

NAFA ISLAMIC ACTIVE ALLOCATION FUND – I

ANNUAL REPORT
2021



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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

Human Resource Committee

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

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Trustee

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

Bankers to the Fund

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



Auditors

Grant Thornton Anjum Rahman.
1st & 3rd Floor,
Modern Motors House, Beaumont Road,
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.nbpffunds.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



Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Humayun Bashir
Director



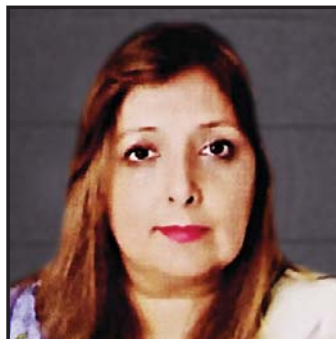
Mr. Tauqeer Mazhar
Director



Mr. Ali Saigol
Director



Mr. Saad Amanullah Khan
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Mr. Samiuddin Ahmed
Country Head Corporate Marketing



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Innovation &
Strategy Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Asim Wahab Khan, CFA
Deputy Chief Investment Officer



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Zulfiqar Ali, CFA
Head of Business Planning
and Analytics



Mr. Hassan Raza, CFA
Head of Research



Mr. Waheed Abidi
Head of Internal Audit



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Muhammad Imran, CFA, ACCA
Head of Portfolio Management



Syed Haseeb Ahmed Shah
Head of Compliance



DIRECTORS' REPORT

This is the Sixth Annual Report for the period ended June 30, 2021, since launch of **NAFA Islamic Active Allocation Fund-I** (NIAAF-I) on January 15, 2016.

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

NAFA Islamic Active Allocation Fund-I has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through five (5) Allocation Plans including NAFA Islamic Active Allocation Plan-I (NIAAP-I), NAFA Islamic Active Allocation Plan-II (NIAAP-II) & NAFA Islamic Active Allocation Plan-III (NIAAP-III), NAFA Islamic Active Allocation Plan-IV (NIAAP-IV), NAFA Islamic Active Allocation Plan-V (NIAAP-V).

Islamic Income Fund:
Islamic Equity Fund:

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

After lackluster performance in FY20, the stock market (KMI-30 Index) delivered robust returns of 39.3% during FY2021, driven by attractive stock market valuations; earlier than expected lifting of business restrictions and the resultant sharp economic recovery; development & deployment of effective vaccines; and well-coordinated and decisive policy response by the monetary and fiscal authorities. The rally at the local bourse picked up steam in 1HFY21 as value money entered the stock market. Robust economic recovery and strong earnings growth further lifted market sentiment. It merits mention that the stock market performance during FY21 was driven by the corporate earnings growth as the market still trades at an attractive Price-to-Earnings (P/E) multiple of 6.5x.

Although the country faced multiple waves of the Covid-19 during the year under review, the smart and targeted lockdowns allowed the economy to continue to operate uninterrupted. The economic recovery was gradual initially and it picked up pace supported by favorable fiscal and monetary policies. The economic growth rate for FY21 stood at 3.9% after GDP contraction of 0.5% during FY20. The frequently released economic data such as cement dispatches, retail fuels sales, electricity consumption and automobile sales volume also corroborate sharp economic rebound. Coronavirus-induced travel restrictions proved beneficial for the external account as workers' remittances registered a hefty 27% growth during FY2021, clocking-in at USD 29.4 billion. Resultantly, the country posted a Current Account Deficit (CAD) of USD 1.8 billion during FY21 versus a CAD of USD 4.4 billion last year. The Extended Fund Facility (EFF) with the International Monetary Fund (IMF) that was put on hold in April last year, finally resumed, and as a result the country secured the IMF tranche of around USD 500 million. The resumption of IMF program allowed the country to borrow USD 2.5 billion by issuing Eurobonds in the international debt market. Furthermore, the Roshan Digital Account (RDA) launched by the central bank to tap the diaspora was a resounding success as the country attracted around USD 1.6 billion during the year.

In terms of sectoral performance, Auto Assemblers, Cements, Chemicals, Engineering, Glass & Ceramics, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Refinery, Technology, and Textile Composite sectors performed better than the market. On the contrary, Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, Sugar, Transport and Pharmaceuticals sectors lagged behind. On participants-wise market activity, Individuals, Companies, and Other Organizations stood as main buyers in the market, with net inflows amounting to USD 332 million, USD 138 million and USD 45 million, respectively. On the other hand, Foreign Investors, Banks/DFIs and Broker Proprietary Trading were large sellers with net outflows of around USD 387 million, USD 95 million, and USD 32 million, respectively.

Inflation as measured by the CPI remained elevated at 8.9% in FY21 mainly due to surge in food prices. During FY21, the State Bank of Pakistan (SBP) held five Monetary Policy Committee (MPC) meetings and maintained the benchmark Policy Rate at 7%. Despite high inflation reading, the SBP continued with the accommodative monetary policy stance, citing significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country. SBP held twenty-six (26) T-Bill auctions, realizing a total of Rs. 15.2 trillion. Sovereign yields reflected the market expectation of the bottoming out of the interest rate and eventual reversal of the monetary easing cycle. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 19, 48 and 76 basis points, respectively. Similarly, yields on 3-year, 5-year, and 10-year PIBs surged by 1.46%, 1.38%, and 1.25%, respectively.

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

This is the Sixth annual report for the period ended June 30, 2021, since launch of NAFA Islamic Active Allocation Plan-I (NIAAP-I) on January 15, 2016. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

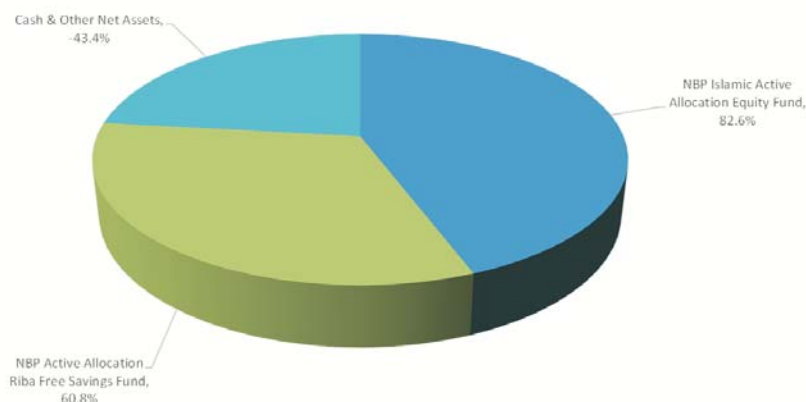


Plan's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-I (NIAAP-I) increased by 28.5% as against the benchmark which increased by 29.9%. Thus, the Fund underperformed the benchmark by 1.4% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-I (NIAAP-I) has increased from Rs. 79.3777 (Ex-Div) on January 15, 2016 to Rs. 129.6698 on June 30, 2021, thus showing an increase of 63.4%. The Benchmark return during the same period was 60.3%. Thus, the Fund has outperformed its Benchmark by 3.1% since its inception on January 15, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.18 million.

The Plan has earned a total income of Rs. 5.088 million during the year. After deducting total expenses of Rs. 0.541 million, the net income is Rs. 4.547 million.

The asset allocation of the Plan as on June 30, 2021 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 7.23% of the opening ex-NAV (7.73% of the par value) in NAFA Islamic Active Allocation Plan-I (NIAAP-I) for the year ended June 30, 2021.

Taxation

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

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

This is the Sixth annual report for the period ended June 30, 2021, since launch of NAFA Islamic Active Allocation Plan-II (NIAAP-II) on March 04, 2016. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shariah Compliant Equity Fund and Income Fund.

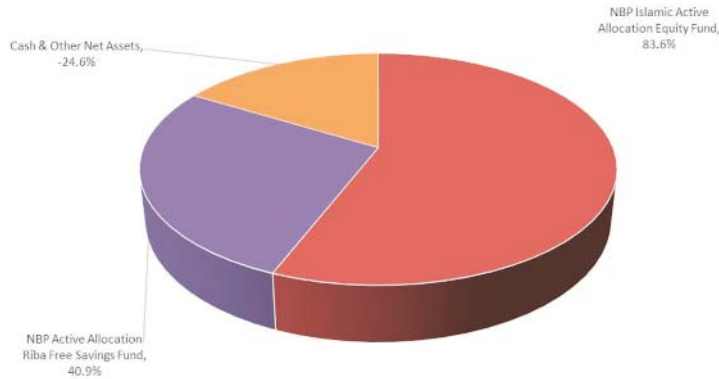
Plan's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-II (NIAAP-II) increased by 26.6% as against the benchmark which decreased by 29.5%. Thus, the Fund underperformed the benchmark by 2.9% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-II (NIAAP-II) has increased from Rs. 85.9370 (Ex-Div) on March 04, 2016 to Rs. 127.7814 on June 30, 2021, thus showing an increase of 48.7%. The Benchmark return during the same period was 40.7%. Thus, the Fund has outperformed its Benchmark by 8.0% since its inception on March 04, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.24 million.

The Plan has earned a total income of Rs. 6.141 million during the year. After deducting total expenses of Rs. 0.665 million, the net income is Rs. 5.476 million.



The asset allocation of the Plan as on June 30, 2021 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 5.59% of the opening ex-NAV (5.90% of the par value) in NAFA Islamic Active Allocation Plan-II (NIAAP-II) for the year ended June 30, 2021.

Taxation

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

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

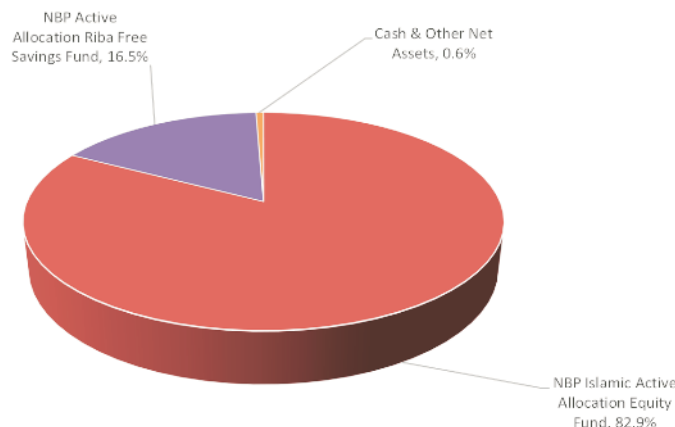
This is the Sixth annual report for the period ended June 30, 2021, since launch of NAFA Islamic Active Allocation Plan-III (NIAAP-III) on June 28, 2016. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Plan's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-III (NIAAP-III) increased by 27.4% as against the benchmark which increased by 29.5%. Thus, the Fund underperformed the benchmark by 2.1% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-III (NIAAP-III) has increased from Rs. 82.7665 (Ex-Div) on June 28, 2016 to Rs. 121.4050 on June 30, 2021, thus showing an increase of 46.7%. The Benchmark during the same period was increased by 43.3%. Thus, the Fund has outperformed its Benchmark by 3.4% since its inception on June 28, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 138 million.

The Plan has earned a total income of Rs. 35.293 million during the year. After deducting total expenses of Rs. 1.529 million, the net income is Rs. 33.764 million.

The asset allocation of the Plan as on June 30, 2021 is as follows:





Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 5.06% of the opening ex-NAV (5.02% of the par value) in NAFA Islamic Active Allocation Plan-III (NIAAP-III) for the year ended June 30, 2021.

Taxation

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

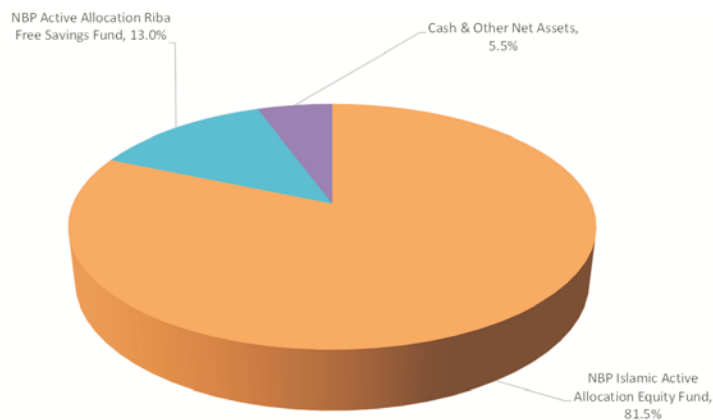
NAFA Islamic Active Allocation Plan-IV (NIAAP-IV)

This is the fifth annual report for the period ended June 30, 2021, since launch of NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) on September 30, 2016. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Plan's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) increased by 26.7% as against the benchmark which increased by 29.3%. Thus, the Fund underperformed the benchmark by 2.6% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) has increased from Rs. 81.8758 (Ex-Div) on September 30, 2016 to Rs. 109.3376 on June 30, 2021, thus showing an increase of 33.5%. The Benchmark during the same period was increased by 36.4%. Thus, the Fund has underperformed its Benchmark by 2.9% since its inception on September 30, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.137 million.

The Plan has earned a total income of Rs. 35.823 million during the year. After deducting total expenses of Rs. 1.649 million, the net income is Rs. 34.174 million.



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 4.61% of the opening ex-NAV (4.13% of the par value) in NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) for the year ended June 30, 2021.

Taxation

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

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

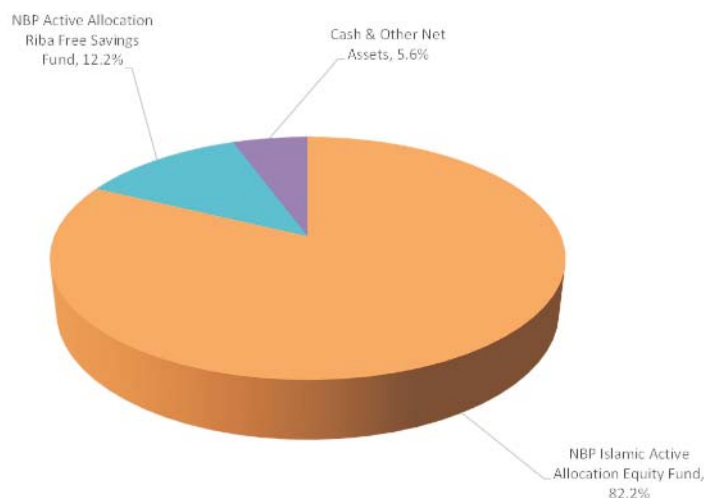
This is the fifth annual report for the period ended June 30, 2021, since launch of NAFA Islamic Active Allocation Plan-V (NIAAP-V) on January 12, 2017. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shariah Compliant Equity Fund and Income Fund.

Plan's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-V (NIAAP-V) increased by 26.7% as against the benchmark which increased by 29.3%. Thus, the Fund underperformed the benchmark by 2.6% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-V (NIAAP-V) has increased from Rs.85.4764 (Ex-Div) January 12, 2017 to Rs. 99.9738 on June 30, 2021, thus showing an increase of 17.0%. The Benchmark return during the same period increased by 16.9%. Thus, the Fund has outperformed its Benchmark by 0.1% since its inception on January 12, 2017. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 78 million.

The Plan has earned a total income of Rs. 32.465 million during the year. After deducting total expenses of Rs. 1.506 million, the net income is Rs. 30.959 million.

The asset allocation of the Plan as on June 30, 2021 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 4.81% of the opening ex-NAV (3.95% of the par value) in NAFA Islamic Active Allocation Plan-V (NIAAP-V) for the year ended June 30, 2021.

Taxation

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

Sindh Workers' Welfare Fund (SWWF)

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

	SWWF Reversed (Rs million)	Increase in NAV (%)
NIAAP-I	5.32	28.70%
NIAAP-II	4.11	15.52%
NIAAP-III	5.62	4.03%
NIAAP-IV	3.05	2.09%
NIAAP-V	1.23	1.47%



Auditors

The present auditors, Messrs Grant Thornton Anjum Rahman, Chartered Accountant, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2022.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held five meetings during the year. The attendance of all directors is disclosed in the note 25 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 22 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 17 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2021, the Board included:

Category	Names
Independent Directors	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Syed Hasan Irtiza Kazmi 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management



Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: **September 16, 2021**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ کمپنیز لمیٹڈ کے بورڈ آف ڈائریکٹرز 15 جنوری 2016 کو آغاز ہونے والے NAFA اسلامک ایکٹو ایلوکیشن فنڈ-I (NIAAF-I) کی چھٹی سالانہ رپورٹ برائے مختتمہ سال 30 جون 2021 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کا مقصد مشرکینہ کپلیٹ ایکٹو فنڈ اور اراکم منی مارکیٹ فنڈ کی فعال طور منظم پورٹ فولیو سے انویسٹرز متاثر کن منافع کمانے کا کوموقع فراہم کرنا ہے۔

NAFA اسلامک ایکٹو ایلوکیشن فنڈ-I (NIAAF-I) ایک ٹرسٹ اسکیم کی شکل میں تیار کیا گیا ہے جو کہ پانچ (5) ایلوکیشن پلانز کے ذریعے درج ذیل مجموعی سرمایہ کاری اسکیموں میں سرمایہ کاری کریں گے، یہ پلانز NAFA اسلامک ایکٹو ایلوکیشن پلان-I (NIAAP-I)، NAFA اسلامک ایکٹو ایلوکیشن پلان-II (NIAAP-II)، NAFA اسلامک ایکٹو ایلوکیشن پلان-III (NIAAP-III)، NAFA اسلامک ایکٹو ایلوکیشن پلان-IV (NIAAP-IV) اور NAFA اسلامک ایکٹو ایلوکیشن پلان-V (NIAAP-V) ہیں۔

اسلامک انکم فنڈ: NBP ایکٹو ایلوکیشن ریٹائرمنٹ سیونگ فنڈ

اسلامک ایکٹو پی پی فنڈ: NBP اسلامک ایکٹو ایلوکیشن ایکٹو پی پی فنڈ

مالی سال 20 میں ناقص کارکردگی کے بعد (KMI-30 انڈیکس) نے اسٹاک مارکیٹ کی پُرکشش قیمتوں، توقع سے قبل کاروباری پابندیوں کے خاتمے اور تیز ترین معاشی بحالی، ڈیولپمنٹ اور موثر ویکسین کی تیاری اور تعیناتی اور مانیٹری اور فیکل حکام کی طرف سے مربوط کن فیصلہ سازی کے باعث مالی سال 2021 کے دوران %39.3 کا مستحکم منافع دیا ہے۔ مقامی اسٹاک مارکیٹ میں ریلٹی 1HFY21 میں بھرپور بڑھ گئی کیونکہ قابل قدر رقم اسٹاک مارکیٹ میں داخل ہوئی۔ مضبوط معاشی بحالی اور مضبوط آمدنی میں اضافے نے مارکیٹ کے جذبات کو مزید فروغ دیا۔ یہ بات قابل ذکر ہے کہ مالی سال 21 کے دوران اسٹاک مارکیٹ کی کارکردگی کارپوریٹ آمدنی میں اضافے سے کارفرما تھی کیونکہ مارکیٹ اب بھی 6.5x گننا کی پُرکشش (Price-to-Earning (P/E) پر تجارت کرتی ہے۔

اگرچہ ملک کو زبردست چارہ سال کے دوران کوویڈ 19 کی متعدد دہروں کا سامنا کرنا پڑا، لیکن سمارٹ اور ٹارگٹڈ لاک ڈاؤن نے معیشت کو بغیر کسی رکاوٹ کے جاری رکھا۔ معاشی بحالی شروع میں ہندرتج تھی اور سازگار مالیاتی اور مانیٹری پالیسیوں کی مدد سے اس کی رفتار تیز ہو گئی۔ مالی سال 20 کے دوران جی ڈی پی میں %0.5 فیصد کمی کے بعد مالی سال 21 کی معاشی ترقی کی شرح %3.9 فیصد رہی۔ اکثر جاری ہونے والے معاشی اعداد و شمار جیسے کہ سینٹ کی ترسیل، خوردہ ایندھن کی فروخت، بجلی کی کھپت اور انومو بائل کی فروخت کا حجم بھی تیز معاشی بحالی کی تصدیق کرتا ہے۔ کورونا وائرس سے متاثرہ سفری پابندیاں بیرونی اکاؤنٹ کے لیے فائدہ مند ثابت ہوئیں کیونکہ مالی سال 2021 کے دوران بیرون ملک کام کرنے والے ملازمین کے ترسیلات زر میں %27 فیصد اضافہ ریکارڈ کیا گیا، جو کہ %29.4 بلین امریکی ڈالر ہے۔ نتیجتاً ملک نے مالی سال 21 کے دوران %1.8 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ خسارہ (CAD) درج کیا جو گزشتہ سال %4.4 بلین امریکی ڈالر تھا۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ توسیعی فنڈ سہولت (ای ایف ایف) جو کہ گزشتہ سال اپریل میں روک دی گئی تھی، آخر کار دوبارہ بحال ہو گئی۔ اس کے نتیجے میں ملک نے آئی ایم ایف کی تقریباً %500 بلین امریکی ڈالر کی قسط حاصل کر لی۔ آئی ایم ایف پروگرام کی بحالی نے ملک کو بین الاقوامی ڈیٹ مارکیٹ میں یورو بانڈز جاری کر کے %2.5 بلین امریکی ڈالر قرض لینے کی اجازت دی۔ مزید برآں، سنٹرل بینک کی جانب سے پروڈیوس کو مستفید کرنے کے لیے شروع کیا گیا روتھن ڈیجیٹل اکاؤنٹ (آر ڈی اے) ایک شاندار کامیابی تھی کیونکہ ملک نے سال کے دوران تقریباً %1.6 بلین امریکی ڈالر کا زرمبادلہ حاصل کیا۔

شعبہ دار کارکردگی کے تناظر میں آٹو اسمبلر، سینٹ، کیمیکلز، انجینئرنگ، گلاس اینڈ سٹریکس، تیل اور گیس مارکیٹنگ کمپنیوں، کاغذ اور پورڈ، بجلی کی پیداوار اور تقسیم، ریفا سٹری، ٹیکنالوجی، اور ٹیکسٹائل کمپوزٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اسکے برعکس کھادیں، خوراک اور ذاتی نگہداشت، انشورنس، تیل اور گیس ایکسپلوریشن چین، ٹرانسپورٹ اور فارماسیوٹیکلز مارکیٹ سے پیچھے رہ گئے۔ مارکیٹ میں شرکاء وارسرگرمی کے لحاظ سے، انفرادی سرمایہ کار، کمپنیاں، اور دیگر آرگنائزیشنز بالترتیب %332 بلین امریکی ڈالر، %138 بلین امریکی ڈالر اور %45 بلین امریکی ڈالر کے خالص آمد کے ساتھ مارکیٹ میں بڑے خریدار ہیں۔ دوسری طرف، غیر ملکی سرمایہ کار، بینک DFIs اور بروکر پروپرائیٹری ٹریڈنگ بالترتیب تقریباً %387 بلین امریکی ڈالر، %95 بلین امریکی ڈالر اور %32 بلین امریکی ڈالر کے خالص اخراج کے ساتھ مارکیٹ میں اہم فروخت کار ہیں۔

سی پی آئی (CPI) کی پیمائش کردہ افراط زر بنیادی طور پر خوراک کی قیمتوں میں اضافے کی وجہ سے مالی سال 21 میں %8.9 فیصد تک بلند رہا۔ مالی سال 21 کے دوران اسٹیٹ بینک آف پاکستان (ایس بی پی) نے مانیٹری پالیسی کمیٹی (ایم پی سی) کے پانچ اجلاس منعقد کیے اور بیچ مارک پالیسی کی شرح کو %7 فیصد پر برقرار رکھا۔ افراط زر میں اضافے کے باوجود، اسٹیٹ بینک نے معیشت میں نمایاں سستوری اور معاشی بحالی کو ملک میں بڑھتے ہوئے کورونا وائرس کیسز سے پیدا ہونے والے خطرات کے حوالے سے مانیٹری پالیسی کے موثر موقف کو جاری رکھا۔ SBP نے چھبیس (26) ٹی بل نیلامیاں منعقد کیں، جس سے کل %15.2 ٹریلین روپے حاصل کئے۔ حکومتی منافع شرح سودی کم ترین سطح اور مانیٹری آسانی کے سائیکل کو ختم کرنے کے توقع کی عکاسی کرتا ہے۔ %3، %6 اور %12 ماہ کی ٹی بلز منافع میں بالترتیب %19، %48 اور %76 حیزر کا اضافہ ہوا۔ اسی طرح %3 سالہ، %5 سالہ، اور %10 سالہ PIBs منافع میں بالترتیب %1.46، %1.38 اور %1.25 تک کا اضافہ ہوا۔

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

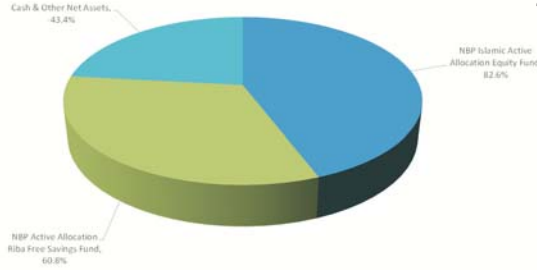
15 جنوری 2016 کو NAFA اسلامک ایکٹو ایلوکیشن پلان-I (NIAAP-I) کے آغاز سے، 30 جون 2021 مختتمہ سال کے لئے یہ چھٹی سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کمپلیٹ ایکٹیو فنڈ اور انکم/ منی مارکیٹ فنڈ کی فعال طور منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

پلان کی کارکردگی

مالی سال کے دوران NAFA اسلامک ایکٹو ایلوکیشن پلان-I (NIAAP-I) کے یونٹ کی قیمت بیچ مارک جو 28.5% زیادہ ہوئی کے مقابلے 29.9% زیادہ ہوئی۔ لہذا سال کے دوران فنڈ نے اپنے بیچ مارک سے 1.4% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 15 جنوری 2016 کو اپنے قیام سے NAFA اسلامک ایکٹو ایلوکیشن پلان-I (NIAAP-I) کے یونٹ کی قیمت 79.3777 روپے (EX-Div) سے بڑھ کر 30 جون 2021 کو 129.6698 روپے ہو گئی، لہذا 63.4% کا اضافہ دکھایا۔ اس مدت کے دوران بیچ مارک منافع 60.3% تھا۔ لہذا 15 جنوری 2016 اپنے آغاز سے فنڈ کی کارکردگی اپنے بیچ مارک سے 3.1% بہتر رہی۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 18 ملین روپے ہے۔

پلان کو سال کے دوران 5.088 ملین روپے کی کل آمدنی ہوئی۔ 0.541 ملین روپے کے اخراجات منہا کرنے کے بعد کل آمدنی 4.547 ملین روپے ہے۔

30 جون 2021 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 7.23% (بنیادی قدر کا 7.73%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

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

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

04 مارچ 2016 کو NAFA اسلامک ایکٹو ایلوکیشن پلان-II (NIAAP-II) کے آغاز سے، 30 جون 2021 مختتمہ سال کے لئے یہ چھٹی سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کمپلیٹ ایکٹیو فنڈ اور انکم / منی مارکیٹ فنڈ کی فعال طور منظم پورٹ فولیو سے انویسٹرز کو متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

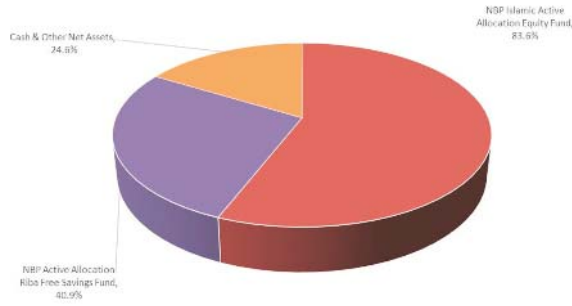
پلان کی کارکردگی

مالی سال کے دوران NAFA اسلامک ایکٹو ایلوکیشن پلان-II (NIAAP-II) بیچ مارک جو 26.6% کم ہوا کے مقابلے 29.5% زیادہ ہوا۔ لہذا سال کے دوران فنڈ نے 2.9% بیچ مارک کی اہتر کارکردگی کا مظاہرہ کیا ہے۔ 04 مارچ 2016 کو اپنے قیام کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان-II (NIAAP-II) کے یونٹ کی قیمت 85.9370 روپے (EX-Div) سے بڑھ کر 30 جون 2021 کو 127.7814 روپے ہو گئی، لہذا 48.7% کا اضافہ دکھایا۔ اس مدت کے دوران بیچ مارک منافع 40.7% تھا۔ لہذا فنڈ نے 04 مارچ 2016 کو آغاز سے اپنے بیچ مارک سے 8.0% بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 24 ملین روپے ہے۔

NIAAP-II کو سال کے دوران 6.141 ملین روپے کی کل آمدنی ہوئی۔ 0.665 ملین روپے کے اخراجات منہا کرنے کے بعد کل آمدنی 5.476 ملین روپے ہے۔



30 جون 2021 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

ہیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 5.59% (بنیادی قدر کا 5.90%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

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

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

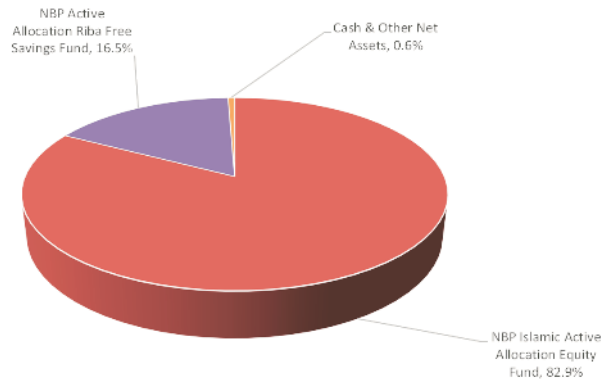
28 جون 2016 کو NAFA اسلامک ایکٹو ایلوکیشن پلان-III (NIAAP-III) کے آغاز سے، 30 جون 2021 مختتمہ سال کے لئے یہ چھٹیسالا لائبرپورٹ ہے۔ فنڈ کا مقصد شریعہ کمپلیٹ ایکٹیو فنڈ اور انہی مارکیٹ فنڈز کی فعال طور منظم پورٹ فولیو سے انویسٹمنٹ متاثر کن منافع کمانے کا کو مو قع فراہم کرنا ہے۔

پلان کی کارکردگی

مالی سال کے دوران، NAFA اسلامک ایکٹو ایلوکیشن پلان-III (NIAAP-III) بیچ مارک جو 27.4% زیادہ ہوا کے مقابلے میں 29.5% زیادہ ہوا۔ لہذا سال کے دوران فنڈ نے 2.1% بیچ مارک کی اہتر کارکردگی کا مظاہرہ کیا ہے۔ 28 جون 2016 کو اپنے قیام کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان-III (NIAAP-III) کے یونٹ کی قیمت 82.7665 روپے (EX-Div) سے بڑھ کر 30 جون 2021 کو 121.4050 روپے ہو گئی، لہذا 46.7% کا اضافہ دکھایا۔ اسی مدت کے دوران بیچ مارک 43.3% اضافہ ہوا۔ لہذا فنڈ نے 28 جون 2016 کو آغاز سے اپنے بیچ مارک سے 3.4% بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی ہیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا ساٹھ 138 ملین روپے ہے۔

NIAAP-III کو اس مدت کے دوران 35.293 ملین روپے کی آمدنی ہوئی۔ 1.529 ملین روپے کے اخراجات منہا کرنے کے بعد کل آمدنی 33.764 ملین روپے ہے۔

30 جون 2021 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 5.06% (بنیادی قدر کا 5.02%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

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

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

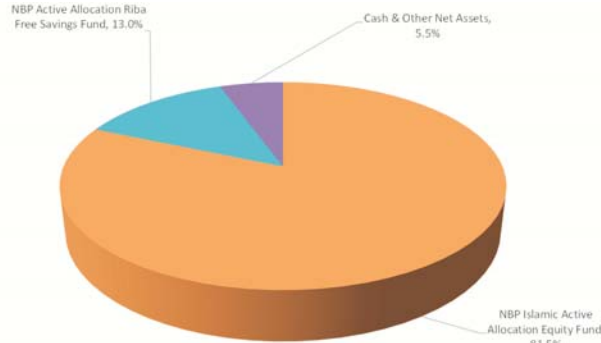
30 ستمبر 2016 کو NAFA اسلامک ایکٹو ایلوکیشن پلان-IV (NIAAP-IV) کے آغاز سے، 30 جون 2021 ختم سال کے لئے پانچویں سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کمپلیٹ ایکٹیو فنڈ اور انکم / منی مارکیٹ فنڈز کی فعال طور منظم پورٹ فولیو سے انویسٹرز متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

پلان کی کارکردگی

مالی سال کے دوران، NAFA اسلامک ایکٹو ایلوکیشن پلان-IV (NIAAP-IV) بیچ مارک جو 26.7% زیادہ ہوا جس کے مقابلے 29.3% زیادہ ہوا۔ لہذا سال کے دوران فنڈ نے 2.6% بیچ مارک کی اہتر کارکردگی کا مظاہرہ کیا ہے۔ 30 ستمبر 2016 کو اپنے قیام کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان-IV (NIAAP-IV) کے یونٹ کی قیمت 81.8758 روپے (EX-Div) سپر دھکر 30 جون 2021 کو 109.3376 روپے ہو گئی، لہذا 33.5% کا اضافہ ظاہر کر رہی ہے۔ اس مدت کے دوران بیچ مارک 36.4% زیادہ ہوا۔ لہذا فنڈ نے 30 ستمبر 2016 کو آغاز سے اپنے بیچ مارک سے 12.9% اہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی مینیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 137 ملین روپے ہے۔

NIAAP-IV کو اس مدت کے دوران 35.823 ملین روپیہ کی آمدنی ہوئی۔ 1.649 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 34.174 ملین روپے ہے۔

30 جون 2021 کو پلان کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 4.61% (بنیادی قدر کا 4.13%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

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

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

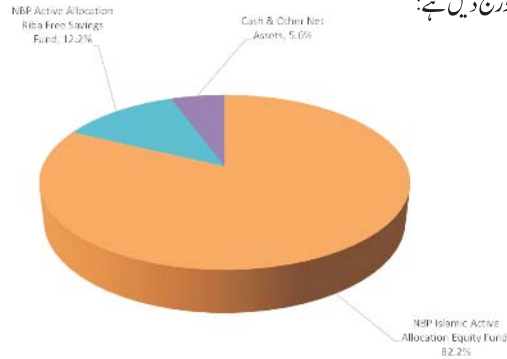
12 جنوری 2017 کو NAFA اسلامک ایکٹو ایلوکیشن پلان-V (NIAAP-V) کے آغاز سے، 30 جون 2021 ختم سال کے لئے پانچویں سالانہ رپورٹ ہے۔ فنڈ کا مقصد شریعہ کمپلیٹ ایکٹیو فنڈ اور انکم / منی مارکیٹ فنڈز کی فعال طور منظم پورٹ فولیو سے انویسٹرز متاثر کن منافع کمانے کا موقع فراہم کرنا ہے۔

پلان کی کارکردگی

مالی سال کے دوران، NAFA اسلامک ایکٹو ایلوکیشن پلان-V (NIAAP-V) بیچ مارک جو 26.7% زیادہ ہوا جس کے مقابلے میں 29.3% زیادہ ہوا۔ لہذا سال کے دوران فنڈ نے 2.6% بیچ مارک کی ایتر کارکردگی کا مظاہرہ کیا ہے۔ 12 جنوری 2017 کو اپنے قیام کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان-V (NIAAP-V) کے یونٹ کی قیمت 85.4764 روپے (EX-Div) سے اضافہ ہوا کہ 30 جون 2021 کو 99.9738 روپے ہو گئی، لہذا 17.0% کا اضافہ ہوا ہے۔ اس مدت کے دوران بیچ مارک 16.9% اضافہ ہوا۔ لہذا فنڈ نے 12 جنوری 2017 کو آغاز سے اپنے بیچ مارک سے 0.1% بہتر کارکردگی کا مظاہرہ کیا۔ پلان کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد حاصل ہے۔ فنڈ کا ساٹھ 78 ملین روپے ہے۔

NIAAP-V کو اس مدت کے دوران 32.465 ملین روپے کی آمدنی ہوئی۔ 1.506 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 30.959 ملین روپے ہے۔

30 جون 2021 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 4.81% (بنیادی قدر کا 3.95%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

تعمیر

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

سندھ ورکرز ویلفیئر فنڈ (SWWF)

مورخہ 12 اگست 2021 کو سندھ ریونیو بورڈ کی جانب سے ایک وضاحتی مراسلہ نمبر SRB/TP/70/2013/8772 میوٹیل فنڈز ایسوسی ایشن آف پاکستان کو بھیجا گیا جسکی رو سے پروویڈنٹنگ کو 13 اگست 2021 کو رپورس کر دیا گیا۔ پروویڈنٹنگ کی اس رپورس کے باعث NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جسکا مستقبل میں دوبارہ ہونے کا امکان نہیں ہے۔

	SWWF Reversed (Rs million)	Increase in NAV (%)
NIAAP-I	5.32	28.70%
NIAAP-II	4.11	15.52%
NIAAP-III	5.62	4.03%
NIAAP-IV	3.05	2.09%
NIAAP-V	1.23	1.47%

آڈیٹ

موجودہ آڈیٹرز، میسرز گرانٹ تھارنٹن انٹرمیڈیاٹ اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2022 کو ختم ہونے والے سال کے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

سولہ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز مینٹن

- مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔

- 3 مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
- 5 انڈرل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 6 فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 7 کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- 8 پرفارمنس ٹیمیل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیپوٹیز، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کی گئی ہے۔
- 11 پونٹ ہولڈنگ کا تفصیلی بیٹرن مالیاتی گوشواروں کے نوٹ 22 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز ہی ای او، سی ایف او، کمپنی بیکٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 17 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔
30 جون 2021 کو بورڈ آف ڈائریکٹرز دہجذیل ارکان پر مشتمل ہیں

نام	کیٹگری
1. جناب خالد منصور 2. جناب سعد امان اللہ خان 3. جناب ہمایوں بشیر	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
1. شیخ محمد عبدالواحد سیٹھی (چیئر مین) 2. سید حسن ارتضیٰ کاظمی 3. محترمہ مہناز سالار 4. جناب علی سیگل 5. جناب عمران ظفر	نان ایگزیکٹو ڈائریکٹرز



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ 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 ٹرٹھی 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 منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 16 ستمبر 2021ء

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Islamic Active Allocation Fund-I (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 27, 2021

FUND MANAGER REPORT

NAFA Islamic Active Allocation Fund - I

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

Investment Objective of the Fund

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

NAFA Islamic Active Allocation Fund-I has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through five (5) Allocation Plans including NAFA Islamic Active Allocation Plan-I (NIAAP-I), NAFA Islamic Active Allocation Plan-II (NIAAP-II), NAFA Islamic Active Allocation Plan-III (NIAAP-III), NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) & NAFA Islamic Active Allocation Plan-V (NIAAP-V).

Islamic Income:

NBP Active Allocation Riba Free Savings Fund

Islamic Equity:

NBP Islamic Active Allocation Equity Fund

Fund performance review

Plans	Launch Date	Fund Size (Million)	Cumulative Performance Since Inception	
			Plans Return	Benchmark* Return
NIAAP-I	15-Jan-16	18	63.4%	60.3%
NIAAP-II	4-Mar-16	24	48.7%	40.7%
NIAAP-III	28-Jun-16	138	46.7%	43.3%
NIAAP-IV	30-Sep-16	137	33.5%	36.4%
NIAAP-V	12-Jan-17	78	17.0%	16.9%

After lackluster performance in FY20, the stock market (KMI-30 Index) delivered robust returns of 39.3% during FY2021, driven by attractive stock market valuations; earlier than expected lifting of business restrictions and the resultant sharp economic recovery; development & deployment of effective vaccines; and well-coordinated and decisive policy response by the monetary and fiscal authorities. The rally at the local bourse picked up steam in 1HFY21 as value money entered the stock market. Robust economic recovery and strong earnings growth further lifted market sentiment. It merits mention that the stock market performance during FY21 was driven by the corporate earnings growth as the market still trades at an attractive Price-to-Earnings (P/E) multiple of 6.5x.

Although the country faced multiple waves of the Covid-19 during the year under review, the smart and targeted lockdowns allowed the economy to continue to operate uninterrupted. The economic recovery was gradual initially and it picked up pace supported by favorable fiscal and monetary policies. The economic growth rate for FY21 stood at 3.9% after GDP contraction of 0.5% during FY20. The frequently released economic data such as cement dispatches, retail fuels sales, electricity consumption and automobile sales volume also corroborate sharp economic rebound. Coronavirus-induced travel restrictions proved beneficial for the external account as workers' remittances registered a hefty 27% growth during FY2021, clocking-in at USD 29.4 billion. Resultantly, the country posted a Current Account Deficit (CAD) of USD 1.8 billion during FY21 versus a CAD of USD 4.4 billion last year. The Extended Fund Facility (EFF) with the International Monetary Fund (IMF) that was put on hold in April last year, finally resumed, and as a result the country secured the IMF tranche of around USD 500 million. The resumption of IMF program allowed the country to borrow USD 2.5 billion by issuing Eurobonds in the international debt market. Furthermore, the Roshan Digital Account (RDA) launched by the central bank to tap the diaspora was a resounding success as the country attracted around USD 1.6 billion during the year.

In terms of sectoral performance, Auto Assemblers, Cements, Chemicals, Engineering, Glass & Ceramics, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Refinery, Technology, and Textile Composite sectors performed better than the market. On the contrary, Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, Sugar, Transport and Pharmaceuticals sectors lagged behind. On participants-wise market activity, Individuals, Companies, and Other Organizations stood as main buyers in the market, with net inflows amounting to USD 332



million, USD 138 million and USD 45 million, respectively. On the other hand, Foreign Investors, Banks/DFIs and Broker Proprietary Trading were large sellers with net outflows of around USD 387 million, USD 95 million, and USD 32 million, respectively.

Inflation as measured by the CPI remained elevated at 8.9% in FY21 mainly due to surge in food prices. During FY21, the State Bank of Pakistan (SBP) held five Monetary Policy Committee (MPC) meetings and maintained the benchmark Policy Rate at 7%. Despite high inflation reading, the SBP continued with the accommodative monetary policy stance, citing significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country. SBP held twenty-six (26) T-Bill auctions, realizing a total of Rs. 15.2 trillion. Sovereign yields reflected the market expectation of the bottoming out of the interest rate and eventual reversal of the monetary easing cycle. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 19, 48 and 76 basis points, respectively. Similarly, yields on 3-year, 5-year, and 10-year PIBs surged by 1.46%, 1.38%, and 1.25%, respectively.

Asset Allocation of the Fund (% of NAV)

Plans	Asset Allocation of Plans		
	NAFA Islamic Active Allocation Funds		Cash & Other Assets/Liabilities Net
	Equity	Riba Free Savings	
NIAAP-I	82.6%	60.8%	(43.4%)
NIAAP-II	83.6%	40.9%	(24.6%)
NIAAP-III	82.9%	16.5%	0.6%
NIAAP-IV	81.5%	13.0%	5.4%
NIAAP-V	82.2%	12.2%	5.6%

During the period under question:

During the period there has been no significant change in the state of affairs of the Fund, other than stated in the report. During the year there were no circumstances that materially affected any interests of the unit holders. The Fund does not have any soft commission arrangement with any broker in the industry.

Sindh Workers' Welfare Fund (SWWF)

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

	SWWF Reversed (Rs million)	Increase in NAV (%)
NIAAP-I	5.32	28.70%
NIAAP-II	4.11	15.52%
NIAAP-III	5.62	4.03%
NIAAP-IV	3.05	2.09%
NIAAP-V	1.23	1.47%

NAFA Islamic Active Allocation Plan - I

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

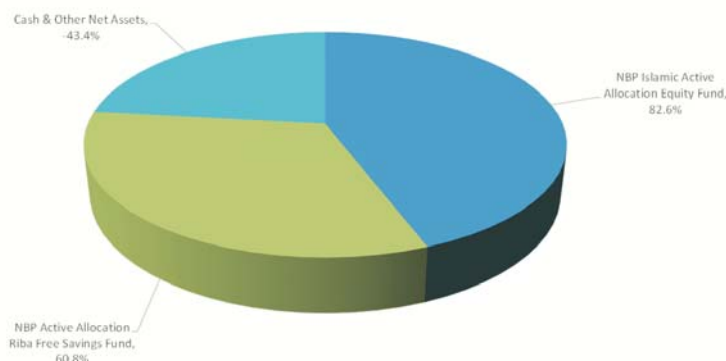
The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-I (NIAAP-I) increased by 28.5% as against the benchmark

which increased by 29.9%. Thus, the Fund underperformed the benchmark by 1.4% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-I (NIAAP-I) has increased from Rs. 79.3777 (Ex-Div) on January 15, 2016 to Rs. 129.6698 on June 30, 2021, thus showing an increase of 63.4%. The Benchmark return during the same period was 60.3%. Thus, the Fund has outperformed its Benchmark by 3.1% since its inception on January 15, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.18 million.

The asset allocation of the Fund as on June 30, 2021 is as follows:



Distribution for the Financial Year 2021

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-21	7.73%	138.5397	130.8064

Unit Holding Pattern of NAFA Islamic Active Allocation Plan -I as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
0 - 0.99	2
1 - 1000	16
1001 - 5000	21
5001 - 10000	7
10001 - 50000	2
Total	48

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 5.318 million. If the same were not made the NAV per unit/FY21 return of scheme would be higher by Rs. 39.3861/39.02%. For details investors are advised to read note 10.1 of the Financial Statement of the Scheme for the year ended June 30, 2021.

NAFA Islamic Active Allocation Plan - II

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

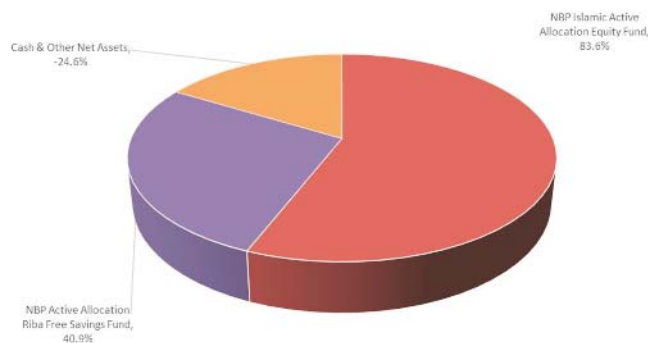
The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-II (NIAAP-II) increased by 26.6% as against the benchmark which decreased by 29.5%. Thus, the Fund underperformed the benchmark by 2.9% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-II (NIAAP-II) has increased from Rs. 85.9370 (Ex-Div)

on March 04, 2016 to Rs. 127.7814 on June 30, 2021, thus showing an increase of 48.7%. The Benchmark return during the same period was 40.7%. Thus, the Fund has outperformed its Benchmark by 8.0% since its inception on March 04, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.24 million.

The asset allocation of the Fund as on June 30, 2021 is as follows:



Distribution for the Financial Year 2021

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-21	5.90%	134.8505	128.9541

Unit Holding Pattern of NAFA Islamic Active Allocation Plan -II as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
0 - 0.99	1
1 - 1000	5
1001 - 5000	8
5001 - 10000	-
10001 - 50000	4
50001 - 100000	1
100001 - 500000	-
500001 - 1000000	-
Total	19

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 4.097 million. If the same were not made the NAV per unit/FY21 return of scheme would be higher by Rs. 21.5837/21.39%. For details investors are advised to read note 10.1 of the Financial Statement of the Scheme for the year ended June 30, 2021.

NAFA Islamic Active Allocation Plan - III

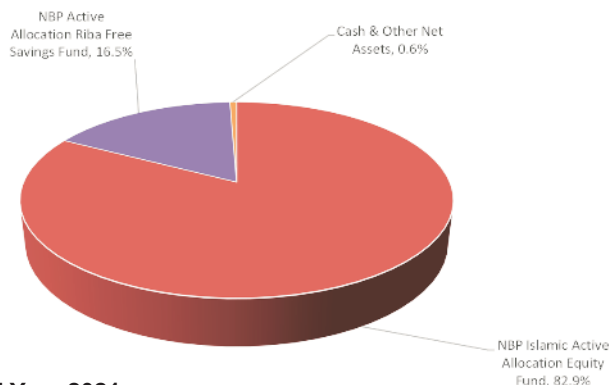
NBP Funds launched its NAFA Islamic Active Allocation Plan-III (NIAAP-III) in June 2016 which is the third plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity and Income schemes managed by NBP Funds based on the Fund Manager's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

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

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-III (NIAAP-III) increased by 27.4% as against the benchmark which increased by 29.5%. Thus, the Fund underperformed the benchmark by 2.1% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-III (NIAAP-III) has increased from Rs. 82.7665 (Ex-Div) on June 28, 2016 to Rs. 121.4050 on June 30, 2021, thus showing an increase of 46.7%. The Benchmark during the same period was increased by 43.3%. Thus, the Fund has outperformed its Benchmark by 3.4% since its inception on June 28, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 138 million.

The asset allocation of the Fund as on June 30, 2021 is as follows:



Distribution for the Financial Year 2021

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-21	5.02%	127.5642	122.5483

Unit Holding Pattern of NAFA Islamic Active Allocation Plan -III as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
0 - 0.99	1
1 - 1000	8
1001 - 5000	14
5001 - 10000	5
10001 - 50000	9
50001 - 100000	3
100001 - 500000	4
Total	44

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 5.568 million. If the same were not made the NAV per unit/FY21 return of scheme would be higher by Rs. 4.8896/5.13%. For details investors are advised to read note 10.1 of the Financial Statement of the Scheme for the year ended June 30, 2021.

NAFA Islamic Active Allocation Plan - IV

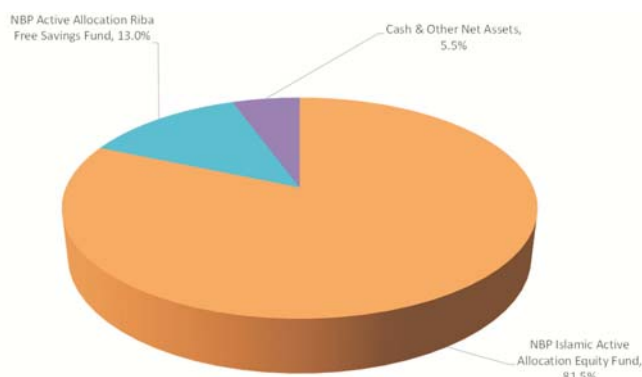
NBP Funds launched its NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) in September 2016 which is the fourth plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity and Income schemes managed by NBP Funds based on the Fund Manager's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

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

Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) increased by 26.7% as against the benchmark which increased by 29.3%. Thus, the Fund underperformed the benchmark by 2.6% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) has increased from Rs. 81.8758 (Ex-Div) on September 30, 2016 to Rs. 109.3376 on June 30, 2021, thus showing an increase of 33.5%. The Benchmark during the same period was increased by 36.4%. Thus, the Fund has underperformed its Benchmark by 2.9% since its inception on September 30, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.137 million.

The asset allocation of the Fund as on June 30, 2021 is as follows:



Distribution for the Financial Year 2021

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-21	4.13%	114.4747	110.3473

Unit Holding Pattern of NAFA Islamic Active Allocation Plan -IV as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
0 - 0.99	-
1 - 1000	14
1001 - 5000	18
5001 - 10000	5
10001 - 50000	8
50001 - 100000	1
100001 - 500000	2
Total	48

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 3.003 million. If the same were not made the NAV per unit/FY21 return of scheme would be higher by Rs. 2.3918/2.77%. For details investors are advised to read note 10.1 of the Financial Statement of the Scheme for the year ended June 30, 2021.

NAFA Islamic Active Allocation Plan - V

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

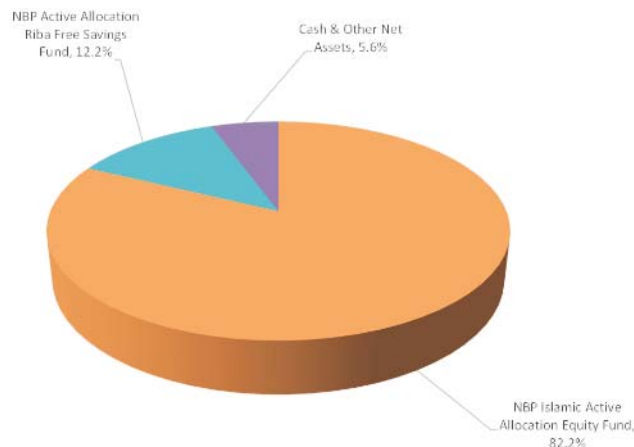
The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shariah Compliant Equity Fund and Income Fund.



Fund's Performance

During the fiscal year, NAFA Islamic Active Allocation Plan-V (NIAAP-V) increased by 26.7% as against the benchmark which increased by 29.3%. Thus, the Fund underperformed the benchmark by 2.6% during the year. Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-V (NIAAP-V) has increased from Rs.85.4764 (Ex-Div) January 12, 2017 to Rs. 99.9738 on June 30, 2021, thus showing an increase of 17.0%. The Benchmark return during the same period increased by 16.9%. Thus, the Fund has outperformed its Benchmark by 0.1% since its inception on January 12, 2017. This performance is net of management fee and all other expenses. The size of the Fund is Rs. 78 million.

The asset allocation of the Fund as on June 30, 2021 is as follows:



Distribution for the Financial Year 2021

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-21	3.95%	104.8571	100.9116

Unit Holding Pattern of NAFA Islamic Active Allocation Plan -V as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
0 - 0.99	2
1 - 1000	10
1001 - 5000	43
5001 - 10000	12
10001 - 50000	21
50001 - 100000	1
100001 - 500000	1
Total	90

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 1.201 million. If the same were not made the NAV per unit/FY20 return of scheme would be higher by Rs. 1.5343/1.94%. For details investors are advised to read note 10.1 of the Financial Statement of the Scheme for the year ended June 30, 2021.



STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NAFA Islamic Active Allocation Fund - I (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2021. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: **September 16, 2021**
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer



REPORT OF THE SHARI'AH SUPERVISORY BOARD

September 13, 2021/Safar 05, 1443

Alhamdulillah, it was the Sixth year of the operations of NAFA Islamic Active Allocation Fund-I (NIAAP-I). Under this fund, NBP Funds launched its NAFA Islamic Active Allocation Plan-I (NIAAP-I) on January 15, 2016, NAFA Islamic Active Allocation Plan-II (NIAAP-II) on March 04, 2016, NAFA Islamic Active Allocation Plan-III (NIAAP-III) on June 28, 2016, NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) on September 30, 2016 and NAFA Islamic Active Allocation Plan-V (NIAAP-V) on January 12, 2017. This report is being issued in accordance with clause 3.7 of the Offering Document of the Fund. The scope of the report is to express an opinion on the Shari'ah Compliance of the Fund's activity.

In the capacity of Shari'ah Supervisory Board, we have prescribed criteria and procedure to be followed in ensuring Shari'ah Compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure Shari'ah compliance with the Shari'ah policies & guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of NIAAF-I in light of Shari'ah guidelines.
- ii. All the provisions of the scheme and investments made on account of NIAAF-I by NBP Funds are Shari'ah Compliant and are in accordance with the criteria established.
- iii. On the basis of information provided by the management, nothing has come to our attention that cause us to believe that all the operations of NIAAF-I for the year ended June 30, 2021 are not in compliance with Shari'ah principles.

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

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

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waqar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NAFA Islamic Active Allocation Fund-I (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and income statement, statement of comprehensive income, statement of movements in unit holder's fund, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and the Management Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
<p>Net Asset Value (refer note 5 to the financial statements)</p>	
<p>Investments constitute the most significant component of the net asset value (NAV). Investments of the Fund as at June 30, 2021 amounted to Rs. 396.366 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of the key controls for valuation of investments. • obtained the statement of account from the Management Company to verify the existence of the investment as at June 30, 2021. • independently tested the valuations directly with the prices published on Mutual Fund Association of Pakistan (MUFAP) website. • performed test of details on sale and purchase of investments on a sample basis. • re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.



Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors (the Board) for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The financial statements of the Fund for the year ended June 30, 2020, were audited by another firm of auditors who in their audit report dated September 29, 2020 expressed an un-modified opinion.

Report on Other Legal and Regulatory Requirements

Further, we report that the Fund's financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad **Shaukat Naseeb**.

Grant Thornton Anjum Rahman
Chartered Accountants

Karachi
Date: September 30, 2021



STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2021

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
Note	June 30, 2021						June 30, 2020						
	(Rupees in 000)						(Rupees in 000)						
Assets													
Bank balances	4	1,410	1,708	10,362	11,213	6,769	31,462	1,769	1,816	11,768	14,280	15,449	45,082
Investments	5	25,112	30,220	137,369	129,799	73,866	396,366	25,237	28,040	125,769	126,941	122,726	428,713
Other receivables	6	-	-	-	-	47	47	-	-	-	-	47	47
Profit receivable		16	23	67	73	34	213	10	23	120	106	117	376
Total assets		26,538	31,951	147,798	141,085	80,716	428,088	27,016	29,879	137,657	141,327	138,339	474,218
Liabilities													
Payable to NBP Fund Management Limited - the Management Company	7	3,109	2,769	3,061	58	46	9,043	3,109	2,769	3,058	63	70	9,069
Payable to Central Depository Company of Pakistan Limited - the Trustee	8	1	1	9	9	6	26	1	1	8	9	9	28
Payable to the Securities and Exchange Commission of Pakistan	9	4	5	29	29	22	89	13	6	44	33	43	139
Payable against purchase of investment		-	350	-	-	-	350	-	-	-	-	-	-
Payable against redemption of units		-	-	-	-	-	-	-	-	584	20	1,382	1,986
Accrued expenses and other liabilities	10	5,917	4,568	6,442	3,712	2,359	22,998	6,211	4,424	6,717	3,979	3,911	25,242
Total liabilities		9,031	7,693	9,541	3,808	2,433	32,506	9,334	7,200	10,411	4,104	5,415	36,464
NET ASSETS		17,507	24,258	138,257	137,277	78,283	395,582	17,682	22,679	127,246	137,223	132,924	437,754
UNIT HOLDERS' FUND (as per statement attached)		17,507	24,258	138,257	137,277	78,283	395,582	17,682	22,679	127,246	137,223	132,924	437,754
CONTINGENCIES AND COMMITMENTS													
NUMBER OF UNITS IN ISSUE	12	135,010	189,837	1,138,808	1,255,533	783,032		165,385	214,943	1,282,862	1,532,916	1,621,063	
NET ASSET VALUE PER UNIT		129.6698	127.7814	121.4050	109.3376	99.9738		106.9146	105.5102	99.1889	89.5175	81.9981	

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

	For the year ended June 30, 2021					For the year ended June 30, 2020							
	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
Note	(Rupees in 000)												
Income													
Profit on bank deposits	157	127	704	607	495	2,090	735	371	2,248	1,588	2,199	7,141	
Dividend income	970	1,104	5,036	4,756	2,636	14,502	1,746	2,483	10,144	10,504	10,287	35,164	
Gain on sale of investments - net	1,105	1,105	6,721	7,925	15,519	32,375	17,274	1,557	41,605	17,142	17,973	95,551	
Net unrealised appreciation/(diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.2	2,856	3,805	22,832	22,535	13,815	65,843	(75)	(2,511)	196	(61)	(851)	(3,302)
Total gain	5,088	6,141	35,293	35,823	32,465	114,810	19,680	1,900	54,193	29,173	29,608	134,554	
Expenses													
Remuneration of NBP Fund Management Limited - the Management Company	7.1	-	-	30	88	82	200	16	-	138	139	215	508
Sindh sales tax on remuneration of the Management Company	7.2	-	-	4	11	11	26	2	-	18	18	28	66
Allocated expenses	7.4	18	24	143	143	108	436	65	28	220	167	215	695
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	8.1	13	17	100	100	76	306	46	20	154	117	151	488
Sindh sales tax on remuneration of the trustee	8.2	2	2	13	13	10	40	6	3	20	15	20	64
Annual fees to the Securities and Exchange Commission of Pakistan	9.1	4	5	29	29	22	89	13	6	44	33	43	139
Auditors' remuneration	13	302	306	269	334	325	1,536	336	332	376	341	323	1,708
Annual listing fee		-	-	5	6	6	17	-	-	5	6	5	16
Printing charges		1	4	17	1	8	31	-	2	29	5	14	50
Legal and professional charges		104	190	206	209	210	919	95	79	61	23	50	308
Shariah advisor fee		2	3	22	17	15	59	9	4	25	24	29	91
Bank charges		2	2	2	1	1	8	7	3	32	5	37	84
Total operating expenses		448	553	840	952	874	3,667	595	477	1,122	893	1,130	4,217
Net profit from operating activities		4,640	5,588	34,453	34,871	31,591	111,143	19,085	1,423	53,071	28,280	28,478	130,337
Provision for Sindh Workers' Welfare Fund	10.1	(93)	(112)	(689)	(697)	(632)	(2,223)	(382)	(28)	(1,061)	(566)	(570)	(2,607)
Net profit for the year before taxation		4,547	5,476	33,764	34,174	30,959	108,920	18,703	1,395	52,010	27,714	27,908	127,730
Taxation	15	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the year after taxation		4,547	5,476	33,764	34,174	30,959	108,920	18,703	1,395	52,010	27,714	27,908	127,730
Earnings / (loss) per unit	16												
Allocation of net income for the year		4,547	5,476	33,764	34,174	30,959	108,920	18,703	1,395	52,010	27,714	27,908	127,730
Net income for the year after taxation		(600)	(219)	(3,879)	(5,142)	(14,280)	(24,120)	(16,294)	(5)	(35,697)	(173)	(2,221)	(54,390)
Income already paid on units redeemed		3,947	5,257	29,885	29,032	16,679	84,800	2,409	1,390	16,313	27,541	25,687	73,340
- Relating to capital gains		3,324	4,674	25,637	25,179	14,691	73,505	192	-	5,631	16,979	15,867	38,669
- Excluding capital gains		623	583	4,248	3,853	1,988	11,295	2,217	1,390	10,682	10,562	9,820	34,671
		3,947	5,257	29,885	29,032	16,679	84,800	2,409	1,390	16,313	27,541	25,687	73,340

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	For the year ended June 30, 2021						For the year ended June 30, 2020					
	(Rupees in 000)						(Rupees in 000)					
Net profit for the year after taxation	4,547	5,476	33,764	34,174	30,959	108,920	18,703	1,395	52,010	27,714	27,908	127,730
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	4,547	5,476	33,764	34,174	30,959	108,920	18,703	1,395	52,010	27,714	27,908	127,730

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2021

	For the year ended June 30, 2021			For the year ended June 30, 2021			For the year ended June 30, 2021		
	NIAAP-I			NIAAP-II			NIAAP-III		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	(86,235)	103,917	17,682	(39,090)	61,769	22,679	96,850	30,396	127,246
Issuance of units:									
NIAAP-I: 5,700 units / NIAAP-II: 3,282 units /									
NIAAP-III: 42,290 units / NIAAP-IV: 44,110 units /									
NIAAP-V: 22,664 units									
- Capital value (at ex - net asset value per unit)	609	-	609	346	-	346	4,195	-	4,195
- Element of income	126	-	126	71	-	71	914	-	914
Total proceeds on issuance of units	735	-	735	417	-	417	5,109	-	5,109
Redemption of units:									
NIAAP-I: 36,075 units / NIAAP-II: 28,388 units /									
NIAAP-III: 186,344 units / NIAAP-IV: 321,493 units /									
NIAAP-V: 860,695 units									
- Capital value (at ex - net asset value per unit)	(3,857)	(600)	(3,857)	(2,995)	(219)	(2,995)	(18,483)	(3,879)	(18,483)
- Element of loss									
Total payments on redemption of units	(3,857)	(600)	(4,457)	(2,995)	(219)	(3,214)	(18,483)	(3,879)	(22,362)
Total comprehensive income for the year	-	4,547	4,547	-	5,476	5,476	-	33,764	33,764
Interim cash distribution for the year ended June 30, 2021:									
NIAAP I @ Rs 7.7333 per unit / NIAAP II @ Rs 5.8964									
per unit / NIAAP III @ Rs 5.0159 per unit / NIAAP IV									
@ Rs 4.1274 per unit / NIAAP V @ Rs 3.9455 per unit									
(date of declaration: June 28, 2021)	-	(1,000)	(1,000)	-	(1,100)	(1,100)	-	(5,500)	(5,500)
Net assets at end of the year	(89,357)	106,864	17,507	(41,668)	65,926	24,258	83,476	54,781	138,257
Undistributed income / (accumulated loss) brought forward									
- Realised income / (loss)		103,992			64,280			30,200	
- Unrealised (loss) / income		(75)			(2,511)			196	
		103,917			61,769			30,396	
Accounting income available for distribution									
- Relating to capital gains		3,324			4,674			25,637	
- Excluding capital gains		623			583			4,248	
		3,947			5,257			29,885	
Interim cash distribution for the year ended June 30, 2021:									
NIAAP I @ Rs 7.7333 per unit / NIAAP II @ Rs 5.8964									
per unit / NIAAP III @ Rs 5.0159 per unit / NIAAP IV									
@ Rs 4.1274 per unit / NIAAP V @ Rs 3.9455 per unit									
(date of declaration: June 28, 2021)		(1,000)			(1,100)			(5,500)	
Undistributed income / (accumulated losses) carried forward		106,864			65,926			54,781	
Undistributed income / (accumulated losses) carried forward									
- Realised income / (loss)		104,008			62,121			31,949	
- Unrealised income		2,856			3,805			22,832	
		106,864			65,926			54,781	
			(Rupees)		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		106.9146			105.5102			99.1889	
Net assets value per unit at end of the year		129.6698			127.7814			121.4050	

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

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

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2021

	For the year ended June 30, 2021			For the year ended June 30, 2021			For the year ended June 30, 2021		
	NIAAP-IV			NIAAP-V			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
Net assets at beginning of the year	170,223	(33,000)	137,223	346,402	(213,478)	132,924	488,150	(50,396)	437,754
Issuance of units:									
NIAAP-I: 5,700 units / NIAAP-II: 3,282 units /									
NIAAP-III: 42,290 units / NIAAP-IV: 44,110 units /									
NIAAP-V: 22,664 units									
- Capital value (at ex - net asset value per unit)	3,949	-	3,949	1,858	-	1,858	10,957	-	10,957
- Element of income	852	-	852	397	-	397	2,360	-	2,360
Total proceeds on issuance of units	4,801	-	4,801	2,255	-	2,255	13,317	-	13,317
Redemption of units:									
NIAAP-I: 36,075 units / NIAAP-II: 28,388 units /									
NIAAP-III: 186,344 units / NIAAP-IV: 321,492 units /									
NIAAP-V: 860,695 units									
- Capital value (at ex - net asset value per unit)	(28,779)	-	(28,779)	(70,575)	-	(70,575)	(124,689)	-	(124,689)
- Element of loss	-	(5,142)	(5,142)	-	(14,280)	(14,280)	-	(24,120)	(24,120)
Total payments on redemption of units	(28,779)	(5,142)	(33,921)	(70,575)	(14,280)	(84,855)	(124,689)	(24,120)	(148,809)
Total comprehensive income for the year	-	34,174	34,174	-	30,959	30,959	-	108,920	108,920
Interim cash distribution for the year ended June 30, 2021:									
NIAAP I @ Rs 7.7333 per unit / NIAAP II @ Rs 5.8964									
per unit / NIAAP III @ Rs 5.0159 per unit / NIAAP IV									
@ Rs 4.1274 per unit / NIAAP V @ Rs 3.9455 per unit									
(date of declaration: June 28, 2021)	-	(5,000)	(5,000)	-	(3,000)	(3,000)	-	(15,600)	(15,600)
Net assets at end of the year	146,245	(8,968)	137,277	278,082	(199,799)	78,283	376,778	18,804	395,582
Undistributed income / (accumulated loss) brought forward									
- Realised income / (loss)		(32,939)			(212,627)			(47,094)	
- Unrealised (loss) / income		(61)			(851)			(3,302)	
		(33,000)			(213,478)			(50,396)	
Accounting income available for distribution									
- Relating to capital gains		25,179			14,691			73,505	
- Excluding capital gains		3,853			1,988			11,295	
		29,032			16,679			84,800	
Interim cash distribution for the year ended June 30, 2021:									
NIAAP I @ Rs 7.7333 per unit / NIAAP II @ Rs 5.8964									
per unit / NIAAP III @ Rs 5.0159 per unit / NIAAP IV									
@ Rs 4.1274 per unit / NIAAP V @ Rs 3.9455 per unit									
(date of declaration: June 28, 2021)		(5,000)			(3,000)			(15,600)	
Undistributed income / (accumulated losses) carried forward		(8,968)			(199,799)			18,804	
Undistributed income / (accumulated losses) carried forward									
- Realised income / (loss)		(31,503)			(213,614)			(47,039)	
- Unrealised income / (loss)		22,535			13,815			65,843	
		(8,968)			(199,799)			18,804	
		(Rupees)			(Rupees)				
Net assets value per unit at beginning of the year		89,5175			81,9981				
Net assets value per unit at end of the year		109,3376			99,9738				

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

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

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2020

	For the year ended June 30, 2020			For the year ended June 30, 2020			For the year ended June 30, 2020		
	NIAAP-I			NIAAP-II			NIAAP-III		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	43,111	103,814	146,925	(13,794)	61,048	47,254	349,436	28,988	378,424
Issuance of units:									
NIAAP-I: 16,385 units / NIAAP-II: 2,745 units /									
NIAAP-III: 136,112 units / NIAAP-IV: 166,067 units /									
NIAAP-V: 149,681 units									
- Capital value (at ex - net asset value per unit)	1,730	-	1,730	288	-	288	13,320	-	13,320
- Element of income	22	-	22	2	-	2	194	-	194
Total proceeds on issuance of units	1,752	-	1,752	290	-	290	13,514	-	13,514
Redemption of units:									
NIAAP-I: 1,242,776 units / NIAAP-II: 238,526 units /									
NIAAP-III: 2,720,641 units / NIAAP-IV: 1,099,928 units /									
NIAAP-V: 2,999,672 units									
- Capital value (at ex - net asset value per unit)	(131,195)	-	(131,195)	(25,007)	-	(25,007)	(266,215)	-	(266,215)
- Element of loss	97	(16,294)	(16,197)	(579)	(5)	(584)	115	(35,697)	(35,582)
Total payments on redemption of units	(131,098)	(16,294)	(147,392)	(25,586)	(5)	(25,591)	(266,100)	(35,697)	(301,797)
Total comprehensive income for the year	-	18,703	18,703	-	1,395	1,395	-	52,010	52,010
Interim cash distribution for the year ended June 30, 2020:									
NIAAP I @ Rs 15.4738 per unit / NIAAP II @ Rs 3.1536									
per unit / NIAAP III @ Rs 12.8805 per unit / NIAAP IV									
@ Rs 11.7623 per unit / NIAAP V @ Rs 10.2693 per unit									
(date of declaration: June 29, 2020)	-	(2,306)	(2,306)	-	(669)	(669)	-	(14,905)	(14,905)
Net assets at end of the year	(86,235)	103,917	17,682	(39,090)	61,769	22,679	96,850	30,396	127,246
Undistributed income / (accumulated loss) brought forward									
- Realised income / (loss)		121,119			60,561			73,168	
- Unrealised (loss) / income		(17,305)			487			(44,180)	
		103,814			61,048			28,988	
Accounting income available for distribution									
- Relating to capital gains		192			-			5,631	
- Excluding capital gains		2,217			1,390			10,682	
		2,409			1,390			16,313	
Interim cash distribution for the year ended June 30, 2020:									
NIAAP I @ Rs 15.4738 per unit / NIAAP II @ Rs 3.1536									
per unit / NIAAP III @ Rs 12.8805 per unit / NIAAP IV									
@ Rs 11.7623 per unit / NIAAP V @ Rs 10.2693 per unit									
(date of declaration: June 29, 2020)		(2,306)			(669)			(14,905)	
Undistributed income / (accumulated losses) carried forward		103,917			61,769			30,396	
Undistributed income / (accumulated losses) carried forward									
- Realised income / (loss)		103,992			64,280			30,200	
- Unrealised income / (loss)		(75)			(2,511)			196	
		103,917			61,769			30,396	
			(Rupees)			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			105.5664			104.8409			97.8500
Net assets value per unit at end of the year			106.9146			105.5102			99.1889

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

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

Chief Financial Officer

Chief Executive Officer

Director



CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
	For the year ended June 30, 2021						For the year ended June 30, 2020						
Note	(Rupees in '000)						(Rupees in '000)						
CASH FLOWS FROM OPERATING ACTIVITIES													
Net profit for the year before taxation	4,547	5,476	33,764	34,174	30,959	108,920	18,703	1,395	52,010	27,714	27,908	127,730	
Adjustments for:													
Profit on bank deposits	(157)	(127)	(704)	(607)	(495)	(2,090)	(735)	(371)	(2,248)	(1,588)	(2,199)	(7,141)	
Dividend income	(970)	(1,104)	(5,036)	(4,756)	(2,636)	(14,502)	(1,746)	(2,483)	(10,144)	(10,504)	(10,287)	(35,164)	
Net unrealised appreciation/(diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.2	(2,856)	(3,805)	(22,832)	(22,535)	(13,815)	(65,843)	75	2,511	(196)	61	851	3,302
	(3,983)	(5,036)	(28,572)	(27,898)	(16,946)	(82,435)	(2,406)	(343)	(12,588)	(12,031)	(11,635)	(39,003)	
Decrease / (increase) in assets													
Investments	2,981	1,625	11,232	19,677	62,675	98,190	121,358	21,460	230,966	77,132	211,222	662,138	
(Decrease) / increase in liabilities													
Payable to NBP Fund Management Limited - the Management company	-	-	3	(5)	(24)	(26)	(136)	(56)	(211)	(1,782)	(1,152)	(3,337)	
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	-	1	-	(3)	(2)	(18)	(5)	(26)	(16)	(33)	(98)	
Payable to the Securities and Exchange Commission of Pakistan	(9)	(1)	(15)	(4)	(21)	(50)	(272)	(225)	(452)	(340)	(525)	(1,814)	
Payable against purchase of investment	-	350	-	-	-	350	(27,778)	-	-	(52,520)	-	(80,298)	
Payable against redemption of units	-	-	(584)	(20)	(1,382)	(1,986)	-	-	-	-	-	-	
Accrued expenses and other liabilities	(294)	144	(275)	(267)	(1,552)	(2,244)	980	101	2,409	1,852	3,516	8,858	
	(303)	493	(870)	(296)	(2,982)	(3,958)	(27,224)	(185)	1,720	(52,806)	1,806	(76,689)	
	3,242	2,558	15,554	25,657	73,706	120,717	110,431	22,327	272,108	40,009	229,301	674,176	
Dividend received	970	1,104	5,036	4,756	2,636	28,034	1,746	2,483	10,144	10,504	10,287	35,164	
Profit received	151	127	757	640	578	2,253	904	425	2,566	1,893	2,445	8,233	
Net cash generated from operating activities	4,363	3,789	21,347	31,053	76,920	137,472	113,081	25,235	284,818	52,406	242,033	717,573	
CASH FLOWS FROM FINANCING ACTIVITIES													
Net receipts from issuance of units	735	417	5,109	4,801	2,255	13,317	1,752	290	13,514	14,878	12,284	42,718	
Net payments against redemption of units	(4,457)	(3,214)	(22,362)	(33,921)	(84,855)	(148,809)	(147,392)	(25,591)	(301,213)	(107,601)	(253,250)	(835,047)	
Distribution paid	(1,000)	(1,100)	(5,500)	(5,000)	(3,000)	(15,600)	(2,306)	(669)	(14,905)	(16,080)	(15,283)	(49,243)	
Net cash used in financing activities	(4,722)	(3,897)	(22,753)	(34,120)	(85,600)	(151,092)	(147,946)	(25,970)	(302,604)	(108,803)	(256,249)	(841,572)	
Net decrease in cash and cash equivalents	(359)	(108)	(1,406)	(3,067)	(8,680)	(13,620)	(34,865)	(735)	(17,786)	(56,397)	(14,216)	(123,999)	
Cash and cash equivalents at the beginning of the year	1,769	1,816	11,768	14,280	15,449	45,082	36,634	2,551	29,554	70,677	29,665	169,081	
Cash and cash equivalents at the end of the year	4	1,410	1,708	10,362	11,213	6,769	31,462	1,769	1,816	11,768	14,280	15,449	45,082

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 NAFA Islamic Active Allocation Fund - I (the Fund) was established under a trust Deed executed on November 03, 2015 between NBP Fund Management Limited (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 Mutual Funds Association of Pakistan (MUFAP).

1.2 The Fund has been categorised as an open ended Shariah compliant fund of funds by the Board of Directors (the Board) of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited.

1.3 The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of the Shariah compliant equity fund and income fund which the Fund aims to deliver mainly by investing in equity asset class (NBP Islamic Active Allocation Equity Fund) and moderate risk income asset class (NBP Active Allocation Riba Free Savings Fund) and bank deposits that may be allowed by the SECP. The Management Company may also invest in any other Collective Investment Schemes available to it with the prior approval of the SECP. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has maintained an asset manager rating of AM1 as at June 23, 2021 (2020: AM1) to the Management Company. The Fund has not yet been rated.

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

1.5 The Trust Act, 1882 has been repealed due to promulgation of the Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar (acting under Sindh Trusts Act, 2020).

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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



repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the trust Deed have been followed.

2.2 Standards, amendments and interpretations to the published standards that may be relevant to the Fund and adopted in the current year:

The Fund has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year;

New or revised standard or interpretation	Effective Date "(Annual periods beginning on or after)"
Amendments to References to the Conceptual Framework in IFRS	January 01, 2020
Definition of a Business (Amendments to IFRS 3)	January 01, 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	January 01, 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	January 01, 2020

2.3 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Fund:

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or interpretation	Effective Date "(Annual periods beginning on or after)"
Annual improvements to IFRS standards 2018 - 2020 Cycle	January 1, 2022
IFRS 3 - References to Conceptual Framework	January 1, 2022
IAS 16 - Proceeds before intended use	January 1, 2022
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
IAS 8 - 'Definition of Accounting Estimates	January 1, 2023
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021

The Fund is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Fund.

2.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan:



Standard or interpretation

ISAB effective Date "(Annual periods beginning on or after)"

IFRS 17 - Insurance Contracts

January 1, 2023

IFRS 9 - ECL model on the financial assets due from Government

July 1, 2021

2.5 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.3 and 5), provision for SWWF (note 10.1), provision for Federal Excise Duty (note 7.3) and provision for taxation (notes 3.14 and 15).

2.6 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which is measured at fair value. All the transactions have been accounted for on accrual basis, except for the statement of cash flows.

2.7 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

3.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.3 Financial assets

3.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.3.2 Classification and subsequent measurement

3.3.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are classified as fair value through profit or loss.

3.3.2.2 Subsequent measurement

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

'Financial assets at fair value through profit or loss'

Basis of valuation - investments in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the income statement.

3.3.3 Impairment

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

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

3.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the income statement.

3.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets



and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Net asset value per unit

The Net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

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

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

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the net assets value (NAV) per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders Fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- "Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the year in which these arise."
- Profit on bank balances is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and the Trustee



and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.13 Preliminary expenses and floatation costs

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

3.14 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed as cash dividend to the unit holders.

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

3.15 Earnings / (loss) per unit

Earnings per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earnings per unit is not practicable as disclosed in note 16.

3.16 Foreign currency translation

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

4 BANK BALANCES

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
	June 30, 2021						June 30, 2020						
Note	(Rupees in 000)						(Rupees in 000)						
Balances with banks in:													
Savings accounts	4.1	1,206	1,681	10,120	10,770	6,446	30,223	1,615	1,789	11,643	13,481	15,342	43,870
Current accounts		204	27	242	443	323	1,239	154	27	125	799	107	1,212
		<u>1,410</u>	<u>1,708</u>	<u>10,362</u>	<u>11,213</u>	<u>6,769</u>	<u>31,462</u>	<u>1,769</u>	<u>1,816</u>	<u>11,768</u>	<u>14,280</u>	<u>15,449</u>	<u>45,082</u>

4.1 These include a balance of Rs 1.005 million (2020: Rs 1.164 million) NIAAP - I, Rs 1.598 million (2020: Rs 1.706 million) NIAAP - II, Rs 1.146 million (2020: Rs 10.695 million) NIAAP - III, Rs 1.287 million (2020: Rs 12.003 million) NIAAP - IV and Rs 0.161 million (2020: Rs 0.712 million) NIAAP - V maintained with BankIslami Pakistan Limited (a related party) that carries profit at the rate of 6.80% per annum (2020: 7.25% per annum). Other profit and loss sharing accounts of the Fund carry profit at the rate ranging from 4.50% to 6.80% per annum (2020: 4.5% to 8.75% per annum).

5 INVESTMENTS

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
	June 30, 2021						June 30, 2020						
Note	(Rupees in 000)						(Rupees in 000)						
At fair value through profit or loss													
- Units of mutual funds	5.1	25,112	30,220	137,369	129,799	73,866	396,366	25,237	28,040	125,769	126,941	122,726	428,713



5.1 Investment in mutual funds - related parties

NAFA Islamic Active Allocation Plan I

Name of the fund	As at July 01, 2020	Acquired during the year	Redeemed during the year	As at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Number of units -----				Rs in '000	----- Percentage -----	
NBP Islamic Active Allocation Equity Fund	1,640,111	296,764	677,383	1,259,492	14,461	57.59%	82.60%
NBP Active Allocation Riba Free Savings Fund	1,091,843	746,213	777,849	1,060,207	10,650	42.41%	60.83%
Market value					<u>25,112</u>	<u>100.00%</u>	<u>143.44%</u>
Carrying amount as at June 30, 2021					<u>22,256</u>		
Market value as at June 30, 2020					<u>25,237</u>	<u>100.00%</u>	<u>142.73%</u>
Carrying amount as at June 30, 2020					<u>25,312</u>		

NAFA Islamic Active Allocation Plan II

Name of the fund	As at July 01, 2020	Acquired during the year	Redeemed during the year	As at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Number of units -----				Rs in '000	----- Percentage -----	
NBP Islamic Active Allocation Equity Fund	2,085,548	500,791	819,137	1,767,202	20,291	67.14%	83.65%
NBP Active Allocation Riba Free Savings Fund	984,740	690,867	687,132	988,475	9,930	32.86%	40.93%
Market value					<u>30,220</u>	<u>100.00%</u>	<u>124.58%</u>
Carrying amount as at June 30, 2021					<u>26,416</u>		
Market value as at June 30, 2020					<u>28,040</u>	<u>100.00%</u>	<u>123.64%</u>
Carrying amount as at June 30, 2020					<u>30,551</u>		

NAFA Islamic Active Allocation Plan III

Name of the fund	As at July 01, 2020	Acquired during the year	Redeemed during the year	As at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Number of units -----				Rs in '000	----- Percentage -----	
NBP Islamic Active Allocation Equity Fund	11,743,370	2,342,886	4,108,084	9,978,172	114,568	83.40%	82.87%
NBP Active Allocation Riba Free Savings Fund	2,344,800	4,226,214	4,301,266	2,269,748	22,801	16.60%	16.49%
Market value					<u>137,369</u>	<u>100.00%</u>	<u>99.36%</u>
Carrying amount as at June 30, 2021					<u>114,537</u>		
Market value as at June 30, 2020					<u>125,769</u>	<u>100.00%</u>	<u>98.84%</u>
Carrying amount as at June 30, 2020					<u>125,573</u>		



NAFA Islamic Active Allocation Plan IV

Name of the fund	As at July 01, 2020	Acquired during the year	Redeemed during the year	As at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Number of units -----				Rs in '000	----- Percentage -----	
NBP Islamic Active Allocation Equity Fund	12,419,092	2,104,204	4,773,342	9,749,954	111,948	86.25%	81.55%
NBP Active Allocation Riba Free Savings Fund	1,875,436	3,944,458	4,042,822	1,777,072	17,851	13.75%	13.00%
Market value					<u>129,799</u>	<u>100.00%</u>	<u>94.55%</u>
Carrying amount as at June 30, 2021					<u>107,264</u>		
Market value as at June 30, 2020					<u>126,941</u>	<u>100.00%</u>	<u>92.51%</u>
Carrying amount as at June 30, 2020					<u>127,002</u>		

NAFA Islamic Active Allocation Plan V

Name of the fund	As at July 01, 2020	Acquired during the year	Redeemed during the year	As at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Number of units -----				Rs in '000	----- Percentage -----	
NBP Islamic Active Allocation Equity Fund	12,068,948	897,900	7,365,637	5,601,211	64,313	87.07%	82.15%
NBP Active Allocation Riba Free Savings Fund	1,759,252	6,060,539	6,868,809	950,982	9,553	12.93%	12.20%
Market value					<u>73,866</u>	<u>100.00%</u>	<u>94.36%</u>
Carrying amount as at June 30, 2021					<u>60,051</u>		
Market value as at June 30, 2020					<u>122,726</u>	<u>100.00%</u>	<u>92.32%</u>
Carrying amount as at June 30, 2020					<u>123,577</u>		

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

		NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
		----- June 30, 2021 -----						----- June 30, 2020 -----					
	Note	----- (Rupees in 000) -----						----- (Rupees in 000) -----					
Market value of investments	5.1	25,112	30,220	137,369	129,799	73,866	396,366	25,237	28,040	125,769	126,941	122,726	428,713
Carrying value of investments	5.1	(22,256)	(26,415)	(114,537)	(107,264)	(60,051)	(330,523)	25,312	30,551	125,573	127,002	123,577	432,015
		<u>2,856</u>	<u>3,805</u>	<u>22,832</u>	<u>22,535</u>	<u>13,815</u>	<u>65,843</u>	<u>(75)</u>	<u>(2,511)</u>	<u>196</u>	<u>(61)</u>	<u>(851)</u>	<u>(3,302)</u>

6 OTHER RECEIVABLES

Advance tax	6.1	-	-	-	-	47	47	-	-	-	-	47	47
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- 6.1** This represents tax withheld on profit on bank balances of Rs 0.047 million (2020: Rs 0.047 million) - NIAAP V.
- 6.2** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on bank balances paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder.

For this purpose, Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by SHC in favour of FBR. A petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Honourable Supreme Court granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding tax deducted has been shown as other receivables as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

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

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
	June 30, 2021						June 30, 2020						
Note	(Rupees in 000)						(Rupees in 000)						
Management fee payable	7.1	-	-	3	8	5	16	-	-	3	12	13	28
Sindh sales tax payable on remuneration of the Management Company	7.2	-	-	-	1	1	2	-	-	-	2	2	4
Federal Excise Duty payable on remuneration of the Management Company	7.3	78	40	5	-	-	123	78	40	5	-	-	123
Federal excise duty payable on sales load		3,002	2,698	2,993	-	-	8,693	3,002	2,698	2,993	-	-	8,693
Allocated expenses payable	7.4	4	6	35	34	20	99	4	6	32	34	35	111
Other payable		25	25	25	15	20	110	25	25	25	15	20	110
		3,109	2,769	3,061	58	46	9,043	3,109	2,769	3,058	63	70	9,069

- 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 1.25% (2020: 1.25%) per annum of the average net assets of the Fund during the year ended June 30, 2021. However, no remuneration is charged on that part of the net assets which have been invested in the mutual funds managed by the Management Company. The remuneration is payable to the Management Company monthly in arrears."
- 7.2** During the year, an amount of Rs. Nil (2020: Rs 0.002 million) NIAAP I, Rs. Nil (2020: Rs Nil million) NIAAP II, Rs. 0.0003 million (2020: Rs 0.018 million) NIAAP III, Rs. 0.0098 million (2020: Rs 0.018 million) NIAAP IV and Rs. 0.0006 million (2020: Rs 0.028 million) NIAAP V was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 @ 13% (2020: 13%).
- 7.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management



Company was of the view that since the remuneration and sale load was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution, the provision for FED made for the period from December 08, 2015 till June 30, 2016 (NIAAP I), March 4, 2016 till June 30, 2016, (NIAAP II) and June 28, 2016 till June 30, 2016 (NIAAP III) amounting to Rs 0.078 million (2020: Rs 0.078 million) NIAAP I, Rs 0.040 million (2020: Rs 0.040) NIAAP II and Rs 0.005 million (2020: Rs 0.005 million) NIAAP III is being retained in these financial statements of the Fund as the matter is pending before the Honourable Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at June 30, 2021 would have been higher by Re 0.578 (2020: Rs 0.472) NIAAP I, Re 0.212 (2020: Rs 0.186) NIAAP II and Re 0.004 (2020: Rs 0.004) NIAAP III per unit.

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

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639(1)/2019 dated June 20, 2019 has removed the maximum cap of 0.1%.

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

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
	June 30, 2021						June 30, 2020						
Note	(Rupees in 000)						(Rupees in 000)						
Trustee fee payable	8.1	1	1	8	8	5	23	1	1	7	8	8	25
Sindh sales tax payable on trustee fee	8.2	-	-	1	1	1	3	-	-	1	1	1	3
		<u>1</u>	<u>1</u>	<u>9</u>	<u>9</u>	<u>6</u>	<u>26</u>	<u>1</u>	<u>1</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>28</u>

- 8.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust Deed. During the year, the Fund has charged the trustee remuneration at the rate of 0.07% p.a of net assets.

- 8.2** During the year, an amount of Rs. 0.0001 million (2020: Rs 0.006 million) NIAAP I, Rs. 0.0001 million (2020: Rs 0.003 million) NIAAP II, Rs. 0.001 million (2020: Rs 0.02 million) NIAAP III, Rs. 0.001 million (2020: Rs 0.015 million) NIAAP IV and Rs. 0.0006 million (2020: Rs 0.02 million) NIAAP V was charged on account of sales tax @ of 13% (2020: 13%) on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.



9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Note	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
	June 30, 2021						June 30, 2020						
	(Rupees in 000)						(Rupees in 000)						
Annual fee payable	9.1	4	5	29	29	22	89	13	6	44	33	43	139

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

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% of net assets during the current year.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
	June 30, 2021						June 30, 2020						
	(Rupees in 000)						(Rupees in 000)						
Auditors' remuneration payable	220	202	247	229	230	1,128	244	207	303	220	230	1,204	
Printing charges payable	43	28	41	69	15	196	54	36	37	75	17	219	
Bank charges payable	50	52	54	82	36	274	53	56	62	82	35	288	
Listing fee payable	-	-	-	-	-	-	6	5	-	-	-	11	
Shariah advisor fee payable	2	4	22	18	15	61	10	5	32	25	31	103	
Withholding tax payable	257	97	359	208	775	1,696	534	67	1,299	1,212	2,988	6,100	
Capital gain tax payable	-	-	50	-	3	53	-	-	46	-	-	46	
Provision for Sindh Workers' Welfare Fund	10.1	5,318	4,097	5,568	3,003	1,201	19,187	5,225	3,986	4,879	2,305	570	16,965
Others		27	88	101	103	84	403	85	62	59	60	40	306
		5,917	4,568	6,442	3,712	2,359	22,998	6,211	4,424	6,717	3,979	3,911	25,242

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Subsequent to the year ended June 30, 2021, SRB issued a letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision of Rs. 5,318 (NIAAP-I), Rs. 4,097 (NIAAP-II), Rs. 5,568 (NIAAP-III), Rs. 3,003 (NIAAP-IV) and Rs. 1,201 (NIAAP-V) for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF.

Had the provision for SWWF been reversed in the financial statements of the Fund for the period from December



08, 2015 (NIAAP I), March 4, 2016 (NIAAP II), June 28, 2016 (NIAAP III), September 29, 2016 (NIAAP IV), July 1, 2019 (NIAAP V) till June 30, 2020, the net asset value of the NIAAP I, NIAAP II, NIAAP III, NIAAP IV and NIAAP V respectively as at June 30, 2021 would have been higher by Rs 39.39 per unit (2020: Rs 31.593), Rs 21.58 per unit (2020: Rs 18.544), Rs 4.89 per unit (2020: Rs 3.803) and Rs 2.39 per unit (2020: Rs 1.504) and Rs 1.53 per unit (2020: Rs 0.352).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

12 NUMBER OF UNITS IN ISSUE

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V
	June 30, 2021					June 30, 2020				
	Number of units					Number of units				
Total units in issue at the beginning of the year	165,385	214,943	1,282,862	1,532,916	1,621,063	1,391,776	450,724	3,867,391	2,466,777	4,471,054
Units issued during the year	5,700	3,282	42,290	44,110	22,664	16,385	2,745	136,112	166,067	149,681
Less: units redeemed during the year	(36,075)	(28,388)	(186,344)	(321,493)	(860,695)	(1,242,776)	(238,526)	(2,720,641)	(1,099,928)	(2,999,672)
Total units in issue at the end of the year	135,010	189,837	1,138,808	1,255,533	783,032	165,385	214,943	1,282,862	1,532,916	1,621,063

13 AUDITORS' REMUNERATION

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	For the year ended June 30, 2021						For the year ended June 30, 2020					
	(Rupees in '000)						(Rupees in '000)					
Annual audit fee	175	166	175	175	175	866	186	178	187	187	187	925
Half yearly review of condensed interim financial statements	60	67	70	70	70	337	75	71	75	75	75	371
Out of pocket expenses	67	73	24	89	80	333	25	33	64	29	11	162
Other certification	-	-	-	-	-	-	50	50	50	50	50	250
	302	306	269	334	325	1,536	336	332	376	341	323	1,708

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 3.01% (2020: 1.51%) - NIAAP - I, 2.75% (2020: 1.79%) - NIAAP - II, 1.07% (2020: 1%) - NIAAP - III, 1.15% (2020: 0.87%) - NIAAP - IV and 1.40% (2020: 0.79%) - NIAAP - V which includes 0.55% (2020: 0.62%) - NIAAP - I, 0.49% (2020: 0.13%) - NIAAP - II, 0.52% (2020: 0.53%) - NIAAP - III, 0.52% (2020: 0.37%) - NIAAP - IV and 0.63% (2020: 0.31%) - NIAAP - V representing government levies on the Fund such as, sales taxes, SWWF, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Funds scheme.

15 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 has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in cash, no provision for taxation has been made in these financial statements during the year.

16 EARNINGS PER UNIT

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

17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

17.1 Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee and National Bank of Pakistan (NBP), 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.

17.2 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.

17.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the trust deed.

17.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the trust deed.

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

17.6 Details of the transactions with related parties / connected persons during the year are as follows:

	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	For the year ended June 30, 2021						For the year ended June 30, 2020					
	(Rupees in 000)						(Rupees in 000)					
NBP Fund Management Limited - the Management Company												
Remuneration	-	-	30	88	82	200	16	-	138	139	215	508
Sindh sales tax on remuneration	-	-	4	11	11	26	2	-	18	18	28	66
Allocated expenses	18	24	143	143	108	436	65	28	220	167	215	695
Sales load paid during the year	-	-	-	-	-	-	-	-	-	1,640	932	2,572
Central Depository Company of Pakistan Limited - the Trustee												
Remuneration	13	17	100	100	76	306	46	20	154	117	151	488
Sindh sales tax on remuneration	2	2	13	13	10	40	6	3	20	15	20	64



	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	For the year ended June 30, 2021						For the year ended June 30, 2020					
	(Rupees in 000)						(Rupees in 000)					
Investment in NBP Islamic Active Allocation												
Equity Fund												
Units purchased:	3,260	5,517	25,557	23,158	10,121	67,613	20,889	21,864	85,429	60,870	64,620	253,672
- 296,764 (2020: 2,500,142) units (NIAAP - I),												
- 500,791 (2020: 2,198,336) units (NIAAP - II),												
- 2,342,886 (2020: 10,279,241) units (NIAAP - III),												
- 2,104,204 (2020: 7,322,676) units (NIAAP - IV) and												
- 897,900 (2020: 7,710,332) units (NIAAP - V)												
Units sold:	6,873	8,093	41,698	48,712	79,167	184,543	109,271	1,112	245,552	97,433	190,030	643,398
- 677,383 (2020: 10,491,164) units (NIAAP - I),												
- 819,137 (2020: 112,788) units (NIAAP II),												
- 4,108,084 (2020: 23,379,280) units (NIAAP - III),												
- 4,773,342 (2020: 9,310,941) units (NIAAP - IV) and												
- 7,365,637 (2020: 19,585,524) units (NIAAP - V)												
Dividend income	533	712	4,257	4,194	2,491	12,187	1,334	1,698	9,557	10,107	9,822	32,518
Investment in NBP Active Allocation Riba												
Free Savings Fund												
Units purchased:	7,490	6,935	42,477	39,674	61,278	157,854	14,248	2,347	34,863	39,500	74,060	165,018
- 746,213 (2020: 1,414,199) units (NIAAP - I),												
- 690,867 (2020: 234,132) units (NIAAP II),												
- 4,226,214 (2020: 3,423,486) units (NIAAP - III),												
- 3,944,458 (2020: 3,823,609) units (NIAAP - IV) and												
- 6,060,539 (2020: 7,131,888) units (NIAAP - V)												
Units sold:	7,963	7,088	44,288	41,721	70,426	171,486	64,497	46,116	147,310	97,212	177,845	532,980
- 777,849 (2020: 6,227,021) units (NIAAP - I),												
- 687,132 (2020: 4,437,169) units (NIAAP - II),												
- 4,301,266 (2020: 14,135,833) units (NIAAP - III),												
- 4,042,822 (2020: 9,257,799) units (NIAAP - IV) and												
- 6,868,809 (2020: 17,075,980) units (NIAAP - V)												
Dividend income	437	392	779	562	145	2,315	412	785	587	397	465	2,646
PSOCL Staff Provident Fund - B (Unit Holder with more than 10% holding)												
Dividend re-invest:												
- 6,280 (2020: 17,375) units (NIAAP - III)	-	-	759	-	-	759	-	-	1,725	-	-	1,725
FMC United Employees Gratuity Fund (Unit Holder with more than 10% holding)												
Dividend re-invest:												
- 5,885 (2020: 16,281) units (NIAAP - III)	-	-	711	-	-	711	-	-	1,616	-	-	1,616
Tapal Tea (Private) Limited Employees Gratuity Fund (Unit Holder with more than 10% holding)												
Cash dividend	-	590	-	-	-	590	-	315	-	-	-	315
State Oil Company Limited Staff Provident Fund (Unit Holder with more than 10% holding)												
Dividend re-invest:												
- 17,870 (2020: 54,681) units (NIAAP IV)	-	-	-	1,945	-	1,945	-	-	-	4,899	-	4,899



	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	For the year ended June 30, 2021						For the year ended June 30, 2020					
	(Rupees in 000)						(Rupees in 000)					
Pakistan State Oil Company Limited Employees												
Provident Fund (Unit Holder with more than 10% holding)												
Dividend re-invest:												
- 17,725 (2020: 54,236) units (NIAAP - IV)	-	-	-	1,929	-	1,929	-	-	-	4,859	-	4,859
Systems Limited Employees Provident Fund (Unit Holder with more than 10% holding)												
Dividend re-invest:												
- 7,671 (2020: 21,224) units (NIAAP III)	-	-	927	-	-	927	-	-	2,107	-	-	2,107
Rukhsana Aslam (Unit Holder with more than 10% holding)												
Dividend re-invest:												
- 711 (2020: 1,558) units (NIAAP - I)	92	-	-	-	-	92	167	-	-	-	-	167
Seema Adil (Unit Holder with more than 10% holding)*												
Dividend re-invest:												
- 725 units (NIAAP - II)	-	92	-	-	-	92	-	-	-	-	-	-
Akbar Adil (Unit Holder with more than 10% holding)*												
Dividend re-invest:												
- 725 units (NIAAP - II)	-	92	-	-	-	92	-	-	-	-	-	-
Asim Textile Mills Limited (Unit Holder with more than 10% holding)*												
Dividend re-invest:												
- 4,435 units (NIAAP - II)	-	-	536	-	-	536	-	-	-	-	-	-
The Aligarh Old Boys Association Lahore Duty Society (Unit Holder with more than 10% holding)												
Dividend re-invest:												
- 5,860 (2020: 17,008) units (NIAAP - V)	-	-	-	-	583	583	-	-	-	-	1,396	1,396
Units redeemed:												
- Nil (2020: 16,034) units (NIAAP - V)	-	-	-	-	-	-	-	-	-	-	1,400	1,400
Key management personnel of the Management Company												
Units issued:												
- Nil (2020: 64) units (NIAAP - I)	-	-	-	-	-	-	7	-	-	-	-	7
Dividend re-invest:												
- 30 (2020: Nil) units (NIAAP - I)	4	-	-	-	-	4	-	-	-	-	-	-
Pakistan Stock Exchange Limited - common directorship												
Listing fee paid	5	5	5	5	5	25	5	5	5	5	5	25



	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	For the year ended June 30, 2021						For the year ended June 30, 2020					
	(Rupees in 000)						(Rupees in 000)					
BankIslami Pakistan Limited - common directorship												
Profit income	142	119	303	280	39	883	193	354	366	811	155	1,879
17.7 Amounts outstanding as at year end												
NBP Fund Management Limited - the Management Company												
Management remuneration payable	-	-	3	8	5	16	-	-	3	12	13	28
Sindh sales tax payable on remuneration	-	-	-	1	1	2	-	-	-	2	2	4
Federal excise duty payable on remuneration	78	40	5	-	-	123	78	40	5	-	-	123
Allocated expenses payable	4	6	35	34	20	99	4	6	32	34	35	111
Federal excise duty payable on sales load	3,002	2,698	2,993	-	-	8,693	3,002	2,698	2,993	-	-	8,693
Other payable	25	25	25	15	20	110	25	25	25	15	20	110
Central Depository Company of Pakistan Limited - the Trustee												
Remuneration payable	1	1	8	8	5	23	1	1	7	8	8	25
Sales tax payable	-	-	1	1	1	3	-	-	1	1	1	3
NBP Islamic Active Allocation Equity Fund												
Investment of:	14,461	20,291	114,568	111,948	64,313	325,581	14,278	18,156	102,234	108,117	105,068	347,853
- 1,259,492 (2020: 1,640,111) units (NIAAP - I),												
- 1,767,202 (2020: 2,085,548) units (NIAAP - II),												
- 9,978,172 (2020: 11,743,370) units (NIAAP - III),												
- 9,749,954 (2020: 12,419,092) units (NIAAP - IV) and												
- 5,601,211 (2020: 12,068,948) units (NIAAP - V)												
NBP Active Allocation Riba Free Savings Fund												
Investment of:	10,650	9,930	22,801	17,851	9,553	70,785	10,959	9,884	23,535	18,824	17,658	80,860
- 1,060,207 (2020: 1,091,843) units (NIAAP - I),												
- 988,475 (2020: 984,740) units (NIAAP - II),												
- 2,269,748 (2020: 2,344,800) units (NIAAP - III),												
- 1,777,072 (2020: 1,875,441) units (NIAAP - IV) and												
- 950,982 (2020: 1,759,252) units (NIAAP - V)												
PSOCL Staff Provident Fund - B (Unit Holder with more than 10% holding)												
Units held:												
- 157,571 (2020:151,291) units (NIAAP - III)	-	-	19,130	-	-	19,130	-	-	15,006	-	-	15,006
FMC United Employees Gratuity Fund (Unit Holder with more than 10% holding)												
Units held:												
- 147,648 (2020: 141,763) units (NIAAP - III)	-	-	17,925	-	-	17,925	-	-	14,061	-	-	14,061



	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	For the year ended June 30, 2021						For the year ended June 30, 2020					
	(Rupees in 000)						(Rupees in 000)					
Tapal Tea (Private) Limited Employees												
Gratuity Fund (Unit Holder with more than 10% holding)												
Units held:												
- 100,000 (2020: 100,000) units (NIAAP - II)	-	12,778	-	-	-	12,778	-	10,551	-	-	-	10,551
State Oil Company Limited Staff Provident Fund												
(Unit Holder with more than 10% holding)												
Units held:												
- 489,060 (2020: 471,189) units (NIAAP - IV)	-	-	-	53,473	-	53,473	-	-	-	42,180	-	42,180
Pakistan State Oil Company Limited Employees												
Provident Fund (Unit Holder with more than 10% holding)												
Units held:												
- 485,081 (2020: 467,356) units (NIAAP - IV)	-	-	-	53,038	-	53,038	-	-	-	41,837	-	41,837
Systems Limited Employees Provident Fund												
(Unit Holder with more than 10% holding)												
Units held:												
- 192,470 (2020: 184,799) units (NIAAP - III)	-	-	23,367	-	-	23,367	-	-	18,330	-	-	18,330
Rukhsana Aslam (Unit Holder with more than 10% holding)												
Units held:												
- 17,648 (2020: 16,937) units (NIAAP - I)	2,288	-	-	-	-	2,288	1,811	-	-	-	-	1,811
Seema Adil (Unit Holder with more than 10% holding)*												
Units held:												
- 19,125 units (NIAAP - II)	-	2,444	-	-	-	2,444	-	-	-	-	-	-
Akbar Adil (Unit Holder with more than 10% holding)*												
Units held:												
- 19,111 units (NIAAP - II)	-	2,442	-	-	-	2,442	-	-	-	-	-	-
Asim Textile Mills Limited (Unit Holder with more than 10% holding)*												
Units held:												
- 130,126 units (NIAAP - III)	-	-	15,798	-	-	15,798	-	-	-	-	-	-
The Aligarh Old Boys Association Lahore												
Duty Society (Unit Holder with more than 10% holding)												
Units held:												
- 217,035 (2020: 211,174) units (NIAAP - V)	-	-	-	-	21,698	21,698	-	-	-	-	17,316	17,316



	NIAAP-I NIAAP-II NIAAP-III NIAAP-IV NIAAP-V Total					NIAAP-I NIAAP-II NIAAP-III NIAAP-IV NIAAP-V Total						
	For the year ended June 30, 2021					For the year ended June 30, 2020						
	(Rupees in 000)					(Rupees in 000)						
Key management personnel of the Management Company												
Units held:												
- 613 (2020: 583) units (NIAAP - I)	79	-	-	-	-	79	62	-	-	-	62	
BankIslami Pakistan Limited - common												
Balance with bank	1,005	1,598	1,146	1,287	161	5,197	1,164	1,706	10,695	12,003	712	26,280
Profit receivable	7	15	8	13	1	44	7	19	91	78	11	206
Pakistan Stock Exchange Limited - common												
Listing fee payable	-	-	-	-	-	-	6	5	-	-	-	11

* Prior period comparative has not been shown as the company was not a related party / connected person as at June 30, 2020

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

18 FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2021			June 30, 2020		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
(Rupees in 000)						
NAFA Islamic Active Allocation Fund Plan I						
Financial assets						
Bank balances	1,410	-	1,410	1,769	-	1,769
Investments	-	25,112	25,112	-	25,237	25,237
Profit receivable	16	-	16	10	-	10
	<u>1,426</u>	<u>25,112</u>	<u>26,538</u>	<u>1,779</u>	<u>25,237</u>	<u>27,016</u>
Financial liabilities						
Payable to NBP Fund Management Limited						
- the Management company	3,109	-	3,109	3,109	-	3,109
Payable to Central Depository Company of Pakistan Limited - the Trustee	1	-	1	1	-	1
Payable against purchase of investment	-	-	-	-	-	-
Accrued expenses and other liabilities	342	-	342	452	-	452
	<u>3,452</u>	<u>-</u>	<u>3,452</u>	<u>3,562</u>	<u>-</u>	<u>3,562</u>



NAFA Islamic Active Allocation Fund Plan II

June 30, 2021			June 30, 2020		
At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total

Financial assets

Bank balances	1,708	-	1,708	1,816	-	1,816
Investments	-	30,220	30,220	-	28,040	28,040
Profit receivable	23	-	23	23	-	23
	<u>1,731</u>	<u>30,220</u>	<u>31,951</u>	<u>1,839</u>	<u>28,040</u>	<u>29,879</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	2,769	-	2,769	2,769	-	2,769
Payable to Central Depository Company of Pakistan Limited - the Trustee	1	-	1	1	-	1
Payable against purchase of investment	350	-	350	-	-	-
Accrued expenses and other liabilities	374	-	374	371	-	371
	<u>3,494</u>	<u>-</u>	<u>3,494</u>	<u>3,141</u>	<u>-</u>	<u>3,141</u>

NAFA Islamic Active Allocation Fund Plan III

June 30, 2021			June 30, 2020		
At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total

Financial assets

Bank balances	10,362	-	10,362	11,768	-	11,768
Investments	-	137,369	137,369	-	125,769	125,769
Profit receivable	67	-	67	120	-	120
	<u>10,429</u>	<u>137,369</u>	<u>147,798</u>	<u>11,888</u>	<u>125,769</u>	<u>137,657</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	3,061	-	3,061	3,058	-	3,058
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	-	9	8	-	8
Payable against redemption of units	-	-	-	584	-	584
Accrued expenses and other liabilities	465	-	465	493	-	493
	<u>3,535</u>	<u>-</u>	<u>3,535</u>	<u>4,143</u>	<u>-</u>	<u>4,143</u>



	June 30, 2021			June 30, 2020		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
NAFA Islamic Active Allocation Fund Plan IV						
(Rupees in 000)						
Financial assets						
Bank balances	11,213	-	11,213	14,280	-	14,280
Investments	-	129,799	129,799	-	126,941	126,941
Profit receivable	73	-	73	106	-	106
	11,286	129,799	141,085	14,386	126,941	141,327
Financial liabilities						
Payable to NBP Fund Management Limited						
- the Management company	58	-	58	63	-	63
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	-	9	9	-	9
Payable against redemption of units	-	-	-	20	-	20
Accrued expenses and other liabilities	501	-	501	462	-	462
	568	-	568	554	-	554

	June 30, 2021			June 30, 2020		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
NAFA Islamic Active Allocation Fund Plan V						
(Rupees in 000)						
Financial assets						
Bank balances	6,769	-	6,769	15,449	-	15,449
Investments	-	73,866	73,866	-	122,726	122,726
Profit receivable	34	-	34	117	-	117
	6,803	73,866	80,669	15,566	122,726	138,292
Financial liabilities						
Payable to NBP Fund Management Limited						
- the Management company	46	-	46	70	-	70
Payable to Central Depository Company of Pakistan Limited - the Trustee	6	-	6	9	-	9
Payable against redemption of units	-	-	-	1,382	-	1,382
Accrued expenses and other liabilities	380	-	380	353	-	353
	432	-	432	1,814	-	1,814



19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk, and price risk.

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2021, the Fund is exposed to such risk on its bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.012 million (2020: Rs 0.016 million) NIAAP I, Rs. 0.017 million (2020: Rs 0.018 million) NIAAP II, Rs. 0.101 million (2020: Rs 0.116 million) NIAAP III, Rs. 0.108 million (2020: Rs 0.135 million) NIAAP IV and Rs. 0.064 million (2020: Rs 0.154 million) NIAAP V.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2021, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:



June 30, 2021						June 30, 2020					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year				Up to three months	More than three months and up to one year	More than one year		

(Rupees in 000)

(Rupees in 000)

NAFA Islamic Active Allocation Fund Plan I

Financial assets

	4.5%-6.8%				1,410	4.5%-8.75%				1,769
Bank balances	1,206			204	1,410	1,615	-	-	154	1,769
Investments				25,112	25,112	-	-	-	25,237	25,237
Profit receivable				16	16	-	-	-	10	10
	1,206	-	-	25,332	26,538	1,615	-	-	25,401	27,016

Financial liabilities

Payable to NBP Fund Management Limited - the management company				3,109	3,109				3,109	3,109
Payable to Central Depository Company of Pakistan Limited - the Trustee				1	1				1	1
Payable against purchase of investment				-	-				-	-
Accrued expenses and other liabilities				342	342				452	-
				3,452	3,452				3,562	3,110

On-balance sheet gap

1,206	-	-	21,880
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1,615	-	-	21,839
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Total profit rate sensitivity gap

1,206	-	-
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1,615	-	-
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Cumulative profit rate sensitivity gap

1,206	1,206	1,206
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1,615	1,615	1,615
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NAFA Islamic Active Allocation Fund Plan II

Financial assets

	4.5%-6.8%				1,708	4.5%-8.75%				1,816
Bank balances	1,681			27	1,708	1,789	-	-	27	1,816
Investments				30,220	30,220	-	-	-	28,040	28,040
Profit receivable				23	23	-	-	-	23	23
	1,681	-	-	30,270	31,951	1,789	-	-	28,090	29,879

Financial liabilities

Payable to NBP Fund Management Limited - the management company				2,769	2,769				2,769	2,769
Payable to Central Depository Company of Pakistan Limited - the Trustee				1	1				1	1
Payable against purchase of investment				350	350				-	-
Accrued expenses and other liabilities				374	374				371	371
				3,494	3,494				3,141	3,141

On-balance sheet gap

1,681	-	-	26,776
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1,789	-	-	24,949
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Total profit rate sensitivity gap

1,681	-	-
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1,789	-	-
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Cumulative profit rate sensitivity gap

1,681	1,681	1,681
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1,789	1,789	1,789
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June 30, 2021						June 30, 2020					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year				Up to three months	More than three months and up to one year	More than one year		

(Rupees in 000)

(Rupees in 000)

NAFA Islamic Active Allocation Fund Plan III

Financial assets

Bank balances	4.5%-6.8%	10,120			242	10,362	4.5%-8.75%	11,643	-	-	125	11,768
Investments					137,369	137,369		-	-	-	125,769	125,769
Profit receivable					67	67		-	-	-	120	120
		10,120	-	-	137,678	147,798		11,643	-	-	126,014	137,657

Financial liabilities

Payable to NBP Fund Management Limited - the management company		-	-	-	3,061	3,061		-	-	-	3,058	3,058
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	9	9		-	-	-	8	8
Payable against redemption of units		-	-	-	-	-		-	-	-	584	584
Accrued expenses and other liabilities		-	-	-	465	465		-	-	-	493	493
		-	-	-	3,535	3,535		-	-	-	4,143	4,143

On-balance sheet gap

	10,120	-	-	134,143		11,643	-	-	121,871
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Total profit rate sensitivity gap

	10,120	-	-			11,643	-	-	
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Cumulative profit rate sensitivity gap

	10,120	10,120	10,120			11,643	11,643	11,643	
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NAFA Islamic Active Allocation Fund Plan IV

Financial assets

Bank balances	4.5%-6.8%	10,770	-	-	443	11,213	4.5%-8.75%	13,481	-	-	799	14,280
Investments		-	-	-	129,799	129,799		-	-	-	126,941	126,941
Profit receivable		-	-	-	73	73		-	-	-	106	106
		10,770	-	-	130,315	141,085		13,481	-	-	127,846	141,327

Financial liabilities

Payable to NBP Fund Management Limited - the management company		-	-	-	58	58		-	-	-	63	63
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	9	9		-	-	-	9	9
Payable against purchase of investment		-	-	-	-	-		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-		-	-	-	20	20
Accrued expenses and other liabilities		-	-	-	501	501		-	-	-	462	462
		-	-	-	568	568		-	-	-	554	554

On-balance sheet gap

	10,770	-	-	129,747		13,481	-	-	127,292
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Total profit rate sensitivity gap

	10,770	-	-			13,481	-	-	
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Cumulative profit rate sensitivity gap

	10,770	10,770	10,770			13,481	13,481	13,481	
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June 30, 2021						June 30, 2020					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year				Up to three months	More than three months and up to one year	More than one year		

(Rupees in 000)

(Rupees in 000)

NAFA Islamic Active Allocation Fund Plan V

Financial assets

	4.5%-6.8%				6,769	4.5%-8.75%				107	15,449
Bank balances	6,446	-	-	323	6,769	15,342	-	-	107	15,449	
Investments	-	-	-	73,866	73,866	-	-	-	122,726	122,726	
Profit receivable	-	-	-	34	34	-	-	-	117	117	
	6,446			74,223	80,669	15,342	-	-	122,950	138,292	

Financial liabilities

Payable to NBP Fund Management Limited - the management company				46	46	-	-	-	70	70	
Payable to Central Depository Company of Pakistan Limited - the Trustee				9	9	-	-	-	9	9	
Payable against redemption of units				-	-	-	-	-	1,382	1,382	
Accrued expenses and other liabilities				380	380	-	-	-	353	353	
				435	435	-	-	-	1,814	1,814	

On-balance sheet gap

6,446	-	-	73,788
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15,342	-	-	121,136
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Total profit rate sensitivity gap

6,446	-	-
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15,342	-	-
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Cumulative profit rate sensitivity gap

6,446	6,446	6,446
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15,342	15,342	15,342
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(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Presently, the allocation plans are exposed to price risk due to their investment in the units of mutual funds. In case of 5% increase / (decrease) in the net asset value per unit of the funds i.e. NBP Islamic Active Allocation Equity Fund and NBP Active Allocation Riba Free Savings Fund, the net income of the NIAAP - I, NIAAP - II, NIAAP - III, NIAAP - IV and NIAAP - V for the year would increase / (decrease) by Rs 1.256 million (2020: 1.262 million), Rs 1.511 million (2020: 1.402 million), Rs 6.868 million (2020: 6.288 million), Rs 6.490 million (2020: 6.347 million) and Rs 3.693 million (2020: 6.136 million) respectively.

19.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions requests, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its



liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

June 30, 2021							June 30, 2020						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in 000)							(Rupees in 000)						

NAFA Islamic Active Allocation Fund Plan I

Financial assets

Bank balances	1,410	-	-	-	-	1,410	1,769	-	-	-	-	-	1,769
Investments	-	-	-	-	25,112	25,112	-	-	-	-	-	25,237	25,237
Profit receivable	16	-	-	-	-	16	10	-	-	-	-	-	10
	1,426					26,538	1,779					25,237	27,016

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	3,109	-	-	-	-	3,109	3,109	-	-	-	-	-	3,109
Payable to Central Depository Company of Pakistan Limited - the Trustee	1	-	-	-	-	1	1	-	-	-	-	-	1
Payable against purchase of investment	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	122	220	-	-	-	342	208	244	-	-	-	-	452
	3,232	220				3,452	3,318	244					3,562

Net financial assets

	(1,806)	(220)	-	-	-	23,086	(1,539)	(244)	-	-	-	25,237	23,454
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NAFA Islamic Active Allocation Fund Plan II

Financial assets

Bank balances	1,708	-	-	-	-	1,708	1,816	-	-	-	-	-	1,816
Investments	-	-	-	-	30,220	30,220	-	-	-	-	-	28,040	28,040
Profit receivable	23	-	-	-	-	23	23	-	-	-	-	-	23
	1,731					31,951	1,839					28,040	29,879

Financial liabilities

Payable to NBP Fund Management Limited - the management company	2,769	-	-	-	-	2,769	2,769	-	-	-	-	-	2,769
Payable to Central Depository Company of Pakistan Limited - the Trustee	1	-	-	-	-	1	1	-	-	-	-	-	1
Payable against purchase of investment	350	-	-	-	-	350	-	-	-	-	-	-	-
Accrued expenses and other liabilities	172	202	-	-	-	374	164	207	-	-	-	-	371
	3,292	202				3,494	2,934	207					3,141

Net financial assets

	(1,561)	(202)	-	-	-	28,457	(1,095)	(207)	-	-	-	28,040	26,738
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June 30, 2021							June 30, 2020						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

(Rupees in 000)

(Rupees in 000)

NAFA Islamic Active Allocation Fund Plan III

Financial assets

Bank balances	10,362	-	-	-	-	10,362	11,768	-	-	-	-	-	11,768
Investments	-	-	-	-	-	137,369	-	-	-	-	-	125,769	125,769
Profit receivable	67	-	-	-	-	67	120	-	-	-	-	-	120
	10,429	-	-	-	-	137,369	11,888	-	-	-	-	125,769	137,657

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	3,061	-	-	-	-	3,061	3,058	-	-	-	-	-	3,058
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	-	-	-	-	9	8	-	-	-	-	-	8
Payable against redemption of units	-	-	-	-	-	-	584	-	-	-	-	-	584
Accrued expenses and other liabilities	218	247	-	-	-	465	190	303	-	-	-	-	493
	3,288	247	-	-	-	3,535	3,840	303	-	-	-	-	4,143

Net financial assets

	7,141	(247)	-	-	-	137,369	8,048	(303)	-	-	-	125,769	133,514
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NAFA Islamic Active Allocation Fund Plan IV

Financial assets

Bank balances	11,213	-	-	-	-	11,213	14,280	-	-	-	-	-	14,280
Investments	-	-	-	-	-	129,799	-	-	-	-	-	126,941	126,941
Profit receivable	73	-	-	-	-	73	106	-	-	-	-	-	106
	11,286	-	-	-	-	129,799	14,386	-	-	-	-	126,941	141,327

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	58	-	-	-	-	58	63	-	-	-	-	-	63
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	-	-	-	-	9	9	-	-	-	-	-	9
Payable against purchase of investment	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable against redemption of units	-	-	-	-	-	-	20	-	-	-	-	-	20
Accrued expenses and other liabilities	272	229	-	-	-	501	242	220	-	-	-	-	462
	339	229	-	-	-	568	334	220	-	-	-	-	554

Net financial assets

	10,947	(229)	-	-	-	129,799	14,052	(220)	-	-	-	126,941	140,773
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NAFA Islamic Active Allocation Fund Plan V

Financial assets

Bank balances	6,769	-	-	-	-	6,769	15,449	-	-	-	-	-	15,449
Investments	-	-	-	-	-	73,866	-	-	-	-	-	122,726	122,726
Profit receivable	34	-	-	-	-	34	117	-	-	-	-	-	117
	6,803	-	-	-	-	73,866	15,566	-	-	-	-	122,726	138,292

Financial liabilities

Payable to NBP Fund Management Limited - the Management company	46	-	-	-	-	46	70	-	-	-	-	-	70
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	-	-	-	-	9	9	-	-	-	-	-	9
Payable against redemption of units	-	-	-	-	-	-	1,382	-	-	-	-	-	1,382
Accrued expenses and other liabilities	153	230	-	-	-	383	123	230	-	-	-	-	353
	208	230	-	-	-	438	1,584	230	-	-	-	-	1,814

Net financial assets

	6,595	(230)	-	-	-	73,866	13,982	(230)	-	-	-	122,726	136,478
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19.3 Credit risk

19.3.1 There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the investment committee.

2021		2020	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk

----- Rupees in '000 -----

NAFA Islamic Active Allocation Fund Plan I

Bank balances	1,410	1,410	1,769	1,769
Investments	25,112	-	25,237	-
Profit receivable	16	16	10	10
	26,538	1,426	27,016	1,779

NAFA Islamic Active Allocation Fund Plan II

Bank balances	1,708	1,708	1,816	1,816
Investments	30,220	-	28,040	-
Profit receivable	23	23	23	23
	31,951	1,731	29,879	1,839

NAFA Islamic Active Allocation Fund Plan III

Bank balances	10,362	10,362	11,768	11,768
Investments	137,369	-	125,769	-
Profit receivable	67	67	120	120
	147,798	10,429	137,657	11,888

NAFA Islamic Active Allocation Fund Plan IV

Bank balances	11,213	11,213	14,280	14,280
Investments	129,799	-	126,941	-
Profit receivable	73	73	106	106
	141,085	11,286	141,327	14,386

NAFA Islamic Active Allocation Fund Plan V

Bank balances	6,769	6,769	15,449	15,449
Investments	73,866	-	122,726	-
Profit receivable	34	34	117	117
	80,669	6,803	138,292	15,566



The maximum exposure to credit risk before any credit enhancement as at June 30, 2021 is the carrying amount of the financial assets.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on investments in mutual funds is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

19.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and mark-up accrued on it. The credit rating profile of bank balances and its accrued mark-up is as follows:

Rating	% of financial assets exposed to credit risk				
	NIAAP-I	NIAAP - II	NIAAP - III	NIAAP - IV	NIAAP - V
----- June 30, 2021 -----					
Banks					
AAA	0.22%	0.19%	5.84%	6.03%	6.91%
AA+	0.03%	0.03%	-	-	-
AA-	0.77%	0.08%	0.16%	0.31%	0.40%
A+	4.25%	5.01%	0.78%	0.90%	0.20%
A	-	-	-	-	-
A-	0.04%	0.02%	0.09%	-	-
	<u>5.30%</u>	<u>5.33%</u>	<u>6.87%</u>	<u>7.25%</u>	<u>7.51%</u>
Investment in mutual funds - related parties					
4 star initial	54.49%	63.51%	77.53%	79.35%	79.71%
A-(f)	40.13%	31.08%	15.43%	12.65%	11.84%
	<u>94.62%</u>	<u>94.58%</u>	<u>92.95%</u>	<u>92.00%</u>	<u>91.56%</u>

Rating	% of financial assets exposed to credit risk				
	NIAAP-I	NIAAP - II	NIAAP - III	NIAAP - IV	NIAAP - V
----- June 30, 2020 -----					
Banks					
AAA	0.76%	0.21%	-	0.68%	10.63%
AA+	0.04%	0.05%	0.17%	-	-
AA-	0.57%	0.09%	0.09%	0.57%	0.08%
A+	4.33%	5.77%	7.84%	8.55%	0.52%
A	0.03%	0.03%	-	-	-
A-	-	0.01%	-	-	-
	<u>6.58%</u>	<u>6.16%</u>	<u>8.65%</u>	<u>10.18%</u>	<u>11.26%</u>
Investment in mutual funds - related parties					
4 star initial	52.85%	-	74.27%	-	75.98%
A-(f)	40.56%	-	17.10%	-	12.77%
	<u>93.41%</u>	<u>-</u>	<u>91.37%</u>	<u>-</u>	<u>88.75%</u>

20 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.



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

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair values:

June 30, 2021			June 30, 2020		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(Rupees in 000)			(Rupees in 000)		

Financial assets

At fair value through profit or loss

- Investment in units of mutual funds
 - NIAAP I
 - NIAAP II
 - NIAAP III
 - NIAAP IV
 - NIAAP V

-	25,112	-	-	25,237	-
-	30,220	-	-	28,040	-
-	137,369	-	-	125,769	-
-	129,799	-	-	126,941	-
-	73,866	-	-	122,726	-
-	396,366	-	-	428,713	-

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'statement of movement in unit holders' fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.



22 UNIT HOLDING PATTERN OF THE FUND

Category	June 30, 2021			June 30, 2020		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total

NAFA Islamic Active Allocation Fund Plan I

Individuals	48	17,507	100%	57	17,682	100.00%
Others	-	-	-	-	-	0.00%
	48	17,507	100%	57	17,682	100%

NAFA Islamic Active Allocation Fund Plan II

Individuals	16	9,192	37.89%	19	10,311	45.46%
Retirement Funds	2	12,964	53.44%	2	10,699	47.18%
Others	1	2,101	8.67%	1	1,669	7.36%
	19	24,257	100.00%	22	22,679	100.00%

NAFA Islamic Active Allocation Fund Plan III

Individuals	34	28,321	20.48%	46	38,745	30.45%
Retirement Funds	8	83,440	60.35%	8	65,455	51.44%
Public Limited Companies	1	15,798	11.43%	1	12,467	9.80%
Others	1	10,698	7.74%	3	10,579	8.31%
	44	138,257	100.00%	58	127,246	100.00%

NAFA Islamic Active Allocation Fund Plan IV

Individuals	46	30,767	22.41%	75	44,380	32.34%
Retirement Funds	2	106,510	77.59%	3	91,226	66.48%
Others	-	-	0.00%	2	1,617	1.18%
	48	137,277	100.00%	80	137,223	100.00%

NAFA Islamic Active Allocation Fund Plan V

Individuals	87	48,648	62.14%	153	78,092	58.75%
Retirement Funds	-	-	0.00%	2	20,918	15.74%
Public Limited Companies	-	-	0.00%	1	9,072	6.82%
Others	3	29,634	37.86%	4	24,842	18.69%
	90	78,283	100.00%	160	132,924	100.00%



23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualifications	Experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	33
Mr. Sajjad Anwar	Chief Investment Officer	CFA / MBA	21
Mr. Asim Wahab Khan	Deputy Chief Investment Officer	CFA	15
Mr. Muhammad Ali Bhabha	Head of Fixed Income	CFA, MBA, FRM and MS	26
Mr. Hassan Raza	Head of Research	ACCA / BSC / CFA	10

24 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Sajjad Anwar	Fund Manager	CFA / MBA	NISF, NIAAP-VI, NIAAP-VII, NIAAP-VIII, NICPP-I NICPP-II, NICPP-III, NICPP-IV, NICPP-V, NPF & NIPF

25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 76th, 77th, 78th, 79th, 80th Board meetings were held on July 16, 2020, September 17, 2020, October 27, 2020, February 26, 2021 and April 30, 2021 respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held / Applicable	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	5	5	-	-
Mr. Saad ur Rahman Khan [note 25.1]	3	2	1	77th Meeting
Syed Hasan Irtiza Kazmi	5	5	-	-
Mr. Ali Saigol	5	5	-	-
Mr. Imran Zaffar	5	5	-	-
Mr. Khalid Mansoor	5	5	-	-
Mr. Humayun Bashir	5	5	-	-
Mr. Saad Amanullah Khan	5	5	-	-
Dr. Amjad Waheed	5	5	-	-
Ms. Mehnaz Salar [note 25.2]	2	2	-	-

25.1 Mr. Saad ur Rahman Khan resigned as Director on December 03, 2020.

25.2 Ms. Mehnaz Salar opted as Director on the Board with effect from February 03, 2021.



26 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 16, 2021.

28 GENERAL

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

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I



NBP FUNDS
Managing Your Savings

PERFORMANCE TABLE

Periods	For the year ended June 30, 2021					For the year ended June 30, 2020					For the year ended June 30, 2019					For the year ended June 30, 2018					For the year ended June 30, 2017					For the year ended June 30, 2016				
	NAFPI	NAFPI II	NAFPI III	NAFPI IV	NAFPI V	NAFPI I	NAFPI II	NAFPI III	NAFPI IV	NAFPI V	NAFPI I	NAFPI II	NAFPI III	NAFPI IV	NAFPI V	NAFPI I	NAFPI II	NAFPI III	NAFPI IV	NAFPI V	NAFPI I	NAFPI II	NAFPI III	NAFPI IV	NAFPI V	NAFPI I	NAFPI II	NAFPI III	NAFPI IV	NAFPI V
Net assets at the year/period ended (Rs.000)	17,507	2,253	18,257	19,277	78,283	17,852	22,079	12,245	19,223	12,934	146,025	4,234	378,424	248,332	352,947	97,210	40,141	809,946	534,019	87,879	70,274	728,104	1,063,536	770,055	1,777,341	851,739	702,207	1,281,651		
Net income (loss) for the year/period ended (Rs.000)	4,547	5,476	33,784	34,714	30,959	18,702	1,395	32,010	27,714	27,393	(24,301)	(6,278)	(33,041)	(9,969)	(4,747)	(82,946)	(72,388)	97,024	(0,576)	(53,627)	159,416	148,718	(82,959)	85,295	(23,808)	82,565	48,543	(1,051)		
Net Asset Value per unit at the year/period ended (Rs)	129.889	127.751	127.463	130.537	99.973	108.914	103.502	98.989	99.575	81.981	106.864	104.949	97.880	88.289	81.099	106.699	102.726	105.239	97.522	86.653	133.048	123.423	117.889	108.638	90.782	107.739	107.223	100.022		
Offer Price per unit	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Redemption Price per unit	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Et - Highest offer price per unit (Rs)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Et - Lowest offer price per unit (Rs)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Et - Highest redemption price per unit (Rs)	102.847	102.793	97.613	87.814	82.971	82.528	82.494	77.782	70.262	64.618	104.882	102.038	96.707	87.769	80.198	115.205	106.882	101.633	93.165	83.289	107.848	103.728	97.912	93.985	85.534	88.837	94.635	94.925		
Et - Lowest redemption price per unit (Rs)	100.946	100.887	95.287	86.289	81.891	81.891	81.891	78.616	72.045	16.659	102.726	103.299	97.732	88.629	82.829	132.329	122.882	116.977	107.871	98.072	107.254	99.881	97.656	100.001	101	100.000	99.789	99.915		
Operating Net of Fiscal Year	28.45%	28.65%	27.41%	28.71%	28.89%	16.05%	3.86%	14.82%	13.82%	13.82%	-9.51%	-4.08%	-3.15%	-4.25%	-4.33%	-1.97%	-1.13%	3.94%	-3.95%	-4.61%	21.03%	14.78%	17.19%	4.87%	-1.28%	0.73%	7.44%	0.08%		
Total return of the fund	22.94%	22.07%	23.31%	22.97%	22.87%	14.89%	0.88%	13.82%	12.99%	12.99%	-9.51%	-4.08%	-3.15%	-4.25%	-4.33%	-1.97%	-1.13%	3.94%	-3.95%	-4.61%	20.10%	14.78%	17.19%	4.87%	-1.28%	0.73%	7.24%	0.08%		
Capital gain	5.97%	4.27%	4.09%	3.74%	3.91%	3.00%	3.00%	13.08%	13.21%	13.21%	-	-	-	-	-	-	-	-	-	-	4.61%	8.88%	2.75%	3.81%	-	0.24%	0.24%	0.08%		
Income distribution as % of Net Asset Value	7.78%	5.93%	5.02%	4.18%	3.95%	15.47%	3.15%	12.88%	11.78%	10.27%	-	-	-	-	-	-	-	-	-	-	4.61%	8.88%	2.75%	3.81%	-	0.24%	0.24%	0.08%		
Distribution	7.78%	5.93%	5.02%	4.18%	3.95%	15.47%	3.15%	12.88%	11.78%	10.27%	-	-	-	-	-	-	-	-	-	-	4.61%	8.88%	2.75%	3.81%	-	0.24%	0.24%	0.08%		
Income distribution per unit	7.78%	5.93%	5.02%	4.18%	3.95%	15.47%	3.15%	12.88%	11.78%	10.27%	-	-	-	-	-	-	-	-	-	-	4.61%	8.88%	2.75%	3.81%	-	0.24%	0.24%	0.08%		
Fiscal distribution per unit	7.78%	5.93%	5.02%	4.18%	3.95%	15.47%	3.15%	12.88%	11.78%	10.27%	-	-	-	-	-	-	-	-	-	-	4.61%	8.88%	2.75%	3.81%	-	0.24%	0.24%	0.08%		
Distribution Dates	28Jun-21	28Jun-21	28Jun-21	28Jun-21	28Jun-21	29Jun-20	29Jun-20	29Jun-20	29Jun-20	28Jun-20	-	-	-	-	-	-	-	-	-	-	-	21Oct-20	21Oct-20	21Oct-20	21Oct-20	21Oct-20	23Sep-16	23Sep-16	23Sep-16	
Item	28Jun-21	28Jun-21	28Jun-21	28Jun-21	28Jun-21	29Jun-20	29Jun-20	29Jun-20	29Jun-20	28Jun-20	-	-	-	-	-	-	-	-	-	-	-	21Oct-20	21Oct-20	21Oct-20	21Oct-20	21Oct-20	23Sep-16	23Sep-16	23Sep-16	
Average annual return of the fund (annualized December 18, 2019)																														
Since inception to June 30, 2021	9.40%	7.75%	7.95%	6.28%	3.57%	5.64%	3.78%	3.88%	1.41%	2.28%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Since inception to June 30, 2020																														
Since inception to June 30, 2019																														
Since inception to June 30, 2018																														
Since inception to June 30, 2017																														
Since inception to June 30, 2016																														

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
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Toll Free: 0800-20002

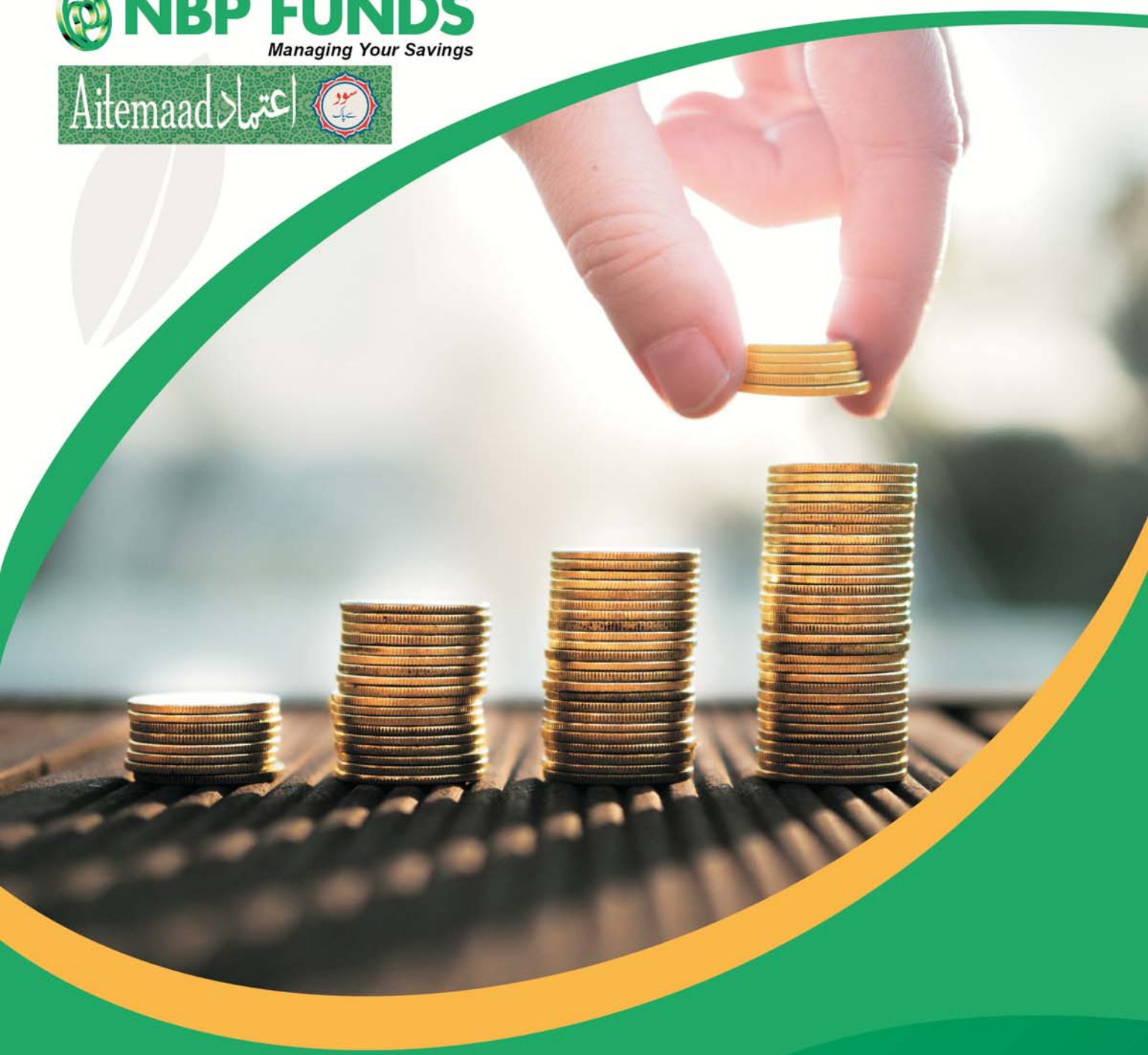
Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds



NBP
ISLAMIC MONEY MARKET
FUND

ANNUAL REPORT
2021



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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

Human Resource Committee

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

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited	Summit Bank Limited
Askari Bank Limited	United Bank Limited
Bank Al Habib Limited	Dubai Islamic Bank Limited
Faysal Bank Limited	Zarai Taraqiati Bank Limited
Habib Bank Limited	Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited	National Bank of Pakistan
JS Bank Limited	
MCB Bank Limited	
Meezan Bank Limited	



Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

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



Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Humayun Bashir
Director



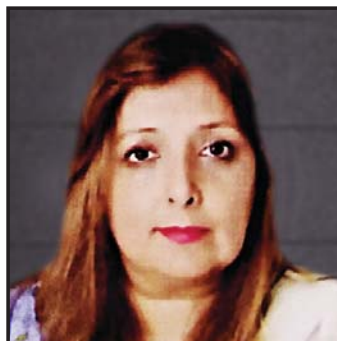
Mr. Tauqeer Mazhar
Director



Mr. Ali Saigol
Director



Mr. Saad Amanullah Khan
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director



Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Mr. Samiuddin Ahmed
Country Head Corporate Marketing



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Innovation & Strategy Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer & Company Secretary



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Asim Wahab Khan, CFA
Deputy Chief Investment Officer



Syed Sharoz Mazhar, CFA
Head of Business & Sales Strategy



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Zulfiqar Ali, CFA
Head of Business Planning and Analytics



Mr. Hassan Raza, CFA
Head of Research



Mr. Waheed Abidi
Head of Internal Audit



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Muhammad Imran, CFA, ACCA
Head of Portfolio Management



Syed Haseeb Ahmed Shah
Head of Compliance



DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Fourth Annual Report of **NBP Islamic Money Market Fund (NIMMF)** for the year ended June 30, 2021.

Fund's Performance

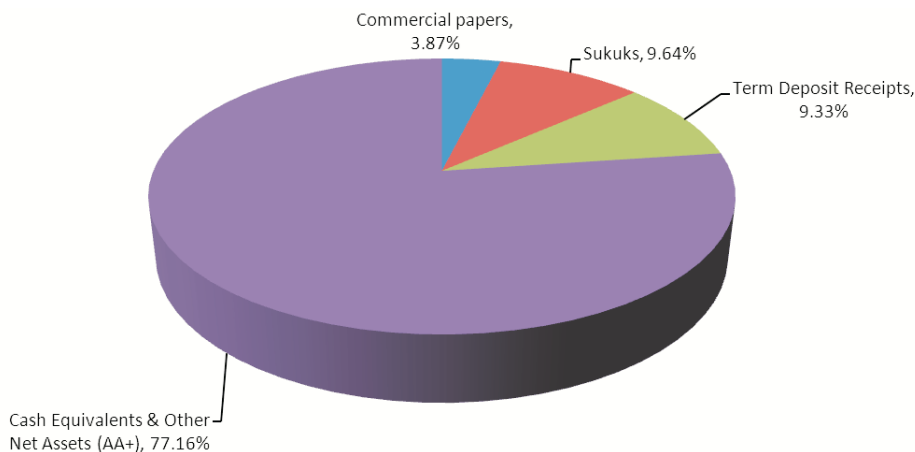
The market witnessed fresh issuance of short-term corporate sukuks and commercial papers mainly belonging to the Power sector to meet the increasing funding requirements. Inflation as measured by the CPI remained elevated at 8.9% in FY21 mainly due to surge in food prices. During FY21, the State Bank of Pakistan (SBP) held five Monetary Policy Committee (MPC) meetings and maintained the benchmark Policy Rate at 7%. Despite high inflation reading, the SBP continued with the accommodative monetary policy stance, citing significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country.

NIMMF is categorized as a Shariah Compliant Money Market Fund. The Fund aims to consistently provide better return than the profit rates offered by Islamic Banks/Islamic windows of commercial banks. Minimum eligible rating is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days while also providing easy liquidity along with a high-quality credit profile.

The size of NBP Islamic Money Market Fund has decreased from Rs. 5,886 million to Rs. 4,823 million during the period, i.e., a drop of 18%. During the said period, the unit price of the Fund has increased from Rs. 9.4626 (Ex-Div) on June 30, 2020 to Rs. 10.0504 on June 30, 2021 thus posting a return of 6.2% as compared to its Benchmark return of 3.4% for the same period. The return of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 338.44 million during the year. After deducting total expenses of Rs. 50.54 million, the net income is Rs. 287.90 million.

The asset allocation of NBP Islamic Money Market Fund as on June 30, 2021 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 6.05% of the opening ex-NAV (6.08% of the par value) during the year ended June 30, 2021.

Taxation

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



Sindh Workers' Welfare Fund (SWWF)

On August 13, 2021 provisioning against Sindh Workers' Welfare Fund by NBP ISLAMIC MONEY MARKET FUND amounting to Rs. 16.75 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP ISLAMIC MONEY MARKET FUND by 0.37% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Auditors

The present auditors, Messrs Yousuf Adil & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2022.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held five meetings during the year. The attendance of all directors is disclosed in the note 26 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 23 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2021, the Board included:



Category	Names
Independent Directors	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Syed Hasan Irtiza Kazmi 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: **September 16, 2021**

Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز NBP اسلامک منی مارکیٹ فنڈ (NIMMF) کی چوتھی سالانہ رپورٹ برائے مختتمہ سال 30 جون 2021 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

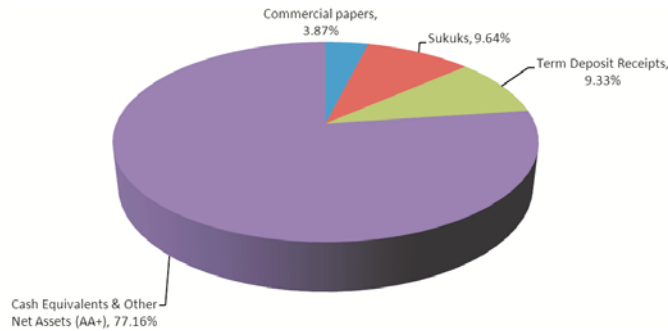
زیر جائزہ مدت کے دوران، مارکیٹ نے بجلی کے شعبہ سے متعلقہ بڑھتی ہوئی فنڈنگ ضروریات کو پورا کرنے کے لئے مختصر مدتی کارپوریٹ سٹاک اور کرنٹل سپلائی کے لئے اجراء کا مشاہدہ کیا۔ سی پی آئی (CPI) کی پیمائش کردہ افراط زر بنیادی طور پر خوراک کی قیمتوں میں اضافہ کی وجہ سے مالی سال 21 میں 8.9 فیصد تک بلند رہا۔ مالی سال 21 کے دوران اسٹیٹ بینک آف پاکستان (ایس بی پی) نے مائٹری پالیسی کمپنی (ایم بی سی) کے پانچ اجلاس منعقد کیے اور بیچ مارک پالیسی کی شرح کو 7 فیصد پر برقرار رکھا۔ افراط زر میں اضافے کے باوجود، اسٹیٹ بینک نے معیشت میں نمایاں سست روی اور معاشی بحالی کو ملک میں بڑھتے ہوئے کورونا وائرس کیسز سے پیدا ہونے والے خطرات کے حوالے سے مائٹری پالیسی کے مؤثر موقف کو جاری رکھا۔

NIMMF کی درجہ بندی بطور شریعہ مکمل شدہ منی مارکیٹ فنڈ کی گئی ہے۔ اس فنڈ کا مقصد اسلامی بینکوں / تجارتی بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے میں تو اترا سے بہتر منافع فراہم کرنا ہے۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نئی تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی، جبکہ اعلیٰ معیاری کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی فراہم کرتی ہے۔

موجودہ مدت کے دوران این بی پی اسلامک منی مارکیٹ فنڈ کا سائز 5,886 ملین روپے سے کم ہو کر 4,823 ملین روپے ہو گیا ہے یعنی 18% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 9.4626 روپے (EX-Div) سے بڑھ کر 30 جون 2021 کو 10.0504 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک 3.4% کے مقابلے میں 6.2% منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 338.44 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 50.54 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 287.90 ملین روپے ہے۔

30 جون 2021 کو NIMMF کی ایسٹ ایلوکیشن حسب ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کے 6.05% (بنیادی قدر کا 6.08%) عبوری نقد ڈیویڈنڈ منظور کیا ہے۔

ٹیکسیشن

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

سندھ ورکرز ویلفیئر فنڈ (SWWF)

مورخہ 12 اگست 2021 کو سندھ ریونیو بورڈ کی جانب سے ایک وضاحتی مراسلہ نمبر SRB/TP/70/2013/8772 میوچل فنڈ زاہبوسی ایشن آف پاکستان کو بھیجا گیا جسکی رو سے NBP اسلامک منی مارکیٹ فنڈ میں ریکارڈ کی گئی 16.75 ملین روپے ورکرز ویلفیئر فنڈ کی پروویڈنٹنگ کو 13 اگست 2021 ریورس کر دیا گیا۔ پروویڈنٹ کی اس ریورسل کے باعث NBP اسلامک منی مارکیٹ فنڈ کی NAV میں 0.37% کا غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جسکا مستقبل میں دوبارہ ہونے کا امکان نہیں ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2022 کو ختم ہونے والے سال کے لئے اپنے آپ کو دوبارہ تفرری کے لئے پیش کرتے ہیں۔

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

1. ایجنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلواور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیمپل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران ایجنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 23 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔

30 جون 2021 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں

نام	کیٹگری
1. جناب خالد منصور 2. جناب سعد امان اللہ خان 3. جناب ہمایوں بشیر	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
1. شیخ محمد عبدالواحد سیٹھی (چیرمین) 2. سید حسن ارتضیٰ کاظمی 3. محترمہ مہنا سالار 4. جناب علی سیدگل 5. جناب عمران ظفر	نان ایگزیکٹو ڈائریکٹرز



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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 16 ستمبر 2021ء

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Money Market Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 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 Operating Officer

Central Depository Company of Pakistan Limited

Karachi, September 27, 2021

FUND MANAGER REPORT

NBP Islamic Money Market Fund

NBP Islamic Money Market Fund (NIMMF) is an Open-End Shariah Compliant Money Market Fund.

Investment Objective of the Fund

To provide competitive return with maximum possible capital preservation by investing in low risk and liquid Shariah Compliant authorized instruments.

Benchmark

Three months average deposit rates of three (3) AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.

Fund Performance Review

This is the Fourth Annual report since the launch of the Fund on February 28, 2018. The Fund size decreased by 18% during the year and stands at Rs. 4,823 million as of June 30, 2021. Since its inception, the Fund has earned an annualized return of 8.3% versus the benchmark return of 3.9%, thus registering an outperformance of 4.4% p.a. During FY21, the Fund posted 6.2% return versus the benchmark return of 3.4%, thus registering an outperformance of 2.8% p.a. This outperformance is net of management fee and other expenses.

NIMMF is an Islamic Money Market Scheme with no direct or indirect exposure to the stock market. The Fund aims to consistently provide a better return than the profit rates offered by Islamic Banks/Islamic windows of commercial banks. The minimum eligible rating is AA, while the Fund is not allowed to invest in any security exceeding six months of maturity. The weighted average time to maturity of the Fund cannot exceed 90 days while also providing easy liquidity along with a high-quality credit profile.

The market witnessed fresh issuance of short-term corporate sukuks and commercial papers mainly belonging to the Power sector to meet the increasing funding requirements. Inflation as measured by the CPI remained elevated at 8.9% in FY21 mainly due to surge in food prices. During FY21, the State Bank of Pakistan (SBP) held five Monetary Policy Committee (MPC) meetings and maintained the benchmark Policy Rate at 7%. Despite high inflation reading, the SBP continued with the accommodative monetary policy stance, citing significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-21	30-Jun-20
Commercial papers	3.87%	9.70%
TFCS / Sukuks	9.64%	-
TDRs	9.33%	19.25%
Bai Muajjal	-	8.47%
Cash, Bank Placements & Other Assets	77.16	62.58%
Total	100%	100%



Distribution for the Financial Year 2021

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-21	6.08%	10.6431	10.0355

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	487
1-1000	1684
1001-5000	240
5001-10000	94
10001-50000	215
50001-100000	115
100001-500000	238
500001-1000000	44
1000001-5000000	71
5000001-10000000	3
10000001-100000000	8
Total	3199

During the period under question

There has been no significant change in the state of affairs of the Fund, other than stated in the report. NBP Islamic Money Market Fund does not have any soft commission arrangement with any broker in the industry.

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 16,078,833. If the same were not made the NAV per unit/FY21 return of scheme would be higher by Rs. 0.0335/.35%. For details, investors are advised to read note 17 of the Financial Statement of the Scheme for the year ended June 30, 2021.

On August 13, 2021, provisioning against Sindh Workers' Welfare Fund by NBP ISLAMIC MONEY MARKET FUND amounting to Rs. 16.75 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP ISLAMIC MONEY MARKET FUND by 0.37% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.



STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NBP Islamic Money Market Fund (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2021. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: **September 16, 2021**
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer



REPORT OF THE SHARI'AH SUPERVISORY BOARD

September 13, 2021/Safar 05, 1443

Alhamdulillah, the period from July 01, 2020 to June 30, 2021 was the Fourth year of the operations of NBP Islamic Money Market Fund (NIMMF). This report is being issued in accordance with clause 3.7 of the Offering Document of the Fund. The scope of the report is to express an opinion on the Shari'ah Compliance of the Fund's activity.

In the capacity of Shari'ah Supervisory Board, we have prescribed criteria and procedure to be followed in ensuring Shari'ah Compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure Shari'ah compliance with the Shari'ah policies & guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of NIMMF in light of Shari'ah guidelines.
- ii. All the provisions of the scheme and investments made on account of NIMMF by NBP Funds are Shari'ah Compliant and are in accordance with the criteria established.

On the basis of information provided by the management, nothing has come to our attention that causes us to believe that all the operations of NIMMF for the year ended June 30, 2021 are not in compliance with the Shari'ah principles.

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

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

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waqar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board



INDEPENDENT AUDITOR'S REPORT

To the unit holders of NBP Islamic Money Market Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NBP Islamic Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and NBP Fund Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How the matter was addressed in our audit
<p>Valuation and existence of investment</p> <p>Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represent a significant portion of the net assets of the Fund.</p> <p>The Fund's primary activity is, inter alia, to invest in Islamic commercial paper, sukuks, term deposits receipts and certificate of musharaka which are the main driver of the Fund's performance.</p> <p>Considering the above factors, the valuation and existence are significant areas during our audit due to which we have considered this as a key audit matter.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> obtained understanding of relevant controls placed by the Management Company applicable to the account balance; independently verified existence of investments from Central Depository " Company (CDC) account statement, bank statements and other relevant documents ; performed test of details on sale, purchase and maturity of investments on a sample basis; tested valuation of investments; and any differences identified during our testing that were over our acceptable threshold were investigated.



Information other than the financial statements and auditor's report thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management Company and Those Charged with Governance for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the



financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance of Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance of Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Nadeem Yousuf Adil**.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 30, 2021



STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2021

	Note	2021 ----- Rupees in '000 -----	2020 ----- Rupees in '000 -----
ASSETS			
Bank balances	5	3,767,594	3,742,608
Investments	6	1,101,709	2,202,102
Preliminary and floatation costs	7	360	581
Deposits, prepayment and other receivable	8	284	263
Profit accrued	9	30,530	27,032
Receivable against transfer of units	10	7,835	63,982
Total assets		4,908,312	6,036,568
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	11	10,180	10,709
Payable to Central Depository Company of Pakistan Limited - Trustee	12	286	298
Payable to the Securities and Exchange Commission of Pakistan	13	955	693
Payable against redemption of units		37,621	109,581
Accrued expenses and other liabilities	14	36,628	28,891
Total liabilities		85,670	150,172
NET ASSETS		4,822,642	5,886,396
UNIT HOLDERS' FUND (as per statement attached)		4,822,642	5,886,396
Contingencies and commitments	15		
		----- Number of units -----	
Number of units in issue	21	479,846,676	586,559,970
		----- Rupees -----	
Net asset value per unit	22	10.0504	10.0355

The annexed notes from 1 to 33 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

INCOME	2021	2020
Note	----- Rupees in '000 -----	-----
Return / profit on:		
- bank balances	186,308	310,873
- term deposit receipts	60,219	30,564
- sukuk	43,873	41,857
- commercial papers	30,507	41,891
- bai muajjal	17,533	1,973
Loss on sale of investments	-	(103)
Total income	338,440	427,055
EXPENSES		
Remuneration of NBP Asset Management Limited - Management Company	11.1 4,777	4,188
Sindh Sales Tax on remuneration of the Management Company	11.2 621	544
Reimbursement of operational expenses to the Management Company	5,579	3,466
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	12.1 3,105	2,253
Sindh Sales Tax on remuneration of the Trustee	12.2 404	293
Selling and marketing expense - Management Company	11.4 26,972	24,106
Annual fee to the Securities and Exchange Commission of Pakistan	955	693
Settlement and bank charges	262	423
Auditors' remuneration	16 499	516
Shariah advisor fee	609	507
Preliminary and floatation cost	221	221
Fund rating fee	207	212
Legal and professional charges	391	113
Annual listing fee	28	28
Printing charges	33	175
Brokerage expense	-	25
Total expenses	44,663	37,763
Net income from operating activities	293,777	389,292
Provision for Sindh Workers' Welfare Fund	17 (5,876)	(7,786)
Net income for the year before taxation	287,901	381,506
Taxation	18 -	-
Net income for the year after taxation	287,901	381,506
Earnings per unit	19	
Allocation of net income for the year		
Net income for the year after taxation	287,901	381,506
Income already paid on units redeemed	(132,387)	(311,621)
	155,514	69,885
Accounting income available for distribution:		
- Relating to capital gain	-	-
- Excluding capital gain	155,514	69,885
	155,514	69,885

The annexed notes from 1 to 33 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- Rupees in '000 -----	
Net income for the year after taxation	<u>287,901</u>	<u>381,506</u>
Total comprehensive income for the year	<u>287,901</u>	<u>381,506</u>

The annexed notes from 1 to 33 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2021

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	5,877,657	8,739	5,886,396	748,809	1,685	750,494
Issue 943,088,304 (2020: 1,774,087,279 units)						
- Capital value	9,464,363	-	9,464,363	18,179,567	-	18,179,567
- Element of income	197,739	-	197,739	503,335	-	503,335
Total proceeds on issuance of units	9,662,102	-	9,662,102	18,682,902	-	18,682,902
Redemption of 1,049,801,598 (2020: 1,262,407,545 units)						
- Capital value	(10,535,284)	-	(10,535,284)	(12,340,985)	-	(12,340,985)
- Element of loss	(98,753)	(132,387)	(231,140)	(790,679)	(311,621)	(1,102,300)
Total payments on redemption of units	(10,634,037)	(132,387)	(10,766,424)	(13,131,664)	(311,621)	(13,443,285)
Total comprehensive income for the year	-	287,901	287,901	-	381,506	381,506
Annual distribution at the rate of Nil / Unit (2020: Rs. 1.1770 / unit)	-	-	-	(422,390)	(62,831)	(485,221)
Interim distribution at the rate of Re. 0.6076 / Unit declared on June 23, 2021 (2020: Nil / Unit)	(98,653)	(148,680)	(247,333)	-	-	-
Total distribution for the year	(98,653)	(148,680)	(247,333)	(422,390)	(62,831)	(485,221)
Net assets at end of the year	4,807,069	15,573	4,822,642	5,877,657	8,739	5,886,396
Undistributed income brought forward						
- Realised		8,739			1,685	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		155,514			69,885	
Interim distribution		(148,680)			(62,831)	
Undistributed income carried forward		15,573			8,739	
Undistributed income carried forward						
- Realised		15,573			8,739	
- Unrealised		-			-	
		15,573			8,739	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			10.0355			10.0226
Net assets value per unit at end of the year			10.0504			10.0355

The annexed notes from 1 to 33 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	287,901	381,506
Adjustments		
Return / profit on bank balances	(186,308)	(310,873)
Return / profit on investments	(152,132)	(116,285)
Loss on sale of investments	-	103
Preliminary expenses and floatation costs	221	221
Provision for Sindh Workers' Welfare Fund	5,876	7,786
	(44,442)	(37,542)
Decrease / (increase) in assets		
Investments - net	417,393	(1,069,205)
Deposits, prepayment and other receivable	(21)	(65)
	417,372	(1,069,270)
Increase / (decrease) in liabilities		
Payable to the Management Company	(529)	8,476
Payable to the Trustee	(12)	191
Payable to the Securities and Exchange Commission of Pakistan	262	(235)
Accrued expenses and other liabilities	1,861	17,899
	1,582	26,331
	374,512	(1,080,481)
Return on bank balances received	186,172	298,342
Return on term deposit receipts received	61,398	26,914
Return on commercial papers received	30,507	41,891
Return on sukuks received	37,359	41,857
Return on bai muajjal received	19,506	-
Net cash generated from / (used in) operating activities	709,454	(671,477)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units	9,619,596	18,196,531
Amounts paid on redemption of units	(10,838,384)	(13,333,704)
Dividend paid	(148,680)	(62,831)
Net cash (used in) / generated from financing activities	(1,367,468)	4,799,996
Net (decrease) / increase in cash and cash equivalents during the year	(658,014)	4,128,519
Cash and cash equivalents at the beginning of the year	4,875,608	747,089
Cash and cash equivalents at the end of the year	5.3 4,217,594	4,875,608

The annexed notes from 1 to 33 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 NBP Islamic Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited [formally; NBP Fullerton Asset Management Limited] as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on January 09, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 07, 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the 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 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 Fund is an open-ended mutual fund and classified as sharia compliant "money market" scheme by the Management Company and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The objective of the Fund is to provide competitive return with maximum possible capital preservation by investing in low risk and liquid Shariah Compliant authorized instruments.

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

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Sindh Trusts Act, 2020 have been introduced. In order to fulfill the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, the Management Company has submitted Trust Deed of the Fund to Registrar (acting under Sindh Trusts Act, 2020).

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) .

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

2.2 Basis of measurement

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund. All amounts have been rounded off to the nearest thousands of Rupee, unless otherwise indicated.



2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan. It requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- (a) classification and valuation of financial instrument (note 4.2 and 6)
- (b) impairment of financial instrument (note 4.2.1.3)
- (c) provisions (note 4.6)

3 ADOPTION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS:

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments



are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4 SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

4.1 Financial assets and liabilities

4.2 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.



4.2.1 Classification and measurement

4.2.1.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the profit or loss

Business Model Assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered.



4.2.1.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories

- Measured at amortized cost (AC) ;or
- Measured at Fair value through profit or loss (FVTPL) ;or

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

The adoption of IFRS 9 does not have any impact on the Fund's accounting policies related to financial liabilities.

4.2.1.3 Impairment of financial assets

The SECP has, through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017, deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.2 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities



and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of instruments (other than debt and government securities) at amortised cost:

Subsequent to initial recognition, financial assets classified as amortised cost are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

4.2.3 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.5 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Impairment of non financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed through the Income Statement.

4.4 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Sales load collected, if any, is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.5 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the element of income / (loss) included in prices of units sold less those in units



redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.6 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of that obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.7 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the 'income statement' on the date at which the transaction takes place.
- Unrealised capital gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit / return sukuk certificates, bank balances, commercial papers and term deposits are recognized on a time proportion basis using the effective interest method.

4.8 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders (excluding distribution made by issuance of bonus units).

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.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.9 Distributions to the unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.



4.10 Expenses

All expenses including remuneration of the Fund Manager, Trustee and annual fee to the Securities and Exchange Commission of Pakistan fee are recognized in the Income Statement on an accrual basis.

4.11 Preliminary expenses and floatation costs

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

4.12 Earnings per unit

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

		2021	2020
	Note	----- Rupees in '000 -----	-----
5 BANK BALANCES			
Current accounts	5.1	16,684	11,329
Savings accounts	5.2	3,750,910	3,731,279
		<u>3,767,594</u>	<u>3,742,608</u>

5.1 These include bank balances of Rs. 1.19 million (2020: Rs. 0.198 million) maintained with Bank Islami Pakistan (related party) and of Rs. 1.39 million (2020: Nil) maintained with National Bank of Pakistan (related party).

5.2 These savings accounts carry profit at rates ranging from 6.25% to 7.16% per annum (2020: 2.50% to 14.50% per annum).

		2021	2020
	Note	----- Rupees in '000 -----	-----
5.3 CASH AND CASH EQUIVALENT			
Current accounts		16,684	11,329
Saving accounts		3,750,910	3,731,279
Term deposit receipts	6.3	450,000	1,133,000
		<u>4,217,594</u>	<u>4,875,608</u>

6 INVESTMENTS

At fair value through profit or loss

Commercial papers	6.1	186,709	570,770
Sukuks	6.2	465,000	-
Term deposit receipts	6.3	450,000	1,133,000
Bai muajjal	6.4	-	498,332
		<u>1,101,709</u>	<u>2,202,102</u>



6.1 Commercial papers

Name of the investee company	Note.	Face value				Carrying value as at June 30, 2021	Carrying value as at June 30, 2020
		As at July 01, 2020	Placements during the year	Sales / matured during the year	As at June 30, 2021		
----- Rupees in '000' -----							
K-Electric		550,000	-	550,000	-	-	536,300
K-Electric		35,000	-	35,000	-	-	34,470
K-Electric		-	82,000	82,000	-	-	-
K-Electric		-	35,000	35,000	-	-	-
K-Electric		-	480,000	480,000	-	-	-
K-Electric		-	115,000	115,000	-	-	-
K-Electric		-	19,000	19,000	-	-	-
K-Electric	6.1.1	-	20,000	-	20,000	19,657	-
K-Electric	6.1.1	-	60,000	-	60,000	58,556	-
K-Electric	6.1.1	-	110,000	-	110,000	108,496	-
		585,000	921,000	1,316,000	190,000	186,709	570,770
Total Cost of Placements		888,550					
Market value as at June 30, 2021		186,709					

6.1.1 Significant terms and conditions of commercial papers outstanding as at June 30, 2021 are as follows:

Particulars	Profit/ profit rates	Issue date	Maturity date	Face value	Carrying value	Carrying value as a % of net assets	Carrying value as a % of total investment
----- Rupees in '000' ----- % -----							
K-Electric	8.07%	March 02, 2021	September 02, 2021	110,000	108,496	2.25%	9.85%
K-Electric	8.48%	March 16, 2021	September 16, 2021	20,000	19,657	0.41%	1.78%
K-Electric	8.23%	April 19 ,2021	October 19, 2021	60,000	58,556	1.21%	5.32%
				190,000	186,709		

6.2 Sukuks

Name of the investee company	Number of certificates				Market value as at June 30, 2021	Investment as a percentage of	
	As at July 01, 2020	Purchases during the year	Disposals / matured during the year	As at June 30, 2021		Net assets	Market value of total investments
Rupees '000 ----- % -----							
All sukuks have a face value of Rs. 100,000 each .							
HUB Power Company Limited	-	6,750	6,750	-	-	0.00%	0.00%
Kot Addu Power Company	-	2,500	2,500	-	-	0.00%	0.00%
HUB Power Company	-	4,650	-	4,650	465,000	9.64%	42.21%
Carrying value as at June 30, 2021					465,000		



6.2.1 Significant terms and conditions of sukuk outstanding as at June 30, 2021 are as follows:

Name of security	Total Face Value	Face value (unredeemed)	Profit rate (per annum)	Issue Date	Maturity Date
-----Rupees '000'-----					
HUB Power Company Limited	465,000	465,000	6 month KIBOR + 1.00%	May 05, 2021	November 05, 2021

6.3 Term deposit receipts

Name of the investee company	Note.	Carrying Value				Carrying Value as at June 30, 2020
		As at July 01, 2020	Purchases during the year	Sold / matured during the year	As at June 30, 2021	
----- Rupees in '000 -----						
UBL Ameen Islamic Banking		1,133,000	-	1,133,000	-	1,133,000
United Bank Limited		-	250,000	250,000	-	-
United Bank Limited		-	67,000	67,000	-	-
UBL Ameen Islamic Banking		-	8,000	8,000	-	-
UBL Ameen Islamic Banking		-	9,500	9,500	-	-
UBL Ameen Islamic Banking		-	250,000	250,000	-	-
UBL Ameen Islamic Banking		-	255,000	255,000	-	-
UBL Ameen Islamic Banking		-	218,000	218,000	-	-
UBL Ameen Islamic Banking		-	250,000	250,000	-	-
UBL Ameen Islamic Banking		-	209,000	209,000	-	-
UBL Ameen Islamic Banking		-	54,000	54,000	-	-
UBL Ameen Islamic Banking		-	220,000	220,000	-	-
UBL Ameen Islamic Banking		-	47,000	47,000	-	-
UBL Ameen Islamic Banking		-	209,000	209,000	-	-
UBL Ameen Islamic Banking		-	250,000	250,000	-	-
UBL Ameen Islamic Banking		-	50,000	50,000	-	-
UBL Ameen Islamic Banking		-	700,000	700,000	-	-
Dubai Islamic Bank Pakistan Limited		-	670,000	670,000	-	-
UBL Ameen Islamic Banking		-	129,000	129,000	-	-
UBL Ameen Islamic Banking		-	51,000	51,000	-	-
UBL Ameen Islamic Banking		-	200,000	200,000	-	-
UBL Ameen Islamic Banking		-	261,000	261,000	-	-
Dubai Islamic Bank Pakistan Limited		-	670,000	670,000	-	-
UBL Ameen Islamic Banking		-	166,000	166,000	-	-
Dubai Islamic Bank Pakistan Limited		-	35,000	35,000	-	-
UBL Ameen Islamic Banking		-	463,000	463,000	-	-
UBL Ameen Islamic Banking		-	235,000	235,000	-	-
UBL Ameen Islamic Banking		-	12,000	12,000	-	-
UBL Ameen Islamic Banking		-	465,000	465,000	-	-
UBL Ameen Islamic Banking		-	248,000	248,000	-	-
UBL Ameen Islamic Banking	6.3.1	-	450,000	-	450,000	-
		1,133,000	7,101,500	7,784,500	450,000	1,133,000
Face value as at June 30, 2021					450,000	



6.3.1 Significant terms and conditions of term deposits receipts outstanding as at June 30, 2021 are as follows:

Particulars	Profit / profit rates	Issue date	Maturity Date	Carrying value	Carrying value as a % of net assets	Carrying value as a % of total investment
Rupees in '000						
UBL Ameen Islamic Banking	6.90%	June 03, 2021	July 03, 2021	450,000	9.33%	40.85%

6.4 Bai Muajjal

This represents the sale of K-Electric Commercial Papers as Bai Muajjal to Pak Burnie Investment Company Limited on June 10, 2020 and on June 11, 2020 (having face value of Rs. 300 Million and Rs. 113 Million). These carried profit rates of 7.60% and were matured on September 10, 2020.

7	PRELIMINARY AND FLOATATION COSTS	Note	2021 Rupees in '000	2020
	Preliminary expenses and floatation costs at beginning of the year	7.1	581	802
	Less: amortisation during the year		(221)	(221)
	Closing balance		<u>360</u>	<u>581</u>

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund and are being amortised over a period of five years commencing from March 01, 2018 as per the requirements set out in the Trust Deed of the Fund.

8	DEPOSITS, PREPAYMENT AND OTHER RECEIVABLE	2021 Rupees in '000	2020
	Security deposit with Central Depository Company of Pakistan Limited	100	100
	Mutual fund rating fee	114	93
	Advanced tax	70	70
		<u>284</u>	<u>263</u>

9 PROFIT ACCRUED

Profit accrued on:

- bank balances	21,545	21,409
- sukuks	6,514	-
- bai muajjal	-	1,973
- term deposit receipts	2,471	3,650
	<u>30,530</u>	<u>27,032</u>

10 RECEIVABLE AGAINST TRANSFER OF UNITS

This includes amounts receivable to the Fund from other collective investment schemes being managed by the Management Company of the Fund. These amounts are receivable in respect of units transferred by various unit holders based on their request for transfer of units from the other collective investment schemes to the Fund.



11	PAYABLE TO MANAGEMENT COMPANY	Note	2021	2020
			Rupees in '000	
	Remuneration of the Management Company	11.1	389	406
	Sindh Sales Tax on remuneration of the Management Company	11.2	51	53
	Sales load		1,900	1,978
	Sindh Sales Tax on sales load	11.2	247	257
	Operational charges	11.3	1,475	981
	Selling and marketing expense	11.4	5,899	6,883
	ADC charges and Sindh Sales Tax on ADC charges		68	-
	Other payable		151	151
			10,180	10,709

11.1 Under the provisions of the NBFC Regulations, the Management Company of the Fund was entitled to a remuneration during the first five years of a Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets provided that Management Company may charge performance based or fixed fee or the combination of both which shall not exceed the limit prescribed in the NBFC Regulations and such fee structure shall be disclosed in the offering document.

During the year, the Management Company has charged management remuneration as follows:

- 0.5% per annum on the daily income of the Fund from April 23, 2019 until July 11, 2020
- 1% per annum on the daily income of the Fund subject to minimum 0.1% as average of NAV and maximum 1% of average NAV, applicable from July 12, 2020 onwards

For the purpose of above calculation, daily net income is equals to gross income minus all expenses of the Fund excluding management remuneration and related sales tax thereon.

11.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2020: 13%) on remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

11.3 As per regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the scheme. Accordingly, the Management Company has charged 0.1% till October 26, 2020 and then revised it on October 27, 2020 to 0.125% of daily NAV of the Fund.

11.4 SECP through its Circular No. 11 of 2019 dated July 5, 2019, has removed cap of 0.4% on all open end funds (except "Fund of Funds"). In addition to the requirement of Board approval, now these expenses to be paid to AMC on reimbursement basis and subject to approval of the Trustee.

In pursuance of the above circular the Fund has charged 0.7% from July 01, 2020 to October 26, 2020, thereafter, it has been charged at 0.5% of daily NAV of the Fund.

12	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2021	2020
			Rupees in '000	
	Remuneration of the Trustee	12.1	253	264
	Sindh Sales Tax on remuneration of the Trustee	12.2	33	34
			286	298



- 12.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per tariff specified therein, based on the net assets of the Fund. The remuneration is payable to the Trustee monthly in arrears.

During the year, Trustee has charged its fee 0.065% per annum of net assets.

- 12.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2020: 13%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

13 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

- 13.1** Under the provisions of the NBFC Regulations, a collective investment scheme categorised as "Shariah compliant money market scheme" is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02% of the average annual net assets of the Fund. The fee is paid annually in arrears.

14 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2021	2020
		----- Rupees in '000 -----	
Auditors' remuneration		479	514
Provision for Sindh Workers' Welfare Fund	17	16,079	10,203
Withholding tax		15,903	6,930
Capital gain tax		3,204	10,412
Legal and professional charges		242	104
Bank charges		26	32
Printing charges		58	108
Payable to Broker		-	25
Settlement Charges		15	15
Shariah advisor fee		622	520
Others		-	28
		36,628	28,891

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2021 and as at June 30, 2020.

16 AUDITORS' REMUNERATION	2021	2020
	----- Rupees in '000 -----	
Annual audit fee	345	315
Review Fee	135	126
Out of pocket expenses and sales tax	19	75
	499	516

17 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Supreme Court of Pakistan (SCP) passed a judgment on November 10, 2016, deciding that amendments made through the Finance Acts through which WWF was levied, are unlawful, as such are not in nature of tax; therefore, it could not be introduced through the money bill. However, the Federal Board of Revenue has filed a review petition in the SCP against the said judgment, which is pending for hearing in the SCP.

In 2017, MUFAP recommended to its members that effective from January 12, 2017, Workers' Welfare Fund (WWF) recognized earlier should be reversed in light of the decision made by the Supreme Court of Pakistan and Sindh Workers' Welfare Fund (SWWF) should be recognized effective from May 21, 2015.



MUFAP also communicated the above-mentioned decisions to the Securities and Exchange of Commission (SECP) through its letter dated January 12, 2017, and the SECP through its letter dated February 01, 2017 affirmed above decisions.

As at June 30, 2021, the provision in relation to SWWF amounted to Rs. 16.079 million (2020: 10.203 million). Had the provision not being made, the Net Asset Value per unit as at June 30, 2021 would have been higher by Rs. 0.0335 (2020: Rs. 0.174) per unit.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

18 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund has distributed such accounting income for the year ended June 30, 2021 to its unit holders. Accordingly, no provision in respect of taxation has been made in these 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.

19 EARNINGS PER UNIT

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

20 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the year divided by average net asset value for the year) is 0.89% per annum including 1.06% representing government levies on Collective Investment Schemes such as sales tax and Securities and Exchange Commission of Pakistan fee for the year.

	2021	2020
	----- Number of Units -----	
21 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	586,559,970	74,880,236
Add: units issued during the year	943,088,304	1,774,087,279
Less: units redeemed during the year	(1,049,801,598)	(1,262,407,545)
Total units in issue at the end of the year	479,846,676	586,559,970

22 NET ASSET VALUE PER UNIT

The net asset value per unit as disclosed in the statement of assets and liabilities is calculated by dividing the



net assets of the Fund by the number of units in issue at the year end.

23 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 23.1** Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 23.2** The transactions with connected persons and related parties are carried at agreed terms.
- 23.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 23.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

	2021	2020
	----- Rupees in '000 -----	
23.5 Details of transactions with connected persons are as follows:		
NBP Fund Management Company		
Remuneration of the Management Company	4,777	4,188
Sindh Sales Tax on Management Company's remuneration	621	544
Operational expenses	5,579	3,466
Selling and marketing expense - Management Company	26,972	24,106
Sales load and transfer load	1,822	2,612
ADC Charges and Sindh Sales Tax on ADC charges	158	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	3,105	2,253
Sindh Sales Tax on Remuneration of the Trustee	404	293
CDC settlement charges	30	7
Employees of the Management Company		
Dividend re-invest units issued 48,820 units (2020: 63,171 units)	490	633
Units issued / transferred in: 42,603,120 units (2020: 32,288,739 units)	435,898	338,770
Units redeemed / transferred out: 45,265,032 units (2020: 25,397,759 units)	465,211	270,991
CDC Trustee NAFA Islamic Capital Preservation Plan-1 - (Common Management)		
Units issued / transferred in: 2,638,884 units (2020: 13,301,995 units)	26,488	133,071
Unit redeemed / transferred out: 9,843,413 units (2020: 67,678,446 units)	100,140	705,795
CDC Trustee Nafa Islamic Capital Preservation Plan-II (Common Management)		
Units Issued / Trasferred In 7,313,900 units	74,441	-
Units Redeemed / Transferred Out 3,073,832 units	32,350	-



	2021	2020
	----- Rupees in '000 -----	
CDC Trustee Nafa Islamic Capital Preservation Plan-III (Common Management)		
Units Issued / Trasferred In 6,685,643 units	67,629	-
Units Redeemed / Transferred Out 1,756,800 units	18,437	-
CDC Trustee Nafa Islamic Capital Preservation Plan-IV (Common Management)		
Units Issued / Trasferred In 5,212,472 units	52,711	-
Units Redeemed / Transferred Out 1,296,567 units	13,545	-
CDC-Trustee Nbp Islamic Capital Preservation Plan-V (Common Management)		
Units Issued / Trasferred In 5,916,145 units	59,834	-
Units Redeemed / Transferred Out 1,466,359 units	15,283	-
Hub Power Company (Common Directorship with the Management Company)		
Sukuk Purchased	1,140,000	560,000
Sukuk income	33,356	41,857
CDC Trustee NBP Riba Free Savings Fund (Common Management)		
Commercial Paper Purchased	-	201,131
CDC Trustee NBP Financial Sector Income Fund (Common Management)		
Commercial Paper Purchased	-	305,515
Pakistan Stock Exchange (Common Directorship with the Management Company)		
Annual listing fee paid	28	28
CDC Trustee NBP Islamic Mahana Amdani Fund (Common Management)		
Commercial Paper Sold	342,518	-
Sukuk Sold	519,788	-
CDC Trustee NBP Islamic Daily Dividend Fund (Common Management)		
Commercial Paper Sell	240,173	-
CDC Trustee NBP Islamic Income Fund		
Commercial Paper Purchased	184,736	-
Commercial Paper Sold	39,428	-
Fauji Fertilizer Company Limited (Common Directorship with the Management Company)		
Dividend re-invested / units issued: 31 units (2020: Nil units)	-	-
Units issued / transferred in: 832 units (2020: 37,525,416 units)	8	380,000
Unit redeemed / transferred out: Nil units (2020: 37,525,416 units)	-	384,335



	2021	2020
	----- Rupees in '000 -----	
Portfolio managed by Management Company		
Dividend Re-invest Units Issued 515,649 units (2020: 207,440 units)	5,176	2,080
Units issued / transferred in: 44,218,708 units (2020: 30,201,811 units)	445,204	189,494
Unit redeemed / transferred out: 36,968,453 units (2020: 2,276,411 units)	375,604	25,494
CDC Trustee Nafa Islamic Principal Preservation Fund (Common Management)		
Units Issued / transferred In 1,223,868 units	12,287	-
23.6 Amounts outstanding as at year end are as follows:		
NBP FUND Management Limited		
Remuneration of the Management Company	389	406
Sindh Sales Tax payable on remuneration of the Management Company	51	53
Operational expenses	1,475	981
Sales load	1,900	1,978
Sindh Sales Tax and Federal Excise Duty on sales load	247	257
ADC charges and Sindh Sales Tax on ADC charges	68	-
Selling and marketing expense	5,899	6,883
Other Payable	151	1,251
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	253	264
Sindh Sales tax Remuneration payable	33	34
CDC Charges	15	1
Security deposit	100	100
Employees of Management Company		
Investment held in the Fund: 4,075,064 Units (2020: 718,454 units)	40,956	7,210
CDC Trustee NAFA Islamic Capital Preservation Plan-1 - (Common Management)		
Investment held in the Fund: 5,981,867 units (2020: 13,186,397 units)	60,120	132,332
CDC Trustee NAFA Islamic Capital Preservation Plan-II - (Common Management)		
Investment held in the Fund: 4,240,068 units	42,614	-
CDC Trustee NAFA Islamic Capital Preservation Plan-III - (Common Management)		
Investment held in the Fund: 4,928,844 units	49,537	-
CDC Trustee NAFA Islamic Capital Preservation Plan-IV - (Common Management)		
Investment held in the Fund: 3,915,905 units	39,356	-



2021 2020
----- Rupees in '000 -----

**CDC-Trustee NBP Islamic Capital Preservation Plan-V
(Common Management)**

Investment held in the Fund: 4,449,786 units 44,722 -

Portfolio Managed by Management Company

Investment held in the Fund: 24,923,849 units (2020: 16,615,027 units) 250,495 166,740

**CDC Trustee NAFA Islamic Principal Preservation Fund
(Common Management)**

Investment held in the Fund: 1,223,868 units 12,300 -

National Bank of Pakistan - Parent of the Management Company

Bank balances 1,398 -

**BankIslami Pakistan Limited (Common Directorship
with the Management Company)**

Bank balances 1,192 199

24 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No.	Name	Qualifications	Experience in years
1	Dr. Amjad Waheed	Doctorate in Business Administration, MBA and CFA	33
2	Mr. Sajjad Anwar	CFA and MBA	21
3	Mr. Asim Wahab Khan	CFA	26
4	Mr. Muhammad Ali Bhabha	CFA, MBA, FRM and MS	15
5	Mr. Hassan Raza	ACCA, BSC and CFA	10

24.1 Mr. Muhammad Ali Bhabha is the manager of the Fund. Other Funds being managed by the Fund manager are as follows:

- NBP Active Allocation Riba Free Savings Fund
- NBP Financial Sector Income Fund
- NBP Money Market Fund
- NBP Government Securities Plan I
- NBP Government Securities Savings Fund
- NBP Government Securities Liquid Fund
- NBP Islamic Daily Dividend Fund
- NBP Islamic Mahana Amdani Fund
- NBP Islamic Income Fund
- NBP Income Opportunity Fund
- NBP Mahana Amdani Fund
- NBP Riba Free Savings Fund
- NBP Islamic Savings Fund
- NBP Savings Fund



25 PATTERN OF UNIT HOLDING

Category	As at June 30, 2021		
	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
	Rupees in '000		
Individuals	3,082	2,044,378	42.39%
Associated Companies and Directors	-	-	0.00%
Insurance Companies	2	77,155	1.59%
Bank and DFIs	-	-	0.00%
NBFCs	6	248,650	5.15%
Retirement Funds	57	1,149,078	23.82%
Public Limited Companies	3	182	0.00%
Others	49	1,303,199	27.02%
	3,199	4,822,642	100%

Category	As at June 30, 2020		
	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
	(Rupees in '000)		
Individuals	1,356	3,283,102	55.77%
Insurance companies	5	202,654	3.44%
Non banking finance companies	3	342,722	5.82%
Retirement funds	27	559,626	9.50%
Public listed companies	1	165	0.00%
Others	29	1,498,128	25.45%
	1,421	5,886,396	100%

26 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 76th, 77th, 78th, 79th, 80th Board meetings were held on July 16, 2020, September 17, 2020, October 27, 2020, February 26, 2021 and April 30, 2021 respectively. Information in respect of attendance by directors in the meetings is given below:

Name of the Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	5	5	-	-
*Mr. Saad ur Rahman Khan	3	2	1	77th Meeting
Syed Hasan Irtiza Kazmi	5	5	-	-
Mr. Ali Saigol	5	5	-	-
Mr. Imran Zaffar	5	5	-	-
Mr. Khalid Mansoor	5	5	-	-
Mr. Humayun Bashir	5	5	-	-
Mr. Saad Amanullah Khan	5	5	-	-
Dr. Amjad Waheed	5	5	-	-
**Ms. Mehnaz Salar	2	2	-	-



* Mr. Saad ur Rahman Khan resigned as Director on December 03, 2020.

** Ms. Mehnaz Salar was appointed as Director on the Board with effect from February 03, 2021.

27 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2021			
	At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----			
Financial assets			
Bank balances	3,767,594	-	3,767,594
Investment	-	1,101,709	1,101,709
Profit accrued	30,530	-	30,530
Security Deposit	100	-	100
Receivable against transfer of units	7,835	-	7,835
	3,806,059	1,101,709	4,907,768
Financial liabilities			
Payable to the Management Company	10,180	-	10,180
Payable to Central Depository Company of Pakistan Limited - Trustee	286	-	286
Payable against redemption of units	37,621	-	37,621
Accrued expenses and other liabilities	1,442	-	1,442
Net assets attributable to redeemable units	4,822,642	-	4,822,642
	4,872,171	-	4,872,171
As at June 30, 2020			
	At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----			
Financial assets			
Bank balances	3,742,608	-	3,742,608
Investment	-	2,202,102	2,202,102
profit accrued	27,032	-	27,032
Security Deposit	100	-	100
Receivable against transfer of units	63,982	-	63,982
	3,833,722	2,202,102	6,035,824
Financial liabilities			
Payable to the Management Company	10,709	-	10,709
Payable to Central Depository Company of Pakistan Limited - Trustee	298	-	298
Payable against redemption of units	109,581	-	109,581
Accrued expenses and other liabilities	1,346	-	1,346
Net assets attributable to redeemable units	5,886,396	-	5,886,396
	6,008,330	-	6,008,330



28 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

28.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan and Investment Committee.

Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

28.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

28.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

(a) Sensitivity analysis for variable rate instruments

As at June 30, 2021, the Fund holds balance in saving accounts exposing the Fund to interest rate risk. In case of 100 basis points increase / decrease in bank profit rates as on June 30, 2021, the net assets of the Fund would have been higher / lower by approximately Rs. 37.51 million (2020: 37.31 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

(b) Sensitivity analysis for fixed rate instruments

The Fund holds Commercial paper and Term deposit receipts that expose the Fund to fair value interest rate risk as at June 30, 2021. In case of 100 basis points increase/decrease in coupon rate on June 30, 2021, with all other variables held constant, the net assets of the Fund of the Fund as at and net income for the year would have been higher/lower by Rs. 1.08 million (2020: Rs. 0.744 million).

Interest rate sensitivity position for on balance sheet financial instruments based on the earlier of contractual repricing or maturity date and for off balance sheet instruments based on settlement date is as follows:



As at June 30, 2021

Yield / Profit rate	Total	Exposed to yield / profit rate risk			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
On-balance sheet financial instruments	%	----- Rupees in '000 -----			
Financial assets					
Balances with banks	6.25 - 7.16	3,767,594	3,750,910	-	16,684
Investment		1,101,709	1,101,709	-	-
Mark up accrued		30,530	-	-	30,530
Deposit		100	-	-	100
Receivable against transfer of units		7,835	-	-	7,835
		4,907,768	4,852,619	-	55,149
Financial liabilities					
Payable to the Management Company		10,180	-	-	10,180
Payable to the Trustee		286	-	-	286
Accrued expenses and other liabilities		1,442	-	-	1,442
Payable against redemption of units		37,621	-	-	37,621
Net assets attributable to redeemable units		4,822,642	-	-	4,822,642
		4,872,171	-	-	4,872,171
On-balance sheet gap		35,597	4,852,619	-	(4,817,022)
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-

As at June 30, 2020

Yield / profit rate	Total	Exposed to yield / profit rate risk			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
On-balance sheet financial instruments	%	----- Rupees in '000 -----			
Financial assets					
Balances with banks	2.5 - 14.50	3,742,608	3,731,279	-	11,329
Investment		2,202,102	2,202,102	-	-
Mark up accrued		27,032	-	-	27,032
Deposit		100	-	-	100
Receivable against transfer of units		63,982	-	-	63,982
		6,035,824	5,933,381	-	102,443
Financial liabilities					
Payable to the Management Company		10,709	-	-	10,709
Payable to the Trustee		298	-	-	298
Accrued expenses and other liabilities		1,346	-	-	1,346
Payable against redemption of units		109,581	-	-	109,581
Net assets attributable to redeemable units		5,886,396	-	-	5,886,396
		6,008,330	-	-	6,008,330
On-balance sheet gap		27,494	5,933,381	-	(5,905,887)
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-



28.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all instruments traded in the market. Presently, the Fund is not exposed to equity price risk as the Fund does not hold any equity securities as at June 30, 2021 (2020: Nil).

28.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances, profit accrued receivable on investment, bank balances and other receivables. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by the investment Committee) require the Fund to invest in debt securities that have been rated by a well known rating agency. The risk of default is considered minimal due to inherent systematic measures taken therein. Therefore, the Fund does not expect to incur material credit losses on its financial assets.

The Fund's significant credit risk arises mainly on account of its placements with banks. The credit rating profile of balances with banks is as follow:

Bank balances by rating category	June 30, 2021	June 30, 2020
AAA	99.934%	98.11%
AA+	0.002%	0.02%
AA-	0.00%	1.42%
AA	0.03%	0.42%
A+	0.03%	0.00%
Suspended	0.00%	0.14%

The maximum exposure to credit risk before any credit enhancement is as follows:

	June 30, 2021		June 30, 2020	
	Amount of financial assets	Maximum Exposure	Amount of financial assets	Maximum Exposure
----- Rupees in '000 -----				
Balances with banks	3,750,910	3,750,910	3,731,279	3,731,279
Profit accrued	30,530	30,530	27,032	27,032
Deposits	214	214	193	193
	3,781,654	3,781,654	3,758,504	3,758,504

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby, mitigating any significant concentrations of credit risk.



28.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

----- June 30, 2021 -----			
Total	Upto three months	Over three months and upto one year	Over one year

----- Rupees in '000 -----

Financial liabilities

Payable to the Management Company	10,180	10,180	-	-
Payable to the Trustee	286	286	-	-
Accrued expenses and other liabilities	1,442	1,442	-	-
Payable against redemption of units	37,621	37,621	-	-
Net assets attributable to redeemable units	4,822,642	4,822,642	-	-
	<u>4,872,171</u>	<u>4,872,171</u>	<u>-</u>	<u>-</u>

----- June 30, 2020 -----			
Total	Upto three months	Over three months and upto one year	Over one year

----- Rupees in '000 -----

Financial liabilities

Payable to the Management Company	10,709	10,709	-	-
Payable to the Trustee	298	298	-	-
Accrued expenses and other liabilities	1,346	1,346	-	-
Payable against redemption of units	109,581	109,581	-	-
Net assets attributable to redeemable units	5,886,175	5,886,175	-	-
	<u>6,008,109</u>	<u>6,008,109</u>	<u>-</u>	<u>-</u>

29 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.



Fair value hierarchy

- **Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- **Level 3** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

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.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		Carrying Value			Fair Value			
		Fair value through profit & loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
June 30, 2021	Note	----- Rupees in '000 -----						
Financial assets measured at fair value								
Commercial papers	6	186,709	-	186,709	-	186,709	-	186,709
Term deposit receipts	6	450,000	-	450,000	-	450,000	-	450,000
Sukuks	6	465,000	-	465,000	-	465,000	-	465,000
		<u>1,101,709</u>	<u>-</u>	<u>1,101,709</u>	<u>-</u>	<u>636,709</u>	<u>-</u>	<u>636,709</u>
Financial assets not measured at fair value								
Bank balances	5	-	3,767,594	3,767,594	-	-	-	-
Profit accrued	9	-	30,530	30,530	-	-	-	-
Deposit and other receivable	8	-	214	214	-	-	-	-
Receivable against conversion of units		-	7,835	7,835	-	-	-	-
		<u>-</u>	<u>3,806,173</u>	<u>3,806,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Payable to the Management Company	11	-	10,180	10,180	-	-	-	-
Remuneration payable to the trustee	12	-	286	286	-	-	-	-
Accrued expenses and other liabilities	14	-	1,442	1,442	-	-	-	-
Payable against redemption of units		-	37,621	37,621	-	-	-	-
Net assets attributable to redeemable units			4,822,642	4,822,642	-	-	-	-
		<u>-</u>	<u>4,872,171</u>	<u>4,872,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



	Carrying Value			Fair Value				
	Fair value through profit & loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total	
June 30, 2020	----- Rupees in '000 -----							
Financial assets measured at fair value								
Commercial papers	6	570,770	-	570,770	-	570,770	-	570,770
Term deposit receipts	6	1,133,000	-	1,133,000	-	1,133,000	-	1,133,000
Bai Muajjal	6	498,332	-	498,332	-	498,332	-	498,332
		<u>2,202,102</u>	<u>-</u>	<u>2,202,102</u>	<u>-</u>	<u>2,202,102</u>	<u>-</u>	<u>2,202,102</u>
Financial assets not measured at fair value								
Bank balances	5	-	3,742,608	3,742,608	-	-	-	-
Profit accrued	9	-	27,032	27,032	-	-	-	-
Deposit and other receivable	8	-	193	193	-	-	-	-
Receivable against conversion of units		-	63,982	63,982	-	-	-	-
		<u>-</u>	<u>3,833,815</u>	<u>3,833,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Payable to the Management Company	11	-	10,709	10,709	-	-	-	-
Remuneration payable to the trustee	12	-	298	298	-	-	-	-
Accrued expenses and other liabilities	14	-	1,321	1,321	-	-	-	-
Payable against redemption of units		-	109,581	109,581	-	-	-	-
Net assets attributable to redeemable units		-	5,886,175	5,886,175	-	-	-	-
		<u>-</u>	<u>6,008,084</u>	<u>6,008,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

29.1 The Fund has not disclosed the fair values for these financial assets (other than investment) and for financial liabilities, as these are either short term in nature or are repriced periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

30 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown in the statement of movement in unit holders' fund.

The Fund has no restrictions on the issuance and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 28, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests which would be augmented by disposal of investments where necessary.

31 INCOME ALREADY PAID ON REDEMPTION OF UNITS

Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance).



Distribution of income by collective investment schemes includes (a) the income already distributed upon redemption of units and (b) the remaining amount of income distributed by way of cash dividend.

Open end mutual funds continuously offer issuance and redemption of units at prevailing Net Assets Value (NAV) applicable at the time of offer and redemption. The unit-holder who invests in the open end mutual fund during the year and redeems during the same year has effectively taken his due share of income for the year and the differential amount (proceeds received less original investment) is and should be treated as "distribution of profit". In case of unit holder who existed at the beginning of the year and makes redemption during the year, the amount representing his due share of income from the current year's income is and should be considered as "distribution of profit".

In assessment for Tax Year 2018, the said exemption has been denied by The Additional Commissioner – Audit (AC), on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income as per criteria envisaged under Clause 99 of Part 1 of the Second Schedule of the Ordinance and AC due to commented that the distribution by the Fund fell short of 90% distribution threshold.

During the year income tax order was passed for tax year 2018 dated January 13, 2021 through which a tax demand of Rs. Rs. 7,398,900, was raised by the concerned Additional Commissioner Inland Revenue (ACIR) of Federal Board of Revenue (FBR). In response to the order, the Fund have filed appeal with commissioner dated February 10, 2021, which is pending before commissioner appeal inland revenue.

The Fund have also obtained stay from the Hon'ble High Court of Sindh (SHC) dated February 12, 2021 against recovery of impugned tax demand. In its judgment, SHC held that since the subject matter is pending before commissioner appeal inland revenue, the recovery of impugned demand will not be enforced till the final decision of appeal.

Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open end mutual fund.

The Management Company has also filed representation to the Chairman FBR under section 7 of FBR, ACT, 2007, in response to which a letter dated February 25, 2021 was issued by Revenue Division of FBR which states that the subject matter was referred to ICMAP, ICAP and SECP for their expert opinion and all three referees have expressed identical opinions, holding that the payments of income on redemption are to be construed as 'distribution of profits'. In view of the same, FBR has advised concerned ACIR to decide the issue in view of the legal position narrated in this letter.

Based on the above facts, the Management company believes that the Fund have distributed required amount of income to be eligible for tax exemption under clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 and hence, no provision for taxation is required to be made in the these financial statements.

32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 16, 2021.

33 GENERAL

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



PERFORMANCE TABLE

Particulars	For the Year Ended June 30, 2021	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019	For the Year Ended June 30, 2018
Net assets at the year / period ended (Rs '000)	4,822,642	5,886,396	750,493	1,518,654
Net income for the year / period ended (Rs '000)	287,901	381,506	93,790	24,663
Net Asset Value per unit at the year / period ended (Rs)	10.0504	10.0355	10.0226	10.1518
Offer Price per unit at year end	10.1640	10.0922	10.0792	10.2092
Redemption Price per unit at year end	10.0504	10.0355	10.0226	10.1518
Highest offer price per unit (Rs)	10.5665	10.0922	10.0792	10.2092
Lowest offer price per unit (Rs)	9.5177	8.9728	9.3269	10.0000
Highest redemption price per unit (Rs)	10.0504	10.0355	10.0226	10.1518
Lowest redemption price per unit (Rs)	9.4642	8.9728	9.2716	10.0000
Opening Nav of Fiscal Year	9.4626	8.9695	10.0000	10.0000
Total return of the fund	6.21%	11.85%	8.15%	1.52%
Capital growth	0.16%	0.11%	0.45%	0.00%
Income distribution as a % of ex nav	6.05%	11.74%	7.70%	1.52%
Income distribution as a % of par value	6.08%	11.77%	7.70%	1.52%
Distribution				
Interim distribution per unit	0.6076	1.1767	0.7702	-
Final distribution per unit	-	-	-	0.1518
Distribution Dates				
Interim	-	-	29-Jan-19	-
Interim	-	-	27-Feb-19	-
Interim	-	-	29-Mar-19	-
Interim	-	-	26-Apr-19	-
Interim	-	-	30-May-19	-
Interim	23-Jun-21	24-Jun-20	24-Jun-19	-
Final	-	-	-	4-Jul-18
Average annual return of the fund (launch date February 28, 2019)				
(Since inception to June 30, 2021)	8.30%			
(Since inception to June 30, 2020)		9.20%		
(Since inception to June 30, 2019)			7.25%	
(Since inception to June 30, 2018)				4.50%
Portfolio Composition (Please see Fund Manager Report)				
Weighted average portfolio duration	16 Days	24 Days	1 Days	1 Days

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up

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