



NBP FUNDS

Managing Your Savings

AM1

Rated by PACRA

NAFA SAVINGS PLUS 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.

NAFA SAVINGS PLUS FUND

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NAFA SAVINGS PLUS 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

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Samba Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
JS Bank Limited
United Bank Limited
The Bank of Punjab
Summit Bank Limited
Soneri Bank Limited
National Bank of Pakistan
Habib Bank Limited
Sindh Bank Limited
Al-Baraka Islamic Bank Limited
Khushhali Bank Limited
Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited
Bankislami Pakistan Limited
Zarai Taraqati Bank Limited
U Microfinance Bank Limited
Telenor Microfinance Bank Limited

NAFA SAVINGS PLUS FUND

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.02
Beaumont Road,
Karachi - 75530, 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 SAVINGS PLUS FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited condensed Interim financial statements of **NAFA Savings Plus Fund (NSPF)** for the quarter ended September 30, 2018.

Fund's Performance

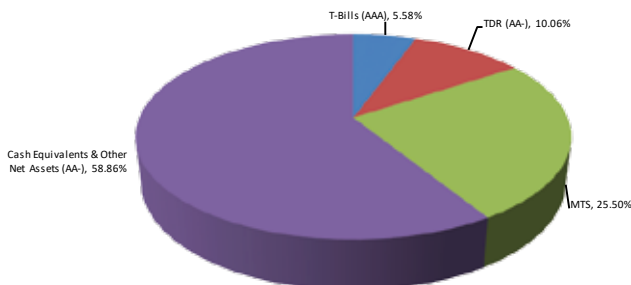
The size of NAFA Savings Plus Fund has decreased from Rs. 496 million to Rs. 447 million during the quarter, i.e. a decline of around 10%. During the period under review, the unit price of the Fund has increased from Rs. 9.9812 (Ex-Div) on June 30, 2018 to Rs. 10.1481 on September 30, 2018; thus posting a return of 6.6% as compared to its Benchmark return of 7.9%. The performance of the Fund is net of management fee and all other expenses.

The Fund is rated 'AA- (f)' by PACRA, which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund is allowed to invest in MTS. However, NAFA's internal guidelines permit financing in only fundamentally strong companies. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rate of return with no direct exposure to the stock market.

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.10.09 million during the period. After deducting total expenses of Rs.2.24 million, the net income is Rs. 7.85 million. The asset allocation of NAFA Savings Plus Fund as on September 30, 2018 is as follows:



NAFA SAVINGS PLUS 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.

NAFA SAVINGS PLUS FUND

ڈائریکٹرز رپورٹ

این پی پی فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NAFA سیونگز پلس فنڈ (NSPF) کی 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے لیے کنڈینسڈ غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے سمرٹ محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

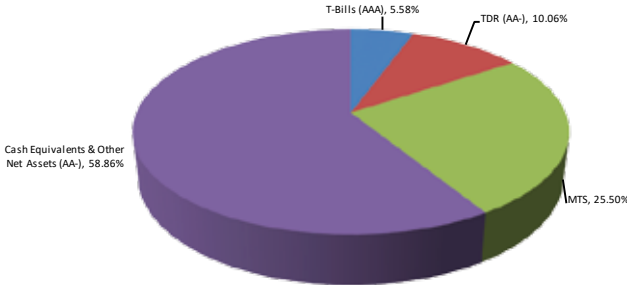
NAFA سیونگز پلس فنڈ (NSPF) کا سائز اس سہ ماہی کے دوران 496 ملین روپے سے کم ہو کر 447 ملین روپے ہو گیا، یعنی 10% کی کمی۔ زیر جائزہ مدت کے دوران فنڈ کی یونٹ کی قیمت 30 جون 2018 کو 9.9812 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2018 کو 10.1481 روپے ہو چکی ہے، لہذا فنڈ نے اسی مدت میں 7.9% پیچ مارک منافع کے مقابلے میں 6.6% کا منافع دیا۔ یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو PACRA کی طرف سے AA-(f) کی ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ فنڈ کو MTS میں سرمایہ کاری کی اجازت ہے، تاہم NAFA کی داخلی ہدایات صرف بنیادی طور پر مستحکم کمپنیوں میں سرمایہ کاری کی اجازت دیتی ہیں۔ یہ یہاں ذکر مناسب ہے کہ اس ایسٹ کلاس میں فنڈ اسٹاک مارکیٹ سے کسی براہ راست تعلق کے بغیر صرف پہلے سے تعین شدہ منافع پر فنانسنگ فراہم کرتا 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 ذخائر 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% وسطی افراط زر میں 5.6% کا اضافہ ہوا جبکہ 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 ریگولیشن 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 قلیل المدت سیکورٹیز کو ترجیح دی جس کا اندازہ 3-month بلز میں ان کی بھاری تعداد میں شرکت سے ہوتا ہے۔ پالیسی کی شرح میں اضافہ سے بڑی سیکورٹیز پر نمایاں اثر پڑا اور قلیل المدت ٹی بلز کے نتائج میں 142-136 بیس پوائنٹ کا اضافہ ہوا جبکہ 3 سال، 5 سال اور 10 سال کے PIB میں بالترتیب 98 بیس پوائنٹ، 77 بیس پوائنٹ اور 102 بیس پوائنٹ کا اضافہ ہوا۔

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

NAFA سیونگز پلس فنڈ (NSPF) نے اس مدت کے دوران 10.09 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 2.24 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 7.85 ملین روپے رہی۔ NAFA سیونگز پلس فنڈ (NSPF) کی ایسٹ ایلویشن 30 ستمبر 2018 کو بمطابق ذیل ہے:



NAFA SAVINGS PLUS FUND

اظہارِ تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBFI منجھٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

30 اکتوبر 2018ء

مقام: کراچی

NAFA SAVINGS PLUS FUND

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

	Un-Audited September 30, 2018	Audited June 30, 2018
Note	(Rupees in '000)	
ASSETS		
Balances with banks	276,074	350,506
Investments	69,941	70,302
Receivable against Margin Trading System	114,091	89,671
Profit receivable	2,538	686
Deposits, prepayments and other receivables	480	350
Total assets	463,124	511,515
LIABILITIES		
Payable to the Management Company	846	919
Payable to Central Depository Company of Pakistan Limited - Trustee	71	80
Payable to Securities and Exchange Commission of Pakistan	90	356
Payable against redemption of units	40	15
Accrued expenses and other liabilities	14,745	14,376
Total liabilities	15,792	15,746
NET ASSETS	447,332	495,769
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)	447,332	495,769
CONTINGENCIES AND COMMITMENTS	7	
	Number of units	
Number of units in issue	44,080,491	46,359,587
	Rupees	
NET ASSET VALUE PER UNIT	10.1481	10.6940

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 SAVINGS PLUS FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (Un-Audited)

	Quarter Ended September 30, 2018	Quarter Ended September 30, 2017
Note	(Rupees in '000)	
INCOME		
Income from government securities	487	409
Income from term deposit receipts	947	1,614
Profit on bank deposits	6,701	4,000
Income from Margin Trading System	1,973	1,767
Capital (loss) on sale of investments - net	(16)	-
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(6)	(3)
Total income	<u>10,086</u>	<u>7,787</u>
EXPENSES		
Remuneration of the Management Company	838	675
Sindh sales tax on Management Fee	109	88
Accounting and operational charges to the Management Company	120	114
Selling and marketing expense	104	-
Remuneration of the Trustee	203	193
Sindh sales tax on Trustee Fee	26	25
Annual fee - Securities and Exchange Commission of Pakistan	90	85
Settlement and bank charges	253	309
Annual listing fee	7	7
Legal & Professional charges	9	14
Auditors' remuneration	100	172
Fund rating Fee	109	99
Other charges	107	19
Total Expenses	<u>2,075</u>	<u>1,800</u>
Net Income from operating activities	<u>8,011</u>	<u>5,987</u>
Provision for Sindh Workers' Welfare Fund	(160)	(120)
Net Income for the period before taxation	<u>7,851</u>	<u>5,867</u>
Taxation	-	-
Net income for the period after taxation	<u>7,851</u>	<u>5,867</u>
Earnings per unit	<u>7,851</u>	<u>5,867</u>
Allocation of Net income for the period:		
Income already paid on units redeemed	(572)	(640)
Accounting income available for distribution:		
- Relating to Capital Gains	-	-
- Excluding Capital Gains	7,279	5,227
Accounting Income available for Distribution	<u>7,279</u>	<u>5,227</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 SAVINGS PLUS FUND

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

	Quarter Ended September 30, 2018	Quarter Ended September 30, 2017
	(Rupees in '000)	
Accounting income available for distribution	7,851	5,867
Other Comprehensive Income	-	-
Total comprehensive income for the period	<u>7,851</u>	<u>5,867</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 SAVINGS PLUS 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		
	Value	Undistributed income	Total	Value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	466,867	28,902	495,769	432,073	9,177	441,250
Issuance of 10,593,886 units (2017: 14,182,573 units)						
- Capital value	101,275	-	101,275	151,668	-	151,668
- Refund of Capital	6,170	-	6,170	-	-	-
- Element of income	299	-	299	(7,154)	-	(7,154)
Total proceeds on issuance of units	107,744	-	107,744	144,514	-	144,514
Redemption of 12,872,982 units (2017: 14,326,550 units)						
- Capital value	(130,559)	-	(130,559)	(153,208)	-	(153,208)
- Element of loss	(7)	(572)	(579)	7,778	(640)	7,138
Total payments on redemption of units	(130,566)	(572)	(131,138)	(145,430)	(640)	(146,070)
Total comprehensive income for the period	-	7,851	7,851	-	5,867	5,867
Final Distribution @ 0.5519 declared on July 04.2018						
- Cash distribution	-	(19,708)	(19,708)	-	-	-
- Refund of Capital	(6,170)	-	(6,170)	-	-	-
	(6,170)	(19,708)	(25,878)	-	-	-
Interim distribution :						
- Cash distribution Rs.0.1072 on 29th Aug-2018 (2017 Nil)	-	(4,645)	(4,645)	-	-	-
- Cash distribution Rs.0.0557 on 28th Sep-2018 (2017 Nil)	-	(2,371)	(2,371)	-	-	-
Net assets at end of the period	437,875	9,457	447,332	431,157	14,404	445,561
Undistributed income brought forward						
- Realised		28,904			9,182	
- Unrealised		(2)			(5)	
		28,902			9,177	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		7,279			5,227	
		7,279			5,227	
Final Distribution @ 0.5519 declared on July 04.2018		(19,708)			-	
Interim distribution :						
- Cash distribution Rs.0.1072 on 29th Aug-2018 (2017 Nil)		(4,645)			-	
- Cash distribution Rs.0.0557 on 28th Sep-2018 (2017 Nil)		(2,371)			-	
Undistributed income carried forward		9,457			14,404	
Undistributed income carried forward						
- Realised		9,463			14,404	
- Unrealised		(6)			-	
		9,457			14,404	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			10.6940			10.1415
Net assets value per unit at end of the period			10.1481			10.2746

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 SAVINGS PLUS FUND

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

	Quarter Ended September 30, 2018	Quarter Ended September 30, 2017
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Income for the period before taxation	7,851	5,867
Adjustments		
Unrealised appreciation in the value of investment carried at fair value through profit and loss - net	6	3
	<u>7,857</u>	<u>5,870</u>
(Increase) / decrease in assets		
Investments	355	(44,093)
Receivable against Margin Trading System	(24,420)	29
Profit receivable	(1,852)	219
Deposits, prepayments and other receivables	(130)	79
	<u>(26,047)</u>	<u>(43,766)</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	(73)	82
Payable to Central Depository Company of Pakistan Limited - Trustee	(9)	13
Payable to the Securities and Exchange Commission of Pakistan	(266)	(262)
Accrued expenses and other liabilities	369	(383)
	<u>21</u>	<u>(550)</u>
Net cash (used in) from operating activities	<u>(18,169)</u>	<u>(38,446)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	101,574	135,677
Net payments on redemption of units	(131,113)	(136,434)
Distributions made	(26,724)	(2)
Net cash used in financing activities	<u>(56,263)</u>	<u>(759)</u>
Net (decrease) in cash and cash equivalents during the period	<u>(74,432)</u>	<u>(39,205)</u>
Cash and cash equivalents at the beginning of the period	350,506	299,998
Cash and cash equivalents at the end of the period	<u><u>276,074</u></u>	<u><u>260,793</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 SAVINGS PLUS FUND

NOTES TO AND FORMING PART OF THIS CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Savings Plus Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited (NAFA) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on October 09, 2009 in accordance with 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 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 Mutual Funds Association of Pakistan (MUFAP).

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

The objective of the Fund is to provide an open-end income scheme, seeking to minimize risk, preserve capital and generate a reasonable return along with a high degree of liquidity from a portfolio primarily constituted of bank deposits and money market instruments.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of "AM1" to the Management Company and a stability rating of AA-(f).

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

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.

NAFA SAVINGS PLUS 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.

4 INVESTMENTS

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

At fair value through profit or loss

Investment in Government Securities -Market Treasury Bills	4.1	24,941	24,723
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At amortized cost

Term deposit receipt		45,000	45,579
		<u>69,941</u>	<u>70,302</u>

4.1 Investment in government securities - 'At fair value through profit or loss'

Issue date	Tenor	Face value				Market Value As at September 30, 2018	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2018	Purchased during the period	Disposed / matured during the period	As at September 30, 2018			

Market Treasury Bills

07 June 2018	3 Months	25,000	-	25,000	-	-	-	-
19 July 2018	3 Months		25,000	-	25,000	24,941	0.06	0.36
						<u>24,941</u>	<u>0.06</u>	<u>0.36</u>

Carrying value before fair value adjustment as at September 30, 2018

24,948

5 PROFIT RECEIVABLE

	Un-audited September 30, 2018	Audited June 30, 2018
Income accrued on savings deposits	1,788	14
Income accrued on Margin Trading System	707	422
Income accrued on Term Deposits	43	250
	<u>2,538</u>	<u>686</u>

(Rupees in '000)

NAFA SAVINGS PLUS FUND

	Un-audited September 30, 2018	Audited June 30, 2018
	-----Rupees in '000-----	
6 ACCRUED EXPENSES AND OTHER LIABILITIES		
Provision for Sindh Workers' Welfare Fund	1,521	1,361
Federal Excise Duty on management remuneration	10,620	10,620
Federal Excise Duty on sales load	292	292
Auditors' remuneration	602	502
Brokerage	3	3
Bank charges	48	68
Printing charges	89	70
Withholding tax	336	26
Capital gains tax	7	55
Laga and levy charges	73	70
Legal fee	64	55
Mutual rating fee	-	217
Settlement charges	26	22
Others	1,064	1,015
	<u>14,745</u>	<u>14,376</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. 1.52 million (September 30, 2017: Rs. 0.967 million). Had the provision not being made, the net asset value per unit as at September 30, 2018 would have been higher by Rs.0.0345 per unit (September 30, 2017: Rs. 0.0204) per unit.

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.

NAFA SAVINGS PLUS FUND

10 EARNINGS 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.

11 SELLING AND MARKETING EXPENSES

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).

12 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 1.87% p.a. including 0.32% representing government levies on collective Investment scheme such as Sales tax, Worker's Welfare Fund and Securities & Exchange Commission of Pakistan fee for the period.

13 TRANSACTIONS WITH CONNECTED PERSONS

- 13.1** Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Alexandra Fund Management Pte. Limited being the sponsors, NAFA provident Trust Fund being the employee contribution plan of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.
- 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.

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

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

NBP Fund Management Limited - Management Company

Management fee expense for the period	838	675
Sindh sales tax on remuneration of the Management Company	109	88
Selling and marketing expense	104	-
Front end load for the period	26	10
Accounting and operational charges to the Management Company	120	114

Employees of the Management Company

Units issued / transferred In 101,458 units; September 30, 2017: 397,999 units;	805	4,047
Units redeemed / transferred out 486,657 units; September 30, 2017: 372,797 units)	4,964	3,793

Central Depository Company of Pakistan Limited - Trustee

Remuneration	203	193
Sindh sales tax on remuneration of trustee	26	25

NBP ENDOWMENT FUND STUDENT LOAN SCHEME - RELATED PARTY

Units issued / transferred In 772 units; September 30, 2017: Nil units	8	-
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NAFA SAVINGS PLUS FUND

	Un-audited September 30, 2018	Audited June 30, 2018
	(Rupees in '000)	
Amounts outstanding as at year end		
NBP Fund Management Limited - Management Company		
Management remuneration payable	221	265
Sindh Sales Tax payable on remuneration	28	34
Sales load payable to Management Company	75	74
Sindh Sales Tax payable on Sales load	10	10
Allocation of expenses related to registrar services, accounting, operation and valuation services payable	120	248
Selling and Marketing expense	104	-
Other payable	288	288
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	63	71
Sindh Sales Tax payable	8	9
Security deposit	100	100
National Bank of Pakistan (NBP) - Sponsor		
Bank Balances	3,152	3,084
NBP Endowment Fund Student Loan Scheme		
Units held: 15,246 units (30 June 2018: 14,473 units)	155	155
Employees of the Management Company		
Units held: 80,740 units (30 June 2018: 465,938 units)	819	4,983
Summit Bank Limited		
Bank balances	925	973
Askari Bank Limited		
Bank balances	328	387
BankIslami Pakistan Limited		
Bank balances	196	192
Syed Muhammad Asif Ali -- (10% Holding)		
Units held: 6,106,868 units (30 June 2018: 5,758,158 units)	61,973	61,578
Yousaf Khan		
Units held: Nil units (30 June 2018: 6,402,333 Nil)	-	68,467

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

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

15.2 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

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