

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND



QUARTERLY REPORT
MARCH 31, 2020



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.**



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION	14

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	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

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
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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of NBP Active Allocation Riba Free Savings Fund (NAARFSF) (Formerly; NAFA Active Allocation Riba Free Savings Fund) (NAARFSF) for the period ended March 31, 2020.

Fund's Performance

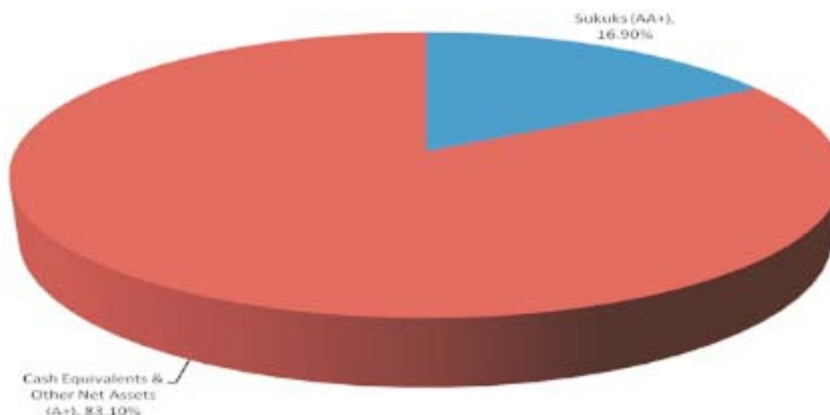
The size of NBP Active Allocation Riba Free Savings Fund has decreased from Rs. 892 million to Rs. 107 million during the period (i.e. a drop of 88%). During the period, the unit price of the Fund has increased from Rs. 10.0256 on June 30, 2019 to Rs. 10.8670 on March 31, 2020, thus showing return of 11.1% as compared to the benchmark return of 6.3% for the same period. The performance of the Fund is net of management fee and all other expenses. The Fund has been assigned a stability rating of 'A- (f)' by PACRA.

NAARFSF is an Islamic Income Scheme. The Fund aims to consistently generate a better return than profit rates offer by Islamic by Islamic banks/Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is allowed to invest in Shariah Compliant Government Securities of maturity upto 3 years as well as Shariah Compliant money market and debt securities of upto 2 years maturity rated AA- or better.

During the period under review, the market witnessed issuance of a decent size of corporate sukuku and Shariah Compliant commercial papers to meet the increasing funding need for fixed capital investments and working capital, respectively. In the secondary market, the trading activity in corporate sukuku remained around Rs. 19 billion compared to Rs. 9 billion, during the same period last year.

During 9MFY20, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings. In its first meeting in July 2019, the Policy Rate was increased by 100bps to 13.25% with the objective to curtail inflationary pressure. Thenceforth the central bank maintained tight monetary policy stance and left the key benchmark rate unchanged in the subsequent three MPC meetings. In its meeting on March 17th, 2020 and again on March 24th, 2020 the SBP slashed the Policy Rate by a cumulative 225bps to 11%; owing to improved inflation outlook, sharp fall in the global oil prices, and economic fallout from the Coronavirus pandemic.

The Fund has earned a total income of Rs. 40.27 million during the period. After deducting total expenses of Rs. 8.14 million, the net income is Rs. 32.13 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NAARFSF.



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: April 27, 2020
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2020 کو ختم ہونے والی نو ماہی کے لئے NBP ایکٹو ایلوکیشن ربا فری سیونگ فنڈ (NAARFSF) (سابقہ: NAFA) ایکٹو ایلوکیشن ربا فری سیونگ فنڈ کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

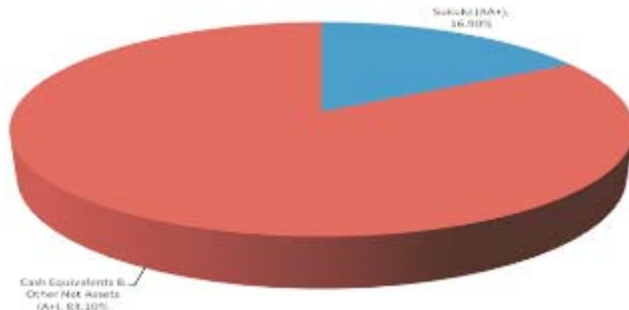
NBP ایکٹو ایلوکیشن ربا فری سیونگ فنڈ (NAARFSF) کا سائز اس مدت کے دوران 892 ملین روپے سے کم ہو کر 107 ملین روپے ہو گیا ہے یعنی 88% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کی یونٹ قیمت 30 جون 2019 کو 10.0256 روپے (EX-Div) سے بڑھ کر 31 مارچ 2020 کو 10.8670 روپے تک پہنچ گئی ہے، لہذا اسی مدت کے دوران 6.3% نیچ مارک منافع کے مقابلے میں 11.1% منافع درج کروایا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کی طرف سے A-(f) کی مستحکم ریٹنگ دی گئی ہے۔

NAARFSF ایک اسلامک انکم اسکیم ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تو اتار سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرتا ہے۔ فنڈ AA یا بالا درجہ کی 3 سالوں تک میچورٹی کی شریعہ کمپلیٹ گورنمنٹ سیکورٹیز اور شریعہ کمپلیٹ منی مارکیٹ میں اور 2 سالوں تک میچورٹی کی ڈیٹ سیکورٹیز میں سرمایہ کاری کی اجازت دیتا ہے۔

زیر جائزہ مدت کے دوران، مارکیٹ میں بالترتیب فکسڈ کمپنیل سرمایہ کاری اور ورکنگ سرمایہ کے لئے بڑھتی ہوئی فنڈنگ کی ضروریات کو پورا کرنے کے لئے کارپوریٹ سکوک اور شریعہ کمپلیٹ کمرشل پیپرز کے ایک معقول سائز کے اجراء کا مشاہدہ کیا گیا۔ ثانوی مارکیٹ میں، کارپوریٹ سکوک میں تجارت 19 بلین روپے رہی جو کہ گذشتہ سال کی اسی مدت کے دوران 9 بلین روپے تھی۔

مالی سال 2020 کی نو ماہی میں اسٹیٹ بینک آف پاکستان نے چھ ماہی پالیسی کمیٹی (MPC) کے اجلاس طلب کئے۔ افراط زر کو قابو کرنے کے لئے SBP نے جولائی 2019ء میں منعقدہ ماہی پالیسی کے اپنے پہلے اجلاس میں پالیسی کی شرح کو 100bps سے بڑھا کر 13.25 فی صد کر دیا۔ اس کے بعد مرکزی بینک نے سخت معاشی پالیسی کا موقف برقرار رکھا اور اس کے بعد ہونے والی تین MPC اجلاسوں میں کلیدی معیار تبدیل نہیں کیا۔ 17 مارچ، 2020 کو اور پھر 24 مارچ، 2020 کو اپنے اجلاس میں اسٹیٹ بینک نے افراط زر کی صورتحال میں بہتری، تیل کی عالمی قیمتوں میں تیزی سے کمی اور کورونا وائرس وبائی مرض سے معاشی خرابی کی وجہ سے پالیسی کی شرح میں بحساب 225bps سے کمی کر کے مجموعی طور پر 11 فی صد کر دیا۔

فنڈ نے موجودہ مدت کے دوران 40.27 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 8.14 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 32.13 بلین روپے ہے۔ درج ذیل چارٹ NAARFSF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





اظہار شکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میٹجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکر یہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ڈسٹریبیوٹرز 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 فنڈ میٹجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اپریل 2020ء

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2020

	(Un-audited) March 31, 2020	(Audited) June 30, 2019
ASSETS	Note	Rupees in '000
Balances with banks	4	
Investments		
Profit receivable		
Prepayments and other receivables		
Preliminary expenses and floatation costs		
Total assets		
LIABILITIES		
Payable to the Management Company		
Payable to the Central Depository Company of Pakistan Limited - Trustee		
Payable to the Securities and Exchange Commission of Pakistan		
Accrued expenses and other liabilities		
Total liabilities		
NET ASSETS		
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		
CONTINGENCIES AND COMMITMENTS	7	
		Number of units
NUMBER OF UNITS IN ISSUE		
		Rupees
NET ASSET VALUE PER UNIT		

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020

	Nine Months Ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
Note	------(Rupees in '000)-----		------(Rupees in '000)-----	
INCOME				
Profit on balances with banks and term deposit	33,489	100,274	5,705	13,218
Income on GoP Ijarah Sukuk	1,699	3,908	672	1,266
Income on Commercial Paper	6,066	12,435	1,059	6,570
Income on term deposit receipts				
Net (loss) / gain on sale of investments	(981)	60	-	60
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss' - net	4.1	-	621	-
Total income	40,273	117,298	7,436	21,685
EXPENSES				
Remuneration of Management Limited	3,343	14,773	597	2,257
Sindh Sales Tax on remuneration of the Management Company	435	1,921	78	294
Accounting and operational charges	310	1,336	53	204
Remuneration of the Trustee	232	1,728	40	337
Sindh Sales Tax on remuneration of the Trustee	30	225	5	44
Annual fee of the Securities and Exchange Commission of Pakistan	62	1,002	11	153
Amortisation of preliminary expenses and floatation costs	150	150	49	49
Auditors' remuneration	464	413	143	90
Legal and professional charges	56	51	13	17
Mutual fund rating fee	157	226	53	110
Brokerage charges	9		-	
Shariah advisor fee	64	229	23	46
Selling and marketing expense	9	2,089	372	815
Settlement and bank charges	87	102	29	40
Total operating expenses	7,488	25,484	1,466	4,456
Net income from operating activities	32,785	91,814	5,970	17,229
Provision For Sindh Workers' Welfare Fund	5	(656)	(1,836)	(120)
Net income for the period before taxation	32,129	89,978	5,850	16,885
Taxation	8	-	-	-
Net income for the period after taxation	32,129	89,978	5,850	16,885
Allocation of net income for the period				
Net income for the period after taxation	32,129	89,978	-	-
Income already paid on units redeemed	(30,115)	(71,600)	-	-
	2,014	18,378	-	-
Accounting income available for distribution				
- Relating to capital gains	-	(184)	-	-
- Excluding capital gains	2,014	18,562	-	-
	2,014	18,378	-	-

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020

	Nine Months Ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
	------(Rupees in '000)-----		------(Rupees in '000)-----	
Net income for the period after taxation	32,129	89,978	5,850	16,885
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>32,129</u>	<u>89,978</u>	<u>5,850</u>	<u>16,885</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Nine Months Ended March 31, 2020			Nine Months Ended March 31, 2019		
	(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period (audited)	888,863	3,011	891,874	2,128,714	32,425	2,161,139
Issuance of 24,657,565 units (2019: 123,891,174 units)						
- Capital value (at net asset value per unit at the beginning of the period)	247,207	-	247,207	1,240,821	-	1,240,821
- Element of income	14,191	-	14,191	21,479	-	21,479
Total proceeds on issuance of units	261,398	-	261,398	1,262,300	-	1,262,300
Redemption of 103,815,930 units (2019: 261,584,605 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,040,817)	-	(1,040,817)	(2,619,874)	-	(2,619,874)
- Element of loss	(7,957)	(30,115)	(38,072)	(1,320)	(71,600)	(72,920)
Total payments on redemption of units	(1,048,774)	(30,115)	(1,078,889)	(2,335,500)	(71,600)	(2,692,794)
Total comprehensive income for the period	-	32,129	32,129	-	89,978	89,978
Final Distribution @Rs0.4079 declared July 04, 2018				(54,335)	(30,238)	(84,573)
Net income for the period less distribution	-	32,129	32,129	(54,335)	59,740	5,405
Net assets at end of the period (un-audited)	101,487	5,025	106,512	1,001,179	20,565	736,050
Undistributed income brought forward						
- Realised income		4,865			34,935	
- Unrealised income		(1,854)			(2,510)	
		3,011			32,425	
Accounting income available for distribution						
- Relating to capital gains		-			(184)	
- Excluding capital gains		2,014			18,562	
		2,014			18,378	
Distribution during the period		-			(30,238)	
Undistributed income carried forward		5,025			20,565	
Undistributed income carried forward						
- Realised income		5,025			19,944	
- Unrealised loss		-			621	
		5,025			20,565	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			10.0256			10.0154
Net assets value per unit at end of the period			10.8670			10.3036

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Nine Months Ended March 31,	
	2020	2019
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	32,129	89,978
Adjustments:		
Loss / (gain) on sale of investments - net	981	(60)
Unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss' - net	-	(621)
Amortisation of preliminary expenses and floatation costs	150	150
	33,260	89,447
Decrease / (Increase) in assets		
Profit receivable	6,216	5,521
Investments	415,720	(211,879)
Prepayments and other receivables	104	-
	422,040	(206,358)
Increase / (Decrease) in liabilities		
Payable to Management company	(2,630)	(981)
Payable to the Trustee	(141)	(86)
Payable to the Securities and Exchange Commission of Pakistan	(1,122)	(206)
Accrued expenses and other liabilities	581	1,590
	(3,312)	317
Net cash generated from / (used in) operating activities	451,988	(116,594)
CASH FLOWS FROM FINANCING ACTIVITIES		
Total proceeds on issuance of units	261,398	1,207,965
Total payments on redemption of units	(1,078,889)	(2,692,794)
Distributions paid	-	(30,238)
Net cash used in financing activities	(817,491)	(1,515,067)
Net decrease in cash and cash equivalents during the period	(365,503)	(1,631,661)
Cash and cash equivalents at the beginning of the period	456,962	2,057,150
Cash and cash equivalents at the end of the period	91,459	425,489

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

1 LEGAL STATUS AND NATURE OF BUSINESS

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 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 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 "Shari'ah Compliant Income Scheme" by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from January 19, 2016 and are transferable and redeemable by surrendering them to the Fund.

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 bank deposits and money market / debt securities.

The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

International Accounting Standard (IAS) 34, 'Interim Financial Reporting', 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 with the requirements of IAS 34, 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.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2020.

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 accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

3.2 There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2019 that have a material effect on the financial statements of the Fund.

4 INVESTMENTS	Note	(Un-Audited)	(Audited)
		March 31, 2020	June 30, 2019
Rupees in '000			
Financial assets 'at fair value through profit or loss' - net			
GoP Ijarah Sukuk Certificates	4.1	18,000	86,490
Commercial Papers		-	228,211
Term deposit receipt		-	120,000
		<u>18,000</u>	<u>434,701</u>

4.1 Government Securities - GoP Ijarah Sukuk

Name of the investee company	Issue date	Coupon rate / tenor	Number of certificates				Market value as at March 31, 2020	Investment as a percentage	
			As at July 1st 2019	Purchased during the period	Matured during the period	As at March 31, 2020		Net assets	Market value of total investment
Hub Power Company Limited	November 21, 2019	14.99% May 21, 2020	-	180	-	180	18,000	9.05	25.23
Carrying value as at Mar 31, 2020							<u>18,000</u>		
Unrealised Loss on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net as at Mar 31, 2020							<u>-</u>		

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, being prudent, recognised provision for SWWF amounting to Rs.5.151 million for the period ended March 31, 2020 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2020 would have been higher by Rs. 0.5255 per unit (June 30, 2019: Rs. 0.0505 per unit).

6 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2020 is 2.65% (2019: 2.05%) which includes 0.39% (2019: 0.37%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant income scheme'.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2020 or June 30, 2019.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

9 Selling and Marketing Expenses

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.7% per annum of the net assets of the Fund.

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

10.1 Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, Funds under management of the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

10.2 Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

10.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

10.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

	(Un-Audited)	
	Nine months ended	
	March 31, 2020	March 31, 2019
	Rupees in '000	
10.5 Details of transactions with connected persons are as follows:		
NBP Fund Management Limited		
- Management Company		
Remuneration of the Management Company	3,343	14,773
Sindh sales tax on remuneration of the Management Company	435	1,921
Accounting and operational charges	310	1,336
Selling and Marketing Expenses	2,089	3,328
NAFA Islamic Active Allocation Fund-I (Plan I)		
Units issued during the period 1,212,510 units (2019: 13,577,663 units)	12,736	134,177
Units redeemed during the period 6,227,020 units (2019: 23,202,429 units)	64,497	239,623
NAFA Islamic Active Allocation Fund-I (Plan II)		
Units issued during the period 46,923 units (2019: 12,080,327 units)	505	118,849
Units redeemed during the period 4,395,439 units (2019: 28,118,833 units)	45,657	290,009
NAFA Islamic Active Allocation Fund-I (Plan III)		
Units issued during the period 2,632,274 units (2019: 10,257,881 units)	27,972	90,961
Units redeemed during the period 13,845,090 units (2019: 51,695,387 units)	144,112	530,883
NAFA Islamic Active Allocation Fund- I (Plan IV)		
Units issued during the period 3,035,996 units (2019: 22,445,449 units)	32,373	220,215
Units redeemed during the period 9,023,059 units (2019: 41,257,095 units)	94,630	423,418
NAFA Islamic Active Allocation Fund-I (Plan V)		
Units issued during the period 6,969,973 units (2019: 28,919,252 units)	73,595	283,568
Units redeemed during the period 17,075,979 units (2019: 52,461,614 units)	177,845	539,562
NAFA Islamic Active Allocation Fund-II (Plan VI)		
Units issued during the period 5,932,288 units (2019: 12,887,910 units)	63,115	125,991
Units redeemed during the period 11,987,595 units (2019: 23,200,086 units)	126,023	239,463
NAFA Islamic Active Allocation Fund- II (Plan VII)		
Units issued during the period 1,513,327 units (2019: 5,649,746 units)	15,560	55,543
Units redeemed during the period 3,349,533 units (2019: 11,180,536 units)	34,914	115,204
NAFA Islamic Active Allocation Fund- II (Plan VIII)		
Units issued during the period 3,314,274 units (2019: 18,072,946 units)	35,542	178,660
Units redeemed during the period 37,912,215 units (2019: 30,468,624 units)	391,211	314,633
NBP ISLAMIC DAILY DIVIDEND FUND (Fund under Management Company)		
Selling of Commercial Paper	29,395	-
The Hub Power Company (Common Directorship with Management Co.) *		
Purchase of Sukuk Certificate	18,000	-
Income From Sukuk	976	-
Bank Islami Pakistan Limited (Common Directorship with Management Co.)		
Profit on Savings account	9,057	3,174
Profit on Term deposit receipt	6,318	-
Placement of Term deposit receipt	446,000	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	232	1,728
Sindh sales tax on remuneration of Trustee	30	225
Settlement charges	3	6

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



	Un-audited March 31, 2020	Audited June 30, 2019
	----- Rupees in '000 -----	
10.6 Amounts / balances outstanding as at period end:		
NBP Fund Management Limited		
- Management Company		
Remuneration of the Management Company	186	913
Sindh sales tax on remuneration of the Management Company	24	119
Federal excise duty on remuneration of the Management Company	612	612
Selling and Marketing Expenses	372	1,787
Accounting and operational charges	54	447
NAFA Islamic Active Allocation Fund - I (Plan I)		
Units held 890,155 units (June 30, 2019 :5,904,664 units)	9,673	59,198
NAFA Islamic Active Allocation Fund - I (Plan II)		
Units held 839,261 units (June 30, 2019: 5,187,778 units)	9,120	52,011
NAFA Islamic Active Allocation Fund - I (Plan III)		
Units held 1,844,331 units (June 30, 2019: 13,057,147 units)	20,042	130,906
NAFA Islamic Active Allocation Fund - I (Plan IV)		
Units held 1,322,564 units (June 30, 2019: 7,309,627 units)	14,372	73,283
NAFA Islamic Active Allocation Fund - I (Plan V)		
Units held 1,597,337 units (June 30, 2019 : 11,703,344 units)	17,358	117,333
NAFA Islamic Active Allocation Fund - II (Plan VI)		
Units held 1,294,849 units (June 30, 2019 : 7,350,156 units)	14,071	73,690
NAFA Islamic Active Allocation Fund - II (Plan VII)		
Units held 406,430 units (June 30, 2019 : 2,242,636 units)	4,417	22,484
NAFA Islamic Active Allocation Fund - II (Plan VIII)		
Units held 1,606,524 units (June 30, 2019 : 36,204,465 units)	17,458	362,971
The Hub Power Company (Common Directorship with Management Co.) *		
Sukuk certificates held	18,000	-
Accrued markup from Sukuk	296	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	13	137
Sindh sales tax on remuneration of Trustee	2	18
Security Deposit	100	100
Settlement charges payable	5	9
BankIslami Pakistan Limited - common directorship		
Balance with bank including TDR	42,812	249,006
Profit receivable	976	1,576

* Prior period balances with these parties have not been disclosed as they were not connected persons / related parties at prior mentioned dates.

11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 27, 2020 .

12 GENERAL

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

12.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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