

**NBP ACTIVE ALLOCATION RIBA FREE
SAVINGS FUND**



ANNUAL REPORT
JUNE 2019



MISSION STATEMENT

To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.



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NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND

(FORMERLY; NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



NBP FUNDS
Managing Your Savings

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

Bank Al-Habib Limited
United Bank Limited
Habib Bank Limited
Silk Bank Limited
Dubai Islamic Bank Pakistan Limited
Al Baraka Bank (Pakistan) Limited
Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Soneri Bank Limited
Faysal Bank Limited

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND
(FORMERLY; NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



NBP FUNDS
Managing Your Savings

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

Legal Advisor

Akhund Forbes
D-21, Block, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpfunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
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
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Kamal Amir Chinoy
Director



Mr. Humayun Bashir
Director



Mr. Nasir Husain
Director



Mr. Ali Saigol
Director



Mr. Shehryar Faruque
Director



Mr. Imran Zaffar
Director



Mr. Abdul Hadi Palekar
Director

Senior Management



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Samiuddin Ahmed
Country Head Corporate Marketing



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Innovation & Strategy Officer



Mr. Muhammad Ali, CFA, FRM
Head Of Fixed Income



Mr. Taha Khan Javed, CFA
Head Of Equity



Mr. Hassan Raza, CFA
Head Of Research



Mr. Waheed Abidi
Head Of Internal Audit



Mr. Salman Ahmed, CFA
Head Of Risk Management



Mr. Zaheer Iqbal, ACA, FPFA
Head Of Operations



Mr. Raheel Rehman, ACA
Head Of Compliance



Mr. Shahbaz Umer
Head Of Human Resource

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Fourth Annual Report of **NBP Active Allocation Riba Free Savings Fund (NAARFSF) (Formerly; NAFA Active Allocation Riba Free Savings Fund)** for the year ended June 30, 2019.

Fund's Performance

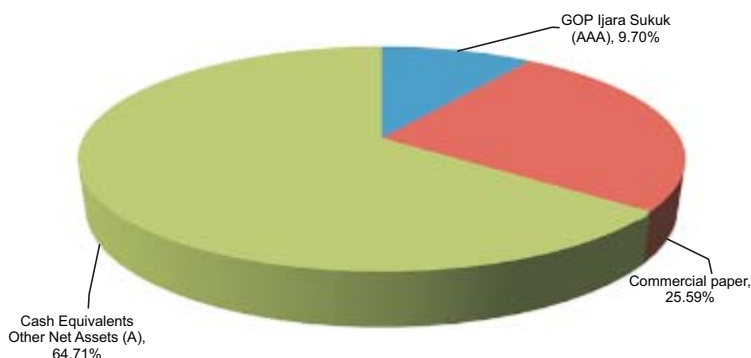
The size of NBP Active Allocation Riba Free Savings Fund has significantly decreased from Rs. 2,161 million to Rs. 892 million during the period, i.e. a significant drop of 59%. During the said period, the unit price of the Fund has increased from Rs. 9.3116 (Ex-Div) on June 30, 2018 to Rs. 10.0256 on June 30, 2019 thus posting a return of 7.7% as compared to its Benchmark return of 3.7% for the same period. The return of the Fund is net of management fee and all other expenses.

NAARFSF is an Islamic Income Scheme with no direct or indirect exposure to stock market. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks/Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile. The maturity of any single instrument except GOP Ijarah Sukuks cannot exceed six months. GOP Ijarah Sukuks are floating rate Shari'ah compliant securities with six monthly coupon resets. This minimizes pricing risk.

The trading activity in the Corporate Sukuks remained thin with skew towards high quality debt issues with cumulative traded value of around Rs. 12 billion in FY2019 compared to Rs. 10 billion in FY2018. The issuance of government guaranteed energy sector sukuk to the tune of Rs. 200 billion helped the undersupplied market for long-term shari'ah compliant debt instruments. During FY2019, the State Bank of Pakistan (SBP) held six bi-monthly monetary policy reviews. Aiming to curb the surging demand pressures to address the external account woes and addressing the underlying inflationary pressures, the SBP increased the policy rate from 6.50% to 12.25%. Inflation as measured by CPI increased from 5.2% in June 2018 to 8.9% in June 2019 due to upward adjustment in energy and fuel prices, higher imported inflation due to currency devaluation, and unabated government borrowing from the SBP. Inflation is expected to remain on the upward trajectory due to excessive government borrowings, significant increase in perishable food prices, volatility in international oil prices, currency devaluation, trickle down impact of expected upward adjustment in utility tariffs, pass-through of taxes, and second round impact of currency devaluation.

The Fund has earned a total income of Rs. 142.82 million during the year. After deducting total expenses of Rs.33.02 million, the net income is Rs. 109.80 million.

The asset allocation of NBP Active Allocation Riba Free Savings Fund as on June 30, 2019 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 7.558% of the opening ex-NAV (7.570% of the par value) for the period ended June 30, 2019.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, Messrs A.F. Ferguson & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2020.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held four meetings during the year. The attendance of all directors is disclosed in the note 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Management Company, being an un-listed company, does not have any minority interest. As at June 30, 2019, the Board included:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Nasir Husain 3. Mr. Abdul Hadi Palekar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

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 Fund Management Limited

Chief Executive

Director

Date: August 30, 2019
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP ایکٹو ایلوکیشن ریفاری سیونگ فنڈ (NAARFSF) (سابقہ: NAFA) ایکٹو ایلوکیشن ریفاری سیونگ فنڈ کی چوتھی سالانہ رپورٹ برائے سال ختمہ 30 جون 2019ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

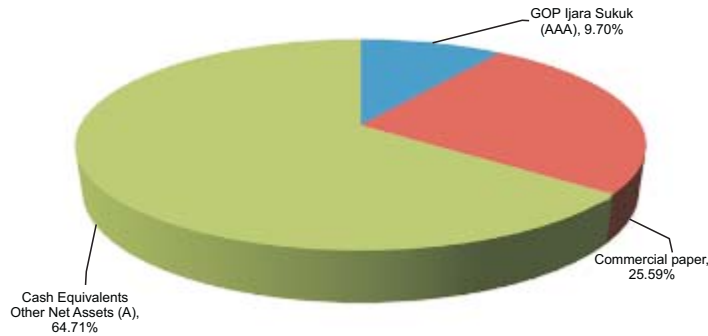
NBP ایکٹو ایلوکیشن ریفاری سیونگ فنڈ (NAARFSF) کا ساٹھ ماہ کی مدت کے دوران خاطر خواہ کمی کے بعد 2,161 ملین روپے سے کم ہو کر 892 ملین روپے ہو گیا۔ یعنی 59% کی خاطر خواہ کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کی یونٹ قیمت 30 جون 2018 کو 9.3116 روپے (EX-Div) سے بڑھ کر 30 جون 2019 کو 10.0256 روپے ہو چکی ہے، لہذا فنڈ نے گزشتہ اسی مدت کے دوران 3.7% پیچ مارک منافع کے مقابلے میں 7.7% کا منافع دیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NAARFSF ایک اسلامک انکم اسکیم ہے، جس کا اسٹاک مارکیٹ سے کوئی براہ راست یا بالواسطہ تعلق نہیں ہے۔ فنڈ کا مقصد اسلامی بینکوں / کرسٹل بینکوں کی اسٹاک ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تو اتنے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔ کسی واحد انسٹرومنٹ کی مہجورٹی، ماسوائے حکومت پاکستان کے اجارہ سلوک، 6 ماہ سے تجاوز نہیں کر سکتی ہے۔ یہ پرائسنگ رسک کو کم از کم کرتی ہے۔

کارپوریٹ سکوک میں تجارتی سرگرمی مالی سال 2018 میں 10 بلین روپے کے مقابلے مالی سال 2019 کے دوران تقریباً 12 بلین روپے کی مجموعی تجارتی قیمت کے ساتھ کم رہی۔ بنیادی اجراء میں اضافہ دیکھا گیا کیونکہ طویل مدتی کریڈٹ کی طلب خاص طور پر بجلی کے شعبہ میں قابل ذکر حد تک بڑھ گئی۔ مالی سال 2019 کے دوران، بینک دولت پاکستان (SBP) نے دو ماہ کے وقفے سے چھ ماہی پالیسی جائزوں کا انعقاد کیا۔ بیرونی اکاؤنٹ کی مشکلات اور درپیش افراط زر کے دباؤ کو دور کرنے کے رجحان SBP نے پالیسی کی شرح 6.50% سے 12.25% تک بڑھا دی۔ بجلی اور ایندھن کی قیمتوں میں اضافہ، کرنسی کی قدر کی کمی کے باعث درآمدی افراط زر اور SBP سے بلا تخفیف سرکاری قرضہ لینے کے رجحان کے باعث CPI سے پیکس کردہ افراط زر جون 2018 میں 5.2% سے بڑھ کر جون 2019 میں 8.9% ہو گیا۔ حکومت کی طرف سے ضرورت سے زائد قرضہ لینے، ایشیائی خورد و نوش کی قیمتوں میں نمایاں اضافے، بین الاقوامی تیل کی قیمتوں میں اتار چڑھاؤ، کرنسی کی قدر میں کمی، بوٹی لیجز کے نرخوں میں متوقع اضافی ایڈجسٹمنٹ، ٹیکسوں کا بڑھنا اور کرنسی کی قدر میں کمی کے دوسرے دور جیسے اثرات کی وجہ سے افراط زر میں اضافہ متوقع ہے۔

فنڈ نے سال کے دوران 142.82 بلین روپے کی کل آمدنی کمائی ہے۔ 33.02 بلین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 109.80 بلین روپے ہے۔

NBP ایکٹو ایلوکیشن ریفاری سیونگ فنڈ کی ایسٹ ایلوکیشن 30 جون 2019 کو برعاطب ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال 30 جون 2019 کے اختتام کے بعد اوپننگ ex-NAV کا 7.558% (بنیادی قدر کا 7.570%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین متہا کرنے کے بعد 90 فیصد ہے، اس لئے فنڈ پر انکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شرح 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔



آڈیٹرز

موجودہ آڈیٹرز، میسرز ایف فرگن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر انہوں نے خود کو 30 جون 2020 کو ختم ہونے والے سال میں دوبارہ تقرر کے لئے پیش کیا ہے۔

سیڈ کمپنیوں کے بورڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

1. مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیمیل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی بیٹرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
13. مینجمنٹ کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ مینجمنٹ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی منارٹی ائٹریسٹ نہیں رکھتی۔

30 جون 2019 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

نام	کیٹگری
01 جناب کمال عامر چنائے 02 جناب شہریار فاروق 03 جناب ہمایوں بشیر	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
01 شیخ محمد عبدالواحد سیٹھی (چیئرمین) 02 جناب ناصر حسین 03 جناب عبدالہادی پالیکر 04 جناب علی سیگل 05 جناب عمران ظفر	نان ایگزیکٹو ڈائریکٹرز



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے غلط رویہ کا بھی اعتراف کرتا ہے۔ بورڈ اپنے اسٹاف اور آرٹسٹ کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 30 اگست 2019

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Active Allocation Riba Free Savings Fund (Formerly NAFA Active Allocation Riba Free Savings Fund) (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 26, 2019

FUND MANAGER REPORT

NBP Active Allocation Riba Free Savings Fund

NBP Active Allocation Riba Free Savings Fund (NAARFSF) is an Open-end Shari'ah Compliant Income Scheme.

Investment Objective of the Fund

To earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shari'ah compliant banks deposits and money market/debt securities.

Benchmark

6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP.

Fund Performance Review

This is the Fourth Annual report since the launch of the Fund on January 18, 2016. The Fund size decreased by 59% and stands at Rs. 892 million as on June 30, 2019. Since its inception, the Fund posted an annualized return of 5.1% versus the benchmark return of 3.3%. This translates into an outperformance of 1.8% p.a. During FY19, the Fund posted 7.7% return versus the benchmark return of 3.7%, thus registering an outperformance of 4.0% p.a. This performance is net of management fee and all other expenses.

NAARFSF is an Islamic Income Scheme with no direct or indirect exposure to stock market. The Fund aims to consistently generate better returns than profit rates offered by Islamic Banks/Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile. The maturity of any single instrument except GOP Ijarah Sukuks cannot exceed six months. GOP Ijarah Sukuks are floating rate Shari'ah compliant securities with six monthly coupon resets. This minimizes pricing risk.

The trading activity in the Corporate Sukuks remained thin with skew towards high quality debt issues with cumulative traded value of around Rs. 12 billion in FY2019 compared to Rs. 10 billion in FY2018. The issuance of government guaranteed energy sector sukuk to the tune of Rs. 200 billion helped the undersupplied market for long-term shari'ah compliant debt instruments. During FY2019, the State Bank of Pakistan (SBP) held six bi-monthly monetary policy reviews. Aiming to curb the surging demand pressures to address the external account woes and addressing the underlying inflationary pressures, the SBP increased the policy rate from 6.50% to 12.25%. Inflation as measured by CPI increased from 5.2% in June 2018 to 8.9% in June 2019 due to upward adjustment in energy and fuel prices, higher imported inflation due to currency devaluation, and unabated government borrowing from the SBP. Inflation is expected to remain on the upward trajectory due to excessive government borrowings, significant increase in perishable food prices, volatility in international oil prices, currency devaluation, trickle down impact of expected upward adjustment in utility tariffs, pass-through of taxes, and second round impact of currency devaluation.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-19	30-Jun-18
GOP Ijara Sukuk/Commercial Paper	32.29%	4.54%
Cash (Cash Equivalents) & Other Assets	64.71%	95.46%
Total	100%	100%

Distribution for the Financial Year 2019

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
June 2019	7.570%	10.7224	10.0154

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND
(FORMERLY; NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



NBP FUNDS
Managing Your Savings

Unit Holding Pattern of NBP Active Allocation Riba Free Savings Fund as on June 30, 2019

Size of Unit Holding (Units)	# of Unit Holders
1000001 - 5000000	1
5000001 - 10000000	4
10000001 - 100000000	3
Total	8

During the period under question

There has been no significant change in the state of affairs of the Fund, other than stated above. NBP Active Allocation Riba Free Savings Fund does not have any soft commission arrangement with any broker in the industry.

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 4.49 million. If the same were not made the NAV per unit/FY19 return of scheme would be higher by Re. 0.0051/0.54%. For details investors are advised to read note 12.1 of the Financial Statement of the Scheme for the year ended June 30, 2019.

STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NBP Active Allocation Riba Free Saving Fund (Formerly; NAFA Active Allocation Riba Free Saving Fund) (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2019. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: August 30, 2019
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer

SHARI'AH ADVISOR REPORT

Report of the Shari'ah Supervisory Board - NBP Active Allocation Riba Free Savings Fund (Formerly; NAFA Active Allocation Riba Free Savings Fund)

August 26, 2019/ Dhu Al-Hijjah 24, 1440

Alhamdulillah, the period from July 1, 2018 to June 30, 2019 was the Fourth year of the operations of NBP Active Allocation Riba Free Savings Fund (NAARFSF). This report is being issued in accordance with clause 3.7 of the Offering Document of the Fund. The scope of the report is to express an opinion on the Shari'ah Compliance of the Fund's activity.

In the capacity of Shari'ah Supervisory Board, we have prescribed criteria and procedure to be followed in ensuring Shari'ah Compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure Shari'ah compliance with the Shari'ah policies & guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of NAARFSF in light of Shari'ah guidelines.
- ii. All the provisions of the scheme and investments made on account of NAARFSF by NBP Funds are Shari'ah Compliant and are in accordance with the criteria established.

On the basis of information provided by the management, nothing has come to our attention that causes us to believe that all the operations of NAARFSF for the year ended June 30, 2019 are not in compliance with the Shari'ah principles.

May Allah bless us with best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and On Behalf of Meezan Bank Limited
Shari'ah Technical Services and Support Provider

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waquar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund) (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)</p> <p>The bank balances and investments constitute the most significant component of the NAV. The bank balances aggregated to Rs 628.317 million and investments of the Fund as at June 30, 2019 amounted to Rs 197.059 million.</p> <p>The existence of bank balances and existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of the key controls for valuation of investments; • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • obtained bank reconciliation statements and tested reconciling items on a sample basis.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 27, 2019

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019 ------(Rupees in '000)-----	2018
Assets			
Bank balances	4	456,962	2,057,150
Investments	5	434,701	98,160
Profit receivable	6	8,735	11,960
Deposits, prepayments and other receivables	7	1,581	1,477
Preliminary expenses and floatation costs	8	310	510
Total assets		902,289	2,169,257
Liabilities			
Payable to NBP Fund Management Limited - the Management Company	9	3,878	3,482
Payable to the Central Depository Company of Pakistan Limited - the Trustee	10	155	218
Payable to the Securities and Exchange Commission of Pakistan	11	1,184	1,208
Accrued expenses and other liabilities	12	5,198	3,210
Total liabilities		10,415	8,118
NET ASSETS		891,874	2,161,139
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		891,874	2,161,139
CONTINGENCIES AND COMMITMENTS	13		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE	14	88,959,816	207,338,305
		----- Rupees -----	
NET ASSET VALUE PER UNIT		10.0256	10.4233

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		------(Rupees in '000)-----	
Income			
Income on GoP Ijara sukuk		5,084	5,240
Income on commercial papers		18,952	1,470
Income on term deposit receipts		6,748	-
Profit on bank deposits		113,838	91,887
Gain on sale of investments - net	5.5	60	-
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	(1,854)	(2,510)
Total income		142,828	96,087
Expenses			
Remuneration of NBP Fund Management Limited - the Management Company	9.1	17,601	20,130
Sindh sales tax on remuneration of the Management Company	9.2	2,288	2,617
Allocated expenses	9.4	1,579	1,610
Remuneration of the Central Depository Company of Pakistan Limited - the Trustee	10.1	2,128	2,215
Sindh sales tax on remuneration of the trustee	10.2	277	288
Annual fees to the Securities and Exchange Commission of Pakistan	11.1	1,184	1,208
Amortisation of preliminary expenses and floatation costs	8	200	200
Settlement and bank charges		104	61
Auditors' remuneration	15	513	323
Annual rating fee		239	197
Shar'iah advisory fee		302	489
Selling and marketing expenses	9.5	4,300	-
Legal and professional charges		63	21
Total operating expenses		30,778	29,359
Net income from operating activities		112,050	66,728
Provision against Sindh Workers' Welfare Fund	12.1	(2,241)	(1,334)
Net profit for the year before taxation		109,809	65,394
Taxation	17	-	-
Net profit for the year after taxation		109,809	65,394
Earnings per unit			
Allocation of net income for the year:			
Net income for the year after taxation		109,809	65,394
Income already paid on units redeemed		(87,989)	35,161
		21,820	30,233
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		21,820	30,233
		21,820	30,233

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- Rupees in '000 -----	
Net profit for the year after taxation	109,809	65,394
Other comprehensive income for the year	-	-
Total comprehensive income for the year	109,809	65,394

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND (FORMERLY; NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000			Rupees in '000		
Net assets at the beginning of the year	2,128,714	32,425	2,161,139	953,270	2,192	955,462
Issue of 191,038,973 units (2018: 371,195,990)						
- Capital value (at net asset value per unit at the beginning of the year)	1,913,334	-	1,913,334	3,717,676	-	3,717,676
- Element of income	52,283	-	52,283	70,814	-	70,814
Total proceeds on issuance of units	1,965,617	-	1,965,617	3,788,490	-	3,788,490
Redemption of units 309,417,462 (2018: 259,256,876)						
- Capital value (at net asset value per unit at the beginning of the year)	(3,098,940)	-	(3,098,940)	(2,596,561)	-	(2,596,561)
- Element of loss	(5,679)	(87,989)	(93,668)	(16,485)	(35,161)	(51,646)
Total payments on redemption of units	(3,104,619)	(87,989)	(3,192,608)	(2,613,046)	(35,161)	(2,648,207)
Total comprehensive income for the year	-	109,809	109,809	-	65,394	65,394
Final cash distribution for the year ended June 30, 2018 @ Re.0.4079 per unit (date of declaration: July 04, 2018)	(54,335)	(30,238)	(84,573)	-	-	-
Interim cash distribution for the year ended June 30, 2019 @ Re.0.7570 per unit (date of declaration: June 24, 2019)	(46,514)	(20,996)	(67,510)	-	-	-
Net assets at end of the year - June 30, 2019	888,863	3,011	891,874	2,128,714	32,425	2,161,139
Undistributed income brought forward						
- Realised		34,935			1,522	
- Unrealised		(2,510)			670	
		32,425			2,192	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		21,820			30,233	
		21,820			30,233	
Final cash distribution @ Re.0.4079 per unit (date of declaration: July 04, 2018)		(30,238)			-	
Interim cash distribution @ Re.0.7570 per unit (date of declaration: June 24, 2019)		(20,996)			-	
Undistributed income carried forward		3,011			32,425	
Undistributed income carried forward						
- Realised income		4,865			34,935	
- Unrealised loss		(1,854)			(2,510)	
		3,011			32,425	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			10.4233			10.0154
Net assets value per unit at end of the year			10.0256			10.4233

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		109,809	65,394
Adjustments for:			
Profit on bank deposits		(113,838)	(91,887)
Income on GoP Ijara sukuk		(5,084)	(5,240)
Income on term deposit receipts		(6,748)	-
Provision against Sindh Workers' Welfare Fund	12.1	2,241	1,334
Amortisation of preliminary expenses and floatation costs	8	200	200
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	1,854	2,510
		(121,375)	(93,083)
Increase in assets			
Deposits, prepayments and other receivables		(104)	(450)
Investments		(218,395)	-
		(218,499)	(450)
Increase / (decrease) in liabilities			
Payable to NBP Fund Management Limited - the Management company		396	(132)
Payable to the Central Depository Company of Pakistan Limited - the Trustee		(63)	48
Payable to the Securities and Exchange Commission of Pakistan		(24)	585
Accrued expenses and other liabilities		(253)	73
		56	574
		(230,009)	(27,565)
Income received on GoP Ijara sukuk		5,345	2,627
Income received on term deposits receipts		6,615	-
Profit received		116,935	88,943
		(101,114)	64,005
Net cash (used in) / generated from operating activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		1,864,768	3,788,490
Net payments against redemption of units		(3,192,608)	(2,648,207)
Distribution paid		(51,234)	-
Net cash (used in) / generated from financing activities		(1,379,074)	1,140,283
Net (decrease) / increase in cash and cash equivalents		(1,480,188)	1,204,288
Cash and cash equivalents at the beginning of the year		2,057,150	852,862
Cash and cash equivalents at the end of the year	20	576,962	2,057,150

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NBP Active Allocation Riba Free Savings Fund (Formerly: NAFA Active Allocation Riba Free Savings Fund) (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on November 03, 2015 between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 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 ended 'Shar'iah Compliant Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009.

The objective of the Fund is to earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shari'ah compliant banks deposits and money market / debt securities.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM1 to the Management Company as at June 30, 2019. The Fund has been rated A-(f) with stable outlook as at June 30, 2019 (June 30, 2018: A-(f))

The title to the assets of the Fund is held in the name of the CDC as the Trustee of the Fund.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year

- 2.2.1** Effective from July 1, 2018, the Fund has adopted IFRS 9: 'Financial Instruments' which has replaced IAS 39: Financial Instruments: recognition and measurement. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced

a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of the ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income (FVOCI) or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognised as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS 9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

2.2.2 There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.3 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective

2.3.1 The following amendments to the published accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

Standards, amendments and interpretations	Effective from (accounting period beginning on or after:)
- IFRS 9 - 'Financial instruments' (amendments)	January 1, 2019
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendments)	January 1, 2020

The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

2.3.2 There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which

form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.3 and 5), provision for Federal Excise Duty (note 9.3) and provision for taxation (notes 3.13 and 17).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the presented financial statements are set out below. These policies have been applied consistently to all the years except for the change in accounting policies as explained in note 2.2.1 to these financial statements.

3.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.3.2 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.3.3 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the income statement.

3.3.7 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

3.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company and distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the distributors receive redemption applications during business hours on that date. The redemption price represents the NAV per unit as on the close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on bank balances is recognised on an accrual basis.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and the Trustee and annual fee of SECP are recognised in the income statement on an accrual basis.

3.13 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed as cash dividend to the unit holders.

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.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) has not been disclosed in these financial statements as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

	Note	2019	2018
		----- Rupees in '000 -----	
4	BANK BALANCES		
	Balances with banks in:		
	Savings accounts	4.1	
		<u>456,962</u>	<u>2,057,150</u>
		<u>456,962</u>	<u>2,057,150</u>

4.1 These include a balance of Rs.129.006 million (2018: Rs. 645.739 million) maintained with BankIslami Pakistan Limited (a related party) that carry profit at 13.5% per annum (2018: 6.5% per annum). Other profit and loss sharing accounts of the Fund carry profit rates ranging from 7.5% to 13.5% per annum (2018: 2.75% to 7.5% per annum).

	Note	2019	2018
		----- Rupees in '000 -----	
5	INVESTMENTS		
	Financial assets at fair value through profit or loss'		
	GoP Ijara Sukuk Certificates	5.1	86,490
	Commercial papers	5.2	228,211
	Term deposit receipt	5.3	120,000
		<u>434,701</u>	<u>98,160</u>

5.1 GoP Ijara Sukuk certificates

(Certificates having a face value of Rs. 5,000 each unless stated otherwise)

Issue date	Coupon rate (%) / Maturity date	As at July 01, 2018	Issue during the year	Disposed of / matured during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
		----- Number of certificates -----			----- Rupees in '000 -----		----- Percentage -----			
June 30, 2017	5.24/ June 30, 2020	20,000	-	2,000	18,000	88,344	86,490	27.48	9.70	0.12%
Total - June 30, 2018						<u>100,670</u>	<u>98,160</u>			

5.2 Commercial papers

These represent Commercial papers of Hascol Petroleum Limited and K-Electric Limited which carry profit at the rate of 12.26% per annum and 11.75% per annum respectively maturing on July 15, 2019 and September 02, 2019 respectively. As at June 30, 2019, Commercial papers represented 25.58% of the total net assets of the Fund. Details of commercial papers are as follows:

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND (FORMERLY; NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



Issue date	Company	Yield (%)	Maturity date	Principal Amount	Income accrued	Carrying Value as at June 30, 2019	Market Value as at June 30, 2019	Commercial paper as a percentage of total investments	Commercial paper as a percentage of net assets
						----- Rupees in '000 -----	----- Percentage -----		
January 15, 2019	Hascol Petroleum Limited	12.26	July 15, 2019	104,638	5,870	110,508	110,508	25.42	12.39
March 01, 2019	K-Electric Limited	11.75	September 02, 2019	113,255	4,448	117,703	117,703	27.08	13.20
Total - June 30, 2019						228,211	228,211		
Total - June 30, 2018						-	-		

5.3 Term deposit receipt

This is maintained with BankIslami Pakistan Limited (a related party), carries profit at the rate of 13.6% (2018: Nil) and maturing on July 29, 2019.

5.4 Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss' - net

	2019	2018
	-----Rupees in '000-----	
Market value of investments	314,701	98,160
Carrying value of investments	316,555	100,670
	<u>(1,854)</u>	<u>(2,510)</u>

5.5 During the year, certain Sukuk certificates were disposed of to Silk Bank Limited at a gain of Rs. 0.06 million.

6 PROFIT RECEIVABLE

	2019	2018
	-----Rupees in '000-----	
Profit accrued on:		
Bank balances	6,236	9,333
Debt securities - GoP Ijara Sukuk Certificates	2,365	2,627
Term deposit receipts	134	-
	<u>8,735</u>	<u>11,960</u>

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax	7.1	1,377	1,377
Prepaid mutual fund rating fee		104	-
Security deposit with the Central Depository Company of Pakistan Limited		100	100
		<u>1,581</u>	<u>1,477</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on debt paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. No. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholdor. The tax withheld on profit on debt amounts to Rs. 1.377 million (2018: Rs. 1.377 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable High Court of Sindh (HCS) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by HCS in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Honourable Supreme Court granted the petitioners leave to appeal from the initial judgement of HCS. Pending resolution of the matter, the amount of withholding tax so deducted has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2019 -----Rupees in '000-----	2018
	At the beginning of the year		510	710
	Less: amortisation during the year	8.1	<u>(200)</u>	<u>(200)</u>
	At the end of the year		<u><u>310</u></u>	<u><u>510</u></u>

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund and are being amortised over a period of five years commencing from January 19, 2016 as per the requirements set out in the Trust Deed of the Fund.

9	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	2019 -----Rupees in '000-----	2018
	Remuneration of the Management Company	9.1	913	1,805
	Sindh sales tax payable on remuneration of the Management Company	9.2	119	235
	Federal excise duty on remuneration of the Management Company	9.3	612	612
	Allocated expenses payable	9.4	447	830
	Selling and marketing expenses	9.5	1,787	-
			<u><u>3,878</u></u>	<u><u>3,482</u></u>

9.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of an income scheme. During the year, the Management Company has changed the rate of charging management remuneration. The Management Company is now charging remuneration at the rate of 12% of net income of the Fund subject to the minimum of 0.5% of average annual net assets and maximum of 1.25% of average annual net assets. Previously, the remuneration was charged at the rate of 2% of the average net assets of the Fund. The changed mechanism is effective from September 10, 2018.

9.2 During the year, an amount of Rs. 2.288 million (2018: Rs 2.617 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011.

9.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honorable Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from January 18, 2016 till June 30, 2016 amounting to Rs 0.612 million (2018: 0.612 million) is being retained in these financial statements of the Fund as the matter is pending before the Honorable Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2019 would have been higher by Re 0.0069 (2018: Re 0.003) per unit.

- 9.4** Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for both the periods i.e. from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 9.5** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund with effect from March 18, 2019 at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

	Note	2019	2018
		-----Rupees in '000-----	
10 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY LIMITED - THE TRUSTEE			
Trustee fee payable	10.1	137	193
Sindh sales tax payable on trustee fee	10.2	18	25
		155	218

- 10.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

- upto Rs 1,000 million 0.17% per annum of net assets
- on an amount from Rs 1,000 million to Rs 5,000 million Rs 1.7 million plus 0.085% per annum of net assets exceeding Rs 1000 million
- on an amount from Rs 1,000 million to Rs 5,000 million Rs 5.1 million plus 0.07% per annum of net assets exceeding

- 10.2** During the year, an amount of Rs 0.277 million (2018: 0.288 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

	Note	2019 -----Rupees in '000-----	2018
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	11.1	<u>1,184</u>	<u>1,208</u>

11.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as a 'Shari'ah compliant income scheme' is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.075% of the average annual net assets of the Fund as annual fee.

	Note	2019 -----Rupees in '000-----	2018
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		357	290
Settlement and bank charges		36	42
Legal fee		8	22
Annual rating fee		-	92
Shari'ah advisor fee payable		298	493
Provision for Sindh Workers Welfare Fund	12.1	4,495	2,254
Withholding tax payable		<u>4</u>	<u>17</u>
		<u>5,198</u>	<u>3,210</u>

12.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from January 18, 2016 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Re. 0.0505 per unit (2018: Re 0.011).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

	2019 -----Number of units-----	2018
14 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	207,338,305	95,399,191
Units issued during the year	191,038,973	371,195,990
Less: units redeemed during the year	309,417,462	259,256,876
Total units in issue at the end of the year	<u>88,959,816</u>	<u>207,338,305</u>

	2019	2018
	-----Rupees in '000-----	
15 AUDITORS' REMUNERATION		
Annual audit fee	297	170
Other certification	38	22
Half yearly review	137	71
Out of pocket expenses	41	60
	<u>513</u>	<u>323</u>

16 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the year ended June 30, 2019 is 2.1% (2018: 1.90%) which includes 0.38% (2018: 0.34%) representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant income scheme'.

17 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% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2019 to the unit holders in cash, no provision for taxation has been made in these financial statements during the year.

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. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on Funds as per Section 4B of the Income Tax Ordinance, 2001.

18 EARNINGS PER UNIT

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

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

19.1 Connected persons include NBP Fund Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and its connected persons, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

19.2 Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

19.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

19.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND (FORMERLY; NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



19.5 Details of transactions with related parties / connected persons are as follows:

	2019	2018
	----- Rupees in '000 -----	
NBP Fund Management Limited - the Management Company		
Remuneration for the year	17,601	20,130
Sindh sales tax on remuneration of Management Company	2,288	2,617
Payment of preliminary expenses and floatation costs	-	1,000
Accounting and operational charges	1,579	1,610
Selling and marketing expenses	4,300	-
NAFA Islamic Active Allocation Fund- I (Plan I)		
Units issued during the year 20,797,109 (2018: 49,394,973)	204,484	502,833
Units redeemed during the year 31,291,259 (2018: 40,624,991)	322,189	415,349
NAFA Islamic Active Allocation Fund- I (Plan II)		
Units issued during the year 17,272,141 (2018: 36,049,057)	170,640	366,250
Units redeemed during the year 31,317,476 (2018: 22,439,273)	324,001	229,824
NAFA Islamic Active Allocation Fund- I (Plan III)		
Units issued during the year 15,666,806 (2018: 69,614,395)	142,023	712,803
Units redeemed during the year 56,507,605 (2018: 28,118,983)	582,251	286,394
NAFA Islamic Active Allocation Fund- I (Plan IV)		
Units issued during the year 31,603,356 (2018: 34,725,920)	309,786	355,116
Units redeemed during the year 52,995,164 (2018: 13,025,073)	543,745	133,214
NAFA Islamic Active Allocation Fund- I (Plan V)		
Units issued during the year 35,199,073 (2018: 65,984,443)	343,715	675,368
Units redeemed during the year 59,335,428 (2018: 59,619,110)	612,311	611,020
NAFA Islamic Active Allocation Fund- II (Plan VI)		
Units issued during the year 16,686,038 (2018: 29,378,328)	162,168	300,956
Units redeemed during the year 28,726,100 (2018: 43,257,652)	297,867	439,286
NAFA Islamic Active Allocation Fund- II (Plan VII)		
Units issued during the year 7,339,444 (2018: 20,393,408)	72,012	206,526
Units redeemed during the year 13,620,272 (2018: 11,869,944)	140,975	120,629
NAFA Islamic Active Allocation Fund- II (Plan VIII)		
Units issued during the year 46,475,006 (2018: 65,655,465)	459,882	668,638
Units redeemed during the year 35,624,157 (2018: 40,301,849)	369,212	412,491
BankIslami Pakistan Limited - common directorship		
Profit income	7,222	21,336
Income from term deposit receipts	6,748	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	2,128	2,215
Sindh sales tax on remuneration of the Trustee	277	288

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND
(FORMERLY; NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



	2019	2018
	----- Rupees in '000 -----	
19.6 Amounts / balances outstanding as at year end:		
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	913	1,805
Sindh sales tax on remuneration of the Management Company	119	235
Federal excise duty on remuneration of the Management Company	612	612
Selling and marketing expenses	1,787	-
Allocated expenses	447	830
NAFA Islamic Active Allocation Fund- I (Plan I)		
Units held 5,904,664 (2018: 16,398,814)	59,198	170,930
NAFA Islamic Active Allocation Fund- I (Plan II)		
Units held 5,187,778 (2018: 19,233,113)	52,011	200,472
NAFA Islamic Active Allocation Fund- I (Plan III)		
Units held 13,057,147 (2018: 53,897,946)	130,906	561,795
NAFA Islamic Active Allocation Fund- I (Plan IV)		
Units held 7,309,627 (2018: 28,701,435)	73,283	299,164
NAFA Islamic Active Allocation Fund- I (Plan V)		
Units held 11,703,344 (2018: 35,839,699)	117,333	373,568
NAFA Islamic Active Allocation Fund- II (Plan VI)		
Units held 7,350,156 (2018: 19,390,218)	73,690	202,110
NAFA Islamic Active Allocation Fund- II (Plan VII)		
Units held 2,242,636 (2018: 8,523,464)	22,484	88,843
NAFA Islamic Active Allocation Fund- II (Plan VIII)		
Units held 36,204,465 (2018: 25,353,616)	362,971	264,268
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable	137	193
Sindh sales tax on remuneration of the Trustee	18	25
Security deposit	100	100
BankIslami Pakistan Limited - common directorship		
Balance with bank including TDR	249,006	645,739
Profit receivable	1,576	1,102
19.7 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.		

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND (FORMERLY; NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



20	CASH AND CASH EQUIVALENTS	Note	2019	2018
			----- Rupees in '000 -----	
	Cash and bank balances	4	456,962	2,057,150
	Term deposit receipts	5	120,000	-
			<u>576,962</u>	<u>2,057,150</u>

21 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Bank balances	456,962	-	456,962
Investments	-	434,701	434,701
Profit receivable	8,735	-	8,735
Deposits and other receivables	100	-	100
	<u>465,797</u>	<u>434,701</u>	<u>900,498</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	-	3,878	3,878
Payable to the Central Depository Company of Pakistan Limited - the Trustee	-	155	155
Accrued expenses and other liabilities	-	699	699
	<u>-</u>	<u>4,732</u>	<u>4,732</u>

Financial assets

Bank balances	2,057,150	-	2,057,150
Investments	-	98,160	98,160
Profit receivable	11,960	-	11,960
Deposits and other receivables	100	-	100
	<u>2,069,210</u>	<u>98,160</u>	<u>2,167,370</u>

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company	-	3,482	3,482
Payable to the Central Depository Company of Pakistan Limited - the Trustee	-	218	218
Accrued expenses and other liabilities	-	939	939
	<u>-</u>	<u>4,639</u>	<u>4,639</u>

----- 2019 -----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		
456,962	-	456,962
-	434,701	434,701
8,735	-	8,735
100	-	100
<u>465,797</u>	<u>434,701</u>	<u>900,498</u>

----- 2019 -----		
At fair value through profit or loss	At amortised cost	Total
----- Rupees in '000 -----		
-	3,878	3,878
-	155	155
-	699	699
<u>-</u>	<u>4,732</u>	<u>4,732</u>

----- 2018 -----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		
2,057,150	-	2,057,150
-	98,160	98,160
11,960	-	11,960
100	-	100
<u>2,069,210</u>	<u>98,160</u>	<u>2,167,370</u>

----- 2018 -----		
At fair value through profit or loss	At amortised cost	Total
----- Rupees in '000 -----		
-	3,482	3,482
-	218	218
-	939	939
<u>-</u>	<u>4,639</u>	<u>4,639</u>

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk, and price risk.

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2019, the Fund is exposed to such risk on its balances held with banks, investment in sukuk certificates and commercial papers. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.927 million (2018: 1.075 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2019, the Fund does hold fixed rate TDRs and Ijara sukuk that may expose the Fund to fair value profit rate risk. However, the same is insignificant due to the short term value of the TDRs so inserted. However, Ijara sukuks value might fluctuate due to change in market rate. In case of 5% increase / decrease in the rate of Ijara sukuks due to change in market rate, the income of the Fund and net asset value would have been higher by Rs. 0.254 million (2018: Rs. 0.273 million) and Re.003 per unit (2018: Re.0.0001)

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2019 can be determined as follows:

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND (FORMERLY; NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



NBP FUNDS
Managing Your Savings

2019					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

Rupees in '000

Financial assets

Bank balances	7.5% - 13.5%	456,962	-	-	-	456,962
Investments	5.24%-12.26%	348,211	86,490	-	-	434,701
Profit receivable		-	-	-	8,735	8,735
Deposits and other receivables		-	-	-	100	100
		805,173	86,490	-	8,835	900,498

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	3,878	3,878
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	155	155
Accrued expenses and other liabilities		-	-	-	699	699
		-	-	-	4,732	4,732

On-balance sheet gap

		805,173	86,490	-	4,103	895,766
--	--	---------	--------	---	-------	---------

Total profit rate sensitivity gap

		805,173	86,490	-		
--	--	---------	--------	---	--	--

Cumulative profit rate sensitivity gap

		805,173	891,663	891,663		
--	--	---------	---------	---------	--	--

2018					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

Rupees in '000

Financial assets

Bank balances	2.75% - 7.50%	2,057,150	-	-	-	2,057,150
Investments		-	-	98,160	-	98,160
Profit receivable		-	-	-	11,960	11,960
Deposits and other receivables		-	-	-	100	100
		2,057,150	-	98,160	12,060	2,167,370

Financial liabilities

Payable to NBP Fund Management Limited - the Management Company		-	-	-	3,482	3,482
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	218	218
Accrued expenses and other liabilities		-	-	-	939	939
		-	-	-	4,639	4,639

On-balance sheet gap

		2,057,150	-	98,160	7,421	2,162,731
--	--	-----------	---	--------	-------	-----------

Total profit rate sensitivity gap

		2,057,150	-	98,160		
--	--	-----------	---	--------	--	--

Cumulative profit rate sensitivity gap

		2,057,150	2,057,150	2,155,310		
--	--	-----------	-----------	-----------	--	--

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2019.

22.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

----- 2019 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees in '000 -----						
Financial assets						
Bank balances	456,962	-	-	-	-	456,962
Investments	230,508	117,703	86,490	-	-	434,701
Profit receivable	8,735	-	-	-	-	8,735
Deposits and other receivables	100	-	-	-	-	100
	696,305	117,703	86,490	-	-	900,498
Financial liabilities						
Payable to NBP Fund Management Limited the Management Company	3,878	-	-	-	-	3,878
Payable to Central Depository Company of Pakistan Limited - the Trustee	155	-	-	-	-	155
Accrued expenses and other liabilities	699	-	-	-	-	699
	4,732	-	-	-	-	4,732
Net assets	691,573	117,703	86,490	-	-	895,766

2018						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees in '000						
Financial assets						
Balances with banks	2,057,150	-	-	-	-	2,057,150
Investments	-	-	98,160	-	-	98,160
Profit receivable	11,960	-	-	-	-	11,960
Deposits, prepayments and other receivables	100	-	-	-	-	100
	2,069,210	-	98,160	-	-	2,167,370
Financial liabilities						
Payable to NBP Fund Management Limited the Management Company	3,482	-	-	-	-	3,482
Payable to Central Depository Company of Pakistan Limited - the Trustee	218	-	-	-	-	218
Accrued expenses and other liabilities	939	-	-	-	-	939
	4,639	-	-	-	-	4,639
Net assets	2,064,571	-	98,160	-	-	2,162,731

22.3 Credit risk

22.3.1 There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments' guidelines approved by the Investment Committee.

22.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, profit accrued thereon, and investments. The credit rating profile of balances with banks and investments are as follows:

Rating	% of financial assets exposed to credit risk	
	2019	2018
AAA	25.37	4.38
AA+*	-	-
AA-	3.04	18.37
A+	18.10	28.38
A-	42.90	43.85
A*	-	-
	89.41	94.98

* Nil due to rounding off difference

23 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair value measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019 and June 30, 2018, the Fund held the following financial instruments measured at fair values:

----- 2019 -----			
	Level 1	Level 2	Level 3
----- Rupees in '000 -----			
Financial assets			
GoP Ijara Sukuk Certificates	-	86,490	-
Commercial papers*	-	228,211	-
Term deposit receipts**	-	120,000	-
	-	434,701	-
----- 2018 -----			
	Level 1	Level 2	Level 3
----- Rupees in '000 -----			
Financial assets			
GoP Ijara Sukuk Certificates	-	98,160	-

* The valuation of commercial papers has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

** The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter party which has credit rating.

24 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' Fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'statement of movement in unit holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

25 UNIT HOLDING PATTERN OF THE FUND

Category	2019			2018		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Associated companies	8	891,874	100.00%	8	2,161,139	100.00%

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	31
Sajjad Anwar	Chief Investment Officer	CFA / MBA	19
Muhammad Ali Bhabha	Head of Fixed Income	CFA / MBA / FRM / MS (CS)	24
Hassan Raza	Head of Research	ACCA / BSC / CFA	8
Taha Khan Javed	Fund Manager	MBA / CFA	13

27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Muhammad Ali Bhabha	Fund Manager	CFA, FRM, MBA &	NIOF, NGSSF, NMMF, NSPF, NGSIF, NFSIF, NIIF, NRFSF, NIMMF, NIF, NAARFSF, NIMAF, NGSP-I
Sajjad Anwar	Fund Manager	CFA / MBA	NISF, NIPF, NPF, NIAAF-III, NIAAF-II, NIAAF-I, NIPPF-II
Taha Khan Javed	Fund Manager	MBA / CFA	NSIF, NBF, NISIF, NSF, NIEF, NARPF, NIAAEF, NFSF

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 68th, 69th, 70th and 71st Board meetings were held on September 15, 2018, October 30, 2018, February 25, 2019 and April 26, 2019, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of director	Number of meetings			Meetings not attended
	Held / Applicable	Attended	Leave granted	
Mudassir Husain Khan [note 28.1]	2	1	1	69th
Tariq Jamali [note 28.2]	2	-	2	68th and 69th
Abdul Hadi Palekar	4	3	1	70th
Foo Chiah Chiung (Kelvin Foo) [note 28.3]	2	1	1	69th
Kamal Amir Chinoy	4	3	1	70th
Shehryar Faruque	4	3	1	68th
Hamayun Bashir	4	4	-	-
Wajahat Rasul Khan [note 28.4]	2	2	-	-
Amjad Waheed	4	4	-	-
Shaikh Muhammad Abdul Wahid Sethi [note 28.5]	2	2	-	-
Nasir Husain [note 28.5]	2	2	-	-
Ali Saigol [note 28.5]	2	2	-	-
Imran Zaffar [note 28.5]	2	2	-	-



- 28.1 Mr. Mudassir Husain Khan resigned from the Board with effect from October 12, 2018
- 28.2 Mr. Tariq Jamali resigned from the Board with effect from October 12, 2018
- 28.3 Mr. Foo Chiah Chiung (Dr. Kelvin Foo) resigned from the Board with effect from October 08, 2018
- 28.4 Mr. Wajahat Rasul Khan resigned from the Board with effect from October 08, 2018
- 28.5 Mr. Shaikh Muhammad Abdul Wahid Sethi, Mr. Nasir Husain, Mr. Ali Saigol and Mr. Imran Zaffar were appointed as directors on Board with effect from December 17, 2018

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 30, 2019.

30 GENERAL

Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



PERFORMANCE TABLE

Particulars	For the year ended June 30, 2019	For the year ended June 30, 2018	For the year ended June 30, 2017	For the year ended June 30, 2016
Net assets at the year / period ended (Rs '000)	891,874	2,161,139	955,462	997,307
Net income for the year / period ended (Rs '000)	109,809	65,394	37,667	7,571
Net Asset Value per unit at the year / period ended (Rs)	10.0256	10.4233	10.0154	10.0157
Offer Price per unit	-	-	-	-
Redemption Price per unit	10.0256	10.4233	10.0154	10.0157
Ex - Highest offer price per unit (Rs.)	-	-	-	-
Ex - Lowest offer price per unit (Rs.)	-	-	-	-
Ex - Highest redemption price per unit (Rs.)	10.0256	10.4233	10.0154	10.0096
Ex - Lowest redemption price per unit (Rs.)	9.3154	10.0154	9.6673	9.8229
Fiscal Year Opening Ex Nav	9.3116	10.0154	9.6456	9.8218
Total return of the fund	7.67%	4.07%	3.83%	1.97%
Capital growth	0.11%	0.00%	0.10%	-0.10%
Income distribution as % of Ex nav	7.56%	4.07%	3.73%	2.08%
Income distribution as % of Par nav	7.57%	4.08%	3.60%	2.04%
Distribution				
Interim distribution per unit	0.7570		0.3602	0.1816
Final distribution per unit		0.4079	-	0.0226
Distribution Dates				
Interim	24-June-2019			29-Jun-16
Final		4-Jul-18	19-Jun-17	23-Sep-16
Average annual return of the fund (launch date January 18, 2016)				
(Since inception to June 30, 2019)	5.08%			
(Since inception to June 30, 2018)		4.04%		
(Since inception to June 30, 2017)			4.02%	
(Since inception to June 30, 2016)				4.39%
Portfolio Composition (Please see Fund Manager Report)				
Weighted average portfolio duration	48 Days	31 Days	106 Days	1 Day
<i>Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up</i>				

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Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

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