



**NBP FUNDS**

*Managing Your Savings*

Islamic Savings

اعتماد  
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اسلامک سیوننگ

## NAFA ISLAMIC INCOME FUND

**QUARTERLY  
REPORT  
SEPTEMBER  
30, 2018**



## 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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# NAFA ISLAMIC INCOME FUND

## FUND'S INFORMATION

### Management Company

#### **NBP Fund Management Limited - Management Company**

#### **Board of Directors of the Management Company**

|                                   |                         |
|-----------------------------------|-------------------------|
| Mr. Mudassir Husain Khan          | Chairman                |
| Dr. Amjad Waheed                  | Chief Executive Officer |
| Mr. Tariq Jamali                  | Director                |
| Mr. Abdul Hadi Palekar            | Director                |
| Mr. Kamal Amir Chinoy             | Director                |
| Mr. Shehryar Faruque              | Director                |
| Dr. Foo Chiah Shiung (Kelvin Foo) | Director                |
| Mr. Humayun Bashir                | Director                |
| Mr. Wajahat Rasul Khan            | Director                |

#### **Company Secretary & COO**

Mr. Muhammad Murtaza Ali

#### **Chief Financial Officer**

Mr. Khalid Mehmood

#### **Audit & Risk Committee**

|                                   |          |
|-----------------------------------|----------|
| Mr. Shehryar Faruque              | Chairman |
| Mr. Tariq Jamali                  | Member   |
| Dr. Foo Chiah Shiung (Kelvin Foo) | Member   |
| Mr. Humayun Bashir                | Member   |

#### **Human Resource and Remuneration Committee**

|                        |          |
|------------------------|----------|
| Mr. Kamal Amir Chinoy  | Chairman |
| Mr. Abdul Hadi Palekar | Member   |
| Mr. Humayun Bashir     | Member   |

#### **Strategy & Business Planning Committee**

|                                   |          |
|-----------------------------------|----------|
| Mr. Humayun Bashir                | Chairman |
| Mr. Tariq Jamali                  | Member   |
| Mr. Shehryar Faruque              | Member   |
| Dr. Foo Chiah Shiung (Kelvin Foo) | Member   |

#### **Trustee**

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

#### **Bankers to the Fund**

Al-Baraka Bank (Pakistan) Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Dubai Islamic Bank Limited  
National Bank of Pakistan  
Silk Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
Habib Bank Limited  
Bank Islami Pakistan Limited  
Sindh Bank Limited  
Summit Bank Limited  
United Bank Limited  
JS Bank Limited  
Habib Metropolitan Bank Limited  
Soneri Bank Limited  
Allied Bank Limited

# NAFA ISLAMIC INCOME FUND

## **Auditors**

Deloitte Yousuf Adil  
Chartered Accountants  
Cavish Court,  
A-35, Block 7 & 8,  
KCHSU, Sharae Faisal  
Karachi-75350 Pakistan

## **Legal Advisor**

M/s Jooma Law Associates  
205, E.I. Lines, Dr. Daudpota Road,  
Karachi.

## **Head Office:**

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

Plot No. 395, 396  
Industrial Area, I-9/3 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-a-Gahi, Multan.  
Phone No: 061-4502204  
Fax No: 061-4502203

# NAFA ISLAMIC INCOME FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NAFA Islamic Income Fund (NIIF)** for the quarter ended September 30, 2018.

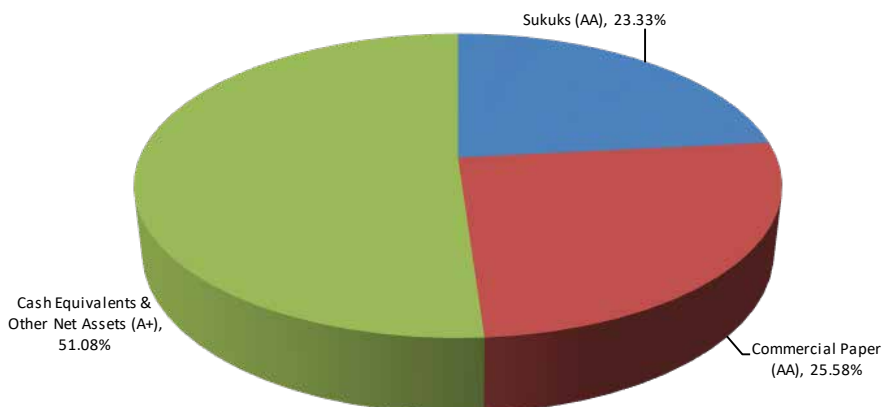
### Fund's Performance

The size of NAFA Islamic Income Fund has decreased from Rs. 3,775 million to Rs. 3,094 million during the quarter, i.e. a decrease of 18%. During the period under review, the unit price of the Fund has increased from Rs. 9.5037 (Ex-Div) on June 30, 2018 to Rs. 9.6473 on September 30, 2018; thus posting a return of 6.0% as compared to its Benchmark return of 2.7%. The performance of the Fund is net of management fee and all other expenses.

NIIF is categorized as Islamic Income Scheme and has been awarded stability rating of A- (f) by PACRA. During the period under review, the SBP hiked the discount rate by 200 basis points to 9% driven by upside risks to inflation and to rein in demand pressures to address ballooning current account deficit coupled with dwindling FX reserves. Average CPI inflation increased to 5.6% in Jul-Sep FY19 compared to 3.4% during the same period last year owing to increased international oil prices & its pass-through impact, higher regulatory duty on imports, depreciating Pak rupee, and excessive reliance of the government on the banking system for fiscal financing amid shrinking Net Foreign Assets (NFA). Given potential upside risks to inflation and interest rates, investors' preference remained tilted towards short-term government securities as indicated by heavy participation in 3-month T-bills. The sovereign securities responded to the hike in the policy rates, as the yield curve witnessed an upward shift with yield on short-term T-Bills increasing by 136-142 basis points, whereas 3-year, 5-year, and 10-year PIBs yields moved up by 98 basis points, 77 basis points, and 102 basis points, respectively.

During the period, trading activity in corporate TFCs/Sukuks increased albeit from a low level with a cumulative trade value of around Rs. 3.8 billion as compared to Rs. 2.4 billion in the same period last year with Corporate Sukuk sector making up the lion's share.

The Fund has earned a total income of Rs. 64.79 million during the year. After deducting total expenses of Rs.11.97 million, the net income is Rs.52.82 million. The asset allocation of NAFA Financial Sector Income Fund as on September 30, 2018 is as follows:



# NAFA ISLAMIC INCOME FUND

## 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: October 30, 2018

Place: Karachi.

## ڈائریکٹرز رپورٹ

این بی پی فنڈ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز INAFSA اسلامک انکم فنڈ (NIIF) کی 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے لیے کنڈیٹنڈ غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

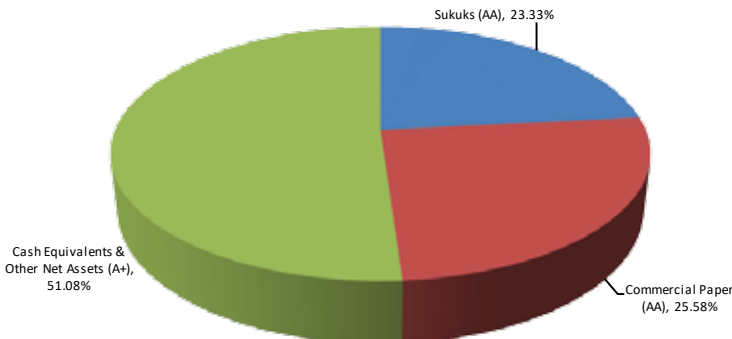
### فنڈ کی کارکردگی

INAFSA اسلامک انکم فنڈ (NIIF) کا سائز اس سہ ماہی کے دوران 3,775 ملین روپے سے کم ہو کر 3,094 ملین روپے ہو گیا ہے، یعنی تقریباً 18% کی کمی۔ زیر جائزہ مدت کے دوران INAFSA اسلامک انکم فنڈ کے یونٹ کی قیمت 30 جون 2018 کو 9.5037 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2018 کو 9.6473 روپے ہو چکی ہے، اور اس طرح فنڈ نے اپنے نیچ مارک منافع 2.7% کے مقابلے میں 6.0% کا اضافہ دکھایا ہے۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد حاصل ہے۔

NIIF کی وجہ بند ہی بلور ایک اسلامک انکم اسکیم کی گئی ہے اور اسے PACRA کی طرف سے (f)-A کی مستحکم ریٹنگ دی گئی ہے۔ زیر جائزہ مدت کے دوران بڑھتے ہوئے اکاؤنٹ کے خسارے کی روک تھام کے لئے افراط زر میں خدشات کے پیش نظر اور زرمبادلہ کے زخاڑ میں کمی کے باعث اسٹیٹ بینک آف پاکستان نے پالیسی کی شرح 200 بیس پوائنٹ اضافے کے ساتھ 9% کر دی۔ جولائی۔ ستمبر مہینوں میں 19 سالہ وسطی CPI افراط زر میں 5.6% کا اضافہ ہوا جب کہ اس کے مقابلے میں گزشتہ سال اسی مدت میں 3.4% کا اضافہ ہوا تھا اس کی وجہ بین الاقوامی تیل کی قیمتوں میں اضافہ اور اس کے اثرات، درآمدات پر ریگولیٹری ڈیوٹی میں اضافہ، پاکستانی روپے کی قدر میں کمی اور خالص غیر ملکی اثاثہ جات میں کمی کے ساتھ ساتھ مالی فنانسنگ کے لئے حکومت کا بینکنگ کے شعبہ پر بہت زیادہ انحصار کرنا تھا۔ افراط زر کے خدشات اور شرح سود میں اضافہ کے پیش نظر سرمایہ کاروں نے حکومت کی قبیل المدت سیکورٹیز کو ترجیح دی جس کا اندازہ 3-month ٹی بلز میں ان کی بھاری تعداد میں شرکت سے ہوتا ہے۔ پالیسی کی شرح میں اضافہ سے بڑی سیکورٹیز پر نمایاں اثر پڑا اور قبیل المدت ٹی بلز کے نتائج میں 142-136 بیس پوائنٹ کا اضافہ ہوا جبکہ 3 سال، 5 سال اور 10 سال کے PIBs میں بالترتیب 98 بیس پوائنٹ، 77 بیس پوائنٹ اور 102 بیس پوائنٹ کا اضافہ ہوا۔

اس مدت میں کارپوریٹ ٹیکس TFCs اسٹاک میں تجارتی سرگرمیوں کی چٹائی سطح میں اضافہ ہوا اور مجموعی تجارتی قیمت اس سال تقریباً 3.8 بلین روپے ہو گئی جبکہ گزشتہ سال یہ 2.4 بلین روپے تھی جو کہ کارپوریٹ ٹیکس کے شعبہ میں سب سے برا حصہ ہے۔

فنڈ نے اس سال کے دوران 64.79 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 11.97 بلین روپے اخراجات منہا کرنے کے بعد خالص آمدنی 52.82 بلین روپے ہے۔ INAFSA اسلامک انکم فنڈ کی ایلیکشن 30 ستمبر 2018 کو مطابق ذیل ہے:



# NAFA ISLAMIC INCOME FUND

## اظہار تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجنت کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایڈاپٹیشن کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہار تشکر کرتا ہے۔

بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ منجنت لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

13 اکتوبر 2018ء

مقام: کراچی

# NAFA ISLAMIC INCOME FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2018

|                                                           | Un-Audited<br>September 30,<br>2018 | Audited<br>June 30, 2018  |
|-----------------------------------------------------------|-------------------------------------|---------------------------|
| Note                                                      | (Rupees in '000)                    |                           |
| <b>ASSETS</b>                                             |                                     |                           |
| Balances with banks                                       | 1,577,088                           | 3,109,290                 |
| Investments                                               | 4 1,513,682                         | 657,638                   |
| Profit receivable                                         | 5 24,394                            | 32,592                    |
| Advances, deposits, prepayments and other receivables     | 1,392                               | 1,292                     |
| <b>Total assets</b>                                       | <b>3,116,556</b>                    | <b>3,800,812</b>          |
| <b>LIABILITIES</b>                                        |                                     |                           |
| Payable to Management Company                             | 4,868                               | 7,289                     |
| Payable to Trustee                                        | 342                                 | 411                       |
| Payable to Securities and Exchange Commission of Pakistan | 669                                 | 3,214                     |
| Accrued expenses and other liabilities                    | 6 16,379                            | 14,583                    |
| <b>Total liabilities</b>                                  | <b>22,258</b>                       | <b>25,497</b>             |
| <b>Net Assets</b>                                         | <b><u>3,094,298</u></b>             | <b><u>3,775,315</u></b>   |
| <b>Unit Holders' Funds (as per statement attached)</b>    | <b><u>3,094,298</u></b>             | <b><u>3,775,315</u></b>   |
| <b>Commitments</b>                                        | 14 -                                | -                         |
|                                                           | <b>Number of units</b>              |                           |
| <b>Number of units in issue</b>                           | <b><u>320,741,802</u></b>           | <b><u>377,833,783</u></b> |
|                                                           | <b>Rupees</b>                       |                           |
| <b>Net asset value per unit</b>                           | <b><u>9.6473</u></b>                | <b><u>9.9920</u></b>      |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC INCOME FUND

## CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

|                                                                                                           | Note | Quarter<br>Ended<br>September 30,<br>2018 | Quarter<br>Ended<br>September 30,<br>2017 |
|-----------------------------------------------------------------------------------------------------------|------|-------------------------------------------|-------------------------------------------|
| (Rupees in '000)                                                                                          |      |                                           |                                           |
| <b>INCOME</b>                                                                                             |      |                                           |                                           |
| Income from sukuk, ijarah bonds                                                                           |      | 13,691                                    | 7,789                                     |
| Income from certificates of musharika                                                                     |      | 10,683                                    | 1,270                                     |
| Profit on bank deposits                                                                                   |      | 47,535                                    | 51,486                                    |
| Net (loss) on sale of investment                                                                          |      | (1,410)                                   | -                                         |
| Net unrealised (diminution) in the value of investments carried<br>'at fair value through profit or loss' |      | (5,708)                                   | (3,418)                                   |
| <b>Total Income</b>                                                                                       |      | <u>64,791</u>                             | <u>57,127</u>                             |
| <b>EXPENSES</b>                                                                                           |      |                                           |                                           |
| Remuneration of the Management Company                                                                    |      | 6,089                                     | 5,613                                     |
| Sindh Sales Tax on Management Fee                                                                         |      | 792                                       | 730                                       |
| Accounting and operational charges to the Management Company                                              |      | 892                                       | 1,028                                     |
| Selling and Marketing Expenses                                                                            |      | 763                                       | -                                         |
| Remuneration of the Trustee                                                                               |      | 973                                       | 1,088                                     |
| Sindh Sales Tax on Trustee Fee                                                                            |      | 126                                       | 141                                       |
| Annual fee - Securities and Exchange Commission of Pakistan                                               |      | 669                                       | 771                                       |
| Settlement and bank charges                                                                               |      | 153                                       | 92                                        |
| Annual listing fee                                                                                        |      | 34                                        | 14                                        |
| Auditors' remuneration                                                                                    |      | 170                                       | 83                                        |
| Printing Expense                                                                                          |      | 25                                        | -                                         |
| Rating Fee                                                                                                |      | 78                                        | 78                                        |
| Shariah Advisor Fee                                                                                       |      | 124                                       | 106                                       |
| Legal and Professional Charges                                                                            |      | -                                         | 13                                        |
| <b>Total Expenses</b>                                                                                     |      | <u>10,888</u>                             | <u>9,757</u>                              |
| <b>Net income from operating activities</b>                                                               |      | <u>53,903</u>                             | <u>47,370</u>                             |
| Provision for sindh workers' welfare fund                                                                 | 7    | (1,078)                                   | (947)                                     |
| <b>Net income for the period before taxation</b>                                                          |      | <u>52,825</u>                             | <u>46,423</u>                             |
| Taxation                                                                                                  | 10   | -                                         | -                                         |
| <b>Net income for the period after taxation</b>                                                           |      | <u>52,825</u>                             | <u>46,423</u>                             |
| <b>Earning per unit</b>                                                                                   | 8    |                                           |                                           |
| <b>Allocation of Net income for the period:</b>                                                           |      |                                           |                                           |
| Income already paid on units redeemed                                                                     |      | (10,226)                                  | (7,627)                                   |
| Accounting income available for distribution:                                                             |      |                                           |                                           |
| - Relating to Capital Gains                                                                               |      | -                                         | (2,856)                                   |
| - Excluding Capital Gains                                                                                 |      | 42,599                                    | 41,652                                    |
|                                                                                                           |      | <u>42,599</u>                             | <u>38,796</u>                             |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For NBP Fund Management Limited  
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC INCOME FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

|                                                  | Quarter<br>Ended<br>September 30,<br>2018 | Quarter<br>Ended<br>September 30,<br>2017 |
|--------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Note                                             | (Rupees in '000)                          |                                           |
| Accounting income available for distribution:    | 52,825                                    | 46,423                                    |
| <b>Other comprehensive income</b>                |                                           |                                           |
| <b>Total comprehensive income for the period</b> | <u>52,825</u>                             | <u>46,423</u>                             |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC INCOME FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

|                                                                                          | Quarter Ended September 30, 2018 |                |                  | Quarter Ended September 30, 2017 |               |                  |
|------------------------------------------------------------------------------------------|----------------------------------|----------------|------------------|----------------------------------|---------------|------------------|
|                                                                                          | (Rupees in '000)                 |                |                  |                                  |               |                  |
| Net assets at the beginning of the period                                                | 3,617,979                        | 157,336        | 3,775,315        | 4,823,948                        | 52,229        | 4,876,177        |
| Issuance of 95,106,901 including 8,040,592 additional units<br>(2017: 250,710,239 units) |                                  |                |                  |                                  |               |                  |
| - Capital Value                                                                          | 827,453                          |                | 827,453          | 2,382,625                        |               | 2,382,625        |
| - Refund of Capital                                                                      | 76,415                           |                | 76,415           | -                                |               | -                |
| - Element of income                                                                      | 4,046                            | -              | 4,046            | 13,899                           |               | 13,899           |
| Total proceeds on issuance of units                                                      | 907,914                          | -              | 907,914          | 2,396,524                        |               | 2,396,524        |
| Redemption of 152,198,881 units (2017: 312,426,431 units)                                |                                  |                |                  |                                  |               |                  |
| - Capital Value                                                                          | (1,446,453)                      | -              | (1,446,453)      | (2,969,145)                      |               | (2,969,145)      |
| - Element of loss                                                                        | (584)                            | (10,226)       | (10,810)         | (11,422)                         |               | (11,422)         |
| Total payments on redemption of units                                                    | (1,447,037)                      | (10,226)       | (1,457,263)      | (2,980,567)                      |               | (2,980,567)      |
| Total comprehensive income for the period                                                |                                  | 52,825         | 52,825           | 46,423                           |               | 46,423           |
| <b>Final Distribution @ Rs.0.4883 declared on July 04, 2018</b>                          |                                  |                |                  |                                  |               |                  |
| - Cash Distribution                                                                      | -                                | (108,078)      | (108,078)        | (3,015)                          |               | (3,015)          |
| - Refund of Capital                                                                      | (76,415)                         | -              | (76,415)         | -                                |               | -                |
|                                                                                          | (76,415)                         | (108,078)      | (184,493)        |                                  |               |                  |
| Net assets at the end of the period                                                      | <u>3,002,441</u>                 | <u>91,857</u>  | <u>3,094,298</u> | <u>4,239,905</u>                 | <u>95,637</u> | <u>4,335,542</u> |
| <b>Accumulated income brought forward</b>                                                |                                  |                |                  |                                  |               |                  |
| - Realised income                                                                        |                                  | 164,604        |                  | 49,278                           |               |                  |
| - Unrealised income                                                                      |                                  | (7,268)        |                  | 2,951                            |               |                  |
|                                                                                          |                                  | <u>157,336</u> |                  | <u>52,229</u>                    |               |                  |
| Accounting income available for distribution for the period:                             |                                  |                |                  |                                  |               |                  |
| - Relating to Capital Gains                                                              |                                  | -              |                  |                                  |               |                  |
| - Excluding Capital Gains                                                                |                                  | 42,599         |                  |                                  |               |                  |
|                                                                                          |                                  | <u>42,599</u>  |                  | <u>46,423</u>                    |               |                  |
| - Cash distribution                                                                      |                                  | (108,078)      |                  | (3,015)                          |               |                  |
| Undistributed carried forward                                                            |                                  | <u>91,857</u>  |                  | <u>95,637</u>                    |               |                  |
| <b>Undistributed income comprising of :</b>                                              |                                  |                |                  |                                  |               |                  |
| - Realised income                                                                        |                                  | 97,565         |                  | 99,055                           |               |                  |
| - Unrealised income                                                                      |                                  | (5,708)        |                  | (3,418)                          |               |                  |
|                                                                                          |                                  | <u>91,857</u>  |                  | <u>95,637</u>                    |               |                  |
| Net Asset Value per unit at beginning of the period                                      |                                  | <u>9.9920</u>  |                  | <u>9.5103</u>                    |               |                  |
| Net Asset Value per unit at quarter end                                                  |                                  | <u>9.6473</u>  |                  | <u>9.6130</u>                    |               |                  |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC INCOME FUND

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

| Note                                                                                                      | Quarter<br>Ended<br>September 30,<br>2018 | Quarter<br>Ended<br>September 30,<br>2017 |
|-----------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                                                           | (Rupees in '000)                          |                                           |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                |                                           |                                           |
| Net income for the period                                                                                 | 52,825                                    | 46,423                                    |
| <b>Adjustments</b>                                                                                        |                                           |                                           |
| Gain on sale of investments                                                                               | 1,410                                     | -                                         |
| Net unrealised appreciation in the value of investments carried<br>'at fair value through profit or loss' | 5,708                                     | 3,418                                     |
|                                                                                                           | <u>59,943</u>                             | <u>49,841</u>                             |
| <b>decrease / (increase) in assets</b>                                                                    |                                           |                                           |
| Investments                                                                                               | (863,162)                                 | (298,999)                                 |
| Profit receivable                                                                                         | 8,198                                     | (9,242)                                   |
| Advances, deposits, prepayments and other receivables                                                     | (100)                                     | (186)                                     |
|                                                                                                           | (855,064)                                 | (308,427)                                 |
| <b>Increase / (decrease) in liabilities</b>                                                               |                                           |                                           |
| Payable to Management Company                                                                             | (2,421)                                   | (879)                                     |
| Payable to Trustee                                                                                        | (69)                                      | 94                                        |
| Payable to Securities and Exchange Commission of Pakistan                                                 | (2,545)                                   | (1,333)                                   |
| Accrued expenses and other liabilities                                                                    | 1,796                                     | (3,883)                                   |
|                                                                                                           | (3,239)                                   | (6,001)                                   |
| <b>Net cash generated from operating activities</b>                                                       | <u>(798,360)</u>                          | <u>(264,587)</u>                          |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                                                |                                           |                                           |
| Receipts from issue of units                                                                              | 831,499                                   | 2,653,591                                 |
| Payments on redemption of units                                                                           | (1,457,263)                               | (2,990,167)                               |
| Distributions paid                                                                                        | (108,078)                                 | (527)                                     |
| <b>Net cash generated from financing activities</b>                                                       | (733,842)                                 | (337,103)                                 |
| <b>Net increase in cash and cash equivalents during the period</b>                                        | <u>(1,532,202)</u>                        | <u>(601,690)</u>                          |
| Cash and cash equivalents at the beginning of the period                                                  | 3,109,290                                 | 4,210,904                                 |
| <b>Cash and cash equivalents at the end of the period</b>                                                 | <u>1,577,088</u>                          | <u>3,609,214</u>                          |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For NBP Fund Management Limited  
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

# NAFA ISLAMIC INCOME FUND

## NOTES TO AND FORMING PART OF THIS CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Income Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 20, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 17, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Deed was amended through first supplemental trust deed executed for the change of name and categorisation of the Fund as shariah-compliant aggressive fixed income scheme as per the criteria for categorization of open end collective investment scheme as specified by SECP and other allied matters. CDC retired as the Trustee of the Fund and MCB Financial Services Limited (MCBFSL) was appointed as the new Trustee with effect from November 22, 2011. The SECP approved the appointment of MCBFSL as the Trustee in place of CDC on November 15, 2011. Accordingly, the Trust Deed of the Fund was revised through a supplemental Trust Deed executed between the Management Company, CDC and MCBFSL. Thereafter, on July 17, 2014 CDC was re-appointed as the new Trustee of the Fund, after MCBFSL retired on prior day.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

The Fund is an open-ended mutual fund and classified as shariah compliant "income" scheme by the Management Company and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to provide preservation of capital and earn a reasonable rate of return. The principal activity of the Fund is to make investments in Shariah compliant securities, having a good credit rating and liquidity subject to the guidelines prescribed by SECP.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and has assigned stability rating of 'A-(f)' to the Fund.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

### 2 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 (IFRS) 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 VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

# NAFA ISLAMIC INCOME FUND

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and 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.

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

### 3 SUMMARY OF ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these unaudited condensed interim financial statements are the same as those applied in the Fund's annual audited financial statements for the year ended June 30, 2018.

#### IFRS 9: Financial Instruments ("IFRS 9"):

Effective July 1, 2018, the Fund adopted IFRS 9, which sets out requirements for recognition and measurement, impairment, derecognition, and general hedge accounting. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. This standard also requires the use of a single impairment method as opposed to the multiple methods in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Impairment of financial assets is based on an expected credit loss ("ECL") model under IFRS 9, rather than the incurred loss model under IAS 39. However, SECP vide its letter to MUFAP dated November 21, 2017 relaxed the applicability of IFRS 9 impairment requirements for debt securities on mutual funds and deferred it till further instructions. The standard also adds guidance on the classification and measurement of financial liabilities.

There was no material impact of transition to IFRS 9 on the Fund's financial position at July 1, 2018.

|                                                              | Note | (Un-Audited)<br>September 30,<br>2018 | (Audited)<br>June 30,<br>2018 |
|--------------------------------------------------------------|------|---------------------------------------|-------------------------------|
| (Rupees in '000)                                             |      |                                       |                               |
| <b>4 INVESTMENTS</b>                                         |      |                                       |                               |
| <b>At fair value through profit or loss - (Reclassified)</b> |      |                                       |                               |
| Sukuk and Ijara bonds                                        | 4.1  | -                                     | -                             |
| <b>At fair value through profit or loss -</b>                |      |                                       |                               |
| Sukuk and Ijara bonds                                        | 4.2  | 722,037                               | 657,638                       |
| <b>At fair value through profit or loss - (Reclassified)</b> |      |                                       |                               |
| Commercial Paper                                             | 4.3  | 791,645                               | -                             |
|                                                              |      | <u>1,513,682</u>                      | <u>657,638</u>                |

#### 4.1 Sukuk and Ijara bonds - At fair value through profit or loss (FVTPL)

| Name of the investee company                                                    | Number of bonds       |                                   |                                               |                                | Market value<br>as at<br>September<br>30, 2018 | Investment as a percentage of |                                            |               |
|---------------------------------------------------------------------------------|-----------------------|-----------------------------------|-----------------------------------------------|--------------------------------|------------------------------------------------|-------------------------------|--------------------------------------------|---------------|
|                                                                                 | As at July<br>1, 2018 | Purchases<br>during the<br>period | Sales /<br>matured<br>during<br>the<br>period | As at<br>September<br>30, 2018 |                                                | Net<br>assets                 | Market<br>value of<br>total<br>investments | Issue<br>size |
| New Allied Electronics Industries (Private)<br>Limited-1st issue (note 4.1.2.1) | 352,000               | -                                 | -                                             | 352,000                        | -                                              | -                             | -                                          | 14.67         |
| New Allied Electronics Industries (Private)<br>Limited-2nd issue (note 4.1.2.1) | 1,000                 | -                                 | -                                             | 1,000                          | -                                              | -                             | -                                          | 0.65          |
|                                                                                 | <u>353,000</u>        | <u>-</u>                          | <u>-</u>                                      | <u>353,000</u>                 | <u>-</u>                                       | <u>-</u>                      | <u>-</u>                                   |               |

Carrying Value as at September 30, 2018

114,905

Accumulated Impairment

114,905

4.1.1 All sukuk bonds have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics (Private) Limited - 1st issue which have a face value of Rs 312.5.

4.1.2.1 These represent investments in privately placed Term Finance Certificates and Sukuk bonds of the investee company. These investments have been fully provided.

4.1.2.2 This represents investment in privately placed sukuk bonds. On 27 December 2011 i.e. the scheduled redemption date, profit redemption of Rs. 0.563 million was not received by the Fund. The amount of provision required as per SECP circular no. 01 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

# NAFA ISLAMIC INCOME FUND

## 4.2 Sukuk and Ijara bonds - At fair value through profit or loss (FVTPL)

| Name of the investee company             | Number of bonds    |                             |                                   |                          | Market value as at September 30, 2018 | Investment as a percentage of |                                   |            |
|------------------------------------------|--------------------|-----------------------------|-----------------------------------|--------------------------|---------------------------------------|-------------------------------|-----------------------------------|------------|
|                                          | As at July 1, 2018 | Purchases during the period | Sales / matured during the period | As at September 30, 2018 |                                       | Net assets                    | Market value of total investments | Issue size |
|                                          |                    |                             |                                   |                          | Rupees in '000                        |                               | -----%                            |            |
| K-Electric Limited - AZM Sukuk (5 years) | 5,200              | -                           | -                                 | 5,200                    | 26,210                                | 0.85                          | 1.73                              | 1.78%      |
| Dubai Islamic Bank Limited - Sukuk       | 129                | -                           | -                                 | 129                      | 131,413                               | 4.25                          | 8.68                              | 3.28%      |
| Pak Electron Limited - Sukuk             | 105                | -                           | -                                 | 105                      | 105,000                               | 3.39                          | 6.94                              | 2.45%      |
| Engro Fertilizer Limited - Sukuk         | -                  | 38,700                      | -                                 | 38,700                   | 68,134                                | 2.20                          | 4.50                              |            |
| Shakarganj Foods - Sukuk                 | -                  | 100                         | -                                 | 100                      | 100,000                               | 3.23                          | 6.61                              |            |
| GOPIS-XVI                                | 1,000              | -                           | -                                 | 1,000                    | 99,680                                | 3.22                          | 6.59                              | 0.09%      |
| GOPIS-XIX                                | 3,000              | -                           | 1,000                             | 2,000                    | 191,600                               | 6.19                          | 12.66                             | 0.42%      |
| <b>Total - September 30, 2018</b>        | <b>9,434</b>       | <b>38,800</b>               | <b>1,000</b>                      | <b>47,234</b>            | <b>722,037</b>                        | <b>23.33</b>                  | <b>47.70</b>                      |            |

Carrying Value as at September 30, 2018

727,745

4.2.1 All sukuk bonds have a face value of Rs 5,000 each except for GOP Ijara Sukuks which have face value of Rs. 100,000 each.

4.3 This represents investment in commercial papers of Hascol Petroleum and K-Electric invested @8.21% and 8.25% respectively.

|                                                               | Note | Un-Audited<br>September<br>30, 2018 | Audited<br>June 30, 2018 |
|---------------------------------------------------------------|------|-------------------------------------|--------------------------|
|                                                               |      | (Rupees in '000)                    |                          |
| <b>5 PROFIT RECEIVABLE</b>                                    |      |                                     |                          |
| Profit on savings deposits                                    |      | 13,227                              | 19,538                   |
| Income accrued on sukuk bonds - net                           |      | 11,167                              | 82                       |
| Income accrued on government securities                       |      | -                                   | 12,972                   |
|                                                               |      | <u>24,394</u>                       | <u>32,592</u>            |
| <b>6 ACCRUED EXPENSES AND OTHER LIABILITIES</b>               |      |                                     |                          |
| Auditors' remuneration                                        |      | 153                                 | 479                      |
| Bank charges payable                                          |      | 17                                  | 54                       |
| Payable to brokers                                            |      | 66                                  | 22                       |
| Provision for Sindh Workers' Welfare Fund                     |      | 7,984                               | 6,905                    |
| Federal Excise Duty on remuneration of the Management Company |      | 3,955                               | 3,955                    |
| Printing charges payable                                      |      | 118                                 | 100                      |
| Legal Fee                                                     |      | 49                                  | 49                       |
| Settlement Charges                                            |      | 1                                   | 5                        |
| Withholding tax                                               |      | 1,822                               | 34                       |
| Capital gain tax                                              |      | 1,186                               | 1,921                    |
| Shariah Advisor Fee                                           |      | 618                                 | 494                      |
| Others                                                        |      | 410                                 | 565                      |
|                                                               |      | <u>16,379</u>                       | <u>14,583</u>            |
| <b>7 PROVISION FOR SINDH WORKERS' WELFARE FUND</b>            |      |                                     |                          |

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 the 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, the 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).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

# NAFA ISLAMIC INCOME FUND

As at September 30, 2018, the provision in relation to SWWF amounted to Rs. 7.984 million (September 30, 2017: Rs. 3.481 million). Had the provision not being made, the net asset value per unit as at September 30, 2018 would have been higher by Rs.0.0249 per unit (September 30, 2017: Rs. 0.0077) per unit.

## 8 EARNING PER UNIT

Earning per unit (EPU) for the quarter ended September 30, 2018 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

## 9 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 1.34% p.a. including 0.30% representing government levies on collective Investment scheme such as Sales tax, Sindh Worker's Welfare Fund and Securities & Exchange Commission of Pakistan fee for the period.

## 10 TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). The Fund intends to distribute such accounting income for the year ended June 30, 2019 to its unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

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

## 11 Selling and Marketing Expense

The SECP through its Circular No. SCD/PRDD/Circular/394/2018 (Circular No. 5 of 2018) dated 04 June 2018 allowed charging selling and marketing expenses to all categories of mutual funds (except fund of funds and money market funds) through amendments in condition numbers 1, 3(a) & 3(b) of Circular No. SCD/PRDD/Circular/361/2016 (Circular No. 40 of 2016) for charging of selling and marketing expenses to Collective Investment Scheme managed by Asset Management Companies (AMC).

Based on the requirements to fulfil for charging selling and marketing expense, the Management Company has started accruing the expense to the Fund at the rate of 0.4% per annum of the average annual net assets of the Fund w.e.f 10 September 2018.

## 12 DETAILS OF NON-COMPLIANT INVESTMENTS

The Securities and Exchange Commission of Pakistan vide Circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to categorize funds under their management on the basis of criteria laid down in the Circular. The Board has approved the category of the fund as 'income scheme'.

The SECP vide Circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non-compliant investments :

| Name of Non-compliant investment                             | Non-compliance of Clause                                                                            | Type of Investment | Value of Investment before Provision | Provision held, if any | Value of Investment after | % of net assets | % of gross assets |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------|--------------------------------------|------------------------|---------------------------|-----------------|-------------------|
| New Allied Electronics Industries (Private)Limited - Sukuk 1 | Rating is below investment grade as prescribed in clause 9(v) of the Annexure of Circular 7 of 2009 | Sukus (5.2)        | 110,000                              | (110,000)              | -                         | -               | -                 |
| New Allied Electronics Industries (Private)Limited - Sukuk 2 | Rating is below investment grade as prescribed in clause 9(v) of the Annexure of Circular 7 of 2009 | Sukus (5.2)        | 4,905                                | (4,905)                | -                         | -               | -                 |
| Total carrying value                                         |                                                                                                     |                    | 114,905                              | (114,905)              |                           |                 |                   |

12.1 At the time of purchase, these sukus were in compliance with the aforementioned Circular. However, they either subsequently defaulted or were downgraded to non investment grade.

## 13 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Alexandra Fund Management Pte. Limited being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

# NAFA ISLAMIC INCOME FUND

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

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.

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

|                                                                                        | Quarter<br>Ended<br>September<br>30, 2018 | Quarter<br>Ended<br>September<br>30, 2017 |
|----------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                                        | (Rupees in '000)                          |                                           |
| <b>13.1 Details of the transactions with connected persons are as follows:</b>         |                                           |                                           |
| <b>NBP Fund Management Limited - Management Company</b>                                |                                           |                                           |
| Management fee expense for the period                                                  | 6,089                                     | 5,613                                     |
| Sindh Sales Tax on Management Fee                                                      | 792                                       | 730                                       |
| Reimbursement of operational expenses                                                  | 892                                       | 1,028                                     |
| Front end load for the period                                                          | 573                                       | 468                                       |
| Selling & Marketing expenses                                                           | 763                                       | -                                         |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>                        |                                           |                                           |
| Trustee fee expense for the period                                                     | 973                                       | 1,088                                     |
| Sindh Sales Tax on Trustee Fee                                                         | 126                                       | 141                                       |
| CDS charges                                                                            |                                           | 46                                        |
| <b>Alexandra Fund Management Pte. Limited - Sponsor</b>                                |                                           |                                           |
| Units redeemed / transferred out NIL units (September 30, 2017: 5,969,262 units)       | -                                         | 56,795                                    |
| <b>Mr. Khalid Mehmood - CFO</b>                                                        |                                           |                                           |
| Units issued / transferred in 58 units (September 30, 2017: 312,120 units)             | 1                                         | 3,000                                     |
| <b>Akhuwat (Portfolio managed by the Management Company)</b>                           |                                           |                                           |
| Units issued : NIL (2017: Dividend Re-invest 2,305 units)                              | -                                         | 22                                        |
| <b>Employees of the Management Company</b>                                             |                                           |                                           |
| Dividend Re-invest units issued 40,360 (September 30, 2017: 2,983 Units)               | 384                                       | 29                                        |
| Units issued / transferred in 3,663,577 units (September 30, 2017: 5,374,048 units)    | 32,999                                    | 51,455                                    |
| Units redeemed / transferred out 2,502,235 units (September 30, 2017: 2,453,888 units) | 23,893                                    | 23,444                                    |

|  | (Un-Audited)<br>As at<br>September<br>30, 2018 | (Audited)<br>As at June 30,<br>2018 |
|--|------------------------------------------------|-------------------------------------|
|  | (Rupees in '000)                               |                                     |

## 13.2 Amounts outstanding as at quarter end

### NBP Fund Management Limited - Management Company

|                                                              |       |       |
|--------------------------------------------------------------|-------|-------|
| Management fee payable                                       | 1,639 | 2,263 |
| Sindh Sales Tax payable on Management Fee                    | 213   | 294   |
| Sindh Sales Tax and Federal Excise Duty on sales load        | 788   | 935   |
| Front end load                                               | 573   | 1,705 |
| Accounting and operational charges to the Management Company | 892   | 2,092 |
| Selling & Marketing payable                                  | 763   | -     |

### Central Depository Company of Pakistan Limited

|                         |     |     |
|-------------------------|-----|-----|
| Remuneration payable    | 303 | 363 |
| Sindh Sales Tax payable | 39  | 48  |
| Security deposits       | 100 | 100 |

# NAFA ISLAMIC INCOME FUND

|                                                                       | (Un-Audited)<br>As at<br>September<br>30, 2018 | (Audited)<br>As at June 30,<br>2018 |
|-----------------------------------------------------------------------|------------------------------------------------|-------------------------------------|
|                                                                       | (Rupees in '000)                               |                                     |
| <b>National Bank of Pakistan - Sponsor</b>                            |                                                |                                     |
| Balance in account                                                    | 2,191                                          | 4,760                               |
| <b>Employees of Management Company</b>                                |                                                |                                     |
| Investment held by the executives in the Fund                         |                                                |                                     |
| 6,368,528 units;( June 30, 2018:5,166,826 units)                      | 61,439                                         | 51,627                              |
| <b>Mr. Khalid Mehmood - CFO</b>                                       |                                                |                                     |
| Investment held in the Fund 1,747 units: (June 30, 2018: 1,669 units) | 17                                             | 16                                  |
| <b>Bank Islami Pakistan Limited (Common Directorship)</b>             |                                                |                                     |
| Balance in savings accounts                                           | 4,312                                          | 255,283                             |
| Mark-up receiveable on bank balance                                   | 86                                             | 1,171                               |
| <b>Summit Bank ( Common Directorship with the Management Company)</b> |                                                |                                     |
| Balance in current accounts                                           | 4,661                                          | 5,984                               |

## 14 COMMITMENTS

There were no commitments as on September 30, 2018 and June 30, 2018.

## 15 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2018.

## 16 GENERAL

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

16.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation. Except mentioned in Note no. 3, no significant rearrangement or reclassification was made in these condensed interim financial statements during the current period.

**For NBP Fund Management Limited  
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

## Head Office

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

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