

AM2+
Rated by PACRA



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

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

QUARTERLY REPORT
MARCH 31
2016



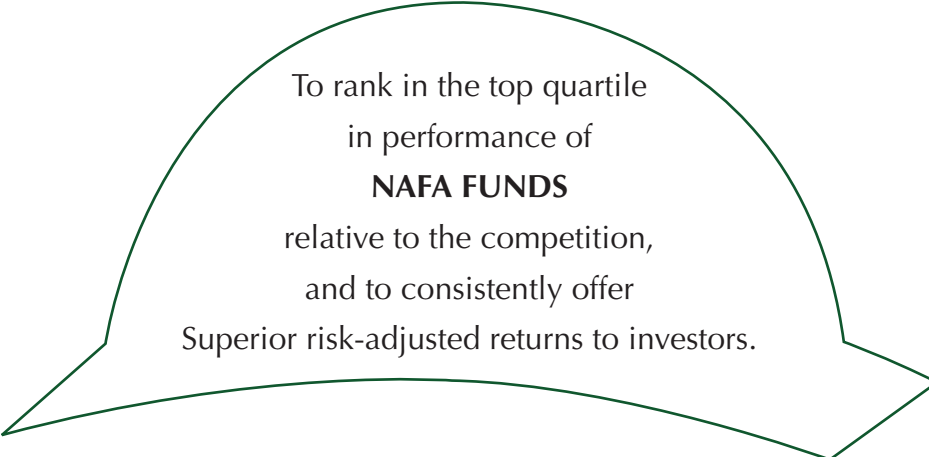
Your investments & "NAFA" grow together



**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.

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NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. 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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

Dubai Islami Bank Pakistan Limited
Bankislami Pakistan Limited
Silk Bank (Emaan)Limited
Habib Bank Limited
Burj Bank Limited
UBL Ameen Limited

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

Auditors

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

Legal Advisor

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

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 111-111NFA (111-111-632),
(Toll Free): 0800-20001,
Fax: (021) 35825329
Website: www.nafafunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

Plot No. 395, 396
Industrial Area, I-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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 ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Active Allocation Riba Free Savings Fund (NAARFSF)** for the period from January 18, 2016 to March 31, 2016.

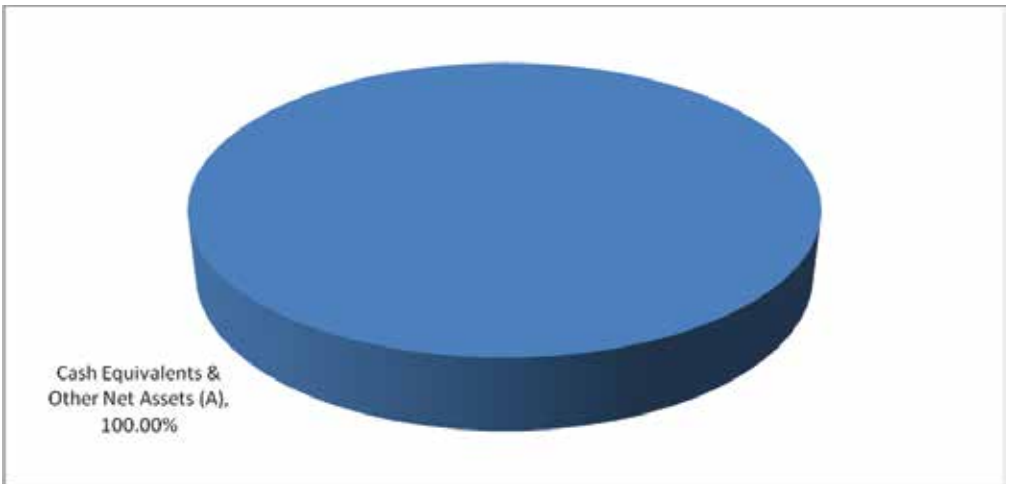
Fund's Performance

The size of NAFA Active Allocation Riba Free Savings Fund is Rs. 971 million as at March 31, 2016. The Fund has earned an annualized return of 4.46% since its inception (January 18, 2016) as compared to its Benchmark (average 6-Month Deposit Rate of 'A-' and above rated Islamic banks) annualized return of 4.64% for the same period.

NAARFSF is an Shariah Compliant Income Scheme. The Fund aims to consistently generate a better return than profit rates offer by Islamic banks/ Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is allowed to invest in Shariah Compliant Government Securities of maturity upto 3 years as well as Shariah Compliant money market and debt securities of upto 2 years maturity rated AA- or better.

In the period under review, MoF Conducted auction for a floating rate GOP Ijara Sukuk and accepted Rs.118 billion against the target of Rs.100 billion. Auctions for the Fixed Rental Rate GOP Ijaras Sukuk were also conducted where an amount of Rs.196 billion was accepted against the target of Rs.180 billion. Foreign exchange reserves reached a comfortable level of USD 20 billion. Inflation as measured by the CPI clocked-in at 3.9% on a year-on-year basis in March compared with 3.2% in June 2015.

The Fund has earned total income of Rs.11.59 million during the period. After deducting expenses of Rs.2.99 million, the net income is Rs.8.60 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NAARFSF.



NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

Acknowledgement

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

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

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: April 29, 2016
Place: Karachi.

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT MARCH 31, 2016

	Note	March 31, 2016 (Rupees in '000)
ASSETS		
Balances with banks	4	967,920
Profit receivable	5	4,843
Preliminary and floatation costs	10	960
Total assets		973,723
LIABILITIES		
Payable to the Management Company	6	2,516
Payable to Central Depository Company of Pakistan Limited - Trustee	7	146
Payable to Securities and Exchange Commission of Pakistan	8	107
Accrued expenses and other liabilities	9	157
Total liabilities		2,926
NET ASSETS		970,797
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		970,797
CONTINGENCIES AND COMMITMENTS	11	-
Number of units in issue		96,220,283
NET ASSET VALUE PER UNIT		10.0893

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE PERIOD FROM JANUARY 18, 2016 TO MARCH 31, 2016

	Note	For the period from January 18, 2016 to March 31, 2016 (Rupees in '000)
INCOME		
Profit on Bank Deposits		9,207
Total income		9,207
EXPENSES		
Remuneration of NBP Fullerton Asset Management Limited Management Company	6.1	1,782
Sindh sales tax on remuneration of the Management Company	6.2	289
FED on remuneration of the Management Company	6.3	285
Remuneration to Central Depository Company of Pakistan Limited- Trustee	7	242
Sindh Sales Tax on remuneration of the Trustee		34
Annual fee - Securities and Exchange Commission of Pakistan	8	107
Bank charges		4
Auditors' remuneration		66
Allocated Expenses	6.4	142
Amortization of Formation Cost	10	40
Total Expenses		2,991
Net Income from operating activities		6,216
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		2,378
Net Income for the period before taxation		8,594
Taxation	12	-
Net Income for the period after taxation		8,594

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD FROM JANUARY 18, 2016 TO MARCH 31, 2016

	For the period from January 18, 2016 to March 31, 2016 (Rupees in '000)
Net Income for the period after taxation	8,594
Other Comprehensive Income	-
Total comprehensive Income for the period	8,594

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE PERIOD FROM JANUARY 18, 2016 TO MARCH 31, 2016

	For the period from January 18, 2016 to March 31, 2016 (Rupees in '000)
Net Income for the period after taxation	8,594
Undistributed Income carried forward	<u>8,594</u>
Undistributed income comprising of:	
Realised income	8,594
Unrealised Gain	-
	<u>8,594</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE PERIOD FROM JANUARY 18, 2016 TO MARCH 31, 2016

	For the period from January 18, 2016 to March 31, 2016 (Rupees in '000)
Issue of units 106,149,851	1,064,581
Redemption of units 9,929,568	(100,000)
	964,581
Element of (income) / loss and capital gains / (losses) included in the prices of units issued less those in units redeemed-Transferred to income statement	(2,378)
Capital Gain on sale of investments - net	9,207
Other income (net of expenses) for period	(613)
	8,594
Net assets at the end of the period	<u><u>970,797</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD FROM JANUARY 18, 2016 TO MARCH 31, 2016

	For the period from January 18, 2016 to March 31, 2016 (Rupees in '000)
CASH FLOW FROM OPERATING ACTIVITIES	
Net Income for the period before taxation	8,594
Adjustments	
Amortization Of Formation Cost	40
Element of (income) / loss and capital (gain) / losses included in prices of units issued less those in units redeemed - net	(2,378)
	<u>6,256</u>
(Increase) / decrease in assets	
Profit Receivable	(4,843)
Preliminary and floatation costs	(1,000)
	<u>(5,843)</u>
Increase / (decrease) in liabilities	
Payable to the Management Company	2,516
Payable to the Trustee	146
Payable to the Securities and Exchange Commission of Pakistan	107
Accrued expenses and other liabilities	157
	<u>2,926</u>
Net cash generated from operating activities	<u>3,339</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Net receipts from issue of units	1,064,581
Net payments on redemption of units	(100,000)
Net cash generated from financing activities	<u>964,581</u>
Cash and cash equivalents at the end of the period	<u><u>967,920</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Un-Audited) FOR THE PERIOD FROM JANUARY 18, 2016 TO MARCH 31, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 03, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 03, 2015. under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

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

The objective of NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND is to earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shari'ah compliant banks deposits and money market/debt securities.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of AM2+ to the Management Company.

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2016

2.2 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as set out below are consistently applied for all periods presented in these financial statements.

3.1 Financial assets

3.1.1 Classification

The Fund classifies its financial assets in the following categories: loans and receivables, at fair value through profit or loss, held to maturity and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate Standard (IAS)39: 'Financial Instruments: Recognition and Measurement', at the time of initial recognition and re-evaluates this classification on a regular basis.

a) Loans and receivables

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

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

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the financial assets 'at fair value through profit or loss' category.

c) Held to maturity

Investments with fixed or determinable maturity where management has both the positive intent and ability to hold maturity are classified as held to maturity.

d) Available for sale

Non-derivative financial assets that are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices. 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, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

3.1.2 Regular way contracts

All regular purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention are recognised on the trade date - the date on which the Fund commits to purchase or sell the assets.

3.1.3 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 and transaction costs are expensed in the income statement.

3.1.4 Subsequent measurement

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:

3.1.5 Impairment of financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an 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. Impairment losses are recognised in the income statement.

3.1.6 Derecognition

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

3.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They 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 or cancelled or expired.

3.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.4 Derivative Financial Instruments

Derivative instruments that are held by the Fund primarily comprise of futures contracts in the capital market and are classified in held for trading investments, subcategory under investment 'at fair value through profit or loss'. These are measured at initially and of each subsequent measurement at their fair values which is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the futures contract. Derivatives with positive market values (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the balance sheet. The resultant gains and losses are included in the income currently. All derivatives in a net receivables positions (positive fair values) and reported as financial asset held for trading. All derivatives in a net payable position (negative fair values) are reported as financial liabilities held for trading.

3.5 Preliminary and floatation costs

Preliminary 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

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

3.7 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 year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund is 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.

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.

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. Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, requires that the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours of that day. The offer price 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. The sales load is payable to the Management Company, Investment facilitators or distributors. Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours on that day. The redemption price represents the Net Asset Value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, 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' is created. The 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' account is credited with the amount representing net income / (loss) and capital gains / (losses) accounted for in the net assets value and included in the sale proceeds of units. Upon redemption of units, the 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' account is debited with the amount representing net income / (loss) and capital gains / (losses) accounted for in the net assets value and included in the redemption price.

The 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' during the year is included in the amount available for distribution to the unit holders.

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

3.11 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 the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- 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 gains / (losses) 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.
- Unrealised gains / (losses) arising on revaluation of investments classified as ' Available for sale investments' are included in the Other Comprehensive Income in the period in which they arise.
- Profit on bank deposits, investments in debt securities and income from government securities is recognised using the effective interest method.

3.13 Cash and cash equivalents

Cash and cash equivalent comprise of bank balances and those investments which are readily convertible to known amount of cash subject to an in significant risk of significant changes of values and have maturities of less than three months from the date of acquisition.

3.14 Foreign currency translation

Transactions in foreign currencies are translated into Rupees at rates of exchange on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange ruling on the balance sheet date. All other exchange differences are charged to income statement.

	Note	Un-Audited As at 'March 31, 2016 (Rupees in '000)
4 BALANCES WITH BANKS		
Profit and loss savings accounts	4.1	<u>967,920</u>
4.1 These carry profits at the rates ranging from 6.25% to 7% per annum.		
5 PROFIT RECEIVABLE		
Income accrued on savings deposits		4,843
		<u>4,843</u>
6 PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED MANAGEMENT COMPANY		
Remuneration of the Management Company	6.1	936
Sindh Sales Tax on the Management Company's remuneration	6.2	152
Federal Excise Duty on the remuneration of the Management Company	6.3	285
Allocated Expenses	6.4	143
Preliminary and Floatation costs payable		<u>1,000</u>
		<u>2,516</u>

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

- 6.1 The Management Company has charged remuneration at the rate not exceeding 1.25 % per annum based on average net assets for the period. The fee is payable to the Management Company monthly in arrears.
- 6.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 14% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 6.3 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 has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax as explained in note 6.2, further levy of FED may result in double taxation, which does not appear to be in the spirit of the law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

- 6.4 During the current period, the SECP vide S.R.O No 1160(I) / 2015 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 Scheme upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. The Management Company has charged operating expenses to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund.

7 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

Un-Audited
As at 'March 31,
2016
(Rupees in '000)

Remuneration payable to the Trustee	127
Sindh Sales Tax on Trustee remuneration	19
	<u>146</u>

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 March 31, 2016 is as follows.

Net Assets	Tariff per annum
Upto Rs 1,000 million	0.17% p.a. of the net assets
Rs 1,000 million to 5,000 million	Rs 1.7 million plus 0.085% p.a. Of the net assets exceeding Rs 1,000 million

8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

As at 'March 31,
2016
(Rupees in '000)

Annual fee	<u>107</u>
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Under the provision of the NBFC Regulations, a collective investment scheme categorised as Shariah Compliant is required to pay an annual fee to SECP. During the period the Fund has paid an amount equal to 0.095 percent of average annual net assets of the Fund.

9 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	66
Bank charges	2
With holding Tax Payable	89
	<u>157</u>

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

	As at 'March 31, 2016 (Rupees in '000)
10 PRELIMINARY AND FLOATATION COSTS	
Preliminary and floatation costs incurred	1,000
Less: amortisation during the period	<u>(40)</u>
Closing balance	<u><u>960</u></u>

Preliminary 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 commencing from January 19, 2016 as per the requirements set out in the Trust Deed of the Fund.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at March 31, 2016.

12 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.

13 TRANSACTIONS WITH CONNECTED PERSONS

13.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Alexandra Fund Management Pte. Limited being the sponsors, NAFA provident Trust Fund being the employee contribution plan of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

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

13.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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

NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

	Un-audited For the period from January 18, 2016 to March 31, 2016 (Rupees in '000)
14 Details of the transactions with connected persons are as follows:	
NBP Fullerton Asset Management Limited - Management Company	
Remuneration of the Management Company	1,782
Sindh sales tax on remuneration of the Management Company	289
FED on remuneration of the Management Company	285
Allocated Expenses	142
NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN I)	
Units issued during the period 63,433,911	634,581
Units redeemed during the period 6,456,932	65,000
NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN II)	
Units issued during the period 42,715,940	430,000
Units redeemed during the period 3,472,636	35,000
Central Depository Company of Pakistan Limited - Trustee	
Remuneration	242
Sales Tax	34
15 Amounts outstanding as at period end	Un-audited As at March 31, 2016 (Rupees in '000)
NBP Fullerton Asset Management Limited - Management Company	
Management remuneration payable	936
Sindh sales tax payable	152
F.E.D on Management Fee	285
Formation Cost	1,000
Allocated Expenses	143
NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN I)	
Units Held (56,976,979)	574,858
NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN II)	
Units Held (39,243,304)	395,937
Central Depository Company of Pakistan Limited - Trustee	
Remuneration payable	127
Sales Tax	19

16 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on April 29, 2016.

17 GENERAL

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

17.2 Comparative information is not available as the Fund commenced its operations on January 18, 2016 as stated above.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



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

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