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

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I

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 PRINCIPAL PROTECTED FUND-I

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

Bank Alfalah Limited
Habib Bank Limited
United Bank Limited
National Bank of Pakistan
Meezan Bank Limited
Sindh Bank Limited
Habib Metropolitan Bank Limited
Bank Al Habib Limited
Soneri Bank Limited
Allied Bank Limited

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

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 ISLAMIC PRINCIPAL PROTECTED FUND-I

DIRECTORS' REPORT

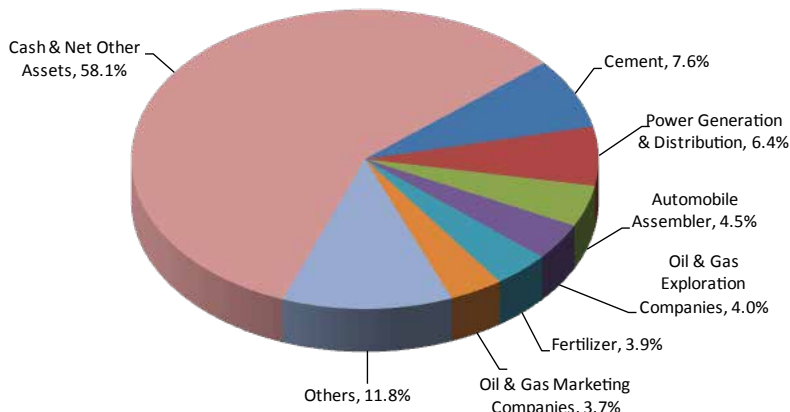
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Principal Protected Fund – I (NIPPF-I)** for the period ended March 31, 2016.

Fund's Performance

The size of NAFA Islamic Principal Protected Fund-I has decreased from Rs.1,707 million to Rs.836 million during the period, i.e. a decrease of 51%. During the third quarter, the unit price of NAFA Islamic Principal Protected Fund-I (NIPPF-I) has increased from Rs. 109.5375 (ex-Div) on December 31, 2015 to Rs. 109.7502 on March 31, 2016, thus showing a growth of 0.19%. The Benchmark (Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Funds' actual allocation) return during the same period was increased by 0.86%. Thus, the Fund has underperformed its Benchmark by 0.67% during the period under review. For the nine months period ended March 31, 2016, the NAV of the Fund has decreased from Rs.110.3859 (Ex-Div) on June 30, 2015 to Rs.109.7502 on March 31, 2016, thus showing a decline of 0.58%. During the said period, the Benchmark increased by 0.70%, translating into an underperformance of 1.28%. Since Inception the NAV of Fund has increased from Rs. 88.6372 (Ex-Div) on March 05, 2014 to Rs. 109.7502 on March 31, 2016, thus showing an increase of 23.82%. The Benchmark return during the same period was 15.80%. Thus, the Fund has outperformed its Benchmark by 8.02% during the period under review. This performance is net of management fee and all other expenses.

The stock market volatility remained elevated during the 3QFY16. The market started off the quarter on a weak note in January, posting -3.2% returns before taking a breather in February and finally making a strong recovery in March. Overall, the KMI-30 Index increased by 4.7% during the quarter driven by strong performance of the Cement sector on the back of robust volumetric growth, and recovery in Oil & Gas sector due to sharp rebound in international crude prices from their lows. Foreign investors remained large net sellers with net outflows of USD100mn during the quarter, though slowdown in foreign selling was evident as the cumulative selling during the first two months stood at USD 89 million as compared to just USD11 million in the third month. On the local side, NBFCs, Individuals, and Companies remained net buyers, absorbing the foreign selling, which was largely concentrated in Banks and Fertilizers sectors. Towards the end of the quarter, MSCI also initiated consultation process for potential reclassification of Pakistan to Emerging Markets which garnered significant investor interest. The Pharmaceuticals and Cement sectors outperformed the market whereas, Chemicals and Fertilizer sectors lagged behind.

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 Ijara 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.29.83 million during the period. After accounting for expenses of Rs.36.09 million, the net loss is Rs.6.26 million. The asset allocation of the Fund as on March 31, 2016 is as follows:



NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

Income Distribution

The Board of Directors of the Management Company has approved interim bonus distribution of Rs.9.2066 per unit during the period.

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 PRINCIPAL PROTECTED FUND-I

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			
Balances with banks		505,557	856,369
Investments	4	349,156	872,464
Dividend and profit receivable		4,751	6,259
Advances, deposits, prepayments and other receivables		5,899	2,600
Preliminary expenses and floatation costs		-	789
Total assets		865,363	1,738,481
LIABILITIES			
Payable to the Management Company		18,115	15,893
Payable to the Central Depository Company of Pakistan Limited -Trustee		170	184
Payable to the Securities and Exchange Commission of Pakistan		872	1,261
Payable against redemption of units		592	-
Accrued expenses and other liabilities		9,998	13,868
Total liabilities		29,747	31,206
NET ASSETS		835,616	1,707,275
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		835,616	1,707,275
CONTINGENCIES AND COMMITMENTS			
	5	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		7,613,799	14,216,154
		-----Rupees-----	
NET ASSET VALUE PER UNIT		109.7502	120.0940

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 PRINCIPAL PROTECTED FUND-I

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS 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 (loss)/ gain on sale of investments - net		(37,884)	45,513	(42,564)	39,812
Profit on bank deposits		41,279	56,509	14,208	18,181
Dividend income		28,997	34,300	5,778	12,698
Income from GoP Ijarah Sukuk		1,508	1,976	-	1,297
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		(11,909)	82,667	31,375	(42,215)
Total Income		<u>21,991</u>	<u>220,965</u>	<u>8,797</u>	<u>29,773</u>
EXPENSES					
Remuneration of the Management Company		23,253	25,155	6,259	8,281
Sindh Sales Tax on Management Company's remuneration		3,776	4,377	1,016	1,441
Federal Excise Duty on Management Company's remuneration		3,721	4,025	1,002	1,325
Allocation of operational expenses from the Management Company		480	-	313	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,511	1,635	406	538
Sindh sales tax on remuneration of the Trustee		212	-	57	-
Annual fee - Securities and Exchange Commission of Pakistan		872	943	235	310
Amortisation of preliminary expenses and floatation costs		789	872	204	287
Auditors' remuneration		319	269	69	58
Annual listing fee		26	30	6	10
Printing charges		28	50	1	-
Securities transaction cost		767	1,278	521	220
Settlement and bank charges		332	294	111	80
Total Expenses		<u>36,086</u>	<u>38,928</u>	<u>10,200</u>	<u>12,550</u>
Net (loss) / income from operating activities		<u>(14,095)</u>	<u>182,037</u>	<u>(1,403)</u>	<u>17,223</u>
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		7,835	-	7,838	-
Provision for Workers' Welfare Fund	6	-	(3,641)	-	(345)
Net (loss) / income for the period before taxation		<u>(6,260)</u>	<u>178,396</u>	<u>6,435</u>	<u>16,878</u>
Taxation	7	-	-	-	-
Net (loss) / income for the period after taxation		<u>(6,260)</u>	<u>178,396</u>	<u>6,435</u>	<u>16,878</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 PRINCIPAL PROTECTED FUND-I

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
	----- Rupees in '000 -----			
Net (loss) / income for the period after taxation	(6,260)	178,396	6,435	16,878
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(6,260)</u>	<u>178,396</u>	<u>6,435</u>	<u>16,878</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 PRINCIPAL PROTECTED FUND-I

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- Rupees in '000 -----			
Undistributed income brought forward comprising of :				
Realised gain	115,809	1,068	315,052	59,526
Unrealised gain / (loss)	<u>173,109</u>	<u>26,228</u>	<u>(43,284)</u>	<u>124,882</u>
	288,918	27,296	271,768	184,408
Net (loss) / income for the period after taxation	(6,260)	178,396	6,435	16,878
Element of (loss) and capital (losses) included in prices of units issued less those in units redeemed - net	-	(20,378)	-	(15,972)
Final distribution made during the period - Re 0.3152 per unit distribution for the year ended June 30, 2015	(4,455)	-	-	-
Interim bonus distribution for the half year ended December 31, 2015 948,267 units (December 31, 2015 : Nil units)	105,802	-	105,802	-
Undistributed income carried forward	<u><u>384,005</u></u>	<u><u>185,314</u></u>	<u><u>384,005</u></u>	<u><u>185,314</u></u>
Undistributed income comprising of :				
Realised gain	395,914	102,647	352,630	227,529
Unrealised (loss) / gain	<u>(11,909)</u>	<u>82,667</u>	<u>31,375</u>	<u>(42,215)</u>
	<u><u>384,005</u></u>	<u><u>185,314</u></u>	<u><u>384,005</u></u>	<u><u>185,314</u></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 PRINCIPAL PROTECTED FUND-I

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS 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	1,707,275	1,641,496	1,650,966	1,718,671
Issue of 980,875 units (including 948,267 bonus units) (2015: Nil units)	3,994	-	-	-
Redemption 7,583,230 units (2015: 2,005,574 units)	(853,828)	(224,326)	(810,672)	(139,983)
	(849,834)	(224,326)	(810,672)	(139,983)
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net				
-transferred to distribution statement	-	20,378	-	15,972
-transferred to income statement	(7,835)	-	(7,838)	-
	(7,835)	20,378	(7,838)	15,972
Interim bonus distribution for the half year ended December 31, 2015 948,267 units (December 31, 2015 : Nil units)	(105,802)	-	(105,802)	-
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - net	(11,909)	82,667	31,375	(42,215)
Capital (loss)/ gain on sale of investments - net	(37,884)	45,513	(42,564)	39,812
Other net (loss)/ income for the period	43,533	50,216	17,624	19,281
Net (loss) / income for the period	(6,260)	178,396	6,435	16,878
Final distribution made during the period - Re 0.3152 per unit distribution for the year ended June 30, 2015	(4,455)	-	-	-
Interim bonus distribution for the half year ended December 31, 2015 948,267 units (December 31, 2015 : Nil units)	102,527	-	102,527	-
Element of (loss) capital (losses) included in prices of units issued less those in units redeemed - net				
-transferred to distribution statement	-	(20,378)	-	(15,972)
-transferred to income statement	-	-	-	-
Net assets at the end of the period	835,616	1,595,566	835,616	1,595,566

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 PRINCIPAL PROTECTED FUND-I

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS 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 (loss) / income for the period before taxation	(6,260)	178,396	6,435	16,878
Adjustments				
Unrealised appreciation / diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	11,909	(82,667)	(31,375)	42,215
Amortisation of preliminary expenses and floatation costs	789	872	204	287
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	(7,835)	-	(7,838)	-
	(1,397)	96,601	(32,574)	59,380
Decrease/ (Increase) in assets				
Investments	511,399	63,340	258,433	145,957
Receivables against sale of investments	-	1,598	-	7,976
Dividend and profit receivable	1,508	(13,433)	2,492	(12,707)
Advances, deposits, prepayments and other receivables	(3,299)	8,101	(3,213)	704
	509,608	59,606	257,712	141,930
(Decrease)/ Increase in liabilities				
Payable to the Management Company	2,222	(855)	(424)	1,182
Payable to Central Depository Company of Pakistan Limited -Trustee	(14)	8	(37)	(8)
Payable to the Securities and Exchange Commission of Pakistan	(389)	551	235	310
Payable against purchase of investments	-	-	-	-
Accrued expenses and other liabilities	(3,870)	1,462	646	254
	(2,051)	1,166	420	1,738
Net cash generated from operating activities	506,160	157,373	225,558	203,048
CASH FLOW FROM FINANCING ACTIVITIES				
Receipts from issue of units	3,994	-	-	-
Payments on redemption of units	(853,236)	(224,178)	(810,080)	(140,004)
Cash dividend	(4,455)	-	-	-
WHT on bonus dividend	(3,275)	-	(3,275)	-
Net cash used in financing activities	(856,972)	(224,178)	(813,355)	(140,004)
Net (decrease)/ increase in cash and cash equivalents during the period	(350,812)	(66,805)	(587,796)	63,044
Cash and cash equivalents at the beginning of the period	856,369	948,851	1,093,353	819,002
Cash and cash equivalents at the end of the period	505,557	882,046	505,557	882,046

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 PRINCIPAL PROTECTED FUND-I

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Un-Audited) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Principal Protected Fund-I (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 December 30, 2013 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 17, 2014. 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 Fund has been categorised as an Open-End "Shariah Compliant Capital Protected Fund Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS) and is listed on the Lahore Stock Exchange (now merged into Pakistan Stock Exchange Limited).

The objective of NAFA Islamic Principal Protection Fund - I is to earn a potentially high return through dynamic asset allocation between shariah compliant equities and money market investment avenues, while providing principal protection. Principal protection means that the net realisable value of the Fund shall not fall below the initial investment value (adjusted for distributions / redemptions during the life of the Fund), provided that the units are held till the completion of the initial maturity of the Fund.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of AM2+ to the Management Company. The Fund has not yet been rated.

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.

The Fund commenced its operations from March 6, 2014. As per the offering document, the nature of the Fund is perpetual and the initial maturity of the fund is two years from the date of commencement. Principal protection will not be available if units are encashed before the expiry of initial maturity term.

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 for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) 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 Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the 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 disclosures made in this condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the period ended June 30, 2015.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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.

3 Accounting Policies

The accounting policies adopted for the preparation of the condensed interim financial statements for the Nine months and quarter ended March 31, 2016 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2015.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

4 INVESTMENTS

Financial assets classified as 'at fair value through profit or loss'

Listed equity securities

Government Securities - GoP Ijarah Sukuk

Note	Un-Audited March 31, 2016	Audited June 30, 2015
	----- Rupees in '000 -----	
4.1	349,156	816,603
	-	55,861
	<u>349,156</u>	<u>872,464</u>

4.1 Listed equity securities

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

Name of the investee company	Number of shares					Market value as at March 31, 2016	Investment as a percentage of		Holding as a percentage of paid up capital of the investee company
	As at July 01, 2015	Purchases during the period	Bonus / Right Issues	Sales during the period	As at March 31, 2016		Net assets	Market value of total investments	
Rupees in '000 ----- % -----									
Oil and Gas Exploration Companies									
Attock Petroleum Limited	17,400	-	-	3,800	13,600	5,859	0.70	1.68	1.13
National Refinery Limited	-	16,500	-	-	16,500	4,463	0.53	1.28	0.02
Pakistan Oilfields Limited	87,400	63,200	-	87,400	63,200	16,306	1.95	4.67	0.08
Pakistan Petroleum Limited	237,900	132,600	-	237,900	132,600	16,989	2.03	4.87	0.01
						43,617	5.21	12.50	
Oil Refinery									
Attock Refinery Limited	-	36,000	-	36,000	-	-	-	-	-
Oil and Gas Marketing Companies									
Sui Northern Gas Pipeline Limited	-	96,000	-	96,000	-	-	-	-	-
Pakistan State Oil Company Limited	91,880	19,500	-	58,500	52,880	18,574	2.22	5.32	0.00
Shell Pakistan Limited	55,600	-	-	31,100	24,500	6,616	0.79	1.89	0.01
Hascol Petroleum Limited	435	-	87	-	522	-73	0.01	0.02	0.00
						25,263	3.02	7.23	
Chemicals									
Engro Corporation Limited	231,900	36,900	-	220,200	48,600	15,343	1.84	4.39	0.01
Engro Fertilizer Company Limited	351,000	163,500	-	268,500	246,000	17,095	2.05	4.90	0.02
Fauji Fertilizer Company Limited	36,000	-	-	36,000	-	32,438	3.89	9.29	-
Construction and Materials									
Akzo Nobel Pakistan Limited	43,300	-	-	43,300	-	-	-	-	-
Sui Northern Gas Pipeline Limited	-	46,400	-	-	46,400	9,466	1.13	2.71	0.04
D.G. Khan Cement Company Limited	335,000	27,000	-	300,400	61,600	10,707	1.28	3.07	0.01
Fauji Cement Company Limited	-	336,000	-	-	336,000	14,082	1.69	4.03	0.03
Lucky Cement Limited	107,100	16,800	-	101,400	22,500	12,107	1.45	3.47	0.01
Maple Leaf Cement Factory Limited	475,000	25,500	-	425,000	75,500	6,962	0.83	1.99	0.01
Pioneer Cement Limited	272,500	151,000	-	320,000	103,500	10,238	1.23	2.93	0.05
						63,562	7.61	18.20	
Pharma and Bio Tech									
Ferroszons Laboratories	10,000	-	-	10,000	-	-	-	-	-
Abbott Laboratories Pakistan Limited	3,500	-	-	3,500	-	-	-	-	-
GlaxoSmithKline (Pakistan) Limited	-	37,500	-	-	37,500	9,091	1.09	2.60	0.12
The Searle Company Limited	-	21,000	2,100	-	23,100	10,152	1.21	2.91	0.19
						19,243	2.30	5.51	
General Industrials									
Packages Limited	-	18,500	-	-	18,500	9,657	1.16	2.77	0.02
Thal Limited	137,200	-	-	137,200	-	9,657	1.16	2.77	-
						9,657	1.16	2.77	
Engineering									
Mughal Iron and Steel Industries Limited	-	138,500	-	-	138,500	9,478	1.13	2.71	0.11
Automobile and Parts									
Ghandhara Nissan Limited	96,500	-	-	96,500	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	45,700	9,400	-	55,100	-	-	-	-	-
Indus Motor Company Limited	27,850	-	-	2,100	25,750	24,391	2.92	6.99	0.03
Pak Suzuki Motor Company Limited	42,400	20,400	-	31,400	31,400	12,929	1.55	3.70	0.04
						37,321	4.47	10.69	
Personal Goods									
Kohinoor Textile Mills Limited	606,000	102,000	21,000	606,000	123,000	8,705	1.04	2.49	0.05
Nishat Mills Limited	227,600	-	-	165,000	62,600	5,998	0.72	1.72	0.02
						14,702	1.76	4.21	
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	-	334,000	-	-	334,000	5,017	0.60	1.44	0.09
Electricity									
K - Electric Limited	900,000	-	-	900,000	-	-	-	-	-
Pakgen Power Limited	-	147,000	-	-	146,500	13	-	-	0.00
The Hub Power Company Limited	817,500	43,000	-	608,800	251,700	26,313	3.15	7.54	0.02
Kot Addu Power Company Limited	790,000	-	-	442,000	348,000	26,855	3.21	7.69	0.04
Lalpur Power Limited	920,500	-	-	920,500	-	-	-	-	-
						53,181	6.36	15.23	
Commercial Banks									
Meezan Bank Limited	332,000	37,500	-	10,500	359,000	15,078	1.80	4.32	0.04
Cable & Electrical Goods									
Pak Elektron Limited	239,500	-	59,875	109,000	190,375	11,512	1.38	3.30	0.05
Food & Personal Care Products									
Al-Shaheer Corporation Limited	-	170,000	-	-	170,000	9,087	1.09	2.60	1.38
						349,156	41.78	100	
						361,065			

Carrying value as at March 31, 2016

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

- 4.1.1 Investments include shares with market value of Rs 41.078 million (2015: Rs 54.775 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular Number 11 dated October 23, 2007 issued by the SECP.

5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the March 31, 2016 and June 30, 2015.

6 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 Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

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 7.552 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 0.9919 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).

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 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst 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 in respect of taxation has been made in this condensed interim financial information.

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

8 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 8.1 Related parties / 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, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company and directors and officers of the Management Company.
- 8.2 The transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 8.3 Remuneration and sales 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 NBFC Regulations and the Trust Deed.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

8.5 Details of the transactions with related parties / connected persons 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 -----			
NBP Fullerton Asset Management Limited - Management Company				
Remuneration for the period	23,253	25,155	6,259	8,281
Sindh Sales Tax on remuneration of the Management Company	3,776	4,377	1,016	1,441
Federal Excise Duty on remuneration of the Management Company	3,721	4,025	1,002	1,325
Reimbursement of operational expenses to the Management Company	480	-	313	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration for the period	1,511	1,635	406	538
Sindh sales tax on remuneration of the Trustee	212	-	57	-
CDS charges	250	250	79	89
Employees of the Management Company				
Units issued / transfer in 5 Units (2015: Nil units)	1	-	-	-
Units redeemed / transfer out 505 Units (2015: Nil units)	60	-	-	-
Bonus Units issued 147 Units (2015: Nil Units)	-	-	-	-
Taurus Securities Limited				
Brokerage expense	46	150	21	7
			(Un-Audited) As at March 31, 2016	(Audited) As at June 30, 2015
			----- (Rupees in '000) -----	

8.6 Amounts outstanding as at period end

NBP Fullerton Asset Management Limited - Management Company			1,573	2,835
Management fee payable			305	493
Sindh Sales Tax payable (SST) on remuneration of Management Company			10,723	7,051
Federal Excise Duty (FED) payable on remuneration of Management Company			480	-
Operational expenses payable to the Management Company			5,514	5,514
Sales load payable				
			102	184
Central Depository Company of Pakistan Limited - Trustee			14	-
Remuneration payable			54	69
Sindh sales tax on remuneration of the Trustee			100	100
CDS charges payable				
Security deposit				
			879	65
National Bank of Pakistan			33	4
Bank balance				
Profit receivable				
			215	278
Employees of the Management Company				
Investment held in the Fund 1,961 units (June 30, 2015: 2,314 units)				

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 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

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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