



NBP FUNDS

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NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

**QUARTERLY
REPORT**
March 31, 2018



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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NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Formerly: NBP Fullerton Asset Management Limited (NAFA)

Board of Directors of the Management Company

Mr. Mudassir Husain Khan	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tariq Jamali	Director
Mr. Abdul Hadi Palekar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Dr. Foo Chiah Shiung (Kelvin Foo)	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Tariq Jamali	Member
Dr. Foo Chiah Shiung (Kelvin Foo)	Member
Mr. Humayun Bashir	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Abdul Hadi Palekar	Member
Mr. Humayun Bashir	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Tariq Jamali	Member
Mr. Shehryar Faruque	Member
Dr. Foo Chiah Shiung (Kelvin Foo)	Member

Trustee

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

Bankers to the Fund

Bank Islami Pakistan Limited
Habib Bank Limited
United Bank Limited
Dubai Islamic Bank Limited
Silk Bank Limited
Al Baraka Bank (Pakistan) Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Soneri Bank Limited
Bank Al-Habib Limited

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

Auditors

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

Legal Advisor

M/s Jooma Law Associates
205, E.I. Lines, Dr. Daudpota Road,
Karachi.

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:

Plot No. 395, 396
Industrial Area, I-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

1st Floor, Haji Tehmas Centre,
Near KFC, Tehkal Payan
University Road, Peshawar.
Phone: 92-91-5711784, 5711782
Fax: 92-91-5211780

Multan Office:

NBP City Branch, Hussain-a-Gah, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited (Formerly; NBP Fullerton Asset Management Limited) is pleased to present the unaudited financial statements of **NAFA Active Allocation Riba Free Savings Fund (NAARFSF)** for the period ended March 31, 2018.

Fund's Performance

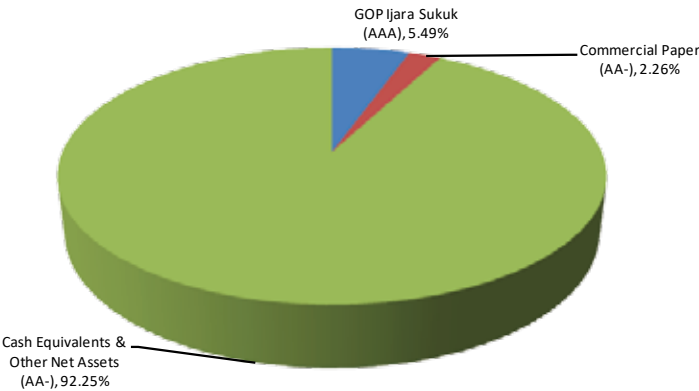
The size of NAFA Active Allocation Riba Free Savings Fund has increased from Rs. 955 million to Rs. 1,784 million during the period (i.e. a notable growth of 87%). During the period, the unit price of the Fund has increased from Rs. 10.0154 on June 30, 2017 to Rs. 10.3036 on March 31, 2018, thus showing return of 3.8% as compared to the benchmark return of 2.5% for the same period. The performance of the Fund is net of management fee and all other expenses. The Fund has been assigned a stability rating of 'A- (f)' by PACRA.

NAARFSF is an Islamic Income Scheme. The Fund aims to consistently generate a better return than profit rates offered by Islamic banks/Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is allowed to invest in Shariah Compliant Government Securities of maturity upto 3 years as well as Shariah Compliant money market and debt securities of upto 2 years maturity rated AA- or better.

During the period under review, in its bi-monthly monetary policy review in January 2018, State Bank of Pakistan (SBP) increased the policy rate and discount rate by 25 basis points to 6.00% and 6.50%, respectively. After remaining range bound, sovereign yields responded to the recent increase in the policy rates and expectation of more to come in the near future. During the period under review, yields on T-bills for 3-month, 6-month, and 12-month, tenors increased by 41 basis points, 57 basis points, 71 basis points, respectively. Expecting upside risks to inflation and interest rates, investors' preference remained tilted toward short tenors.

The primary market for corporate Sukuks remained under-supplied against the large demand. In the secondary market, the trading activity in the corporate Sukuk remained thin. Prices of GoP Sukuk moved down with corresponding increase in yields by 120-182 basis points for different Ijara issues.

The Fund has earned total income of Rs.68.44 million during the period. After deducting expenses of Rs.22.58 million, the net income is Rs.45.86 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NAARFSF:



NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

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
(Formerly; NBP Fullerton Asset Management Limited)

Chief Executive Office

Director

Date: April 30, 2018

Place: Karachi.

ڈائریکٹر رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ سابقہ (NBP فلٹرن ایسیٹ مینجمنٹ لمیٹڈ) کے بورڈ آف ڈائریکٹرز بصدِ مسرت 31 مارچ 2018 کو ختم ہونے والی مدت کے لئے NAFA ایکٹیو ایلوکیشن ریفارفری سیونگز فنڈ (NAARFSF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

NAFA ایکٹیو ایلوکیشن ریفارفری سیونگز فنڈ کا سائز اس مدت کے دوران 955 ملین روپے سے بڑھ کر 1,784 ملین روپے ہو گیا ہے، یعنی 87% کا خاطر خواہ اضافہ زیر جائزہ مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2017 کو 10.0154 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2018 کو 10.3036 روپے تک پہنچ چکی ہے، لہذا اس مدت کے دوران 2.5% منجج مارک منافع کے مقابلے میں 3.8% منافع درج کروایا۔ یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کی طرف سے (f)-A مستحکم ریٹنگ دی گئی ہے۔

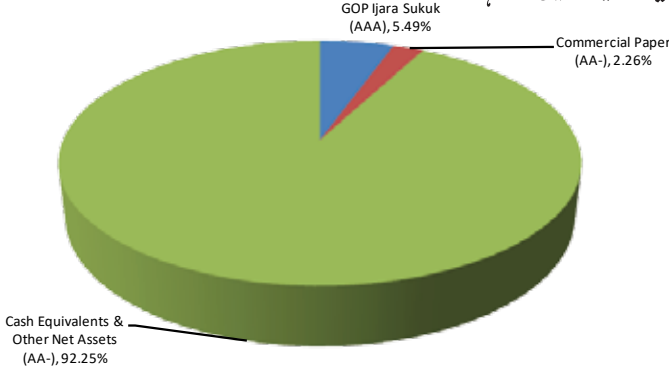
NAARFSF ایک اسلامک انکم اسکیم ہے۔ فنڈ کا مقصد اسلامی بینکوں / تجارتی بینکوں کی اسلامی ونڈز کی پیش کردہ منافع کی شرحوں کے مقابلے میں توازن سے بہتر منافع فراہم کرنا ہے، جبکہ اعلیٰ کوالٹی کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔ فنڈ کو شریعت کی پاسداری کرنے والے حکومتی تمسکات جو 3 سالہ پرواجب الادا ہوں اور شریعت کی پاسداری کرنے والے بازار زور اور قرضی تمسکات جو 2 سال پرواجب الادا ہوں جن کی کم از کم درجہ بندی-AA یا اس سے اوپر ہو، میں سرمایہ کاری کی اجازت ہے۔

زیر جائزہ مدت میں اسٹیٹ بینک آف پاکستان (SBP) کی جنوری 2018 میں اپنی دو ماہ کی مانیٹری پالیسی میں پالیسی ریٹ اور ڈسکاؤنٹ ریٹ میں 25 پیس پوائنٹس کے اضافے سے انھیں بالترتیب 6.00% اور 6.50% تک پہنچا دیا ہے۔ بقیہ ریٹج کے محدود ہونے کے بعد (Sovereign) منافع نے حالیہ پالیسی ریٹس میں اضافے اور مستقبل قریب میں مزید اضافے کی توقع کا رد عمل ظاہر کیا۔ زیر جائزہ مدت کے دوران میں 3 ماہ، 6 ماہ اور 12 ماہ کیلئے T-Bill کے منافع میں بالترتیب 41 پیس پوائنٹس، 57 پیس پوائنٹس اور 71 پیس پوائنٹس کا اضافہ ہوا۔ افراط زر اور شرح سود سے متعلقہ بڑھتے ہوئے خدشات کی بنا پر سرمایہ کاروں کی ترجیح کا جھکاؤ مختصر مدت کی طرف رہا۔

کارپوریٹ Sukuks کی ابتدائی مارکیٹ نے بڑی طلب کے مقابلے میں کم فراہمی کا مظاہرہ کیا۔ ثانوی مارکیٹ میں کارپوریٹ Sukuks میں تجارتی سرگرمیاں بھی کم رہیں۔ مختلف اجارہ جات کے اجراء کے باعث نتائج میں 120-182 پیس پوائنٹس اضافہ ہوا اور اس کے مطابق حکومت پاکستان کے Sukuks نیچے آ گئے۔

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

فنڈ نے اس مدت کے دوران 68.44 ملین روپے آمدنی کمائی ہے۔ 22.58 ملین روپے اخراجات منہا کرنے کے بعد خالص آمدنی 45.86 ملین روپے ہے۔ درج ذیل چارٹ NAARFSF کی ایسیٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



اظہار تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجمنت کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہار تشکر کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ منجمنت لمیٹڈ

(سابقہ: NBP فلٹرن ایسیٹ منجمنت لمیٹڈ)

ڈائریکٹر

چیف ایگزیکٹو آفیسر

بتاریخ

30 اپریل 2018

بمقام: کراچی

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT March 31, 2018

	Note	(Un-audited) March 31, 2018	Audited June 30, 2017
------(Rupees in 000)-----			
ASSETS			
Balances with banks		1,641,193	852,862
Investments	4	138,281	100,670
Profit receivable		11,244	6,403
Prepayments and other receivables		1,068	1,027
Preliminary expenses and floatation costs		560	710
Total assets		1,792,346	961,672
LIABILITIES			
Payable to the Management Company		4,081	3,614
Payable to the Central Depository Company of Pakistan Limited - Trustee		241	170
Payable to the Securities and Exchange Commission of Pakistan		892	623
Accrued expenses and other liabilities		2,724	1,803
Total liabilities		7,938	6,210
NET ASSETS		1,784,408	955,462
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,784,408	955,462
CONTINGENCIES AND COMMITMENTS	7		
-----Number of units-----			
NUMBER OF UNITS IN ISSUE		173,182,182	95,399,191
------(Rupees)-----			
NET ASSET VALUE PER UNIT		10.3036	10.0154

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Formerly; NBP Fullerton Asset Management Limited)
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

	Note	Nine Months Ended		Quarter ended	
		March 31,		March 31,	
		2018	2017	2018	2017
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
INCOME					
Profit on balances with banks		66,420	35,313	22,780	12,922
Income on GoP Ijarah Sukuk		3,934	-	1,268	-
Income on Commercial Paper		751	-	751	-
Unrealised (diminution) on re-measurement of investments at 'fair value through profit or loss' - net	4.1	(2,670)	-	(1,940)	-
Total income		68,435	35,313	22,859	12,922
EXPENSES					
Remuneration of the Management Limited		14,861	7,554	5,107	2,800
Sindh Sales Tax on remuneration of the Management Company		1,932	982	664	364
Accounting and operational charges		1,189	604	409	224
Remuneration of the Trustee		1,644	1,027	556	379
Sindh Sales Tax on remuneration of the Trustee		214	133	73	49
Annual fee of the Securities and Exchange Commission of Pakistan		892	453	307	168
Amortisation of preliminary expenses and floatation costs		150	150	50	50
Provision for Sindh Workers' Welfare Fund - previous years		-	151	-	151
Auditors' remuneration		166	350	28	103
Legal and professional charges		17	29	-	16
Mutual fund rating fee		151	137	45	45
Shariah advisor fee		360	307	140	128
Settlement and bank charges		64	28	3	27
Total operating expenses		21,640	11,905	7,382	4,504
Net income from operating activities		46,795	23,408	15,477	8,418
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		-	2,386	-	13,314
Provision For Sindh Workers' Welfare Fund	5	(936)	(516)	(310)	(516)
Net income for the period before taxation		45,859	25,278	15,167	21,216
Taxation	8	-	-	-	-
Net income for the period after taxation		45,859	25,278	15,167	21,216
Allocation of net income for the period					
Net income / (loss) for the period after taxation		45,859	25,278	15,167	21,216
Income already paid on units redeemed		(29,558)	-	(19,701)	-
		16,301	25,278	(4,534)	21,216
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		16,301	-	-	-
		16,301	-	-	-

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

	Nine Months Ended March 31,		Quarter ended March 31,	
	2018	2017	2018	2017
	------(Rupees in '000)-----		------(Rupees in '000)-----	
Net income for the period after taxation	45,859	25,278	15,167	21,216
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>45,859</u>	<u>25,278</u>	<u>15,167</u>	<u>21,216</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Nine Months Ended March 31, 2018			Nine Months Ended March 31, 2017		
	---(Rupees in '000)---			---(Rupees in '000)---		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period (audited)	953,270	2,192	955,462	995,742	1,565	997,307
Issuance of 306,839,957 units (2017: 207,151,048 units)						
- Capital value (at net asset value per unit at the beginning of the period)	3,073,125	-	3,073,125			
- Element of income	45,462	-	45,462			
Total proceeds on issuance of units	3,118,587	-	3,118,587	2,070,803	31,178	2,101,981
Redemption of 229,056,965 units (2017: 214,629,368 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(2,294,097)	-	(2,294,097)			
- Element of loss	(11,845)	(29,558)	(41,403)			
Total payments on redemption of units	(2,335,500)	(29,558)	(2,335,500)	(2,146,286)	(28,792)	(2,175,078)
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	-	-	-	-	(2,386)	(2,386)
Total comprehensive income for the period	-	45,859	45,859	-	25,278	25,278
Distribution during the period	-	-	-	-	(1,499)	(1,499)
Net income for the period less distribution	-	45,859	45,859	-	23,779	23,779
Net assets at end of the period (un-audited)	1,736,357	18,493	1,784,408	5,212,831	25,344	945,603
Undistributed income brought forward						
- Realised income		1,522			1,565	
- Unrealised income		670			-	
		2,192			1,565	
Accounting income available for distribution						
- Relating to capital gains		-				
- Excluding capital gains		16,301				
Net income for the period after taxation		-			25,278	
Distribution during the period		-			(1,499)	
Undistributed income carried forward		18,493			25,344	
Undistributed income carried forward						
- Realised income		21,163			25,344	
- Unrealised loss		(2,670)			-	
		18,493			25,344	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		10.0154			10.0157	
Net assets value per unit at end of the period		10.3036			10.2676	

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Nine month ended	
	March 31, 2018	March 31, 2017
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	45,859	25,278
Adjustments:		
Unrealised diminution on re-measurement of investments at 'fair value through profit or loss' - net	2,670	
Amortisation of preliminary expenses and floatation costs	150	150
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	-	(2,386)
	48,679	23,042
(Increase) in assets		
Profit receivable	(4,841)	(5,565)
Investments	(40,281)	-
Prepayments and other receivables	(41)	-
	(45,163)	(5,565)
Increase in liabilities		
Payable to Management company	467	1,020
Payable to the Trustee	71	109
Payable to the Securities and Exchange Commission of Pakistan	269	223
Accrued expenses and other liabilities	921	968
	1,728	2,320
Net cash generated from operating activities	<u>5,244</u>	<u>19,797</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Total proceeds on issuance of units	3,118,587	2,761,981
Total payments on redemption of units	(2,335,500)	(2,175,078)
Distributions paid	-	(1,499)
Net cash generated from financing activities	<u>783,087</u>	<u>585,404</u>
Net increase in cash and cash equivalents during the period	<u>788,331</u>	<u>605,201</u>
Cash and cash equivalents at the beginning of the period	852,862	336,226
Cash and cash equivalents at the end of the period	<u><u>1,641,193</u></u>	<u><u>941,427</u></u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

**For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Active Allocation Riba Free Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited (Formerly; NBP Fullerton Asset Management Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 03, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP), under the Non-Banking Finance Companies and Notified entities Regulations, 2008 (the NBFC Regulations).

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

The Fund has been categorised as an Open-End "Shariah Compliant Income Scheme" as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant banks deposits and money market / debt securities.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM1 to the Management Company as at December 08, 2017 and a rating of A-(f) to the Fund as at July 12, 2017.

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

The Fund commenced its operations from January 18, 2016. As per the offering document only fund of funds managed by NBP Fund Management Limited (Formerly NBP Fullerton Asset Management Limited) may subscribe for units of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2017.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2018.

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

3 ACCOUNTING POLICIES

The accounting policies, basis of accounting estimates applied and method of computation adopted in the preparation of this condensed interim financial information and financial risk management objectives and policies are the same as those applied in the preparation of the financial statements of the Fund for the year ended June 30, 2017 except as explained in note 3.1.

- 3.1 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income 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 revised regulations also specify that 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 asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the amended regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the amended regulations.

Previously, an equalization account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealized appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognized in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as allowed by the SECP vide their email to MUFAP dated February 8, 2018. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the profit of the Fund would have been higher by Rs. 4.059 million net off charge for SWWF in respect of element of income / loss and consequently NAV per unit would have been lower by Rs. 0.0005 . However, the change in accounting policy does not have any impact on the 'Cash Flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4	INVESTMENTS	Note	(Un-Audited) March 31, 2018	(Audited) June 30, 2017
			----- Rupees in '000 -----	
	Financial assets 'at fair value through profit or loss' - net			
	Government Securities - GoP Ijarah Sukuk	4.1	98,000	100,670
	Investments - 'loans and receivables'			
	Commercial Papers	4.2	40,281	-
			<u>138,281</u>	<u>100,670</u>

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

4.1 Government Securities - GoP Ijarah Sukuk

Issue date	Coupon rate / tenor	Number of certificates				Market value as at March 31, 2018	Investment as a	
		As at July 1st 2017	Purchased during the period	Matured during the period	As at March 31, 2018		Net assets	Market value of total investment
						(Rupees in '000)%
June 30, 2017	5.24%							
	June 30, 2020	20,000	-	-	20,000	98,000	5.49%	70.87%
Carrying value as at Mar 31, 2018						<u>100,670</u>		
Unrealised Loss on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net as at Mar 31, 2018						<u>(2,670)</u>		

- 4.2 This represents Commercial Paper (Salam) issued by Hascol Petroleum Limited which has been purchased during the period, carrying yield of KIBOR + 1.25% per annum maturing on June 29, 2018. As at March 31, 2018, Commercial Paper represented 2.26% of the total net assets of the Fund.

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

The Fund, being prudent, recognised provision for SSWWF amounting to Rs. 1.856 million for the period ended March 31, 2018 in this condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2018 would have been higher by Rs. 0.0107 per unit (June 30, 2017: Rs. 0.0096 per unit).

6 TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 1.90 % per annum including 0.34 % representing government levies on collective investment scheme such as sales tax, sindh worker's welfare fund and SECP fee for the period.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 or June 30, 2017.

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 period, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision for taxation has been made in this condensed interim financial information.

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.

9 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 9.1 Connected persons include NBP Fund Management Limited (Formerly; NBP Fullerton Asset Management Limited) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Alexandra Fund Management Pte. Limited being the sponsors, employee benefit and contribution plans of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company. These also include any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

- 9.2 Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 9.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 9.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

		(Un-Audited)	
		Nine months ended	
		March 31, 2018	March 31, 2017
9.5	Details of transactions with connected persons are as follows:		
	NBP Fund Management Limited (Formerly; NBP Fullerton Asset Management Limited)		
	- Management Company		
	Remuneration of the Management Company	14,861	7,554
	Sindh sales tax on remuneration of the Management Company	1,932	982
	Accounting and operational charges	1,189	604
	BankIslami Pakistan Limited		
	Profit on balance with the bank	19,319	-
	NAFA Islamic Active Allocation Fund-I (Plan I)		
	Units issued during the period 45,498,212 units (2017: 18,142,002 units)	462,260	184,396
	Units redeemed during the period 40,196,727 units (2017: 19,827,872 units)	410,933	201,183
	Cash dividend	-	296
	NAFA Islamic Active Allocation Fund-I (Plan II)		
	Units issued during the period 32,417,984 units (2017: 12,803,902 units)	328,428	130,292
	Units redeemed during the period 19,578,324 units (2017: 21,541,449 units)	200,249	219,001
	Cash dividend	-	292
	NAFA Islamic Active Allocation Fund-I (Plan III)		
	Units issued during the period 46,952,554 units (2017: 43,977,411 units)	477,087	443,311
	Units redeemed during the period 26,244,435 units (2017: 94,406,670 units)	267,068	951,868
	Cash dividend	-	911
	NAFA Islamic Active Allocation Fund- I (Plan IV)		
	Units issued during the period 24,047,002 units (2017: 55,133,926 units)	243,891	557,982
	Units redeemed during the period 10,510,693 units (2017: 45,177,830 units)	107,241	459,026
	Cash dividend	-	-
	NAFA Islamic Active Allocation Fund-I (Plan V)		
	Units issued during the period 55,584,367 units (2017: 77,093,807 units)	567,076	786,000
	Units redeemed during the period 46,414,046 units (2017: 33,675,546 units)	473,935	344,000
	NAFA Islamic Active Allocation Fund-II (Plan VI)		
	Units issued during the period 24,940,149 units (2017: Nil units)	254,739	-
	Units redeemed during the period 40,655,285 units (2017: Nil units)	412,392	-
	NAFA Islamic Active Allocation Fund- II (Plan VII)		
	Units issued during the period 18,768,208 units (2017: Nil units)	189,600	-
	Units redeemed during the period 10,956,487 units (2017: Nil units)	111,193	-
	NAFA Islamic Active Allocation Fund- II (Plan VIII)		
	Units issued during the period 58,631,482 units (2017: Nil units)	595,506	-
	Units redeemed during the period 34,500,967 units (2017: Nil units)	352,489	-
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	1,644	1,027
	Sindh sales tax on remuneration of Trustee	214	133

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

9.6 Amounts / balances outstanding as at period end:

	Un-audited March 31, 2018	Audited June 30, 2017
	----- Rupees in '000 -----	
NBP Fund Management Limited (Formerly; NBP Fullerton Asset Management Limited)		
- Management Company		
Remuneration of the Management Company	2,017	1,016
Sindh sales tax on remuneration of the Management Company	262	132
Federal excise duty on remuneration of the Management Company	612	612
Preliminary expenses and floatation costs	-	1,000
Accounting and operational charges	1,189	831
Other payable	-	23
NAFA Islamic Active Allocation Fund - I (Plan I)		
Units held 12,930,317 units (June 30, 2017 :7,628,832 units)	133,229	76,406
NAFA Islamic Active Allocation Fund - I (Plan II)		
Units held 18,462,988 units (June 30, 2017:5,623,329 units)	190,235	56,320
NAFA Islamic Active Allocation Fund - I (Plan III)		
Units held 33,110,652 units (June 30, 2017:12,402,534 units)	341,159	124,216
NAFA Islamic Active Allocation Fund - I (Plan IV)		
Units held 20,536,897 units (June 30, 2017: 7,000,588 units)	211,604	70,114
NAFA Islamic Active Allocation Fund - I (Plan V)		
Units held 38,644,686 units (June 30, 2017 : 29,474,366 units)	398,179	295,198
NAFA Islamic Active Allocation Fund - II (Plan VI)		
Units held 17,554,406 units (June 30, 2017 : 33,269,542 units)	180,874	333,208
NAFA Islamic Active Allocation Fund - II (Plan VII)		
Units held 7,811,721 units (June 30, 2017 : Nil units)	80,489	-
NAFA Islamic Active Allocation Fund - II (Plan VIII)		
Units held 24,130,515 units (June 30, 2017 : Nil units)	248,631	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	209	150
Sindh sales tax on remuneration of Trustee	29	20
BankIslami Pakistan Limited		
Balance with bank	982,381	6,047
Profit receivable	5,043	533

10 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 30, 2018 by the Board of Directors of the Management Company of the Fund.

11 GENERAL

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

11.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. There have been no significant reclassification during the period except for the impact of change in accounting policies.

**For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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