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

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I

QUARTERLY REPORT SEPTEMBER 30 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 & 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

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:

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 quarter ended September 30, 2015.

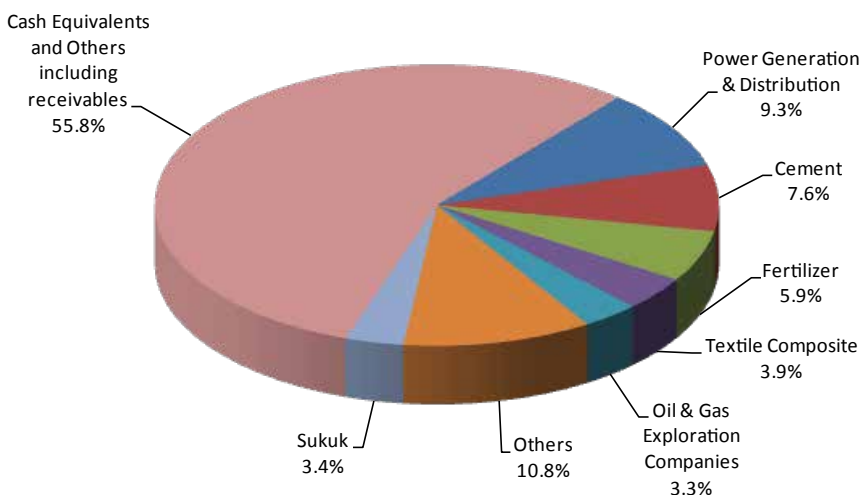
Fund's Performance

During the period, the unit price of NAFA Islamic Principal Protected Fund-I has decreased from Rs. 119.7854 (Ex-Div) on June 30, 2015 to Rs.117.8457 on September 30, 2015, thus showing a decrease of 1.62%. The benchmark (Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Funds' actual allocation) decline during the same period by 1.84%. Thus, the Fund outperformed its benchmark by 0.22% during the period under review. Since Inception the NAV of Fund has increased from Rs. 96.1848 (Ex-Div) on March 05, 2014 to Rs. 117.8457 on September 30, 2015, thus showing an increase of 22.52%. The Benchmark return during the same period was 12.87%. Thus, the Fund has outperformed its Benchmark by 9.65%. This performance is net of management fee and all other expenses. The size of NAFA Islamic Principal Protected Fund-I is Rs.1,661 million.

During 1QFY16, the stock market depicted a decline amidst foreign outflows and depreciating currency. Positives like IMF tranche, declining inflation, 50 bps cut in discount rate, and declining oil prices were offset by continuous foreign selling in the market. Oil & Gas Exploration and Oil & Gas Marketing sectors lagged the market. On the other hand Automobile & Parts, Cements, and Chemicals sectors performed better than the market.

Trading activity in Sukuks remained skewed towards the high quality issues. Dearth of primary issuance versus elevated demand further depressed the yield on the high credit quality corporate bonds. During the quarter under review, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP alluded to following factors in arriving at its decision i) benign inflation readings and expectation ii) high real lending rates; and iii) comfortable external account position and (iv) improving law and order situation and macroeconomic stability. Sovereign securities responded to the loose monetary policy period with yields on the short term and long term sovereign bonds declining. All Sukuks in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

The Fund has incurred loss of Rs.14.26 million during the period. After accounting for expenses of Rs.13.01 million, the total loss is Rs.27.28 million. The asset allocation of the Fund as on September 30, 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: October 21, 2015

Place: Karachi.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2015

	Note	(Un- Audited) September 30, 2015	(Audited) June 30, 2015
-----Rupees in '000-----			
ASSETS			
Bank balances		920,362	856,369
Investments	4	732,993	872,464
Receivable against sale of investments		15,011	-
Dividend and profit receivable	5	16,691	6,259
Advances, deposits, prepayments and other receivables		2,696	2,600
Preliminary expenses and floatation costs		496	789
Total assets		1,688,249	1,738,481
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company		17,134	15,893
Payable to Central Depository Company of Pakistan Limited -Trustee		203	184
Payable to the Securities and Exchange Commission of Pakistan		322	1,261
Payable against redemption of units		116	-
Accrued expenses and other liabilities	6	9,526	13,868
Total liabilities		27,301	31,206
NET ASSETS		1,660,948	1,707,275
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,660,948	1,707,275
CONTINGENCIES AND COMMITMENTS	8		
------(Number of units)-----			
NUMBER OF UNITS IN ISSUE		14,094,265	14,216,154
NET ASSET VALUE PER UNIT		117.8457	120.0940
-----Rupees-----			

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2015

	Note	Quarter ended September 30, 2015	Quarter ended September 30, 2014
------(Rupees in '000)-----			
INCOME			
Capital gain on sale of investments - net		4,668	1,098
Profit on bank deposits		13,170	19,185
Income from GoP Ijarah Sukuk		970	-
Dividend income		11,580	10,300
Unrealised appreciation / (diminution) on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - net		(44,511)	12,794
Total Income / (loss)		(14,123)	43,377
EXPENSES			
Remuneration of NBP Fullerton Asset Management Limited - Management Company		8,592	8,313
Sindh sales tax on Management Company's remuneration		1,395	1,543
Federal Excise Duty on Management Company's remuneration		1,375	1,330
Remuneration of Central Depository Company of Pakistan Limited - Trustee		559	540
Sindh sales tax on remuneration of Trustee		78	-
Annual fee - Securities and Exchange Commission of Pakistan		322	312
Amortisation of preliminary expenses and floatation costs		293	293
Auditors' remuneration		122	151
Annual listing fee		10	10
Settlement and bank charges		122	92
Securities transaction cost		149	571
Total Expenses		13,017	13,155
Net income / (loss) from operating activities		(27,140)	30,222
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(133)	-
Net income / (loss) for the period		(27,273)	30,222
Provision for Workers' Welfare Fund	7	-	(604)
Net income / (loss) for the period before taxation		(27,273)	29,618
Taxation	9	-	-
Net income / (loss) for the period after taxation		(27,273)	29,618
Earnings per unit	10		

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2015

	Quarter ended September 30, 2015	Quarter ended September 30, 2014
	------(Rupees in '000)-----	
Net income / (loss) for the period after taxation	(27,273)	29,618
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	<u>(27,273)</u>	<u>29,618</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Chief Executive

For NBP Fullerton Asset Management Limited
(Management Company)

Director

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

CONDENSED INTERIM DISTRIBUTION STATEMENT (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Quarter ended September 30, 2015	Quarter ended September 30, 2014
	------(Rupees in '000)-----	
Undistributed income brought forward		
Realised gain	115,809	1,068
Unrealised gain	173,109	26,228
	<u>288,918</u>	<u>27,296</u>
Net income / (loss) for the period after taxation	(27,273)	29,618
Element of income / (loss) and capital gain / (losses) included in prices of units issued less those in units redeemed - net	-	(208)
Final Distribution made during the period		
- Rs 0.3152 per unit declared on July 14, 2015 (2014: Nil)		
- Cash distribution	(4,455)	-
	<u>257,190</u>	<u>56,706</u>
Undistributed income carried forward		
Undistributed income comprising of :		
Realised gain	301,701	43,912
Unrealised gain / (loss)	(44,511)	12,794
	<u>257,190</u>	<u>56,706</u>

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2015

	Quarter ended September 30, 2015	Quarter ended September 30, 2014
	------(Rupees in '000)-----	
Net assets at the beginning of the period	1,707,275	1,641,496
Issue of 32,608 units: (September 30, 2014: Nil units)	3,994	-
Redemption of 154,497 units: (September 30, 2014: 193,858 units)	(18,726)	(19,921)
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	(14,732)	(19,921)
- transferred to distribution statement	-	208
- transferred to income statement	133	-
	133	208
Unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial assets' at fair value through profit or loss' - net	(44,511)	12,794
Capital gain on sale of investments - net	4,668	1,098
Other net income for the period	12,570	15,726
Net income / (loss) for the period	(27,273)	29,618
Final Distribution made during the period		
- Rs 0.3152 per unit declared on July 14, 2015 (2014: Nil)		
- Cash distribution	(4,455)	-
Element of income / (loss) and capital gain / (losses) included in prices of prices of units issued less those in units redeemed	-	(208)
Net assets at the end of the period	1,660,948	1,651,193

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2015

	Quarter ended September 30, 2015	Quarter ended September 30, 2014
	------(Rupees in '000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	(27,273)	29,618
Adjustments		
Unrealised (appreciation) / diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'- net	44,511	(12,794)
Amortisation of preliminary expenses and floatation costs	293	293
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	133	-
	<u>17,664</u>	<u>17,117</u>
(Increase) / decrease in assets		
Investments	94,960	50,286
Receivables against sale of investments	(15,011)	(22,427)
Dividend and profit receivable	(10,432)	(11,101)
Advances, deposits, prepayments and other receivables	(96)	8,082
	<u>69,421</u>	<u>24,840</u>
Increase / (decrease) in liabilities		
Payable to NBP Fullerton Asset Management Limited - Management Company	1,241	1,401
Payable to Central Depository Company of Pakistan Limited -Trustee	19	183
Payable to the Securities and Exchange Commission of Pakistan	(939)	(80)
Accrued expenses and other liabilities	(4,342)	(1,444)
	<u>(4,021)</u>	<u>60</u>
Net cash used in operating activities	<u>83,064</u>	<u>42,017</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	3,994	-
Payments on redemption of units	(18,610)	(19,871)
Cash dividend	(4,455)	-
Net cash generated from financing activities	<u>(19,071)</u>	<u>(19,871)</u>
Net increase in cash and cash equivalents during the period	<u>63,993</u>	<u>22,146</u>
Cash and cash equivalents at the beginning of the period	856,369	948,851
Net increase in cash and cash equivalents during the period	<u><u>920,362</u></u>	<u><u>970,997</u></u>

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 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. 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 as at April 6, 2015. 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

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprises of such International Financial Reporting Standards (IFRS) issued by 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 Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting.

The directors of the Asset Management Company declare that these condensed interim financial statements give a true and fair view of the Fund.

3 Accounting Policies

The accounting policies adopted for the preparation of the condensed interim financial statements for the quarter ended September 30, 2015 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'

Note	(Un-Audited) September 30, 2015	(Audited) June 30, 2015
	------(Rupees in '000)-----	

Listed equity securities	4.1	677,282	816,603
Government Securities - GoP Ijarah Sukuk	4.2	55,711	55,861
		<u>732,993</u>	<u>872,464</u>

4.1 Listed equity securities - at fair value through profit or loss

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 September 30, 2015	Investment as a percentage of		
	As at July 1, 2015	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2015		Net assets	Market value of total investments	Paid up capital of the investee company
						(Rupees in '000)	%		
Oil and Gas									
Attock Petroleum Limited	17,400	-	-	-	17,400	8,704	0.52	1.19	0.02
Attock Refinery Limited	-	36,000	-	36,000	-	25,690	-	-	-
Pakistan Oilfields Limited	87,400	-	-	-	87,400	25,690	1.55	3.50	0.04
Pakistan Petroleum Limited	237,900	-	-	-	237,900	28,343	1.71	3.87	0.01
Pakistan State Oil Company Limited	91,880	-	-	7,000	84,880	24,479	1.47	3.34	0.03
Shell Pakistan Limited	55,600	-	-	-	55,600	10,889	0.66	1.49	0.05
Hascol Petroleum Limited	435	-	87	-	522	62	0.00	0.01	0.00
Oil and Gas Marketing Companies									
Sui Northern Gas Pipeline Limited	-	96,000	-	-	96,000	3,017	0.18	0.41	0.02
Chemicals									
Engro Corporation Limited	231,900	8,400	-	39,000	201,300	60,064	3.62	8.19	0.04
Engro Fertilizer Company Limited	351,000	67,500	-	-	418,500	37,581	2.26	5.13	0.03
Fuji Fertilizer Company Limited	36,000	-	-	36,000	-	-	-	-	-
Construction and Materials									
Akzo Nobel Pakistan Limited	43,300	-	-	2,400	40,900	9,725	0.59	1.33	0.09
D.G. Khan Cement Company Limited	335,000	-	-	26,700	308,300	42,243	2.54	5.76	0.07
Lucky Cement Limited	107,100	4,000	-	49,300	61,800	32,550	1.96	4.44	0.02
Maple Leaf Cement Factory Limited	475,000	-	-	75,000	400,000	27,416	1.65	3.74	0.08
Pioneer Cement Limited	272,500	48,500	-	47,000	274,000	23,767	1.43	3.24	0.12
Pharma and Bio Tech									
Ferozsons Laboratories Limited	10,000	-	-	-	10,000	7,569	0.46	1.03	0.03
Abbott Laboratories Pakistan Limited	3,500	-	-	-	3,500	2,287	0.14	0.31	0.00
General Industrials									
Thal Limited	137,200	-	-	-	137,200	34,712	2.09	4.74	0.17
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	-	-	2,000	25,850	25,886	1.56	3.53	0.03
Pak Suzuki Motor Company Limited	42,400	5,000	-	6,000	41,400	17,163	1.03	2.34	0.05
Personal Goods									
Kohinoor Textile Mills Limited	606,000	-	-	-	606,000	42,753	2.57	5.83	0.25
Nishat Mills Limited	227,600	-	-	-	227,600	22,598	1.36	3.08	0.06
Electricity									
K-Electric Limited	900,000	-	-	-	900,000	6,354	0.38	0.87	0.00
Pakgen Power Limited	45,700	147,000	-	5,000	142,000	3,969	0.24	0.54	0.04
The Hub Power Company Limited	817,500	-	-	106,000	711,500	69,898	4.21	9.54	0.06
Kot Addu Power Company Limited	790,000	-	-	130,000	660,000	62,535	3.77	8.53	0.07
Lalpir Power Limited	920,500	-	-	521,500	399,000	11,639	0.70	1.59	0.11
Cable & Electrical Goods									
Pak Elektron Limited	239,500	-	-	-	239,500	17,266	1.04	2.36	0.06
Banks									
Meezan Bank Limited	332,000	37,500	-	10,500	359,000	18,123	1.09	2.47	0.04
						<u>677,282</u>	<u>40.78</u>	<u>92.40</u>	
						<u>721,643</u>			

Carrying value as at September 30, 2015

Investments include shares with market value of Rs 41.559 million (2015: Rs 54.775 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

4.2 Government Securities - GoP Ijarah Sukuk

Issue Date	Coupon rate in % / Tenor	Number of certificates				Investment as a percentage of		
		As at July 01, 2015	Purchases during the period	Sales during the period	As at September 30, 2015	Market value as at September 30, 2015	Net assets	Market value of total investments
						Rupees in '000	-----	%-----
June 28, 2012	6.9355 / 3 years	11,100	-	-	11,100	55,711	3.35	7.60
						<u>55,711</u>	<u>3.35</u>	<u>7.60</u>
Carrying value as at September 30, 2015						<u>55,861</u>		

	(Un-audited) September 30, 2015	(Audited) June 30, 2015
5 DIVIDEND AND PROFIT RECEIVABLE	----- Rupees in '000 -----	

Profit accrued on saving deposits	4,612	3,809
Dividend receivable	11,077	2,418
Profit accrued on GOP Ijarah sukuk	1,002	32
	<u>16,691</u>	<u>6,259</u>

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	413	291
Provision for Workers' Welfare Fund	7,552	7,552
Payable to brokers	50	81
Settlement charges	65	69
Bank charges	88	53
Printing charges	101	101
Withholding tax	328	4,835
Legal Fee	25	125
Haram portion of dividend	904	761
	<u>9,526</u>	<u>13,868</u>

7 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015. Accordingly no further provision for WWF has recorded subsequent to June 30, 2015.

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements for the quarter ended September 30, 2015 which aggregates to Rs. 7.552 million. Had the same not been made the net asset value per unit / return of the Fund would have been higher by 0.5358 per unit respectively.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the September 30, 2015 and June 30, 2015.

9 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 Fund has not recorded a tax liability in respect of income relating to the current period as the management company has decided to distribute at least 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

10 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.

11 TRANSACTIONS WITH CONNECTED PERSONS

- 11.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, and Alexandra Fund Management Pte. Limited being the sponsors, 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. It also includes any person or company beneficially owing directly or indirectly 10% or more of the units in the issue/ net assets of the Fund.
- 11.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.3 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.
- 11.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

----- (Un-Audited) -----
 Quarter ended September 30, 2015 Quarter ended September 30, 2014
 ----- (Rupees in '000) -----

11.5 Details of the transactions with connected persons are as follows:

NBP Fullerton Asset Management Limited - Management Company

Remuneration for the period	8,592	8,313
Sindh Sales Tax on remuneration of management company	1,395	1,543
Federal Excise Duty on remuneration of the Management Company	1,375	1,330

Central Depository Company of Pakistan Limited - Trustee

Remuneration for the period	559	540
Sindh Sales Tax on remuneration of Trustee	78	
CDS charges	76	46

Employees of the Management Company

Units issued / transfer in 5 Units (2014: 2,237 units)	1	-
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Thal Limited

Issued Nil Units (2014: 15,000 units)	-	3,344
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Taurus Securities Limited

Brokerage expense	8	108
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National Bank of Pakistan - Sponsor

Profit on bank deposits	10	-
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NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I

	(Un-Audited) September 30, 2015	(Audited) June 30, 2015
	----- (Rupees in '000)-----	
11.6 Amounts outstanding as at period end		
NBP Fullerton Asset Management Limited - Management Company		
Management fee payable	2,748	2,835
Sindh Sales Tax payable on remuneration of Management Company	446	493
Federal Excise Duty payable on remuneration of Management Company	8,426	7,051
Sales load payable	66	5,514
Sindh Sales Tax and FED payable on sales load	5,448	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	178	184
Sindh Sales Tax payable on remuneration of Trustee	25	-
CDS charges payable	65	69
Security deposit	100	100
National Bank of Pakistan - Sponsor		
Bank balance	868	65
Profit receivable	14	4
Employees of the Management Company		
Investment held in the Fund 2,319 units (June 30, 2015: 2,314 units)	273	278

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 21, 2015 .

13 GENERAL

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

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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