



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

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

**QUARTERLY
REPORT**
**March
31 2017**




Your investments & "NAFA" grow together



**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. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director
Mr. Foo Chiah Shiung (Kelvin Foo)	Director
Mr. Lui Mang Yin (Martin Lui)	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	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. Foo Chiah Shiung (Kelvin Foo)	Member
Mr. Aamir Sattar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Lui Mang Yin (Martin Lui)	Member
Mr. Abdul Hadi Palekar	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
Burj Bank Limited
Habib Bank Limited
National Bank of Pakistan
United Bank Limited
Dubai Islamic Bank Limited
Silk Bank 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

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

DIRECTORS' REPORT

The Board of Directors of 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, 2017.

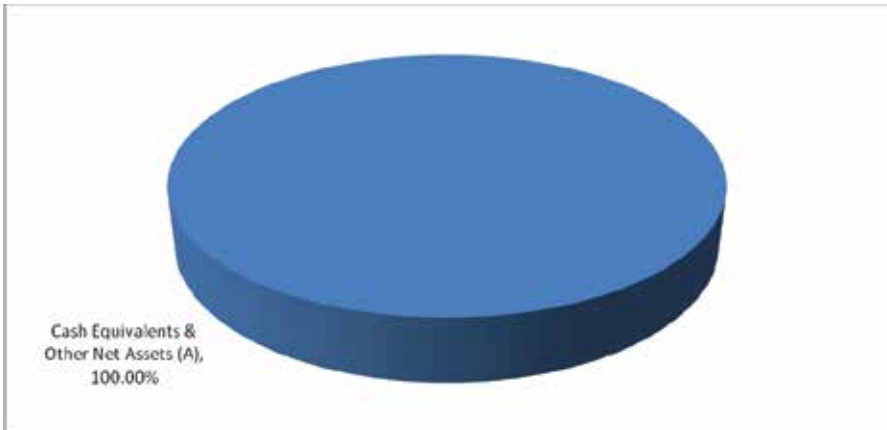
Fund's Performance

The size of NAFA Active Allocation Riba Free Savings Fund has declined from Rs. 997 million to Rs. 946 million during the period (i.e. a decline of 5%). During the period, the unit price of the Fund has increased from Rs. 9.9933 (Ex-Div) on June 30, 2016 to Rs. 10.2676 on March 31, 2017, thus showing return of 3.7% as compared to the benchmark return of 3.3% 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 offer by Islamic 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 S hariah Compliant money market and debt securities of upto 2 years maturity rated AA- or better.

During the period under review, State Bank of Pakistan (SBP) maintained the discount rate and policy rate at 6.25% and 5.75% respectively. The improved interbank liquidity conditions (due to net government retirement and increase in bank deposits) were well calibrated through the open market operations – keeping the weighted average overnight repo rate close to the policy rate. Overall trading activity in corporate debt securities was recorded at Rs. 7.8 billion. The trades were primarily concentrated in Banking sector TFCs. CPI on year-on-year basis was recorded at 4.01% in 9MFY17 as compared to 2.64% in corresponding period last year.

The Fund has earned total income of Rs.37.699 million during the period. After deducting expenses of Rs.12.421 million, the net income is Rs.25.278 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: April 28, 2017
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2017ء کو ختم ہونے والی مدت کے لیے NAFA ایکٹیو ایلوکیشن ریفاری سیونگز فنڈ (NAARFSF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

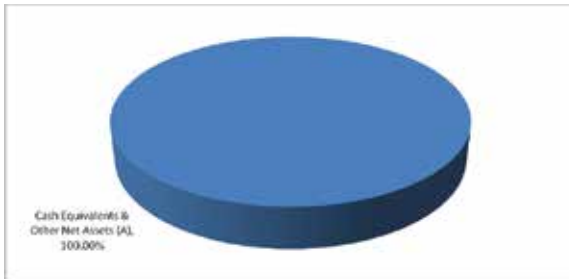
فنڈ کی کارکردگی

NAFA ایکٹیو ایلوکیشن ریفاری سیونگز فنڈ کا سائز اس مدت کے دوران 997 ملین روپے سے گھٹ کر 946 ملین روپے ہو گیا ہے، یعنی 5% کی کمی۔ زیر جائزہ مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2016ء کو 9.9933 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2017ء کو 10.2676 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے دوران 3.3% پیئج مارک منافع کے مقابلے میں 3.7% کا منافع درج کروایا۔ یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کی طرف سے (f)-A سٹیبلٹی ریٹنگ دی گئی ہے۔

NAARFSF ایک اسلامک آکم اسکیم ہے۔ فنڈ کا مقصد ایک مستقل آمدنی فراہم کرنا ہے جو اسلامی بینکوں / تجارتی بینکوں کے اسلامی شعبہ کے منافع کی شرح سے زیادہ ہو۔ اس کے علاوہ ہم آسان سیالیت (لیکویڈیٹی) کے ساتھ اعلیٰ معیار کے کریڈٹ پروفائل کی سہولت بھی پیش کرتے ہیں۔ فنڈ کی سرمایہ کاری شریعہ پر مبنی حکومتی سیکورٹیز میں 3 سال کی میچورٹی کے ساتھ کی جاتی ہے اور اس کے علاوہ شریعہ پر مبنی منی مارکیٹ اور ڈیبٹ (Debt) سیکورٹیز میں 2 سال کی میچورٹی کے ساتھ کی جاتی ہے جس کی ریٹنگ AA- یا اس سے بہتر ہو۔

زیر جائزہ مدت میں اسٹیٹ بینک آف پاکستان (SBP) نے ڈسکاؤنٹ ریٹ اور پالیسی ریٹ بالترتیب 6.25% اور 5.75% کی شرح پر برقرار رکھا۔ بہتر انٹرنیشنل سیالیت کی صورت حال (نیٹ گورنمنٹ ریٹائرمنٹ اور بینک ڈپازٹس میں اضافہ کے سبب) کی قدر و قیمت کا اوپن مارکیٹ آپریشنز کے ذریعہ بہتر تعین کیا گیا۔ جبکہ ریپو کے راتوں رات ریٹ کی شرح کی قدر کو پالیسی ریٹ سے قریب تر رکھا گیا۔ مجموعی طور پر کارپوریٹ ڈیبٹ سیکورٹیز کی تجارتی سرگرمیاں 7.8 ملین روپے رہیں۔ تجارت میں ابتدائی توجہ بینکنگ کے شعبہ TFCs پر رہی۔ مالی سال 2017ء کے نو ماہ میں سال بہ سال بنیاد پر CPI 4.01% ریکارڈ کیا گیا جو گزشتہ سال اسی مدت میں 2.64% تھا۔

فنڈ نے اس مدت کے دوران 37.699 ملین روپے منافع دیا۔ 12.421 ملین روپے اخراجات منہا کرنے کے بعد خالص منافع 25.278 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:



اظہارِ تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجمنٹ کمپنی پر اعتماد اور اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابلِ قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سکیورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہارِ تشکر کرتا ہے۔ بورڈ اپنے اسٹاف اور رٹسٹی کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراجِ تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز
NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

28 اپریل 2017ء

مقام: کراچی

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

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

	(Un-audited) March 31, 2017	Audited June 30, 2016
Note		
	(Rupees in '000)	
ASSETS		
Balances with banks	941,427	336,226
Profit receivable	8,148	2,583
Receivable against sale of units	-	660,000
Preliminary expenses and floatation costs	760	910
Advances, deposits and other receivables	791	791
Total assets	951,126	1,000,510
LIABILITIES		
Payable to NBP Fullerton Asset Management Limited - Management Company	3,470	2,450
Payable to Central Depository Company of Pakistan Limited - Trustee	178	69
Payable to Securities and Exchange Commission of Pakistan	453	230
Accrued expenses and other liabilities	1,422	454
Total liabilities	5,523	3,203
NET ASSETS	945,603	997,307
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)	945,603	997,307
CONTINGENCIES AND COMMITMENTS	7	
	-----Number of units-----	
Number of units in issue	92,095,935	99,574,255
	------(Rupees)-----	
NET ASSET VALUE PER UNIT	10.2676	10.0157

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Note	NINE MONTH ENDED MARCH 31, 2017	QUARTER ENDED MARCH 31, 2017 (Rupees in '000)	For the period from January 18, 2016 to March 31, 2016
INCOME				
Profit on bank deposits		-	-	-
Total Income		35,313	12,922	9,207
EXPENSES				
Remuneration of NBP Fullerton Asset Management Limited Management Company		7,554	2,800	1,782
Sindh sales tax on remuneration of the Management Company		982	364	289
FED on remuneration of the Management Company		-	-	285
Accounting and operational charges to the Management Company		604	224	142
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,027	379	242
Sindh Sales Tax on remuneration of the Trustee		133	49	34
Annual fee - Securities and Exchange Commission of Pakistan		453	168	107
Settlement and bank charges		28	27	4
Provision for Sindh Workers' Welfare Fund - previous years		151	151	-
Auditors' remuneration		350	103	66
Fund rating fee		137	45	-
Amortisation of preliminary expenses and floatation costs		150	50	40
Shariah advisor fee		307	128	-
Legal & Professional charges		29	16	-
Total Expenses		11,905	4,504	2,991
Net income / (loss) from operating activities		23,408	8,418	6,216
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	2,378
Provision for Sindh Workers' Welfare Fund	5	(516)	(516)	-
Net income / (loss) for the period before taxation		25,278	21,216	8,594
Taxation		-	-	-
Net income / (loss) for the period after taxation		25,278	21,216	8,594

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	NINE MONTH ENDED MARCH 31, 2017	QUARTER ENDED MARCH 31, 2017 (Rupees in '000)	For the period from January 18, 2016 to March 31, 2016
Net income / (loss) for the period after taxation	25,278	21,216	8,594
Other Comprehensive Income	-	-	-
Total comprehensive income / (loss) for the period	<u>25,278</u>	<u>21,216</u>	<u>8,594</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	NINE MONTH ENDED MARCH 31, 2017	QUARTER ENDED MARCH 31, 2017	For the period from January 18, 2016 to March 31, 2016
	(Rupees in '000)		
Undistributed income at the beginning of the period			
Realised gain	<u>1,565</u>	<u>4,128</u>	<u>-</u>
	1,565	4,128	-
Net income / (loss) for the period after taxation	25,278	21,216	8,594
Final distribution made during the period			
- Re 0.0226 per unit distribution for the year ended June 30, 2016 declared on September 23, 2016	(1,499)	-	-
Undistributed income / (loss) carried forward	<u>25,344</u>	<u>25,344</u>	<u>8,594</u>
Undistributed income / (loss) at the end of the period comprising of:			
Realised gain	<u>25,344</u>	<u>25,344</u>	<u>8,594</u>
	25,344	25,344	8,594

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	NINE MONTH ENDED MARCH 31, 2017	QUARTER ENDED MARCH 31, 2017	For the period from January 18, 2016 to March 31, 2016
	(Rupees in '000)		
Net assets at the beginning of the period	997,307	201,900	-
Issue of 207,151,048 units (March 31, 2016 : 106,149,851 units)	2,101,981	1,258,483	1,064,581
Redemption of 214,629,368 units (March 31, 2016: 9,929,568 units)	(2,175,078)	(522,682)	(100,000)
	(73,097)	735,801	964,581
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)	(2,378)
Capital (loss) on sale of investments - net	-	-	9,207
Other income (net of expenses) for period	25,278	21,216	(613)
Net income / (loss) for the period	25,278	21,216	8,594
Final distribution made during the period			
- Re 0.0226 per unit distribution for the year ended June 30, 2016 declared on September 23, 2016	(1,499)	-	
Net assets at the end of the period	945,603	945,603	970,797

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	NINE MONTH ENDED MARCH 31, 2017	QUARTER ENDED MARCH 31, 2017	For the period from January 18, 2016 to March 31, 2016
	(Rupees in '000)		
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period before taxation	25,278	21,216	8,594
Adjustments			
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)	(2,378)
Amortisation of preliminary expenses and floatation costs	150	50	40
	<u>23,042</u>	<u>7,952</u>	<u>6,256</u>
(Increase) / decrease in assets			
Profit receivable	(5,565)	(3,988)	(4,843)
Preliminary expenses and floatation costs	-	-	(1,000)
Advances, deposits and other receivables	-	618	-
	<u>(5,565)</u>	<u>(3,370)</u>	<u>(5,843)</u>
Increase / (decrease) in liabilities			
Payable to the Management Company	1,020	676	2,516
Payable to the Trustee	109	71	146
Payable to the Securities and Exchange Commission of Pakistan	223	168	107
Accrued expenses and other liabilities	968	642	157
	<u>2,320</u>	<u>1,557</u>	<u>2,926</u>
Net cash generated / (used in) operating activities	<u>19,797</u>	<u>6,139</u>	<u>3,339</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net receipts from issue of units	2,761,981	1,258,483	1,064,581
Net payments on redemption of units	(2,175,078)	(522,682)	(100,000)
Distributions made	(1,499)	-	-
Net cash (used in) / generated from financing activities	<u>585,404</u>	<u>735,801</u>	<u>964,581</u>
Net increase in cash and cash equivalents during the period	<u>605,201</u>	<u>741,940</u>	<u>967,920</u>
Cash and cash equivalents at the beginning of the period	336,226	199,487	-
Cash and cash equivalents at the end of the period	<u>941,427</u>	<u>941,427</u>	<u>967,920</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

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 AND QUARTER ENDED MARCH 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" w.e.f April 21, 2017 to the Management Company.

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

Comparative information for the nine months period is not presented for condensed interim income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement as the Fund commenced its operation on January 18, 2016.

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. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, 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 directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of 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 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, 2016.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2017.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2016.

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

	Note	(Un-Audited) March 31, 2017	(Audited) June 30, 2016
(Rupees in '000)			
4 BALANCES WITH BANKS			
Profit and loss savings accounts	4.1	<u>941,427</u>	<u>336,226</u>

4.1 These carry profits at rates ranging from 3.75% to 6.80% (June 30, 2016: 5.75% to 7%) per annum.

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. The Mutual Fund Association of Pakistan (MUFAP) reviewed the issue and based on an opinion decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. The MUFAP wrote to the SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. The SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. The MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

In view of the above developments regarding the applicability of SWWF on CISs / mutual funds the MUFAP has recommended that the provision in respect of SWWF should be made on a prudent basis on January 12, 2017 with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Accordingly, the provision for SWWF is being made on a daily basis going forward.

The above decision was communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 1, 2017 has advised the MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds. Accordingly, the Fund has recorded this adjustment in its books on January 12, 2017.

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs.0.667 million. If the same were not made the NAV per unit of scheme would be higher by Rs.0.0072.

6 TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 2.06% per annum including 0.37% representing government levies on collective investment scheme such as sales tax, 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, 2017 and June 30, 2016.

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 provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

9 TRANSACTIONS WITH CONNECTED PERSONS

- 9.1 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 and Alexandra Fund Management Pte. Limited being the sponsors, NAFA provident Trust Fund being the employee contribution plan of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.
- 9.2 The 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 regulation and the Trust Deed.

(Un-Audited).....		
	NINE MONTH ENDED MARCH 31, 2017	QUARTER ENDED MARCH 31, 2017	For the period from January 18, 2016 to March 31, 2016
	(Rupees in '000)		
9.5 Details of the transactions with connected persons are as follows:			
NBP Fullerton Asset Management Limited - Management Company			
Remuneration of the Management Company	7,554	2,800	1,782
Sindh sales tax on remuneration of the Management Company	982	364	289
FED on remuneration of the Management Company	-	-	285
Allocation of operational expenses from the Management Company	604	224	142
NAFA Islamic Active Allocation Fund (Plan I)			
Units issued 18,142,002 (2016 : 63,433,911 units)	184,396	129,100	634,581
Units redeemed 19,827,872 (2016 : 6,456,932 units)	201,183	31,242	65,000
Cash dividend	296	-	-
NAFA Islamic Active Allocation Fund (Plan II)			
Units issued 12,803,902 (2016 : 42,715,940 units)	130,292	107,000	430,000
Units redeemed 21,541,449 (2016 : 3,472,636 units)	219,001	51,000	35,000
Cash dividend	292	-	-
NAFA Islamic Active Allocation Fund (Plan III)			
Units issued 43,977,411	443,311	121,400	-
Units redeemed 94,406,670	951,868	39,074	-
Cash dividend	911	-	-
NAFA Islamic Active Allocation Fund (Plan IV)			
Units issued 55,133,926	557,982	114,982	-
Units redeemed 45,177,830	459,026	57,366	-
NAFA Islamic Active Allocation Fund (Plan V)			
Units issued 77,093,807	786,000	786,000	-
Units redeemed 33,675,546	344,000	344,000	-
Central Depository Company of Pakistan Limited - Trustee			
Remuneration	1,027	379	242
Sindh Sales Tax on remuneration of the Trustee	133	49	34

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

	(Un-audited) March 31, 2017	(Audited) June 30, 2016
(Rupees in '000).....	
9.6 Amounts outstanding as at period end		
NBP Fullerton Asset Management Limited - Management Company		
Management remuneration payable	1,089	442
Sindh sales tax on remuneration of the Management Company	142	72
FED on remuneration of the Management Company	612	612
Preliminary expenses and floatation costs	1,000	1,000
Allocation of operational expenses from the Management Company	604	306
Other Payable	23	18
NAFA Islamic Active Allocation Fund (Plan I)		
Units held: 15,598,487 (June 30, 2016: 17,284,357 units)	160,159	173,115
NAFA Islamic Active Allocation Fund (Plan II)		
Units held: 7,655,809 (June 30, 2016: 16,393,356 units)	78,607	164,191
NAFA Islamic Active Allocation Fund (Plan III)		
Units held: 15,467,283 (June 30, 2016: 65,896,542 units)	158,812	660,000
Receivable against sale of units	-	660,000
NAFA Islamic Active Allocation Fund (Plan IV)		
Units held: 9,956,096	102,225	-
NAFA Islamic Active Allocation Fund (Plan V)		
Units held: 43,418,261	445,801	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	157	61
Sindh Sales Tax on remuneration of the Trustee	21	8

10 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on April 28, 2017.

11 GENERAL

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



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

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