



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

## NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I

# QUARTERLY REPORT

## MARCH 31

# 2015



*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.

## 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

# 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 & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Aamir Sattar	Member

### Human Resource 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  
Habib Metropolitan Bank Limited  
Meezan Bank Limited  
Sindh Bank Limited

## **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](http://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:**

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 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 for the period ended March 31, 2015.

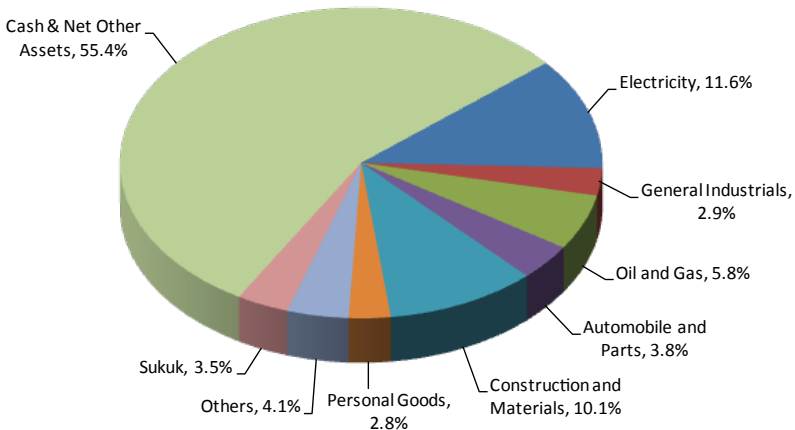
### Fund's Performance

During the third quarter, the unit price of NAFA Islamic Principal Protected Fund-I (NIPPF-I) has increased from Rs. 111.9224 on December 31, 2014 to Rs. 112.8690 on March 31, 2015, thus showing a growth of 0.8%. The Benchmark (Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Funds' actual allocation) return during the same period was decline by 1.6%. Thus, the Fund has outperformed its Benchmark by 2.4% during the period under review. Since Inception the NAV of Fund has increased from Rs. 99.0827 on March 05, 2014 to Rs. 112.8690 on March 31, 2015, thus showing an increase of 13.9%. The Benchmark return during the same period was 6.4%. Thus, the Fund has outperformed its Benchmark by 7.5% during the period under review. This performance is net of management fee and all other expenses. The size of NAFA Islamic Principal Protected Fund-I is Rs. 1,596 million.

The stock market exhibited high volatility during the 3QFY15. The market started off the quarter on a strong note in January, posting around 6% return before taking a breather in February and finally plunging sharply in March. Overall, the benchmark KMI-30 Index fell by 2.7% during the quarter defying strong fundamentals of the economy such as sharp decline in inflation and subsequent cuts in discount rate, improving external account position and build-up in FX reserves, stabilizing political situation; and attractive stock market valuations as reflected by widening discount to the regional peers. Foreign investors turned large net sellers during the period where the major chunk reportedly came from a single hedge fund facing large redemptions. Sharp decline in market unnerved leveraged investors forcing them to liquidate their positions amid margin calls. The Index heavy Oil & Gas sector underperformed the market whereas Chemicals, Electricity and Household Goods sectors outperformed during the period under review.

On the shariah complaint securities sphere, search for yields and dearth of primary issuance versus elevated demand kept the yield on the high credit quality corporate bonds depressed. Furthermore, helped by the economic rebound, and declining interest rates, we have seen recoveries from many non-performing corporate bonds. During the period under review, the State Bank of Pakistan reduced the policy rate by 200 bps to 8.0% mainly due to sharp decline in inflation, build-up of FX reserves, largely contained fiscal deficit, and improved external account position. Sovereign securities responded to the beginning of loose monetary policy period with yields on the short term and long term sovereign bonds declining sharply. All sukuk in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

The Fund has earned total income of Rs.220.97 million during the period. After deducting expenses of Rs.42.57 million, the net income is Rs.178.40 million. The asset allocation of the Fund as on March 31, 2015 is as follows:



## 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 21, 2015  
Place: Karachi.

# NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2015

	(Un-audited) Note As at March 31, 2015	(Audited) As at June 30, 2014
	-----Rupees in '000-----	
<b>ASSETS</b>		
Balances with banks	882,046	948,851
Investments	711,643	692,317
Receivable against sale of investments	517	2,115
Dividend and profit receivable	18,879	5,446
Advances, deposits, prepayments and other receivables	2,827	10,928
Preliminary expenses and floatation costs	1,079	1,950
<b>Total assets</b>	<b>1,616,991</b>	<b>1,661,607</b>
<b>LIABILITIES</b>		
Payable to the Management Company	14,507	15,362
Payable to the Central Depository Company of Pakistan Limited -Trustee	182	174
Payable to the Securities and Exchange Commission of Pakistan	943	392
Payable against redemption of units	148	-
Accrued expenses and other liabilities	5,645	4,183
<b>Total liabilities</b>	<b>21,425</b>	<b>20,111</b>
<b>NET ASSETS</b>	<b><u>1,595,566</u></b>	<b><u>1,641,496</u></b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b><u>1,595,566</u></b>	<b><u>1,641,496</u></b>
<b>CONTINGENCIES AND COMMITMENTS</b>	5	
	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b><u>14,136,437</u></b>	<b><u>16,142,011</u></b>
	-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>	<b><u>7 112.8690</u></b>	<b><u>101.6909</u></b>

The annexed notes 1 to 12 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, 2015

	Note	Nine month ended March 31, 2015	For the period from March 06, 2014 to March 31, 2014	Quarter ended March 31, 2015
-----Rupees in '000-----				
<b>INCOME</b>				
Capital gain / (loss) on sale of investments - net		45,513	(7,569)	39,812
Profit on bank deposits		56,509	6,935	18,181
Dividend income		34,300	3,728	12,698
Income from GoP Ijarah Sukuk		1,976	-	1,297
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		82,667	(5,174)	(42,215)
<b>Total Income / (Loss)</b>		<b>220,965</b>	<b>(2,080)</b>	<b>29,773</b>
<b>EXPENSES</b>				
Remuneration of the Management Company		25,155	2,337	8,281
Sindh Sales Tax on Management Company's remuneration		4,377	434	1,441
Federal Excise Duty on Management Company's remuneration		4,025	374	1,325
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,635	152	538
Annual fee - Securities and Exchange Commission of Pakistan		943	88	310
Amortisation of preliminary expenses and floatation costs		872	84	287
Auditors' remuneration		269	73	58
Annual listing fee		30	8	10
Printing charges		50	22	-
Securities transaction cost		1,278	824	220
Settlement and bank charges		294	87	80
<b>Total Expenses</b>		<b>38,928</b>	<b>4,483</b>	<b>12,550</b>
<b>Net income / (loss) from operating activities</b>		<b>182,037</b>	<b>(6,563)</b>	<b>17,223</b>
Provision for Workers' Welfare Fund	6	(3,641)	-	(345)
<b>Net income / (loss) for the period before taxation</b>		<b>178,396</b>	<b>(6,563)</b>	<b>16,878</b>
Taxation	8	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>178,396</b>	<b>(6,563)</b>	<b>16,878</b>
Earnings per unit	9			

The annexed notes 1 to 12 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, 2015

	Nine month ended March 31, 2015	For the period from March 06, 2014 to March 31, 2014	Quarter ended March 31, 2015
	-----Rupees in '000-----		
Net income / (loss) for the period after taxation	178,396	(6,563)	16,878
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>178,396</u>	<u>(6,563)</u>	<u>16,878</u>

The annexed notes 1 to 12 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, 2015

	Nine month ended March 31, 2015	For the period from March 06, 2014 to March 31, 2014	Quarter ended March 31, 2015
	-----Rupees in '000-----		
<b>Undistributed income brought forward comprising of :</b>			
Realised income	1,068	-	59,526
Unrealised income	<u>26,228</u>	<u>-</u>	<u>124,882</u>
	27,296	-	184,408
Net income / (loss) for the period after taxation	178,396	(6,563)	16,878
Net element of income / (loss) and capital gain / (losses) included in prices of units issued less those in units redeemed	(20,378)	(10)	(15,972)
<b>Undistributed income / (loss) carried forward</b>	<u><u>185,314</u></u>	<u><u>(6,573)</u></u>	<u><u>185,314</u></u>
<b>Undistributed income comprising of :</b>			
Realised income / (loss)	102,647	(1,399)	43,121
Unrealised income / (loss)	<u>82,667</u>	<u>(5,174)</u>	<u>(42,215)</u>
	<u><u>185,314</u></u>	<u><u>(6,573)</u></u>	<u><u>185,314</u></u>

The annexed notes 1 to 12 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, 2015

	Nine month ended March 31, 2015	For the period from March 06, 2014 to March 31, 2014	Quarter ended March 31, 2015
-----Rupees in '000-----			
Net assets at the beginning of the period	1,641,496	-	1,718,671
Issue Nil Units: (2014: 16,307,443 units)	-	1,630,743	-
Redemption 2,005,574 Units; (2014: 26,413 units)	(224,326)	(2,630)	(139,983)
	(224,326)	1,628,113	(139,983)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	20,378	10	15,972
Unrealised appreciation / diminution in the value of investments classified as 'financial assets at fair value through profit or loss' - net	82,667	(5,174)	-
Capital gain / (loss) on sale of investments - net	45,513	(7,569)	39,812
Other net income for the period	50,216	6,180	19,281
<b>Net income / (loss) for the period</b>	178,396	(6,563)	16,878
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to distribution statement	(20,378)	(10)	(15,972)
<b>Net assets at the end of the period</b>	<u>1,595,566</u>	<u>1,621,550</u>	<u>1,595,566</u>

The annexed notes 1 to 12 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, 2015

	Nine month ended March 31, 2015	For the period from March 06, 2014 to March 31, 2014	Quarter ended March 31, 2015
-----Rupees in '000-----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the period before taxation	178,396	(6,563)	16,878
<b>Adjustments</b>			
Unrealised appreciation / diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	(82,667)	5,174	42,215
Amortisation of preliminary expenses and floatation costs	872	84	287
	<u>96,601</u>	<u>(1,305)</u>	<u>59,380</u>
<b>(Increase) / decrease in assets</b>			
Investments	63,340	(543,028)	145,957
Receivables against sale of investments	1,598	(52,161)	7,976
Dividend and profit receivable	(13,433)	(6,458)	(12,707)
Advances, deposits, prepayments and other receivables	8,101	(2,828)	704
Preliminary expenses and floatation costs	-	(2,323)	-
	<u>59,606</u>	<u>(606,798)</u>	<u>141,930</u>
<b>Increase / (decrease) in liabilities</b>			
Payable to the Management Company	(855)	13,665	1,182
Payable to Central Depository Company of Pakistan Limited -Trustee	8	161	(8)
Payable to the Securities and Exchange Commission of Pakistan	551	88	310
Payable against purchase of investments	-	1,536	-
Accrued expenses and other liabilities	1,462	3,384	254
	<u>1,166</u>	<u>18,834</u>	<u>1,738</u>
<b>Net cash used in operating activities</b>	<u>157,373</u>	<u>(589,269)</u>	<u>203,048</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Receipts from issue of units	-	1,630,743	-
Payments on redemption of units	(224,178)	(2,630)	(140,004)
<b>Net cash used in financing activities</b>	<u>(224,178)</u>	<u>1,628,113</u>	<u>(140,004)</u>
<b>Net decrease in cash and cash equivalents during the period</b>	<u>(66,805)</u>	<u>1,038,844</u>	<u>63,044</u>
Cash and cash equivalents at the beginning of the period	948,851	-	819,002
<b>Cash and cash equivalents at the end of the period</b>	<u><u>882,046</u></u>	<u><u>1,038,844</u></u>	<u><u>882,046</u></u>

The annexed notes 1 to 12 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 CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

### 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).

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.

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.

- 1.1 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 have 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 year ended June 30, 2014.

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, 2015.

### 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, 2015 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2014.

# 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, 2015	(Audited) June 30, 2014
	655,655	692,317
	<u>55,988</u>	<u>-</u>
	<u>711,643</u>	<u>692,317</u>

(Rupees in '000)

### 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				As at March 31, 2015	Market value as at March 31, 2015	Investment as a percentage of		
	As at July 1, 2014	Purchases during the period	Bonus / right shares	Sales during the period			Net assets	Market value of total investments	Paid up capital of the investee company
(Rupees in '000) ----- % -----									
<b>Oil and Gas</b>									
Attock Petroleum Limited	-	14,700	-	-	14,700	7,643	0.48	1.07	0.02
Oil and Gas Development Company Limited	129,500	62,500	-	192,000	-	-	-	-	-
Pakistan Oilfields Limited	120,200	64,800	-	129,700	55,300	18,053	1.13	2.54	0.02
Pakistan Petroleum Limited	172,000	422,300	-	371,400	222,900	34,476	2.16	4.84	0.01
Pakistan State Oil Company Limited	142,980	32,000	-	101,700	73,280	25,238	1.58	3.55	0.03
Shell Pakistan Limited	-	30,500	-	-	30,500	6,736	0.42	0.95	0.03
<b>Chemicals</b>									
Engro Corporation Limited	-	128,000	-	-	128,000	32,883	2.06	4.62	0.02
Engro Fertilizer Company Limited	-	400,000	-	395,500	4,500	347	0.02	0.05	0.00
Fauji Fertilizer Company Limited	-	72,000	-	36,000	36,000	4,797	0.30	0.67	0.00
<b>Construction and Materials</b>									
Akzo Nobel Pakistan Limited	145,900	-	-	94,000	51,900	14,714	0.92	2.07	0.11
Cheerat Cement Company Limited	-	165,000	-	165,000	-	-	-	-	-
D.G. Khan Cement Company Limited	-	574,500	-	235,000	339,500	37,956	2.38	5.33	0.08
Kohat Cement Company Limited	-	28,000	-	22,800	5,200	837	0.05	0.12	0.00
Lucky Cement Limited	161,500	41,800	-	130,200	73,100	32,598	2.04	4.58	0.02
Maple Leaf Cement Factory Limited	1,365,000	1,270,000	-	1,615,500	1,019,500	48,977	3.07	6.88	0.19
Pioneer Cement Limited	856,000	381,000	-	911,500	325,500	25,584	1.60	3.60	0.14
<b>Pharma and Bio Tech</b>									
Ferozsons Laboratories	-	10,000	-	-	10,000	4,932	0.31	0.69	0.03
<b>General Industrials</b>									
Ghata Glass Limited	253,000	-	-	113,500	139,500	10,011	0.63	1.41	0.11
Thal Limited	145,400	23,500	-	29,800	139,100	35,518	2.23	4.99	0.34
<b>Household Goods</b>									
Tariq Glass Industries Limited	299,500	-	-	299,500	-	-	-	-	-
<b>Automobile and Parts</b>									
Ghandhara Nissan Limited	257,000	96,500	-	113,500	240,000	11,213	0.70	1.58	0.53
Honda Atlas Cars (Pakistan) Limited	346,500	-	-	313,000	33,500	6,145	0.39	0.86	0.02
Indus Motor Company Limited	-	27,850	-	-	27,850	28,269	1.77	3.97	0.04
Pak Suzuki Motor Company Limited	61,200	50,800	-	69,600	42,400	14,692	0.92	2.06	0.05
<b>Personal Goods</b>									
Kohinoor Textile Mills Limited	-	660,000	-	60,000	600,000	25,290	1.59	3.55	0.24
Nishat Mills Limited	132,200	256,800	-	199,400	189,600	19,373	1.21	2.72	0.05
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication Company Limited	935,000	156,000	-	1,091,000	-	-	-	-	-
<b>Electricity</b>									
K-Electric Limited	1,700,000	-	-	800,000	900,000	6,399	0.40	0.90	0.01
The Hub Power Company Limited	1,021,500	251,000	-	366,500	906,000	77,354	4.85	10.87	0.08
Kot Adu Power Company Limited	1,162,000	186,000	-	396,000	952,000	74,047	4.64	10.41	0.11
Lalpir Power Limited	-	1,000,000	-	65,500	934,500	27,913	1.75	3.92	0.25
<b>Commercial Banks</b>									
Bank Islami Pakistan Limited (BIPL)	1,115,500	-	-	1,115,500	-	-	-	-	-
BIPL - Letter of Rights	-	-	83,066	-	83,066	-	-	-	-
Meezan Bank Limited	381,500	205,000	-	50,000	536,500	23,660	1.48	3.32	0.05
<b>Industrial Transportation</b>									
Pakistan National Shipping Corporation Limited	23,500	-	-	23,500	-	-	-	-	-
						<u>655,655</u>	<u>41.09</u>	<u>92.13</u>	
Carrying value as at March 31, 2015						<u>573,198</u>			
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net						<u>82,457</u>			

# NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

Investments include shares with market value of Rs 48.30 million (June 30, 2014 64.04 million) which have been pledged with 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.

## 4.2 Government Securities - GoP Ijarah Sukuk

All certificates have a face value of Rs 100,000 each.

Issue Date	Coupon rate in % / Tenor	Number of certificates				Investment as a percentage of	
		As at July 01, 2014	Purchases during the period	Sales during the period	Market value as at March 31, 2015	Net assets	Market value of total investments
					Rupees in '000	-----	%
June 28, 2012	9.4734 / 3 Years	-	11,100	-	55,988	3.51	7.87
					<u>55,988</u>	<u>3.51</u>	<u>7.87</u>
Carrying value as at March 31, 2015					<u>55,778</u>		
Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net					<u>210</u>		

## 5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the March 31, 2015 and June 30, 2014.

## 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 4.508 million (including Rs 3.641 million for the current period) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at March 31, 2015 would have been higher by Rs 0.3189 per unit.

## 7 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed on the condensed interim statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

## 8 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.



# NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

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

## 9 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

## 10 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 10.1 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.
- 10.2 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.
- 10.3 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.
- 10.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.5 Details of the transactions with related parties / connected persons are as follows:

	----- (Un-Audited) -----		
	Nine month ended March 31, 2015	For the period from March 06, 2014 to March 31, 2014	Quarter ended March 31, 2015
----- Rupees in '000 -----			
<b>NBP Fullerton Asset Management Limited - Management Company</b>			
Remuneration for the period	25,155	2,337	8,281
Sindh Sales Tax on remuneration of the Management Company	4,377	434	1,441
Federal Excise Duty on remuneration of the Management Company	4,025	374	1,325
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration for the period	1,635	152	538
CDS charges	250	39	89
<b>Employees of the Management Company</b>			
Units issued / transfer in Nil Units (2014: 2,237 units)	-	224	-
<b>Taurus Securities Limited</b>			
Brokerage expense	150	29	7

# NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

	(Un-Audited) March 31, 2015	(Audited) June 30, 2014
	(Rupees in '000)	
<b>10.6 Amounts outstanding as at period end</b>		
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Management fee payable	2,807	2,683
Sindh Sales Tax payable (SST) on remuneration of Management Company	489	498
Federal Excise Duty (FED) payable on remuneration of Management Company	5,697	1,672
SST and FED payable on sales load	5,448	5,448
Other payable	-	2,608
Preliminary expenses and floatation costs	-	2,322
Initial deposit on opening of bank accounts	-	45
Listing fee	-	20
Sales load payable	66	66
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	182	174
CDS charges payable	52	81
Security deposit	100	100
<b>National Bank of Pakistan</b>		
Bank balance	896	5
<b>Employees of the Management Company</b>		
Investment held in the Fund 2,258 units (June 30, 2014; 2,258 units)	255	230
<b>Taurus Securities Limited</b>		
Brokerage payable	7	22

## 11 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 21, 2015.

## 12 GENERAL

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

12.2 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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