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

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

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.

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NAFA ISLAMIC PRINCIPAL PROTECTED FUND-II

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
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

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-II

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 - II** for the quarter ended September 30, 2015.

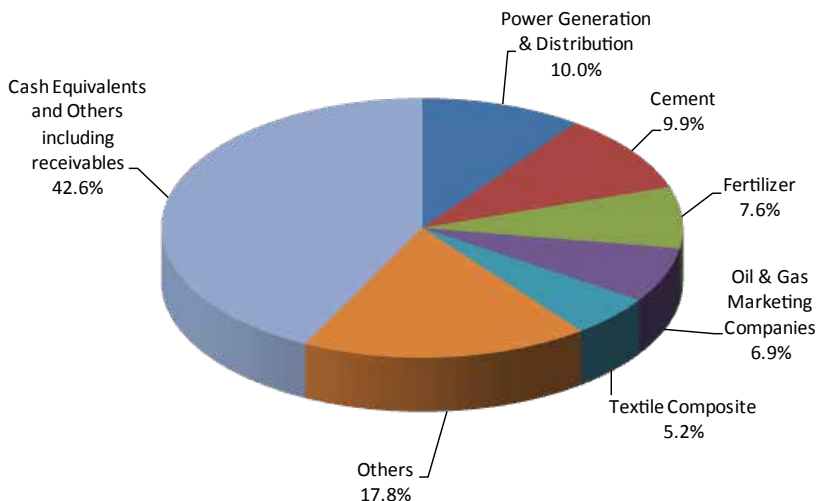
Fund's Performance

During the period, the unit price of NAFA Islamic Principal Protected Fund-II has decreased from Rs. 118.7948 (Ex-Div) on June 30, 2015 to Rs. 115.2997 on September 30, 2015, thus showing a decline of 2.94%. The Benchmark (Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Funds' actual allocation) decline during the same period by 3.25%. Thus, the Fund has outperformed its Benchmark by 0.31% during the period under review. Since Inception the NAV of Fund has increased from Rs. 98.0199 (Ex-Div) on June 27, 2014 to Rs. 115.2997 on September 30, 2015, thus showing an increase of 17.63%. The Benchmark return during the same period was 8.91%. Thus, the Fund has outperformed its Benchmark by 8.72%. This performance is net of management fee and all other expenses. The size of NAFA Islamic Principal Protected Fund-II is Rs.1,254 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.

The Fund has incurred loss of Rs.27.52 million during the period. After accounting for expenses of Rs.10.43 million, the total loss is Rs.37.95 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-II

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		493,458	372,463
Investments	4	719,797	946,823
Receivable against sale of investments		41,737	-
Dividend and profit receivable	5	15,211	4,327
Advances, deposits and prepayments		2,660	2,600
Preliminary expenses and floatation costs		865	1,155
Total assets		1,273,728	1,327,368
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company		10,581	9,641
Payable to Central Depository Company of Pakistan Limited -Trustee		155	141
Payable to the Securities and Exchange Commission of Pakistan		248	979
Payable against redemption of units		1,116	-
Accrued expenses and other liabilities	6	7,275	8,532
Total liabilities		19,375	19,293
NET ASSETS		<u>1,254,353</u>	<u>1,308,075</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>1,254,353</u>	<u>1,308,075</u>
CONTINGENCIES AND COMMITMENTS	8		
		------(Number of units)-----	
NUMBER OF UNITS IN ISSUE		<u>10,879,064</u>	<u>10,991,585</u>
		-----Rupees-----	
NET ASSET VALUE PER UNIT		<u>115.2997</u>	<u>119.0069</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-II

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		10,026	2,436
Profit on bank deposits		5,981	14,141
Dividend income		13,785	8,383
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		(57,224)	5,226
Total Income / (loss)		(27,432)	30,186
EXPENSES			
Remuneration of NBP Fullerton Asset Management Limited - Management Company		6,610	6,289
Sindh sales tax on Management Company's remuneration		1,074	1,167
Federal Excise Duty on Management Company's remuneration		1,058	1,006
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		430	409
Sindh sales tax on Trustee remuneration		60	-
Annual fee - Securities and Exchange Commission of Pakistan		248	236
Amortisation of preliminary expenses and floatation costs		290	292
Auditors' remuneration		109	151
Annual listing fee		10	10
Settlement and bank charges		141	121
Securities transaction cost		403	875
Total Expenses		10,433	10,556
Net income / (loss) from operating activities		(37,865)	19,630
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		(89)	-
Provision for Workers' Welfare Fund	7	-	(393)
Net income / (loss) for the period before taxation		(37,954)	19,237
Taxation	9	-	-
Net income / (loss) for the period after taxation		(37,954)	19,237
Earnings per unit	10		

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For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-II

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
	----- <i>(Rupees in '000)</i> -----	
Net income / (loss) for the period after taxation	(37,954)	19,237
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	<u>(37,954)</u>	<u>19,237</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-II

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 / (loss)	64,964	(27)
Unrealised gain	143,577	995
	<u>208,541</u>	<u>968</u>
Net income / (loss) for the period after taxation	(37,954)	19,237
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	-	(774)
Final Distributions made during the period		
- Rs 0.2192 per unit declared on July 14, 2015 (2014 : Nil)		
- Cash distribution	(2,402)	-
	<u>168,185</u>	<u>19,431</u>
Undistributed income carried forward		
Undistributed income comprising of :		
Realised gain	225,409	14,205
Unrealised gain / (loss)	(57,224)	5,226
	<u>168,185</u>	<u>19,431</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-II

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	1,308,075	792,371
Issue of 18,303 units: (September 30, 2014: 5,259,569 units)	2,249	525,999
Redemption of 130,824 units: (September 30, 2014: 300,424 units)	(15,704)	(30,252)
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	(13,455)	495,747
- transferred to distribution statement	-	774
- transferred to income statement	89	-
	89	774
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets' 'at fair value through profit or loss' - net	(57,224)	5,226
Capital gain on sale of investments - net	10,026	2,436
Other net income for the period	9,244	11,575
Net income / (loss) for the period	(37,954)	19,237
Final Distribution made during the period		
- Rs 0.2192 per unit declared on July 14, 2015 (2014 : Nil)		
- Cash distribution	(2,402)	-
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	-	(774)
Net assets at the end of the period	1,254,353	1,307,355

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-II

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	(37,954)	19,237
Adjustments		
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets 'at fair value through profit or loss' - net	57,224	(5,226)
Amortisation of preliminary expenses and floatation costs	290	292
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	89	-
	<u>19,649</u>	<u>14,303</u>
(Increase) / decrease in assets		
Investments	169,802	(379,421)
Receivables against sale of investments	(41,737)	(23,479)
Dividend and profit receivable	(10,884)	(12,094)
Advances, deposits and prepayments	(60)	100,000
	117,121	(314,994)
Increase / (decrease) in liabilities		
Payable to NBP Fullerton Asset Management Limited - Management Company	940	(12,707)
Payable to Central Depository Company of Pakistan Limited -Trustee	14	247
Payable to the Securities and Exchange Commission of Pakistan	(731)	231
Payable against purchase of investments	-	(155,911)
Accrued expenses and other liabilities	(1,257)	2,636
	(1,034)	(165,504)
Net cash generated from / (used in) operating activities	<u>135,736</u>	<u>(466,195)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	2,249	525,999
Payments on redemption of units	(14,588)	(30,397)
Cash dividend	(2,402)	-
Net cash (used in) / generated from financing activities	(14,741)	495,602
Net increase in cash and cash equivalents during the period	<u>120,995</u>	<u>29,407</u>
Cash and cash equivalents at the beginning of the period	372,463	710,807
Net increase in cash and cash equivalents during the period	<u><u>493,458</u></u>	<u><u>740,214</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-II

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-II (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 May 07, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 15, 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-II 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 to 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 June 28, 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-II

4 INVESTMENTS

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

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

4.1 719,797 946,823

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.

Sector / 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	74,300	-	-	2,250	72,050	36,043	2.87	5.01	0.09
Attock Refinery Limited	125,600	-	-	166,800	-	-	-	-	-
Hiscof Petroleum Limited	63,530	41,200	-	62,800	876	105	0.01	0.01	0.00
National Refinery Limited	85,100	59,600	146	144,700	-	-	-	-	-
Pakistan Oilfields Limited	136,500	-	-	10,700	125,800	36,976	2.95	5.14	0.05
Pakistan Petroleum Limited	164,700	45,000	-	-	209,700	24,984	1.99	3.47	0.01
Pakistan State Oil Company Limited	137,200	-	-	30,000	107,200	30,915	2.46	4.29	0.04
Sui Northern Gas Pipeline Limited	-	75,000	-	-	75,000	2,357	0.19	0.33	0.01
Shell Pakistan Limited	85,500	-	-	-	85,500	16,745	1.34	2.33	0.08
Chemicals									
Engro Corporation Limited	356,800	-	-	152,000	204,800	61,108	4.87	8.49	0.04
Engro Fertilizers Limited	314,000	249,000	-	176,000	387,000	34,753	2.77	4.83	0.02
Fauji Fertilizer Company Limited	-	115,900	-	115,900	-	-	-	-	-
Construction and Materials									
Akzo Nobel Pakistan Limited	45,500	-	-	-	45,500	10,819	0.86	1.50	0.10
Cherat Cement Company Limited	-	239,000	-	239,000	-	-	-	-	-
D.G. Khan Cement Company Limited	375,000	-	-	111,800	263,200	36,064	2.88	5.01	0.06
Kohat Cement Company Limited	13,000	-	-	12,600	400	76	0.01	0.01	0.00
Fauji Cement Company Limited	-	89,000	-	-	89,000	2,980	0.24	0.41	0.01
Lucky Cement Limited	138,700	6,000	-	65,700	79,000	41,609	3.32	5.78	0.02
Maple Leaf Cement Factory Limited	344,000	42,000	-	45,000	341,000	23,372	1.86	3.25	0.06
Pioneer Cement Limited	85,000	179,500	-	37,000	227,500	19,733	1.57	2.74	0.10
General Industrials									
Thal Limited	78,600	-	-	-	78,600	19,886	1.59	2.76	0.10
Automobile and Parts									
Ghandhara Nissan Limited	88,500	8,000	-	96,500	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	71,500	7,200	-	78,700	-	-	-	-	-
Indus Motor Company Limited	32,450	1,660	-	6,300	27,810	27,849	2.22	3.87	0.04
Pak Suzuki Motor Company Limited	33,000	16,800	-	6,000	43,800	18,158	1.45	2.52	0.53
Household Goods									
Pak Elektron Limited	290,500	-	-	-	290,500	20,942	1.67	2.91	3.53
Engineering									
Mughal Iron & Steel Industries Limited	125,000	104,500	-	12,000	217,500	14,131	1.13	1.96	2.64
Personal Goods									
Kohinoor Textile Mills Limited	800,500	-	-	83,500	717,000	50,584	4.03	7.03	0.29
Nishat Mills Limited	146,600	-	-	-	146,600	14,556	1.16	2.02	0.04
Pharma and Bio Tech									
Abbott Laboratories (Pakistan) Limited	3,000	-	-	1,800	1,200	784	0.06	0.11	0.00
Ferozsons Laboratories Limited	20,250	-	-	4,300	15,950	12,073	0.96	1.68	0.05
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	-	790,000	-	-	790,000	13,738	1.10	1.91	0.02
Technology Hardware and Equipment									
Avancecon Limited	276,500	-	-	49,000	227,500	7,471	0.60	1.04	0.22
Electricity									
K-Electric Limited	255,000	-	-	-	255,000	1,800	0.14	0.25	0.00
The Hub Power Company Limited	722,500	-	-	160,500	562,000	55,211	4.40	7.67	0.05
Kot Addu Power Company Limited	633,000	-	-	135,000	498,000	47,186	3.76	6.56	0.06
Lalpir Power Limited	809,500	-	-	77,000	732,500	21,367	1.70	2.97	0.19
Banks									
Meezan Bank Limited	166,500	139,000	-	-	305,500	15,422	1.23	2.14	0.03
						<u>719,797</u>	<u>57.38</u>	<u>100.00</u>	
Carrying value as at September 30, 2015						<u>777,021</u>			

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-II

Investments include shares with market value of Rs 53.53 million (June 30, 2015: 68.46) 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.

	(Un-audited) September 30, 2015	(Audited) June 30, 2015
	-----Rupees in '000 -----	
5 DIVIDEND AND PROFIT RECEIVABLE		
Profit accrued on saving deposits	2,391	1,737
Dividend receivable	<u>12,820</u>	<u>2,590</u>
	<u>15,211</u>	<u>4,327</u>
6 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	361	252
Provision for Workers' Welfare Fund	5,070	5,070
Brokerage	91	165
Settlement charges	46	60
Bank charges	97	66
Printing charges	100	100
Withholding tax and capital gains tax on dividend	276	1,674
Charity payable	1,169	980
Legal fee	25	125
Listing fee	<u>40</u>	<u>40</u>
	<u>7,275</u>	<u>8,532</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. 5.070 million. Had the same not been made the net asset value per unit / return of the Fund would have been higher by 0.466 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.

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, the 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 and the directors and the key management personnel of the Management Company. These also include any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-II

- 11.2 The transactions with connected persons are in the normal course of business, at contracted rates and the terms determined in accordance with the 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.
- 11.5 Details of the transactions with connected persons are as follows:

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

NBP Fullerton Asset Management Limited - Management Company

Remuneration for the period	6,610	6,289
Sindh Sales Tax on remuneration of management company	1,074	1,167
Federal Excise Duty on remuneration of the Management Company	1,058	1,006

Central Depository Company of Pakistan Limited - Trustee

Remuneration for the period	430	409
Sindh Sales Tax on remuneration of Trustee	60	-
CDS charges	96	86

PTCL Employees General Provident Fund

Issue of Nil units: (September 30, 2014: 3,999,948 units)	-	400,000
Dividend re-investment 7,267 units: (September 30, 2014: Nil units)	893	-

Thal Limited

Issue of Nil units: (September 30, 2014: 12,700 units)	-	2,832
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Employees of the Management Company

Issued / transferred in Nil units: (September 30, 2014: 18,006 units)	-	1,800
Dividend re-investment 3 units: (September 30, 2014: Nil units)	0	-
Redeemed / transferred out Nil units: (September 30, 2014 18,006 units)	-	1,788

Taurus Securities Limited

Brokerage expense	7	122
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NAFA ISLAMIC PRINCIPAL PROTECTED FUND-II

	(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	2,087	2,167
Sindh Sales Tax payable on remuneration of Management Company	339	377
Federal Excise Duty payable on remuneration of Management Company	5,256	4,198
Sales load payable	2,899	2,899
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	136	141
Sindh Sales Tax payable on remuneration of Trustee	19	-
CDS charges payable	47	60
Security deposit	100	100
PTCL Employees General Provident Fund		
Units held: 4,080,242 units (June 30, 2015: 4,072,975 units)	470,451	484,712
Employees of the Management Company		
Units held: 1,534 units (June 30, 2015: 1,531 Units)	177	182

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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