



NBP FUNDS

Managing Your Savings

Islamic Savings

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اسلامک سیوننگ

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY 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.

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 THE CONDENSED INTERIM FINANCIAL STATEMENTS	14

Contents

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY 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 Shakra-e-Faisal, Karachi.

Bankers to the Fund

Bank Islami Pakistan Limited
Habib Bank Limited
United Bank Limited
Dubai Islamic Bank Limited
Silk Bank Limited
Al Baraka Bank Limited

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

Auditors

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

Legal Advisor

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

Head Office:

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

DIRECTORS' REPORT

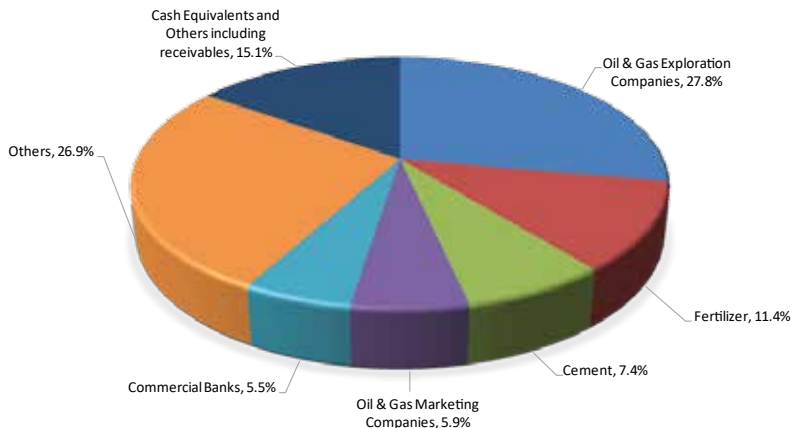
The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited condensed financial statements of NAFA Islamic Active Allocation Equity Fund (NIAAEF) for the quarter ended September 30, 2018.

Fund's Performance

The size of NAFA Islamic Active Allocation Equity Fund (NIAAEF) at the end of the period stood at Rs. 1,196 million, 37% lower than at June 30, 2018. During the period, the unit price of NAFA Islamic Active Allocation Equity Fund has decreased from Rs. 11.3425 on June 30, 2018 to Rs. 11.1717 on September 30, 2018, thus showing a decrease of 1.51%. The Benchmark, KMI-30 Index decreased by 2.57% during the same period. Thus, the Fund has outperformed its Benchmark by 1.06% during the period under review. Since inception the NAV of the Fund has increased from Rs. 8.5497 (Ex-Div) on January 18, 2016 to Rs. 11.1717 on September 30, 2018, thus showing an increase of 30.67%. During the said period, the Benchmark increased by 32.56%, translating into underperformance of 1.89%. This performance is net of management fee and all other expenses.

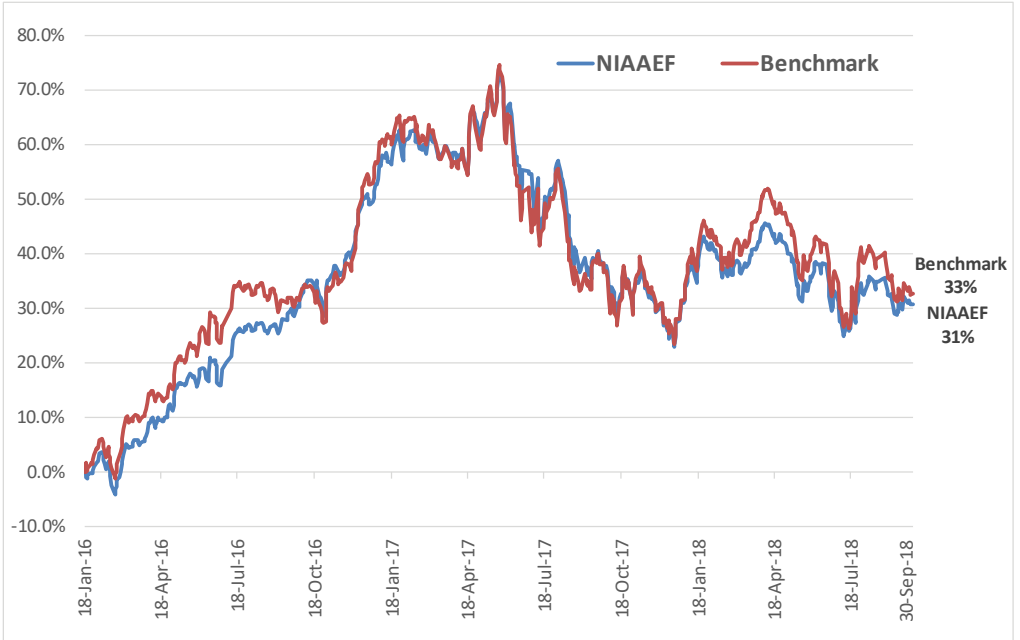
Amid amplified volatility, the stock market struggled during 1QFY2019 as the benchmark KMI-30 Index witnessed a decline of 2.6%. Lackluster performance of the stock market is primarily attributable to continued concerns on the twin deficits issue (Current Account Deficit & Fiscal Deficit) facing economy. The market started the quarter under review on a negative note on the expectation of hung parliament in the general elections and associated policy dysfunction in the wake of difficult economic backdrop. However, initially, the market celebrated the outcome of elections with a decent recovery of 6.4% in the three trading sessions as Imran Khan's Pakistan Teheek-e-Insaf emerged as the largest party at the center with majority in Punjab and KPK provinces and significant gains in Sindh and Baluchistan provinces that put to rest uncertainty in the domestic politics. However, the rally at the local bourse proved short lived as the entire focus of investors shifted to the multifaceted challenges confronting economy. Corporate announcements with mixed showing also failed to provide a catalyst to the market. Moreover, driven by upside risks to inflation and to rein in demand pressures to address ballooning current account deficit coupled with dwindling FX reserves, the SBP hiked the discount rate by 200 bps to 9%. Foreigners remained net sellers on the local bourse during the quarter with net outflow of USD 189 million which was absorbed mainly by Insurance companies and Individuals. Sell-offs were witnessed in the Emerging Markets such as Turkey and Argentina with high foreign debt and large current account deficit in the wake of rising US interest rates and strengthening US dollar.

The Fund has incurred loss of Rs.39.18 million during the period. After accounting for expenses of Rs.11.68 million, the net loss is Rs.50.87 million. The asset allocation of the Fund as on September 30, 2018 is as follows:



NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

NIAAEF Performance versus Benchmark (Since Inception)



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

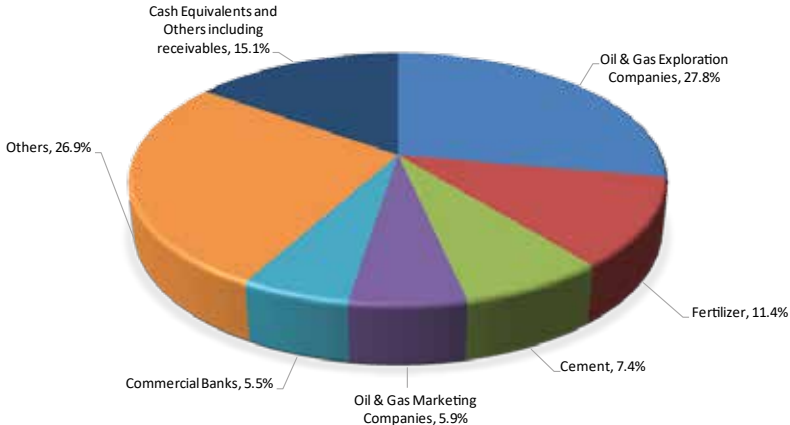
این بی پی فنڈ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NAFA اسلامک ایکٹیو ایلوکیشن ایکویٹی فنڈ (NIAAEF) کی 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے لیے کنڈینڈ غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

NAFA اسلامک ایکٹیو ایلوکیشن ایکویٹی فنڈ (NIAAEF) کا سائز اس مدت کے اختتام پر 1,196 ملین روپے ہو گیا، جو 30 جون 2018 کے مقابلے میں 37% کی کمی ہوئی۔ اس سال کے دوران NAFA اسلامک ایکٹیو ایلوکیشن ایکویٹی فنڈ کے پونڈ کی قیمت 30 جون 2018 کو 11.3425 کو روپے (Ex-Div) سے کم ہو کر 30 جون 2018 کو 11.1717 کو روپے ہو چکی ہے، یعنی 1.51% کی کمی۔ اسی مدت کے لیے بیچ مارک KMI 30 انڈیکس 2.57% سے کم ہو گیا۔ لہذا زبر جائزہ مدت کے دوران فنڈ نے اپنے بیچ مارک کے مقابلے میں 1.06% کی بہتر کارکردگی دکھائی۔ اپنے قیام سے اب تک فنڈ کی NAV 18 جنوری 2016 کو 8.5497 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2018 کو 11.1717 روپے ہو گئی ہے، یعنی 30.67% کا اضافہ دکھایا۔ اس مدت کے دوران بیچ مارک بڑھ کر 32.56% ہو گیا، لہذا فنڈ نے 1.89% کی خراب کارکردگی دکھائی۔ یہ کارکردگی منجمنٹ نہیں اور دیگر تمام اخراجات کے بعد حاصل ہے۔

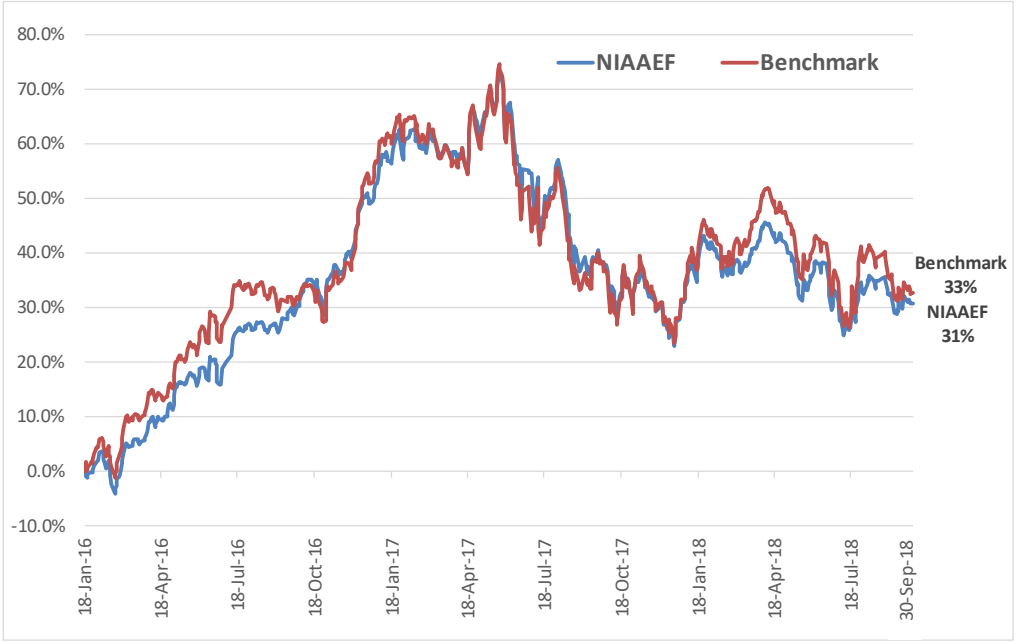
بڑھتی ہوئی آثار چڑھاؤ کی بنا پر مالی سال 2019 کی پہلی سہ ماہی میں مارکیٹ دباؤ کا شکار رہی اور KMI 30 انڈیکس مقررہ حد سے 2.6% نیچے گر گیا۔ اسٹاک مارکیٹ کی متزلزل کارکردگی کی بڑی وجہ معیشت کے باب میں دوہرے خساروں کے مسائل (کرنٹ اکاؤنٹ کا خسارہ اور مالیاتی خسارہ) تھے۔ زبر جائزہ سہ ماہی کا آغاز مارکیٹ میں منفی اثر سے ہوا جو عام انتخابات کے نتیجے میں ایک معلق پارلیمنٹ کی توقع اور اس سے وابستہ ایک مشکل معاشی پس منظر میں ناقص پالیسی کے باعث تھا۔ ابتدائی طور پر الیکشن کے نتائج سے مارکیٹ میں کچھ خوشی کی لہر دوڑ گئی اور تین تجارتی اجلاسوں میں 6.4% کی بحالی آئی۔ انتخابات کے نتائج سے عمران خان کی پاکستان تحریک انصاف مرکز میں سب سے بڑی پارٹی بن کر ابھری جب کہ پنجاب اور کے پی کے میں بھی اکثریت کے ساتھ کامیاب ہوئی۔ اس کے علاوہ سندھ اور بلوچستان کے صوبوں میں بھی سے نمایاں مقام حاصل ہوا جس کی وجہ سے ملکی سیاست میں غیر یقینی کی کیفیت ختم ہوئی۔ تاہم مقامی سطح پر سرمایہ کار کا رجحان خوش دینی ثابت ہوا کیونکہ سرمایہ کاروں کی پوری توجہ معیشت کو درپیش ہمہ جہت چیلنجز کی طرف ہو گئی۔ کارپوریٹ اعلانات بھی مارکیٹ کو غیر متزلزل کرنے میں ناکام ہو گئی۔ اس کے علاوہ بڑھتے ہوئے اکاؤنٹ کے خسارے کی روک تھام کے لئے افراط زر میں خدشات کے پیش نظر اور زر مبادلہ کے ذخائر میں کمی کے باعث اسٹیٹ بینک آف پاکستان نے پالیسی کی شرح 200 بیس پوائنٹ اضافے کے ساتھ 9% کردی۔ اس سہ ماہی کے دوران غیر ملکی سرمایہ کار خالص فروخت کنندہ رہے اور 189 ملین امریکی ڈالر کا سرمایہ ملک سے باہر گرجا جس کا بڑا حصہ انشورنس کمپنیز اور انفرادی سرمایہ کار کے حصے میں آیا۔ ابھرتی ہوئی مارکیٹس جیسے ترکی اور ارجنٹائن میں حصص کی فروخت کے رجحان دیکھنے میں آیا جس کی وجہ بلند غیر ملکی قرضہ جات اور امریکی شرح سود میں اضافے کے باعث کرنٹ اکاؤنٹ میں خسارہ رہا۔

فنڈ کو اس مدت کے دوران 39.18 ملین روپے کا مجموعی نقصان ہوا۔ 11.68 ملین روپے کے اخراجات منہا کرنے کے بعد خالص نقصان 50.87 ملین روپے رہا۔ فنڈ کی ایسیٹ ایلوکیشن 30 ستمبر 2018 کو بمطابق ذیل ہے:



NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

بچہ مارک کے مقابلے میں NIAAEF کی کارکردگی (اپنے قیام سے اب تک)



اظہار تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجھوت کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سکیورٹیز اینڈ ایکسچینج 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 رٹرنس 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 منجھوت لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

30 اکتوبر 2018ء

مقام: کراچی

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

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

	Note	Un-Audited September 30, 2018	Audited June 30, 2018
(Rupees in '000)			
ASSETS			
Balances with banks		193,365	233,226
Investments	4	1,015,725	1,621,412
Dividend and profit receivable	5	14,151	4,710
Preliminary and floatation costs		460	510
Receivable against sale of investment		-	67,368
Advances, deposit, prepayments and other receivables		11,676	11,609
Total assets		1,235,377	1,938,835
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		5,350	13,235
Payable to Central Depository Company of Pakistan Limited - Trustee		206	324
Payable to Securities and Exchange Commission of Pakistan		317	2,975
Accrued expenses and other liabilities	6	33,490	35,100
Total liabilities		39,363	51,634
NET ASSETS		1,196,014	1,887,201
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,196,014	1,887,201
CONTINGENCIES AND COMMITMENTS	7		
Number of units in issue		107,057,126	166,383,050
NET ASSET VALUE PER UNIT		11.1717	11.3425

The annexed notes 1 to 15 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 ACTIVE ALLOCATION EQUITY FUND

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

	Note	Quarter ended September 30, 2018	Quarter ended September 30, 2017
(Rupees in '000)			
INCOME			
Capital (Loss) on sale of investments		(36,148)	(106,986)
Dividend Income		12,770	19,463
Profit on bank deposits		4,391	5,672
Net unrealised (diminution) on re-measurement as 'financial assets at fair value through profit or loss'		(20,197)	(363,346)
Total (Loss)/Income		(39,184)	(445,197)
EXPENSES			
Remuneration of NBP Fund Management Limited Management Company		6,664	20,219
Sindh sales tax on remuneration of the Management Company		866	2,629
Remuneration to Central Depository Company of Pakistan Limited- Trustee		585	1,263
Sindh Sales Tax on remuneration of the Trustee		76	164
Annual fee - Securities and Exchange Commission of Pakistan		317	960
Securities transaction cost		1,071	1,475
Settlement and bank charges		101	145
Legal & Professional charges		-	14
Auditors' remuneration		119	94
Accounting and operational charges to the Management Company		333	1,011
Selling and Marketing Expenses	12	1,333	4,044
Shariah Advisor Fee		120	108
Rating Fee		45	45
Amortization of Formation Cost		51	50
Total Expenses		11,681	32,221
Net (Loss) from operating activities		(50,865)	(477,418)
Provision for sindh workers' welfare fund	8	-	-
Net (Loss) for the period before taxation		(50,865)	(477,418)
Taxation	9	-	-
Net (Loss) for the period after taxation		(50,865)	(477,418)
Allocation of Net (loss) for the period:			
Income already paid on units redeemed		-	-
Accounting income available for distribution carried to distribution account:			
-Relating to capital gains			
-Excluding capital gains			
Earnings per unit	10		

The annexed notes 1 to 15 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 ACTIVE ALLOCATION EQUITY FUND

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

	Quarter ended September 30, 2018	Quarter ended September 30, 2017
	(Rupees in '000)	
Net income for the year after taxation	(50,865)	(477,418)
Other Comprehensive Income	-	-
Total comprehensive (loss) for the period	<u>(50,865)</u>	<u>(477,418)</u>

The annexed notes 1 to 15 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 ACTIVE ALLOCATION EQUITY FUND

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

	Quarter ended September 30, 2018	Quarter ended September 30, 2017
(Rupees in '000)		
CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) for the period before taxation	(50,865)	(477,418)
Adjustments		
Amortization of Formation Cost	51	50
Net unrealised (appreciation)/ diminution on re-measurement as 'financial assets at fair value through profit or loss'	20,197	363,346
	<u>(30,617)</u>	<u>(114,022)</u>
(Increase) / decrease in assets		
Investments	585,490	1,043,482
Dividend and profit receivable	(9,441)	(5,198)
Receivable against sale of investment	67,368	92,805
Advances, deposit, prepayments and other receivables	(67)	45
	643,350	1,131,134
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	(7,885)	2,233
Payable to Central Depository Company of Pakistan Limited - Trustee	(118)	(142)
Payable to Securities and Exchange Commission of Pakistan	(2,658)	(2,430)
Payable against purchase of investments	-	(19,878)
Accrued expenses and other liabilities	(1,611)	1,386
	<u>(12,272)</u>	<u>(18,831)</u>
Net cash generated from operating activities	<u>600,461</u>	<u>998,281</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	51,000	144,741
Net payments on redemption of units	(691,322)	(1,132,482)
Distributions Paid	-	(50,990)
Net cash (used in) financing activities	<u>(640,322)</u>	<u>(1,038,731)</u>
Net (decrease)/increase in cash and cash equivalents during the period	<u>(39,861)</u>	<u>(40,450)</u>
Cash and cash equivalents at the beginning of the period	233,226	407,765
Cash and cash equivalents at the end of the period	<u><u>193,365</u></u>	<u><u>367,315</u></u>

The annexed notes 1 to 15 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 ACTIVE ALLOCATION EQUITY FUND

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 03, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 03, 2015. under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The 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 objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shari'ah Compliant listed equities.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of AM1 to the Management Company and performance ranking of "4 Star" to the Fund.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards (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 VIIIA 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.

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 requirements of the Trust Deed differ from the IFRS, 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 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.

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.

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

NOTE (Un-audited) (Audited)
September 30, June 30,
2018 2018
(Rupees in '000)

4 INVESTMENTS IN SHARES

Financial assets 'at fair value through profit or loss'

- Listed equity securities

4.1 1,015,725 1,621,412

4.1 Investments in shares of companies at fair value through profit or loss

Name of the investee company	As at July 1, 2018	Number of shares				Market value as at September 30, 2018	Market value as a percentage of		Paid up capital as a % of investee company held
		Purchase d during the period	Bonus / Right shares issued during the period	Sold during the period	As at September 30, 2018		Net assets	Total investments	

Number of shares						Rupees in '000'	%			
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	3,290	-	-	3,290	-	-	-	-	-	-
Millat Tractors Limited	17,400	2,000	-	12,000	7,400	7,505	0.63	0.74	0.02	
AUTOMOBILE PARTS AND ACCESSORIES										
Agriautos Industries Limited	3,600	-	-	-	3,600	848	0.07	0.08	0.01	
Thal Limited *	7,050	-	-	7,050	-	-	-	-	-	
CABLE AND ELECTRICAL GOODS										
Pak Elektron Limited	-	297,000	-	77,000	220,000	6,763	0.57	0.67	0.04	
CEMENT										
Attock Cement Pakistan Limited	277,100	-	-	277,100	-	-	-	-	-	
Cherat Cement Company Limited	289,100	-	-	196,000	93,100	7,499	0.63	0.74	0.05	
D.G. Khan Cement Company Limited	246,500	246,400	-	258,400	234,500	24,015	2.01	2.36	0.05	
Kohat Cement Company Limited	106,900	-	-	32,000	74,900	9,373	0.78	0.92	0.04	
Lucky Cement Limited	77,600	30,500	-	43,300	64,800	33,239	2.78	3.27	0.02	
Maple Leaf Cement Limited	66,250	322,000	-	263,250	125,000	5,887	0.49	0.58	0.02	
Pioneer Cement Limited	101,000	90,000	-	-	191,000	8,301	0.69	0.82	0.08	
CHEMICAL										
Engro Polymer & Chemicals Limited	1,046,416	466,500	-	743,000	769,916	22,358	1.87	2.20	0.08	
Lotte Chemical Pakistan Limited	2,488,000	602,500	-	1,827,000	1,263,500	17,045	1.43	1.68	0.08	
Sitara Peroxide Limited	-	523,000	-	-	523,000	15,392	1.29	1.52	0.08	
COMMERCIAL BANKS										
Meezan Bank Limited	460,854	268,000	67,585	53,000	743,439	66,300	5.54	6.53	0.06	
ENGINEERING										
Amreli Steels Limited	52,300	-	-	52,300	-	-	-	-	-	
International Industries Limited	36,900	-	-	5,500	31,400	6,757	0.56	0.67	0.03	
International Steels Limited	355,500	216,000	-	259,500	312,000	28,383	2.37	2.79	0.07	
Ittefaq Iron Industries Limited	192,000	-	-	192,000	-	-	-	-	-	
Mughal Iron and Steel Industries Limited	87,400	-	-	87,400	-	-	-	-	-	
FERTILIZER										
Dawood Hercules Corporation Limited	66,800	-	-	66,800	-	-	-	-	-	
Engro Fertilizers Limited	1,548,500	45,000	-	823,500	770,000	58,127	4.86	5.72	0.06	
Engro Corporation Limited	455,600	7,500	-	214,800	248,300	77,378	6.47	7.62	0.05	
Fatima Fertilizer Company Limited	12,500	-	-	-	12,500	468	0.04	0.05	0.00	
FOOD & PERSONAL CARE PRODUCTS										
Al-Shaheer Corporation Limited	439,305	79,000	-	270,500	247,805	6,815	0.57	0.67	0.17	

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

Name of the investee company	As at July 1, 2018	Number of shares				Market value as at September 30, 2018	Market value as a percentage of		Paid up capital as a % of investee company held
		Purchased during the period	Bonus / Right shares issued during the period	Sold during the period	As at September 30, 2018		Net assets	Total investments	

----- Number of shares ----- Rupees in '000' ----- % -----

GLASS & CERAMICS

Shabbir Tiles & Ceramics Limited*	87,000	-	-	-	87,000	1,640	0.14	0.16	0.04
Tariq Glass Industries Limited	323,000	38,000	-	223,000	138,000	13,078	1.09	1.29	0.19

OIL AND GAS EXPLORATION COMPANIES

Mari Petroleum Limited	67,750	4,000	-	23,640	48,110	74,971	6.27	7.38	0.04
Oil and Gas Development Company Lin	897,900	49,000	-	331,000	615,900	94,226	7.88	9.28	0.01
Pakistan Oilfields Limited	152,850	10,000	18,970	68,000	113,820	62,508	5.23	6.15	0.04
Pakistan Petroleum Limited	745,800	35,000	-	307,500	473,300	101,002	8.44	9.94	0.02

OIL AND GAS MARKETING COMPANIES

Attock Petroleum Limited	37,600	-	2,700	24,100	16,200	7,190	0.60	0.71	0.02
Hascol Petroleum Limited	62,900	-	-	35,900	27,000	7,354	0.61	0.72	0.02
Pakistan State Oil Company Limited	175,940	54,700	-	151,100	79,540	25,360	2.12	2.50	0.02
Shell Pakistan Limited	53,050	-	-	40,000	13,050	3,832	0.32	0.38	0.01
Sui Northern Gas Pipelines Limited	388,000	155,000	-	237,000	306,000	27,271	2.28	2.68	0.05

PAPER & BOARD

Cherat Packaging Limited.	52,210	24,600	-	27,000	49,810	8,619	0.72	0.85	0.13
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PHARMACEUTICALS

Abbot Laboratories (Pakistan) Limited	11,300	-	-	6,800	4,500	2,777	0.23	0.27	0.00
AGP Limited	103,875	-	-	103,875	-	-	-	-	-
Ferozsons Laboratories Limited	26,650	-	-	-	26,650	4,500	0.38	0.44	0.09
GlaxoSmithKline (Pakistan) Limited	31,400	-	-	29,000	2,400	355	0.03	0.03	0.00
GlaxoSmithKline Health Care Pakistan L	14,200	-	-	-	14,200	4,935	0.41	0.49	0.00
The Searle Company Limited	25,968	-	-	24,791	1,177	372	0.03	0.04	0.00

POWER GENERATION & DISTRIBUTION

The Hub Power Company Limited	911,000	226,500	-	416,500	721,000	63,066	5.27	6.21	0.06
Kot Addu Power Company Limited	81,600	-	-	81,600	-	-	-	-	-
K-Electric Limited *	1,831,000	-	-	1,540,000	291,000	1,557	0.13	0.15	0.00

TECHNOLOGY & COMMUNICATION

NetSol Technologies Limited	276,500	-	-	194,500	82,000	10,918	0.91	1.07	0.09
Systems Limited	247,000	-	-	29,000	218,000	26,245	2.19	2.58	0.19

TEXTILE COMPOSITE

Kohinoor Textile Mills Limited	512,657	-	-	248,000	264,657	14,355	1.20	1.41	0.09
Nishat Mills Limited	450,300	130,000	-	278,000	302,300	42,500	3.55	4.18	0.09

Transport

Pakistan National Shipping Corporation	1,500	-	-	-	1,500	97	0.01	0.01	0.00
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MISCELLANEOUS

Synthetic Products Limited	407,750	-	-	25,000	382,750	14,544	1.22	1.43	0.45
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Total as at September 30, 2018

10,216,024 1,015,725 85 100

Carrying value as at September 30, 2018

1,035,922

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

* All shares have a nominal face value of Rs 10 each except for shares of Thal Limited, Agriauto Industries Limited, Shabbir Tiles & Ceramics Limited which have a face value of Rs 5 each and K-Electric Limited which have a face value of Rs 3.5 each.

4.1.1 Investments include shares with market value of Rs 122.763 million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the SECP.

	Un-Audited As at 'SEPTEMBER 30, 2018	Audited As at June 30, 2018
5 DIVIDEND AND PROFIT RECEIVABLE		
Profit receivable on balances with banks	1,394	1,515
Dividend receivable	12,757	3,195
	<u>14,151</u>	<u>4,710</u>
6 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	106	205
Settlement and Bank charges	23	82
Shariah advisory fee	613	494
Charity Payable	3,446	3,943
Provision against Sindh Workers' Welfare Fund	29,057	29,057
Brokerage payable	65	1,114
Others	180	205
	<u>33,490</u>	<u>35,100</u>
7 CONTINGENCIES AND COMMITMENTS		
There were no contingencies outstanding as at September 30, 2018 and June 30, 2018.		
8 PROVISION FOR SINDH WORKERS' WELFARE FUND		

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.

As at September 30, 2018, the provision in relation to SWWF amounted to Rs. 29.057 million (September 30, 2017: Rs. 29.057 million). Had the provision not being made, the net asset value per unit as at September 30, 2018 would have been higher by Rs.0.2714 per unit (September 30, 2017: Rs. 0.1056) per unit.

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

9 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.

10 EARNINGS PER UNIT

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

11 Total Expense Ratio

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 3.52% p.a. including 0.38% 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 same period.

12 Selling and Marketing Expenses

In pursuance to Regulation 60(3)(V), selling and marketing expense is being charged to the fund having compliance with the conditions laid down by the regulator.

13 TRANSACTIONS WITH CONNECTED PERSONS

- 13.1 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 (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and key management personnel of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 13.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 13.3 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.
- 13.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

Un-audited Quarter Ended September 30, 2018	Un-audited Quarter Ended September 30, 2017
(Rupees in '000)	

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

NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	6,664	20,219
Sindh sales tax on remuneration of the Management Company	866	2,629
Accounting and operational charges to the Management Company	333	1,011
Selling and marketing expense	1,333	4,044

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

	Un-audited Quarter Ended September 30, 2018	Un-audited Quarter Ended September 30, 2017
	(Rupees in '000)	
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN I)		
Units issued during the period Nil units (2017:568,655 Units)	-	6,762
Units redeemed during the period 6,129,244 units (2017:12,093,266 Units)	66,239	152,807
Cash Dividend		6,762
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN II)		
Units issued during the period - Nil units (2017:522,711 Units)	-	6,216
Units redeemed during the period - 5,477,203 units (2017:13,378,260 units)	59,157	169,761
Cash Dividend		6,216
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN III)		
Units issued during the period - Nil units (2017:742,577 Units)	-	8,831
Units redeemed during the period - Nil units (2017:21,442,701 Units)	-	269,165
Cash Dividend		8,831
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN IV)		
Units issued during the period - Nil units (2017:545,574 units)	-	6,488
Units redeemed during the period - 14,553,555 units (2017:13,886,921 units)	158,629	174,735
Cash Dividend		6,488
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN V)		
Units issued during the period Nil Units (2017:1,187,307 units)	-	14,119
Units redeemed during the period - 17,186,070 Units (2017:24,673,857 units)	186,770	299,764
Cash Dividend		14,119
NAFA ISLAMIC ACTIVE ALLOCATION FUND-II (PLAN VI)		
Units issued during the period Nil Units (2017:4,859,890 units)	-	62,636
Units redeemed during the period - 7,376,912 Units (2017:5,517,677 units)	79,823	66,250
Cash Dividend		6,725
NAFA ISLAMIC ACTIVE ALLOCATION FUND-II (PLAN VII)		
Units issued during the period Nil Units (2017:3,061,843 units)	-	39,689
Units redeemed during the period - 3,286,775 Units (2017:NIL units)	35,565	-
Cash Dividend		1,850
NAFA ISLAMIC ACTIVE ALLOCATION FUND-II (PLAN VIII)		
Units issued during the period Nil Units (2017:Nil units)	-	
Units redeemed during the period - 9,709,992 Units (2017:NIL units)	105,049	
NAFA ISLAMIC CAPITAL PRESERVATION PLAN-III		
Units issued during the period 4,393,728 Units (2017:Nil units)	51,000	
Units redeemed during the period - Nil Units (2017:NIL units)	-	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	585	1,263
Sales Tax	76	164
Cherat Cement Company Limited - Common Directorship		
Shares purchased - Nil (2017: 164,500 units)	-	26,426
Shares sold - 196,000 (2017: Nil units)	16,830	-
International Industries Limited - Common Directorship		
Shares sold - 5,500 (2017 : Nil)	1,199	-

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

	Un-audited Quarter Ended September 30, 2018	Un-audited Quarter Ended September 30, 2017
	(Rupees in '000)	
International Steel Limited - Common Directorship		
Shares purchased - 216,000 (2017: 67,000)	24,038	8,237
Shares sold - 259,500 (2017: 112,000 units)	23,450	13,475
Fatima Fertilizer Company Limited - Common Directorship		
Shares sold - Nil (2017 : 960,000)	-	27,809
Cherat Packaging Limited - Common Directorship		
Shares purchased - 24,600 (2017: 41,000)	4,138	8,269
Shares sold - 27,000 (2017: Nil units)	5,006	-
	Un-audited September 30, 2018	Audited June 30, 2018
	(Rupees in '000)	

13.6 Amounts outstanding as at period end

NBP Fund Management Limited - Management Company		
Management remuneration payable	2,004	4,102
Sindh sales tax on remuneration	260	533
Federal excise duty on remuneration	1,420	1,420
Payable against selling and marketing expense	1,333	5,744
Accounting and operational charges	333	1,436
NAFA Islamic Active Allocation Fund-I (Plan I)		
Units held - 9,990,483 (2018:16,119,727)	111,611	182,838
NAFA Islamic Active Allocation Fund-I (Plan II)		
Units held - 10,802,749 (2018: 16,279,951)	120,685	184,655
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN III)		
Units held - 7,478,189 (2018: 7,478,189)	83,544	84,821
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN IV)		
Units held - 2,742,334 (2018 :17,295,890)	30,637	196,179
NAFA ISLAMIC ACTIVE ALLOCATION FUND-I (PLAN V)		
Units held - 20,681,730 (2018: 37,867,800)	231,051	429,516
NAFA Islamic Active Allocation Fund-II (Plan VI)		
Units held - 12,037,973 (2018:19,414,785)	134,485	220,212
NAFA Islamic Active Allocation Fund-II (Plan VII)		
Units held - 5,170,914 (2018:8,457,689)	57,768	95,931
NAFA Islamic Active Allocation Fund-II (Plan VIII)		
Units held - 15,608,776 (2018:25,318,768)	174,377	287,178
NAFA ISLAMIC CAPITAL PRESERVATION PLAN-I		
Units held - 14,014,133 (2018:14,014,133)	156,562	158,955
NAFA ISLAMIC CAPITAL PRESERVATION PLAN-II		
Units held - 4,136,118 (2018:4,136,118)	46,208	46,914
NAFA ISLAMIC CAPITAL PRESERVATION PLAN-III		
Units held - 4,393,728	49,086	-

NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND

	Un-audited September 30, 2018	Audited June 30, 2018
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	182	287
Sindh Sales Tax payable on remuneration of Trustee	24	37
Security deposit	100	100
Fatima Fertilizer - Common Directorship		
Shares held - 12,500 (2018:12,500)	468	405
Cherat Packaging Limited - Common Directorship		
Shares held - 49,810 (2018:52,210)	8,619	7,502
Cherat Cement Company Limited - Common Directorship		
Shares held - 93,100 (2018:289,100)	7,499	28,109
International Industries Limited - Common Directorship		
Shares held - 31,400 (2018:36,900)	6,757	8,572
International Steels Limited - Common Directorship		
Shares held - 312,000 (2018:355,500)	28,383	36,154
Taurus Securities Limited - Subsidiary of Parent Company		
Brokerage Payable	-	97
BankIslami Pakistan Limited - Common Directorship		
Balance with bank	192,760	232,632
Profit receivable	1,376	1,509

14 DATE OF AUTHORISATION FOR ISSUE

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

15 GENERAL

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.

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

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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