



**NBP FUNDS**

*Managing Your Savings*

Islamic Savings

Aitemaad اعتماد

اسلامک سیونگز

**AM1**  
Rated by PACRA

# NAFA ISLAMIC ASSET ALLOCATION FUND

**QUARTERLY  
REPORT**  
March 31, 2018



## MISSION STATEMENT

To rank in the top quartile  
in performance of  
**NBP FUNDS**  
relative to the competition,  
and to consistently offer  
Superior risk-adjusted returns to investors.

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION	14

# NAFA ISLAMIC ASSET ALLOCATION FUND

## FUND'S INFORMATION

### Management Company

#### **NBP Fund Management Limited - Management Company**

*Formerly: NBP Fullerton Asset Management Limited (NAFA)*

#### **Board of Directors of the Management Company**

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

#### **Company Secretary & COO**

Mr. Muhammad Murtaza Ali

#### **Chief Financial Officer**

Mr. Khalid Mehmood

#### **Audit & Risk Committee**

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

#### **Human Resource and Remuneration Committee**

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

#### **Strategy & Business Planning Committee**

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

#### **Trustee**

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

#### **Bankers to the Fund**

Al-Baraka Islamic Bank  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
United Bank Limited  
Bank Al-Habib Limited  
Dubai Islamic Bank Pakistan Limited  
Silk Bank Limited  
Summit Bank Limited  
Sindh Bank Limited  
JS Bank Limited

# NAFA ISLAMIC ASSET ALLOCATION FUND

## **Auditors**

Deloitte Yousuf Adil  
Chartered Accountants  
Cavish Court,  
A-35, Block 7 & 8,  
KCHSU, Sharae Faisal  
Karachi-75350 Pakistan

## **Legal Advisor**

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

## **Head Office:**

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 021 (111-111-632),  
(Toll Free): 0800-20002,  
Fax: (021) 35825329  
Website: [www.nbpfunds.com](http://www.nbpfunds.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  
Fax: 091-5703202

## **Multan Office:**

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

# NAFA ISLAMIC ASSET ALLOCATION FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited (Formerly: NBP Fullerton Asset Management Limited) is pleased to present the reviewed financial statements of **NAFA Islamic Asset Allocation Fund (NIAAF)** for the period ended March 31, 2018.

### Fund's Performance

The size of NAFA Islamic Asset Allocation Fund has decreased from Rs. 14,764 million to Rs. 12,349 million during the period, i.e. a decrease of 16%. During the period, the unit price of NAFA Islamic Asset Allocation Fund has decreased from Rs. 16.9827 (Ex-Div) on June 30, 2017 to Rs. 16.2267 on March 31, 2018, thus showing a decrease of 4.45%. The Benchmark increase during the same period was 0.24%. Thus, the Fund has underperformed its Benchmark by 4.7% during the period under review. This performance is net of management fee and all other expenses.

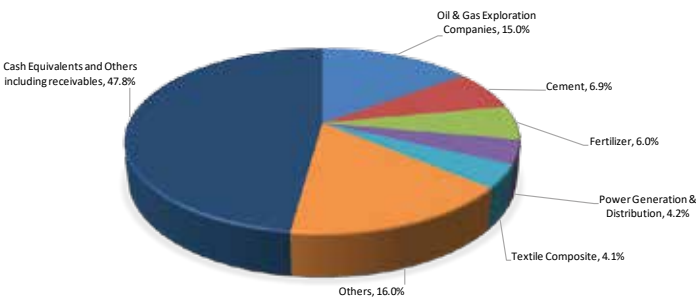
After a sizeable decline of 12.7% during the 1HFY2018 mainly driven by plethora of negative news on the political front and concerns on the widening current account deficit, the KMI-30 staged a strong recovery of 12.2% in the 3QFY2018. Overall, during 9MFY2018, the KMI-30 witnessed a meager decline of 2.0%. The rebound in the 3QFY2018 is attributable to anticipation of a Foreign Assets Declaration Scheme (FADR) with the associated expectation of significant inflows to the tune of USD3-5bn, PKR devaluation of around 9%, and 25 basis points increase in policy rate to address the galloping current account deficit. Adding to the investors' optimism were expectations of some tax relief for the capital market and listed sectors of the economy in the upcoming federal budget. The PKR devaluation is generally positive for the stock market as it usually improves the profitability of the select heavy-weight sectors such as Oil & Gas Exploration, Banks, Textile Composite, and Technology & Communication while, profit margins of the other sectors such as Automobile Assemblers, Cement, and Fertilizer, etc remain intact on account of pass-through of the rising input cost. It is worthwhile to mention that post the first round of devaluation on December 8, 2017 through March-end, the KMI-30 Index is up by 15%. Similarly, positive impact of currency devaluation has started reflecting as exports are up by a handsome 12% on a year-on-year basis in March 2018.

During 9MFY2018, Oil & Gas Exploration, Food & Personal Care, and Fertilizer sectors delivered better returns than the benchmark, while Refineries, Cements and Engineering sectors considerably under-performed the benchmark. Foreign investors remained net sellers with outflows of USD124 million during the aforesaid period. On the local side, Insurance and Companies remained major net buyers, taking fresh equity exposure worth USD105 million and USD94 million, respectively. Mutual Funds, on the other hand, remained net sellers, off-loading shares worth USD77 million during the aforementioned period.

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

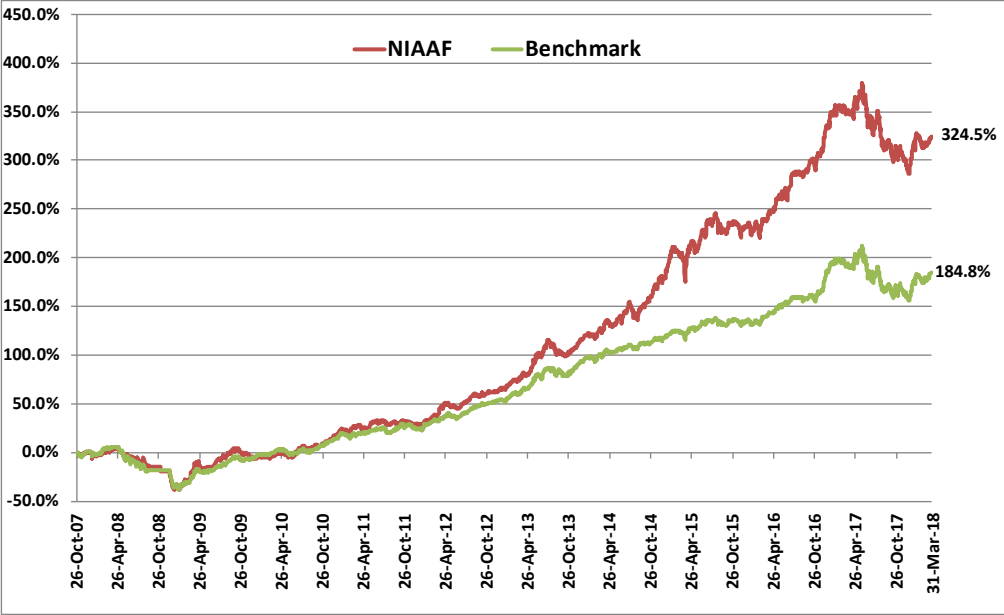
The primary market for corporate Sukuks remained under-supplied against the large demand. In the secondary market, the trading activity in the corporate Sukuk remained thin. Prices of GoP Sukuk moved up with corresponding decline in yields by 120-182 basis points for different Ijara issues.

The Fund has incurred loss of Rs.472.73 million during the period. After accounting for expenses of Rs.306.99 million, the net loss is Rs.779.72 million. The asset allocation of the Fund as on March 31, 2018 is as follows:



# NAFA ISLAMIC ASSET ALLOCATION FUND

NAFAF Performance versus Benchmark (Since Inception)



## Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
**NBP Fund Management Limited**  
(Formerly: NBP Fullerton Asset Management Limited)

Chief Executive Officer

Director

Date: April 30, 2018  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ (سابقہ: NBP فلٹرین ایسیٹ مینجمنٹ لمیٹڈ) کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2018 کو ختم ہونے والی مدت کے لئے NAFA اسلامک ایسیٹ ایلیکشن فنڈ (NIAAF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

NAFA اسلامک ایسیٹ ایلیکشن فنڈ کا سائز اس مدت میں 14,764 ملین روپے سے کم ہو کر 12,349 ملین روپے ہو گیا، یعنی 16% کی کمی۔ اس مدت کے دوران NAFA اسلامک ایسیٹ ایلیکشن فنڈ کے یونٹ کی قیمت 30 جون 2017 کو 16.9827 (Ex-Div) روپے سے کم ہو کر 31 مارچ 2018 کو 16.2267 روپے ہو گئی، لہذا 4.45% کی کمی دیکھی گئی۔ اسی مدت کے دوران بیچ مارک بڑھ کر 0.24% ہو گیا تھا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران بیچ مارک سے 4.7% خراب کارکردگی دکھائی۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

2018 کی پہلی ششماہی میں 12.7% کی نمایاں کمی دیکھنے میں آئی جس کی بڑی وجہ سیاسی محاذ پر مبنی خبروں کی بھرمار اور کرنٹ اکاؤنٹ خسارے کے خدشات میں توسیع تھی تاہم KMI-30 انڈیکس نے 2018 کی تیسری سہ ماہی میں 12.2% سے بہتری دکھائی۔ مجموعی طور پر 2018 کے نو ماہ میں KMI-30 انڈیکس میں 2.0% کی معمولی کمی ہوئی۔ اس کے علاوہ بیرونی اثاثہ جات ظاہر کرنے کی اسکیم (FADR) (Foreign assets Declaration Scheme) اور اس کے نتیجے میں 3-5 ملین امریکی ڈالر کے اندرونی بہاؤ کے امکانات، پاکستانی روپے کی قدر میں 9% کی کمی اور کرنٹ اکاؤنٹ خسارے میں تیزی پر قابو پانے کیلئے پالیسی میں 25 بیس پوائنٹس کا اضافہ کا بھی اس بحالی میں کردار ادا کر رہا ہے۔ آنے والے وفاقی بجٹ میں کیپٹل مارکیٹ اور درج شدہ شعبوں کیلئے ٹیکس ریلیف کی توقعات سے سرمایہ کاروں کی مثبت سوچ میں اضافہ ہوا ہے۔ پاکستانی روپے کی قدر میں کمی عام طور پر اسٹاک مارکیٹ کیلئے مثبت ہوتی ہے کیونکہ اس سے عموماً بڑے شعبہ جات جیسے آئل اینڈ گیس، ایکسپلوریشن، بینکس، ٹیکسٹائل، کمپوزٹ اور ٹیکنالوجی اور کیونٹیکیشن کی منفعت میں بہتری آتی ہے جب کہ دوسرے شعبہ جات جیسے آٹوموبائل، اسمبلر، سینٹ اور فرنیچر اور وغیرہ لاگت کے اخراجات کے لحاظ سے غیر متاثر رہتے ہیں۔ یہاں یہ کہنا ہے جوگا کہ 8 دسمبر 2017 سے مارچ کے اختتام تک روپے کی قدر میں کمی کے پہلے راؤنڈ میں KMI-30 انڈیکس میں 15% اضافہ ہوا۔ اسی طرح روپے کی قدر میں کمی سے برآمدات کا گراف بھی سال بہ سال کے لحاظ سے مارچ 2018 میں 12% تک بڑھ گیا۔

مالی سال 2018 کے نو ماہ کے دوران میں آئل اینڈ گیس، ایکسپلوریشن، فوڈ اینڈ پرنٹل کیمز، فرنیچر، اور کرنٹ ٹیکس کے شعبہ جات نے مارکیٹ سے زیادہ بہتر نتائج پیش کئے جب کہ ریفرنسز، سینٹ اور انجینئرنگ کے شعبہ جات نے مارکیٹ سے کافی حد تک کم کارکردگی کا مظاہرہ کیا۔ بیرونی سرمایہ کار خالص فروخت کنندہ رہے جس سے مذکورہ مدت میں بیرونی سمت کو 124 ملین امریکی ڈالر کا بہاؤ ریکارڈ کیا گیا۔ مقامی سطح پر انشورنس اور کمپنیاں بڑی خالص خریدار ہیں جنہوں نے بالترتیب 105 ملین امریکی ڈالر اور 94 ملین امریکی ڈالر کی تازہ ایکویٹی حاصل کی۔ دوسری طرف میوچل فنڈز بھی خالص فروخت کنندہ رہے جنہوں نے مذکورہ عرصہ میں 77 ملین امریکی ڈالر کے مساوی شیئرز فروخت کئے۔

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

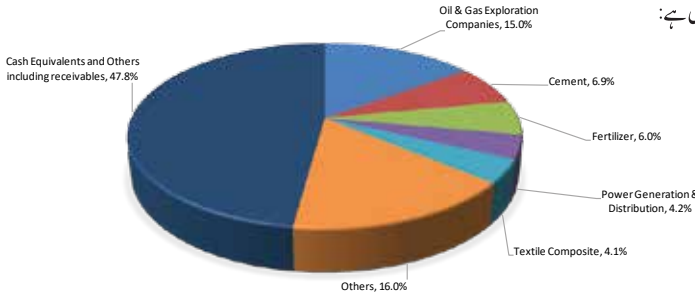
کارپوریٹ Sukuks کی ابتدائی مارکیٹ نے بڑی طلب کے مقابلے میں کم فراہمی کا مظاہرہ کیا۔ ثانوی مارکیٹ میں کارپوریٹ Sukuks میں تجارتی سرگرمیاں بھی کم رہیں۔ مختلف اجارہ جات کے اجراء کے باعث نتائج میں 120-182 بیس پوائنٹس اضافہ ہوا اور اس کے مطابق حکومت پاکستان کے Sukuks نیچے آ گئے۔

فنڈ کو اس مدت کے دوران 472.73 ملین روپے کا خسارہ ہوا۔ 306.99 ملین روپے کے اخراجات منہا کرنے کے بعد کل خسارہ 779.72 ملین روپے ہے۔ فنڈ کی

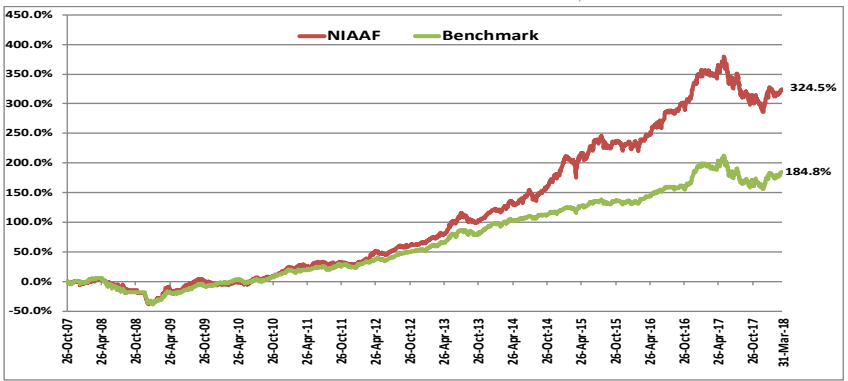


# NAFA ISLAMIC ASSET ALLOCATION FUND

ایسٹ ایپریل 31 مارچ 2018 کو بمطابق ذیل ہے:



NIAAF کی کارکردگی بمقابلہ بیچ مارک (قیام سے اب تک)



## اظہار تشکر

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ منجمنت لمیٹڈ

(سابقہ: NBP فلٹرن ایسٹ منجمنت لمیٹڈ)

ڈائریکٹر

چیف ایگزیکٹو آفیسر

بتاریخ

30 اپریل 2018

بمقام: کراچی

# NAFA ISLAMIC ASSET ALLOCATION FUND

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

	Note	(Un- Audited) March 31, 2018	(Audited) June 30, 2017
(Rupees in '000)			
<b>ASSETS</b>			
Balances with banks		6,070,685	6,044,017
Investments	4	6,447,088	9,047,063
Mark-up accrued and dividend receivable		51,789	56,542
Receivable against transfer of units		-	4,861
Advances, deposits, prepayments and other receivables		5,322	3,961
<b>Total assets</b>		<b>12,574,884</b>	<b>15,156,444</b>
<b>LIABILITIES</b>			
Payable to the Management Company		110,772	112,880
Payable to the Trustee		1,266	1,533
Payable to the Securities and Exchange Commission of Pakistan		9,515	10,281
Payable against redemption of units		-	7,412
Payable against purchase of investments		-	2,027
Payable against conversion of units		-	2,055
Dividend payable		-	22,790
Accrued expenses and other liabilities		104,524	233,233
<b>Total liabilities</b>		<b>226,077</b>	<b>392,211</b>
<b>NET ASSETS</b>		<b>12,348,807</b>	<b>14,764,233</b>
Unit holders' funds (As per statement attached)		12,348,807	14,764,233
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
-----Number of units-----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>761,019,438</b>	<b>864,317,639</b>
------(Rupees)-----			
<b>NET ASSET VALUE PER UNIT</b>		<b>16.2267</b>	<b>17.0820</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial informations.

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

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC ASSET ALLOCATION FUND

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

		Nine months ended		Quarter Ended	
	Note	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		-----Rupees in '000-----			
INCOME					
(Loss) / Gain on sale of investments - net		(521,971)	36,763	(286,103)	6,544
Income from sukuk bonds		-	2,678	-	793
Profit on bank deposits		246,115	144,520	78,195	66,190
Dividend income		311,100	194,222	60,966	70,443
Net Unrealised (diminution) / appreciation on revaluation of investments carried at fair value through profit or loss		(507,975)	1,376,892	935,642	197,943
Reversal of provision for Workers' Welfare Fund		-	15,789	-	15,789
<b>Total (loss) / Income</b>		<b>(472,731)</b>	<b>1,770,864</b>	<b>788,700</b>	<b>357,702</b>
EXPENSES					
Remuneration of the Management Company		200,311	131,252	62,820	60,228
Sindh sales tax on Management Fee		26,040	17,063	8,166	7,830
Remuneration of the Trustee		10,766	7,313	3,387	3,258
Sindh sales tax on remuneration of Trustee		1,400	951	441	424
Annual fee - Securities and Exchange Commission of Pakistan		9,515	6,655	2,984	2,726
Accounting and operational charges to the Management Company		10,016	6,563	3,141	3,012
Securities transaction cost		5,515	4,010	2,628	1,857
Shariah advisor fee		365	301	120	160
Settlement and bank charges		1,781	668	585	248
Annual listing fee		27	41	13	13
Auditors' remuneration		535	432	176	80
Stability Rating fee		337	120	247	120
Legal and professional charges		312	25	103	25
Selling & Marketing Expenses		40,062	4,310	12,564	4,310
Provision for Sindh Workers' Welfare Fund- previous years	9	-	14,240	-	14,240
Printing charges		11	4	3	4
<b>Total Expenses</b>		<b>306,993</b>	<b>193,948</b>	<b>97,378</b>	<b>98,535</b>
<b>Net (loss) / income from operating activities</b>		<b>(779,724)</b>	<b>1,576,916</b>	<b>691,322</b>	<b>259,167</b>
Element of income and capital gains included in prices of units issued less those in units redeemed		-	904,466	-	599,822
Provision for Sindh Workers' Welfare Fund	5	-	(49,628)	-	(49,628)
<b>Net (loss) / income for the period before taxation</b>		<b>(779,724)</b>	<b>2,431,754</b>	<b>691,322</b>	<b>809,361</b>
Taxation	7	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(779,724)</b>	<b>2,431,754</b>	<b>691,322</b>	<b>809,361</b>
Allocation of net income / (loss) for the period					
Net (loss) / income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
<b>Accounting income available for distribution:</b>					
Relating to capital gain		-	-	-	-
Excluding capital gain		-	-	-	-

The annexed notes 1 to 13 form an integral part of this condensed interim financial informations.

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

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC ASSET ALLOCATION FUND

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

	Nine months ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	------(Rupees in '000)-----			
Net (loss) / income for the period after taxation	(779,724)	2,431,754	691,322	809,361
Other comprehensive income				
Items that may be reclassified subsequently to the income statement:	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(779,724)</u>	<u>2,431,754</u>	<u>691,322</u>	<u>809,361</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial informations.

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

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC ASSET ALLOCATION FUND

## Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Nine months period ended					
	2018			2017		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	12,860,041	1,904,192	14,764,233	4,818,763	616,355	5,435,118
Issue of 349,893,258 units (2017: 705,158,806 units)						
- Capital value (at net asset value per unit at the beginning of the period)	5,958,269	-	5,958,269			
- Element of loss	(310,255)	-	(310,255)			
Total proceeds on issuance of units	5,648,014	-	5,648,014	10,997,224	1,593,544	12,590,768
Redemption of 453,191,459 units (2017: 340,133,257 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(7,714,186)	-	(7,714,186)			
- Element of income	510,399	-	510,399			
Total payments on redemption of units	(7,203,787)	-	(7,203,787)	(5,303,358)	(689,078)	(5,992,436)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	(904,466)	(904,466)
Total comprehensive (loss) / income for the period	-	(779,724)	(779,724)	-	2,431,754	2,431,754
Distribution during the period	-	(79,929)	(79,929)	-	-	-
<b>Net assets at end of the period</b>	<b>11,304,268</b>	<b>1,044,539</b>	<b>12,348,807</b>	<b>10,512,629</b>	<b>3,048,109</b>	<b>13,560,738</b>
Undistributed income brought forward						
- Realised		845,799			182,540	
- Unrealised		1,058,393			433,815	
		1,904,192			616,355	
Accounting (loss) / income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net (loss) / income for the period		(779,724)			2,431,754	
Distribution during the period		(79,929)			-	
Undistributed income carried forward		1,044,539			3,048,109	
Undistributed income carried forward						
- Realised		1,552,514			1,671,217	
- Unrealised		(507,975)			1,376,892	
		1,044,539			3,048,109	
	(Rupees)					
Net assets value per unit at beginning of the period		17.0820				15.5920
Net assets value per unit at end of the period		16.2267				19.0030

The annexed notes 1 to 13 form an integral part of this condensed interim financial informations.

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

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC ASSET ALLOCATION FUND

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

	<b>Nine months ended</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	<b>----- Rupees in '000 -----</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period before taxation	(779,724)	2,431,754
<b>Adjustments</b>		
Unrealised loss/ (gain) on investments at fair value through profit or loss - net	507,975	(1,376,892)
Capital loss / (gain) on sale of investments - net	521,971	(36,763)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	(904,466)
	250,222	113,633
<b>(Increase) / decrease in assets</b>		
Receivable against sale of investments	-	53
Investments	1,570,029	(3,583,695)
Dividend and profit receivable	4,753	(71,737)
Advances, deposits, prepayments and other receivable	3,500	558,186
	1,578,282	(3,097,193)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(2,108)	33,296
Payable to the Trustee	(267)	757
Payable to Securities and Exchange Commission of Pakistan	(766)	3,312
Payable against purchase of investments	(2,027)	22,305
Payable against redemption of units	(9,467)	29,228
Accrued expenses and other liabilities	(128,708)	55,659
	(143,343)	144,557
<b>Net cash (outflow) from operating activities</b>	1,685,161	(2,839,003)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	5,648,043	12,590,768
Payments on redemption of units	(7,203,787)	(5,992,436)
Dividend paid	(102,749)	(1,011)
<b>Net cash (outflow) / inflow on financing activities</b>	(1,658,493)	6,597,321
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	26,668	3,758,317
Cash and cash equivalents at the beginning of the period	6,044,017	1,615,172
<b>Cash and cash equivalents at the end of the period</b>	6,070,685	5,373,489

The annexed notes 1 to 13 form an integral part of this condensed interim financial informations.

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

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC ASSET ALLOCATION FUND

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

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited (Formerly NBP Fullerton Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 20, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 03, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Deed was amended through supplemental trust deed executed on October 07, 2013 for the change of name and categorization of the Fund as an asset allocation scheme.

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 SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

The Fund is an open-ended mutual fund and categorised as an Islamic asset allocation scheme and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to generate income by investing in shariah compliant equity and equity related securities and income by investing in shariah compliant bank deposits, debt and money market securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company while and has assigned performance ranking of 3- star to the fund.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

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

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

# NAFA ISLAMIC ASSET ALLOCATION FUND

## 3 ACCOUNTING POLICIES

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

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

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

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

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs. 200.144 million consequently there would be no effect on NAV per unit. However, the change in accounting policy does not have any impact on the 'Cash Flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and Statement of Movement in Unit Holders' Fund which have been incorporated in these statements. However, Management Company believes that the requirement to disclose allocation of Net income for the year in the income statement showing separately the 'income already paid on units redeemed' and accounting income available for distribution' is not applicable in the period / year when the Fund has incurred loss, accordingly, such allocation has not been disclosed in the Income Statement.

Note	(Un-Audited) March 31, 2018	(Audited) June 30, 2017
	(Rupees in '000)	

## 4 INVESTMENTS

### At fair value through profit or loss - held for trading

Investment in shares of listed company	4.1	6,447,088	9,047,063
		<u>6,447,088</u>	<u>9,047,063</u>



# NAFA ISLAMIC ASSET ALLOCATION FUND

## 4.1 Investment in shares of listed companies - at fair value through profit or loss

All shares have a nominal face value of Rs. 10 each except for shares of Thal Limited and K-Electric Limited which have a face value of Rs. 5 and Rs. 3.5 each respectively.

Name of the investee company	As at 01 July 2017	Purchases during the period	Bonus / right issue	Sales during the period	As at 31 March 2018	Market value at 31 March 2018	Investment as a percentage of		
							Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up capital of the investee company held
		(Number of shares)				(Rupees in '000)			
OIL AND GAS MARKETING COMPANIES									
Attock Petroleum Limited	133,900	-	-	-	133,900	76,932	0.62	1.19	0.09
Pakistan State Oil Company Limited	1,003,596	-	172,719	651,700	524,615	168,659	1.37	2.62	0.06
Hascol Petroleum Limited	2,604	-	22	-	2,626	697	0.01	0.01	0.00
Shell Pakistan Limited	494,200	9,800	-	60,000	444,000	161,723	1.31	2.51	0.15
Sui Northern Gas Pipelines Limited	1,085,500	1,015,500	-	1,328,000	773,000	87,125	0.71	1.35	0.01
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	330,720	-	-	28,920	301,800	446,833	3.62	6.93	0.41
Oil and Gas Development Company Limited	2,756,300	1,265,600	-	1,266,800	2,755,100	479,608	3.88	7.44	0.01
Pakistan Oilfields Limited	758,560	341,800	-	369,550	730,810	475,436	3.85	7.37	0.20
Pakistan Petroleum Limited	1,945,070	1,104,500	-	953,000	2,096,570	446,234	3.61	6.92	0.02
REFINERY									
Attock Refinery Limited	150,600	30,000	-	147,000	33,600	8,393	0.07	0.13	0.01
CHEMICALS									
AKZO Noble Pakistan Limited	29,900	-	-	-	29,900	6,548	0.05	0.10	0.01
Dyneema Pakistan Limited	21,500	-	-	-	21,500	4,003	0.03	0.06	0.04
Ittihad Chemicals Limited	327,750	-	-	-	327,750	11,851	0.10	0.18	0.02
I.C.I. Pakistan Limited	-	5,000	-	-	5,000	4,257	0.03	0.07	0.00
PAPER & BOARD									
Century Paper and Board Mills Limited	-	60,400	-	-	60,400	4,280	0.03	0.07	0.00
FOOD AND PERSONAL CARE PRODUCTS									
Al Shaheer Corporation Limited	1,116,654	-	-	-	1,116,654	34,192	0.28	0.53	0.02
Engro Foods Limited	85,500	-	-	85,500	-	-	-	-	-
LEATHER AND TANNERIES									
Service Industries Limited	26,000	-	-	26,000	-	-	-	-	-
ENGINEERING									
International Industries Limited	125,900	12,000	-	-	137,900	39,219	0.32	0.61	0.16
Mughal Iron And Steel Industries Limited	1,359,543	701,500	-	823,000	1,238,043	90,872	0.74	1.41	0.07
K.S.B. Pumps Company Limited	8,200	-	-	-	8,200	2,994	0.02	0.05	0.02
Amreli Steels Limited	1,413,000	407,000	-	275,500	1,544,500	142,140	1.15	2.20	0.05
Crescent Steel & Allied Products Limited	350,000	-	-	227,000	123,000	15,561	0.13	0.24	0.02
International Steels Limited	1,141,500	580,300	-	674,000	1,047,800	121,450	0.98	1.88	0.03
CEMENT									
Attock Cement Pakistan Limited	814,200	93,300	-	-	907,500	172,752	1.40	2.68	0.15
D.G. Khan Cement Company Limited	1,998,900	220,000	-	1,212,000	1,006,900	164,235	1.33	2.55	0.04
Maple Leaf Cement Factory Limited	994,000	-	103,625	1,097,625	-	-	-	-	-
Fauji Cement Company Limited	3,582,000	-	-	3,582,000	-	-	-	-	-
Pioneer Cement Limited	1,597,200	-	-	272,000	1,325,200	92,817	0.75	1.44	0.04
FECTO Cement Limited	239,200	-	-	-	239,200	11,752	0.10	0.18	0.02
Lucky Cement Limited	563,200	28,400	-	312,900	278,700	192,197	1.56	2.98	0.06
Cherat Cement Company Limited	566,200	958,500	-	521,500	1,003,200	128,711	1.04	2.00	0.07
Kohat Cement Limited	582,300	77,300	-	85,000	574,600	92,218	0.75	1.43	0.06
TRANSPORT									
Pakistan National Shipping Corporation	169,200	-	-	-	169,200	17,602	0.14	0.27	0.01
TEXTILE COMPOSITE									
Nishat Mills Limited	2,286,100	804,700	-	1,063,000	2,027,800	322,197	2.61	5.00	0.09
Kohinoor Textile Mills Limited	3,152,100	99,400	190,280	886,000	2,555,780	179,799	1.46	2.79	0.06
Synthetic Products Enterprises Limited	578,500	50,500	-	-	629,000	34,595	0.28	0.54	0.04

# NAFA ISLAMIC ASSET ALLOCATION FUND

Name of the investee company	As at 01 July 2017	Purchases during the period	Bonus / right issue	Sales during the period	As at 31 March 2018	Market value at 31 March 2018	Investment as a percentage of		
							Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up capital of the investee company held
----- (Number of shares) -----					(Rupees in '000)				
FERTILIZER									
Dawood Hercules Corporation Limited	267,200	-	-	-	267,200	34,987	0.28	0.54	0.05
Engro Fertilizers Limited	5,842,000	3,184,500	-	4,999,500	4,027,000	278,225	2.25	4.32	0.02
Fatima Fertilizer Company Limited	2,500	-	-	-	2,500	82	0.00	0.00	0.00
Fauji Fertilizer Bin Qasim Limited	825,000	-	-	825,000	-	-	-	-	-
Engro Corporation Limited	1,799,200	669,000	-	1,102,500	1,365,700	422,889	3.42	6.56	0.03
POWER GENERATION AND DISTRIBUTION									
The Hub Power Company Limited	3,147,960	851,000	-	865,500	3,133,460	314,913	2.55	4.88	0.03
Lalpir Power Limited	407,000	-	-	-	407,000	8,645	0.07	0.13	0.00
Pakgen Power Limited	5,000	-	-	5,000	-	-	-	-	-
Kot Addu Power Company Limited	2,238,000	-	-	420,000	1,818,000	117,225	0.95	1.82	0.01
K-Electric Limited	11,665,000	12,055,000	-	13,005,000	10,715,000	75,112	0.61	1.17	0.00
COMMERCIAL BANKS									
Meezan Bank Limited	665,782	35,500	39,947	7,000	734,229	58,474	0.47	0.91	0.01
AUTOMOBILE ASSEMBLER									
Millat Tractors Limited	274,600	20,600	-	126,760	168,440	216,001	1.75	3.35	0.49
Indus Motor Company Limited	134,380	-	-	11,640	122,740	213,844	1.73	3.32	0.27
Hinopak Motors Limited	1,780	-	-	-	1,780	2,065	0.02	0.03	0.02
Honda Atlas Cars (Pakistan) Limited	104,450	-	-	47,550	56,900	27,160	0.22	0.42	0.02
AUTOMOBILE PARTS AND ACCESSORIES									
Baluchistan Wheels Limited	227,000	-	-	-	227,000	27,306	0.22	0.42	0.20
Thal Limited	160,096	-	-	34,150	125,946	64,945	0.53	1.01	0.08
PHARMACEUTICALS									
Abbott Laboratories (Pakistan) Limited	148,450	-	-	2,550	145,900	105,181	0.85	1.63	0.11
Ferozsons Laboratories Limited	51,200	-	-	-	51,200	13,380	0.11	0.21	0.04
The Searle Company Limited	86,806	65,000	13,961	86,000	79,767	28,047	0.23	0.44	0.02
Glaxosmithkline Pakistan Limited	97,100	-	-	-	97,100	18,411	0.15	0.29	0.01
TECHNOLOGY AND COMMUNICATION									
Avanceon Limited	634,000	-	-	-	634,000	32,182	0.26	0.50	0.03
CABLE AND ELECTRIC GOODS									
Pak Elektron Limited	3,002,500	439,000	-	3,338,000	103,500	4,679	0.04	0.07	0.00
GLASS AND CERAMICS									
Tariq Glass Industries Limited	1,005,500	87,200	-	-	1,092,700	117,848	0.95	1.83	0.16
Shabbir Tiles and Ceramics Limited	1,895,500	16,000	-	481,000	1,430,500	27,609	0.22	0.43	0.02
	66,477,601	25,288,300	520,554	41,305,145	50,981,310	6,447,088	52.21	100.00	

Carrying value of investment before fair value adjustment

**6,955,063**

## 5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 18 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

The Fund, being prudent, management has recognized provision for SWWF amounting to Rs. 60.862 million as at March 31, 2018 in this condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2018 would have been higher by Rs. 0.0800 per unit (June 30, 2017: Rs 0.0704 per unit).

## 6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on March 31, 2018 and June 30, 2017.

## 7 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision for taxation has been made in this condensed interim financial information.

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

# NAFA ISLAMIC ASSET ALLOCATION FUND

## 8 DETAILS OF NON-COMPLIANT INVESTMENTS

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The Securities and Exchange Commission of Pakistan vide its circular no. 16 dated July 7, 2010, prescribed special disclosures for the schemes holding investments that are non compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirements of their constitutive documents.

The following are the details of non-compliant investments:

Names of non-compliant investment	Non-compliance of clause	Type of Investment	Value of investment before	Provision held	Value of investment after provision	% of net assets	% of gross assets
Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular no. 7 of 2009	Sukuks (8.1)	4,922	(4,922)	-	-	-

- 8.1 At the time of purchase, these sukuks were in compliance with the aforementioned circular. However, they were subsequently defaulted or were downgraded to non investment grade.

## 9 SELLING AND MARKETING EXPENSE

SECP vide a circular no.40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017), allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than the actual expenses incurred.

## 10 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 3.07% per annum including 0.37% representing government levies on collective investment scheme such as sales tax, Sindh worker's welfare fund and SECP fee for the period.

## 11 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fund Management Limited (Formerly; NBP Fullerton Asset Management Limited) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

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

Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

# NAFA ISLAMIC ASSET ALLOCATION FUND

## 11.1 Details of the transactions with connected persons are as follows:

	(Un Audited)	
	Nine months Ended	
	March 31, 2018	March 31, 2017
	(Rupees in '000)	
<b>NBP Fund Management Limited - Management Company</b> (Formerly; NBP Fullerton Asset Management Limited)		
Remuneration of the Management Company	200,311	131,252
Sindh Sales Tax on remuneration of the Management Company	26,040	17,063
Reimbursement of operational expenses to the Management Company	10,016	6,563
Selling and Marketing Expense	40,062	4,310
Units Issued Nil (2017: 2,643,251)	-	50,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	10,766	7,313
Sindh Sales Tax on remuneration of the Trustee	1,400	951
<b>Employees of the Management Company</b>		
Dividend Re-invest Units Issued (2,508)	40	-
Units Issued 238,189 (2017: 473,657)	3,954	8,149
Units Redeemed 589,397 (2017: 575,548 )	9,435	10,054
<b>NAFA Islamic Principal Preservation Fund</b>		
Units Issued 1,219,223 (2017: 18,453,552)	19,357	311,663
Units Redeemed 2,815,782 (2017: 23,866,043)	44,893	427,499
<b>TELENOR PAKISTAN (PVT) LTD EMPLOYEES PROVIDENT FUND (ISLAMIC)</b>		
Units Issued 622,136 (2017: 2,107,392)	10,114	40,007
Units Redeemed 3,066,080 (2017: Nil)	49,814	-
<b>Taurus Securities Limited</b> (Subsidiary of Parent of the Management Company)		
Brokerage charges	377	220
<b>International Industries Limited</b> (Common directorship with the Management Company)		
Shares Purchased	3,910	105,300
Dividend Income	552	-
<b>Cherat Cement Company Limited</b> (Common directorship with the Management Company)		
Dividend Income	6,320	-

# NAFA ISLAMIC ASSET ALLOCATION FUND

	Un-Audited As at March 31, 2018	Audited As at June 30, 2017
11.2	----- (Rupees in '000) -----	
<b>Amounts outstanding as at period / year end</b>		
<b>NBP Fund Management Limited - Management Company (Formerly; NBP Fullerton Asset Management Limited)</b>		
Remuneration of the Management Company	20,823	24,768
Sindh Sales Tax on remuneration of the Management Company	2,704	3,217
Operational expenses	10,016	10,235
Sales load	15,775	32,020
Sindh Sales Tax and Federal Excise Duty on sales load	21,392	23,503
Selling and Marketing Expense payable	40,062	19,137
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	1,124	1,365
Sindh Sales tax Trustee remuneration	142	168
Security deposit	100	100
<b>National Bank of Pakistan - Sponsor</b>		
Bank balance	6,307	3,274
<b>International Industries Limited (Common directorship with the Management Company)</b>		
Ordinary shares held 137,900 (2017: 125,900)	39,219	46,403
Dividend receivable	276	434
<b>International Steel Limited (Common directorship with the Management Company)</b>		
Ordinary shares held 1,047,800 (2017: 1,141,500)	121,450	145,986
Dividend receivable	1,572	2,854
<b>Bank Islami Pakistan Limited (Common directorship with the Management Company)</b>		
Bank balances in saving accounts	3,054,173	2,521,661
Mark-up accrued	13,214	11,675
<b>Cherat Cement Company Limited (Common directorship with the Management Company)</b>		
Ordinary shares held 1,003,200 (2017: 566,200)	128,711	101,225
<b>Askari Bank Limited (Common directorship with the Management Company)</b>		
Bank balance in savings account	1,065	4,484
<b>Summit Bank Limited (Common directorship with the Management Company)</b>		
Bank balance in current account	15,283	13,073
<b>Employees of the Management Company</b>		
Units held in the Fund (159,896 units; June 30, 2017 : 605,610 units)	2,595	8,688
<b>CDC Trustee NAFA Islamic Principal Preservation Fund (CIS managed by Management Company)</b>		
Units held in the fund: 918,306 units (30 June 2017: 2,514,865 units)	14,901	42,959
<b>National Fullerton Asset Management Limited Employees Provident Fund (Provident Fund of Management Company)</b>		
Investment held in the Fund 433,896 units (2017: Nil)	7,041	-
<b>Telenor Pakistan (Private) Limited Employees Provident Fund (Islamic) (Portfolio managed by Management Company)</b>		
Investment held in the Fund Nil units (2017: 2,443,945)	-	41,747
<b>Net amount receivable / (payable) against transfer of units from / to:</b>		
NAFA Riba Free Savings Fund	-	(75)
NAFA Islamic Energy Fund	-	515
NAFA Income Opportunity Fund	-	(1,440)
NAFA Money Market Fund	-	4,346
NAFA Islamic Income Fund	-	(215)
NAFA Financial Sector Income Fund	-	(325)

# NAFA ISLAMIC ASSET ALLOCATION FUND

12 DATE OF AUTHORISATION FOR ISSUE

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

13 GENERAL

- 13.1 Figures have been rounded off to the nearest thousand rupees.
- 13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation.

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

Chief Financial Officer	Chief Executive Officer	Director
-------------------------	-------------------------	----------

## Head Office

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

**UAN:** 021-111-111-632

**Toll Free:** 0800-20002

**Sms:** INVEST to 9995

**Fax:** 021-35825335

**Email:** [info@nbpffunds.com](mailto:info@nbpffunds.com)

**Website:** [www.nbpffunds.com](http://www.nbpffunds.com)

 /nbpffunds