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

NAFA ISLAMIC AGGRESSIVE INCOME 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 ISLAMIC AGGRESSIVE INCOME 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

Al-Baraka Islamic Bank
Bank Alfalah Limited
Bank Al-Habib Limited
Burj Bank Limited
Dubai Islamic Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Meezan Bank Limited
Habib Bank Limited
Bank Islami Pakistan Limited
Sindh Bank Limited
Summit Bank Limited
United Bank Limited

NAFA ISLAMIC AGGRESSIVE INCOME FUND

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.02
Beaumont Road,
Karachi - 75530, 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: 111-111-NFA (111-111-632)
Helpline (Toll Free): 0800-20001
Fax: (021) 35825329

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

NAFA ISLAMIC AGGRESSIVE INCOME FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Aggressive Income Fund (NIAIF)** for the period ended March 31, 2016.

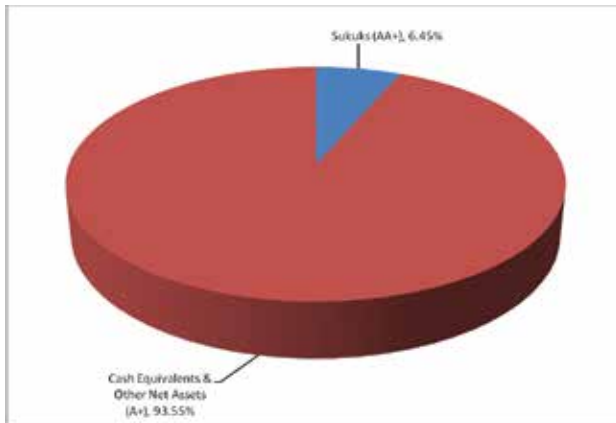
Fund's Performance

The size of NAFA Islamic Aggressive Income Fund has increased from Rs. 1,207 million to Rs. 2,270 million during the period, i.e. a growth of 88.1%. During the period, the unit price of the Fund has increased from Rs. 9.4745 on June 30, 2015 to Rs. 10.0098 on March 31, 2016, thus showing return of 7.50% as compared to its Benchmark (Average 3-Month deposit rate of Islamic Banks) return of 4.83% for the same period. The performance of the Fund is net of management fee and other expenses.

NIAIF is categorized as Islamic Aggressive Income Scheme and has been awarded stability rating of 'A-(f)' by PACRA. Trading activity in Sukuks remained depressed. Dearth of high credit quality corporate Sukuks further depressed the secondary market yields.

During the period under review, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP highlighted: i) benign inflation readings and anchored near-term inflation expectation; ii) high real lending rates; iii) comfortable external account position; and (iv) improving law and order situation; and macroeconomic stability. 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.136.34 million during the period. After accounting for expenses of Rs.18.19 million, the net income is Rs.118.15 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIAIF:



NAFA ISLAMIC AGGRESSIVE INCOME 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 ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2016

	Note	Un-Audited March 31, 2016	Audited June 30, 2015
		----- Rupees in '000 -----	
ASSETS			
Bank Balances		2,269,429	999,642
Investments	4	146,467	36,084
Profit receivable		16,730	4,036
Receivable against conversion of units		-	268,776
Advances, deposits, prepayments and other receivables		244	272
Total assets		2,432,870	1,308,810
LIABILITIES			
Payable to the Management Company		6,666	3,875
Payable to the Trustee		264	150
Payable to Securities and Exchange Commission of Pakistan		906	572
Payable against redemption of units		150,607	76,695
Payable against conversion of units		-	7,316
Dividend Payable		-	5,701
Accrued expenses and other liabilities		4,555	7,107
Total liabilities		162,998	101,416
NET ASSETS		2,269,872	1,207,394
Unit holders' funds (As per statement attached)		2,269,872	1,207,394
CONTINGENCIES AND COMMITMENTS	6		
		-----Number of units-----	
NUMBER OF UNITS IN ISSUE		226,763,984	127,435,777
		-----Rupees-----	
NET ASSET VALUE PER UNIT		10.0098	9.4745

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

	Note	Nine months ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
----- Rupees in '000 -----					
INCOME					
Capital Gain on sale of investments		17	-	-	-
Income from sukuk bonds		15,672	7,278	6,357	3,002
Profit on bank deposits		78,914	42,951	31,109	16,852
Unrealised (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net		1,048	(275)	(149)	(357)
Total Income		95,651	49,954	37,317	19,497
EXPENSES					
Remuneration of the Management Company		10,321	5,043	3,550	2,042
Sindh Sales Tax on Management fee		1,678	877	576	355
Federal Excise Duty on remuneration to Management Company		1,652	807	568	327
Remuneration of the Trustee		1,665	804	641	347
Sindh Sales Tax on remuneration of Trustee		233	-	90	-
Allocated Expenses		689	-	506	-
Annual fee - Securities and Exchange Commission of Pakistan		906	378	380	153
Settlement and bank charges		371	97	117	40
Annual listing fee		30	22	10	7
Auditors' remuneration		377	382	90	82
Impairment loss / (reversal) on investments classified as 'available for sale'		(7,500)	-	(2,500)	-
Rating fee		214	171	75	50
Printing Charges		50	-	-	-
Legal and professional charges		-	37	-	12
Other Expenses		5	-	-	-
Total Expenses		10,691	8,618	4,103	3,415
Net income from operating activities		84,960	41,336	33,214	16,082
Element of income and capital gains included in prices of units issued less those in units redeemed - net		33,191	-	33,406	-
Provision for workers' welfare fund	5	-	(827)	-	(322)
Net income for the period before taxation		118,151	40,509	66,620	15,760
Taxation	7	-	-	-	-
Net income for the period after taxation		118,151	40,509	66,620	15,760

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u> <u>2016</u>	<u>March 31,</u> <u>2015</u>	<u>March 31,</u> <u>2016</u>	<u>March 31,</u> <u>2015</u>
	----- Rupees in '000 -----			
Net income for the period after taxation	118,151	40,509	66,620	15,760
Other comprehensive income / (loss) for the period				
Net unrealised appreciation in market value of investments classified as 'available for sale'	1,842	3,573	64	1,625
Total comprehensive income for the period	<u>119,993</u>	<u>44,082</u>	<u>66,684</u>	<u>17,385</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial information

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	----- Rupees in '000 -----			
Undistributed income brought forward	36,561	21,403	88,309	51,905
Net income for the period after taxation	118,151	40,509	66,620	15,760
Element of income and capital gains included in prices of units issued less those in units redeemed - amount that forms part of the unit holders' fund	1,399	18,079	1,182	12,326
Undistributed income carried forward	<u>156,111</u>	<u>79,991</u>	<u>156,111</u>	<u>79,991</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- Rupees in '000 -----			
Net assets at the beginning of the period	1,207,394	431,004	1,406,571	735,519
Issue of 383,736,756 units (2015: 114,132,846 units)	3,762,344	1,105,299	1,939,325	458,431
Redemption of 284,408,549 units (2015: 63,006,826 units)	(2,786,668)	(610,292)	(1,109,302)	(241,242)
	975,676	495,007	830,023	217,189
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing loss and capital losses that form part of unit holders' fund - transferred to Income Statement	(33,191)	-	(33,406)	-
amount representing loss and capital losses that form part of unit holders' fund - transferred to Distribution Statement	(1,399)	(18,079)	(1,182)	(12,326)
	(34,590)	(18,079)	(34,588)	(12,326)
Net unrealised appreciation on remeasurement of investments classified as 'available for sale'	1,842	3,573	64	1,625
Gain on sale of investments	17	-	-	-
Other income for the period	118,134	40,509	66,620	15,760
	118,151	40,509	66,620	15,760
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing unrealised income	1,399	18,079	1,182	12,326
Net assets as at the end of the period	<u>2,269,872</u>	<u>970,093</u>	<u>2,269,872</u>	<u>970,093</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
----- Rupees in '000 -----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period before taxation	118,151	40,509	66,620	15,760
Adjustments				
(Gain) on sale of investments	(17)	-	-	-
Impairment loss / (reversal of impairment loss) on investments classified as 'available for sale and held for trading'	(7,500)	-	(2,500)	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(33,191)	-	(33,406)	-
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(1,048)	275	149	357
	76,395	40,784	30,863	16,117
(Increase) / decrease in assets				
Investments	(99,976)	19,634	8,199	15,277
Profit receivable	(12,694)	(396)	(5,808)	(2,710)
Advances, deposits, prepayments and other receivables	28	213	(91)	683
	(112,642)	19,451	2,300	13,250
Increase / (decrease) in liabilities				
Payable to the Management Company	2,791	2,662	541	824
Payable to the Trustee	114	108	35	37
Annual fee payable to Securities and Exchange Commission of Pakistan	334	230	380	154
Accrued expenses and other liabilities	(2,552)	767	689	36
	687	3,767	1,645	1,051
Net cash inflow / (outflow) from operating activities	(35,560)	64,002	34,808	30,418
CASH FLOW FROM FINANCING ACTIVITIES				
Net receipts from issue of units	4,031,120	1,105,299	1,948,209	458,431
Net payments on redemption of units	(2,720,072)	(602,283)	(959,194)	(233,174)
Distributions paid during the period	(5,701)	-	-	-
Net cash inflow from financing activities	1,305,347	503,016	989,015	225,257
Net increase in cash and cash equivalents during the period	1,269,787	567,018	1,023,823	255,675
Cash and cash equivalents at the beginning of the period	999,642	369,986	1,245,606	681,329
Cash and cash equivalents at the end of the period	2,269,429	937,004	2,269,429	937,004

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

Notes to and forming part of the Condensed Interim Financial information (Un-audited) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Aggressive Income 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 Trustee. The Trust Deed was executed on 20 August 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 03 September 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. With effect from 22 November 2011, the SECP approved the appointment of MCBFSL as the Trustee in place of CDC and further approved the amendments to the Trust Deed vide its letter number SCD/AMCWING/VS/NIF/458/2011 dated 15 November 2011. Accordingly, the Trust Deed of the Fund was revised through a supplemental Trust Deed executed between the Management Company, CDC and MCBFSL. Thereafter, on 25 August 2014, CDC was re-appointed as the new Trustee of the Fund, after MCBFSL retired on prior day.

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 Management Company is also the member of MUFAP.

The Fund is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to provide preservation of capital and earn a reasonable rate of return. The principal activity of the Fund is to make investments in Shariah compliant securities, having a good credit rating and liquidity subject to the guidelines prescribed by SECP.

The Pakistan Credit Rating Agency Limited has assigned an asset manager rating of AM2+ to the Management Company and a stability rating of A-(f) to the Fund.

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

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, 2015

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, 2016

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2015.

NAFA ISLAMIC AGGRESSIVE INCOME FUND

	Note	Un-Audited March 31, 2016	Audited June 30, 2015
----- Rupees in '000 -----			
4 INVESTMENTS			
Available for sale			
- Sukuk bonds	4.1	3,230	21,060
At fair value through profit or loss - held for trading			
Sukuk and Ijara bonds	4.2	<u>143,237</u>	<u>15,024</u>
		<u>146,467</u>	<u>36,084</u>

4.1 Sukuk and Ijara bonds - available for sale

Name of the investee company	Number of certificates				Market value as at March 31, 2016	Investment as a percentage of		
	As at July 01, 2015	Purchases during the period	Sales during the period	As at March 31, 2016		Market value of net assets	Market value of total investments	
Rupees in '000								
Engro Fertilizer Limited	4,600	-	4,600	-	-	-	-	
Kohat Cement Company Limited	20,000	-	-	20,000	-	-	-	
Maple Leaf Cement Factory Limited - Sukuk I	5,312	-	-	5,312	3,230	0.14	2.21	
New Allied Limited-1st issue (note 4.1.1.1)	352,000	-	-	352,000	-	-	-	
New Allied Limited-2nd issue (note 4.1.1.1)	1,000	-	-	1,000	-	-	-	
Pak Electron Limited (note 4.1.1.2)	7,000	-	-	7,000	-	-	-	
	<u>389,912</u>	<u>-</u>	<u>4,600</u>	<u>385,312</u>	<u>3,230</u>	<u>0.14</u>	<u>2.21</u>	
Carrying value of investments as at 31 March 2016						<u>121,293</u>		
Provision held						<u>119,905</u>		

4.1.1 All sukuk bonds have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics (Private) Limited - 1st issue which have a face value of Rs 312.5.

4.1.1.1 These represent investments in privately placed Term Finance Certificates and Sukuk bonds of the investee company. These investments have been fully provided.

4.1.1.2 This represents investment in privately placed sukuk bonds. On 27 December 2011 i.e. the scheduled redemption date, profit redemption of Rs. 0.563 million was not received by the Fund. These investments have been fully provided.

4.2 Sukuk and Ijara bonds - At fair value through profit or loss - held for trading

Name of the investee company	Number of certificates				Market value as at March 31, 2016	Investment as a percentage of		
	As at July 01, 2015	Purchases during the period	Sales during the period	As at March 31, 2016		Market value of net assets	Market value of total investments	
Rupees in '000								
K Electric AZM Sukuk (3 Years)	3,000	-	-	3,000	15,322	0.68	10.46	
K Electric AZM Sukuk (5 Years)	-	5,200	-	5,200	27,165	1.20	18.55	
GOP Ijara Sukuk 16	-	20,000	-	20,000	100,750	4.44	68.79	
	<u>3,000</u>	<u>25,200</u>	<u>-</u>	<u>28,200</u>	<u>143,237</u>	<u>6.31</u>	<u>97.79</u>	
Carrying value of investments as at 31 March 2016						<u>142,189</u>		

5 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

NAFA ISLAMIC AGGRESSIVE INCOME FUND

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 2.944 million in these condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at March 31, 2016 would have been higher by Rs 0.013 per unit.

The Finance Act, 2015 has excluded Collective Investment Schemes (CISs) from the definition of 'industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, the Management Company has discontinued further provisioning of WWF with effect from 1 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending before the Sindh High Court (SHC).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on March 31, 2016 and June 30, 2015.

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 at least 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 provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

8 TRANSACTIONS WITH CONNECTED PERSONS

8.1 Connected persons include NBP Fullerton Asset Management Limited (NAFA)

Connected persons include NBP Fullerton Asset Management Limited (NAFA) being the Management Company, Central Depository Company of Pakistan Limited, MCB Financial Services Limited (MCBFSL) being Ex-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.

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

8.3 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.

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

NAFA ISLAMIC AGGRESSIVE INCOME FUND

8.5 Details of the transactions with connected persons during the period are as follows:

	----- (Un-Audited) -----			
	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- Rupees in '000 -----			
Management Company				
Management fee expense for the period	10,321	5,043	3,550	2,042
Front end load for the period	1,229	765	828	222
Sindh Sales tax on management fee	1,678	877	576	355
FED on Management Fee	1,652	807	568	327
Allocated Expenses	689	-	506	-
National Bank of Pakistan - Sponsor				
Units issued 75,887,249 units	740,000	-	140,000	-
Units redeemed 75,887,249 units	747,316	-	142,132	-
MCB Financial Services Limited - Ex-Trustee				
Trustee fee for the period	-	67	-	-
Central Depository Company of Pakistan- Trustee				
Trustee fee for the period	1,665	737	641	347
Sindh Sales tax on remuneration of Trustee	233	-	90	-
CDS charges	68	63	(5)	44
Employees of Management Company				
Units issued 6,550,466 units (2015: 2,596,261 units)	63,356	25,115	11,241	8,121
Units redeemed 6,457,271 units (2015: 2,666,929 units)	62,479	25,864	13,226	10,366

	(Un-Audited) As at March 31, 2016	(Audited) As at June 30, 2015
	----- (Rupees in '000) -----	
8.6 Amounts outstanding as at period end		

Management Company		
Management fee payable	1,323	872
Sindh sales tax payable on Management Fee	213	152
FED payable on Management Fee	3,288	1,637
Sindh sales tax and Federal Excise Duty on sales load	759	499
Front end load	1,083	715
Allocated Expenses	689	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	232	150
Sindh Sales Tax on remuneration of Trustee	32	-
Security deposits	100	100
CDS Charges	68	6
National Bank of Pakistan - Sponsor		
Balance in current account	715	1,215
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund 5,418,327 units (30 June 2015: 5,418,327 units)	54,236	51,336

NAFA ISLAMIC AGGRESSIVE INCOME FUND

	(Un-Audited) As at March 31, 2016 ------(Rupees in '000)-----	(Audited) As at June 30, 2015
Employees of Management Company Investment held in the Fund 2,832,823 units (30 June, 2015 : 2,739,627 units)	28,356	25,957
Hamdard Laboratories Investment held 26,140,975 units (30 June, 2015 : 18,564,492 units)	261,666	175,889
NAFA Asset Allocation Fund Net Payable against conversion of units	-	1,234
NAFA Islamic Asset Allocation Fund Net Payable against conversion of units	-	2,097
NAFA Income Opportunity Fund Net Receivable against conversion of units	-	544
NAFA Islamic Stock Fund Net Payable against conversion of units	-	3,985
NAFA Money Market Fund Net Receivable against conversion of units	-	8,777
NAFA Riba Free Savings Fund Net Receivable against conversion of units	-	259,455

9 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 29, 2016.

10 GENERAL

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

10.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

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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