



NBP FUNDS

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NAFA ISLAMIC ENERGY 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.

NAFA ISLAMIC ENERGY FUND

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NAFA ISLAMIC ENERGY 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

Silk Bank Limited
United Bank Limited
BankIslami Pakistan Limited
Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Mertopolitan Bank Limited
Allied Bank Limited
Summit Bank Limited
MCB Bank Limited
JS Bank Limited

NAFA ISLAMIC ENERGY FUND

Auditors

A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

Legal Advisor

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

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: 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:

1st Floor, Haji Tehmas Centre,
Near KFC, Tehkal Payan
University Road, Peshawar.
Phone: 92-91-5711784, 5711782
Fax: 92-91-5211780

Multan Office:

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

NAFA ISLAMIC ENERGY 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 Energy Fund (NIEF)** for the period ended March 31, 2018.

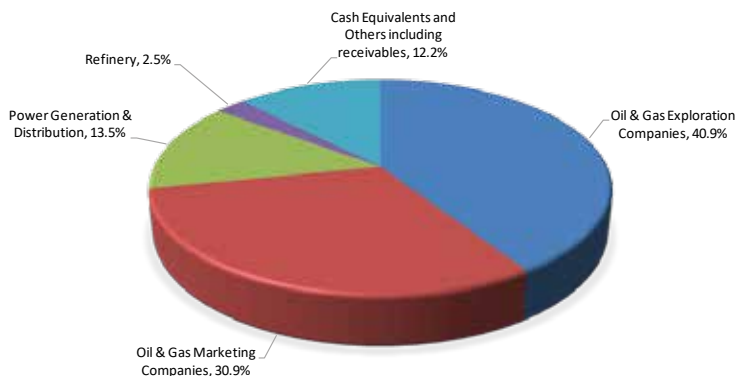
Fund's Performance

The size of NAFA Islamic Energy Fund (NIEF) at the end of the period stood at Rs. 2,044 million, 12% lower than at June 30, 2017. During the period the unit price of NIEF has decreased from Rs. 13.0957 on June 30, 2017 to Rs. 13.0868 on March 31, 2018, thus showing a decrease of 0.07%. The Benchmark (KMI-30 Index) decreased by 2.05%. Thus, the Fund has outperformed its Benchmark by 1.98% during the period under review. Since inception (April 21, 2016), the unit price of the Fund has shown a growth of 44.65% as compared to 30.57% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 14.08%. 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.

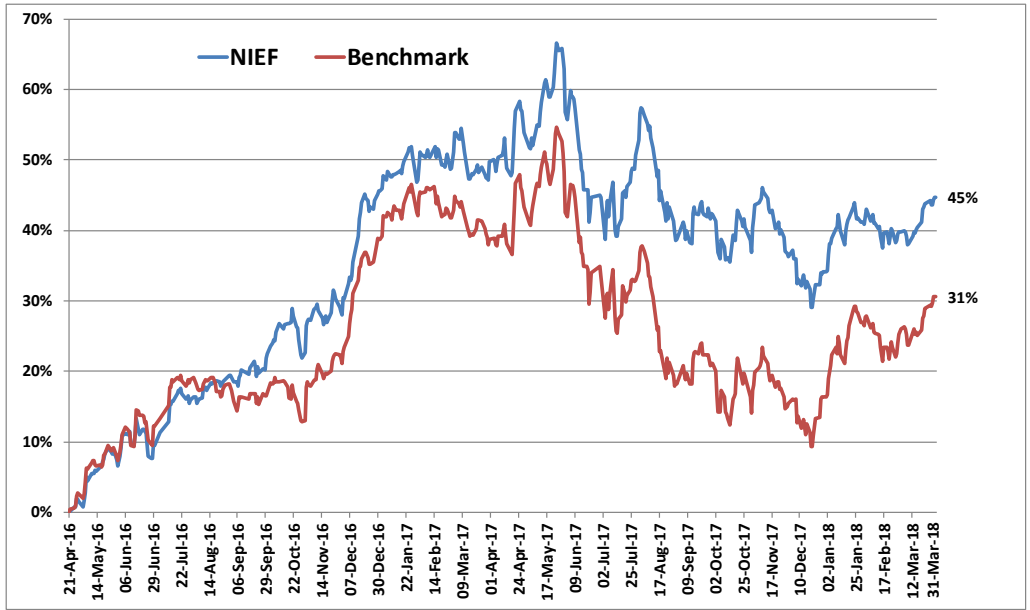
During 9MFY2018, Oil & Gas Exploration, Food & Personal Care, and Fertilizer sectors delivered better returns than the benchmark, while Refineries, Cements and Engineering sectors considerably under-performed the benchmark. Foreign investors remained net sellers with outflows of USD124 million during 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.

The Fund has earned total income of Rs.25.5 million during the period. After accounting for expenses of Rs.53.81 million, the net loss is Rs. 28.31 million. The asset allocation of the Fund as on March 31, 2018 is as follows:



NAFA ISLAMIC ENERGY FUND

NIEF 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.

NAFA ISLAMIC ENERGY FUND

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ (سابقہ: NBP فلٹریشن ایسیٹ منیجمنٹ لمیٹڈ) کے بورڈ آف ڈائریکٹرز بصدرست 31 مارچ 2018 کو ختم ہونے والی مدت کے لئے NAFA اسلامک انرجی فنڈ (NIEF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

NAFA اسلامک انرجی فنڈ (NIEF) کا فنڈ سائز، اس مدت کے اختتام پر 2,044 ملین روپے ہے جو 30 جون 2017 کے مقابلے میں 12% کم رہا۔ اس مدت کے دوران NIEF کے یونٹ کی قیمت 30 جون 2017 کو 13.0957 روپے سے کم ہو کر 31 مارچ 2018 کو 13.0868 روپے ہو چکی ہے اور اس طرح 0.07% کی کمی ہوئی۔ بنچ مارک (KMI-30 انڈیکس) میں 2.05% کی کمی آئی۔ اس طرح فنڈ نے زیر جائزہ عرصے کے دوران بنچ مارک سے 1.98% سے بہتر کارکردگی دکھائی۔ اپنے قیام (21 اپریل 2016ء) سے اب تک فنڈ کے یونٹ کی قیمت نے اپنے بنچ مارک میں 30.57% اضافے کے مقابلے میں 44.65% نمو دکھائی ہے۔ لہذا فنڈ نے اپنے بنچ مارک سے 14.08% بہتر کارکردگی دکھائی۔ یہ کارکردگی منجھٹ 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 نے 2018 کی تیسری سہ ماہی میں 12.2% سے بہتری دکھائی۔ مجموعی طور پر 2018 کے نو ماہ میں KMI-30 میں 2.0% کی معمولی کمی ہوئی۔ اس کے علاوہ بیرونی اثاثہ جات ظاہر کرنے کی اسکیم (Foreign assets Declaration Scheme) (FADR) اور اس کے نتیجے میں 3-5 ملین امریکی ڈالر کے اندرونی بھاؤ کے امکانات، پاکستانی روپے کی قدر میں 9% کی کمی اور کرنٹ اکاؤنٹ خسارے میں تیزی پر قابو پانے کیلئے پالیسی میں 25 پیسے 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، بجلی، کپڑوں اور ٹیکسٹائل کی منفعت میں بہتری آتی ہے جب کہ دوسرے شعبہ جات جیسے آٹوموبائل، اسمبلرز، سینٹ اور فریٹلائزرو وغیرہ لاگت کے اخراجات کے لحاظ سے غیر متاثر رہتے ہیں۔ یہاں یہ کہنا بے جا نہ ہوگا 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۔

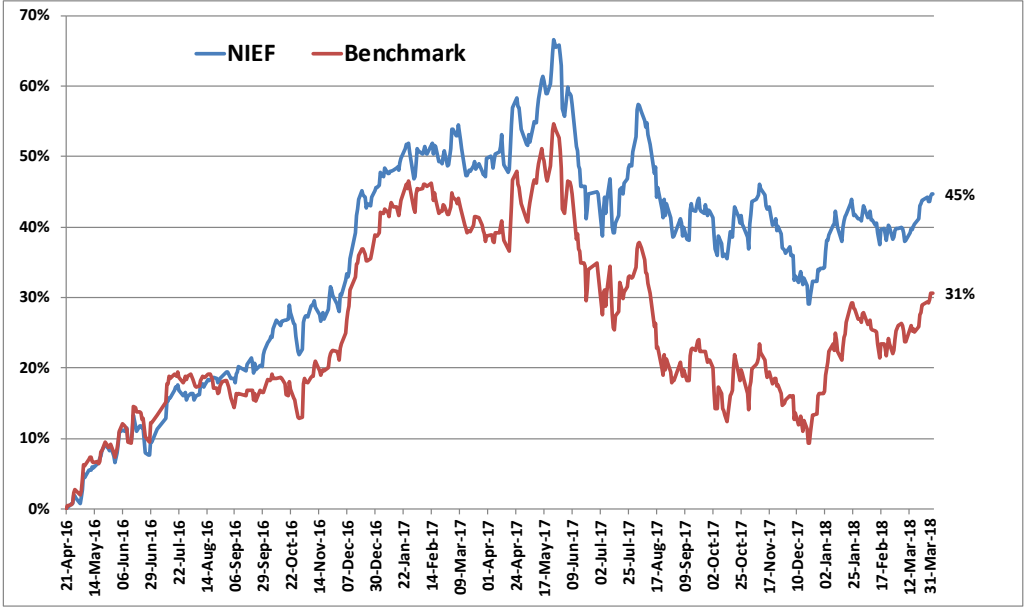
مالی سال 2018 کے نو ماہ کے دوران میں آئل اینڈ گیس، ایکسپلوریشن، فوڈ اینڈ پراسسنگ، کیمز، فریٹلائزرو اور کرنٹ بینکس کے شعبہ جات نے زیادہ بہتر نتائج پیش کئے جب کہ ریٹائزرز، سینٹ اور انجینئرنگ کے شعبہ جات نے مارکیٹ سے کافی حد تک کم کارکردگی کا مظاہرہ کیا۔ بیرونی سرمایہ کار خالص فروخت کنندہ رہے جس سے مذکورہ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

فنڈ نے اس مدت کے دوران 25.5 ملین روپے آمدنی کمائی ہے۔ 53.81 ملین روپے اخراجات منہا کرنے کے بعد خالص خسارہ 28.31 ملین روپے ہے۔ فنڈ کی ایسیٹ الیویشن 31 مارچ 2018 کو بمطابق ذیل ہے:



NAFA ISLAMIC ENERGY FUND

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



اظہارِ تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابلِ قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہارِ تشکر کرتا ہے۔

بورڈ اپنے اسٹاف اور آرٹسٹ کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراجِ تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

(سابقہ: NBP فلٹرن ایسیٹ مینجمنٹ لمیٹڈ)

ڈائریکٹر

چیف ایگزیکٹو آفیسر

بتاریخ

30 اپریل 2018

بمقام: کراچی

NAFA ISLAMIC ENERGY 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)			
ASSETS			
Balances with banks		311,392	246,013
Investments	4	1,794,236	2,390,332
Dividend and profit receivable		11,570	7,934
Preliminary expenses and floatation costs		1,398	1,740
Deposits and other receivable		5,611	5,604
Total assets		2,124,207	2,651,623
LIABILITIES			
Payable to the Management Company		20,729	21,753
Payable to the Trustee		286	1,112
Payable to the Securities and Exchange Commission of Pakistan		1,523	2,212
Payable against purchase of investments		37,874	-
Payable against redemption of units		-	250,819
Dividend payable		-	16,017
Accrued expenses and other liabilities		19,885	44,184
Total liabilities		80,297	336,097
NET ASSETS		2,043,910	2,315,526
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,043,910	2,315,526
CONTINGENCIES AND COMMITMENTS	7	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		156,181,430	176,815,790
		------(Rupees)-----	
NET ASSET VALUE PER UNIT		13.0868	13.0957

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

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

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC ENERGY FUND

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

		Nine months ended		Quarter Ended	
	Note	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		<u>(Rupees in '000)</u>			
INCOME					
(Loss) / gain on sale of investments - net		(50,049)	88,123	1,785	60,044
Dividend income		74,734	45,669	15,257	17,322
Profit on balances with banks		10,151	11,848	2,742	3,735
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss - net		(9,333)	512,480	160,657	32,106
Total (loss) / income		25,503	658,120	180,441	113,207
EXPENSES					
Remuneration of Management Company		32,067	31,872	10,073	14,755
Sindh Sales Tax on remuneration of the Management Company		4,169	4,143	1,310	1,918
Accounting and operational charges		1,603	1,594	503	738
Selling and marketing expenses	9	6,413	959	2,014	959
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		2,354	2,344	750	984
Sindh Sales Tax on remuneration of the Trustee		306	305	98	128
Annual fee of the Securities and Exchange Commission of Pakistan		1,523	1,514	478	701
Amortisation of preliminary expenses and floatation costs		342	342	113	113
Auditors' remuneration		547	289	333	113
Security transaction cost		2,334	2,035	861	768
Printing expenses		133	75	93	25
Legal fee		65	2	22	-
Listing fee		20	41	6	13
Shariah Advisor Fee		479	302	257	152
Settlement and bank charges		1,456	603	834	309
Total operating expenses		53,811	46,420	17,745	21,676
Net (loss) / income from operating activities		(28,308)	611,700	162,696	91,531
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	3.1	-	174,844	-	22,100
Provision for Sindh Workers' Welfare Fund	6	-	(17,473)	-	(17,473)
Net (loss) / income for the period before taxation		(28,308)	769,071	162,696	96,158
Taxation	8	-	-	-	-
Net (loss) / income for the period after taxation		(28,308)	769,071	162,696	96,158
Allocation of net (loss) / income for the period					
Net (loss) / income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
Accounting income available for distribution:					
-Relating to capital gains		-	-	-	-
-Excluding capital gains		-	-	-	-

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

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

NAFA ISLAMIC ENERGY FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTH 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	(28,308)	769,071	162,696	96,158
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(28,308)</u>	<u>769,071</u>	<u>162,696</u>	<u>96,158</u>

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

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

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC ENERGY FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2018

	Nine month ended March 31, 2018			Nine month ended March 31, 2017		
	(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistribut d income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period (audited)	1,811,540	503,986	2,315,526	979,247	53,852	1,033,099
Issuance of 109,580,255 units (2017: 192,130,332 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,435,030	-	1,435,030			
- Element of loss	(13,477)	-	(13,477)			
Total proceeds on issuance of units	1,421,553	-	1,421,553	2,026,956	441,572	2,468,528
Redemption of 130,214,615 units (2017: 91,567,035 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,705,252)	-	(1,705,252)			
- Element of income	40,391	-	40,391			
Total payments on redemption of units	(1,664,861)	-	(1,664,861)	(966,023)	(266,728)	(1,232,751)
Element of (income) / loss and capital (gains) / losses included in the of units issued less those in units redeemed - net	-	-	-	-	(174,844)	(174,844)
Total comprehensive (loss) / income for the period	-	(28,308)	(28,308)	-	769,071	769,071
Distribution during the period	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(28,308)	(28,308)	-	769,071	769,071
Net assets at end of the period (un-audited)	1,568,232	475,678	2,043,910	2,040,180	822,923	2,863,103
Undistributed income brought forward						
- Realised income / (loss)		102,089			(9,347)	
- Unrealised income		401,897			63,199	
		503,986			53,852	
Accounting (loss) / income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net (loss) / income for the period after taxation		(28,308)			769,071	
Distribution during the period		-			-	
Undistributed income carried forward		475,678			822,923	
Undistributed income carried forward						
- Realised income		485,011			310,443	
- Unrealised (loss) / income		(9,333)			512,480	
		475,678			822,923	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		13.0957			10.5499	
Net assets value per unit at end of the period		13.0868			14.4246	

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

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

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC ENERGY FUND

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

	Nine month ended	
	March 31, 2018	March 31, 2017
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period before taxation	(28,308)	769,071
Adjustments for:		
Unrealised diminution / (appreciation) on remeasurement of investments classified as financial assets at fair value through profit or loss - net	9,333	(512,480)
Profit on balances with banks	(10,151)	-
Dividend income	(74,734)	-
Amortisation of preliminary expenses and floatation costs	342	342
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	-	(174,844)
	(103,518)	82,089
Decrease / (increase) in assets		
Investments - net	586,763	(1,113,359)
Deposits and other receivable	(7)	(3,017)
Dividend and profit receivable	-	(3,867)
Receivable against sale of investments	-	(12,785)
	586,756	(1,133,028)
Increase / (Decrease) in liabilities		
Payable to the Management Company	(1,024)	27,538
Payable to the Trustee	(826)	506
Payable to the Securities and Exchange Commission of Pakistan	(689)	1,341
Payable against purchase of investments	37,874	-
Dividend payable	(16,017)	-
Accrued expenses and other liabilities	(24,299)	17,600
	(4,981)	46,985
Profit received	9,916	-
Dividend received	71,333	-
Net cash generated from / (used in) operating activities	559,506	(1,003,954)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issue of units	1,421,553	2,669,942
Payments on redemption of units	(1,915,680)	(1,469,133)
Dividend paid	-	(80)
Net cash (used in) / generated from financing activities	(494,127)	1,200,729
Net increase in cash and cash equivalents during the period	65,379	196,775
Cash and cash equivalents at the beginning of the period	246,013	123,181
Cash and cash equivalents at the end of the period	311,392	319,956

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

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

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC ENERGY FUND

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

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Energy 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 the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on March 28, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 07, 2016 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

The Fund's pre-IPO investment was received on April 19, 2016. It is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units 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 Fund is categorised as an Open-End "Shariah Compliant Equity Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

The core objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of shariah compliant listed equities belonging to the energy sector.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of AM1 to the Management Company. The Fund has not been rated.

The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

The duration of the Fund is perpetual. However, the SECP or the Management Company may wind it up on the occurrence of certain events as specified in the offering document of the Fund.

2 STATEMENT OF COMPLIANCE

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.

NAFA ISLAMIC ENERGY FUND

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

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(II)/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.

NAFA ISLAMIC ENERGY FUND

Had the element of income been recognised as per the previous accounting policy, the profit of the Fund would have been higher by Rs. 26.914 million net off charge for SWWF in respect of element of income with no effect on the NAV per unit of the Fund. 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.

4 INVESTMENTS

Investments at fair value through profit or loss - held for trading

	Note	(Un-Audited) March 31, 2018	(Audited) June 30, 2017
----- Rupees in '000 -----			
- Listed equity securities	5.1	1,794,236	2,390,332

5.1 Listed equity securities

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

Name of the investee company	Number of shares					Market value	Market value as a percentage of		Holding as a percentage of Paid-up capital of investee company
	As at July 1, 2017	Purchased during the period	Bonus / right shares issued during the	Sold during the period	As at March 31, 2018		Net assets of the fund	Total market value of investments	
Rupees in '000' ----- % -----									
REFINERY									
Attock Refinery Limited (Note 5.2)	305,300	132,500	-	303,500	134,300	33,547	1.64	1.87	0.16
National Refinery Limited (Note 5.2)	97,000	-	-	54,000	43,000	18,236	0.89	1.02	0.05
						51,783	2.53	2.89	
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Limited (Note 5.2)	212,150	-	-	91,500	120,650	178,630	8.74	9.96	0.11
Oil and Gas Development Company Limited	1,244,000	774,000	-	772,400	1,245,600	216,834	10.61	12.09	0.03
Pakistan Oilfields Limited (Note 5.2)	429,900	204,700	-	302,500	332,100	216,051	10.57	12.04	0.14
Pakistan Petroleum Limited (Note 5.2)	1,529,500	393,500	-	870,000	1,053,000	224,120	10.97	12.49	0.05
						835,635	40.89	46.58	
OIL AND GAS MARKETING COMPANIES									
Attock Petroleum Limited	191,900	-	-	28,000	163,900	94,169	4.61	5.25	0.20
Hascol Petroleum Limited	164,500	47,100	32,900	-	244,500	64,900	3.18	3.62	16.88
Hi-Tech Lubricants Limited	423,700	5,000	-	-	428,700	45,095	2.21	2.51	36.96
Pakistan State Oil Company Limited (Note 5.2)	447,500	290,800	66,720	378,400	426,620	137,154	6.71	7.64	0.16
Shell Pakistan Limited	430,400	-	-	156,300	274,100	99,838	4.88	5.56	0.26
Sui Northern Gas Pipelines Limited	1,888,500	943,500	-	1,994,300	837,700	94,417	4.62	5.26	0.13
Sui Southern Company	2,248,500	2,410,000	-	2,028,500	2,630,000	95,890	4.69	5.34	0.54
						631,463	30.90	35.18	
POWER GENERATION & DISTRIBUTION									
Kot Addu Power Company Limited (Note 5.2)	1,429,500	177,500	-	904,000	703,000	45,329	2.22	2.53	0.08
K-Electric Limited	2,118,500	8,624,500	-	2,478,000	8,265,000	57,938	2.83	3.23	0.36
Lalpur Power Limited	-	2,019,000	-	474,500	1,544,500	32,805	1.61	1.83	1.60
Pakgen Power Limited	-	71,000	-	71,000	-	-	-	-	-
The Hub Power Company Limited (Note 5.2)	1,244,300	1,069,600	-	928,000	1,385,900	139,283	6.81	7.76	0.12
						275,355	13.47	15.35	
Total March 31, 2018						1,794,236	87.79	100.00	
Carrying value as at March 31, 2018						1,803,569			
Market value June 30, 2017						2,390,332			
Carrying value as at June 30, 2017						1,988,435			

NAFA ISLAMIC ENERGY FUND

- 5.2 The above investments include shares having a market value (in aggregate) amounting to Rs 106.271 million (June 30, 2017: Rs 99.472 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan.

6 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 14.1 to the annual audited financial statements of the Fund for the year ended June 30, 2017

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 14.051 million for the period ended 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. 0.090 per unit (June 30, 2017: Rs. 0.0795 per unit)

7 CONTINGENCIES AND COMMITMENTS

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

8 TAXATION

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

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.

9 SELLING AND MARKETING

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 value for the period) is 3.36% per annum including 0.38 % 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 RELATED PARTIES / CONNECTED PERSONS

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

NAFA ISLAMIC ENERGY FUND

- 11.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.3 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.
- 11.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

------(Un-Audited)-----	
Nine moth ended March 31, 2018	Nine moth ended March 31, 2017
-----Rs. In '000-----	

11.5 Details of transactions with connected persons are as follows:

NBP Fund Management Limited - Management Company (Formerly NBP Fullerton Asset Management Limited)

Remuneration of the Management Company	32,067	31,872
Sindh sales tax on remuneration of the Management Company	4,169	4,143
Accounting and operational charges to the Management Company	1,603	1,594
Sales load paid to the Management Company	3,500	4,140
Selling and marketing expense	6,413	959
Units Redeemed / Transferred Out 5,652,737 units (2017: Nil)	70,660	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration	2,354	2,344
Sindh sales tax on remuneration of Trustee	306	305

Employees of the Management Company

Units Issued / transferred in 755,212 units (2017: 3,979,059 units)	9,987	50,109
Units redeemed / transferred out 1,475,791 units (2017: 3,473,061 units)	19,069	44,131

BankIslami Pakistan Limited (Common Directorship)

Profit income	7,744	-
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Taurus Securities Limited (Common Directorship)

Brokerage expense	143	-
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Pakistan Mobile Communication limited provident fund

Nil units redeemed (2017 : 998,312)	-	13,623
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Aamir Sattar - Director

Units Issued / Transferred In (2017: 16,322 units)	-	200
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Humayun Bashir - Director

Units Issued / transferred in 1,042,891 units (2017: nil units)	13,367	-
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NAFA ISLAMIC ENERGY FUND

	(Un-Audited) March 31, 2018	(Audited) June 30, 2017
----- Rupees in '000 -----		
11.6 Amounts / balances outstanding as at period end:		
NBP Fund Management Limited - Management Company (Formerly NBP Fullerton Asset Management Limited)		
Management remuneration payable	3,359	4,653
Sindh sales tax on remuneration	437	605
Federal excise duty on remuneration	583	583
Front-end load payable	5,972	2,789
Sindh sales tax on front end load	789	376
Federal excise duty on front end load	1,557	1,624
Selling and marketing expense	6,413	3,933
Other payable		
- Initial deposit on opening of bank accounts	16	30
- Listing fee	-	40
- Security deposit paid to National Clearing Company of Pakistan Limited	-	2,500
- Security deposit paid to Central Depository Company of Pakistan Limited	-	100
- Preliminary expenses	-	2,192
Accounting and operational charges charged by the Management Company	1,603	2,328
Units held 5,116,807 units (June 2017: 10,769,544 units)	66,962	141,035
Employees of the Management Company		
Units held 484,727 units (June 2017: 1,205,307)	6,344	15,784
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	253	984
Sindh Sales Tax on the remuneration of trustee	33	128
Security deposit	2,500	100
Settlement charges	136	279
Summit Bank Limited (Common Directorship)		
Bank Balances	2,135	2,791
BankIslami Pakistan Limited (Common Directorship)		
Bank Balances	263,442	106,633
Profit receivable	1,044	574
Taurus Securities Limited - Subsidiary of Parent Company		
Brokerage payable	66	20
Prosperity Weaving Mills		
Units held 1,040,543 units (June 2017: 1,040,543)	13,617	13,627
Key Management Personnel		
Units held Nil units (June 2017: 1,042,891)	-	13,910

NAFA ISLAMIC ENERGY 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, unless otherwise is specified.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation..There have been no significant reclassification during the period except for the impact of change in accounting policy

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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