of Pakistan	7	7	4	18	17	11	7	35
Settlement and bank charges	1	4	-	5	33	9	18	60
Auditors' remuneration	72	97	94	263	78	110	46	234
Annual listing fee	2	2	2	6	2	2	4	8
Allocation of Accounting and operational expenses	35	35	21	91	84	55	33	172
Legal & professional charges	46	54	48	148	18	6	18	42
Shariah advisor fee	3	14	3	20	15	11	10	36
Amortisation of formation cost	-	115	57	172	249	139	67	455
Printing charges	3	9	9	21	9	17	9	35
Total Expenses	552	477	333	1,362	1,373	893	523	2,789
Net Income from operating activities	3,511	1,763	1,090	6,364	3,385	725	887	4,997
Provision for Sindh Workers' Welfare Fund	6	(70)	(35)	(127)	(68)	(14)	(18)	(100)
Net Income for the period before taxation	3,441	1,728	1,068	6,237	3,317	711	869	4,897
Taxation	8	-	-	-	-	-	-	-
Net Income for the period after taxation	3,441	1,728	1,068	6,237	3,317	711	869	4,897
Allocation of Net income for the period:								
Net income for the period after taxation	3,441	1,728	1,068	6,237	3,317	711	869	4,897
Income already paid on units redeemed	(703)	(746)	(81)	(1,530)	(101)	(14)	-	(115)
	2,738	982	987	4,707	3,216	697	869	4,782
Accounting income available for distribution:								
-Relating to capital gains	1,657	11	35	1,703	-	-	-	-
-Excluding capital gains	1,081	971	952	3,004	3,216	697	869	4,782
	2,738	982	987	4,707	3,216	697	869	4,782

The annexed notes 1 to 12 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 SEPTEMBER 30, 2020

	Quarter Ended September 30, 2020				Quarter Ended September 30, 2019			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	------(Rupees in 000)-----				------(Rupees in 000)-----			
Net Income for the period after taxation	3,441	1,728	1,068	6,237	3,317	711	869	4,897
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total comprehensive Income for the period	3,441	1,728	1,068	6,237	3,317	711	869	4,897

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2020

	For the Quarter ended September 30, 2020			For the Quarter ended September 30, 2020			For the Quarter ended September 30, 2020			Total		
	NICPP-III			NICPP-IV			NICPP-V			Total		
	Rupees in '000			Rupees in '000			Rupees in '000			Rupees in '000		
	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income / (Accumulated loss)	Total
Net assets at beginning of the period	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 Nil units in NICPP-III (2019 : 31,160), Nil units in NICPP-IV (2019 : Nil) and Nil units in NICPP-V (2019 : Nil)												
- Capital value	-	-	-	-	-	-	-	-	-	-	-	-
- Element of income	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of 341,898 units in NICPP-III (2019 : 986,247), 679,457 units in NICPP-IV (2019 : 1,108,988) and 132,207 units in NICPP V (2019 : 359,122)												
- Capital value	(33,868)	-	(33,868)	(67,205)	-	(67,205)	(12,997)	-	(12,997)	(114,070)	-	(114,070)
- Element of loss	-	(703)	(703)	-	(746)	(746)	-	(81)	(81)	-	(1,530)	(1,530)
Total payments on redemption of units	(33,868)	(703)	(34,571)	(67,205)	(746)	(67,951)	(12,997)	(81)	(13,078)	(114,070)	(1,530)	(115,600)
Total comprehensive income for the period	-	3,441	3,441	-	1,728	1,728	-	1,068	1,068	-	6,237	6,237
Net assets at end of the period	117,183	3,069	120,252	82,197	(2,473)	79,724	80,049	(1,825)	78,224	279,429	(1,229)	278,200
Undistributed income / (accumulated loss) carried forward												
- Realised income / (loss)		370			(3,465)			(2,812)			(5,907)	
- Unrealised income / (loss)		(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		1,657			11			35			1,703	
- Excluding capital gains		1,081			971			952			3,004	
		<u>2,738</u>			<u>982</u>			<u>987</u>			<u>4,707</u>	
Undistributed income / (loss) carried forward		<u>3,069</u>			<u>(2,473)</u>			<u>(1,825)</u>			<u>(1,229)</u>	
- Realised income / (loss)		1,079			(2,473)			(1,825)			(3,219)	
- Unrealised income		1,990			-			-			1,990	
		<u>3,069</u>			<u>(2,473)</u>			<u>(1,825)</u>			<u>(1,229)</u>	
			(Rupees)			(Rupees)			(Rupees)			
Net assets value per unit at beginning of the period		<u>99.0600</u>			<u>98.9102</u>			<u>98.2859</u>				
Net assets value per unit at end of the period		<u>101.3684</u>			<u>100.1442</u>			<u>99.5389</u>				

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2020

	For the Quarter ended September 30, 2019 NICPP-III			For the Quarter ended September 30, 2019 NICPP-IV			For the Quarter ended September 30, 2019 NICPP-V			Total		
	Rupees in '000			Rupees in '000			Rupees in '000			Rupees in '000		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at beginning of the period	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 Nil units in NICPP-III (2019 : 31,160), Nil units in NICPP-IV (2019 : Nil) and Nil units in NICPP-V (2019 : Nil)												
- Capital value	3,083	-	3,083	-	-	-	-	-	-	3,083	-	3,083
- Element of income	(22)	-	(22)	-	-	-	-	-	-	(22)	-	(22)
Total proceeds on issuance of units	3,061	-	3,061	-	-	-	-	-	-	3,061	-	3,061
Redemption of 341,898 units in NICPP-III (2019 : 986,247), 679,457 units in NICPP-IV (2019 : 1,108,988) and 132,207 units in NICPP V (2019 : 359,122)												
- Capital value	(97,574)	-	(97,574)	(109,486)	-	(109,486)	(35,265)	-	(35,265)	(242,325)	-	(242,325)
- Element of loss	331	(101)	230	1,080	(14)	1,066	365	-	365	1,776	(115)	1,661
Total payments on redemption of units	(97,243)	(101)	(97,344)	(108,406)	(14)	(108,420)	(34,900)	-	(34,900)	(240,549)	(115)	(240,664)
Total comprehensive income for the period	-	3,317	3,317	-	711	711	-	869	869	-	4,897	4,897
Distribution Paid @ 1.0847 declared on July 19, 2019												
- Cash Distribution	-	(4,000)	(4,000)	-	-	-	-	-	-	-	(4,000)	(4,000)
Net assets at end of the period	293,601	3,628	297,229	177,069	(2,758)	174,311	121,204	(1,943)	119,261	591,874	(1,073)	590,801
Undistributed income / (accumulated loss) carried forward												
- Realised income		22,560			9,343			4,369			36,272	
- Unrealised loss		(18,148)			(12,798)			(7,181)			(38,127)	
		<u>4,412</u>			<u>(3,455)</u>			<u>(2,812)</u>			<u>(1,855)</u>	
Accounting income available for distribution												
- Relating to capital gains		-			-			-			-	
- Excluding capital gains		3,216			697			869			4,782	
		<u>3,216</u>			<u>697</u>			<u>869</u>			<u>4,782</u>	
Distribution for the period		(4,000)			-			-			(4,000)	
Undistributed income / (loss) carried forward		<u>3,628</u>			<u>(2,758)</u>			<u>(1,943)</u>			<u>(1,073)</u>	
- Realised income / (loss)		5,503			(171)			(262)			5,070	
- Unrealised income / (loss)		(1,875)			(2,587)			(1,681)			(6,143)	
		<u>3,628</u>			<u>(2,758)</u>			<u>(1,943)</u>			<u>(1,073)</u>	
		(Rupees)			(Rupees)			(Rupees)				
Net assets value per unit at beginning of the period		<u>100.0193</u>			<u>98.7262</u>			<u>98.1965</u>				
Net assets value per unit at end of the period		<u>100.2084</u>			<u>99.7427</u>			<u>99.2235</u>				

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2020

	Quarter Ended September 30, 2020				Quarter Ended September 30, 2019			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICCP-III	NICCP-IV	NICCP-V	Total
	----- (Rupees in 000) -----				----- (Rupees in 000) -----			
CASH FLOW FROM OPERATING ACTIVITIES								
Net Income for the period before taxation	3,441	1,728	1,068	6,237	3,317	711	869	4,897
Adjustments								
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1,990)	-	-	(1,990)	1,875	2,587	1,681	6,143
	1,451	1,728	1,068	4,247	5,192	3,298	2,550	11,040
Decrease / (Increase) in assets								
Investments	(6,985)	(75,306)	(68,767)	(151,058)	25,228	18,619	14,223	58,070
Profit receivable	531	886	469	1,886	518	837	226	1,581
Preliminary expenses and floatation costs	-	114	57	171	249	138	67	454
Other Receivable	(7)	(7)	(7)	(21)	(7)	(8)	(5)	(20)
	(6,461)	(74,313)	(68,248)	(149,022)	25,988	19,586	14,511	60,085
(Decrease) / Increase in liabilities								
Payable to NBP Fund Management Company Limited	(72)	(134)	(75)	(281)	(247)	(208)	(96)	(551)
Payable to Central Depository Company of Pakistan Limited - Trustee	(4)	(1)	(1)	(6)	(18)	(15)	(8)	(41)
Payable to Securities and Exchange Commission of Pakistan	(47)	(29)	(18)	(94)	(630)	(318)	(107)	(1,055)
Accrued expenses and other liabilities	(1,042)	(587)	(438)	(2,067)	199	146	128	473
	(1,165)	(751)	(532)	(2,448)	(696)	(395)	(83)	(1,174)
Net cash (used in) / generated from operating activities	(6,175)	(73,336)	(67,712)	(147,223)	30,484	22,489	16,978	69,951
CASH FLOW FROM FINANCING ACTIVITIES								
Net receipts from issue of units	-	-	-	-	3,061	-	-	3,061
Net payments on redemption of units	(38,782)	(67,436)	(13,078)	(119,296)	(96,837)	(107,970)	(34,900)	(239,707)
Distributions paid	-	-	-	-	(4,000)	-	-	(4,000)
Net cash used in financing activities	(38,782)	(67,436)	(13,078)	(119,296)	(97,776)	(107,970)	(34,900)	(240,646)
Net decrease in cash and cash equivalents during the period	(44,957)	(140,772)	(80,790)	(266,519)	(67,292)	(85,481)	(17,922)	(170,695)
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	103,587	4,733	7,792	116,112	239,107	130,513	88,002	457,622

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 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 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 Active Allocation Fund-III is to earn a potentially high return through dynamic asset allocation between the Shari'ah compliant dedicated equity and money market based collective investment schemes, while providing capital preservation of the initial investment value including sales load at completion of twenty four months and beyond. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM1 as at June 24, 2020 (June 30, 2019: 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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) 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 IFRSs, 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.

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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF ACCOUNTING POLICIES

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 There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2020 that have a material effect on the financial statements of the Fund.

	----- Un-Audited -----				----- Audited -----			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
4 BANK BALANCES	-----September 30, 2020-----				-----June 30, 2020-----			
In current accounts	404	256	154	814	404	256	256	916
In savings accounts	103,183	4,477	7,638	115,298	148,140	145,249	88,326	381,715
	103,587	4,733	7,792	116,112	148,544	145,505	88,582	382,631

	----- Un-Audited -----				----- Audited -----				
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total	
5 INVESTMENT	-----September 30, 2020-----				-----June 30, 2020-----				
'Financial assets at fair value through profit or loss									
-Units of open ended mutual funds	5.1, 5.2, 5.3	17,075	76,104	70,415	163,594	8,100	798	1,648	10,546



5.1 NAFA Islamic Capital Preservation Plan III

Name of the investee company	Number Of Units					Balances As At September 30, 2020		Market value as a percentage of net assets	Market value as a percentage of total investment	
	As at July 1, 2020	Purchases during the period	Bonus / Right shares	Sales during the period	As at September 30, 2020	Carrying Value	Market Value			
	(Rs in "000")							%.....		
NBP Islamic Active Allocation Equity Fund	930,431	831,795	-	121,584	1,640,642	15,085	17,075	14.20	100.00	
						1,640,642	15,085	17,075	14.20	100.00

5.2 NAFA Islamic Capital Preservation Plan IV

Name of the investee company	Number Of Units					Balances As At September 30, 2020		Market value as a percentage of net assets	Market value as a percentage of total investment	
	As at July 1, 2020	Purchases during the period	Bonus / Right shares	Sales during the period	As at September 30, 2020	Carrying Value	Market Value			
	(Rs in "000")							%.....		
NBP Islamic Active Allocation Equity Fund	91,674	-	-	91,674	-	-	-	-	-	
NBP Islamic Daily Dividend Fund	-	13,250,000	160,429	5,800,000	7,610,429	76,104	76,104	95.46	100.00	
						7,610,429	76,104	76,104	95.46	100.00

5.3 NBP Islamic Capital Preservation Plan V

Name of the investee company	Number Of Units					Balances As At September 30, 2020		Market value as a percentage of net assets	Market value as a percentage of total investment	
	As at July 1, 2020	Purchases during the period	Bonus / Right shares	Sales during the period	As at September 30, 2020	Carrying Value	Market Value			
	(Rs in "000")							%.....		
NBP Islamic Active Allocation Equity Fund	189,245	-	-	189,245	-	-	-	-	-	
NBP Islamic Daily Dividend Fund	-	7,950,000	91,467	1,000,000	7,041,467	70,415	70,415	90.02	100.00	
						7,041,467	70,415	70,415	90.02	100.00



6 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, being prudent, recognised provision for SWWF amounting to Rs.0.512 million, 0.164 million and 0.117 million in NICPP-III, NICPP-IV and NICPP-V as at September 30, 2020 in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2020 would have been higher by Rs. 0.4317 per unit in NICPP III (June 2020: 0.289 per unit), Rs. 0.2056 per unit in NICPP IV (June 2020: 0.087 per unit) and Rs. 0.1488 per unit in NICPP V (June 2020: 0.103 per unit).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30,2020 and June 30, 2020.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the 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, no provision for taxation has been made in these condensed interim financial statements.

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

9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 1.77% (June 30, 2020: 1.75%) - NICPP - III, 1.46% - NICPP - IV (June 30, 2020 : 1.70%) and 1.68% - NICPP - V (June 30, 2020: 1.87%) which includes 0.35% (June 30, 2020: 0.25%) - NICPP - III, 0.16% - NICPP - IV (June 30,2020: 0.20%) and 0.18% - NICPP - V (June 30,2020: 0.21%) representing government levies on the Fund such as, sales taxes, annual fee to the SECP, provision for SWWF, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Fund of Funds' scheme.

10 TRANSACTIONS WITH CONNECTED PERSONS

- 10.1 Connected persons include NBP Fund Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 10.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 10.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 10.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.



	-----Un-Audited----- -----September 30, 2020-----			-----Audited----- -----June 30, 2020-----				
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	---(Rupees in 000)---			---(Rupees in 000)---				
NBP Islamic Active Allocation Equity Fund								
Units Held : 1,640,642 (June 30, 2020 : 930,431) units (NICPP - III),	17,075	-	-	17,075	8,100	-	-	8,100
Units Held : Nil (June 30, 2020 : 91,674) units (NICPP - IV) and	-	-	-	-	-	798	-	798
Units Held : Nil (June 30, 2020 : 189,245) units (NICPP - V)	-	-	-	-	-	-	1,648	1,648
NBP Islamic Daily Dividend Fund								
Units Held : 7,610,429 (June 30, 2020 : Nil) units (NICPP - IV) and	-	76,104	-	76,104	-	-	-	-
Units Held : 7,041,467 (June 30, 2020 : Nil) units (NICPP - V)	-	-	70,415	70,415	-	-	-	-
Station Head Quarter Rawalpindi - unit holder with more than 10% holding								
Units held: 143,480 (June 2020: Nil units) (NICPP - III)	14,544	-	-	14,544	-	-	-	-
Units held: 100,006 (June 2020: 100,006 units) (NICPP - V)	-	-	9,954	9,954	-	-	9,829	9,829
Abdul Rahman Ayub Khandia - unit holder with more than 10% holding *								
Units held: 80,003 (June 2020: Nil units) (NICPP - IV)	-	8,012	-	8,012	-	-	-	-
IM Sciences Trust - unit holder with more than 10% holding								
Units held: 100,037 (June 2020: 100,037 units) (NICPP - V)	-	-	9,958	9,958	-	-	9,832	9,832
PITC Employees Trust (Pension) Fund - unit holder with more than 10% holding **								
Units held: Nil (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 (June 30, 2020: 102,883) units (NICPP - V)	-	-	-	-	-	-	10,112	10,112

* Prior period comparative has not been shown as the company was not a related party / connected person at that period.

** Current period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at September 30, 2020.

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 27, 2020.

12 GENERAL

12.1 Figures have been rounded off to the nearest thousand rupees.

12.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

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



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NBP GOVERNMENT SECURITIES FUND I



QUARTERLY REPORT
SEPTEMBER 30, 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.**



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

JS Bank Limited
Soneri Bank Limited
Habib Metropolitan Bank Limited



Auditors

KPMG Taseer Hadi & Co.
Sheikh Sultan Trust Building,
Ground No. 2 Shaheed Chaudary Aslam Road,
Civil Lines, Karachi, 75530

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office

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 unaudited Condensed Interim financial statements of **NBP Government Securities Plan-I** (NGSP-I) for the quarter ended September 30, 2020.

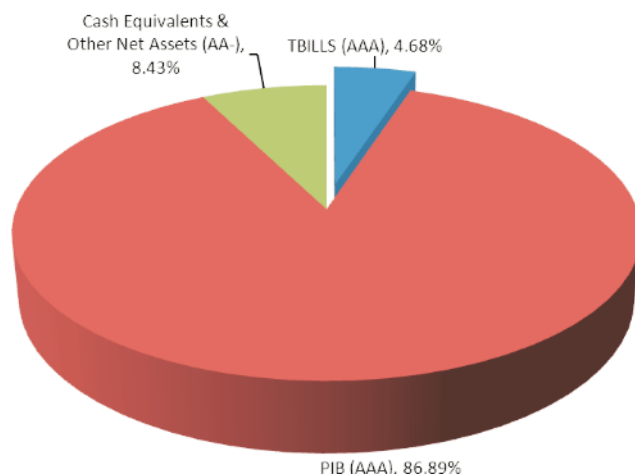
Fund's Performance

The size of NBP Government Securities Plan-I has decreased from Rs. 286 million to Rs. 191 million during the period (i.e. a decline of 33%). During the period, the unit price of the Fund has increased from Rs. 10.0391 on June 30, 2020 to Rs. 10.1767 on September 30, 2020, thus showing return of 5.4% p.a. as compared to the benchmark return of 7.0% p.a. for the same period. The performance of the Fund is net of management fee and other expenses.

NGSP-I is categorized as an Income Fund. The Fund aims to provide attractive return with capital preservation at maturity of the plan, by investing in Government Securities not exceeding maturity of the plan. NBP Government Securities Plan-I has a fixed maturity of July 12, 2021. The Fund invests a minimum of 90% in Government Securities and remaining of its assets in saving accounts with banks, which enhances liquidity profile of the Fund.

During 1QFY21, the State Bank of Pakistan (SBP) held Monetary Policy Committee (MPC) meeting in September 2020 and, in line with the market expectation, left the Policy Rate unchanged at 7%. The SBP cited that the outlook for growth and business confidence has improved since the last review. The CPI inflation clocked in at 9% for September 2020, above the market consensus due to spike in prices of perishable food items. During the period under review, T-Bills yields increased by 44 bps, 55 bps, and 59 bps for 3-month, 6-month, and 12-month tenures respectively, primarily due to demand versus supply side factors. Long-term sovereign yields responded to the above expected inflation readings and the market expectation of bottoming out of the Policy Rate as yields on PIBs witnessed an increase of 76 bps, 102 bps and 106 bps for 3-year, 5-year, and 10-year tenures, respectively. The SBP held six T-Bills auctions during the period, realizing a total of Rs. 1.5 trillion against the maturity of Rs. 1.9 billion and target of Rs. 1.9 trillion. The SBP held three (3) fixed rate PIB auctions during the period, realizing a total of Rs. 249 billion.

The Fund has earned a total income of Rs. 4.412 million during the quarter. After deducting total expenses of Rs. 1.005 million, the net income is Rs. 3.407 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset class of NGSP-I:





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: October 27, 2020
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2020ء کو ختم ہونے والی سہ ماہی کے لئے NBP گورنمنٹ سیکورٹیز پلان-I (NGSP-I) کے غیر جانچ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

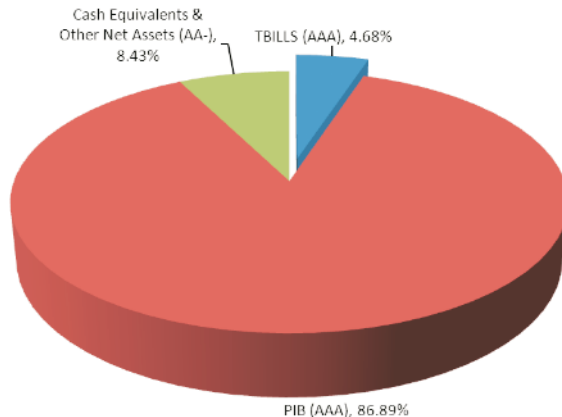
فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP گورنمنٹ سیکورٹیز پلان-I کا سائز 286 ملین روپے سے کم ہو کر 191 ملین روپے ہو گیا یعنی 33 فیصد کمی ہوئی۔ 30 جون 2020 کو فنڈ کی یونٹ کی قیمت 10.0391 روپے سے بڑھ کر 30 ستمبر 2020 کو 10.1767 روپے ہو گئی، لہذا اسی مدت میں اپنے بیچ مارک منافع %7.0 کے مقابلے %5.4 کا سالانہ منافع دیا۔ فنڈ کی یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NGSP-I کی اگم فنڈ کے طور پر درجہ بندی کی گئی ہے۔ فنڈ کا مقصد پلان کی میچورٹی سے قبل تک گورنمنٹ سیکورٹیز میں سرمایہ کاری کر کے پلان کی میچورٹی پر کیپٹل پر ریزرویشن کے ساتھ متاثر کن منافع فراہم کرنا ہے۔ NBP گورنمنٹ سیکورٹیز پلان-I کی فلسفہ میچورٹی 12 جولائی 2021 کی ہے۔ فنڈ گورنمنٹ سیکورٹیز میں کم از کم %90 اور بینکوں کے ساتھ سیونگ اکاؤنٹ میں اپنے ایسیٹ کا کم از کم %10 یا T-Bills میں 90 دن تک انویسٹ کرنے کی اجازت دیتا ہے، جو فنڈ کی لیکویڈیٹی پر وفاق کو بڑھاتا ہے۔

مالی سال 2021 کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان نے ستمبر 2020 میں مانیٹری پالیسی کمیٹی (MPC) کا اجلاس طلب کیا، اور مارکیٹ توقعات کے مطابق، پالیسی کی شرح %7 پر برقرار رکھی۔ اسٹیٹ بینک آف پاکستان نے حوالہ دیا کہ آخری جائزہ کے بعد سے شرح نمو اور کاروباری اعتماد میں بہتری آئی ہے۔ روزمرہ استعمال ہونے والی اشیائے خورد و نوش کی قیمتوں میں اضافے کے باعث سی پی آئی افراط زر کی شرح ستمبر 2020 میں %9 فیصد رہی۔ زیر جائزہ مدت کے دوران، بنیادی طور پر طلب کے مقابلے میں رسد کے عوامل کی وجہ سے T-Bills کی شرح منافع میں %3، %6 اور %12 ماہ کے T-Bills میں بالترتیب %44، %55، اور %59 بپس اضافہ ہوا۔ طویل مدتی حکومتی شرح منافع بھی افراط زر کی قیمتوں میں اضافے کی توقعات کے باعث بڑھ گئی اور PIBs پر حاصل ہونے والی شرح منافع پالیسی شرح سے باہر نکلنے کی مارکیٹ توقع کے باعث %3 سالہ، %5 سالہ، اور %10 سالہ PIBs میں بالترتیب %76، %102 اور %106 بپس کا اضافہ دیکھا گیا۔ اسٹیٹ بینک آف پاکستان نے اس عرصے کے دوران چھ T-Bills کی نیلامی کی، جس میں %1.9 بلین روپے کی میچورٹی اور %1.9 ٹریلین روپے کے ہدف کے عوض مجموعی طور پر %1.5 ٹریلین روپے حاصل کئے۔ اس مدت کے دوران اسٹیٹ بینک آف پاکستان نے تین (3) مقررہ شرح PIBs نیلامیاں کیں جس میں مجموعی طور پر %249 بلین روپے حاصل کئے۔

فنڈ نے موجودہ مدت کے دوران %4.412 بلین روپے کی مجموعی آمدنی کمائی ہے۔ %1.005 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی %3.407 بلین روپے ہے۔ درج ذیل چارٹ NGSP-I کی ایسٹ ایلوکییشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کرڈٹ ریٹنگ پیش کرتا ہے:





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ 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 ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اکتوبر 2020

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

		NGSP-I	
		(Un-Audited)	(Audited)
		September	June 30,
		30, 2020	2020
	Note	Rupees in '000	
ASSETS			
Balances with banks		14,011	626
Investments	4	174,900	288,231
Profit receivables		2,783	8,564
Prepayments and other receivables		1,623	1,654
Preliminary expenses and floatation costs		415	550
Total assets		193,732	299,625
LIABILITIES			
Payable to the Management Company		989	1,056
Payable to the Trustee		11	16
Payable to the Securities and Exchange Commission of Pakistan		13	56
Payable against redemption of units		-	3,455
Accrued expenses and other liabilities		1,718	8,706
Total liabilities		2,731	13,289
NET ASSETS		191,001	286,336
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		191,001	286,336
CONTINGENCIES AND COMMITMENTS	6		
		Number of units	
NUMBER OF UNITS IN ISSUE		18,768,365	28,522,003
		Rupees	
NET ASSET VALUE PER UNIT		10.1767	10.0391

The annexed notes 1 to 12 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 SEPTEMBER 30, 2020

		NGSP - I	
		Quarter Ended September 30, 2020	Quarter Ended September 30, 2019
Note	Rupees in '000		
INCOME			
	Income from Market Treasury Bills	243	470
	Income from Pakistan Investment Bonds	4,031	8,541
	Profit on bank deposits	360	727
	Income from contingent load	255	25
	Loss on sale of investments at fair value through profit or loss (FVTPL) - net	(208)	(5)
	Net unrealised (diminution) / appreciation on re-measurement of investments at FVTPL	(269)	2,034
	Total income	4,412	11,792
EXPENSES			
	Remuneration of the Management Company	392	415
	Sindh Sales Tax on remuneration of the Management Company	51	54
	Accounting and operational expenses	65	69
7	Selling and marketing expenses	65	69
	Remuneration of the Trustee	39	41
	Sindh Sales Tax on remuneration of the Trustee	5	5
	Annual fee of the Securities and Exchange Commission of Pakistan	13	14
	Amortisation of preliminary expenses and floatation costs	135	135
	Securities and transaction cost	9	-
	Auditors' remuneration	64	73
	Legal and professional charges	10	10
	Listing Fee	7	7
	Settlement and bank charges	10	48
	Printing expenses	18	5
	Rating fee	52	43
	Total operating expenses	935	988
	Net income from operating activities	3,477	10,804
	Provision for Sindh Workers' Welfare Fund	5 (70)	(216)
	Net profit for the period before taxation	3,407	10,588
	Taxation	8 -	-
	Net profit for the period after taxation	3,407	10,588
Allocation of net profit for the period:			
	- Net profit for the period after taxation	3,407	10,588
	- Income already paid on units redeemed	(824)	(103)
		2,583	10,485
Accounting income available for distribution			
	- Relating to capital gains	-	2,029
	- Excluding capital gains	2,583	8,456
		2,583	10,485

The annexed notes 1 to 12 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 SEPTEMBER 30, 2020

	NGSP - I	
	Quarter Ended September 30, 2020	Quarter Ended September 30, 2019
	Rupees in '000	
Net profit for the period after taxation	3,407	10,588
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u><u>3,407</u></u>	<u><u>10,588</u></u>

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2020

	NGSP-I					
	Quarter Ended September 30, 2020			Quarter Ended September 30, 2019		
------(Rupees in '000)-----						
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net Assets at beginning of the year	285,231	1,105	286,336	275,920	65	275,985
Issuance of Nil units (2019 : Nil Units)						
- Capital value	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-
Redemption of 9,753,638 units (2019 : 967,274 units)						
- Capital value	(97,918)	-	(97,918)	(9,676)	-	(9,676)
- Element of income	-	(824)	(824)	-	(103)	(103)
Total payments on redemption of units	(97,918)	(824)	(98,742)	(9,676)	(103)	(9,779)
Total comprehensive income for the period	-	3,407	3,407	-	10,588	10,588
Net income for the period	-	3,407	3,407	-	10,588	10,588
Net assets at end of the period (un-audited)	187,313	3,688	191,001	266,244	10,550	276,794
Undistributed Income brought forward						
Realized (loss) / income		(13,576)			6,725	
Unrealized income / (loss)		14,681			(6,660)	
		1,105			65	
Accounting income available for distribution						
- Relating to capital gains		-			2,029	
- Excluding capital gains		2,583			8,456	
		2,583			10,485	
Undistributed income carried forward		3,688			10,550	
Undistributed income carried forward						
- Realised income		3,957			8,516	
- Unrealised (loss) / income		(269)			2,034	
		3,688			10,550	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			10.0391			10.0024
Net assets value per unit at end of the period			10.1767			10.3961

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2020

	NGSP - I	
	Quarter Ended September 30, 2020	Quarter Ended September 30, 2019
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period before taxation	3,407	10,588
Adjustments:		
Provision for Sindh Workers' Welfare Fund	70	216
Net unrealised diminution / (appreciation) on re-measurement of investments or loss (FVTPL) - net	269	(2,034)
Amortisation of preliminary expenses and floatation costs	135	135
	3,881	8,905
Decrease in assets		
Investments	113,062	(2,792)
Profit receivables	5,781	4,731
Prepayments and other receivables	31	(1,424)
	118,874	515
(Decrease) in liabilities		
Payable to the Management company	(67)	(60)
Payable to the Trustee	(5)	(11)
Payable to the Securities and Exchange Commission of Pakistan	(43)	(58)
Accrued expenses and other liabilities	(7,058)	(99)
	(7,173)	(228)
Net cash generated from operating activities	115,582	9,192
CASH FLOWS FROM FINANCING ACTIVITIES		
Total proceeds on issuance of units	-	-
Total payments on redemption of units	(102,197)	(9,779)
Net cash (used in) financing activities	(102,197)	(9,779)
Net increase / (decrease) in cash and cash equivalents during the period	13,385	(587)
Cash and cash equivalents at the beginning of the period	626	17,364
Cash and cash equivalents at the end of the period	14,011	16,777

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Government Securities Fund – I ("the Fund") was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 07 December 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 05 December 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No.5, Clifton, Karachi. The Management Company is also the member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Income scheme' and is listed on Pakistan Stock Exchange. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at initial price of Rs. 10. The maturity of NBP Government Securities Plan-I will be 12 July 2021.

The Fund has initially offered NBP Government Securities Plan - I (NGSP - I) and may offer upto a total of five allocation plans. The objective of the NBP Government Securities Fund – I is to provide attractive return with capital preservation at maturity of the plan, by investing primarily in Government Securities not exceeding maturity of the plan.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and stability rating of 'AA-(f)' to the Fund.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as Trustee of the Fund.

2 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 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
- 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 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.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed



interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2020 that have a material effect on the financial statements of the Fund.

4 INVESTMENTS

Financial Assets at fair value through profit or loss	Note	(Un-Audited)	(Audited)
		September 30, 2020	June 30, 2020
		Rupees in '000	
Government Securities			
Market Treasury Bills	4.1	8,939	14,841
Pakistan Investment Bonds	4.2	165,961	236,319
		<u>174,900</u>	<u>251,160</u>

4.1 Market Treasury Bills

Issue date	Tenor	As at July 01, 2020	Purchases during the period	sales/matured during the period	As at September 30, 2020	Market value as at September 30, 2020	Market value as a %age of net assets	Market value as a %age of total Investments
Rupees in '000						%		
23-Apr-20	3 months	15,000	-	15,000	-	-	-	-
21-May-20	3 months	22,000	-	22,000	-	-	-	-
13-Aug-20	3 months	-	9,000	-	9,000	8,939	4.68	5.11
		<u>37,000</u>	<u>9,000</u>	<u>37,000</u>	<u>9,000</u>	<u>8,939</u>	<u>4.68</u>	<u>5.11</u>
Carrying value before fair value adjustment as at 30 September 2020						<u>8,941</u>		

4.1.1 These carry rate of return at 7.11% per annum.

4.2 Pakistan Investment Bonds

Issue date	Tenor	As at July 01, 2020	Purchases during the period	sales/matured during the period	As at September 30, 2020	Market value as at September 30, 2020	Market value as a %age of net assets	Market value as a %age of total Investments
Rupees in '000						%		
12-Jul-18	03 years	251,000	-	-	251,000	165,961	86.89	94.89
		<u>251,000</u>	<u>-</u>	<u>-</u>	<u>251,000</u>	<u>165,961</u>	<u>86.89</u>	<u>94.89</u>
Carrying value before fair value adjustment as at 30 September 2020						<u>166,228</u>		

4.2.1 These carry rate of return at 7.25% per annum



5 PROVISION FOR SINDH WORKERS' WELFARE FUND

"The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, being prudent, recognised provision for SWWF amounting to Rs.1.089 million as at September 30, 2020 in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2020 would have been higher by Rs. 0.0580 per unit (June 30, 2020: Rs. 0.0357 per unit)."

6 CONTINGENCIES AND COMMITMENTS

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

7 SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.1% per annum of the net assets of the Fund.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the 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, no provision for taxation has been made in these condensed interim financial statements.

9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 1.54% (June 30, 2020: 1.74%) which includes 0.21% (June 30, 2020: 0.45%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Income scheme'.

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

10.2 Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.



- 10.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.5** Details of transactions with related parties / connected persons during the period are as follows:

(Un-Audited)

Quarter Ended September 30, 2020	Quarter Ended September 30, 2019
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Rupees in '000

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	392	415
Sindh sales tax on remuneration	51	54
Accounting and operational expenses	65	69
Selling and marketing expenses	65	69
Preliminary expenses and floatation costs	135	135

Central Depository Company of Pakistan Limited - Trustee

Remuneration	39	41
Sindh sales tax on remuneration of Trustee	5	5

Pakistan Stock Exchange

Listing Fee paid	25	25
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(Un-Audited) September 30, 2020	(Audited) June 30, 2019
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- 10.6** Amounts / balances outstanding as at period end:

Rupees in '000

NBP Fund Management Limited - Management Company

Management fee payable	99	144
Sindh sales tax on remuneration of the Management Company	13	19
Accounting and operational expenses	65	73
Selling and marketing expenses	65	73
Sales load payable to Management Company	626	626
Sales tax payable on sales load	81	81
Formation Cost Payable	-	-
Other payable to Management Company	40	40

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	10	14
Sales tax payable	1	2

Fauji Akbar Portia Marine Terminals Limited

Units held: 11,582,308 units (June 30 , 2020 : 11,582,308 units)	117,870	116,276
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Barret Hudgson Pakistan (Private) Limited *

Units held: Nil units (June 30 , 2020 : 9,459,467 units)	-	94,965
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GIA Export Marketing Service (Private) Limited

Units held: 3,682,586 units (June 30 , 2020 : 3,682,586 units)	37,477	36,970
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* Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at September 30, 2020.

11 DATE OF AUTHORISATION FOR ISSUE

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

12 GENERAL

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

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