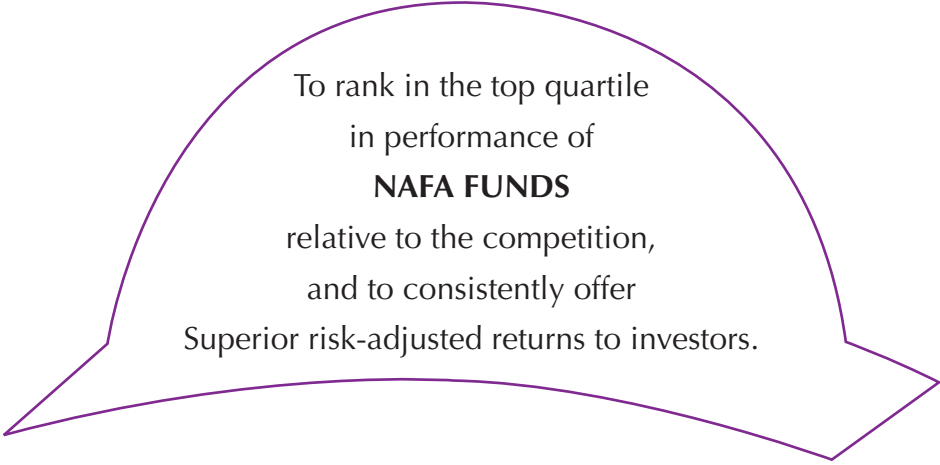


## MISSION STATEMENT



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.

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	07
CONDENSED INTERIM INCOME STATEMENT	08
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	09
CONDENSED INTERIM DISTRIBUTION STATEMENT	10
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	11
CONDENSED INTERIM CASH FLOW STATEMENT	12
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	13

## FUND'S INFORMATION

### Management Company

**NBP Fullerton Asset Management Limited – Management Company**

### Board of Directors of the Management Company

Mr. Shahid Anwar Khan	Chairman
Mr. Amir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Mr. Khalid Mahmood	Director
Dr. Amjad Waheed	Chief Executive Officer

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Amir Shehzad	Member

### Trustee

MCB Financial Service Limited  
3rd Floor, Adamjee House,  
I.I. Chundrigar Road Karachi - 74000

### Bankers to the Fund

Al-Baraka Islamic Bank  
Bank Alfalah Limited  
Burj Bank Limited (Formerly; Dawood Islamic Bnak)  
National Bank of Pakistan  
NIB Bank Limited  
Dubai Islamic Bank Limited  
Meezan Bank Limited

**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:**

7<sup>th</sup> 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.  
Contact: 042-35914272

**Islamabad Office:**

Plot No. 395, 396  
Industrial Area, 1-9/3 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 AGGRESSIVE INCOME FUND

## DIRECTORS' REPORT

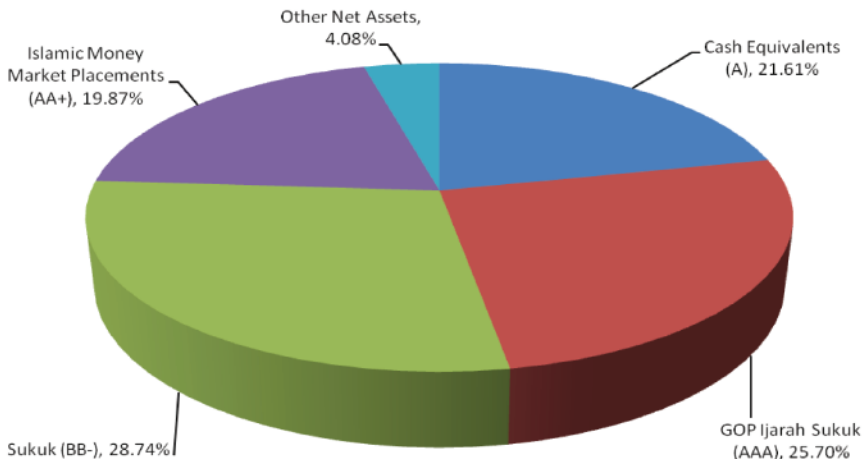
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Islamic Aggressive Income Fund for the period ended March 31, 2013.

### Fund's Performance

The size of NAFA Islamic Aggressive Income Fund (NIAIF) has increased from Rs. 179 million to Rs. 186 million during the period, i.e. an increase of 4.27%. During the nine month period, the unit price of the Fund has increased from Rs. 8.5954 on June 30, 2012 to Rs. 9.0090 on March 31, 2013, thus showing simple annualized return of 6.41% as compared to its Benchmark (Average 3-Month deposit rate of Islamic Banks) simple annualize return of 7.13% for the same period. During the third quarter the size of the Fund increased by 2.90%. During the quarter, the unit price of the Fund has increased from Rs. 8.7444 on December 31, 2012 to Rs. 9.0090 on March 31, 2013, thus showing a simple annualized return of 12.27% as compared to its Benchmark simple annualized return of 6.62% for the same period.

NIAIF is categorized as Islamic Aggressive Income Scheme and has been awarded stability rating of BBB+(f) by PACRA. All corporate Sukuks in the Fund are floating rate linked to KIBOR. The Fund is invested in GOP Ijara Sukuks with six month coupon resetting. Therefore, any increase in interest rates will improve the coupon income of the sukuk portfolio.

The Fund has earned total income of Rs.16.07 million during the period. After accounting for expenses of Rs.10.50 million, the net income is Rs.5.57 million. The below chart presents the asset allocation and the average credit rating of each of the sub-asset classes of NIAIF:



## 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 26, 2013  
Place: Karachi.

# NAFA ISLAMIC AGGRESSIVE INCOME FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2013

	Note	Unaudited March 31, 2013	Audited June 30, 2012
------(Rupees in '000)-----			
<b>ASSETS</b>			
Bank Balances		40,255	39,611
Investments	4	138,387	129,621
Profit receivable		9,982	11,484
Advances, deposits, prepayments and other receivables		310	233
Preliminary expenses and floatation costs		-	160
<b>Total assets</b>		<b>188,935</b>	<b>181,109</b>
<b>LIABILITIES</b>			
Payable to the Management Company		368	341
Payable to the Trustee		16	16
Annual Fee Payable to Securities and Exchange Commission of Pakistan		102	127
Accrued expenses and other liabilities		2,203	2,010
<b>Total liabilities</b>		<b>2,688</b>	<b>2,494</b>
<b>NET ASSETS</b>		<b>186,247</b>	<b>178,615</b>
Unit holders' funds (As per statement attached)		186,247	178,615
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>20,673,342</b>	<b>20,780,193</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>9.0090</b>	<b>8.5954</b>

The annexed notes 1 to 10 form an integral part of this 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, 2013

	Note	Nine months ended		Quarter ended	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
-----Rupees in '000-----					
<b>INCOME</b>					
Capital Gain / (loss) on sale of investments		8	30	(1)	-
Income from sukuk bonds		13,690	15,588	4,909	5,185
Profit on bank deposits		2,346	1,918	905	650
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		26	20	-	-
<b>Total Income</b>		<b>16,071</b>	<b>17,556</b>	<b>5,814</b>	<b>5,835</b>
<b>EXPENSES</b>					
Remuneration of the Management Company		2,700	2,502	902	827
Sindh Sales Tax on Management fee		432	400	144	132
Remuneration of the Trustee		135	330	45	42
Annual fee - Securities and Exchange Commission of Pakistan		101	94	33	31
Securities transaction cost		2	5	0	5
Settlement and bank charges		79	34	18	2
Annual listing fee		23	23	8	8
Auditors' remuneration		300	314	78	71
Impairment loss / (reversal) on investments classified as 'available for sale'		6,301	13,547	442	2,764
Amortisation of preliminary expenses and floatation costs		160	375	0	124
Rating fee		150	150	50	49
Legal and professional charges		9	17	0	17
(Reversal of provision)/provision against sukuk bonds class classified as available for sale - net		-	6,226	-	-
<b>Total Expenses</b>		<b>10,392</b>	<b>24,017</b>	<b>1,720</b>	<b>4,072</b>
<b>Net income / (loss) from operating activities</b>	5	<b>5,679</b>	<b>(6,461)</b>	<b>4,094</b>	<b>1,763</b>
Provision for workers' welfare fund		(114)	-	(82)	-
<b>Net income / (loss) for the period before taxation</b>	7	<b>5,565</b>	<b>(6,461)</b>	<b>4,012</b>	<b>1,763</b>
Taxation		-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>5,565</b>	<b>(6,461)</b>	<b>4,012</b>	<b>1,763</b>
<b>Earnings per unit</b>					

The annexed notes 1 to 10 form an integral part of this 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, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	------(Rupees in '000)-----			
Net income / (loss) for the period after taxation	5,565	(6,461)	4,012	1,763
<b>Other comprehensive income / (loss) for the period</b>				
Net unrealised (diminution) in market value of investments classified as 'available for sale'	2,996	21,159	1,463	13,280
Reversal of unrealised (diminution) in the value of investments pertaining to impairment of non - performing assets	-	9,864	-	(26)
<b>Total comprehensive income / (loss) for the period</b>	<u>8,561</u>	<u>24,562</u>	<u>5,475</u>	<u>15,017</u>

The annexed notes 1 to 10 form an integral part of this 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, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
------(Rupees in '000)-----				
Undistributed income / (loss) brought forward	(4,754)	23,356	(3,204)	(7,186)
Final distribution for the year ended June 30, 2012 Nil (June 30, 2011: 10.268%)				
- Bonus distribution	-	(14,495)	-	-
- Cash distribution	-	(7,724)	-	-
Net (loss) / income for the period after taxation	5,565	(6,461)	4,012	1,763
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount that forms part of the unit holders' fund	(11)	(195)	(8)	(96)
<b>Undistributed income / (loss) carried forward</b>	<u>800</u>	<u>(5,519)</u>	<u>800</u>	<u>(5,519)</u>

The annexed notes 1 to 10 form an integral part of this 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, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
------(Rupees in '000)-----				
Net assets at the beginning of the period	178,615	178,436	180,993	162,943
Issue of 73,543 units - including Nil bonus units (2012: 2,054,945 units)	635	353	121	104
Redemption of 180,394 units ( 2012: 2,605,367 units)	(1,565) (930)	(19,018) (18,665)	(343) (222)	(1,455) (1,351)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing (income) / loss and capital (gains) / losses - transferred to Income Statement	-	-	-	-
- amount representing loss and capital losses that form part of unit holders' fund - transferred to Distribution Statement	11 11	195 195	8 8	96 96
Net unrealised (diminution) on remeasurement of investments classified as 'available for sale'	2,996	21,159	1,463	13,280
Reversal of unrealized diminution in the value of investments pertaining to impairment of non-performing assets	-	9,864	-	(26)
Gain / (loss) on sale of investments	8	30	(1)	10
Other (loss) / income for the period	5,557 5,565	(6,491) (6,461)	4,013 4,012	1,753 1,763
Distribution:				
Final distribution for the year ended June 30, 2012 Nil (June 30, 2011: 10.268%)				
- Bonus distribution	-	(14,495)	-	-
- Cash distribution	-	(7,724)	-	-
Add: Bonus distribution	-	14,495	-	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing unrealised income	(11)	(195)	(8)	(96)
Net assets as at the end of the period	186,247	176,609	186,247	176,609

The annexed notes 1 to 10 form an integral part of this 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, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
------(Rupees in '000)-----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income / (loss) for the period before taxation	5,565	(6,461)	4,012	1,763
<b>Adjustments</b>				
Amortisation of preliminary expenses and floatation costs	160	375	-	124
Gain / (loss) on sale of investments	(8)	(30)	1	-
Impairment loss / (reversal of impairment loss) on investments classified as 'available for sale and held for trading'	6,301	13,547	442	2,764
Unrealized appreciation of re-measurement of investments classified as financial assets at fair value through profit or loss - net	(26)	-	(0)	-
	<u>11,991</u>	<u>7,431</u>	<u>4,454</u>	<u>4,651</u>
<b>(Increase) / decrease in assets</b>				
Investments	(12,036)	30,131	2,931	(4,888)
Profit receivable	1,502	(1,198)	1,287	(2,804)
Deposits, prepayments and other receivables	(77)	2,370	(62)	(15)
	<u>(10,612)</u>	<u>31,303</u>	<u>4,155</u>	<u>(7,707)</u>
<b>Increase / (decrease) in liabilities</b>				
Payable to Management Company	27	(44)	9	19
Payable to Trustee	(0)	(57)	1	(24)
Annual fee payable to Securities and Exchange Commission of Pakistan	(25)	(46)	34	31
Accrued expenses and other liabilities	193	191	70	84
	<u>194</u>	<u>44</u>	<u>113</u>	<u>110</u>
<b>Net cash inflow from operating activities</b>	<u>1,574</u>	<u>38,778</u>	<u>8,723</u>	<u>(2,946)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net receipts from issue of units	635	353	121	104
Net payments on redemption of units	(1,565)	(19,018)	(343)	(1,455)
Distributions paid during the period	-	(7,724)	-	-
<b>Net cash outflow on financing activities</b>	<u>(930)</u>	<u>(26,389)</u>	<u>(222)</u>	<u>(1,351)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<u>644</u>	<u>12,389</u>	<u>8,501</u>	<u>(4,297)</u>
Cash and cash equivalents at the beginning of the period	39,611	26,141	31,754	42,827
<b>Cash and cash equivalents at the end of the period</b>	<u>40,255</u>	<u>38,530</u>	<u>40,255</u>	<u>38,530</u>

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

## Notes to and forming part of the Condensed Interim Financial information (Un-audited) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

### 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. Subsequently, the Trust Deed of the Fund was revised, after obtaining approval of SECP, through a supplemental Trust Deed executed between the Management Company, CDC and MCBFSL effective from 22 November 2011.

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 and 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 Board of Directors have approved that the Fund be categorized as "Shariah Compliant (Islamic) Scheme" and Aggressive Fixed Income Scheme" as per the categories defined by the Securities and Exchange Commission of Pakistan."

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

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 BBB+(f) to the Fund.

Title to the assets of the Fund is held in the name of MCB Financial Services 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, 2012

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, 2013

#### 2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the accounting periods beginning on or after July 1, 2012:

# NAFA ISLAMIC AGGRESSIVE INCOME FUND

Amendment to IFRS 7, 'Financial instruments': The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain other new standards, amendments and interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

## 2.3 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

## 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, 2012.

Note	(Un-Audited) March 31 2013	(Audited) June 30, 2012
	(Rupees in '000)	

## 4 INVESTMENTS

<b>Available for sale</b>			
- Sukuk bonds	4.1	63,346	80,713
<b>At fair value through profit or loss - held for trading</b>			
Sukuk and Ijara bonds	4.2	75,041	48,908
		<u>138,387</u>	<u>129,621</u>

### 4.1 Sukuk and Ijara bonds - available for sale

Name of the investee company	Number of certificates				Market value as at March 31, 2013	Investment as % of	
	As at July 1, 2012	Purchases during the period	Sale during the period	As at March 31, 2013		Market value of Net assets	Market value of total investments
					(Rupees in '000)	----- (%) -----	
Engro Fertilizer Limited	4,600	-	-	4,600	23,230	12.47	16.79
Kohat Cement Company Limited	20,000	-	-	20,000	14,344	7.70	10.36
Maple Leaf Cement Factory Limited - Sukuk I (note 4.1.1.1)	5,312	-	-	5,312	9,805	5.26	7.08
Maple Leaf Cement Factory Limited - Sukuk II (note 4.1.1.1)	199	-	199	-	-	-	-
New Allied Limited-1st issue (note 4.1.1.2)	352,000	-	-	352,000	-	-	-
New Allied Limited-2nd issue (note 4.1.1.2)	1,000	-	-	1,000	-	-	-
Pak Electron Limited (note 4.1.1.3)	7,000	-	-	7,000	6,151	3.30	4.44
GOP Ijara Sukuk - issue date 15.11.2010	1,960	-	-	1,960	9,817	5.27	7.09
	<u>392,071</u>	<u>-</u>	<u>199</u>	<u>391,872</u>	<u>63,346</u>	<u>34.01</u>	<u>45.77</u>
Carrying value of investments as at 31 March 2013					<u>198,811</u>		
Provision held					<u>138,461</u>		

# NAFA ISLAMIC AGGRESSIVE INCOME FUND

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 and Government of Pakistan Ijara bond which have a face value of Rs 312.5 and Rs 100,000 each respectively.

4.1.1.1 The sukuks of Maple Leaf Cement Factory Limited were restructured on 30 March 2010. In accordance with the terms of restructuring, the amount of markup due on 3 December 2009 was partially off-set through issuance of new sukuks, "Maple Leaf Cement Factory Limited Sukuk II". The Sukuk II have been recognised at NIL value on a prudent basis and in accordance with the guidance specified by the SECP which require overdue mark-up to be recognised on cash basis.

The Issuer defaulted again in the payment of principal and mark-up due on 03 September 2011. In accordance with the requirements of circular 33 of 2012 issued by the SECP, the exposure has been classified as non-performing and no further mark-up is being accrued after classification as non performing exposure. The amount of provision required as per SECP circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular while considering date of default as 03 September 2011.

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

4.1.1.3 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. The amount of provision required as per SECP circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

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

Name of the investee company	Number of bonds				Market value as at March 31, 2013	Investment as % of	
	As at July 1, 2012	Purchases during the period	Sale during the period	As at March 31, 2013		Market value of Net assets	Market value of total investments
GOP Ijara Sukuk - issue date 07.03.2011	400	-	-	400	2,001	1.07	1.45
GOP Ijara Sukuk - issue date 26.12.2011	7,000	-	4,000	3,000	15,027	8.07	10.86
GOP Ijara Sukuk - issue date 02.03.2012	400	2,400	-	2,800	14,006	7.52	10.12
GOP Ijara Sukuk - issue date 30.04.2012	800	-	-	800	4,008	2.15	2.90
Sui Southern Gas Company Limited	5,880	-	5,880	-	-	-	-
HUBCO Short term Islamic Sukuk Issue date 03.08.2012	-	4,000	4,000	-	-	-	-
HUBCO Short term Islamic Sukuk Issue date 16.08.2012	-	1,000	1,000	-	-	-	-
GOP Ijara Sukuk - issue date 18.09.2012	-	600	-	600	3,000	1.61	2.17
KAPCO Short term Islamic Sukuk	-	2,000	-	2,000	10,000	5.37	7.23
HUBCO Short term Islamic Sukuk Issue date 13.03.2013	-	2,400	-	2,400	12,000	6.44	8.67
HUBCO Short term Islamic Sukuk Issue date 14.02.2013	-	3,000	-	3,000	15,000	8.05	10.84
	14,480	15,400	14,880	15,000	75,041	25.79	34.71
Carrying value of investments as at 31 March 2013					75,014		

## 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 the light of this, Mutual Fund Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court challenging the applicability of WWF on CISs which was dismissed mainly on the grounds that MUFAP is not an aggrieved party.

# NAFA ISLAMIC AGGRESSIVE INCOME FUND

Subsequently, clarifications were issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. These clarifications were forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on these clarifications, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Further, a Constitutional Petition was filed with the Honorable High Court of Sindh by a CIS / mutual fund and a pension fund through their trustee and an asset management company inter alia praying to declare that mutual funds / voluntary pension funds being pass through vehicles / entities are not industrial establishments and hence, are not liable to contribute to the WWF under the WWF Ordinance. The matter is still pending with the Honorable Court.

The Management Company is hopeful that the decision of the court will be in favour of the Fund. The Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF as at March 31, 2013 amounting to Rs.1.335 million (including Rs.0.114 million for the current period) (June 30, 2012: Rs 1.221 million) in this condensed interim financial information. Had the same not been made the net asset value per unit would have been higher by Rs 0.0646.

## 6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2012 and as at 31 March 2013

## 7 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The management company intends to distribute not less than 90% of the annual accounting income to comply with the above stated clause and regulation. Accordingly, no tax provision has been made in this condensed interim financial information for the six months period ended 31 December 2011.

## 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 being the Trustee as at 2 November 2011 and MCB Financial Services Limited (MCBFSL) being the new Trustee from 22 November 2011, 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 period ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	------(Rupees in '000)-----			
<b>Management Company</b>				
Management fee expense for the period	2,700	2,502	902	827
Front end load for the period	4	2	-	-
Sindh Sales tax on management fee	432		144	
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>				
Bonus units issued Nil units (2012: 1,805,633 units)	-	-	-	-
Units redeemed Nil units (2012: 2,206,409 units)	-	16,000	-	-
<b>MCB Financial Services Limited - Trustee</b>				
Trustee fee for the period	135	288	45	-
CDS charges	-		-	-
<b>Central Depository Company of Pakistan- Ex-Trustee</b>				
Trustee fee for the period	-	-	-	-
CDS charges	27	4	25	-
<b>Key management personnel of the Management Company</b>				
Units issued Nil units (2012: 9,738 units)	-	74	-	-
Units redeemed 9,738 (2012: 11,262 units)	83	81	-	-
Bonus units issued Nil units (2012: 1,403 units)	-	-	-	-
		(Un-Audited)		(Audited)
		As at March 31, 2013		As at June 30, 2012
		------(Rupees in '000)-----		

8.6 Amounts outstanding as at period end

<b>Management Company</b>			
Management fee payable		314	291
Front end load for the period		4	4
Sindh sales tax payable		50	46
<b>MCB Financial Services Limited - Trustee</b>			
Remuneration payable		16	16
Security deposits		100	100
<b>Central Depository Company of Pakistan Limited - Ex Trustee</b>			
Security deposits		100	100
CDS Charges		19	0
<b>National Bank of Pakistan - Sponsor</b>			
Investment held by the Sponsor in the Fund 7,500,000 units (30 June 2012: 7,500,000 units)		67,568	64,465
Balance in current account		14	15
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>			
Investment held by the Sponsor in the Fund 12,293,699 units (30 June 2012: 12,293,700 units)		110,754	105,669
<b>Employee of the Management Company</b>			
Investment held by the executive in the Fund Nil units (2012: 9,738)		-	84

# NAFA ISLAMIC AGGRESSIVE INCOME FUND

## 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 26, 2013 .

## 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