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

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

ANNUAL REPORT 2016



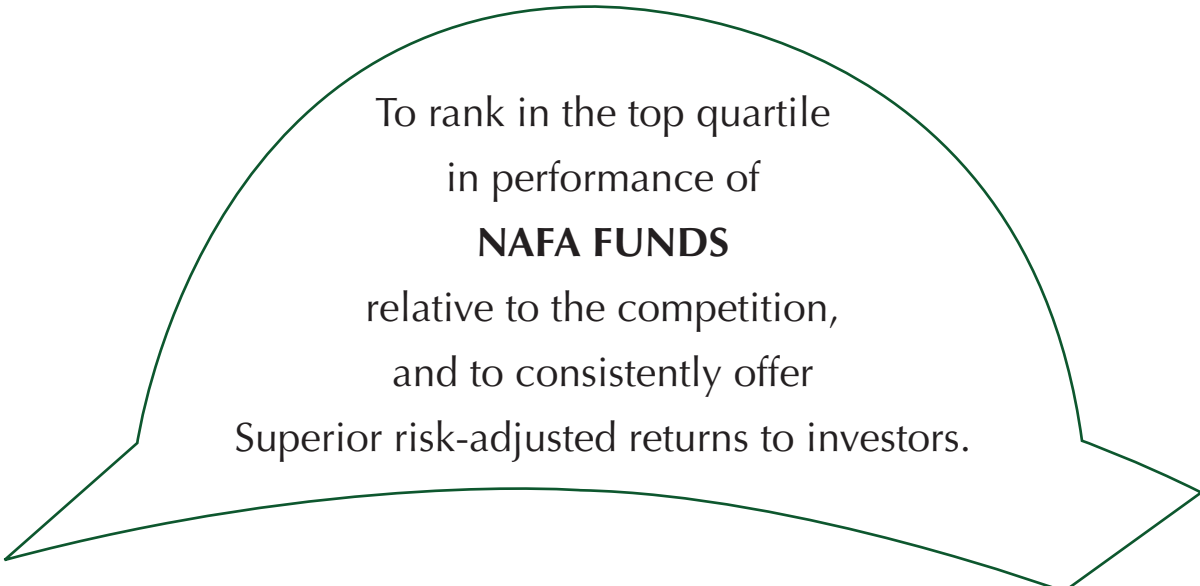
Your investments & "NAFA" grow together



**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.

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

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. Nigel Poh Cheng	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Aamir Sattar	Member

Human Resource and Remuneration Committee

Mr. Nausherwan Adil	Chairman
Mr. Nigel Poh Cheng	Member
Mr. Kamal Amir Chinoy	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
Burj Bank Limited
Habib Bank Limited
National Bank of Pakistan
United Bank Limited
Dubai Islamic Bank Limited
Silk Bank Limited
Habib Metropolitan Bank Limited

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

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 FUND-I

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Board of Directors



Mr. Nausherwan Adil
Chairman



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Kamal Amir Chinoy
Director



Mr. Koh Boon San
Director



Mr. Aamir Sattar
Director



Mr. Shehryar Faruque
Director



Mr. Nigel Poh Cheng
Director



Mr. Abdul Hadi Palekar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Mr. M. Murtaza Ali
Chief Operating Officer
& Company Secretary



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Samiuddin Ahmed
Country Head Corporate
Marketing



Mr. Ozair Khan
Chief Technology Officer



Syed Suleman Akhtar CFA
Head of Research



Mr. Muhammad Ali, CFA, FRM
Head of Fixed Income



Mr. Asim Wahab Khan, CFA
Head of Equity



Mr. Salman Ahmed
Head of Risk Management



Mr. Raheel Rehman ACA, CICA
Senior Manager Compliance

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the First Annual Report of **NAFA Islamic Active Allocation Fund - I** for the period from December 08, 2015 to June 30, 2016.

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

NAFA Islamic Active Allocation Fund-I has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through five (5) Allocation Plans, out of these NAFA Islamic Active Allocation Plan-I (NIAAP-I), NAFA Islamic Active Allocation Plan-II (NIAAP-II) & NAFA Islamic Active Allocation Plan-III (NIAAP-III) have already been launched. These plans invest in the following underlying Funds and the allocation in these underlying Funds change based on the investment outlook of our Investment Committee.

- NAFA Active Allocation Riba Free Savings Fund
- NAFA Islamic Active Allocation Equity Fund

The stock market started FY2015-16 on a lackluster note in sync with the regional and global markets, driven by a rout in commodities and concerns on global growth led by China. But in the aftermath of a strong rally in the second half of the year, the local bourse closed the year with a 9.8% return. During the first half of the year, the market remained under pressure led by Oil & Gas Sector amid sharp decline in crude oil prices and unabated foreign selling. However, the market more than made up for the losses in the second half as recovery in crude oil prices led to strong returns from the large cap energy stocks, and news of Pakistan's re-entry in the MSCI EM Index from next year. NBFCs, Individuals, and Mutual Funds remained net buyers, absorbing majority of the foreign selling. After a volatile FY2015-16, Pakistan equities are well poised to post stronger returns this fiscal year due to inclusion in MSCI Emerging Markets Index, relatively reasonable valuations, and improving growth prospects driven by government focus on infrastructure spending coupled with implementation of CPEC projects.

On the corporate debt sphere, trading activity in Sukuks remained skewed towards high quality issues with total trade value touching around Rs 8 billion. The trades were mainly concentrated in the Banking sector, making up 43% share. During the period under review (FY16), due to further abatement in inflationary pressures (average inflation of 2.9%), State Bank of Pakistan (SBP) reduced the policy rate by a cumulative 75 bps following a cumulative 300 bps reduction in FY15. SBP in its policy statement highlighted (i) improvement in the macroeconomic conditions, (ii) better law and order situation; and (iii) positive growth prospects underpinned by investment under China Pakistan Economic Corridor (CPEC). During the period under review, sovereign yields responded accordingly to policy rate cut of 75 bps. We see pickup in inflation to 6% by FY17 year-end due to partial recovery in commodity prices, measured PKR devaluation, and uptick in private sector borrowing.

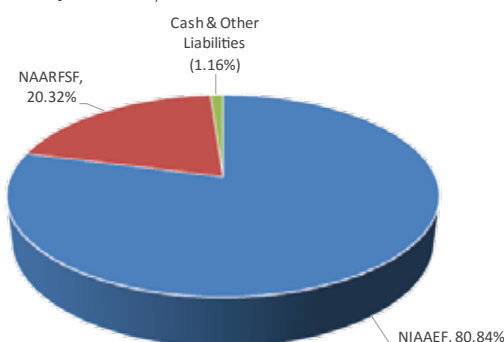
NAFA Islamic Active Allocation Plan-I (NIAAP-I)

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

Fund's Performance

Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-I (NIAAP-I) has increased from Rs.100.0000 on January 15, 2016 to Rs.110.7339 on June 30, 2016, thus showing an increase of 10.73%. The Benchmark (Daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment) return during the same period was 15.95%. Thus, the Fund has underperformed its Benchmark by 5.22% since its inception on January 15, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.852 million. NIAAP-I has earned income of Rs.85.89 million during the year. After accounting for expenses of Rs.3.32 million, the net income is Rs.82.57 million.

The asset allocation of NIAAP-I as on June 30, 2016 is as follows:



NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

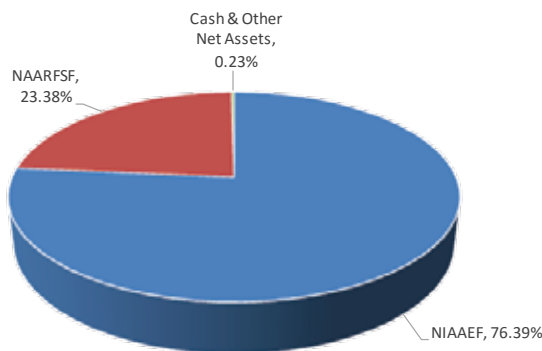
NAFA Islamic Active Allocation Plan-II (NIAAP-II)

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

Fund's Performance

Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-II (NIAAP-II) has increased from Rs.100.0000 on March 04, 2016 to Rs.107.4417 on June 30, 2016, thus showing an increase of 7.44%. The Benchmark (Daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment) return during the same period was 10.38%. Thus, the Fund has underperformed its Benchmark by 2.94% since its inception on March 04, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.702million. NIAAP-II has earned income of Rs.50.44 million during the year. After accounting for expenses of Rs.1.80 million, the net income is Rs.48.64 million.

The asset allocation of NIAAP-II as on June 30, 2016 is as follows:



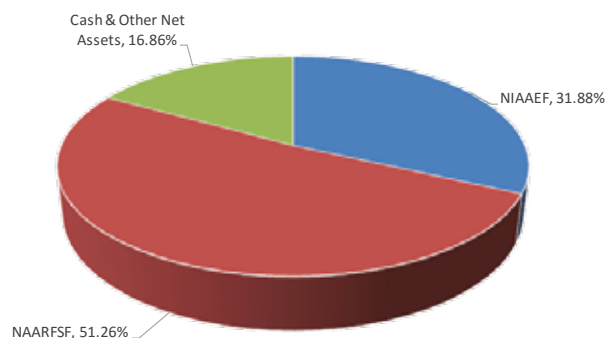
NAFA Islamic Active Allocation Plan-III (NIAAP-III)

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

Fund's Performance

Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-III (NIAAP-III) has increased from Rs.100.0000 on June 28, 2016 to Rs.100.0827 on June 30, 2016, thus showing an increase of 0.08%. The Benchmark (Daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment) return during the same period was 0.69%. Thus, the Fund has underperformed its Benchmark by 0.61% since its inception on June 28, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.1,287 million. NIAAP-III has earned income of Rs.1.20 million during the year. After accounting for expenses of Rs.0.14 million, the net income is Rs.1.06 million.

The asset allocation of NIAAP-III as on June 30, 2016 is as follows:



NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

Income Distribution

The Board of Directors of the Management Company has approved final cash dividend of 0.24% of the par value in NIAAP-II and 0.08% of the par value in NIAAP-III for the year, subsequent to year end.

Taxation

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

Auditors

The present auditors, Messrs A.F.Ferguson & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2017.

Directors' Statement in Compliance with Code of Corporate Governance

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held three meetings during the year. The attendance of all directors is disclosed in the note 22 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 21 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.

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: September 23, 2016
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فلٹرن ایسیٹ منجسٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز بصد مسرت 8 دسمبر 2015 سے 30 جون 2016ء کی مدت کے لیے NAFA اسلامک ایکٹیو ایلوکیشن ایکویٹی فنڈ-I کی پہلی سالانہ رپورٹ پیش کرتا ہے۔

اس فنڈ کا مقصد انویسٹرز کو عمدہ نظم و نسق والے شریعہ کمپلائنٹ ایکویٹی فنڈ اور انکم / منی مارکیٹ فنڈز سے پرکشش منافع کمانے کا موقع فراہم کرنا ہے۔ NAFA اسلامک ایکٹیو ایلوکیشن ایکویٹی فنڈ-I ایک ٹرسٹ اسکیم کی شکل میں تیار کیا گیا ہے جو پانچ (5) ایلوکیشن پلانز کے ذریعے درج ذیل اجتماعی انویسٹمنٹ اسکیمز میں سرمایہ کاری کرے گا، ان میں NAFA اسلامک ایکٹیو ایلوکیشن پلان-I (NIAAP-I)، NAFA اسلامک ایکٹیو ایلوکیشن پلان-II (NIAAP-II) اور NAFA اسلامک ایکٹیو ایلوکیشن پلان-III (NIAAP-III) پہلے ہی لانچ کیے جا چکے ہیں۔ یہ پلانز درج ذیل فنڈز میں سرمایہ کاری کرتے ہیں اور درج ذیل فنڈز میں ایلوکیشن کی تبدیلی ہماری انویسٹمنٹ کمیٹی کی سرمایہ کاری کی توقعات پر مبنی ہوتی ہے۔

☆ NAFA اسلامک ایکٹیو ایلوکیشن ریفارمی سیونگ فنڈ

☆ NAFA اسلامک ایکٹیو ایلوکیشن ایکویٹی فنڈ

اسٹاک مارکیٹ نے کموڈٹیٹیز میں زبردست مندی اور چین کی زیر قیادت عالمی نمو پر خدشات کے زیر اثر علاقائی اور عالمی مارکیٹس کے مطابق غیر متاثر کارکردگی سے مالی سال 2015-16 کا آغاز کیا۔ لیکن سال کے دوسرے نصف میں ایک زبردست بحالی کے نتیجے میں مقامی اسٹاک ایکسچینج سال کے آخر میں 9.8 فی صد منافع کے ساتھ بند ہوئے۔ سال کے پہلے نصف کے دوران مارکیٹ آئل اینڈ گیس سیکٹر میں خام تیل کی قیمتوں میں تیزی سے کمی اور غیر ملکی سرمایہ کاروں کی طرف سے بے روک ٹوک حصص کی فروخت کے نتیجے میں پر داؤ میں رہی۔ تاہم مارکیٹ نے دوسرے نصف میں خساروں سے کہیں زیادہ ازالہ کر لیا، جیسا کہ خام تیل کی قیمتوں کی بحالی کا نتیجہ بھاری سرمائے والے انرجی اسٹاکس کی طرف سے زبردست منافع جات کی صورت میں برآمد ہوا اور پاکستان کی آئندہ سال سے MSCI EM میں دوبارہ شمولیت کی خبر سامنے آئی۔ NBFCs، انفرادی اور میوچل فنڈز خالصتاً خریدار رہے اور انہوں نے غیر ملکی سرمایہ کاروں کی طرف سے حصص کی فروخت کے بڑے حصے کو جذب کر لیا۔ اتار چڑھاؤ سے بھرپور مالی سال 2015-16 کے بعد MSCI ایمریکنگ مارکیٹس انڈیکس میں شمولیت، قیمتوں کے معقول تعین اور حکومت کی طرف سے سی پیک پروجیکٹس کے نفاذ کے ساتھ انفراسٹرکچر پر توجہ مرکوز کرنے کی وجہ سے پاکستانی ایکویٹیٹیز زبردست منافع جات پیش کرنے کے لیے عمدہ پوزیشن میں ہیں۔

کاروباری قرض کے حلقے میں TFCs / سلوک میں تجارتی سرگرمیوں کے اعلیٰ کوالٹی اجرا کی کارروائیوں کی طرف جھکاؤ کے ساتھ مجموعی تجارتی حجم نے لگ بھگ 8 ارب روپے کو چھو لیا۔ لیکن دین کا اصل ارتکاز بیکاری کے شعبے میں رہا جس کا حصہ 43% بنتا ہے۔ زیر جائزہ مدت (مالی سال 2016) کے دوران، افراط زر کے دباؤ میں مزید کمی کے ساتھ (اوسط افراط زر 2.9%)، اسٹیٹ بینک آف پاکستان نے مالی سال 2015 میں پالیسی ریٹ میں 300 بنیادی پوائنٹس کی مجموعی کمی کے بعد 75 بنیادی پوائنٹس مجموعی طور پر مزید کم کر دیے۔ SBP نے اپنے پالیسی بیان میں درج ذیل کی نشان دہی کی ہے (i) مجموعی معاشی حالات میں بہتری (ii) امن و امان کی بہتر صورت حال اور (iii) چین پاکستان اقتصادی راہداری (CPEC) کے تحت سرمایہ کاری کی بدولت نمو کے مثبت امکانات۔ زیر جائزہ مدت کے دوران آزادانہ منافع جات نے پالیسی ریٹ میں 75 بنیادی پوائنٹس کمی کے مطابق رد عمل دکھایا۔ ہم مالی سال 2017 کے آخر تک ایشیائے صرف کی قیمتوں کی جزوی بحالی، پاکستانی روپے کی قدر میں محدود کمی اور نجی شعبے کے قرضوں میں اضافے کی وجہ سے افراط زر کو 6% تک بڑھتا دیکھ رہے ہیں۔

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

یہ 15 جنوری 2016 کو NAFA اسلامک ایکٹیو ایلوکیشن پلان-I (NIAAP-I) کے لانچ سے 30 جون 2016 کو ختم ہونے والی مدت کے لیے پہلی سالانہ رپورٹ ہے۔ اس فنڈ کا مقصد انویسٹرز کو عمدہ نظم و نسق والے شریعہ کمپلائنٹ ایکویٹی فنڈ اور انکم فنڈز سے پرکشش منافع کمانے کا موقع فراہم کرنا ہے۔

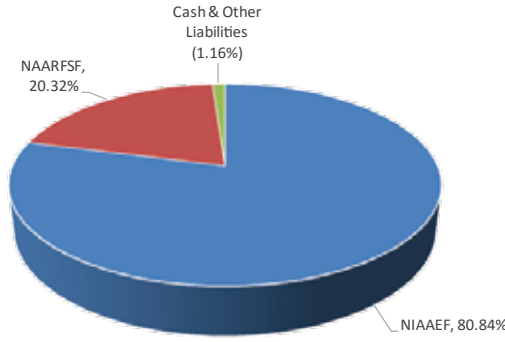
فنڈ کی کارکردگی

15 جنوری 2016 کو پلان کی لانچ سے NAFA اسلامک ایکٹیو ایلوکیشن پلان-I (NIAAP-I) کے پونٹ کی قیمت 100.0000 روپے سے 30 جون 2016 پر 110.7339 روپے تک بڑھ چکی ہے، لہذا 10.73% اضافہ دکھایا ہے۔ اسی مدت کے دوران بیٹنچ مارک (KMI-30) انڈیکس کا یومیہ میزان اور A-اور زائمر بینگ والے اسلامک بینکس اور اصل سرمایہ کاری پر مبنی ونڈوز (منافع 15.95% تھا، لہذا فنڈ نے 15 جنوری 2016 کو اپنے بیٹنچ مارک سے 5.22% کم تر کارکردگی کا مظاہرہ کیا ہے۔ یہ منجسٹ فیس اور دیگر تمام اخراجات کے بعد خالص نتیجہ ہے۔

فنڈ کا حجم، 852 ملین روپے ہے۔ NIAAP-I نے سال کے دوران 85.89 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 3.32 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 82.57 ملین روپے ہے۔

NIAAP-I کی ایسیٹ ایلوکیشن 30 جون 2016 کو بمطابق ذیل ہے:

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I



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

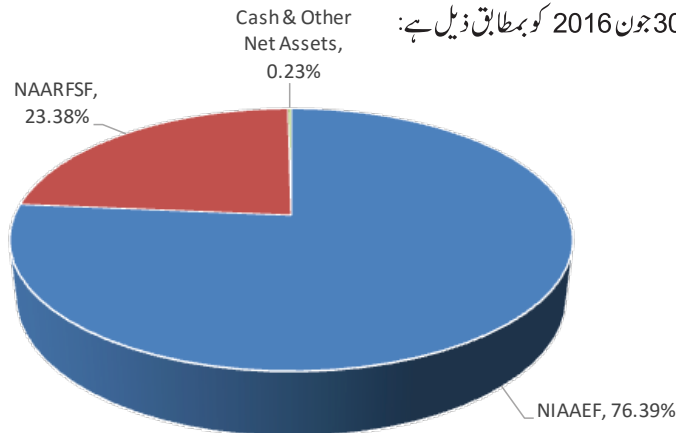
یہ 04 مارچ 2016 کو NAFA اسلامک ایکٹیو ایلوکیشن پلان-II (NIAAP-II) کے لانچ سے 30 جون 2016 کو ختم ہونے والی مدت کے لیے پہلی سالانہ رپورٹ ہے۔ اس فنڈ کا مقصد انویسٹرز کو عمدہ نظم و نسق والے شریعہ کیپلائنٹ ایکویٹی فنڈ اور انکم فنڈ سے پرکشش منافع کمانے کا موقع فراہم کرنا ہے۔

فنڈ کی کارکردگی

04 مارچ 2016 کو پلان کی لانچ سے NAFA اسلامک ایکٹیو ایلوکیشن پلان-II (NIAAP-II) کے یونٹ کی قیمت 100.0000 روپے سے 30 جون 2016 پر 107.4417 روپے تک بڑھ چکی ہے، لہذا 7.44% اضافہ دکھایا ہے۔ اسی مدت کے دوران بیچ مارک (KMI-30 انڈیکس کا یومیہ میزان اور A-اور زائدر بینگ والے اسلامک ٹینکس اور اصل سرمایہ کاری پر مبنی ونڈوز) منافع 10.38% تھا، لہذا فنڈ نے 04 مارچ 2016 کو اپنے بیچ مارک سے 2.94% کم تر کارکردگی کا مظاہرہ کیا ہے۔ یہ منجھٹ فیس اور دیگر تمام اخراجات کے بعد خالص نتیجہ ہے۔

فنڈ کا حجم 702 ملین روپے ہے۔ NIAAP-I نے سال کے دوران 50.44 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 1.80 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 48.64 ملین روپے ہے۔

NIAAP-II کی ایسیٹ ایلوکیشن 30 جون 2016 کو برطبق ذیل ہے:



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

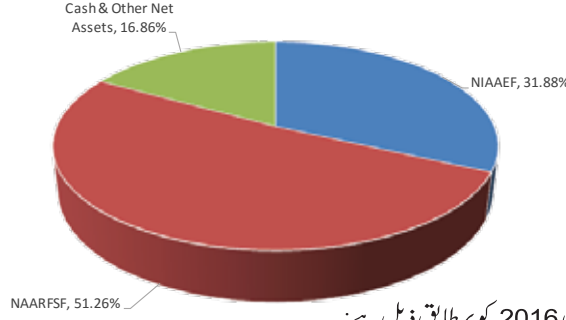
یہ 28 جون 2016 کو NAFA اسلامک ایکٹیو ایلوکیشن پلان-III (NIAAP-III) کے لانچ سے 30 جون 2016 کو ختم ہونے والی مدت کے لیے پہلی سالانہ رپورٹ ہے۔ اس فنڈ کا مقصد انویسٹرز کو عمدہ نظم و نسق والے شریعہ کیپلائنٹ ایکویٹی فنڈ اور انکم فنڈ سے پرکشش منافع کمانے کا موقع فراہم کرنا ہے۔

فنڈ کی کارکردگی

28 جون 2016 کو پلان کی لانچ سے NAFA اسلامک ایکٹیو ایلوکیشن پلان-III (NIAAP-III) کے یونٹ کی قیمت 100.0000 روپے سے 30 جون 2016 پر 100.0827 روپے تک بڑھ چکی ہے، لہذا 0.08% اضافہ دکھایا ہے۔ اسی مدت کے دوران بیچ مارک (KMI-30 انڈیکس کا یومیہ میزان اور A-اور زائدر بینگ والے اسلامک ٹینکس اور اصل سرمایہ کاری پر مبنی ونڈوز) منافع 0.69% تھا، لہذا فنڈ نے 28 جون 2016 کو اپنے بیچ مارک سے 0.61% کم تر کارکردگی کا مظاہرہ کیا ہے۔ یہ منجھٹ فیس اور دیگر تمام اخراجات کے بعد خالص نتیجہ ہے۔

فنڈ کا حجم 1,287 ملین روپے ہے۔ NIAAP-I نے سال کے دوران 1.20 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 0.14 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 1.06 ملین روپے ہے۔

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I



NIAAP-III کی ایسیٹ ایلوکیشن 30 جون 2016 کو بمطابق ذیل ہے:

آمدنی کی تقسیم

منجٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال کے اختتام کے بعد Par NAV کا 0.24% NIAAP-II میں اور 0.08% NIAAP-III میں حتمی کیش ڈیویڈنڈ منظور کیا ہے۔

ٹیکسیشن

جیسا کہ مندرجہ بالا کیش ڈیویڈنڈ، انویسٹمنٹس کے تصرف شدہ اور غیر تصرف شدہ (realized and unrealized) مالیاتی منافع جات کے علاوہ، انویسٹمنٹس پر سال کے دوران کمائی گئی آمدنی کے 90% سے زائد ہے، اکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ 1 کی شق 99 کے تحت فنڈ پر ٹیکس لاگو نہیں ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہوئے ہیں اور بر بنائے اہلیت، خود کو تختہ سال 30 جون 2017 کے لیے دوبارہ تقرری کے لیے پیش کرتے ہیں۔

کوڈ آف کارپوریٹ گورننس کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

- 1- منجٹ کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوز اور پونٹ ہولڈرز فنڈ میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- 2- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 3- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4- ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
- 5- انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 6- فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 7- لسٹنگ ریگولیشنز میں تفصیلاً درج کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- 8- پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہے۔
- 9- ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10- اس مدت کے دوران منجٹ کمپنی کے بورڈ آف ڈائریکٹرز کے تین اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 22 میں ظاہر کی گئی ہے۔
- 11- پونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 21 میں ظاہر کیا گیا ہے۔
- 12- ڈائریکٹرز، CEO، CFO، کمپنی سیکرٹری اور ان کی بیویوں اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے پونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔

اعتراف

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان 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 فلرٹن ایسیٹ منجٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

23 ستمبر 2016

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

TRUSTEE REPORT TO THE UNIT HOLDERS NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Islamic Active Allocation Fund-I (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from December 08, 2015 to June 30, 2016 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.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2016

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

This statement is being presented by the Board of Directors (the Board) of NBP Fullerton Asset Management Limited (the Company), the Management Company of **NAFA Islamic Active Allocation Fund-I** (the Fund) to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of the Rule Book of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company, though an un-listed Public Limited Company complies with the CCG as the Fund under its management is listed on Pakistan Stock Exchange Limited.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2016, the Board included:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque
Executive Directors	Dr. Amjad Waheed (Chief Executive Officer)
Non- Executive Directors	1. Mr. Nausherwan Adil (Chairman) 2. Mr. Aamir Sattar 3. Mr. Abdul Hadi Palekar 4. Mr. Nigel Poh Cheng 5. Mr. Koh Boon San

The independent directors meets the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred during the year.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive have been taken by the Board. There is no other executive-director of the Company besides Chief Executive Officer (CEO).
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The directors are conversant of the relevant laws applicable to the Company, its policies and provisions of memorandum and articles of association and are aware of their duties and responsibilities. As of 30 June 2016, three directors of the Company had acquired the director's training certificate as required under the Code. The Company plans to arrange a Director's Training Program in future, for the remaining directors.
10. The Board has approved the appointment of Chief Financial Officer (CFO) of the Company with their remuneration and terms and conditions of employment. There has been no new appointment of the Company Secretary and Head of Internal Audit during the year.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the units of the Fund other than that disclosed in note 19 to the financial statements "Transactions with Connected Persons".
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the CCG. The committee has formed the terms of reference for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members. All the members are non-executive directors including an independent director and the chairman of the committee is non-executive director.

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

18. The Board has set up an effective internal audit function.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. Since there is no practical implication of closed period on the announcement of interim and final results of open end Fund. Therefore, there was no 'closed period' prior to the announcement of interim / final results.
22. Material / price sensitive information has been disseminated amongst all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with except the following:
 - As per the Code, the mechanism was required to put in place for an annual evaluation of the Board within two years of coming into effect of the Code i.e. April 2014. The mechanism is in place and the Company is in the process of completion of annual evaluation of the Board.

For and behalf of the Board

Karachi
September 23, 2016

Dr. Amjad Waheed
Chief Executive Officer

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

FUND MANAGER REPORT

NAFA Islamic Active Allocation Fund - I

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

Investment Objective of the Fund

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

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

Islamic Income: NAFA Active Allocation Riba Free Savings Fund
Islamic Equity: NAFA Islamic Active Allocation Equity Fund

Fund performance review

Plans	Launch Date	Fund Size (Million)	Cumulative Performance Since Inception	
			Plan Return	Benchmark* Return
NIAAP-I	15-Jan-16	852	10.73%	15.95%
NIAAP-II	4-Mar-16	702	7.44%	10.38%
NIAAP-III	28-Jun-16	1,287	0.08%	0.69%

The stock market started FY2015-16 on a lackluster note in sync with the regional and global markets, driven by a rout in commodities and concerns on global growth led by China. But in the aftermath of a strong rally in the second half of the year, the local bourse closed the year with 9.8% return. During the first half of the year, the market remained under pressure led by Oil & Gas Sector amid sharp decline in crude oil prices and unabated foreign selling. However, the market more than made up for the losses in the second half as recovery in crude oil prices led to strong returns from the heavy eight energy stocks and Pakistan's re-entry in MSCI EM Index from next year boosted general investor sentiment. NBFCs, Individuals, and Mutual Funds remained net buyers, absorbing majority of the foreign selling. After a volatile FY2015-16, Pakistan equities are well poised to post stronger return this year as inclusion in MSCI Emerging Markets Index, relatively reasonable valuations, and improving growth prospects driven by government focus on infrastructure spending coupled with implementation of CPEC projects will keep local & foreign investors' interest strong in the market.

On the corporate debt sphere, trading activity in Sukuks remained skewed towards high quality issues with total trade value touching around Rs 8 billion. The trades were mainly concentrated in the Banking sector, making up 43% share. Due to further abatement in inflationary pressures as captured in FY16 average inflation of 2.9%, State Bank of Pakistan (SBP) reduced the policy rate by a cumulative 75 bps in FY16 up on the heels of a cumulative 300 bps reduction in FY15. SBP in its policy statement highlighted (i) improvement in the macroeconomic conditions, (ii) better law and order situation; and (iii) positive growth prospects underpinned by investment under China Pakistan Economic Corridor (CPEC). During the period under review, sovereign yields responded accordingly to policy rate cut of 75 bps. We see pickup in inflation to 5.5% by year-end due to partial recovery in commodity prices, measured PKR devaluation, and uptick in private sector borrowing.

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

Asset Allocation of the Fund (% of NAV)

Plans	Asset Allocation of Plans		
	NAFA Islamic Active Allocation Funds		Cash & Other Net Assets/Liabilities
	Equity	Riba Free Savings	
NIAAP-I	80.84%	20.32%	-1.16%
NIAAP-II	76.39%	23.38%	0.23%
NIAAP-III	31.88%	51.26%	16.86%

NAFA Islamic Active Allocation Plan - I

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

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

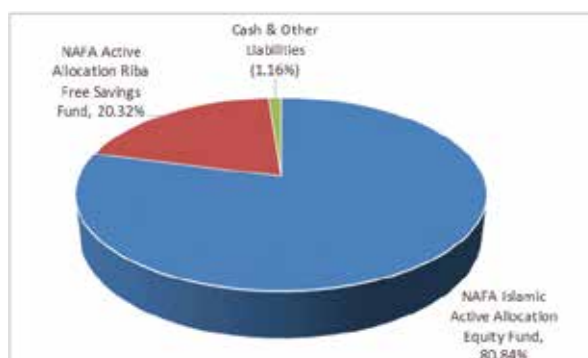
Fund's Performance

Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-I (NIAAP-I) has increased from Rs.100.0000 on January 15, 2016 to Rs.110.7339 on June 30, 2016, thus showing an increase of 10.73%. The Benchmark (Daily weighted return of KMI-30 index & 6-month deposit rate of A- and above rated Islamic banks and windows based on actual investment) return during the same period was 15.95%. Thus, the Fund has underperformed its Benchmark by 5.22% since its inception on January 15, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.852 million.

The stock market started FY2015-16 on a lackluster note in sync with the regional and global markets, driven by a rout in commodities and concerns on global growth led by China. But in the aftermath of a strong rally in the second half of the year, the local bourse closed the year with 9.8% return. During the first half of the year, the market remained under pressure led by Oil & Gas Sector amid sharp decline in crude oil prices and unabated foreign selling. However, the market more than made up for the losses in the second half as recovery in crude oil prices led to strong returns from the heavy eight energy stocks and Pakistan's re-entry in MSCI EM Index from next year boosted general investor sentiment. NBFCs, Individuals, and Mutual Funds remained net buyers, absorbing majority of the foreign selling. After a volatile FY2015-16, Pakistan equities are well poised to post stronger return this year as inclusion in MSCI Emerging Markets Index, relatively reasonable valuations, and improving growth prospects driven by government focus on infrastructure spending coupled with implementation of CPEC projects will keep local & foreign investors' interest strong in the market.

On the corporate debt sphere, trading activity in Sukuks remained skewed towards high quality issues with total trade value touching around Rs 8 billion. The trades were mainly concentrated in the Banking sector, making up 43% share. Due to further abatement in inflationary pressures as captured in FY16 average inflation of 2.9%, State Bank of Pakistan (SBP) reduced the policy rate by a cumulative 75 bps in FY16 up on the heels of a cumulative 300 bps reduction in FY15. SBP in its policy statement highlighted (i) improvement in the macroeconomic conditions, (ii) better law and order situation; and (iii) positive growth prospects underpinned by investment under China Pakistan Economic Corridor (CPEC). During the period under review, sovereign yields responded accordingly to policy rate cut of 75 bps. We see pickup in inflation to 5.5% by year-end due to partial recovery in commodity prices, measured PKR devaluation, and uptick in private sector borrowing.

The asset allocation of the Fund as on June 30, 2016 is as follows:



NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

NAFA Islamic Active Allocation Plan - II

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

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

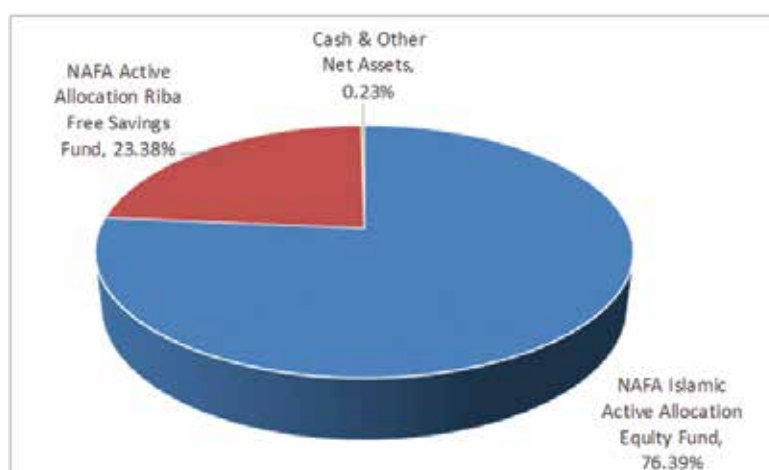
Fund's Performance

Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-II (NIAAP-II) has increased from Rs.100.0000 on March 04, 2016 to Rs.107.4417 on June 30, 2016, thus showing an increase of 7.44%. The Benchmark (Daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment) return during the same period was 10.38%. Thus, the Fund has underperformed its Benchmark by 2.94% since its inception on March 04, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.702million.

The stock market started FY2015-16 on a lackluster note in sync with the regional and global markets, driven by a rout in commodities and concerns on global growth led by China. But in the aftermath of a strong rally in the second half of the year, the local bourse closed the year with 9.8% return. During the first half of the year, the market remained under pressure led by Oil & Gas Sector amid sharp decline in crude oil prices and unabated foreign selling. However, the market more than made up for the losses in the second half as recovery in crude oil prices led to strong returns from the heavy eight energy stocks and Pakistan's re-entry in MSCI EM Index from next year boosted general investor sentiment. NBFCs, Individuals, and Mutual Funds remained net buyers, absorbing majority of the foreign selling. After a volatile FY2015-16, Pakistan equities are well poised to post stronger return this year as inclusion in MSCI Emerging Markets Index, relatively reasonable valuations, and improving growth prospects driven by government focus on infrastructure spending coupled with implementation of CPEC projects will keep local & foreign investors' interest strong in the market.

On the corporate debt sphere, trading activity in Sukuks remained skewed towards high quality issues with total trade value touching around Rs 8 billion. The trades were mainly concentrated in the Banking sector, making up 43% share. Due to further abatement in inflationary pressures as captured in FY16 average inflation of 2.9%, State Bank of Pakistan (SBP) reduced the policy rate by a cumulative 75 bps in FY16 up on the heels of a cumulative 300 bps reduction in FY15. SBP in its policy statement highlighted (i) improvement in the macroeconomic conditions, (ii) better law and order situation; and (iii) positive growth prospects underpinned by investment under China Pakistan Economic Corridor (CPEC). During the period under review, sovereign yields responded accordingly to policy rate cut of 75 bps. We see pickup in inflation to 5.5% by year-end due to partial recovery in commodity prices, measured PKR devaluation, and uptick in private sector borrowing.

The asset allocation of the Fund as on June 30, 2016 is as follows:



NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

NAFA Islamic Active Allocation Plan - III

NAFA launched its NAFA Islamic Active Allocation Plan-III (NIAAP-III) in June 28, 2016 which is the third plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity and Income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-III has an initial maturity of two years.

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

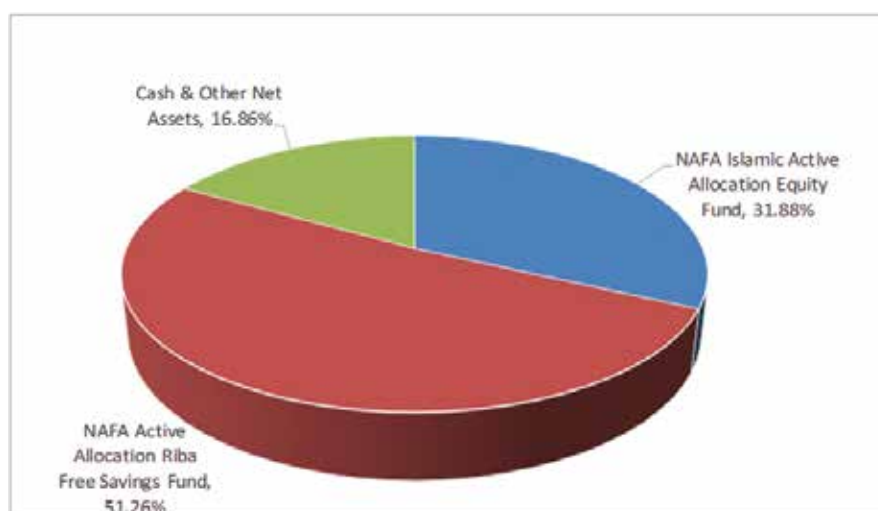
Fund's Performance

Since launch of the plan, the unit price of NAFA Islamic Active Allocation Plan-III (NIAAP-III) has increased from Rs.100.0000 on June 28, 2016 to Rs.100.0827 on June 30, 2016, thus showing an increase of 0.08%. The Benchmark (Daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment) return during the same period was 0.69%. Thus, the Fund has underperformed its Benchmark by 0.61% since its inception on June 28, 2016. This performance is net of management fee and all other expenses. The size of the Fund is Rs.1,287million.

The stock market started FY2015-16 on a lackluster note in sync with the regional and global markets, driven by a rout in commodities and concerns on global growth led by China. But in the aftermath of a strong rally in the second half of the year, the local bourse closed the year with 9.8% return. During the first half of the year, the market remained under pressure led by Oil & Gas Sector amid sharp decline in crude oil prices and unabated foreign selling. However, the market more than made up for the losses in the second half as recovery in crude oil prices led to strong returns from the heavy eight energy stocks and Pakistan's re-entry in MSCI EM Index from next year boosted general investor sentiment. NBFCs, Individuals, and Mutual Funds remained net buyers, absorbing majority of the foreign selling. After a volatile FY2015-16, Pakistan equities are well poised to post stronger return this year as inclusion in MSCI Emerging Markets Index, relatively reasonable valuations, and improving growth prospects driven by government focus on infrastructure spending coupled with implementation of CPEC projects will keep local & foreign investors' interest strong in the market.

On the corporate debt sphere, trading activity in Sukuks remained skewed towards high quality issues with total trade value touching around Rs 8 billion. The trades were mainly concentrated in the Banking sector, making up 43% share. Due to further abatement in inflationary pressures as captured in FY16 average inflation of 2.9%, State Bank of Pakistan (SBP) reduced the policy rate by a cumulative 75 bps in FY16 up on the heels of a cumulative 300 bps reduction in FY15. SBP in its policy statement highlighted (i) improvement in the macroeconomic conditions, (ii) better law and order situation; and (iii) positive growth prospects underpinned by investment under China Pakistan Economic Corridor (CPEC). During the period under review, sovereign yields responded accordingly to policy rate cut of 75 bps. We see pickup in inflation to 5.5% by year-end due to partial recovery in commodity prices, measured PKR devaluation, and uptick in private sector borrowing.

The asset allocation of the Fund as on June 30, 2016 is as follows:



NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

NAFA ISLAMIC ACTIVE ALLOCATION PLAN-II

Interim / Final	Dividend as a % of Par Value (Rs. 100)	Cum Dividend Price Per Unit (Rs.)	Ex- Dividend Price Per Unit (Rs.)
Final	0.24%	115.4489	115.2132

NAFA ISLAMIC ACTIVE ALLOCATION PLAN-III

Interim / Final	Dividend as a % of Par Value (Rs. 100)	Cum Dividend Price Per Unit (Rs.)	Ex- Dividend Price Per Unit (Rs.)
Final	0.08%	104.6227	104.5385

During the period under question:

- There have been no significant changes in the state of affairs of the Fund
- The Management Company or its delegates did not receive any soft commission (i.e. goods and services) from its broker(s)/dealer(s) by virtue of transactions conducted by the Fund.

Unit Holding Pattern of NAFA Islamic Active Allocation Fund-I as on June 30, 2016

NAFA ISLAMIC ACTIVE ALLOCATION PLAN-I

Size of Unit Holding (Units)		No. of Unit Holders
1	1,000	64
1,001	5,000	160
5,001	10,000	78
10,001	50,000	62
50,001	100,000	7
100,001	500,000	11
500,001	1,000,000	3
TOTAL		385

NAFA ISLAMIC ACTIVE ALLOCATION PLAN-II

Size of Unit Holding (Units)		No. of Unit Holders
1	1,000	52
1,001	5,000	100
5,001	10,000	69
10,001	50,000	73
50,001	100,000	10
100,001	500,000	9
500,001	1,000,000	1
TOTAL		314

NAFA ISLAMIC ACTIVE ALLOCATION PLAN-III

Size of Unit Holding (Units)		No. of Unit Holders
1	1,000	51
1,001	5,000	91
5,001	10,000	58
10,001	50,000	80
50,001	100,000	16
100,001	500,000	17
500,001	1,000,000	1
1,000,001	5,000,000	3
TOTAL		317

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

NAFA Islamic Active Allocation Fund-I (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made for the period from December 08, 2015 to June 30, 2016. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: September 23, 2016
Karachi.

Dr. Amjad Waheed, CFA
Chief Executive Officer

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

Report of the Shari'ah Supervisory Board NAFA Islamic Active Allocation Fund-I

Sep 20, 2016/ Dhu Al-Hijjah 17, 1437

Alhamdulillah, it was the First year of the operations of NAFA Islamic Active Allocation Fund-I (NIAAF-I). Under this fund, NAFA launched its NAFA Islamic Active Allocation Plan-I (NIAAP-I) on December 08, 2015, NAFA Islamic Active Allocation Plan-II (NIAAP-II) on March 04, 2016 and NAFA Islamic Active Allocation Plan-III (NIAAP-III) on June 28, 2016. This report is being issued in accordance with clause 3.7.1 of the Offering Document of the Fund. The scope of the report is to express an opinion on the Shari'ah Compliance of the Fund's activity.

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

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

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of NIAAF-I in light of Shari'ah guidelines.
- ii. All the provisions of the scheme and investments made on account of NIAAF-I by NAFA are Shari'ah Compliant and are in accordance with the criteria established.
- iii. On the basis of information provided by the management, nothing has come to our attention that cause us to believe that all the operations of NIAAF-I for the period from December 08, 2015 to June 30, 2016 are not in compliance with Shari'ah principles.

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

For and on behalf of Meezan Bank Limited
Shar'iah Technical Services & Support Provider

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waquar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of NBP Fullerton Asset Management Limited, the Management Company of **NAFA Islamic Active Allocation Fund I** (the Fund) for the period ended June 30, 2016 to comply with clause 5.19 of the Pakistan Stock Exchange Limited Regulations where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company (**NBP Fullerton Asset Management Limited**) of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length prices and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the period ended June 30, 2016.

Further, we highlight below the instances of non-compliance with the requirements of the Code as reflected in the paragraph references where these have been stated in the Statement of Compliance:

Paragraph reference	Description
21	No closed period was determined prior to the announcement of interim / final results.
23	A mechanism for an evaluation of the Board's own performance is in place. However, the Management Company is in the process of completion of the annual evaluation of the Board.

A.F. Ferguson & Co.
Chartered Accountants
Dated: September 30, 2016
Karachi

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **NAFA Islamic Active Allocation Fund - I** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2016, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the period from December 8, 2015 to June 30, 2016, and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company (**NBP Fullerton Asset Management Limited**) of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2016 and of its financial performance, its cash flows and transactions for the period from December 8, 2015 to June 30, 2016 in accordance with the approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Rashid A. Jafer**
Dated: September 30, 2016
Karachi

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2016

	Note	NIAAP - I June 30, 2016	NIAAP - II June 30, 2016	NIAAP - III June 30, 2016	Total June 30, 2016
------(Rupees in 000)-----					
ASSETS					
Balances with banks	4	10,810	6,902	1,279,452	1,297,164
Investments	5	861,675	700,652	1,070,506	2,632,833
Profit receivable	6	30	145	641	816
Receivable against issue of units	7	-	-	32,376	32,376
Other receivables	8	126	131	-	257
Preliminary expenses and floatation costs	9	355	291	637	1,283
Total assets		872,996	708,121	2,383,612	3,964,729
LIABILITIES					
Payable to NBP Fullerton Asset Management Company Limited - Management Company	10	5,108	4,054	25,878	35,040
Payable to Central Depository Company of Pakistan Limited - Trustee	11	96	73	7	176
Payable to Securities and Exchange Commission of Pakistan	12	524	247	6	777
Payable against redemption of units	13	10,858	-	-	10,858
Payable against investment		-	-	1,070,000	1,070,000
Accrued expenses and other liabilities	14	4,641	1,440	67	6,148
Total liabilities		21,227	5,814	1,095,958	1,122,999
NET ASSETS		851,769	702,307	1,287,654	2,841,730
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		851,769	702,307	1,287,654	2,841,730
CONTINGENCIES AND COMMITMENTS	15				
NUMBER OF UNITS IN ISSUE	16	7,692,037	6,536,635	12,865,903	
		Rupees	Rupees	Rupees	
NET ASSET VALUE PER UNIT	3.12	110.7339	107.4417	100.0827	

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

INCOME STATEMENT FOR THE PERIOD FROM DECEMBER 08, 2015 TO JUNE 30, 2016

	Note	For the period from December 08, 2015 to June 30, 2016	NIAAP - II For the period from March 04, 2016 to June 30, 2016	NIAAP - III For the period from June 28, 2016 to June 30, 2016	For the period from December 08, 2015 to June 30, 2016
------(Rupees in 000)-----					
INCOME					
Capital gain on sale of investments - net		44,851	10,566	-	55,417
Dividend income		14,811	12,061	-	26,872
Profit on bank deposits		3,137	2,019	641	5,797
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		69,165	37,025	506	106,696
Total income		131,964	61,671	1,147	194,782
EXPENSES					
Remuneration of NBP Fullerton Asset Management Limited - Management Company	10.1	488	252	32	772
Sindh sales tax on remuneration of the Management Company	10.2	79	41	5	125
Federal excise duty on remuneration of the Management Company	10.3	78	40	5	123
Accounting and operational charges	10.4	552	260	6	818
Remuneration of Central Depository Company Of Pakistan Limited - Trustee	11.1	527	260	6	793
Sindh sales tax on remuneration of the Trustee	11.2	74	36	1	111
Annual fee of the Securities and Exchange Commission of Pakistan	12.1	524	247	6	777
Printing charges		110	100	6	216
Settlement and bank charges		72	57	15	144
Listing fee		41	40	-	81
Shariah advisory fee		220	147	10	377
Auditors' remuneration	17	301	201	50	552
Amortisation of preliminary expenses and floatation costs	9	260	114	2	376
Total expenses		3,326	1,795	144	5,265
Net income from operating activities		128,638	59,876	1,003	189,517
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		(46,072)	(11,233)	58	(57,247)
Net income for the period before taxation		82,566	48,643	1,061	132,270
Taxation	18	-	-	-	-
Net income for the period after taxation		82,566	48,643	1,061	132,270
Earnings per unit	3.11				

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM DECEMBER 08, 2015 TO JUNE 30, 2016

	For the period from December 08, 2015 to June 30, 2016	NIAAP - II For the period from March 04, 2016 to June 30, 2016	NIAAP - III For the period from June 28, 2016 to June 30, 2016	For the period from December 08, 2015 to June 30, 2016
	------(Rupees in 000)-----			
Net income for the period after taxation	82,566	48,643	1,061	132,270
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>82,566</u>	<u>48,643</u>	<u>1,061</u>	<u>132,270</u>

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

DISTRIBUTION STATEMENT FOR THE PERIOD FROM DECEMBER 08, 2015 TO JUNE 30, 2016

	For the period from December 08, 2015 to June 30, 2016	NIAAP - II For the period from March 04, 2016 to June 30, 2016	NIAAP - III For the period from June 28, 2016 to June 30, 2016	For the period from December 08, 2015 to June 30, 2016
------(Rupees in 000)-----				
Undistributed income at the beginning of the period				
Net income for the period after taxation	82,566	48,643	1,061	132,270
Distributions during the period	-	-	-	-
Undistributed income carried forward	<u>82,566</u>	<u>48,643</u>	<u>1,061</u>	<u>132,270</u>
Undistributed income at the end of the period comprising of:				
Realised income	13,401	11,618	555	25,574
Unrealised Income	<u>69,165</u>	<u>37,025</u>	<u>506</u>	<u>106,696</u>
	<u>82,566</u>	<u>48,643</u>	<u>1,061</u>	<u>132,270</u>

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE PERIOD FROM DECEMBER 08, 2015 TO JUNE 30, 2016

	For the period from December 08, 2015 to June 30, 2016	NIAAP - II For the period from March 04, 2016 to June 30, 2016	NIAAP - III For the period from June 28, 2016 to June 30, 2016	For the period from December 08, 2015 to June 30, 2016
Net assets at the beginning of the period	------(Rupees in 000)-----			
Issue of units: 12,724,557 units (NIAAP - I), 8,009,501 units (NIAAP - II), 12,865,903 units (NIAAP - III)	1,272,455	800,950	1,286,651	3,360,056
Redemption of units: 5,032,520 units (NIAAP - I), 1,472,866 units (NIAAP - II), Nil (NIAAP - III)	(549,324)	(158,519)	-	(707,843)
	723,131	642,431	1,286,651	2,652,213
Element of (income) / loss and capital gains / (losses) included in the prices of units issued less those in units redeemed - net - transferred to income statement	46,072	11,233	(58)	57,247
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	69,165	37,025	506	106,696
Capital income on sale of investments - net	44,851	10,566	-	55,417
Other (loss) / income for the period - net of expenses	(31,450)	1,052	555	(29,843)
	82,566	48,643	1,061	132,270
Distribution made during the period	-	-	-	-
Net assets at the end of the period	<u>851,769</u>	<u>702,307</u>	<u>1,287,654</u>	<u>2,841,730</u>

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

CASH FLOW STATEMENT FOR THE PERIOD FROM DECEMBER 08, 2015 TO JUNE 30, 2016

Note	For the period from December 08, 2015 to June 30, 2016	NIAAP - II For the period from March 04, 2016 to June 30, 2016	NIAAP - III For the period from June 28, 2016 to June 30, 2016	For the period from December 08, 2015 to June 30, 2016
------(Rupees in 000)-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	82,566	48,643	1,061	132,270
Adjustments				
Dividend income	(14,811)	(12,061)	-	(26,872)
Profit on bank deposits	(3,137)	(2,019)	(641)	(5,797)
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	(69,165)	(37,025)	(506)	(106,696)
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	46,072	11,233	(58)	57,247
Federal excise duty on remuneration of the Management Company	78	40	5	123
Amortisation of preliminary expenses and floatation costs	260	114	2	376
	<u>41,863</u>	<u>8,925</u>	<u>(137)</u>	<u>50,651</u>
Increase in assets				
Investments	(777,699)	(651,566)	(1,070,000)	(2,499,265)
Other receivables	(126)	(131)	-	(257)
	<u>(777,825)</u>	<u>(651,697)</u>	<u>(1,070,000)</u>	<u>(2,499,522)</u>
Increase in liabilities				
Payable to NBP Fullerton Asset Management Company Limited	4,415	3,609	25,234	33,258
Payable to Central Depository Company of Pakistan Limited - Trustee	96	73	7	176
Payable to Securities and Exchange Commission of Pakistan	524	247	6	777
Payable against investment	-	-	1,070,000	1,070,000
Accrued expenses and other liabilities	4,641	1,440	67	6,148
	<u>9,676</u>	<u>5,369</u>	<u>1,095,314</u>	<u>1,110,359</u>
Profit received on bank balances	3,107	1,874	-	4,981
Net cash used in operating activities	<u>(723,179)</u>	<u>(635,529)</u>	<u>25,177</u>	<u>(1,333,531)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issuance of units	1,272,455	800,950	1,254,275	3,327,680
Amount paid on redemption of units	(538,466)	(158,519)	-	(696,985)
Net cash generated from financing activities	<u>733,989</u>	<u>642,431</u>	<u>1,254,275</u>	<u>2,630,695</u>
Net increase in cash and cash equivalents during the period	<u>10,810</u>	<u>6,902</u>	<u>1,279,452</u>	<u>1,297,164</u>
Cash and cash equivalents at the beginning of the period	-	-	-	-
Cash and cash equivalents at the end of the period	<u>4</u> <u>10,810</u>	<u>6,902</u>	<u>1,279,452</u>	<u>1,297,164</u>

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 15, 2016 TO JUNE 30, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Active Allocation Fund - I (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 13, 2015 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008).

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. Due to a fire incident in the month of June 2016 at the registered office of the Management Company, its office has been temporarily shifted to 2nd floor, Ex - NDFC Building, Tariq Road, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange. During the period, the Fund has offered three plans namely NAFA Islamic Active Allocation Plan – I (NIAAP - I), NAFA Islamic Active Allocation Plan – II (NIAAP - II) and NAFA Islamic Active Allocation Plan – III (NIAAP - III) in which the offer of units is discontinued after the end of the subscription period, however, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the SECP after intimation to the Trustee. The units of the plans are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Open-End "Shariah Compliant Fund of Funds" as per the criteria laid down by the SECP for categorization of Collective Investment Schemes (CIS).

The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of shariah compliant equity fund and income fund. The allocation plan intends to dynamically switch between equity asset class (NAFA Islamic Active Allocation Equity Fund) and moderate risk income asset class (NAFA Active Allocation Riba Free Savings Fund) and Bank Deposits. Investors of the Fund may hold different types of Allocation Plans and may invest in any one or more of the available allocation plans. The Management Company may also invest in any other Collective Investment Schemes available to it with the prior approval of the SECP.

Each allocation plan under the Fund announces separate NAV which ranks pari passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

Subsequent to period end, the Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of AM2++ to the Management Company as at August 4, 2016. The Fund has not yet been rated.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as a Trustee of the Fund. The Fund property of different types of allocations plans shall be accounted for and maintained separately in books of accounts which shall collectively constitute the Fund property of the Scheme.

- 1.1 The duration of the Fund / allocation plans is perpetual. However, the initial maturities of NIAAP - I, NIAAP - II and NIAAP - III shall be two (2) years from the close of the subscription period. Management Company may open the subscription of units after initial maturities with the prior approval of the SECP. SECP or the Management Company may wind allocation plans on the occurrence of certain events as specified in offering document of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These 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 Regulation, 2008 (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.

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2.2 Standards, Interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments to the existing published approved accounting standards, new interpretations and certain new standards that are mandatory for accounting periods beginning on or after July 01, 2016 but are considered not to be relevant or will not have any significant effect on the Fund's financial statements and are, therefore, not disclosed in these financial statements.

2.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise the judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of investments (note 3.2.1 and 5.1)
- Taxation (note 3.7 and 18)
- Impairment of financial assets (note 3.2.5)
- Amortization of preliminary expenses and floatation cost (note 3.5 and 9)

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments held at 'fair value through profit or loss' category which are measured at fair value.

2.5 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: loans and receivables, financial assets at fair value through profit or loss and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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b) Financial assets 'at fair value through profit or loss'

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value while the related transaction costs are expensed out in the income statement

3.2.4 Subsequent measurement

a) Financial assets at fair value through profit or loss and available for sale

Subsequent to initial recognition, financial assets designated by the management as "at fair value through profit or loss" and "available for sale" are valued as follows:

- Basis of valuation of units of mutual funds

The investment of the Fund in the units of mutual funds is valued by reference to the net asset values (redemption prices) declared by the respective funds.

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

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in other comprehensive income is shown as part of net income for the period.

b) Loans and receivables

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

Gains or losses are recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment of financial assets

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

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3.2.6 Derecognition

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

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.5 Preliminary and floatation costs

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

3.6 Provision

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

3.7 Taxation

Current

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

Deferred

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset, if any, to the extent that it is probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of taxation in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year as cash dividend.

3.8 Proposed distribution

Distributions declared subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

3.9 Issue and redemption of units

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

Units redeemed are recorded at the redemption price of each allocation plan, as per the constitutive documents, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents daily Net Asset Value (NAV) announced as of the close of the business day less any back-end load, provisions for transaction costs and any provision for duties and charges, if applicable.

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

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' (the 'element') is created in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The element is determined based on the income / (loss) incurred during the year including income / (loss) arising as a result of unrealised appreciation / (diminution) on available for sale securities. Element arising as a result of unrealised appreciation / (diminution) on available for sale securities is recognised in the distribution statement. The remaining portion of the element is recognised in the income statement.

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3.11 Earnings per unit

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

3.12 Net assets value per unit

The net asset value per unit as disclosed on the statement of assets and liabilities is calculated by dividing the net assets of each allocation plan by the number of units in issue of the respective sub funds as at the period end.

3.13 Revenue recognition

- Dividend income is recognised in the income statement when the right to receive the dividend is established.
- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised appreciation / (diminution) arising on revaluation of investments classified as ' financial assets at fair value through profit or loss ' are included in the income statement in the period in which they arise.
- Profit on bank deposits is recognised on an accrual basis.

3.14 Expenses

All expenses including management fee and trustee fee are recognised in the income statement on an accrual basis.

	Note	NIAAP - I June 30, 2016	NIAAP - II June 30, 2016	NIAAP - III June 30, 2016	Total June 30, 2016
------(Rupees in 000)-----					
4 BALANCES WITH BANKS					
Profit and loss savings accounts	4.1	<u>10,810</u>	<u>6,902</u>	<u>1,279,452</u>	<u>1,297,164</u>
4.1 These carry profit at the rates ranging from 5.75% to 6.30% per annum					
5 INVESTMENT					
'Financial assets at fair value through profit or loss'					
- Units of mutual funds	5.1	<u>861,675</u>	<u>700,652</u>	<u>1,070,506</u>	<u>2,632,833</u>

5.1 Investment in mutual funds - related parties

5.1.1 NAFA Islamic Active Allocation Plan I

Name of the fund	Number of units			Balances as at June 30, 2016		Market value as a percentage of net assets	Market value as a percentage of total investment
	Purchased during the period	Redeemed during the period	As at June 30, 2016	Carrying Value	Market Value		
------(Rs in "000")-----%							
NAFA Islamic Active Allocation Equity Fund	90,818,629	31,810,985	59,007,644	616,785	688,560	81%	80%
NAFA Active Allocation Riba Free Savings Fund	81,921,129	64,636,772	17,284,357	175,725	173,115	20%	20%
				<u>792,510</u>	<u>861,675</u>		

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

5.1.2 NAFA Islamic Active Allocation Plan II

Name of the fund	Number of units			Balances as at June 30, 2016		Market value as a percentage of net assets	Market value as a percentage of total investment
	Purchased during the period	Redeemed during the period	As at June 30, 2016	Carrying Value	Market Value		
	------(Rs in "000")-----					-----%-----	
NAFA Islamic Active Allocation Equity Fund	53,393,415	7,420,240	45,973,175	498,619	536,461	76%	77%
NAFA Active Allocation Riba Free Savings Fund	43,007,969	26,614,614	16,393,355	165,008	164,191	23%	23%
				663,627	700,652		

5.1.3 NAFA Islamic Active Allocation Plan III

Name of the fund	Number of units			Balances as at June 30, 2016		Market value as a percentage of net assets	Market value as a percentage of total investment
	Purchased during the period	Redeemed during the period	As at June 30, 2016	Carrying Value	Market Value		
	------(Rs in "000")-----					-----%-----	
NAFA Islamic Active Allocation Equity Fund	35,179,157	-	35,179,157	410,000	410,506	32%	38%
NAFA Active Allocation Riba Free Savings Fund	65,896,542	-	65,896,542	660,000	660,000	51%	62%
				1,070,000	1,070,506		

5.2 Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

	Note	NIAAP - I June 30, 2016	NIAAP - II June 30, 2016	NIAAP - III June 30, 2016	Total June 30, 2016
		------(Rupees in 000)-----			
Market value of investments	5.1	861,675	700,652	1,070,506	2,632,833
Less: carrying value of investments		792,510	663,627	1,070,000	2,526,137
		69,165	37,025	506	106,696

6 PROFIT RECEIVABLE

Profit accrued on bank deposits	30	145	641	816
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7 RECEIVABLE AGAINST ISSUE OF UNITS

This represents receivable against units issued to the unit holders based on their request for transfer of units from NAFA Islamic Active Allocation Fund Plan I and from other collective investment scheme managed by the Management Company of the Fund. The allocation plan has received an amount of Rs 10.892 million in respect of these transactions subsequent to the period ended June 30, 2016.

8 OTHER RECEIVABLES

	NIAAP - I June 30, 2016	NIAAP - II June 30, 2016	NIAAP - III June 30, 2016	Total June 30, 2016
	------(Rupees in 000)-----			
Withholding tax	126	131	-	257

9 PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs incurred	615	405	639	1,659
Less: amortisation during the period	260	114	2	376
Closing balance	355	291	637	1,283

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

9.1 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 two years as per the requirements set out in the Trust Deed of the Fund commencing from:

- NIAAP - I	January 15, 2016
- NIAAP - II	March 4, 2016
- NIAAP - III	June 28, 2016

	Note	NIAAP - I June 30, 2016	NIAAP - II June 30, 2016	NIAAP - III June 30, 2016	Total June 30, 2016
10 PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		----- (Rupees in 000) -----			
Remuneration of the Management Company	10.1	23	24	32	79
Sindh Sales Tax Payable on remuneration of the Management Company	10.2	4	4	5	13
Federal excise duty payable on remuneration of the Management Company	10.3	78	40	5	123
Sales load payable		3,811	3,296	25,181	32,288
Preliminary expenses and floatation costs payable		615	405	639	1,659
Accounting and operational charges	10.4	552	260	6	818
Other payable		25	25	10	60
		5,108	4,054	25,878	35,040

10.1 The Management Company has charged remuneration at the rate of 1.25% per annum based on the average daily net assets of the allocation plans after deducting the market value of investment in collective investments, managed by the Management Company of the Fund. The amount of remuneration is being paid monthly in arrears.

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 14% on remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

10.3 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company had been applied effective January 15, 2016. The Management Company was of the view that since the remuneration is already subject to the provincial sales tax as explained in note 10.2, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

On September 4, 2013, a Constitutional Petition was filed in the Honorable Sindh High Court (SHC) jointly by various asset management Companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

Subsequent to year ended June 30, 2016, the SHC has passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) have been set aside.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on management fee from July 01, 2016. The provision made during the period, aggregating to Rs. 78,000, Rs. 40,000 and Rs. 5,000 in NIAAP - I, NIAAP - II and NIAAP - III respectively has not been reversed as the management believes that the Federal Government retains the right to appeal against the said order in the Supreme Court within the prescribed timeline. Had the provision not been made, the Net Asset Value per unit of the NIAAP - I, NIAAP - II and NIAAP - III as at June 30, 2016 would have been higher by 0.0101 per unit, 0.0061 per unit and 0.0004 per unit respectively.

10.4 The SECP vide S.R.O No 1160(I) / 2016 dated November 25, 2015 introduced amendments in the NBFC regulations. As a result of these amendments, the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to Collective Investment Schemes upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. Based on these requirements, the Management Company has charged operating expenses amounting to Rs. 552,000, Rs. 260,000 and Rs. 6,000 in NIAAP - I, NIAAP - II and NIAAP - III respectively for the period ended June 30, 2016.

	Note	NIAAP - I June 30, 2016	NIAAP - II June 30, 2016	NIAAP - III June 30, 2016	Total June 30, 2016
11 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE		----- (Rupees in 000) -----			
Trustee remuneration	11.1	84	64	6	154
Sindh Sales Tax on trustee remuneration	11.2	12	9	1	22
		96	73	7	176

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is paid to the Trustee monthly in arrears. Based on the Trust Deed, the tariff structure applicable to the Fund during the period ended June 30, 2016 is as follows:

Net Asset	Tariff per annum
Upto Rs 1,000 million	Rs. 0.10 percent per annum of the Net Assets
On an amount exceeding Rs 1,000 million	Rs 1.0 million plus 0.075 percent per annum of the Net Assets exceeding Rs 1,000 million

11.2 The Sindh Revenue Board through Circular No. SRB 3-4/TP/01/2015/86554 dated June 13, 2015 has amended the definition of service and has levied Sindh Sales Tax on custodianship services. Accordingly, Sindh Sales Tax of 14% is charged on Trustee fee under section 2(79A) of the Sindh Finance Bill, 2010 during the period.

	Note	NIAAP - I June 30, 2016	NIAAP - II June 30, 2016	NIAAP - III June 30, 2016	Total June 30, 2016	
----- (Rupees in 000) -----						
12	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN					
	Annual fee	12.1	524	247	6	777

12.1 Under the provision of the NBFC Regulations, a collective investment scheme categorised as Shariah Compliant is required to pay to the SECP an amount equal to 0.095% per annum of the average daily net assets of the Fund.

13 PAYABLE AGAINST REDEMPTION OF UNITS

This represents payable against units redeemed to the unit holders based on their request for transfer of units from the NAFA Islamic Active Allocation Fund Plan I to NAFA Islamic Active Allocation Fund Plan III.

	NIAAP - I June 30, 2016	NIAAP - II June 30, 2016	NIAAP - III June 30, 2016	Total June 30, 2016	
----- (Rupees in 000) -----					
14	ACCRUED EXPENSES AND OTHER LIABILITIES				
	Auditors' remuneration	301	201	50	552
	Bank charges	48	57	1	106
	Listing fee payable	41	40	-	81
	Printing charges	110	100	6	216
	Withholding tax payable	3,921	895	-	4,816
	Shariah advisory fee	220	147	10	377
		<u>4,641</u>	<u>1,440</u>	<u>67</u>	<u>6,148</u>

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2016.

	NIAAP - I June 30, 2016	NIAAP - II June 30, 2016	NIAAP - III June 30, 2016	Total June 30, 2016	
----- (Rupees in 000) -----					
16	NUMBER OF UNITS IN ISSUE				
	Total units in issue at the beginning of the period	-	-	-	-
	Add: units issued during the period	12,724,557	8,009,501	12,865,903	33,599,961
	Less: redemptions during the period	(5,032,520)	(1,472,866)	-	(6,505,386)
	Total units in issue as at June 30, 2016	<u>7,692,037</u>	<u>6,536,635</u>	<u>12,865,903</u>	<u>27,094,575</u>

	For the period from December 08, 2015 to June 30, 2016	NIAAP - II For the period from March 04, 2016 to June 30, 2016	NIAAP - III For the period from June 28, 2016 to June 30, 2016	Total For the period from December 08, 2015 to June 30, 2016	
----- (Rupees in 000) -----					
17	AUDITORS' REMUNERATION				
	Annual audit fee and other certifications	250	150	50	450
	Out of pocket expenses	51	51	-	102
		<u>301</u>	<u>201</u>	<u>50</u>	<u>552</u>

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

18 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% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders as cash dividend. Subsequent to the period end, the Management Company distributed the required minimum percentage of the accounting income for the year as reduced by capital gains, whether realised or unrealised, in case of NIAAP - II and NIAAP - III. No distribution was made for the period ended June 30, 2016 in case of NIAAP - I as there was no accounting profit as reduced by capital gains, whether realised or unrealised in NIAAP - I. Accordingly, the allocation plans have not recorded a tax liability in respect of income relating to the current period.

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

19.1 Connected person / related parties include NBP Fullerton Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Alexandra Fund Management Pte. Limited being the sponsors, post employment benefit funds of the Management Company, other collective investment schemes managed by the Management Company and the directors and officers of the Management Company. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

19.3 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.

19.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

19.5 Detail of transactions with related parties / connected persons during the period are as follows:

	For the period from December 08, 2015 to June 30, 2016	NIAAP - II For the period from March 04, 2016 to June 30, 2016	NIAAP - III For the period from June 28, 2016 to June 30, 2016	Total For the period from December 08, 2015 to June 30, 2016
------(Rupees in 000)-----				
NBP Fullerton Asset Management Limited - Management Company				
Remuneration of the Management Company	488	252	32	772
Sindh sales tax on remuneration of the Management Company	79	41	5	125
Federal excise duty on remuneration of the Management Company	78	40	5	123
Accounting and operational charges to the Management Company	552	260	6	818
Sales load paid during the period	21,000	19,000	-	40,000
Preliminary expenses and floatation costs paid	615	405	639	1,659
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	527	260	6	793
Sindh sales tax on remuneration of Trustee	74	36	1	111
Investment in NAFA Islamic Active Allocation Equity Fund				
Units purchased: 90,818,629 units (NIAAP - I), 53,393,415 units (NIAAP - II), 35,179,157 units (NIAAP - III)	942,572	578,995	410,000	1,931,567
Units sold: 31,810,985 units (NIAAP - I), 7,420,240 units (NIAAP II), Nil (NIAAP - III)	361,733	89,287	-	451,020
Cash distributions during the period	11,728	9,137	-	20,865
Investment in NAFA Active Allocation Riba Free Savings Fund				
Units purchased: 81,921,129 units (NIAAP - I), 43,007,969 units (NIAAP II), 65,896,542 units (NIAAP - III)	822,664	432,924	660,000	1,915,588
Units sold: 64,636,772 units (NIAAP - I), 26,614,614 units (NIAAP - II), Nil (NIAAP - III)	655,844	269,571	-	925,415
Cash distributions during the period	3,083	2,924	-	6,007
Hamdard Laboratories (Waqf) Pakistan (Unit Holder with more than 10% holding)				
Units issued: 976,197 units (NIAAP - I), 1,522,446 units (NIAAP II), 2,454,990 units (NIAAP III)	100,000	156,593	250,260	506,853

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

	For the period from December 08, 2015 to June 30, 2016	NIAAP - II For the period from March 04, 2016 to June 30, 2016	NIAAP - III For the period from June 28, 2016 to June 30, 2016	Total For the period from December 08, 2015 to June 30, 2016
------(Rupees in 000)-----				
PSOCL- Employees Gratuity Fund (Unit Holder with more than 10% holding)				
Units issued: 1,000,000 units (NIAAP - I), Nil (NIAAP II) , Nil (NIAAP III)	100,000	-	-	100,000
Ashfaq Ahmed (Unit Holder with more than 10% holding)				
Units issued: Nil (NIAAP - I), Nil (NIAAP II) , 1,395,334 units (NIAAP III)	-	-	140,480	140,480
Employees of the Management Company				
Units issued: 1,503 units (NIAAP - I), Nil (NIAAP II) , 5,845 units (NIAAP III)	150	-	585	735
19.6 Amounts outstanding as at period end				
NBP Fullerton Asset Management Limited - Management Company				
Management remuneration payable	23	24	32	79
Sindh sales tax payable on remuneration of the Management Company	4	4	5	13
Federal excise duty payable on remuneration of the Management Company	78	40	5	123
Accounting and operational charges payable to the Management Company	552	260	6	818
Sales load payable to the Management Company	3,811	3,296	25,181	32,288
Preliminary expenses and floatation costs	615	405	639	1,659
Other Payable to Management company	25	25	10	60
Central Depository Company of Pakistan Limited - Trustee				
Remuneration payable	84	64	6	154
Sales tax payable	12	9	1	22
NAFA Islamic Active Allocation Equity Fund				
Investment of: 59,007,644 units (NIAAP - I), 45,973,175 units (NIAAP - II), 35,179,157 units (NIAAP - III)	688,560	536,461	410,506	1,635,527
NAFA Active Allocation Riba Free Savings Fund				
Investment of: 17,284,357 units (NIAAP - I), 16,393,355 units (NIAAP - II), 65,896,542 units (NIAAP - III)	173,115	164,191	660,000	997,306
Hamdard Laboratories (Waqf) Pakistan (Unit Holder with more than 10% holding)				
Units held: 976,197 units (NIAAP - I), 1,522,446 units (NIAAP II) , 2,454,990 units (NIAAP III)	108,098	163,574	245,702	517,374
PSOCL- Employees Gratuity Fund (Unit Holder with more than 10% holding)				
Units held: 1,000,000 units (NIAAP - I), Nil (NIAAP II) , Nil (NIAAP III)	110,734	-	-	110,734
Ashfaq Ahmed (Unit Holder with more than 10% holding)				
Units held: Nil (NIAAP - I), Nil (NIAAP II) , 1,395,334 units (NIAAP III)	-	-	139,649	139,649
Employees of the Management Company				
Units held: 1,503 units (NIAAP - I), Nil (NIAAP II), 5,845 units (NIAAP III)	166	-	585	751
Amount receivable against issue of units from:				
NAFA Riba Free Savings Fund	-	-	34	34
NAFA Islamic Principal Protected Fund I	-	-	5,147	5,147
NAFA Islamic Principal Protected Fund II	-	-	16,163	16,163
NAFA Financial Sector Income Fund	-	-	174	174
Amount payable against investments:				
NAFA Islamic Active Allocation Equity Fund	-	-	410,000	410,000
NAFA Active Allocation Riba Free Savings Fund	-	-	660,000	660,000

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

20 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

S.No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	MBA / Doctorate in Business Administration / CFA	28
2	Mr. Sajjad Anwar*	CFA / MBA Finance	16
3	Mr. Muhammad Ali Bhaba	MBA / MS / CFA / FRM	21
4	Mr. Syed Suleman Akhter	MBA / CFA	16
5	Mr. Asim Wahab Khan	MBA / CFA	10
6	Mr. Muhammad Imran	ACCA / CFA	10
7	Mr. Asad Haider	MBA	11

* Mr. Sajjad Anwar is the manager of the Fund. He is also the fund manager of NAFA Pension Fund, NAFA Islamic Pension Fund, NAFA Islamic Principal Preservation Fund, NAFA Islamic Principal Protected Fund I, II and NAFA Islamic Stock Fund.

21 PATTERN OF UNIT HOLDING

Category	2016		
	Number of units Held	Investment amount	Percentage investment
-----Rupees in '000-----			

NAFA Islamic Active Allocation Fund Plan I

Individuals*	373	490,443	57.58%
Other Corporate**	5	149,815	17.59%
Retirement Funds***	7	211,511	24.83%
	385	851,769	100.00%

** This includes investment amount of Rs 0.166 million by related parties / connected persons.

** This includes investment amount of Rs 108.098 million by related parties / connected persons.

** This includes investment amount of Rs 110.734 million by related parties / connected persons.

NAFA Islamic Active Allocation Fund Plan II

Individuals	303	443,311	63.12%
Other Corporate*	8	238,826	34.01%
Retirement Funds	3	20,170	2.87%
	314	702,307	100.00%

* This includes investment amount of Rs 163.574 million by related parties / connected persons.

NAFA Islamic Active Allocation Fund Plan III

Individuals*	291	671,848	52.18%
Other Corporate**	10	435,254	33.80%
Retirement Funds	15	169,428	13.16%
Listed Companies	1	11,124	0.86%
	317	1,287,654	100.00%

* This includes investment amount of Rs 140.234 million by related parties / connected persons.

** This includes investment amount of Rs 245.702 million by related parties / connected persons.

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

22 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS THE MANAGEMENT COMPANY

The 54th, 55th, 56th, 57th, 58th & 59th Board meetings were held on July 14, 2015, September 30, 2015, October 21, 2015, February 26, 2016, April 29, 2016 and June 28, 2016 respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of Meetings			Meetings not attended
	Held during tenure of director	Attended	Leave granted	
Mr. Nausherwan Adil	6	5	1	54th meeting
Mr. Aamir Sattar	6	4	2	56th & 57th meeting
Mr. Abdul Hadi Palekar	6	5	1	58th meeting
Mr. Koh Boon San	6	4	2	54th & 57th meeting
Mr. Nigel Poh Cheng	6	3	3	56th, 58th & 59th meeting
Mr. Kamal Amir Chinoy	6	5	1	57th meeting
Mr. Shehryar Faruque	6	4	2	54th & 59th meeting
Dr. Amjad Waheed	6	6	-	-

23 FINANCIAL INSTRUMENTS BY CATEGORY

-----As at June 30, 2016-----

Particulars	Loans and receivables	Financial assets 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
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-----Rs in '000-----

NAFA Islamic Active Allocation Fund Plan I

Financial assets				
Balances with banks	10,810	-	-	10,810
Investments	-	861,675	-	861,675
Profit receivable	30	-	-	30
Other receivables	126	-	-	126
	<u>10,966</u>	<u>861,675</u>	<u>-</u>	<u>872,641</u>

Financial liabilities

Payable to NBP Fullerton Asset Management Company Limited - Management Company	-	-	5,108	5,108
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	96	96
Payable against redemption of units	-	-	10,858	10,858
Accrued expenses and other liabilities	-	-	720	720
	<u>-</u>	<u>-</u>	<u>16,782</u>	<u>16,782</u>

NAFA Islamic Active Allocation Fund Plan II

Financial assets				
Balances with banks	6,902	-	-	6,902
Investments	-	700,652	-	700,652
Profit receivable	145	-	-	145
Other receivables	131	-	-	131
	<u>7,178</u>	<u>700,652</u>	<u>-</u>	<u>707,830</u>

Financial assets

Payable to NBP Fullerton Asset Management Company Limited - Management Company	-	-	4,054	4,054
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	73	73
Accrued expenses and other liabilities	-	-	545	545
	<u>-</u>	<u>-</u>	<u>4,672</u>	<u>4,672</u>

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

-----As at June 30, 2016-----

Particulars	Loans and receivables	Financial assets 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
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-----Rs in '000-----

NAFA Islamic Active Allocation Fund Plan II

Financial assets				
Balances with banks	1,279,452	-	-	1,279,452
Investments	-	1,070,506	-	1,070,506
Profit receivable	641	-	-	641
Receivable against issue of units	32,376	-	-	32,376
	1,312,469	1,070,506	-	2,382,975

Financial assets

Payable to NBP Fullerton Asset Management Company Limited - Management Company	-	-	25,878	25,878
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	7	7
Payable against redemption of units	-	-	-	-
Payable against investment	-	-	1,070,000	1,070,000
Accrued expenses and other liabilities	-	-	67	67
	-	-	1,095,952	1,095,952

24 FINANCIAL RISK MANAGEMENT

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

24.1 Market risk

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

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

Market risk comprises of three types of risk: currency risk, profit rate risk and other price risk.

24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. As at June 30, 2016, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

24.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market rates. The Fund is mainly exposed to profit rate risk on balances held with banks.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument except for balances in saving accounts. These bank account's carry profit at rates ranging from 5.75% to 6.30%.

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that exposes the Fund to any material profit rate risk.

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

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

----- 30 June 2016 -----

Yield / interest rate (%)	Exposed to yield/interest rate risk			Not exposed to Yield / Interest risk	Total
	Upto three months	Over three months and upto one year	Over one year		

----- (Rupees in '000) -----

On-balance sheet financial instruments

Financial assets

Balances with banks
Investments
Profit receivable
Other receivables

5.75% - 6.1%

10,810	10,810	-	-	-
861,675	-	-	-	861,675
30	-	-	-	30
126	-	-	-	126
<u>872,641</u>	<u>10,810</u>	<u>-</u>	<u>-</u>	<u>861,831</u>

Financial liabilities

Payable to NBP Fullerton Asset Management Company Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Payable against redemption of units
Accrued expenses and other liabilities

5,108	-	-	-	5,108
96	-	-	-	96
10,858	-	-	-	10,858
720	-	-	-	720
<u>16,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,782</u>

On-balance sheet gap (a)

855,859 10,810 - - 845,049

Off-balance sheet financial instruments

- - - - -

Off-balance sheet gap (b)

- - - - -

Total profit rate sensitivity gap (a+b)

855,859 10,810 - - 845,049

Cumulative profit rate sensitivity gap

10,810 10,810 10,810

NAFA Islamic Active Allocation Fund Plan II

On-balance sheet financial instruments

Financial assets

Balances with banks
Investments
Profit receivable
Other receivables

5.75% - 6.1%

6,902	6,902	-	-	-
700,652	-	-	-	700,652
145	-	-	-	145
131	-	-	-	131
<u>707,830</u>	<u>6,902</u>	<u>-</u>	<u>-</u>	<u>700,928</u>

Financial liabilities

Payable to NBP Fullerton Asset Management Company Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

4,054	-	-	-	4,054
73	-	-	-	73
545	-	-	-	545
<u>4,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,672</u>

On-balance sheet gap (a)

703,158 6,902 - - 696,256

Off-balance sheet financial instruments

- - - - -

Off-balance sheet gap (b)

- - - - -

Total profit rate sensitivity gap (a+b)

703,158 6,902 - - 696,256

Cumulative profit rate sensitivity gap

6,902 6,902 6,902

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

30 June 2016

Particulars	Yield / interest rate (%)	Exposed to yield/interest rate risk			Not exposed to Yield / Interest risk	Total
		Upto three months	Over three months and upto one year	Over one year		

(Rupees in '000)

NAFA Islamic Active Allocation Fund Plan III

On-balance sheet financial instruments

Financial assets

Balances with banks	6.25% - 6.3%	1,279,452	1,279,452	-	-	-
Investments		1,070,506	-	-	-	1,070,506
Profit receivable		641	-	-	-	641
Receivable against issue of units		32,376	-	-	-	32,376
		<u>2,382,975</u>	<u>1,279,452</u>	<u>-</u>	<u>-</u>	<u>1,103,523</u>

Financial liabilities

Payable to NBP Fullerton Asset Management Company Limited - Management Company		25,878	-	-	-	25,878
Payable to Central Depository Company of Pakistan Limited - Trustee		7	-	-	-	7
Payable against investments		1,070,000	-	-	-	1,070,000
Accrued expenses and other liabilities		67	-	-	-	67
		<u>1,095,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,095,952</u>

On-balance sheet gap (a)		<u>1,287,023</u>	<u>1,279,452</u>	<u>-</u>	<u>-</u>	<u>7,571</u>
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Off-balance sheet financial instruments		-	-	-	-	-
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Off-balance sheet gap (b)		-	-	-	-	-
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Total profit rate sensitivity gap (a+b)		<u>1,287,023</u>	<u>1,279,452</u>	<u>-</u>	<u>-</u>	<u>7,571</u>
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Cumulative profit rate sensitivity gap		<u>1,279,452</u>	<u>1,279,452</u>	<u>1,279,452</u>		
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24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Presently, the allocation plans are exposed to price risk due to their investment in the units of mutual funds. In case of 5% increase / (decrease) in the Net Asset Value per unit of the funds i.e. NAFA Islamic Active Allocation Equity Fund and NAFA Active Allocation Riba Free Savings Fund, the net income of the NIAAP - I, NIAAP - II and NIAAP - III for the period would increase / (decrease) by Rs 43.084 million, 35.033 million and 53.525 million respectively and net assets of the allocation plans, NIAAP - I, NIAAP - II and NIAAP - III, would increase / (decrease) by the same amount as a result of gains / (losses) on these securities at 'fair value through profit and loss'.

24.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and investment made in the units of the mutual fund. For banks and financial institutions and investments made in the units of mutual fund, only reputed parties are accepted.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the available published credit rating of the allocation plans' financial assets as at June 30, 2016.

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

Balances with banks by rating category

Particulars	Rating agency	Latest available published rating	NIAAP - I	NIAAP - II	NIAAP - III
Banks					
Habib Bank Limited	JCR-VIS	AAA	0.05%	0.07%	-
UBL Bank Limited	JCR-VIS	AAA	0.05%	0.07%	-
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A+	0.66%	1.26%	3.99%
Bank Islami Pakistan Limited	PACRA	A+	99.11%	98.45%	96.01%
Silk Bank Limited	JCR-VIS	A-	0.05%	0.07%	-
Burj Bank Limited	JCR-VIS	BBB+	0.05%	-	-
Habib Metropolitan Bank Limited	PACRA	AA+	0.05%	0.07%	-
Investment in mutual funds - related parties					
NAFA Islamic Active Allocation Equity Fund	PACRA	A-(f)	80%	77%	38%
NAFA Active Allocation Riba Free Savings Fund		Not yet rated	20%	23%	62%

24.2.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the allocation plans total credit exposure. Out of the total financial assets of NIAAP - I of Rs 872.996 million, NIAAP - II of 708.121 million and NIAAP - III of 2,383.612 million, financial assets of Rs 861.675 million, 700.652 million and 1,070.506 million respectively are invested in the units of two mutual fund which are managed by the Management Company of the Fund. The allocation plans has also kept their major bank balance with Bank Islami Pakistan Limited amounting to Rs 10.714 million in NIAAP - I, Rs 6.795 million in NIAAP - II and Rs 1,248.567 million in NIAAP - III respectively. The management believes that the underlying assets are held with trustworthy counter parties and therefore do not expose the Fund to any risk of loss.

24.3 Liquidity risk

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

The Fund is exposed to daily cash redemption requests, if any. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is therefore to invest the majority of its assets in investments that can be readily realised. The Fund's investments are considered readily realisable.

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

The table below indicates the allocation plans' financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

	June 30, 2016			
	Total	Upto three months	Over three months and upto one year	Over one year
------(Rupees in '000)-----				
NAFA Islamic Active Allocation Fund Plan I				
Financial Liabilities				
Payable to NBP Fullerton Asset Management Company Limited - Management Company	5,108	5,108	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	96	96	-	-
	10,858	10,858	-	-
Payable against investment	720	720	-	-
Accrued expenses and other liabilities	16,782	16,782	-	-

NAFA Islamic Active Allocation Fund Plan II				
Financial Liabilities				
Payable to NBP Fullerton Asset Management Company Limited - Management Company	4,054	4,054	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	73	73	-	-
Payable against investment	545	545	-	-
Accrued expenses and other liabilities	4,672	4,672	-	-

NAFA Islamic Active Allocation Fund Plan III				
Financial Liabilities				
Payable to NBP Fullerton Asset Management Company Limited - Management Company	25,878	25,878	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	7	7	-	-
Payable against redemption of units	1,070,000	1,070,000	-	-
Payable against investment	67	67	-	-
Accrued expenses and other liabilities	1,095,952	1,095,952	-	-

25 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies stated in note 24, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions requests. Such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

26 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:

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

- The fair value of investments in the units of open-end collective investment schemes is based on the net assets value quoted by the Fund on the balance sheet date.
- The fair value of all other financial assets and financial liabilities of the allocations plans approximate their carrying amounts due to short term maturities of these instruments.

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:

- Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- 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).
- Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2016, the Fund held the following financial instruments measured at fair value:

	----- June 30, 2016 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
ASSETS				
	NAFA Islamic Active Allocation Fund Plan I			
Financial assets at fair value through profit or loss				
- Investment in units of mutual fund	861,675	-	-	-
	NAFA Islamic Active Allocation Fund Plan II			
Financial assets at fair value through profit or loss				
- Investment in units of mutual fund	700,652	-	-	-
	NAFA Islamic Active Allocation Fund Plan III			
Financial assets at fair value through profit or loss				
- Investment in units of mutual fund	1,070,506	-	-	-

27 NON-ADJUSTING EVENT AFTER JUNE 30, 2016

The Board of Directors of the Management Company in their meeting held on September 23, 2016 approved a final cash distribution of Rs 1.49 million (Re 0.2357 per unit) and Rs. 1.19 million (Re 0.0842 per unit) in NIAAP II and NIAAP III respectively for the period ended June 30, 2016. The financial statements of the Fund for the period ended June 30, 2016 do not include the effect of these final distributions which will be accounted for in the financial statements of the Fund for the year ending June 30, 2017.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 23, 2016.

29 GENERAL

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

29.2 There are no corresponding figures in these financial statements as the Fund commenced its operation from December 8, 2015.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC ACTIVE ALLOCATION FUND-I

PERFORMANCE TABLE

Particulars	NIAAP I For the period from December 08, 2015 to June 30, 2016	NIAAP II For the period from March 04, 2016 to June 30, 2016	NIAAP III For the period from June 28, 2016 to June 30, 2016
Net assets at the year / period ended (Rs '000)	851,769	702,307	1,287,651
Net income for the year / period ended (Rs '000)	82,566	48,643	1,061
Net Asset Value per unit at the year / period ended (Rs)	110.7339	107.2223	100.0022
Offer Price per unit	N/A	N/A	N/A
Redemption Price per unit	110.7339	107.2223	100.0022
Highest offer price per unit (Rs)	N/A	N/A	N/A
Lowest offer price per unit (Rs)	N/A	N/A	N/A
Highest redemption price per unit (Rs)	112.2377	108.7546	100.0022
Lowest redemption price per unit (Rs)	98.8337	99.6335	99.9505
Opening Nav of Fiscal Year	100.0000	99.7958	99.9195
Total return of the fund	10.73%	7.44%	0.08%
Capital growth	10.73%	7.24%	0.00%
Income distribution as % of Ex nav	-	0.20%	0.08%
Income distribution as % of Par nav	-	0.24%	0.08%
Distribution			
Final distribution per unit		0.2357	0.0842
Distribution Dates			
Final	-	23-Sep-16	23-Sep-16
Average annual return of the fund (launch date December 08, 2015) (Since inception to June 30, 2016)	10.73%	7.44%	0.08%








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



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