



NBP FUNDS

Managing Your Savings

Islamic Savings

اعتماد
Aitemaad



اسلامک سیونگز

NAFA RIBA FREE SAVINGS 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 INFORMATION	14

NAFA RIBA FREE SAVINGS 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

Al-Baraka Islamic Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Meezan Bank Limited
United Bank Limited
Summit Bank Limited
BankIslami Pakistan Limited
MCB Bank Limited
Silk Bank Limited
Dubai Islamic Bank Pakistan Limited
National Bank of Pakistan
Soneri Bank Limited

NAFA RIBA FREE SAVINGS FUND

Bankers to the Fund

Allied Bank Limited
Sindh Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
JS Bank Limited

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.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 RIBA FREE SAVINGS FUND

DIRECTORS' REPORT

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

Fund's Performance

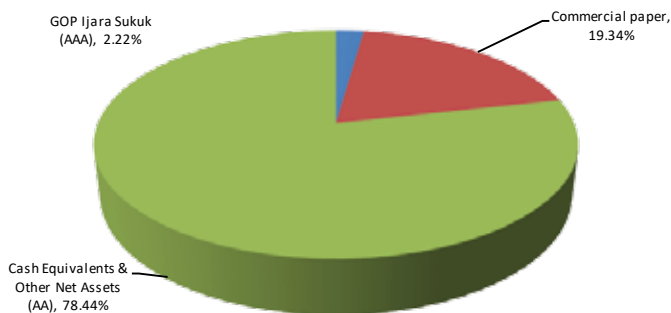
The size of NAFA Riba Free Savings Fund has increased from Rs. 4,017 million to Rs. 4,497 million during the quarter, i.e. a handsome growth of 12%. During the period under review, the unit price of the Fund has increased from Rs. 10.1885 (Ex-Div) on June 30, 2018 to Rs. 10.3595 on September 30, 2018; thus posting a return of 6.7% as compared to its Benchmark return of 2.7%. The performance of the Fund is net of management fee and all other expenses.

NRFSF is an Islamic Income Scheme with no direct or indirect exposure to stock market. The stability rating of the Fund by PACRA is A (f), which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks/Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile. The maturity of any single instrument except GOP Ijarah Sukuks cannot exceed six months.

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. 88.04 million during the period. After deducting total expenses of Rs.15.05 million, the net income is Rs.72.99 million. The asset allocation of NAFA Riba Free Savings Fund as on September 30, 2018 is as follows:



NAFA RIBA FREE SAVINGS 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 RIBA FREE SAVINGS FUND

ڈائریکٹرز رپورٹ

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

فنڈ کی کارکردگی

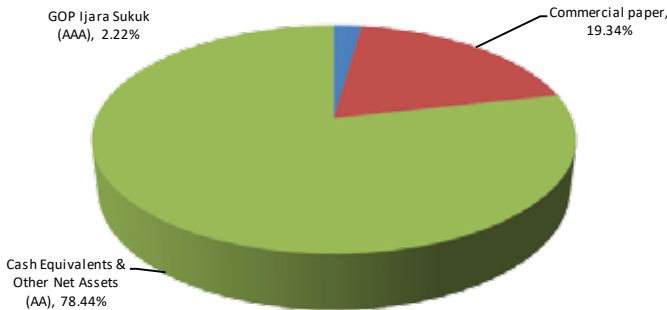
NAFA ریفاری سیونگز فنڈ (NRFSF) کا سائز اس سہ ماہی کے دوران 4,017 ملین روپے سے بڑھ کر 4,497 ملین روپے ہو گیا، یعنی 12% کا خاطر خواہ اضافہ۔ زیر جائزہ مدت کے دوران فنڈ کے پونٹ کی قیمت 30 جون 2018 کو 10.1885 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2018 کو 10.3595 روپے ہو چکی ہے، لہذا فنڈ نے اسی مدت میں 2.7% پیچ مارک منافع کے مقابلے میں 6.7% کا منافع دیا۔ یہ کارکردگی منجھت فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NRFSF ایک اسلامک آئم اسکیم ہے جس کا اسٹاک مارکیٹ سے کوئی براہ راست یا بالواسطہ تعلق نہیں ہے۔ فنڈ کو PACRA کی طرف سے A(f) مستحکم 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 کا مقصد اسلامک بینکس / کمرشل بینکس کی اسلامک ونڈز کی پیش کردہ منافع کی شرحوں کے مقابلے میں تو اتار سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔ کسی بھی واحد انٹرمیڈیٹ کی مینجورٹی، ماسوائے حکومت پاکستان کے اجارہ سلوک، 6 ماہ سے تجاوز نہیں کر سکتی۔ حکومت پاکستان کے اجارہ سلوک متغیر شرح شرح کمپلائنسٹ سیکورٹیز ہیں، جبکہ تصدیق نامہ چھ ماہ سے دو بارہ ترتیب دیا جاتا ہے۔ یہ قیمتوں کے تعین کرنے کے خطرے کو کم کر رہے ہیں۔

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 سالہ 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 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 کا 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 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 قلیل 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 اسلوک میں تجارتی سرگرمیوں کی چٹائی 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 سلوک کے شعبہ میں سب سے بڑا حصہ ہے۔

NAFA ریفاری سیونگز فنڈ (NRFSF) نے اس مدت کے دوران 88.04 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 15.05 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 72.99 بلین روپے رہی۔ NAFA ریفاری سیونگز فنڈ (NRFSF) کی ایسیٹ ایلوکیشن 30 ستمبر 2018 کو برعکس ذیل ہے:



NAFA RIBA FREE SAVINGS FUND

اظہار تشکر

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

بورڈ اپنے اسٹاف اور رٹسٹی 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 منجھٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

30 اکتوبر 2018ء

مقام: کراچی

NAFA RIBA FREE SAVINGS FUND

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

	Note	<i>Un-Audited</i> September 30, 2018	<i>Audited</i> June 30, 2018
Rupees in '000			
ASSETS			
Balances with banks		3,529,098	3,921,350
Investments	4	969,323	100,380
Profit receivable	5	25,688	21,579
Deposits, prepayments and other receivables		327	200
Total assets		4,524,436	4,043,509
LIABILITIES			
Payable to the Management Company		5,509	4,913
Payable to the Central Depository Company of Pakistan Limited -Trustee		429	391
Payable to the Securities and Exchange Commission of Pakistan		829	2,473
Accrued expenses and other liabilities	6	20,338	18,531
Total Liabilities		27,105	26,308
NET ASSETS		<u>4,497,331</u>	<u>4,017,201</u>
UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>4,497,331</u>	<u>4,017,201</u>
CONTINGENCIES AND COMMITMENTS	7		
Number of units			
NUMBER OF UNITS IN ISSUE		<u>434,124,250</u>	<u>374,671,846</u>
Rupees			
NET ASSET VALUE PER UNIT		<u>10.3595</u>	<u>10.7219</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 RIBA FREE SAVINGS FUND

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

	Note	For the Quarter Ended September 30, 2018	For the Quarter Ended September 30, 2017
Rupees in '000			
INCOME			
Profit on bank deposits and term deposits		75,940	35,343
Income on GOP Ijara Sukuks		1,596	1,389
Income on Commercial paper		11,205	
Unrealised appreciation/(diminution) in the value of investments at fair value 'through profit or loss' - net		(700)	(1,250)
Total income		88,041	35,482
EXPENSES			
Remuneration of the Management Company		7,787	3,375
Sindh Sale Tax on Management Company's remuneration		1,012	439
Reimbursement of operational expenses to the Management Company		1,106	610
Remuneration of the Central Depository Company of Pakistan Ltd. - Trustee		1,154	733
Sindh Sale Tax on remuneration of trustee		150	95
Annual fee - Securities and Exchange Commission of Pakistan		829	458
Auditors' remuneration		147	164
Listing fee		6	6
Rating fee		97	90
Legal fee		6	14
Selling and Marketing expense	11	1,025	-
Shariah advisor fee		124	105
Settlement & Bank charges		117	132
Total expenses		13,560	6,221
Net income from operating activities		74,481	29,261
Provision for Sindh Workers' Welfare Fund	8	(1,490)	(585)
Net income for the period before taxation		72,991	28,676
Taxation	9	-	-
Net income for the period after taxation		72,991	28,676
Earning per unit	10	-	-
Allocation of Net income for the period:			
Net income for the year after taxation		72,991	28,676
Income already paid on units redeemed		(5,591)	(3,016)
Accounting income available for distribution:		67,400	25,660
- Relating to Capital Gains		-	-
- Excluding Capital Gains		67,400	25,660
		67,400	25,660

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 RIBA FREE SAVINGS FUND

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

	For the Quarter Ended September 30, 2018	For the Quarter Ended September 30, 2017
	Rupees in '000	
Accounting income available for distribution:	72,991	28,676
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>72,991</u>	<u>28,676</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 RIBA FREE SAVINGS FUND

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

	For the Quarter Ended September 30, 2018	For the Quarter Ended September 30, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	72,991	28,676
Adjustments		
Unrealised (appreciation)/diminution in the value of investments 'at fair value through profit or loss' - net	700	1,250
	<u>73,691</u>	<u>29,926</u>
(Increase) / decrease in assets		
Receivable against issue of units	-	(17,453)
Deposits, prepayments and other receivables	(127)	862
Profit receivable	(4,109)	(5,553)
	(873,879)	(22,144)
Increase / (decrease) in liabilities		
Payable to the Management Company	596	611
Payable to the Trustee	38	65
Payable to Securities and Exchange Commission of Pakistan	(1,644)	(617)
Accrued expenses and other liabilities	1,807	6,187
	797	6,246
Net cash generated/ (used in) from operating activities	<u>(799,391)</u>	<u>14,028</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	1,385,852	1,689,017
Payments on redemption of units	(884,634)	(896,715)
Distribution Paid	(94,079)	-
Net cash generated/(used in) financing activities	407,139	792,302
Net decrease in cash and cash equivalents during the period	<u>(392,252)</u>	<u>806,330</u>
Cash and cash equivalents at the beginning of the period	3,921,350	2,048,337
Cash and cash equivalents at the end of the period	<u><u>3,529,098</u></u>	<u><u>2,854,667</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 RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Riba Free Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited (NBP Funds) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 14, 2010 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

On January 11, 2013, MCB Financial Services Limited (MCB-FSL) was appointed as the new Trustee of the Fund, after CDC retired on the prior day. The appointment of the new Trustee was made as per clause 21 of the Trust Deed and Regulation 42(3) of the NBFC Regulations. The supplemental Trust Deed of the Fund was signed on November 16, 2012. Thereafter, on September 4, 2013, CDC was re-appointed as the new Trustee of the Fund, after MCB-FSL retired on the prior day and the supplemental Trust Deed was signed on July 29, 2013.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and classified as an Islamic "income scheme" by the Management Company and is listed on the Pakistan Stock Exchange (formerly Lahore Stock Exchange). 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 objective of the Fund is to provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / debt securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM1" to the Management Company and a stability rating of 'A(0)' to the Fund.

Title of the assets of the Fund is held in the name of CDC as 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 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

NAFA RIBA FREE SAVINGS FUND

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 SIGNIFICANT 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. 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

At Fair value through profit or loss

Government of Pakistan Ijara Sukuks	4.1	99,680		100,380
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Commercial papers

Hascol Petroleum Ltd	4.2	358,420		-
K-Electric Limited	4.2	511,223		-

Un-Audited	Audited
September	June 30,
30, 2018	2018
	Rupees in '000

969,323	100,380
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4.1 Fair value through profit or loss

All certificates have a face value of Rs.100,000 each.

Name of Investee Company	Issue Date	Number of certificates				Market Value as at September 30, 2018	Investment as percentage of		
		As at July 01, 2018	Purchases during the period	Sales during the period	As at September 30, 2018		Net assets	Market value of total investments	Issue size
GoP Ijara Sukuk XIV 18-Dec-2015 to 18-Dec-2018	1,000	-	-	1,000	99,680	2.22%	100.00%	4.87%	
Rupees in '000'						99,680			
Carrying value as at September 30, 2018						100,380			

Un-audited	Audited
September	June 30,
30, 2018	2018

Rupees in '000

5 PROFIT RECEIVABLE

Profit accrued on savings deposits and term deposits		23,866		21,353
Profit accrued on GOP Ijara Sukuks & Sukuk Certificate		1,822		226
		25,688		21,579

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		137		526
Provision for Sindh Workers' Welfare Fund		6,563		5,074
Federal Excise Duty on remuneration of the Management Company		10,657		10,657
Settlement charges		33		29
Withholding tax		1,749		55
Capital gain tax		79		1,125
Legal and professional charges		62		55
Bank charges		10		47
Payable against redemption of units		337		186
Printing charges		89		85
Mutual fund rating fee		-		195
Others		622		497
		20,338		18,531

NAFA RIBA FREE SAVINGS FUND

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 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. 6.563 million (September 30, 2017: Rs. 2.187 million). Had the provision not being made, the net asset value per unit as at September 30, 2018 would have been higher by Rs.0.0151 per unit (September 30, 2017: Rs. 0.0077) 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.

10 EARNING 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 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).

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 06 September 2018.

12 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 1.36% p.a. including 0.31% 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 Fund 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, 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.

NAFA RIBA FREE SAVINGS FUND

13.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

	Un-audited For the Quarter Ended September 30, 2018	Un-audited For the Quarter Ended September 30, 2017
13.5 Details of the transactions with connected persons are as follows:		
	Rupees in '000	
NBP Fund Management Limited - Management Company		
Remuneration for the period	7,787	3,375
Sindh Sales Tax on Management Company's remuneration	1,012	439
Reimbursement of operational expenses to the Management Company	1,106	610
Selling and marketing expense	1,025	-
Sale Load for the period	374	79
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	1,154	733
Sindh Sale Tax on remuneration of trustee	150	95
NATIONAL FULLERTON ASSET MANAGEMENT LTD- EMP. PROVIDENT FUND		
Issue of units 38,236 units (2017: 1,209,675 units)	169	12,373
Redemption of Nil units (2017: 312,977 units)	-	3,200
Employees of the Management Company		
Issue of units 1,451,289 units (2017: 517,922 units)	14,659	5,303
Redemption of 817,748 units (2017: 527,602 units)	8,398	5,409
Mr. Khalid Mehmood - Chief Finance Officer		
Issue of units 154,482 units (2017: Nil units)	1,578	-
Redemption of 124,565 units (2017: Nil units)	1,277	-
BYCO PETROLEUM PAKISTAN LIMITED - EMPLOYEE PROVIDENT FUND - CPS		
Issue of units 142,144 units (2017: Nil units)	1,047	-
TELENER PAKISTAN (PVT) LTD EMPLOYEES P.F (ISLAMIC) - RELATED PARTY		
Issue of units 619,578 units (2017: Nil units)	6,000	-
Redemption of 438,336 units (2017: Nil units)	4,507	-
13.6 Amounts outstanding as at period end	Un-Audited Sep 30, 2018	Audited June 30, 2018
	Rupees in '000	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	5,509	2,143
Sindh Sales Tax on remuneration of the Management Company	295	280
Operational expenses	1,105	1,828
Sales load	432	289
Sindh Sales Tax on sales load	56	373
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	429	347
Sindh sales tax on remuneration of the Trustee	49	44
CDS charges	33	29
Security deposit	200	200
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	2858	4,080

NAFA RIBA FREE SAVINGS FUND

	<i>Un-Audited</i> Sep 30, 2018	<i>Audited</i> June 30, 2018
	Rupees in '000	
Summit Bank Limited (Common Directorship with the Management Company)		
Bank balance	2,075	2,881
*Bank Islami Pakistan Limited (Common Directorship with the Management Company)		
Bank balance	413	62,359
Term deposits	660	-
Markup accrued	713	698
Employees of the Management Company		
Investment held in the Fund 1,753,391 Units (30 June 2018: 338,059 units)	18,164	2,007
Prosperity Weaving Mills		
Investment held in the Fund 892 Units (30, June 2018: 876 units)	-	9
National Fullerton Asset Management Employee Provident Fund (Provident Fund of the Management Company)		
Investment held in the Fund 768,892 Units (30, June 2018: 1,124,096)	7,965	7,834
Byco Petroleum Pakistan Limited - Employee Provident Fund - CPS		
Investment held in the Fund 2,858,392 Units (30 June, 2018: 2,716,248 units)	29,612	29,123
Telenor Pakistan Private Limited Employees Provident Fund (Islamic)		
Investment held in the Fund 786,421 Units (30 June, 2018: 605,179 units)	8,147	6,489
Mr. Khalid Mehmood - Chief Financial Officer		
Investment held in the Fund 116,231 Units (30 June, 2018: 86,314 units)	1,204	925

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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