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

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

QUARTERLY
REPORT September 30
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 ISLAMIC ACTIVE ALLOCATION EQUITY 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. Lui Mang Yin (Martin Lui)	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

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Abdul Hadi Palekar	Member
Mr. Lui Mang Yin (Martin Lui)	Member

Trustee

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

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY 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:

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

Multan Office:

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

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

DIRECTORS' REPORT

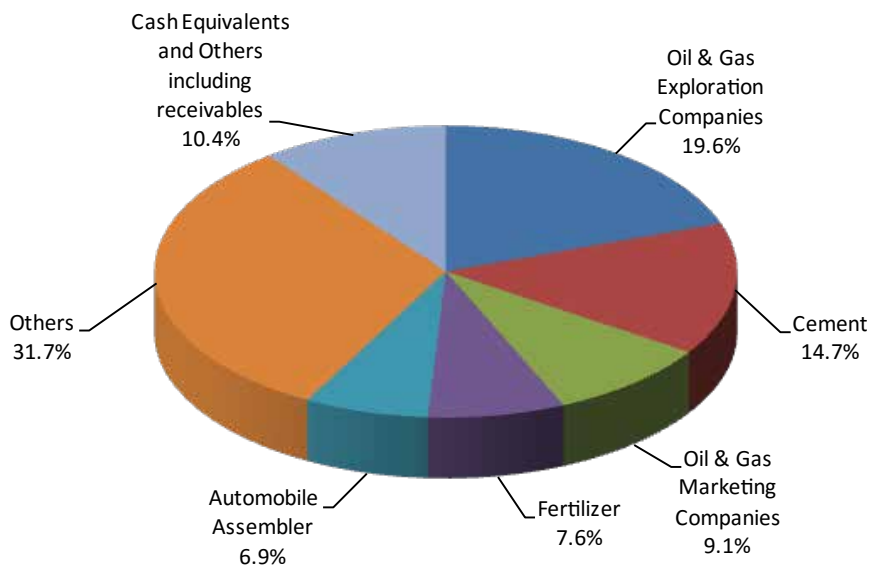
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Active Allocation Equity Fund (NIAAEF)** for the quarter ended September 30, 2017.

Fund's Performance

During the first quarter, the unit price of NAFA Islamic Active Allocation Equity Fund has decreased from Rs.13.2099 (Ex-Div) on June 30, 2017 to Rs.11.7854 on September 30, 2017, thus showing a decrease of 10.8%. The Benchmark, KMI-30 Index decreased by 9.1% during the same period. Thus, the Fund has underperformed its Benchmark by 1.7% during the period under review. Since inception (January 18, 2016), the unit price of the Fund has shown a growth of 37.9% as compared to 36.8% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 1.1%. This performance is net of management fee and all other expenses. The Fund size of NIAAEF at the end of the period stood at Rs.3,242 million.

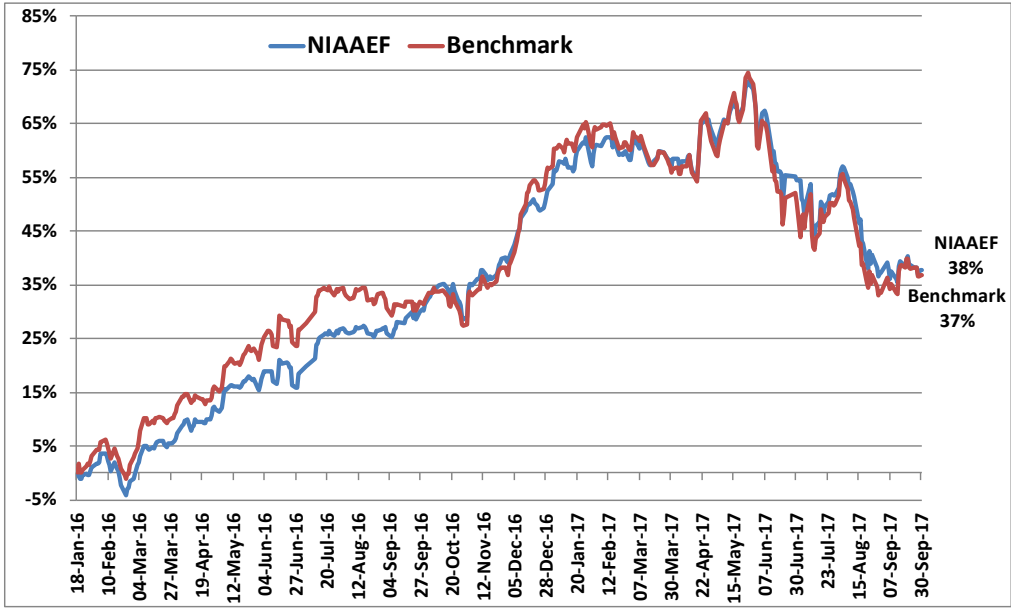
The market started FY18 on a frail note as non-materialization of highly anticipated net foreign inflows in June, post up-gradation of PSX into MSCI Emerging Index from Frontier Market, sapped investor's sentiments. Deteriorating Balance of Payment (BoP) position and its associated impact on other macro-economic indicators dampened investors' confidence in the market. Adding to the investor worries was elevated political incertitude. The growing tensions in the Pak-US relations also impacted the stock market. Resultantly, the benchmark KMI 30 Index declined by 9.1% during the period under review. Looking at the sector-wise performance, Oil & Gas Exploration, Oil & Gas Marketing Companies, Fertilizer, Power Generation & Distribution, and Banking sectors fared better than the market. Cement sector was a major index drag with under-performance of around 18.4%.

The Fund has incurred loss of Rs.445.20 million during the period. After accounting for expenses of Rs.32.22 million, the net loss is Rs.477.42 million. The below chart presents the asset allocation of NIAAEF.



NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

NAIAEF Performance versus Benchmark (Since Inception)



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: October 27, 2017
Place: Karachi.

ڈائریکٹر رپورٹ

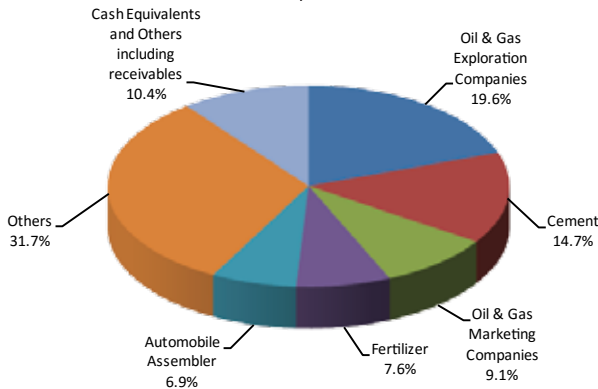
این بی پی فلرٹن ایسٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NAFA اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ (NIAAEF) کے غیر آڈٹ شدہ مالیاتی گوشوارے برائے ختم شدہ مئی 30 ستمبر 2017 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

فنڈ کی کارکردگی

اس سہ ماہی کے دوران، NAFA اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ کے یونٹ کی قیمت جو 30 جون 2017 کو 13.2099 (Ex-Div) سے کم ہو کر 30 ستمبر 2017 کو 11.7854 روپے ہو گئی جو کہ 10.8 فیصد کمی کو ظاہر کرتا ہے۔ اس مدت کے دوران بینچ مارک، KMI-30 انڈیکس میں 9.1 فیصد کمی ہوئی۔ لہذا زیر جائزہ مدت کے دوران فنڈ کی کارکردگی بینچ مارک سے 1.7 فیصد کم رہی۔ فنڈ کی ابتداء (جنوری 18، 2016) سے بینچ مارک کے 36.8 فیصد کے مقابلے میں فنڈ کے یونٹ کی قیمت میں 37.9 فیصد اضافہ ہوا۔ لہذا فنڈ کی کارکردگی بینچ مارک سے 1.1 فیصد بہتر رہی۔ فنڈ کی یہ کارکردگی انتظامیہ کے معروضہ اور دیگر تمام اخراجات نکالنے کے بعد ہے۔ NIAAEF کا حجم اس مدت کے اختتام پر 3,242 ملین روپے تھا۔

مالی سال 2018 میں مارکیٹ ایک نازک موڑ سے شروع ہوئی جس کی وجہ جون میں متوقع بیرونی ترسیلات کی عدم حصولی ہے تاہم فرنیچر مارکیٹ میں PSX کی MSCI ایمریجنگ انڈیکس میں اپ گریڈیشن کے باوجود سرمایہ کاروں کے جذبات مجروح کئے۔ توازن ادائیگی کے بگڑتی ہوئی صورتحال اور کھلی معاشی اعداد و شمار کے متعلق اثرات نے مارکیٹ میں سرمایہ داروں کے اعتماد پر برا اثر ڈالا۔ غیر مستحکم سیاسی صورتحال نے سرمایہ کاروں کی پریکٹیش میں مزید اضافہ کر دیا۔ پاک-امریکہ تعلقات میں تناؤ کی وجہ سے بھی اسٹاک مارکیٹ متاثر ہوئی۔ جس کے نتیجے میں بینچ مارک KMI-30 زیر جائزہ مدت کے دوران 9.1 فیصد گر گیا۔ اگر ہم صنعت و کارکردگی کا جائزہ لیں تو تیل و گیس کی تلاش، گیس و تیل کی اشتہاری کمپنیاں، کھاد، توانائی پیدا کرنے اور تقسیم کرنے والے اداروں اور بینکنگ سیکٹر کی کارکردگی بہتر رہی۔ البتہ سیمنٹ سیکٹر کے انڈیکس میں شدید مندی کا رجحان رہا جس میں 18.4 فیصد کمی دیکھی گئی۔

فنڈ کو اس مدت کے دوران 445.20 ملین روپے کا خسارہ ہوا۔ 32.22 ملین روپے کے اخراجات کے بعد خالص خسارہ 477.42 ملین روپے ہو گیا۔ مندرجہ ذیل چارٹ NAFAEF کے اثاثوں کی تخصیص کو ظاہر کرتا ہے۔



اعتراف

اس موقع پر بورڈ اپنے تمام یونٹ ہولڈرز کا شکریہ ادا کرتے ہیں جنہوں نے انتظامی کمپنی پر اپنے بھروسے اور اعتماد کا اظہار کیا اور ہمیں اپنی خدمت کا موقع دیا۔ بورڈ اپنی مخلصانہ ستائش سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک کو ان کی سرپرستی اور رہنمائی پر پیش کرتا ہے۔

بورڈ بخوشی اس بات کا اعتراف کرتا ہے کہ ملازمین اور ٹرسٹیز نے انتہائی محنت، جدوجہد اور لگن سے کام کیا۔

از طرف بورڈ

این بی پی فلٹرین ایسٹ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ: اکتوبر 27، 2017

بمقام کراچی

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017

	Note	(Un-audited) September 30, 2017	Audited June 30, 2017
(Rupees in '000)			
ASSETS			
Balances with banks		367,315	407,765
Investments	4	2,903,950	4,310,778
Dividend and profit receivable	5	20,404	15,206
Preliminary and floatation costs		660	710
Receivable against sale of investment		-	92,805
Advances, deposit, prepayments and other receivables		11,654	11,699
Total assets		3,303,983	4,838,963
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company		25,978	23,745
Payable to Central Depository Company of Pakistan Limited - Trustee		401	543
Payable to Securities and Exchange Commission of Pakistan		960	3,390
Payable against purchase of investments		-	19,878
Accrued expenses and other liabilities	6	34,692	33,306
Total liabilities		62,031	80,862
NET ASSETS		3,241,952	4,758,101
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		3,241,952	4,758,101
CONTINGENCIES AND COMMITMENTS	7		
-----Number of units-----			
Number of units in issue		275,082,083	354,586,208
----- (Rupees) -----			
NET ASSET VALUE PER UNIT		11.7854	13.4187

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Note	Quarter ended September 30, 2017	Quarter ended September 30, 2016
(Rupees in '000)			
INCOME			
Capital (Loss)/Gain on sale of investments		(106,986)	6,203
Dividend Income		19,463	20,942
Profit on bank deposits		5,672	4,728
Net unrealised (diminution)/appreciation on re-measurement as 'financial assets at fair value through profit or loss'		(363,346)	181,975
Total (Loss)/Income		(445,197)	213,848
EXPENSES			
Remuneration of NBP Fullerton Asset Management Limited Management Company		20,219	10,890
Sindh sales tax on remuneration of the Management Company		2,629	1,416
Remuneration to Central Depository Company of Pakistan Limited- Trustee		1,263	796
Sindh Sales Tax on remuneration of the Trustee		164	104
Annual fee - Securities and Exchange Commission of Pakistan		960	517
Securities transaction cost		1,475	758
Settlement and bank charges		145	110
Legal & Professional charges		14	92
Auditors' remuneration		94	38
Accounting and operational charges to the Management Company		1,011	545
Selling and Marketing Expenses	12	4,044	-
Shariah Advisor Fee		108	92
Rating Fee		45	-
Amortization of Formation Cost		50	50
Total Expenses		32,221	15,408
Net (Loss)/Income from operating activities		(477,418)	198,440
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed		-	37,620
Provision for Sindh Workers' Welfare Fund	8	-	-
Net (Loss)/Income for the period before taxation		(477,418)	236,060
Taxation	9	-	-
Net (Loss)/Income for the period after taxation		(477,418)	236,060
Allocation of Net (loss)/income for the period:			
Income already paid on units redeemed		-	-
Accounting income available for distribution carried to distribution account:			
-Relating to capital gains			-
-Excluding capital gains			-
		(477,418)	236,060
Earnings per unit	10		

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
	(Rupees in '000)	
Accounting (Loss)/Income available for Distribution	(477,418)	236,060
Other Comprehensive Income	-	-
Total comprehensive Income for the period	<u>(477,418)</u>	<u>236,060</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
	(Rupees in '000)	
Net assets at the beginning of the period	4,758,101	1,635,524
Issue of 11,488,557 units (2016: 51,534,183 units)	144,741	637,408
Redemption of 90,992,682 units (2016: Nil)	(1,132,482)	-
	(987,741)	637,408
Element of (income) / loss and capital gains / (losses) included in the prices of units issued less those in units redeemed-Transferred to income statement	-	(37,620)
Accounting (Loss)/Income available for Distribution	(477,418)	236,060
Income already paid on units redeemed	-	-
Final distribution for the year ended June 30, 2017 : 0.1883 per unit (2016: Re 0.3212 per unit)	(50,990)	(60,008)
- Cash distribution		
Net assets at the end of the period	3,241,952	2,411,364
Net Assets value per unit as at beginning of the period	13.4187	11.6690
Net Assets value per unit as at end of the period	11.7854	12.5792
Distribution during for the period:		
Undistributed income brought forward comprises of:		
- Realised Gain	417,241	132,271
- Unrealised Gain	491,006	101,654
	908,247	233,925
Accounting income available for distribution:		
-Relating to capital gains	(470,332)	
-Excluding capital gains	(7,086)	
	(477,418)	236,060
Distributions during the period		
Final distribution at the rate of Re 0.3212 per unit for the year ended June 30, 2016 (Date of distribution: September 23,2016)		
-Cash Distribution	-	(60,008)
Final distribution at the rate of Re 0.1883 per unit for the year ended June 30, 2016 (Date of distribution: September 15,2017)		
-Cash Distribution	(50,990)	-
Undistributed income carried forward	379,839	409,977
Undistributed income carried forward comprises of:		
- Realised Gain	743,185	228,002
- Unrealised Gain	(363,346)	181,975
	379,839	409,977

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss)/Income for the period before taxation	(477,418)	236,060
Adjustments		
Amortization of Formation Cost	50	50
Net unrealised (appreciation)/ diminution on re-measurement as 'financial assets at fair value through profit or loss'	363,346	(181,975)
Element of (income) / loss and capital (gain) / losses included in prices of units issued less those in units redeemed - net	-	(37,620)
	(114,022)	16,515
(Increase) / decrease in assets		
Investments	1,043,482	(620,493)
Dividend and profit receivable	(5,198)	(19,940)
Receivable against sale of investment	92,805	410,000
Advances, deposit, prepayments and other receivables	45	(402)
	1,131,134	(230,835)
Increase / (decrease) in liabilities		
Payable to NBP Fullerton Asset Management Limited - Management Company	2,233	2,376
Payable to Central Depository Company of Pakistan Limited - Trustee	(142)	90
Payable to Securities and Exchange Commission of Pakistan	(2,430)	95
Payable against purchase of investments	(19,878)	(316,410)
Accrued expenses and other liabilities	1,386	481
	(18,831)	(313,368)
Net cash generated from / (used in) operating activities	998,281	(527,688)
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	144,741	637,408
Net payments on redemption of units	(1,132,482)	-
Distributions Paid	(50,990)	(60,008)
Net cash (used in) / generated from financing activities	(1,038,731)	577,400
Net (decrease)/increase in cash and cash equivalents during the period	(40,450)	49,712
Cash and cash equivalents at the beginning of the period	407,765	206,160
Cash and cash equivalents at the end of the period	367,315	255,872

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Active Allocation Equity Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited as Management Company and 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) on November 03, 2015. under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

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

The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shari'ah Compliant listed equities.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of AM1 to the Management Company and performance ranking of "3 Star" to the Fund.

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have 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 IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

The directors of the Management Company hereby declare that this condensed interim financial statements give a true and fair view of the Fund as at September 30, 2017.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Principle accounting policies adopted for the preparation of these condensed interim financial statements for the quarter ended September 30, 2017 are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2017 except for element of income. Pursuant to SRO 756(I)/2017, management has changed its accounting policy whereby element of income / loss and capital gains / losses in prices of units issued less those in units redeemed' during the year, previously transferred to the 'income statement' has now been taken to unit holders' fund. The above change has been applied from July 01, 2017 as clarified by MUFAP, therefore the comparative information have not been restated.

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

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

4 INVESTMENTS IN SHARES

Financial assets 'at fair value through profit or loss'

- Listed equity securities

4.1 2,903,950 4,310,778

4.1 Investments in shares of companies at fair value through profit or loss

Name of the investee company	As at July 1, 2017	Number of shares				Market value as at September 30, 2017	Market value as a percentage of		Paid up capital as a % of investee company held
		Purchased during the period	Bonus / Right shares issued during the period	Sold during the period	As at September 30, 2017		Net assets	Total investments	
----- Number of shares ----- Rupees in '000' ----- % -----									
AUTOMOBILE ASSEMBLER									
Honda Atlas Cars (Pakistan) Limited	115,300	-	-	51,600	63,700	34,366	1.06	1.18	0.04
Indus Motor Company Limited	76,630	-	-	15,200	61,430	105,710	3.26	3.64	0.08
Millat Tractors Limited	96,100	-	-	42,080	54,020	67,433	2.08	2.32	0.12
Pak Suzuki Motor Company Limited	33,300	-	-	-	33,300	15,240	0.47	0.52	0.04
Sazgar Engineering Works Limited	9,000	-	-	9,000	-	-	-	-	-
AUTOMOBILE PARTS AND ACCESSORIES									
Agriautos Industries Limited	3,600	-	-	-	3,600	1,134	0.03	0.04	0.01
Atlas Battery Limited	5,300	-	-	-	5,300	3,758	0.12	0.13	0.03
Thal Limited *	41,100	-	-	18,650	22,450	12,372	0.38	0.43	0.03
CABLE AND ELECTRICAL GOODS									
Pak Elektron Limited	1,179,250	-	-	967,000	212,250	16,120	0.50	0.56	0.04
CEMENT									
Attock Cement Pakistan Limited	470,200	8,100	-	-	478,300	96,612	2.98	3.33	0.42
Cherat Cement Company Limited	608,900	164,500	-	-	773,400	92,793	2.86	3.20	0.44
D.G. Khan Cement Company Limited	670,900	77,000	-	315,700	432,200	63,473	1.96	2.19	0.10
Fauji Cement Company Limited	1,673,900	-	-	903,000	770,900	25,070	0.77	0.86	0.06
Kohat Cement Company Limited	250,800	80,900	-	-	331,700	49,742	0.06	1.71	0.21
Lucky Cement Limited	274,350	-	-	82,150	192,200	108,628	3.35	3.74	0.06
Maple Leaf Cement Limited	356,000	-	28,250	219,600	164,650	11,957	0.37	0.41	0.03
Pioneer Cement Limited	696,800	-	-	398,300	298,500	26,847	0.83	0.92	0.13
CHEMICAL									
Akzo Nobel Pakistan Limited	28,100	-	-	-	28,100	5,581	0.17	0.19	0.06
Engro Polymer & Chemicals Limited	1,700,000	128,000	-	970,500	857,500	28,649	0.88	0.99	0.13
COMMERCIAL BANKS									
Meezan Bank Limited	215,900	-	12,954	-	228,854	16,328	0.50	0.56	0.02
ENGINEERING									
Amreli Steels Limited	727,000	98,100	-	-	825,100	84,135	2.60	2.90	0.28
Crescent Steel and Allied Products Limited	116,000	-	-	105,000	11,000	1,740	0.05	0.06	0.01
International Industries Limited	121,200	-	-	-	121,200	35,172	1.08	1.21	0.10
International Steels Limited	381,500	67,000	-	112,000	336,500	40,760	1.26	1.40	0.08
Ittefaq Iron Industries Limited	1,500,000	-	-	1,072,500	427,500	10,641	0.33	0.37	4.78
Mughal Iron and Steel Industries Limited	745,900	-	-	160,000	585,900	33,525	1.03	1.15	0.47
FERTILIZER									
Dawood Hercules Corporation Limited	323,600	-	-	-	323,600	39,919	1.23	1.37	0.07
Engro Fertilizers Limited	1,575,000	125,000	-	645,500	1,054,500	66,339	2.05	2.28	0.08
Engro Corporation Limited	722,100	-	-	302,000	420,100	127,328	3.93	4.38	0.08
Fatima Fertilizer Company Limited	1,318,000	-	-	960,000	358,000	12,190	0.38	0.42	0.02
FOOD & PERSONAL CARE PRODUCTS									
Al-Shaheer Corporation Limited	1,028,305	-	-	723,500	304,805	9,638	0.30	0.33	0.25

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

Name of the investee company	As at July 1, 2017	Number of shares				Market value as at September 30, 2017	Market value as a percentage of		Paid up capital as a % of investee company held
		Purchased during the period	Bonus / Right shares issued during the period	Sold during the period	As at September 30, 2017		Net assets	Total investments	

----- Number of shares ----- Rupees in '000' ----- %-----

GLASS & CERAMICS

Shabbir Tiles & Ceramics Limited*	2,450,500	-	-	172,500	2,278,000	29,819	0.92	1.03	0.95
Tariq Glass Industries Limited	655,500	-	-	-	655,500	68,919	2.13	2.37	0.89

OIL AND GAS EXPLORATION COMPANIES

Mari Petroleum Limited	157,170	-	-	64,500	92,670	139,469	4.30	4.80	0.08
Oil and Gas Development Company Limited	915,600	124,500	-	74,000	966,100	143,601	4.43	4.95	0.02
Pakistan Oilfields Limited	316,300	48,900	-	10,000	355,200	188,981	5.83	6.51	0.15
Pakistan Petroleum Limited	1,163,000	91,500	-	311,000	943,500	164,820	5.08	5.68	0.05

OIL AND GAS MARKETING COMPANIES

Attock Petroleum Limited	68,800	-	-	-	68,800	43,050	1.33	1.48	0.08
Pakistan State Oil Company Limited	362,500	-	-	133,300	229,200	101,251	3.12	3.49	0.08
Shell Pakistan Limited	174,500	-	-	20,900	153,600	63,876	1.97	2.20	0.14
Sui Northern Gas Pipelines Limited	568,000	340,600	-	268,500	640,100	85,684	2.64	2.95	0.10

PAPER & BOARD

Cherat Packaging Limited.	5,000	41,000	6,210	-	52,210	9,666	0.30	0.33	0.18
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PHARMACEUTICALS

Abbot Laboratories (Pakistan) Limited	24,600	-	-	11,700	12,900	10,178	0.31	0.35	0.01
Ferozsons Laboratories Limited	37,850	-	-	-	37,850	11,400	0.35	0.39	0.13
GlaxoSmithKline (Pakistan) Limited	218,300	-	-	31,700	186,600	34,333	1.06	1.18	0.06
GlaxoSmithKline Health Care Pakistan Limited	16,500	-	-	-	16,500	4,594	0.14	0.16	0.01
The Searle Company Limited	74,190	-	-	48,050	26,140	10,558	0.33	0.36	0.02

POWER GENERATION & DISTRIBUTION

The Hub Power Company Limited	1,168,100	38,000	-	179,500	1,026,600	114,784	3.54	3.95	0.09
Kot Addu Power Company Limited	989,600	-	-	753,000	236,600	17,991	0.55	0.62	0.03
K-Electric Limited *	5,733,500	3,761,000	-	4,881,500	4,613,000	32,476	1.00	1.12	0.20

REFINERY

Attock Refinery Limited	84,500	-	-	-	84,500	33,677	1.04	1.16	0.10
National Refinery Limited	15,500	-	-	-	15,500	10,291	0.32	0.35	0.02

TECHNOLOGY & COMMUNICATION

NetSol Technologies Limited	713,500	-	-	276,500	437,000	28,842	0.89	0.99	0.49
Systems Limited	272,500	69,000	-	-	341,500	26,480	0.82	0.91	0.31

TEXTILE COMPOSITE

Kohinoor Textile Mills Limited	385,000	23,900	76,726	42,500	443,126	111,112	3.43	3.83	0.16
Nishat Mills Limited	77,500	55,000	-	263,800	(131,300)	110,886	3.42	3.82	(0.04)

Transport

Pakistan National Shipping Corporation	25,500	-	-	-	25,500	3,310	0.10	0.11	0.02
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MISCELLANEOUS

Synthetic Products Limited	10,000	-	-	-	10,000	60,704	1.87	2.09	0.01
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Total as at September 30, 2017

1,225,826 2,903,950 88 100

Carrying value as at September 30, 2017

3,267,296

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

* All shares have a nominal face value of Rs 10 each except for shares of Thal Limited, Agriauto Industries Limited, Shabbir Tiles & Ceramics Limited which have a face value of Rs 5 each and K-Electric Limited which have a face value of Rs. 3.5 each.

4.1.1 Investments include shares with market value of Rs 147.411 million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the SECP.

	(Un-Audited) September 30, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
5 DIVIDEND AND PROFIT RECEIVABLE		
Profit receivable on balances with banks	1,852	2,046
Dividend receivable	18,552	13,160
	<u>20,404</u>	<u>15,206</u>
6 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	322	229
Settlement charges	61	71
Shariah advisory fee	531	423
Haram portion of dividend	2,585	2,423
Provision against Sindh Workers' Welfare Fund	29,057	29,057
Brokerage payable	1,127	877
Others	1,009	226
	<u>34,692</u>	<u>33,306</u>

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2017 and June 30, 2017.

8 PROVISION FOR SINDH 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, MUFAP on January 12, 2017 recommended all its members that as a matter of abundant caution the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at September 30, 2017 would have been higher by Re 0.1056 per unit.

9 TAXATION

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

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

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.

10 EARNINGS PER UNIT

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

11 Total Expense Ratio

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 3.20% p.a. including 0.38% representing government levies on collective Investment scheme such as Sales tax, Worker's Welfare Fund and Securities & Exchange Commission of Pakistan fee for the same period.

12 Selling and Marketing Expenses

In pursuance to Regulation 60(3)(V), selling and marketing expense is being charged to the fund having compliance with the conditions laid down by the regulator.

13 TRANSACTIONS WITH CONNECTED PERSONS

13.1 Related parties / 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 (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and key management personnel of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

13.3 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.

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

Un-audited Quarter Ended September 30, 2017	Un-audited Quarter Ended September 30, 2016
----- Rupees in '000 -----	

13.5 Details of the transactions with connected persons are as follows:

NBP Fullerton Asset Management Limited - Management Company

Remuneration of the Management Company	20,219	10,890
Sindh sales tax on remuneration of the Management Company	2,629	1,416
Accounting and operational charges to the Management Company	1,011	545
Selling and marketing expense	4,044	

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN I)

Units issued during the period 568,655 units (2016:1,538,538 Units)	6,762	18,953
Units redeemed during the period 12,093,266 units (2016: Nil Units)	152,807	-
Cash Dividend	6,762	18,953

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN II)

Units issued during the period - 522,711 units (2016:1,198,684 Units)	6,216	14,767
Units redeemed during the period - 13,378,260 units (2016: NIL units)	169,761	-
Cash Dividend	6,216	14,767

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

	Un-audited Quarter Ended September 30, 2017	Un-audited Quarter Ended September 30, 2016
	----- Rupees in '000 -----	
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN III)		
Units issued during the period - 742,577 units (2016:48,796,961 Units)	8,831	603,688
Units redeemed during the period - 21,442,701 units (2016: NIL Units)	269,165	-
Cash Dividend	8,831	26,288
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN IV)		
Units issued during the period - 545,574 units	6,488	-
Units redeemed during the period - 13,886,921 units	174,735	-
Cash Dividend	6,488	-
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN V)		
Units issued during the period 1,187,307 Units	14,119	-
Units redeemed during the period - 24,673,857 Units	299,764	-
Cash Dividend	14,119	-
NAFA ISLAMIC ACTIVE ALLOCATION FUND-II (PLAN VI)		
Units issued during the period 4,859,890 Units	62,636	-
Units redeemed during the period - 5,517,677 Units	66,250	-
Cash Dividend	6,725	-
NAFA ISLAMIC ACTIVE ALLOCATION FUND-II (PLAN VII)		
Units issued during the period 3,061,843 Units	39,689	-
Units redeemed during the period - NIL Units	-	-
Cash Dividend	1,850	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	1,263	796
Sales Tax	164	104
Cherat Cement Company Limited - Common Directorship		
Shares purchased - 164,500 (2016: 24,000)	26,426	3,048
International Industries Limited - Common Directorship		
Shares purchased - NIL (2016: 151,000)	-	18,875
International Steel Limited - Common Directorship		
Shares purchased - 67,000 (2016: 76,500)	8,237	3,454
Shares sold - 112,000 (2016: NIL)	13,475	-
Fatima Fertilizer Company Limited - Common Directorship		
Shares sold - 960,000	27,809	-
Cherat Packaging Limited - Common Directorship		
Shares purchased - 41,000 (2016: NIL)	8,269	-
	Un-audited September 30, 2017	Audited June 30, 2017
	----- Rupees in '000 -----	
13.6 Amounts outstanding as at period end		
NBP Fullerton Asset Management Limited - Management Company		
Management remuneration payable	5,464	7,961
Sindh sales tax on remuneration	710	1,035
Federal excise duty on remuneration	1,420	1,420
Preliminary expenses and floatation cost payable	1,000	1,000
Payable against selling and marketing expense	10,181	6,137
Other payable	2,624	2,624
Accounting and operational charges	4,579	3,568
NAFA Islamic Active Allocation Fund-I (Plan I)		
Units held - 36,481,227 (2017: 48,005,837)	429,946	644,176

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

	Un-audited September 30, 2017	Audited June 30, 2017
	----- Rupees in '000 -----	
NAFA Islamic Active Allocation Fund-I (Plan II)		
Units held - 33,533,725 (2017: 46,389,274)	395,208	622,484
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN III)		
Units held - 47,638,912 (2017: 68,339,035)	561,444	917,021
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN IV)		
Units held - 35,000,441 (2017 :48,341,789)	412,494	648,684
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN V)		
Units held - 76,169,894 (2017:99,656,444)	897,693	1,337,260
NAFA Islamic Active Allocation Fund-II (Plan VI)		
Units held - 36,279,947 (2017:36,937,734)	427,574	495,656
NAFA Islamic Active Allocation Fund-II (Plan VII)		
Units held - 9,977,937 (2017:6,916,095)	117,594	92,805
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	355	480
Sindh Sales Tax payable on remuneration of Trustee	46	63
Security deposit	100	100
Fatima Fertilizer - Common Directorship		
Shares held - 358,000	12,190	-
Cherat Packaging Limited - Common Directorship		
Shares held - 52,210 (2017: 5,000)	9,666	1,189
Cherat Cement Company Limited - Common Directorship		
Shares held - 773,400 (2017: 608,900)	92,793	108,859
International Industries Limited - Common Directorship		
Shares held - 121,200 (2017: 121,200)	35,172	44,671
International Steels Limited - Common Directorship		
Shares held - 336,500 (2017: 381,500)	40,760	48,790
BankIslami Pakistan Limited - Common Directorship		
Balance with bank	366,740	407,205
Profit receivable	1,852	2,045

14 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 27, 2017.

15 GENERAL

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

**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

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: NAFA INVEST to 9995

Fax: 021-35825335

Email: info@nafafunds.com

Website: www.nafafunds.com

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