

**AM1**  
Rated by PACRA



NBP Fullerton  
Asset Management Ltd.  
A Subsidiary of  
National Bank of Pakistan

## NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

**HALF YEARLY**  
**REPORT**  
**December 31, 2017**



*Your investments & "NAFA" grow together*




**NBP**

**FULLERTON FUND  
MANAGEMENT**

*Joint - Venture Partners*

MISSION  
STATEMENT



To rank in the top quartile  
in performance of  
**NAFA 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 Fullerton Asset Management Limited – Management Company

### 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
Ms. Anupama Sawhney*	Director

*\* SECP's approval is in process*

### 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

### Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Abdul Hadi Palekar	Member
Ms. Anupama Sawhney*	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: 111-111NFA (111-111-632),  
(Toll Free): 0800-20001,  
Fax: (021) 35825329  
Website: [www.nafafunds.com](http://www.nafafunds.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-Gahi, Multan.  
Phone No: 061-4502204  
Fax No: 061-4502203

# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the reviewed financial statements of **NAFA Active Allocation Riba Free Savings Fund (NAARFSF)** for the half year ended December 31, 2017.

### Fund's Performance

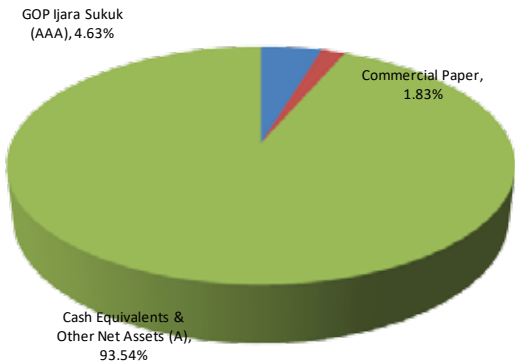
The size of NAFA Active Allocation Riba Free Savings Fund has increased from Rs. 955 million to Rs. 2,168 million during the period, a significant rise of 127%. The unit price of the Fund has increased from Rs. 10.0154 on June 30, 2017 to Rs. 10.2111 on December 31, 2017, thus showing a return of 3.9% 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.

NAARFSF is an Islamic Income Scheme with no direct or indirect exposure to the stock market and corporate sukuks. The stability rating of the Fund by PACRA is 'A- (f)', which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile. The maturity of any single instrument except GOP Ijarah Sukuks cannot exceed six months.

State Bank of Pakistan (SBP) pursued accommodative monetary policy stance and left the policy rate unchanged at 5.75% during the period under review. SBP cited the following reasons to support its policy: a) strong economic activity corroborated by pick up in industrial output; b) gains in production of major crops; c) growth in private sector credit off-take; d) improvement in export growth; e) notable increase in foreign direct investments; and f) CPEC related investment activity gathering pace. SBP also highlighted gathering risks to the external account emanating from expected increase in commodity/global oil prices, confluence of declining remittances and mounting external debt levels (that may imperil the near to medium-term sustainability of the BoP position). Owing to stable policy rate and significant liquidity injections by the SBP, sovereign yields remained flat during the period with investors' preference tilted towards short tenors considering upside risks to inflation and interest rates.

With a pickup in private sector investment activity, we have seen increased issuance of shariah compliant corporate debt securities, during the period. Trading activity in corporate Sukuks increased with a cumulative trade value of around Rs. 2.2 billion as compared to Rs. 1.5 billion during the same period last year.

The Fund has earned total income of Rs.45.58 million during the period. After deducting expenses of Rs.14.88 million, the net income is Rs.30.70 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 Fullerton Asset Management Limited

Chief Executive

Director

Date: February 22, 2018

Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فلٹرین ایسیٹ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصدِ مسرت 31 دسمبر 2017ء کو ختم ہونے والی ششماہی کے لیے INAFA ایکٹیو ایلوکیشن ربا فری سیونگز فنڈ (NAARFSF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

INAFA ایکٹیو ایلوکیشن ربا فری سیونگز فنڈ کا سائز اس مدت کے دوران 955 ملین روپے سے بڑھ کر 2,168 ملین روپے ہو گیا ہے، یعنی 127% کا خاطر خواہ اضافہ۔ فنڈ کے یونٹ کی قیمت 30 جون 2016 کو 10.0154 روپے (Ex-Div) سے بڑھ کر 31 دسمبر 2017 کو 10.2111 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے دوران 2.5% شیٹ مارک منافع کے مقابلے میں 3.9% منافع درج کروایا۔ یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NAARFSF ایک اسلامک انکم اسکیم ہے جس کا اسٹاک مارکیٹ اور کارپوریٹ سکوک سے کوئی براہ راست یا بالواسطہ تعلق نہیں ہے۔ فنڈ کو PACRA کی طرف سے (f-A) سٹیبلٹی ریٹنگ دی گئی ہے، جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ فنڈ کا مقصد اسلامک بینکس / کمرشل بینکس کی اسلامک ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے میں توازن سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔ کسی بھی واحد انسٹرومنٹ کی میچورٹی، ماسوائے حکومت پاکستان کے اجارہ سکوک، 6 ماہ سے تجاوز نہیں کر سکتی۔

اسٹیٹ بینک آف پاکستان (SBP) نے مفاہمتی مانیٹری پالیسی جاری رکھی اور زیرِ جائزہ مدت کے دوران پالیسی کی شرح کو 5.75% برقرار رکھا۔ SBP نے اپنی پالیسی کی حمایت میں درج ذیل وجوہات بیان کیں: (ا) مضبوط معاشی سرگرمی، جس کی تصدیق صنعتی پیداوار میں اضافہ سے ہوتی ہے (ب) بڑی فصلوں کی بھرپور پیداوار (ج) نجی شعبہ کے قرضے جات میں اضافہ (د) برآمدات کے اضافے میں بہتری (ر) غیر ملکی براہ راست سرمایہ کاری میں نمایاں اضافہ اور (س) چین پاکستان اقتصادی راہداری (CPEC) سے متعلق سرمایہ کاری کی سرگرمیوں کا مسلسل فروغ۔ SBP نے بیرونی اکاؤنٹس کے بارے میں ان خدشات کی بھی نشاندہی کی جو کموڈٹی / آئل کی قیمتوں میں عالمی سطح پر اضافہ اور اس کے ساتھ ساتھ زرمبادلہ کی ترسیلات میں کمی اور بیرونی قرضہ جات کے بڑھتے ہوئے حجم کے باعث پیدا ہو رہے ہیں (جس سے توازن ادائیگی کی مستقبل قریب سے وسط مدت کیلئے صورتحال غیر مستحکم ہو سکتی ہے)۔ چنانچہ مستحکم شرح پالیسی اور SBP کی جانب سے نمایاں طور پر لیکویڈیٹی داخل کرنے سے اس مدت میں بالائی نتائج میں کوئی کمی بیشی نہیں ہوئی اور سرمایہ کاروں نے افراط زر اور شرح سود میں بڑھتے ہوئے خدشات کے پیش نظر قلیل المدت سرمایہ کاری کو ترجیح دی۔

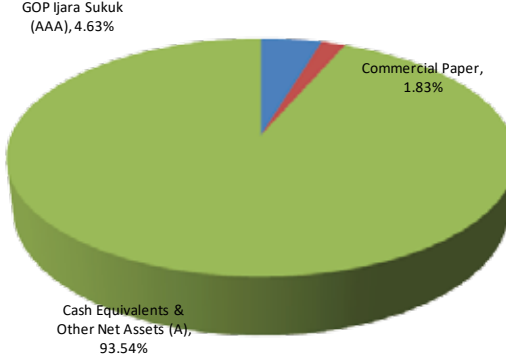
نجی شعبہ میں سرمایہ کاری کی سرگرمیوں کے فروغ سے اس مدت میں شرعیہ پر مبنی کارپوریٹ قرضہ کی سیکورٹیز کے اجراء میں اضافہ دیکھنے میں آیا۔ کارپوریٹ Sukuks کی تجارتی سرگرمیوں میں اضافے کے سبب تقریباً 2.2 بلین روپے کی مجموعی تجارتی قدر میں اضافہ ہوا جب کہ گزشتہ سال اسی مدت میں 1.5 بلین روپے کا اضافہ ہوا تھا۔



# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

فنانڈ نے اس مدت کے دوران 45.58 ملین روپے آمدنی کمائی ہے۔ 14.88 ملین روپے اخراجات منہا کرنے کے بعد خالص آمدنی 30.70 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 منجمنٹ کمپنی پر اعتماد اور اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سکیورٹیز اینڈ ایپیجمنٹ 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 فلٹرن ایسیٹ منجمنٹ لمیٹڈ

## ڈائریکٹر

## چیف ایگزیکٹو

بتاریخ

22 فروری 2018

مقام: کراچی

# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

## TRUSTEE REPORT TO THE UNIT HOLDERS NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Active Allocation Riba Free Savings Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2017 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.

**Aftab Ahmed Diwan**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 26, 2018

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Active Allocation Riba Free Savings Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2017. The Management Company (NBP Fullerton Asset Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

### *Scope of Review*

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

### *Conclusion*

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

A.F. Ferguson & Co.  
Chartered Accountants  
Engagement Partner: **Noman Abbas Sheikh**  
Dated: February 22, 2018  
Karachi

# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2017

	Note	(Un-audited) December 31, 2017	Audited June 30, 2017
(Rupees in '000)			
<b>ASSETS</b>			
Balances with banks	4	2,020,607	852,862
Investments - net	5	139,494	100,670
Profit receivable		15,063	6,403
Prepayments and other receivables		922	1,027
Preliminary expenses and floatation costs	6	610	710
<b>Total assets</b>		<b>2,176,696</b>	<b>961,672</b>
<b>LIABILITIES</b>			
Payable to NBP Fullerton Asset Management Limited - Management Company	7	5,198	3,614
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	273	170
Payable to the Securities and Exchange Commission of Pakistan	9	585	623
Accrued expenses and other liabilities	10	2,386	1,803
<b>Total liabilities</b>		<b>8,442</b>	<b>6,210</b>
<b>NET ASSETS</b>		<b>2,168,254</b>	<b>955,462</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>2,168,254</b>	<b>955,462</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>212,342,822</b>	<b>95,399,191</b>
		------(Rupees)-----	
<b>NET ASSET VALUE PER UNIT</b>	12	<b>10.2111</b>	<b>10.0154</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2017

		Half year ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
Note		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>INCOME</b>					
Profit on balances with banks		43,640	22,391	28,102	12,127
Income on GoP Ijarah Sukuk		2,666	-	1,345	-
Unrealised (diminution) on re-measurement of investments at 'fair value through profit or loss' - net		(730)	-	(50)	-
<b>Total income</b>		<b>45,576</b>	<b>22,391</b>	<b>29,397</b>	<b>12,127</b>
<b>EXPENSES</b>					
Remuneration of NBP Fullerton Asset Management Limited - Management Company	7.1	9,754	4,754	6,123	2,443
Sindh Sales Tax on remuneration of the Management Company	7.2	1,268	618	796	318
Accounting and operational charges to the Management Company	7.4	780	380	490	195
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,088	648	631	334
Sindh Sales Tax on remuneration of the Trustee	8.1	141	84	82	43
Annual fee of the Securities and Exchange Commission of Pakistan		585	285	367	146
Amortisation of preliminary expenses and floatation costs	6	100	100	50	50
Auditors' remuneration		138	247	44	209
Legal and professional charges		32	13	18	13
Mutual fund rating fee		106	92	58	46
Shariah advisor fee		220	179	111	87
Settlement and bank charges		46	1	28	(8)
<b>Total operating expenses</b>		<b>14,258</b>	<b>7,401</b>	<b>8,798</b>	<b>3,876</b>
<b>Net income from operating activities</b>		<b>31,318</b>	<b>14,990</b>	<b>20,599</b>	<b>8,251</b>
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		-	(10,928)	-	(10,703)
Provision For Sindh Workers' Welfare Fund		(626)	-	(412)	-
<b>Net income / (loss) for the period before taxation</b>		<b>30,692</b>	<b>4,062</b>	<b>20,187</b>	<b>(2,452)</b>
Taxation	13	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>30,692</b>	<b>4,062</b>	<b>20,187</b>	<b>(2,452)</b>
<b>Earnings / (loss) per unit</b>	14				
<b>Allocation of net (loss) / income for the period</b>					
Net income / (loss) for the period after taxation		30,692	4,062	20,187	(2,452)
Income already paid on units redeemed		(9,857)	-	(8,531)	-
		<u>20,835</u>	<u>4,062</u>	<u>11,656</u>	<u>(2,452)</u>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		<u>20,835</u>	<u>4,062</u>	<u>11,656</u>	<u>(2,452)</u>
		20,835		11,656	

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**For 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2017

	Half year ended December 31,		Quarter ended December 31,	
	2017	2016	2017	2016
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net income / (loss) for the period after taxation	30,692	4,062	11,656	(2,452)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>30,692</u>	<u>4,062</u>	<u>11,656</u>	<u>(2,452)</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For 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 HALF YEAR ENDED DECEMBER 31, 2017

	Half year ended December 31, 2017				Half year ended December 31, 2016			
	(Rupees in '000)				(Rupees in '000)			
	Capital Value	Undistrib- ed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital Value	Undistrib- ed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period (audited)	953,270	2,192	-	955,462	995,742	1,565	-	997,307
Issuance of 218,752,278 units (2016: 83,704,156 units)								
- Capital value (at net asset value per unit at the beginning of the period)	2,190,892	-	-	2,190,892				
- Element of income	23,746	-	-	23,746				
Total proceeds on issuance of units	2,214,638	-	-	2,214,638	837,186	6,312	-	843,498
Redemption of 101,808,647 units (2016: 163,480,996 units)								
- Capital value (at net asset value per unit at the beginning of the period)	1,019,654	-	-	1,019,654				
- Element of loss	(3,027)	(9,857)	-	(12,884)				
Total payments on redemption of units	(1,022,681)	(9,857)	-	(1,032,538)	1,635,156	17,240	-	1,652,396
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	-	-	-	-	-	10,928	-	10,928
Total comprehensive income for the period	-	30,692	-	30,692	-	4,062	-	4,062
Distribution during the period	-	-	-	-	-	(1,499)	-	(1,499)
Net income for the period less distribution	-	30,692	-	30,692	-	2,563	-	2,563
<b>Net assets at end of the period (un-audited)</b>	<b>2,145,227</b>	<b>23,027</b>	<b>-</b>	<b>2,168,254</b>	<b>197,772</b>	<b>4,128</b>	<b>-</b>	<b>201,900</b>
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		20,835						
		20,835						
Net income for the period after taxation		-				4,062		
Distribution during the period		-				1,499		
Undistributed income carried forward		23,027				4,128		
Undistributed income carried forward								
- Realised income		23,757				4,128		
- Unrealised (loss)		(730)				-		
		23,027				4,128		
			(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			10.2111				10.1983	

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**For 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 HALF YEAR ENDED DECEMBER 31, 2017

	Half year ended December 31,	
	2017	2016
	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	30,692	4,062
<b>Adjustments:</b>		
Profit on balances with banks	(43,640)	(22,391)
Income on GoP Ijarah Sukuk	(2,666)	-
Unrealised diminution on re-measurement of investments at 'fair value through profit or loss' - net	730	-
Amortisation of preliminary expenses and floatation costs	100	100
Provision for Sindh Workers' Welfare Fund	626	-
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	-	10,928
	(14,158)	(7,301)
<b>Decrease / (increase) in assets</b>		
Prepayments and other receivables	105	(618)
Investments	(39,554)	-
	(39,449)	(618)
<b>Increase / (decrease) in liabilities</b>		
Payable to NBP Fullerton Asset Management Limited - Management company	1,584	344
Payable to the Central Depository Company of Pakistan Limited - Trustee	103	38
Payable to the Securities and Exchange Commission of Pakistan	(38)	55
Accrued expenses and other liabilities	(43)	326
	1,606	763
Profit received	37,646	20,814
<b>Net cash (used in) / generated from operating activities</b>	(14,355)	13,658
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Total proceeds on issuance of units	2,214,638	1,503,498
Total payments on redemption of units	(1,032,538)	(1,652,396)
Distributions paid	-	(1,499)
<b>Net cash generated from / (used in) financing activities</b>	1,182,100	(150,397)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	1,167,745	(136,739)
Cash and cash equivalents at the beginning of the period	852,862	336,226
<b>Cash and cash equivalents at the end of the period</b>	2,020,607	199,487

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**For 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 HALF YEAR ENDED DECEMBER 31, 2017

### 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 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 Fullerton Asset Management Limited may subscribe for units of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of Compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, 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 audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund as at December 31, 2017.

# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the change in accounting policy as stated in note 3.2.
- 3.2 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 revised 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 revised regulations.

Previously, an equalisation 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 unrealised 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 recognised 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 based on the clarification issued by the SECP. 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 income of the Fund would have been higher by Rs 10.645 million net off charge for SWWF in respect of element of income and consequently NAV per unit would have been lower by Re 0.001. However, the change in accounting policy does not have any impact on the 'Cash flow Statement'. 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.

- 3.3 The preparation of the condensed interim financial information in conformity with the approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.
- 3.4 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for accounting periods beginning on or after July 1, 2017 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

### 3.5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	(Un-Audited)	(Audited)
Note	December 31, 2017	June 30, 2017
	(Rupees in '000)	

#### 4 BALANCES WITH BANKS

Profit and loss savings accounts	4.1	2,020,607	852,862
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4.1 This includes balance of Rs 184.677 million (June 30, 2017: 6.047 million) maintained with BankIslami Pakistan Limited (a related party) that carries profit at 6.00% per annum (2017: 5.60%). Other profit and loss sharing accounts of the Fund carry profit rates ranging from 5.60% to 6.70% per annum (2017: 5.80% to 6.5% per annum).

Note	(Un-Audited) December 31, 2017	(Audited) June 30, 2017
	(Rupees in '000)	

## 5 INVESTMENTS

Financial assets 'at fair value through profit or loss' - net

5.1	99.940	100.670
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Investments - 'loans and receivables'

5.2	<u>39,554</u>	<u>-</u>
	139,494	100,670

### 5.1 Government Securities - GoP Ijarah Sukuk

Issue date	Coupon rate / tenor	Number of certificates				Market value as at December 31, 2017	Investment as a	
		As at July 1st 2017	Purchased during the period	Matured during the period	As at June 30, 2017		Net assets	Market value of total investment

(Rupees in '000)	..... % .....	Investment
------------------	---------------	------------

June 30, 2017	5.24%					
June 30, 2020		20,000	-	-	99,940	4.61%
						71.64%

Carrying value as at Dec 31, 2017

100,670

Unrealised Loss on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net as at Dec 31, 2017

(730)

5.2 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 December 31, 2017, Commercial Paper represented 1.82% of the total net assets of the Fund.

# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

## 6 PRELIMINARY EXPENSES AND FLOATATION COSTS

	(Un-Audited) December 31, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
Opening balance	710	1,000
Less: amortisation during the period	(100)	(290)
Closing balance	<u>610</u>	<u>710</u>

- 6.1 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 January 18, 2016 as per the requirements set out in the Trust Deed of the Fund.

## 7 PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	(Un-Audited) December 31, 2017	(Audited) June 30, 2017
		(Rupees in '000)	
Remuneration of the Management Company	7.1	2463	1,016
Sindh sales tax on remuneration of the Management Company	7.2	320	132
Federal excise duty on remuneration of the Management Company	7.3	612	612
Preliminary expenses and floatation costs		1000	1,000
Accounting and operational charges	7.4	780	831
Other payable		<u>23</u>	<u>23</u>
		<u>5,198</u>	<u>3,614</u>

- 7.1 The Management Company has charged remuneration at the rate of 1.25% (June 30, 2017: 1.25%) per annum based on the average daily net assets for the period. The fee is payable to the Management Company monthly in arrears.
- 7.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2017: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 7.3 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company and sales load has applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 4, 2013.

The SHC while disposing of the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds had declared the said provisions to be ultra vires and as a result no FED was payable with effect from July 1, 2011, (i.e., the date on which Sindh Sales Tax on Services Act, 2011 came into force). However, the tax authorities subsequently filed an appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for decision.

Effective July 1, 2016, mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, no provision of FED has been recognised in the financial statements of the Fund since July 1, 2016.

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 June 13, 2013 till June 30, 2016 amounting to Rs 0.612 million (June 30, 2017: Rs 0.612 million) is being retained as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2017 would have been higher by Re 0.0029 (June 30, 2017: Re. 0.0064) per unit.

# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

- 7.4 In accordance with the Regulation 60 of the NBFC Regulations the Management Company has charged expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund for the period.

	Note	(Un-Audited) December 31, 2017	(Audited) June 30, 2017
(Rupees in '000)			
<b>8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE</b>			
Remuneration payable to the Trustee		240	150
Sindh Sales Tax on Trustee remuneration	8.1	33	20
		<u>273</u>	<u>170</u>

- 8.1 Sindh sales tax at 13 % (June 30, 2017: 13%) is charged on Trustee Fee.

## 9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee	9.1	<u>585</u>	<u>623</u>
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- 9.1 This represents annual fee payable to SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.075% per annum of the average daily net assets of the Fund in accordance with regulation 62 of the NBFC Regulations.

Note	(Un-Audited) December 31, 2017	(Audited) June 30, 2017
(Rupees in '000)		

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Sindh Workers' Welfare Fund	10.1	1,546	920
Auditors' remuneration		192	227
Shariah advisory fee		223	423
Annual rating fee		171	171
Legal fee		45	13
Withholding tax payable		148	35
Bank charges		61	14
		<u>2,386</u>	<u>1,803</u>

### 10.1 Provision for Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the 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 has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the SWWF not been provided, the NAV per unit would have been higher by Re 0.0073 (June 30, 2017: Re 0.0096). ;.

# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

## 11 CONTINGENCIES AND COMMITMENTS

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

## 12 NET ASSET VALUE PER UNIT

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

## 13 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

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

## 14 EARNINGS / (LOSS) PER UNIT

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

## 15 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 0.33% representing government levies on collective investment scheme such as sales tax, worker's welfare fund and SECP fee for the period.

## 16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

16.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

16.2 Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

16.3 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.

16.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

	(Un-Audited) Half Year Ended December 31, 2017	(Un-Audited) Half Year Ended December 31, 2016
	----- Rupees in '000 -----	
<b>16.5 Details of transactions with connected persons are as follows:</b>		
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	9,754	4,754
Sindh sales tax on remuneration of the Management Company	1,268	618
Accounting and operational charges	780	380
<b>BankIslami Pakistan Limited</b>		
Profit on balance with the bank	11,746	6,303
<b>Nafa Islamic Active Allocation Fund (Plan I)</b>		
Units issued during the period 36,263,298 units (2016: 5,477,100 units)	367,534	55,296
Units redeemed during the period 18,422,102 units (2016: 16,766,042 units)	187,650	169,941
Cash dividend	-	296
<b>Nafa Islamic Active Allocation Fund (Plan II)</b>		
Units issued during the period 30,479,500 units (2016: 2,307,066 units)	308,589	23,292
Units redeemed during the period 10,234,995 units (2016: 16,567,101 units)	104,230	168,001
Cash dividend	-	292
<b>Nafa Islamic Active Allocation Fund (Plan III)</b>		
Units issued during the period 31,000,484 units (2016: 32,065,991 units)	313,265	321,911
Units redeemed during the period 12,205,433 units (2016: 90,577,275 units)	123,300	912,794
Cash dividend	-	911
<b>Nafa Islamic Active Allocation Fund- I (Plan IV)</b>		
Units issued during the period 17,309,990 units (2016: 43,853,999 units)	174,721	443,000
Units redeemed during the period 3,872,369 units (2016: 39,570,578 units)	39,274	401,660
Cash dividend	-	-
<b>Nafa Islamic Active Allocation Fund (Plan V)</b>		
Units issued during the period 23,556,316 units (2016: Nil units)	238,486	-
Units redeemed during the period 9,106,867 units (2016: Nil units)	92,309	-
<b>Nafa Islamic Active Allocation Fund (Plan VI)</b>		
Units issued during the period 11,277,199 units (2016: Nil units)	114,545	-
Units redeemed during the period 23,806,370 units (2016: Nil units)	240,002	-
<b>NAFA Islamic Active Allocation Fund- II (Plan VII)</b>		
Units issued during the period 13,397,220 units (2016: Nil units)	134,499	-
Units redeemed during the period 5,700,340 units (2016: Nil units)	57,460	-
<b>NAFA Islamic Active Allocation Fund- II (Plan VIII)</b>		
Units issued during the period 55,468,271 units (2016: Nil units)	563,000	-
Units redeemed during the period 18,460,170 units (2016: Nil units)	188,313	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	1,088	648
Sindh sales tax on remuneration of Trustee	141	84

# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

16.6	Amounts / balances outstanding as at period end:	Un-audited December 31, 2017	Audited June 30, 2017
		----- Rupees in '000 -----	
	<b>NBP Fullerton Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company	2,463	1,016
	Sindh sales tax on remuneration of the Management Company	320	132
	Federal excise duty on remuneration of the Management Company	612	612
	Preliminary expenses and floatation costs	1,000	1,000
	Accounting and operational charges	780	831
	Other payable	23	23
	<b>NAFA Islamic Active Allocation Fund - I (Plan I)</b>		
	Units held 25,470,029 units (June 30, 2017 : 7,628,832 units)	260,077	76,406
	<b>NAFA Islamic Active Allocation Fund - I (Plan II)</b>		
	Units held 25,867,834 units (June 30, 2017 : 5,623,329 units)	264,139	56,320
	<b>NAFA Islamic Active Allocation Fund - I (Plan III)</b>		
	Units held 31,197,585 units (June 30, 2017 : 12,402,534 units)	318,562	124,216
	<b>NAFA Islamic Active Allocation Fund - I (Plan IV)</b>		
	Units held 20,438,209 units (June 30, 2017 : 7,000,588 units )	208,697	70,114
	<b>NAFA Islamic Active Allocation Fund - I (Plan V)</b>		
	Units held 43,923,815 units (June 30, 2017 : 29,474,366 units )	448,510	295,198
	<b>NAFA Islamic Active Allocation Fund - II (Plan VI)</b>		
	Units held 20,740,371 units (June 30, 2017 : 33,269,542 units )	211,782	333,208
	<b>NAFA Islamic Active Allocation Fund - II (Plan VII)</b>		
	Units held 7,696,880 units (June 30, 2017 : Nil units )	78,594	-
	<b>NAFA Islamic Active Allocation Fund - II (Plan VIII)</b>		
	Units held 37,008,101 units (June 30, 2017 : Nil units )	377,893	-
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration payable	240	150
	Sindh sales tax on remuneration of Trustee	33	20
	<b>BankIslami Pakistan Limited</b>		
	Balance with bank	184,677	6,047
	Profit receivable	1,907	533

## 17 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

Fair value of investments is determined as follows:

- Investments in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan.
- Fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.



# NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

## 17.1 Fair value hierarchy

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Fair value measurements using 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).

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

As at December 31, 2017 and June 30, 2017, the Fund held the following financial instruments measured at fair value:

----- Unaudited -----				
----- As at December 31, 2017 -----				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000-----				
ASSETS				
Financial assets 'at fair value through profit or loss' - net				
Government Securities - GoP Ijarah Sukuk				
-	99,940	-	99,940	
----- Audited -----				
----- As at June 30, 2017 -----				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000-----				
ASSETS				
Financial assets 'at fair value through profit or loss' - net				
Government Securities - GoP Ijarah Sukuk				
-	100,670	-	100,670	

## 18 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 22, 2018 by the Board of Directors of the Management Company of the Fund.

## 19 GENERAL

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

19.2 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 policy as more fully disclosed in note 3.2 to the condensed interim financial information.

**For NBP Fullerton Asset Management Limited**  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

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