



NBP FUNDS
Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگز

NBP ISLAMIC SARMAYA IZAFI FUND

(Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

**QUARTERLY
REPORT
MARCH
31, 2019**



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.**

NBP ISLAMIC SARMAYA IZAFI FUND **(Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)**

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NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

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

Bankers to the Fund

Habib Bank Limited (Islamic)
United Bank Limited (Ameen)
Bank Al Habib Limited (Islamic)
Meezan Bank Limited
Bank Islami (Pakistan) Limited
Sindh Bank Limited (Saadat)
MCB Bank Limited (Islamic)
Dubai Islamic Bank Limited
Bank Alfalah Limited (Islamic)
Soneri Bank Limited (Mustaqeem)
Habib Metro Bank Limited (Islamic)
Allied Bank Limited (Islamic)
Silk Bank Limited (Emaan)

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbp-funds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Islamic Sarmaya Izafi Fund (NISIF)** - (Formerly: *Nafa Islamic Asset Allocation Fund*) for the period ended March 31, 2019.

Fund's Performance

The size of **NBP Islamic Sarmaya Izafi Fund (NISIF)** - (Formerly: *Nafa Islamic Asset Allocation Fund*) has decreased from Rs. 11,502 million to Rs. 9,144 million during the period, i.e. a decline of 20.5%. During the period, the unit price of **NBP Islamic Sarmaya Izafi Fund (NISIF)** - (Formerly: *Nafa Islamic Asset Allocation Fund*) has decreased from Rs. 15.5128 on June 30, 2018 to Rs. 14.9586 on March 31, 2019, thus showing a decrease of 3.57%. The Benchmark of the Fund during the same period was decrease by 3.34%. Thus, the Fund has underperformed its Benchmark by 0.23% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.8230 (Ex-Div) on October 26, 2007 to Rs. 14.9586 on March 31, 2019, thus showing an increase of 291.28%. During the said period, the Benchmark increased by 164.88%, translating into outperformance of 126.40%. This performance is net of management fee and all other expenses.

9MFY19 has been a challenging period for the stock market, characterized by dismal performance, amplified volatility, and lackluster participation. Initially, the market celebrated the fortuitous transition between two democratically elected governments as it quelled the domestic political uncertainty, but the rally proved short-lived as investors' focus shifted from politics to the ailing economy as manifested by intractable twin deficits, especially the ballooning Current Account Deficit (CAD) and the consequent drain on the foreign exchange reserves. The government in its response, embarked on contractionary monetary and fiscal policies such as expanding and deepening the scope of duties on imported luxury goods, cut in public spending, and readjusting the overvalued Rupee against the US Dollar. Concomitantly, the Central Bank also raised the Policy Rate aggressively to rein in inflationary pressures and contain consumption-led demand pressures. This raised concern on economic growth slowdown and corporate profitability, especially of cyclical sectors that in turn dampened market sentiments during the period under review.

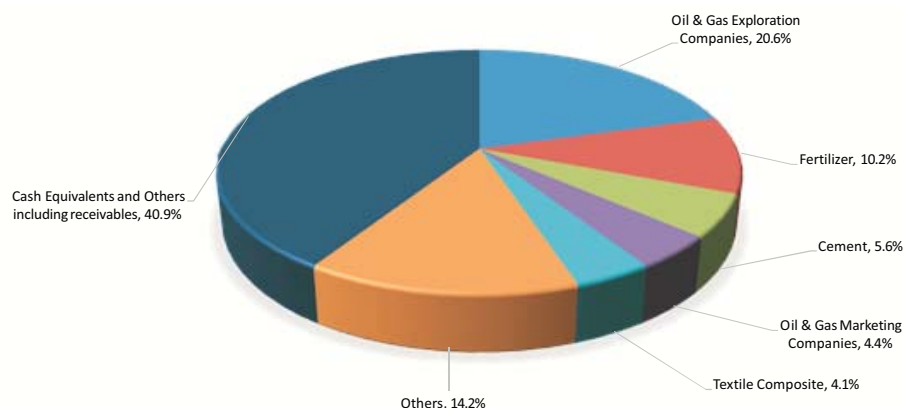
Delay in the IMF program also irked the market participants even though the government was able to secure a sizable financial assistance from friendly countries such as China, KSA and UAE that lent support to SBP's fast depleting FX reserves. In the meanwhile, the tightening policies started showing results as reflected by a substantial decline in CAD that clocked in at USD 873 million and USD 356 million in Jan-19 and Feb-19, respectively compared with the average monthly CAD of USD 1.27 billion in 1HFY19, which revived some confidence in the stocks during 3QFY19. However, the gains were capped by the escalation of tension between Pakistan and India post Pulwama attack in Indian occupied Kashmir. More specifically, the market (KMI 30 Index) surged by 3.5% in 3QFY19, offsetting some of the losses in 1HFY19, taking 9MFY19 decline to 10.9%.

Defensive sectors such as Fertilizers, Commercial Banks, Oil & Gas Exploration, Textile Composite and Chemicals fared better than the market, while Engineering, Oil & Gas Marketing, Refineries, Cements, Autos and Power sectors underperformed the market during 9MFY19. On the trading activity front, Foreign Investors continued their unabated selling, which amounted to USD 373 million. On the local side, Mutual Funds also liquidated equities worth USD 59 million, while Insurance Companies, Individuals, and Companies emerged as large buyers with net inflows to the tune of USD 174 million, USD 144 million, and USD 73 million, respectively.

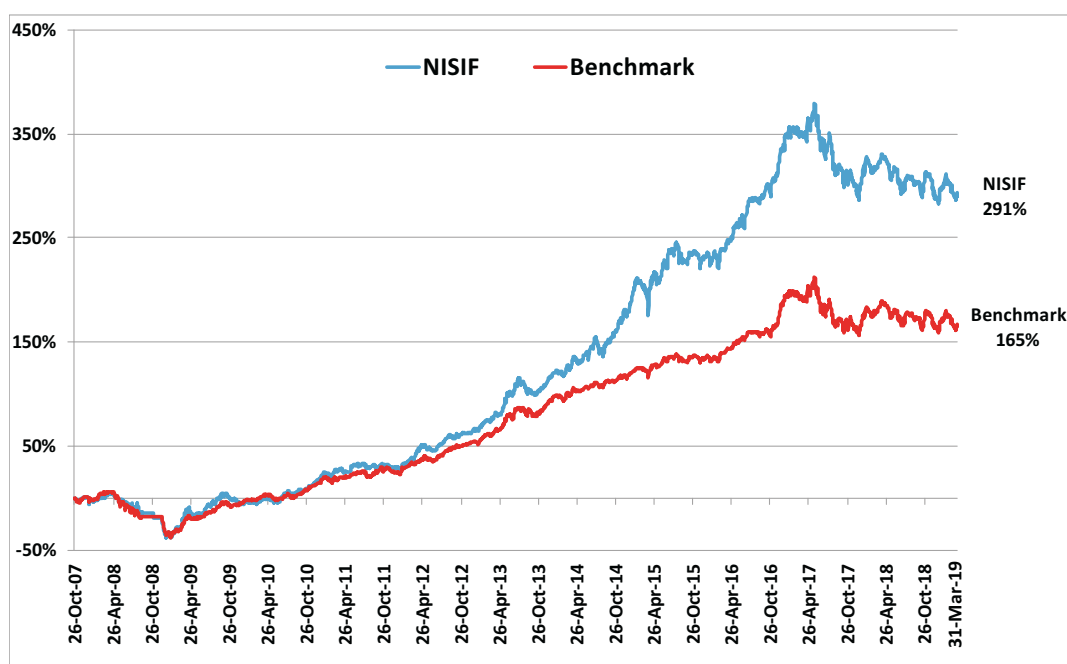
During 9MFY2019, the State Bank of Pakistan (SBP) pursued tightening monetary policy and cumulatively hiked the Discount Rate by 425 basis points to 11.25% to contain underlying inflationary pressures and restore financial stability. The government issued GoP Sukuks to the tune of PKR 200 billion to clear energy sector circular debt that helped the undersupplied Shariah Compliant segment. The market also witnessed issuance of a decent size of corporate Sukuks and Shariah Compliant commercial papers to meet the increasing funding need for working capital as well as fixed capital investments. In the secondary market, trading activity in corporate Sukuks witnessed an increase from Rs. 6.4 billion last year to Rs. 8.6 billion this year.

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

NBP Islamic Sarmaya Izafa Fund (NISIF) - (Formerly: Nafa Islamic Asset Allocation Fund) has incurred a total loss of Rs.145 million during the period. After deducting total expenses of Rs.252 million, the net loss is Rs.397 million. The asset allocation of the Fund as on March 31, 2019 is as follows:



NISIF 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.

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: April 26, 2019
Place: Karachi.

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

ڈائریکٹر کی رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے NBP اسلامک سرمایہ اضافہ فنڈ (NISIF) (سابقہ: NAFA) اسلامک ایسٹ ایلوکیشن فنڈ کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

NBP اسلامک سرمایہ اضافہ فنڈ (NISIF) (سابقہ: NAFA) اسلامک ایسٹ ایلوکیشن فنڈ) کا سائز اس مدت میں 11,502 ملین روپے سے کم ہو کر 9,144 ملین روپے ہو گیا ہے، یعنی 20.5% کی کمی ہوئی۔ اس مدت کے دوران، NBP اسلامک سرمایہ اضافہ فنڈ (NISIF) (سابقہ: NAFA) اسلامک ایسٹ ایلوکیشن فنڈ کے یونٹ کی قیمت 30 جون 2018 کو 15.5128 روپے سے کم ہو کر 31 مارچ 2019 کو 14.9586 روپے ہو گئی، لہذا 3.57% کی کمی ظاہر کر رہی ہے۔ اسی مدت کے دوران بنچ مارک میں 3.34% کی کمی ہوئی۔ لہذا فنڈ کی کارکردگی زیر جائزہ مدت کے دوران اپنے بنچ مارک سے 0.23% اتر رہی۔ اپنے قیام کے بعد 26 اکتوبر 2007 سے فنڈ کی NAV 3,8230 روپے (EX-Div) سے بڑھ کر 31 مارچ 2019 کو 14.9586 روپے ہو گئی، چنانچہ 291.28% کا اضافہ ہوا۔ اس مدت کے دوران بنچ مارک 164.88% سے بڑھا۔ لہذا فنڈ نے 126.40% کی بہتر کارکردگی دکھائی۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 2019 کی نو ماہی میں اسٹاک مارکیٹ، مایوس کن کارکردگی، عدم استحکام اور عدم دلچسپی کے باعث مشکل حالات سے دوچار رہی۔ ابتدائی طور پر مارکیٹ نے دو جمہوری منتخب حکومتوں میں خوش قسمت تبدیلی کو سراہا اور ملکی غیر یقینی سیاسی صورتحال کو استحکام بخشنا تاہم سرمایہ کاروں کا جوش وقتی ثابت ہوا جس کی وجہ سے سرمایہ کاروں کا سیاسی صورتحال سے خراب معیشت کی طرف متوجہ ہونا تھا جو کہ دہرے خسارے، خاص طور پر بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) اور نتیجتاً غیر ملکی زرمبادلہ کے ذخائر میں کمی سے صاف ظاہر ہو رہی تھی۔ حکومت نے اس کے رد عمل میں پرنٹیشن اشیاء کی درآمد پر ڈیوٹیز میں اضافہ، عوامی اخراجات میں کمی اور امریکی ڈالر کے برعکس روپیہ کی قدر میں کمی کی ایڈجسٹمنٹ جیسی تخفیفی مانیٹری اور مالی پالیسیوں کا آغاز کیا۔ نتیجتاً سینٹرل بینک نے افراط زر کے دباؤ اور کھپت پر مشتمل طلب کے دباؤ پر قابو پانے کے لئے پالیسی کی شرح میں خاطر خواہ اضافہ کر دیا اس سے اقتصادی نمو کی سست روی اور کارپوریٹ خاص طور پر گردش کیلئے زکیم نفع میں کمی سے تشویش بڑھ گئی جس کے نتیجے میں زیر جائزہ مدت کے دوران سرمایہ کاروں کے جذبات مدہم پڑ گئے۔

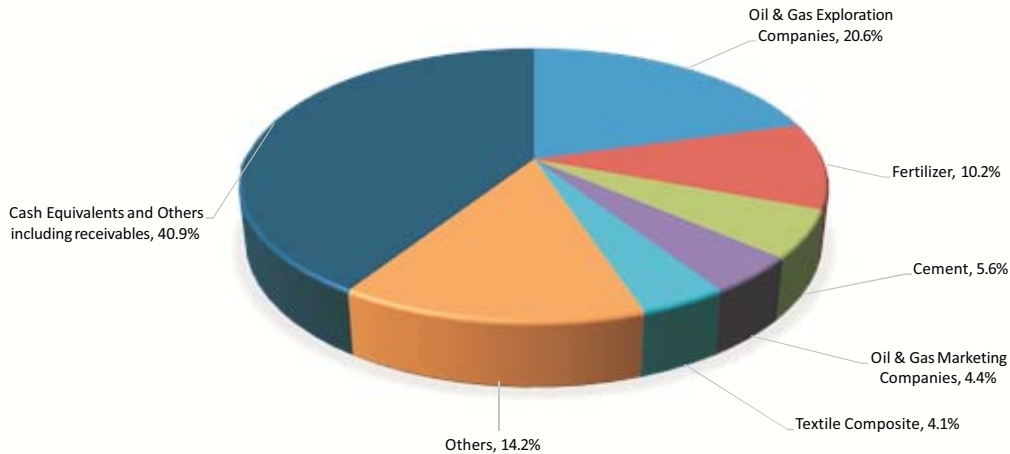
IMF پروگرام میں تاخیر نے مارکیٹ کے شرکاء کو بھی پریشان کیا باوجود اس کے حکومت چائنا، سعودی عرب اور متحدہ عرب امارات جیسے دوست ممالک سے قابل ذکر مالی امداد کو حاصل کرنے میں کامیاب ہوئی جو SBP کے تیزی سے کم ہوتے زرمبادلہ کے ذخائر کو مستحکم کرنے کے لئے معاون ثابت ہوئی۔ اسی اثناء میں، سخت پالیسیوں کے نتائج سامنے آنے شروع ہو گئے جو CAD میں خاطر خواہ کمی سے ظاہر ہوتا ہے۔ مالی سال 19 کی پہلی ششماہی میں 1.27 بلین امریکی ڈالر کے اوسط ماہانہ CAD کے مقابلے میں بالترتیب، جنوری-19 اور فروری-19 میں 873 ملین امریکی ڈالر اور 356 ملین امریکی ڈالر رہی ہے، جس نے مالی سال کی تیسری سہ ماہی کے دوران اسٹاک میں کچھ اعتماد بحال کیا۔ تاہم، مقبوضہ کشمیر میں پلوا مہ حملے کے بعد پاکستان اور بھارت کے درمیان کشیدگی کے اضافے کی وجہ سے اسٹاک مارکیٹ کی سرگرمیاں محدود ہو گئیں۔ خاص طور پر، مالی سال 19 کی تیسری سہ ماہی میں مارکیٹ (KMI-30 انڈیکس) 3.5% فیصد تک بہتر ہوا جس کے نتیجے میں، مالی سال 19 کی پہلی ششماہی کے نقصانات کا کچھ ازالہ ہوا اور مالی سال 19 کی نو ماہی میں مارکیٹ کی کمی 10.9% تک رہ گئی۔

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

شعبہ جاتی کارکردگی کے حوالہ سے مالی سال 19 کی نو ماہی کے دوران کھاد، تجارتی بینکوں، آئل اینڈ گیس ایکسپلوریشن، ٹیکسٹائل کمپوزٹ اور کیمیکل نے مارکیٹ سے بہتر کارکردگی دکھائی ہے، جبکہ انجینئرنگ، آئل اینڈ گیس مارکیٹنگ، ریفائنری، سینٹ، آٹو اور بجلی کے شعبوں نے اتر کارکردگی کا مظاہرہ کیا۔ مارکیٹ میں تجارتی سرگرمی کے لحاظ سے غیر ملکی سرمایہ کار 373 ملین امریکی ڈالر کے حجم کے ساتھ خالص فروخت کنندہ رہے۔ مقامی سرمایہ کاروں میں میوچل فنڈز نے 59 ملین امریکی ڈالر کی ایکویٹیز فروخت کیں جبکہ انشورنس، انفرادی سرمایہ کار اور کمپنیاں، اس عرصے کے دوران بالترتیب 174 ملین امریکی ڈالر، 144 ملین امریکی ڈالر اور 73 ملین امریکی ڈالر کے حجم کے ساتھ خالص خریدار رہے۔

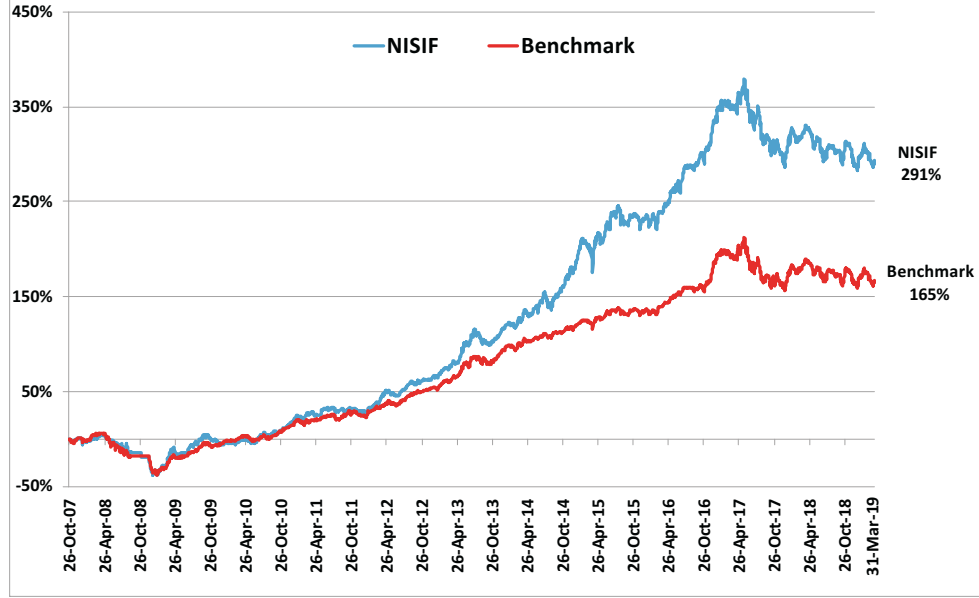
مالی سال 2019 کی نو ماہی کے دوران، بنیادی افراط زر کے دباؤ کی روک تھام اور مالیاتی استحکام کو بحال کرنے کے لئے اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی پر عمل درآمد کرتے ہوئے پالیسی کی شرح 425 بیس پوائنٹ اضافے کے ساتھ 11.25% کر دی۔ حکومت نے انرجی سیکٹر کے گردش قرضہ کی ادائیگی کے لئے 200 بلین پاکستانی روپے کے GoP Sukuks جاری کئے جس نے undersupplied شریعہ کمپلیٹ سیگمنٹ کی مدد کی۔ مارکیٹ نے ورکنگ کیپٹل اور فکسڈ کیپٹل سرمایہ کاری کی بڑھتی ہوئی فنڈنگ کی ضرورت کو پورا کرنے کے لئے کارپوریٹ Sukuks اور شریعہ کمپلیٹ کمرشل پیپرز کے اجراء کا تسلی بخش حجم کا مشاہدہ کیا ہے۔ ثانوی مارکیٹ میں، کارپوریٹ Sukuks میں ٹریڈنگ کی سرگرمی گزشتہ سال 6.4 بلین روپے سے بڑھ کر اس سال 8.6 بلین روپے ہو گئی۔

NBP اسلامک سرمایہ اضافہ فنڈ (NISIF) (سابقہ: NAFA اسلامک ایسٹ ایلوکیشن فنڈ) کو اس مدت کے دوران 145 ملین روپے کا خسارہ ہوا۔ 252 ملین روپے کے اخراجات منہا کرنے کے بعد کل خسارہ 397 ملین روپے ہے۔ 31 مارچ 2019 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

NISIF کی کارکردگی بمقابلہ بینچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ 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 کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

NBP نیٹو مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 اپریل 2019

مقام: کراچی

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
Note	----- Rupees in '000 -----	
ASSETS		
Balances with banks	3,733,724	6,412,181
Investments	5,407,204	5,230,962
Profit accrued and dividend receivable	80,729	40,908
Advances, deposits, prepayments and other receivables	75,093	5,314
Total assets	9,296,750	11,689,365
LIABILITIES		
Payable to the Management Company	53,139	78,944
Payable to the Trustee	990	1,178
Payable to the Securities and Exchange Commission of Pakistan	7,617	12,375
Accrued expenses and other liabilities	90,574	94,519
Total liabilities	152,320	187,016
NET ASSETS	9,144,430	11,502,349
Unit holders' funds (As per statement attached)	9,144,430	11,502,349
CONTINGENCIES AND COMMITMENTS	-	-
	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	611,317,209	741,473,825
	Rupees	Rupees
NET ASSET VALUE PER UNIT	14.9586	15.5128

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

Note	Nine months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
------(Rupees in '000)-----				
INCOME				
Loss on sale of investments - net	(280,130)	(521,971)	(72,562)	(286,103)
Profit on bank deposits	366,093	246,115	104,539	78,195
Dividend income	196,834	311,100	44,611	60,966
Unrealised (diminution) / appreciation on revaluation of investments carried at fair value through profit or loss - net	(428,216)	(507,975)	218,097	935,642
Total Income	(145,419)	(472,731)	294,685	788,700
EXPENSES				
Remuneration of the Management Company	160,351	200,311	48,417	62,820
Sindh sales tax on Management Fee	20,846	26,040	6,295	8,166
Remuneration of the Trustee	8,768	10,766	2,667	3,387
Sindh sales tax on remuneration of Trustee	1,140	1,400	347	441
Annual fee - Securities and Exchange Commission of Pakistan	7,617	9,515	2,300	2,984
Accounting and operational charges to the Management Company	8,018	10,016	2,421	3,141
Securities transaction cost	10,261	5,515	3,896	2,628
Shariah advisor fee	1,326	365	441	120
Settlement and bank charges	742	1,781	390	585
Annual listing fee	21	27	7	13
Auditors' remuneration	495	535	107	176
Fund rating fee	120	337	19	247
Legal and professional charges	55	312	18	103
Selling & Marketing Expenses	32,070	40,062	9,683	12,564
Printing charges	11	11	3	3
Total Expenses	251,841	306,993	77,011	97,378
Net (loss) / income from operating activities	(397,260)	(779,724)	217,674	691,322
Provision for Sindh Workers' Welfare Fund	5	-	-	-
Net (loss) / income for the period before taxation	(397,260)	(779,724)	217,674	691,322
Taxation	7	-	-	-
Net (loss) / income for the period after taxation	(397,260)	(779,724)	217,674	691,322
Allocation of net income / (loss) for the period				
Net (loss) / income for the period after taxation	-	-	-	-
Income already paid on units redeemed	-	-	-	-
Accounting income available for distribution:				
Relating to capital gain	-	-	-	-
Excluding capital gain	-	-	-	-

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)		(Rupees in '000)	
Net (loss) / income for the period after taxation	(397,260)	(779,724)	217,674	691,322
Other comprehensive income				
Items that may be reclassified subsequently to the income statement	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(397,260)</u>	<u>(779,724)</u>	<u>217,674</u>	<u>691,322</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine months period ended					
	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	11,002,026	500,323	11,502,349	12,860,041	1,904,192	14,764,233
Issue of 139,872,469 units (2018: 349,893,258 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,169,813	-	2,169,813	5,958,269	-	5,958,269
- Element of loss	(18,999)	-	(18,999)	(310,255)	-	(310,255)
Total proceeds on issuance of units	2,150,814	-	2,150,814	5,648,014	-	5,648,014
Redemption of 270,029,085 units (2018: 453,191,459 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(4,188,908)	-	(4,188,908)	(7,714,186)	-	(7,714,186)
- Element of income	77,435	-	77,435	510,399	-	510,399
Total payments on redemption of units	(4,111,473)	-	(4,111,473)	(7,203,787)	-	(7,203,787)
Total comprehensive (loss) / income for the period	-	(397,260)	(397,260)	-	(779,724)	(779,724)
Distribution during the period	-	-	-	-	(79,929)	(79,929)
Net assets at end of the period	9,041,367	103,063	9,144,430	11,304,268	1,044,539	12,348,807
Undistributed income brought forward						
- Realised		1,333,962			845,799	
- Unrealised		(833,639)			1,058,393	
		500,323			1,904,192	
Accounting (loss) / income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net (loss) / income for the period		(397,260)			(779,724)	
Distribution during the period		-			(79,929)	
Undistributed income carried forward		103,063			1,044,539	
Undistributed income carried forward						
- Realised		531,279			1,552,514	
- Unrealised		(428,216)			(507,975)	
		103,063			1,044,539	
----- (Rupees) -----						
Net assets value per unit at beginning of the period		15.5128			17.0820	
Net assets value per unit at end of the period		14.9586			16.2267	

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine months Ended	
	March 31, 2019	March 31, 2018
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(397,260)	(779,724)
Adjustments		
Unrealised diminution on investments at fair value through profit or loss - net	428,216	507,975
Capital loss on sale of investments - net	280,130	521,971
	311,086	250,222
(Increase) / decrease in assets		
Investments	(884,588)	1,570,029
Dividend and profit receivable	(39,821)	4,753
Advances, deposits, prepayments and other receivable	(69,779)	3,500
	(994,188)	1,578,282
Increase / (decrease) in liabilities		
Payable to the Management Company	(25,805)	(2,108)
Payable to the Trustee	(188)	(267)
Payable to Securities and Exchange Commission of Pakistan	(4,758)	(766)
Payable against purchase of investments	-	(2,027)
Payable against redemption of units	-	(9,467)
Accrued expenses and other liabilities	(3,945)	(128,708)
	(34,696)	(143,343)
Net cash (used in) / generated from operating activities	(717,798)	1,685,161
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	2,150,814	5,648,043
Payments on redemption of units	(4,111,473)	(7,203,787)
Dividend paid	-	(102,749)
Net cash (used in) financing activities	(1,960,659)	(1,658,493)
Net (decrease) / increase in cash and cash equivalents during the period	(2,678,457)	26,668
Cash and cash equivalents at the beginning of the period	6,412,181	6,044,017
Cash and cash equivalents at the end of the period	3,733,724	6,070,685

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Sarmaya Izafi Fund (NISIF) - (Formerly: *Nafa Islamic Asset Allocation Fund*) was established under a Trust Deed executed between NBP Fund Management Limited (Formerly NBP Fullerton Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 20, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 03, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Deed was amended through supplemental trust deed executed on October 07, 2013 for the change of name and categorization of the Fund as an asset allocation scheme.

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

The Fund is an open-ended mutual fund and categorised as an Islamic asset allocation scheme and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund 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.

With the approval of SECP, the Management Company has changed the name of the fund from 'Nafa Islamic Asset Allocation Fund' to 'NBP Islamic Sarmaya Izafi Fund' with effect from April 25, 2019. The trust deed has been amended through supplemental trust deed executed for the change of name.

The investment objective of the Fund is to generate income by investing in shariah compliant equity and equity related securities and income by investing in shariah compliant bank deposits, debt and money market securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company while and has assigned performance ranking of 3- star to the fund.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim

NBP ISLAMIC SARMAYA IZAFI FUND

(Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has an impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

"IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost."

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

3.3 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

NBP ISLAMIC SARMAYA IZAFAT FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

4 INVESTMENTS

At fair value through profit or loss

Investment in shares of listed company

Note (Un-Audited) (Audited)
March June
31, 2019 30, 2018
(Rupees in '000)

4.1 5,407,204 5,230,962

5,407,204 5,230,962

4.1 Investment in shares of listed companies - at fair value through profit or loss

All shares have a nominal face value of Rs. 10 each except for shares of Thal Limited and K-Electric Limited which have a face value of Rs. 5 and Rs. 3.5 each respectively.

Name of the investee company	As at 01 July 2018	Purchases during the period	Bonus / right issue	Sales during the period	As at 31 March 2019	Market value at 31 March 2019	Investment as a percentage of		
							Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up capital of the investee company held
(Number of shares)					(Rupees in '000)				
OIL AND GAS MARKETING COMPANIES									
Attock Petroleum Limited	133,900	-	26,780	7,000	153,680	61,241	0.67	1.13	0.07
Pakistan State Oil Company Limited	577,715	722,500	85,823	516,600	869,438	187,955	2.06	3.48	0.07
Hascol Petroleum Limited	2,626	232,300	657	-	235,583	30,548	0.33	0.56	0.03
Shell Pakistan Limited	320,400	-	-	253,200	67,200	17,689	0.19	0.33	0.02
Sui Northern Gas Pipelines Limited	1,158,000	2,350,000	-	2,130,000	1,378,000	103,502	1.13	1.91	0.02
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	286,800	25,800	23,026	124,840	210,786	262,479	2.87	4.85	0.24
Oil and Gas Development Company Limited	2,401,000	3,000,200	-	1,141,100	4,260,100	628,578	6.87	11.62	0.01
Pakistan Oilfi-elds Limited	633,610	496,000	107,122	457,300	779,432	348,601	3.81	6.45	0.15
Pakistan Petroleum Limited	2,049,770	1,813,000	303,491	669,500	3,496,761	646,866	7.07	11.96	0.03
REFINERY									
Attock Refi-nery Limited	33,600	-	8,400	42,000	-	-	-	-	-
National Refinery Limited	-	96,900	-	12,000	84,900	14,284	0.16	0.26	0.02
CHEMICALS									
AKZO Noble Pakistan Limited	29,900	-	-	-	29,900	4,629	0.05	0.09	0.01
Dyneoa Pakistan Limited	21,500	-	-	-	21,500	2,064	0.02	0.04	0.02
Engro Polymer and Chemicals Limited	-	7,318,500	-	4,766,000	2,552,500	92,707	1.01	1.71	0.01
Itihad Chemicals Limited	327,750	-	32,775	-	360,525	10,635	0.12	0.20	0.02
Lotte Chemical Pakistan Limited	-	6,245,000	-	6,245,000	-	-	-	-	-
I.C.I. Pakistan Limited	4,900	-	-	4,900	-	-	-	-	-
PAPER & BOARD									
Century Paper and Board Mills Limited	60,400	-	-	60,400	-	-	-	-	-
Cherat Packaging Limited	-	133,300	-	-	133,300	18,929	0.21	0.35	0.05
FOOD AND PERSONAL CARE PRODUCTS									
Al Shaheer Corporation Limited	1,116,654	-	-	-	1,116,654	20,077	0.22	0.37	0.01
ENGINEERING									
International Industries Limited	137,900	187,800	-	139,000	186,700	23,169	0.25	0.43	0.10
Mughal Iron And Steel Industries Limited	406,043	927,000	-	640,000	693,043	27,070	0.30	0.50	0.02
K.S.B. Pumps Company Limited	8,200	-	-	-	8,200	1,236	0.01	0.02	0.01
Amreli Steels Limited	381,500	-	-	381,500	-	-	-	-	-
Crescent Steel & Allied Products Limited	123,000	-	-	123,000	-	-	-	-	-
International Steels Limited	965,300	2,583,700	-	2,568,700	980,300	62,769	0.69	1.16	0.01
CEMENT									
Attock Cement Pakistan Limited	914,301	-	7,460	877,000	44,761	3,990	0.04	0.07	0.00
D.G. Khan Cement Company Limited	686,900	428,000	-	1,114,900	-	-	-	-	-
Maple Leaf Cement Factory Limited	475,000	5,538,000	-	2,624,000	3,389,000	126,918	1.39	2.35	0.02
Fauji Cement Company Limited	-	711,000	-	711,000	-	-	-	-	-
Pioneer Cement Limited	1,065,200	1,423,500	-	239,000	2,249,700	78,222	0.86	1.45	0.03
FECTO Cement Limited	239,200	-	-	-	239,200	6,698	0.07	0.12	0.01
Lucky Cement Limited	189,200	615,350	-	244,800	559,750	239,707	2.62	4.43	0.07
Cherat Cement Company Limited	829,200	-	-	392,500	436,700	27,433	0.30	0.51	0.02
Kohat Cement Limited	574,600	-	91,110	334,400	331,310	28,436	0.31	0.53	0.02
TRANSPORT									
Pakistan National Shipping Corporation	169,200	-	-	17,000	152,200	9,170	0.10	0.17	0.01
TEXTILE COMPOSITE									
Nishat Mills Limited	1,951,800	2,420,400	-	1,934,100	2,438,100	328,193	3.59	6.07	0.09
Kohinoor Textile Mills Limited	2,409,780	-	-	1,363,000	1,046,780	46,969	0.51	0.87	0.02
Synthetic Products Enterprises Limited	370,500	84,500	-	-	455,000	15,015	0.16	0.28	0.02
FERTILIZER									
Dawood Hercules Corporation Limited	267,200	-	-	267,200	-	-	-	-	-
Engro Fertilizers Limited	4,227,000	5,222,000	-	4,326,500	5,122,500	366,515	4.01	6.78	0.03
Engro Corporation Limited	1,355,700	1,278,000	-	896,500	1,737,200	568,464	6.22	10.51	0.04
POWER GENERATION AND DISTRIBUTION									
The Hub Power Company Limited	3,477,460	3,097,500	-	2,479,500	4,095,460	300,320	3.28	5.55	0.03
Lalpur Power Limited	407,000	-	-	-	407,000	5,694	0.06	0.11	0.00
Kot Addu Power Company Limited	1,784,000	-	-	1,784,000	-	-	-	-	-
K-Electric Limited	14,505,000	22,474,000	-	27,570,000	9,409,000	52,596	0.58	0.97	0.00
COMMERCIAL BANKS									
Meezan Bank Limited	1,084,229	3,062,000	285,173	1,248,500	3,182,902	315,266	3.45	5.83	0.03

NBP ISLAMIC SARMAYA IZAFAT FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

Name of the investee company	As at 01 July 2018	Purchases during the period	Bonus / right issue	Sales during the period	As at 31 March 2019	Market value at 31 March 2019	Investment as a percentage of							
							Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up capital of the investee company held					
----- (Number of shares) -----				(Rupees in '000)										
AUTOMOBILE ASSEMBLER							-							
Millat Tractors Limited	48,120	36,240	-	84,360	-	-	-	-	-					
Indus Motor Company Limited	22,040	-	-	22,040	-	-	-	-	-					
Honda Atlas Cars (Pakistan) Limited	56,900	133,600	-	183,900	6,600	1,584	0.02	0.03	0.00					
AUTOMOBILE PARTS AND ACCESSORIES							-							
Baluchistan Wheels Limited	227,000	7,500	-	-	234,500	20,050	0.22	0.37	0.15					
Agriautos Industries Limited	-	1,400	-	-	1,400	317	0.00	0.01	0.00					
Thal Limited	62,397	-	-	62,396	1	0	0.00	0.00	0.00					
PHARMACEUTICALS							-							
Abbott Laboratories (Pakistan) Limited	98,900	-	-	74,450	24,450	15,588	0.17	0.29	0.02					
Ferozsons Laboratories Limited	51,200	-	-	-	51,200	10,011	0.11	0.19	0.03					
The Searle Company Limited	79,767	180,300	7,135	207,000	60,202	14,258	0.16	0.26	0.01					
AGP Limited	-	109,000	-	-	109,000	9,280	0.10	0.17	0.00					
Glaxosmithkline Pakistan Limited	97,100	171,000	-	-	268,100	38,494	0.42	0.71	0.01					
TECHNOLOGY AND COMMUNICATION							-							
Avancon Limited	634,000	-	-	321,500	312,500	21,769	0.24	0.40	0.02					
NetSol Technologies Limited	-	836,200	-	160,000	676,200	55,151	0.60	1.02	0.06					
Pakistan Telecommunication Company Limited	-	4,508,500	-	4,508,500	-	-	-	-	-					
Systems Limited	-	465,500	-	2,500	463,000	49,310	0.54	0.91	0.04					
CABLE AND ELECTRIC GOODS							-							
Pak Elektron Limited	-	2,792,000	-	2,792,000	-	-	-	-	-					
GLASS AND CERAMICS							-							
Tariq Glass Industries Limited	1,147,200	130,000	-	568,900	708,300	71,722	0.78	1.33	0.10					
Ghani Value Glass Limited	-	34,500	-	-	34,500	1,171	0.01	0.02	0.00					
Shabbir Tiles and Ceramics Limited	1,430,500	-	-	325,000	1,105,500	13,863	0.15	0.26	0.01					
							52,118,062	81,891,990	978,952	78,018,486	56,970,518	5,407,204	59.13	100.00
Carrying value of investment before fair value adjustment						5,835,420								

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 18 to the annual audited financial statements of the Fund for the year ended June 30, 2018."

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 60.862 million for the period ended March 31, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2019 would have been higher by Rs. 0.0996 per unit (June 30, 2018: Rs. 0.0821 per unit)."

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on March 31, 2019 and June 30, 2018.

7 TAXATION

"The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements."

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

8 DETAILS OF NON-COMPLIANT INVESTMENTS

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009, required

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The Securities and Exchange Commission of Pakistan vide its circular no. 16 dated July 7, 2010, prescribed special disclosures for the schemes holding investments that are non compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirements of their constitutive documents.

The following are the details of non-compliant investments:

Names of non-compliant investment	Non-compliance of clause	Type of Investment	Value of investment before provision	Provision held	Value of investment after provision	% of net assets	% of gross assets
Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular no. 7 of 2009	Sukuks (8.1)	4,922	(4,922)	-	-	-

- 8.1 At the time of purchase, these sukuks were in compliance with the aforementioned circular. However, they were subsequently defaulted or were downgraded to non investment grade.

9 SELLING AND MARKETING EXPENSE

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs. 32.07 million at the rate of 0.4% of the net assets of the Fund being lower than the actual expenses chargeable to the Fund for the period.

10 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2019 is 3.14% which includes 0.37% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as Shariah Compliant Asset Allocation scheme.

11 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

NBP ISLAMIC SARMAYA IZAFI FUND

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

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

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

	(Un Audited) Nine months Ended	
	March 31, 2019	March 31, 2018
	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	160,351	200,311
Sindh Sales Tax on remuneration of the Management Company	20,846	26,040
Reimbursement of operational expenses to the Management Company	8,018	10,016
Selling and Marketing Expense	32,070	40,062
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	8,768	10,766
Sindh Sales Tax on remuneration of the Trustee	1,140	1,400
Employees of the Management Company		
Dividend Re-invest Units Issued	-	40
Units Issued 302,331 (2018: 238,189)	4,653	3,954
Units Redeemed 375,019 (2018: 589,397)	5,719	9,435
NAFA Islamic Principal Preservation Fund		
Units Issued Nil (2018: 1,219,223)	-	19,357
Units Redeemed Nil (2018: 2,815,782)	-	44,893
TELENOR PAKISTAN (PVT) LTD EMPLOYEES PROVIDENT FUND (ISLAMIC)		
Units Issued Nil (2018: 622,136)	-	10,114
Units Redeemed Nil (2018: 3,066,080)	-	49,814
National Fullerton Asset Management Limited Employees Provident Fund (Provident Fund of Management Company)		
Units Redeemed 433,896 (2018: Nil)	6,538	-
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust		
Units Issued 1,210,978 (2018: Nil)	19,016	-
Units Redeemed 571,788 (2018: Nil)	9,000	-
Taurus Securities Limited (Subsidiary of Parent of the Management Company)		
Brokerage charges	531	377
International Industries Limited (Common directorship with the Management Company)		
Shares Purchased	32,279	3,910
Shares Sold	21,121	-
Dividend Income	1,363	552

NBP ISLAMIC SARMAYA IZAFI FUND

(Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

		(Un Audited)	
		Nine months Ended	
		March 31, 2019	March 31, 2018
		(Rupees in '000)	
International Steels Limited			
(Common directorship with the Management Company)			
Shares Purchased		199,905	-
Shares Sold		186,286	-
Dividend Income		4,546	-
I.C.I. Pakistan Limited			
(Common directorship with the Management Company)			
Shares Sold		5	-
Dividend Income		42	-
Cherat Cement Company Limited			
(Common directorship with the Management Company)			
Shares Purchased		29,036	-
Dividend Income		2,387	6,320
		Un-Audited As at March 31, 2019	Audited As at June 30, 2018
		(Rupees in '000)	
11.2	Amounts outstanding as at period / year end		
NBP Fund Management Limited - Management Company			
Remuneration of the Management Company		15,940	19,328
Sindh Sales Tax on remuneration of the Management Company		4,070	2,510
Operational expenses		2,421	6,152
Sales load		3,261	6,199
Sindh Sales Tax and Federal Excise Duty on sales load		17,764	20,147
Selling and Marketing Expense payable		9,683	24,608
Central Depository Company of Pakistan Limited - Trustee			
Trustee fee payable		880	1,046
Sindh Sales tax Trustee remuneration		110	132
Security deposit		100	100
National Bank of Pakistan - (Parent of the Management Company)			
Bank balance		4,161	6,579
Profit accrued		16	-
International Industries Limited			
(Common directorship with the Management Company)			
Ordinary shares held 186,700 shares (2018: 137,900)		23,169	32,033
Dividend receivable		467	-
International Steel Limited			
(Common directorship with the Management Company)			
Ordinary shares held 980,300 shares (2018: 1,047,800)		62,769	98,171
Dividend receivable		1,470	-

NBP ISLAMIC SARMAYA IZAFI FUND (Formerly: NAFA ISLAMIC ASSET ALLOCATION FUND)

	Un-Audited As at March 31, 2019 (Rupees in '000)	Audited As at June 30, 2018
Bank Islami Pakistan Limited (Common directorship with the Management Company)		
Bank balances in saving accounts	699,548	1,141,367
Profit accrued	10,585	13,138
Cherat Cement Company Limited (Common directorship with the Management Company)		
Ordinary shares held 436,700 shares (2017: 1,003,200)	27,433	80,623
Askari Bank Limited (Common directorship with the Management Company)		
Bank balance in savings account	1,527	1,277
Profit accrued	120	-
Summit Bank Limited (Common directorship with the Management Company)		
Bank balance in current account	11,020	12,559
Employees of the Management Company		
Units held in the Fund (74,318 units; June 30, 2018 : 141,295 units)	1,112	2,192
National Fullerton Asset Management Limited Employees Provident Fund (Provident Fund of Management Company)		
Investment held in the Fund Nil units (June 30, 2018: 433,896)	-	6,731
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust (Portfolio managed by Management Company)		
Investment held in the Fund 639,191 units (June 30, 2018: Nil)	9,561	-

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2019.

13 GENERAL

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

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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Website: www.nbpfunds.com

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NAFA INCOME OPPORTUNITY FUND

QUARTERLY

REPORT

MARCH

31, 2019



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 INCOME OPPORTUNITY FUND

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NAFA INCOME OPPORTUNITY FUND

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
MCB Bank Limited
Summit Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
Sindh Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiyati Bank Limited
MCB Islamic Bank Limited

NAFA INCOME OPPORTUNITY FUND

Faysal Bank Limited
Silk Bank Limited
Soneri Bank Limited
The Bank of Punjab
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
Al Baraka Bank Limited
Dubai Islamic Bank Limited
Khushhali Bank Limited
Bankislami Pakistan Limited
NRSP Microfinance Bank Limited

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NAFA INCOME OPPORTUNITY FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NAFA Income Opportunity Fund (NIOF)** for the period ended March 31, 2019.

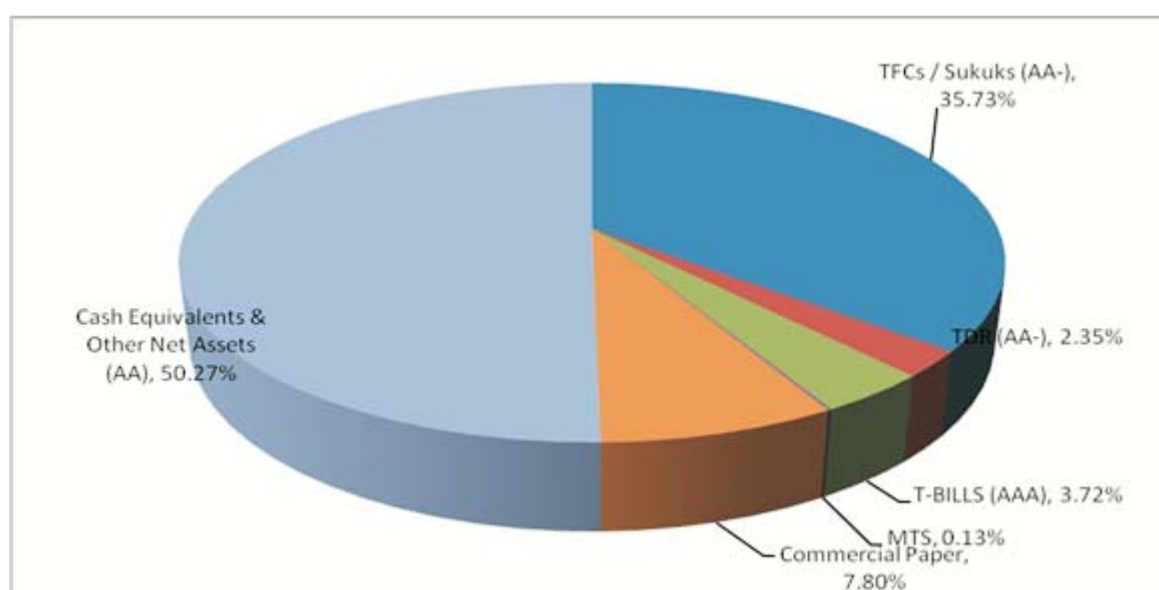
Fund's Performance

The size of NAFA Income Opportunity Fund has decreased from Rs. 6,351 million to Rs. 5,318 million during the period (i.e. a decline of 16%). During the period, the unit price of the Fund has increased from Rs. 10.3341 (Ex-Div) on June 30, 2018 to Rs. 10.9995 on March 31, 2019, thus showing a return of 8.6% as compared to the benchmark return of 9.6% for the same period. The performance of the Fund is net of management fee and all other expenses.

NIOF is categorized as an Income Scheme and has been awarded stability rating of 'A (f)' by PACRA. During 9MFY2019, the State Bank of Pakistan (SBP) pursued tightening monetary policy and cumulatively hiked the Discount Rate by 425 basis points to 11.25% to contain underlying inflationary pressures and restore financial stability. Since FY2019, sovereign yields responded consequently to every policy rate increase. The yields on T-bills for 3-month, 6-month and 12-month tenors increased by 412 basis points, 410 basis points and 395 basis points respectively during the period under review. Similarly, 10-year PIB yield inched up by 410 basis points to 13.12%. Foreseeing further upside risks to inflation and interest rates, investors' preference remained tilted towards shorter tenor maturities.

After remaining relatively dormant, the market witnessed a surge in fresh issuances of debt securities to meet the increasing working capital and fixed capital investment requirement during the period under review. However, trading activity in corporate debt securities remained thin and was recorded at Rs. 11.4 billion compared to Rs. 16.1 billion in the same period last year. Trading activity in the longer tenor sovereign bonds (PIBs) also remained subdued mainly due to upside risks to interest rates.

The Fund has earned total income of Rs.428.07 million during the period. After accounting for expenses of Rs.76.91 million, the net income is Rs.351.16 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIOF:



NAFA INCOME OPPORTUNITY 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: April 26, 2019
Place: Karachi.

NAFA INCOME OPPORTUNITY FUND

ڈائریکٹر کی رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے NAFA انکم اپرچونٹی فنڈ (NIOF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

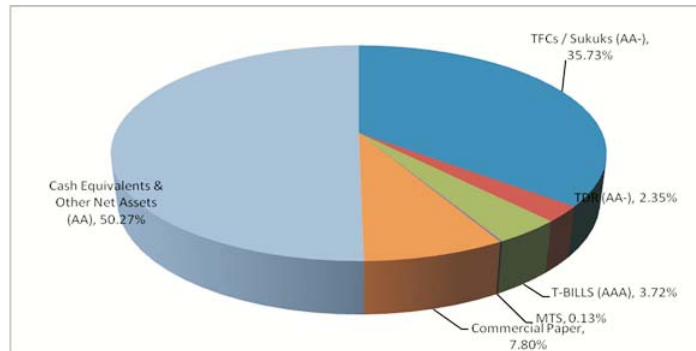
موجودہ مدت کے دوران NAFA انکم اپرچونٹی فنڈ (NIOF) کا سائز 6,351 ملین روپے سے کم ہو کر 5,318 ملین روپے ہو گیا ہے یعنی 16% کی کمی ہوئی۔ اس مدت کے دوران، انکم اپرچونٹی فنڈ (NIOF) کے یونٹ کی قیمت 30 جون 2018 کو 10.3341 روپے (EX-Div) سے بڑھ کر 31 مارچ 2019 کو 10.9995 روپے ہو گئی، چنانچہ زیر جائزہ مدت کے دوران فنڈ نے اپنے بنچ مارک 9.6% کے مقابلے میں 8.6% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ NIOF کی انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔

مالی سال 2019 کی نو ماہی کے دوران، بنیادی افراط زر کے دباؤ کی روک تھام اور مالیاتی استحکام کو بحال کرنے کے لئے اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی پر عمل درآمد کرتے ہوئے پالیسی کی شرح 425 بیس پوائنٹ اضافے کے ساتھ 11.25% کر دی۔ مالی سال 2019 سے، ہر پالیسی کی شرح میں اضافہ کے نتیجے میں Sovereign Yields میں بھی اضافہ دیکھا گیا۔ 3 ماہ، 6 ماہ اور 12 ماہ کے T-bills پر yields زیر جائزہ مدت کے دوران علی الترتیب 412 بیس پوائنٹس، 410 بیس پوائنٹس اور 395 بیس پوائنٹس تک کا اضافہ ہوا۔ اسی طرح 10 سالہ PIB کی yield 410 بیس پوائنٹس کے اضافہ کے ساتھ 13.12% ہو گئی۔ افراط زر کے خدشات اور شرح سود میں اضافہ کے پیش نظر سرمایہ کاروں نے حکومت کی قلیل المدت میچورٹیز کو ترجیح دی۔

نسبتاً غیر فعال رہنے کے بعد، زیر جائزہ مدت کے دوران مارکیٹ میں بڑھتے ہوئے ورکنگ کیپٹل اور فکسڈ کیپٹل انویسٹمنٹ کی ضروریات کو پورا کرنے کے لئے Debt سیکورٹیز کے نئے اجراء میں اضافہ دیکھا گیا۔ تاہم، کارپوریٹ Debt سیکورٹیز میں تجارتی سرگرمی گزشتہ سال کی بنسبت کم رہی اور گزشتہ سال کی اسی مدت میں 16.1 بلین روپے کے مقابلے میں 11.4 بلین روپے درج کی گئی۔ طویل المدت حکومتی بانڈز (PIBs) میں تجارتی سرگرمی بھی شرح سود بڑھنے کے خدشات کے سبب کم رہی۔

انکم اپرچونٹی فنڈ (NIOF) نے موجودہ مدت کے دوران 428.07 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 76.91 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 351.16 ملین روپے ہے۔

درج ذیل چارٹ NIOF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



NAFA INCOME OPPORTUNITY FUND

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ 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 کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔
بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 اپریل 2019

مقام: کراچی

NAFA INCOME OPPORTUNITY FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	-----Rupees in '000-----	
ASSETS			
Bank balances		2,671,691	3,641,276
Investments	4	2,637,735	2,426,121
Receivable against margin trading system	5	6,917	316,768
Mark-up accrued		73,473	36,800
Receivable against sale of investments		-	60,711
Deposits, prepayments and other receivables		15,888	9,991
Total assets		5,405,704	6,491,667
LIABILITIES			
Payable to the Management Company		14,663	13,367
Payable to the Trustee		1,040	619
Payable to the Securities and Exchange Commission of Pakistan		3,254	6,233
Payable against purchase of investments		-	23,200
Accrued expenses and other liabilities		68,376	97,092
Total liabilities		87,333	140,511
NET ASSETS		5,318,371	6,351,156
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			
		5,318,371	6,351,156
Contingencies and commitments	8		
-----Number of units-----			
Number of units in issue		483,509,621	563,703,522
-----Rupees-----			
Net asset value per unit		10.9995	11.2668

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA INCOME OPPORTUNITY FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Note -----Rupees in '000-----				
INCOME				
Return / mark-up on:				
- bank balances and term deposits	230,034	316,203	79,521	82,103
- term finance certificates and sukus	140,023	70,078	53,647	30,712
- government securities	13,740	20,703	5,089	3,076
- letter of placement and commercial paper	22,703	7,338	10,063	601
- certificate of investment	-	12,964	-	12,252
- margin trading system	13,879	12,511	3,445	6,565
Net (loss) / gain on spread transactions	(4,102)	(5,248)	767	402
Dividend income on spread transactions	9,485	12,816	-	2,708
Net loss on sale of investments	(246)	(3,280)	(11)	(51)
Net unrealised diminution on re-measurement of investments at fair value through profit or loss	(16,124)	(13,788)	(3,292)	(5,620)
Reversal of provision in respect of non-performing investments	18,674	5,195	3,707	1,299
Other income	-	1,619	-	-
Total income	428,066	437,111	152,936	134,047
EXPENSES				
Remuneration of Management Company	36,276	63,685	11,275	19,742
Sindh Sales Tax on remuneration of the Management Company	4,716	8,279	1,466	2,566
Reimbursement of operational expenses to the Management Company	4,338	6,369	1,332	1,975
Selling and marketing expense	12,469	-	5,331	-
Remuneration of trustee	4,238	5,659	1,327	1,776
Sindh Sales Tax on remuneration of the Trustee	551	736	173	231
Annual fee to the Securities and Exchange Commission of Pakistan	3,254	4,776	1,000	1,480
Securities transaction cost	993	1,527	-	781
Settlement and bank charges	2,140	4,129	300	873
Auditors' remuneration	492	509	90	88
Legal and professional charges	-	1,107	-	12
Fund rating fee	254	263	18	89
Annual listing fee	21	19	7	5
Printing and other charges	-	-	-	-
Total expenses	69,742	97,058	22,319	29,618
Net income from operating activities	358,324	340,053	130,617	104,429
Provision for Sindh Workers' Welfare Fund	(7,166)	(6,801)	(2,612)	(2,088)
Net income for the period before taxation	351,158	333,252	128,005	102,341
Taxation	-	-	-	-
Net income for the period after taxation	351,158	333,252	128,005	102,341
Earnings per unit				
Allocation of net income for the period				
Net income for the period after taxation	351,158	333,252	128,005	102,341
Income already paid on units redeemed	(66,576)	(58,778)	(11,773)	(29,796)
	284,582	274,474	116,232	72,545
Accounting income available for distribution:				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	284,582	274,474	116,232	72,545
	284,582	274,474	116,232	72,545

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA INCOME OPPORTUNITY FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Note	-----Rupees in '000-----			
Net income for the period after taxation	351,158	333,252	128,005	102,341
Other comprehensive income				
Items that may be reclassified subsequently to income statement:				
Net unrealised loss on re-measurement of investments classified at fair value through other comprehensive income	-	(7,893)	-	(7,287)
Net realised gain on sale of investments reclassified at fair value through other comprehensive income	6,549	-	-	-
Total comprehensive income for the period	357,707	325,359	128,005	95,054

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA INCOME OPPORTUNITY FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine months ended March 31,							
	2019				2018			
	(Rupees in '000)							
	Capital Value	Undistributed Income	Realised gain "at fair value through other comprehensive income" investments	Total	Capital Value	Undistribut ed Income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	5,590,674	760,482	-	6,351,156	7,808,255	477,411	(86,538)	8,199,128
Issue of 331,994,538 units (2018: 431,517,458 units)								
- Capital value (at net asset value per unit at the beginning of the period)	3,554,055	-	-	3,554,055	4,615,693	-	-	4,615,693
- Element of income	54,097	-	-	54,097	61,449	-	-	61,449
Total proceeds on issuance of units	3,608,152	-	-	3,608,152	4,677,142	-	-	4,677,142
Redemption of 412,188,439 units (2018: 494,364,264 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(4,413,429)	-	-	(4,413,429)	(5,287,931)	-	-	(5,287,931)
- Amount paid out of element of income								
- Relating to 'Net income for the period after taxation'	(9,389)	(66,576)	-	(75,965)	(32,866)	(57,203)	-	(90,069)
- Relating to 'Other comprehensive income for the period'	-	-	-	-	-	(1,575)	-	(1,575)
Total payments on redemption of units	(4,489,394)	(66,576)	-	(4,489,394)	(5,320,797)	(58,778)	-	(5,379,575)
Total comprehensive income for the period	-	351,158	6,549	357,707	-	333,252	(7,893)	325,359
Final distribution @ Rs.0.5704 declared on July 04, 2018								
- Cash distribution	-	(283,215)	-	(283,215)	-	-	-	-
- Refund of capital	(38,321)	-	-	(38,321)	-	-	-	-
Interim distribution @ Rs.0.3754 declared on December 20, 2018								
- Cash distribution	-	(150,323)	-	(150,323)	-	-	-	-
- Refund of capital	(37,391)	-	-	(37,391)	-	-	-	-
	(75,712)	(433,538)	-	(509,250)	-	-	-	-
Net assets at end of the period	4,633,720	611,526	6,549	5,318,371	7,164,600	751,885	(94,431)	7,822,054
Undistributed income brought forward								
- Realised		779,623				474,475		
- Unrealised		(19,141)				2,936		
		760,482				477,411		
Accounting income available for distribution								
- Relating to capital gain		-				-		
- Excluding capital gains		284,582				274,474		
		284,582				274,474		
Final distribution @ Rs.0.5704 declared on July 04, 2018		(283,215)				-		
Interim distribution @ Rs.0.3754 declared on December 20, 2018		(150,323)				-		
Undistributed income carried forward		611,526				751,885		
Undistributed income carried forward								
- Realised		627,650				773,566		
- Unrealised		(16,124)				(21,681)		
		611,526				751,885		
				- (Rupees) -				- (Rupees) -
Net assets value per unit at beginning of the period				11.2668				10.6964
Net assets value per unit at end of the period				10.9995				11.1159
The annexed notes from 1 to 14 form an integral part of this condensed interim financial information								

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA INCOME OPPORTUNITY FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine months ended	
	31 March 2019	31 March 2018
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	351,158	333,252
Adjustments:		
Net unrealised diminution in the fair value of investments classified as financial assets at 'fair value through profit or loss' - net	16,124	13,788
Net loss on sale of investment	246	3,280
Reversal of provision in respect of non-performing investments	(18,674)	(5,195)
	<u>348,854</u>	<u>345,125</u>
Decrease / (Increase) in assets		
Receivable against Marginal Trading System	309,851	(546,981)
Investments - net	(202,761)	(608,168)
Receivable against sale of investments	60,711	2,998,212
Deposits, prepayments and other receivables	(5,897)	608,806
Dividend and profit receivable	(36,673)	17,100
	<u>125,231</u>	<u>2,468,969</u>
(Decrease) / increase in liabilities		
Payable to Management Company	1,296	(7,669)
Payable to Trustee	421	(1,222)
Payable to Securities and Exchange Commission of Pakistan	(2,979)	(4,630)
Payable against purchase of investments	(23,200)	-
Accrued expenses and other liabilities	(28,716)	(77,408)
	<u>(53,178)</u>	<u>(90,929)</u>
Net cash generated from / (used in) operating activities	<u>420,907</u>	<u>2,723,165</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts against issue of units	3,532,440	4,677,142
Net payments against redemption of units	(4,489,394)	(5,379,575)
Distributions paid during the period	(433,538)	-
Net cash used in from financing activities	<u>(1,390,492)</u>	<u>(702,433)</u>
Net (decrease) / increase in cash and cash equivalents during the year	<u>(969,585)</u>	<u>2,020,732</u>
Cash and cash equivalents at beginning of the period	<u>3,641,276</u>	<u>2,174,206</u>
Cash and cash equivalents at end of the period	<u><u>2,671,691</u></u>	<u><u>4,194,938</u></u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA INCOME OPPORTUNITY FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Income Opportunity 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 Trustee. The Trust Deed was executed on February 11, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 30, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Deed was amended through first supplemental trust deed executed for the change of name and categorisation of the Fund as an income scheme and other allied matters.

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

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

The objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing in money market and debt securities having good credit rating and liquidity. Other avenues of investments include ready future arbitrage in listed securities and transactions under margin trading system.

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(f) to the Fund.

Title to the assets of the Fund is held in the name of CDC as a trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and 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 requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

NAFA INCOME OPPORTUNITY FUND

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2018.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

3. ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has an impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost."

"IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund."

NAFA INCOME OPPORTUNITY FUND

- 3.3 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

4. INVESTMENTS

		Un-Audited Mar 31, 2019	Audited June 30, 2018
Financial assets at fair value through profit or loss			
Equity securities - listed	4.1	-	-
Equity securities - listed (spread transactions)	4.2		22,849
Government securities	4.3	197,784	197,785
Term finance certificates - listed	4.4	162,040	163,338
Term finance certificates - unlisted	4.5	1,259,660	1,209,538
Sukuks	4.6	478,604	483,966
		2,098,088	2,077,476
Financial assets at fair value through other comprehensive income			
Equity securities - listed	4.7	-	18,645
Financial assets at amortised cost			
Term deposits	4.11	125,000	330,000
Commercial Paper	4.12	414,647	-
		539,647	330,000
		2,637,735	2,426,121

4.1 Equity securities - listed - at fair value through profit or loss

Name of the investee company	Number of shares				Market value as at March 31, 2019	Investment as a percentage of		
	As at July 1, 2018	Purchased during the period	Sold during the period	As at March 31, 2019		Net assets	Market value of total investments	Paid-up capital of investee company
	Number of shares				Rs in '000	%		

All shares have nominal face value of Rs. 10 each.

PERSONAL GOODS

Azgard Nine Limited - Non-voting	308	-	-	308	-	-	-	-
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Carrying value before mark to market as at March 31, 2019 13

Accumulated impairment 13

4.2 Equity securities - listed (spread transactions) - at fair value through profit or loss

The movement in equity securities represent spread transactions entered into by the Fund. The Fund purchases equity securities in ready market and sells them in future market on the same day, resulting in spread income due to difference in ready and future stock prices. This way the Fund has no open exposure to the stock market.

NAFA INCOME OPPORTUNITY FUND

Name and sector of the investee company	As at July 1, 2018	Purchased during the period	Sold during the period	As at March 31, 2019	Market value as at March 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of paid-up capital of the investee company
-----Number of shares-----				Rs in '000		----- % -----		
All shares have a nominal face value of Rs. 10 each except for K-Electric Limited which have a face value of Rs. 3.5 each.								
CEMENT								
D.G. Khan Cement Company Limited	-	783,500	783,500	-	-	-	-	-
Fauji Cement Company Limited	1,000,000	314,500	1,314,500	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	956,000	956,000	-	-	-	-	-
Lucky Cement Limited	-	7,000	7,000	-	-	-	-	-
Pioneer Cement Limited	-	21,500	21,500	-	-	-	-	-
COMMERCIAL BANKS								
Habib Bank Limited	-	101,000	101,000	-	-	-	-	-
United Bank Limited	-	196,000	196,000	-	-	-	-	-
FERTILIZER								
Engro Fertilizers Limited	-	208,500	208,500	-	-	-	-	-
Engro Corporation Limited	-	109,000	109,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	53,500	53,500	-	-	-	-	-
Fauji Fertilizer Company Limited	-	111,000	111,000	-	-	-	-	-
FOOD AND PERSONAL CARE PRODUCTS								
Engro Foods Limited	-	7,500	7,500	-	-	-	-	-
OIL AND GAS EXPLORATION COMPANIES								
Oil and Gas Development Company Limited	-	79,500	79,500	-	-	-	-	-
Pakistan Petroleum Limited	-	1,500	1,500	-	-	-	-	-
Pakistan Oilfields Limited	-	24,500	24,500	-	-	-	-	-
OIL AND GAS MARKETING COMPANIES								
Pakistan State Oil Company Limited	-	15,500	15,500	-	-	-	-	-
Sui Southern Gas Company Limited	-	202,500	202,500	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	664,500	664,500	-	-	-	-	-
POWER GENERATION AND DISTRIBUTION								
The Hub Power Company Limited	-	4,000	4,000	-	-	-	-	-
K-Electric Limited	-	550,000	550,000	-	-	-	-	-
REFINERY								
Attock Refinery Limited	-	619,500	619,500	-	-	-	-	-
TEXTILE COMPOSITE								
Nishat Mills Limited	-	80,000	80,000	-	-	-	-	-
Nishat (Chunian) Limited	-	1,361,000	1,361,000	-	-	-	-	-
TELECOM								
Pakistan Telecommunication	-	31,000	31,000	-	-	-	-	-
PHARMACEUTICAL								
Searl Company Limited	-	304,000	304,000	-	-	-	-	-
CHEMICAL								
Engro Polymer & Chemicals Limited	-	1,561,000	1,561,000	-	-	-	-	-
CABLE AND ELECTRICAL GOODS								
Pak Elektron Limited	-	905,000	905,000	-	-	-	-	-
					-	-	-	-
					-	-	-	-
Carrying value before mark to market as at March 31, 2019					-	-	-	-

NAFA INCOME OPPORTUNITY FUND

4.3 Government Securities - at fair value through profit or loss

Issue Date	Tenor	Face value				Market value as at March 31, 2019	Investment as a percentage of	
		As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019		Net assets	Market value of total investments

-----Rupees in '000----- % -----

Market treasury bills

June 7, 2018	3 Months	200,000	-	200,000	-	-	-	-
July 19, 2018	3 Months	-	200,000	200,000	-	-	-	-
August 2, 2018	3 Months	-	200,000	200,000	-	-	-	-
October 11, 2018	3 Months	-	200,000	200,000	-	-	-	-
December 6, 2018	3 Months	-	200,000	200,000	-	-	-	-
February 14, 2019	3 Months	-	200,000	-	200,000	197,784	3.72	7.50
						197,784		

Carrying value before mark to market as at March 31, 2019

197,860

4.3.1 The effective yield on market treasury bills is 10.76% per annum (June 30, 2018: 6.78% per annum).

4.3.2 Investments include treasury bills with market value of Rs. 197.784 million (June 30, 2018: 197.785 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by SECP.

4.4 Term finance certificates - listed at fair value through profit or loss

Name of the investee company	Note	Number of certificates				Market value as at March 31, 2019	Investment as a percentage of		
		As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019		Net assets	Market value of total investments	Issue size

Rs in '000 % -----

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise.

Bank Alfalah Limited - V		32,550	-	-	32,550	162,040	3.05	6.14	3.26%
Pace (Pakistan) Limited	4.4.1	30,000	-	-	30,000	-	-	-	10.00%
Saudi Pak Leasing Company Limited	4.4.2	15,000	-	-	15,000	-	-	-	10.00%
Worldcall Telecom Limited	4.4.3	45,000	-	-	45,000	-	-	-	0.06%

162,040

Carrying value before mark to market as at March 31, 2019

429,391

Accumulated impairment

266,118

4.4.1 This represents investment in listed term finance certificates with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP) since September 5, 2011. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

NAFA INCOME OPPORTUNITY FUND

4.4.2 This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said term finance certificates complied with repayment terms since it was rescheduled and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as non performing asset by MUFAP since April 30, 2014. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

4.4.3 This represents investment in listed term finance certificates with a term of 5 years. On April 07, 2012, the investee company defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since November 8, 2012. The amount of provision required as per SECP circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

4.5 Term finance certificates - unlisted - at fair value through profit or loss

Name of the investee company	Note	Number of certificates				Market value as at March 31, 2019	Investment as a percentage of		
		As at July 1, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019		Net assets	Market value of total investments	Issue size
						Rs in '000	----- % -----		
All term finance certificates have a face value of Rs 5,000 each unless stated otherwise.									
Habib Bank Limited		2,000	-	-	2,000	196,608	3.70%	7.45%	0.10
JS Bank Limited (December 14, 2016)		60,000	-	-	60,000	301,058	5.66%	11.41%	10.00
Jahangir Siddiqui and Company Limited (April 08, 2014)		15,000	-	-	15,000	13,130	0.25%	0.50%	10.00
Jahangir Siddiqui and Company Limited (June 24, 2016)		20,000	-	-	20,000	62,500	1.18%	2.37%	10.00
Jahangir Siddiqui and Company Limited (July 18, 2017)		23,340	-	-	23,340	101,806	1.91%	3.86%	7.78
Silk Bank Limited		20,000	-	-	20,000	89,002	1.67%	3.37%	5.00
JS Bank Limited (December 29, 2017)		1,000	-	-	1,000	99,010	1.86%	3.75%	0.25
Jahangir Siddiqui and Company Limited (Mar 06, 18)		30,000	-	-	30,000	149,814	2.82%	5.68%	10.00
Bank of Punjab (April 16, 2018)		1,500	-	-	1,500	147,458	2.77%	5.59%	0.17
Javedan Corporation Limited		-	1,000	-	1,000	99,274	1.87%	3.76%	3.34
Azgard Nine Limited III	4.9.1	50,000	-	-	50,000	-	0.00%	0.00%	10.00
Azgard Nine Limited V	4.9.1	16,436	-	-	16,436	-	0.00%	0.00%	2.35
Dewan Cement Limited	4.9.2	30,000	-	-	30,000	-	0.00%	0.00%	7.50
New Allied Electronics Industries(pvt) Limited	4.9.3	15,000	-	-	15,000	-	0.00%	0.00%	8.33
Agritech Limited V	4.9.4	6,464	-	-	6,464	-	0.00%	0.00%	10.00
Agritech Limited I	4.9.5	30,000	-	-	30,000	-	0.00%	0.00%	10.00
						1,259,660			
Carrying value before mark to market as at March 31, 2019						1,823,557			
Accumulated impairment						554,444			

4.6 Sukuks - at fair value through profit or loss

Name of the investee company	Note	Number of certificates				Market value as at March 31, 2019	Investment as a percentage of		
		As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019		Net assets	Market value of total investments	Issue size
						Rs in '000	----- % -----		
All term finance certificates have a face value of Rs 5,000 each unless stated otherwise.									
Dawood Hercules Corporation Limited		4,830	-	-	4,830	478,604	0.09	0.18	9.29
New Allied Electronics Industries (Private) Limited	4.9.3	9,000	-	-	9,000	-	-	-	6.00
Eden Housing Limited	4.10.1	9,200	-	-	9,200	-	-	-	2.30
BRR Guardian Modaraba	4.10.2	10,000	-	-	10,000	-	-	-	6.25
						<u>478,604</u>			
Carrying value before mark to market as at March 31, 2019						<u>538,377</u>			
Accumulated impairment						54,411			

NAFA INCOME OPPORTUNITY FUND

4.7 Equity securities - listed - at fair value through other comprehensive income

Name of the investee company	Note	Number of shares				Market value as at March 31, 2019	Investment as a percentage of		
		As at July 01, 2018	Purchased during the period	Sold during the period	As at March 31, 2019		Net assets	Market value of total investments	Paid-up capital of the investee company
						Rs in '000		%	

All shares have a nominal face value of Rs. 10 each.

Chemicals

Agritech Limited	4.7.1	4,027,090	-	4,027,090	-	-	-	-	-
------------------	-------	-----------	---	-----------	---	---	---	---	---

Carrying value before mark to market as at March 31, 2019

Accumulated impairment

-
-

- 4.7.1** On April 12, 2012, a share transfer and debt swap agreement was entered into between the Financial Institutions and Azgard Nine Limited (the issuer), whereby the issuer agreed to transfer its entire holding in Agritech Limited to the existing lenders / creditors, including the Term Finance Certificate (TFC) holders at the agreed settlement price, in partial settlement of the outstanding principal / redemption obligations. As part of the above arrangement, the Fund settled its investment in TFC of Azgard Nine Limited amounted to Rs. 141,403,150 in consideration of 4,040,090 ordinary shares at the value of Rs. 35 per share of Agritech Limited against the partial settlement of its outstanding exposure. The fair value of an ordinary share was Rs. 12.30 at transaction date i.e. October 31, 2012. Accordingly, the same have been recorded at fair value and the resultant effect recorded through income statement as recovery on partial settlement of investment.

"As per the terms of the Share Transfer and Debt Swap Agreement, Agritech Limited shares shall be held by the respective trustees for the TFC issues in their name for and on behalf of the TFC Holders who shall be the beneficial owners of the subjected shares in proportion to their holdings. Accordingly, the Trustees for the TFC issue pursuant to shareholders investors agreement hold the said ordinary shares for and on behalf of TFC holders for a period of five years from the date of transfer. The lock in period has expired on Oct 31, 2017 and accordingly an application for transfer of shares from ANL TFC Trustee's (Pak Brunei Investment Company Limited) CDC account has been made to facilitate sale of Agritech shares.

In January, 2018 Agritech Limited shares previously held by trustees for the TFC issuer were released to the Fund, as the five year lock in period expired and subsequent to the release of shares management has sold the remaining holding in AGL during the period."

- 4.9.1** These zero coupon privately placed term finance certificates were issued against the interest receivable on TFCs of Azgard Nine Limited under an agreement dated June 28, 2012 between the Management Company of the Fund and Azgard Nine Limited. These privately placed term finance certificates were issued against non performing securities, therefore the management, as a matter of prudence has recognized these at nil value. MUFAP classified these as non-performing since June 21, 2010 and December 7, 2012 respectively. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.
- 4.9.2** The Fund had advanced an amount of Rs. 150 million in respect of Pre-IPO placement of Dewan Cement Limited (DCL) under an agreement, which required public offering to be completed within 270 days of the date of agreement (which was 09 January 2008). DCL failed to complete the public offering within the said time period and has also defaulted in payment of principal and profit. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.
- 4.9.3** These represent investments in privately placed term finance certificates (term: 4 years) and sukuks (term: 5 years) of the investee company. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly had been classified as non performing asset by MUFAP since January 9, 2009. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

NAFA INCOME OPPORTUNITY FUND

- 4.9.4** These zero coupon privately placed term finance certificates were issued against the interest receivable on TFCs of Azgard Nine Limited (disclosed in note 5.9.1) under an agreement dated June 28, 2012 between the Management Company of the Fund and Azgard Nine Limited. These privately placed term finance certificates were issued against non performing securities, therefore the management, as a matter of prudence has recognized these at nil value. MUFAP classified these as non-performing since June 21, 2010 and December 7, 2012 respectively. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.
- 4.9.5** This represents investment in listed term finance certificates with a term of seven years. On May 30, 2010, Agritech Limited defaulted in payment of principal and mark-up due and accordingly has been classified as non performing asset by MUFAP since June 14, 2010. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.
- 4.10.1** This represents investment in privately placed sukuks with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since January 9, 2009. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.
- 4.10.2** This represents investment in privately placed sukuks. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since January 26, 2015. The investment has been fully provided. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.
- 4.11** These represent term deposits having original maturity period of more than three months. These carry mark-up rate of 11.65% per annum (June 30, 2018: 7.40% per annum).
- 4.12** This carries return of 11.63% per annum (June 30, 2018: 7.92% per annum)

5. RECEIVABLE AGAINST MARGIN TRADING SYSTEM

This carried average mark-up rate of 12.50% (June 30, 2018: 9.31%) and are matured at the option of financee subject to maximum period of 60 days.

6. SELLING AND MARKETING EXPENSE

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs. 12.469 million at the rate of 0.4% of the net assets of the Fund being lower than the actual expenses chargeable to the Fund for the period.

7. PROVISION FOR SINDH WORKERS' WELFARE FUND

"The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 17 to the annual audited financial statements of the Fund for the year ended June 30, 2018

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 26.501 million for the period ended March 31, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2018 would have been higher by Rs. 0.0548 per unit (June 30, 2018: Rs. 0.0343 per unit).

NAFA INCOME OPPORTUNITY FUND

(Un-audited) (Audited)
March 31, June 30,
2019 2018
Note -----Rupees in '000-----

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There are no contingencies as at March 31, 2019 and June 30, 2018.

8.2 Commitments:

Margin trading system transactions entered into by the Fund in respect of which purchase transactions have not been settled

6,909 2,380

Margin trading system transactions entered into by the Fund in respect of which release transactions have not been settled

1,352 39,642

Sale of future stock contracts

- 23,400

9. TAXATION

"The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements

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

10. TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2019 is 1.77% which includes 0.36% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

11. DETAILS OF NON-COMPLIANT INVESTMENTS

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated March 6, 2009 required all asset management companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the Fund as 'Income Scheme'.

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

Following is the detail of non-compliant investments:

NAFA INCOME OPPORTUNITY FUND

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	% of net assets	% of gross assets
			-----Rupees in '000-----		------(%)-----		
Azgard Nine Limited III	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (17.1)	108,377	(108,377)	-	-	-
Azgard Nine Limited V	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (17.1)	82,180	(82,180)	-	-	-
Agritech Limited I	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (15.1)	149,860	(149,860)	-	-	-
Agritech Limited V	Rating is below investment grade as prescribed in clause 9 of 2009	Term finance certificates (15.1)	32,320	(32,320)	-	-	-
BRR Guardian Modaraba	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Sukuks (15.1)	1,205	(1,205)	-	-	-
Dewan Cement Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (15.1)	150,000	(150,000)	-	-	-
Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Sukuks (15.1)	9,056	(9,056)	-	-	-
New Allied Electronics Industries (Private) Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (15.1)	31,707	(31,707)	-	-	-
New Allied Electronics Industries (Private) Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Sukuks (15.1)	44,149	(44,149)	-	-	-
Pace Pakistan Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (15.1)	149,820	(149,820)	-	-	-
Saudi Pak Leasing Company Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (15.1)	41,321	(41,321)	-	-	-
Worldcall Telecom Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (15.1)	74,977	(74,977)	-	-	-
Azgard Nine Limited (Non-voting)	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Shares (15.1)	13	(13)	-	-	-
Agritech Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Shares (15.1)	-	-	-	0.00%	0.00%
			(874,985)				

NAFA INCOME OPPORTUNITY FUND

11.1 At the time of purchase, these term finance certificates and sukuk were in compliance with the aforementioned circular. However, they either subsequently defaulted or were downgraded to non investment grade.

12. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

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

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

12.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

12.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

12.5 Details of Transactions with connected persons and related parties are as follows:

	----- (Un-audited) -----	
	Nine months ended	
	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	36,276	63,685
Sindh Sales Tax on remuneration of the Management Company	4,716	8,279
Reimbursement of operational expenses to the Management Company	4,338	6,369
Selling and marketing expense	12,469	-
Sales load and related Sindh Sales Tax and Federal Excise Duty	-	49
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	4,238	5,659
Sindh sales tax on remuneration of the Trustee	551	736
CDS charges	475	1,565
Employees of the Management Company		
Units issued / transferred in 1,290,894 units (2018: 3,774,210 units)	13,838	40,799
Units redeemed / transferred out 958,285 units (2018: 3,697,065 units)	10,380	40,092
Dividend Re-invest of 31,641 units (2018: Nil units)	339	-
Muhammad Murtaza Ali - Company Secretary of Management Company		
Units issued / transferred in nil units (2018: 92,128 units)	-	1,000
Units redeemed / transferred out nil units (2018: 72,455 units)	-	800
Humayun Bashir - Director		
Units issued / transferred in 3,035,853 units (2018: Nil units)	33,084	-

NAFA INCOME OPPORTUNITY FUND

	----- (Un-audited) -----	
	Nine months ended	
	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----	
NBP Employess pension fund trust		
Dividend Re-invest of 5,971,310 units (2018: Nil units)	63,914	-
NAFA Government Securities Liquid Fund (CIS managed by Management Company)		
Sell of market treasury bill	197,407	-
NAFA Money Market Fund (CIS managed by Management Company)		
Sell of market treasury bill	199,861	-
Portfolios Managed by Management Company		
Units issued / transferred in 4,937,316 units (2018: 1,385,233 units)	46,998	15,210
Units redeemed / transferred out 13,972,868 units (2018: 3,211,103 units)	151,122	35,228
Dividend Re-invest of 219 units (2018: Nil units)	2	-
Summit Bank Limited (Common Directorship with the		
Markup on saving account	50	61

12.6 Amounts outstanding as at period / year end are as follows:

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	----- Rupees in '000 -----	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	3,427	5,941
Sindh sales tax on remuneration of the Management Company	446	772
Operational expenses	1,333	3,917
Marketing and selling expense	5,330	-
Sales load	2,273	1,043
Sindh Sales Tax and Federal Excise Duty on sales load	1,854	1,694
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the trustee	919	547
Sindh Sales Tax on remuneration of the trustee	120	72
CDC charges payable	1	106
Security deposit	100	100
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	4,540	12,302
Summit Bank Limited (Common Directorship with the Management Company)		
Bank balance	2,466	15,412
Accrued markup on bank balances	-	8
BankIslami Pakistan Limited (Common Directorship with the Management Company)		
Bank Balance	298	512
Accrued markup on bank balances	12	12

NAFA INCOME OPPORTUNITY FUND

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	----- Rupees in '000 -----	
Askari Bank Limited (Common Directorship with the Management Company)		
Bank Balance	776	2,327
Accrued markup on bank balance	60	11
NBP Employees Pension Fund (Pension Fund of the parent of the Management Company)		
Investment held in the Fund: 90,118,079 units (June 2018: 84,145,983 units)	991,254	984,056
Humayun Bashir - Director		
Investment held in the Fund: 3,035,853 units (June 2018: nil units)	33,393	-
NBP Employees Benevolent Fund Trust (Benevolent Fund of the parent of the Management Company)		
Investment held in the Fund: 3,048 units (June 2018: 2,856 units)	34	32
Portfolios Managed by Management Company		
Investment held in the Fund: 1,714,890 units (June 2018: 12,685,385 units)	18,863	121,121
Employees of the Management Company		
Investment held in the Fund: 1,174,932 units (June 2018: 810,682 units)	12,924	9,134

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 26, 2019 by the Board of directors of the Management Company.

14. GENERAL

14.1 Figures have been rounded off the nearest thousand rupees, unless otherwise is specified.

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. There have been no significant reclassification during the period except for the impact of change in accounting policy

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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اعتماد Aitemaad



اسلامک سیوننگز

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

**QUARTERLY
REPORT
MARCH
31, 2019**



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 ISLAMIC PRINCIPAL PROTECTED FUND - II

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NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

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

Bankers to the Fund

JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Allied Bank Limited
Sindh Bank Limited
Soneri Bank Limited

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
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(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpffunds.com

Lahore Office:

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Fax: 92-42-35861095

Islamabad Office:

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Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Principal Protected Fund - II (NIPPF - II)** for the period ended March 31, 2019.

Fund's Performance

The size of NAFA Islamic Principal Protected Fund-II stood at Rs. 115 million at 31 March, 2019. During the period, the unit price of NAFA Islamic Principal Protected Fund-II has increased from Rs. 101.5691(Ex-Div) on June 30, 2018 to Rs. 102.0125 on March 31, 2019, thus showing an increase of 0.44%. The Benchmark during the same period decreased by 1.06%. Thus, the Fund has outperformed its Benchmark by 1.50% during the period under review. Since inception (June 27, 2014), the unit price of the Fund has shown a growth of 59.51% as compared to 43.01% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 16.5%. This performance is net of management fee and all other expenses.

9MFY19 has been a challenging period for the stock market, characterized by dismal performance, amplified volatility, and lackluster participation. Initially, the market celebrated the fortuitous transition between two democratically elected governments as it quelled the domestic political uncertainty, but the rally proved short-lived as investors' focus shifted from politics to the ailing economy as manifested by intractable twin deficits, especially the ballooning Current Account Deficit (CAD) and the consequent drain on the foreign exchange reserves. The government in its response, embarked on contractionary monetary and fiscal policies such as expanding and deepening the scope of duties on imported luxury goods, cut in public spending, and readjusting the overvalued Rupee against the US Dollar. Concomitantly, the Central Bank also raised the Policy Rate aggressively to rein in inflationary pressures and contain consumption-led demand pressures. This raised concern on economic growth slowdown and corporate profitability, especially of cyclical sectors that in turn dampened market sentiments during the period under review.

Delay in the IMF program also irked the market participants even though the government was able to secure a sizable financial assistance from friendly countries such as China, KSA and UAE that lent support to SBP's fast depleting FX reserves. In the meanwhile, the tightening policies started showing results as reflected by a substantial decline in CAD that clocked in at USD 873 million and USD 356 million in Jan-19 and Feb-19, respectively compared with the average monthly CAD of USD 1.27 billion in 1HFY19, which revived some confidence in the stocks during 3QFY19. However, the gains were capped by the escalation of tension between Pakistan and India post Pulwama attack in Indian occupied Kashmir. More specifically, the market (KMI 30 Index) surged by 3.5% in 3QFY19, offsetting some of the losses in 1HFY19, taking 9MFY19 decline to 10.9%.

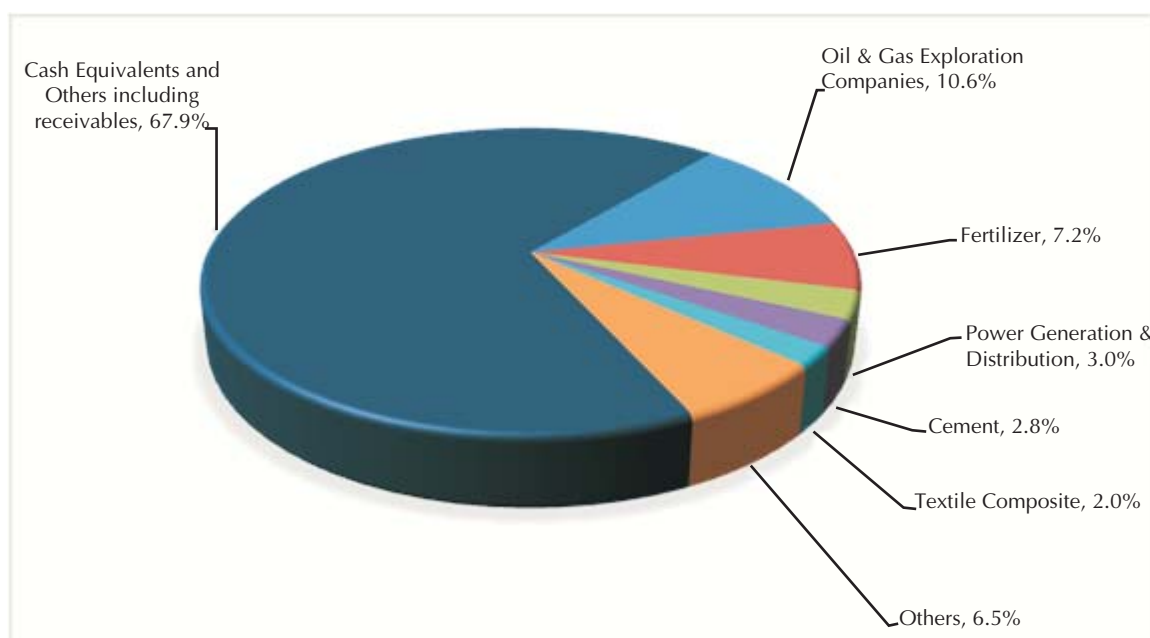
Defensive sectors such as Fertilizers, Commercial Banks, Oil & Gas Exploration, Textile Composite and Chemicals fared better than the market, while Engineering, Oil & Gas Marketing, Refineries, Cements, Autos and Power sectors underperformed the market during 9MFY19. On the trading activity front, Foreign Investors continued their unabated selling, which amounted to USD 373 million. On the local side, Mutual Funds also liquidated equities worth USD 59 million, while Insurance Companies, Individuals, and Companies emerged as large buyers with net inflows to the tune of USD 174 million, USD 144 million, and USD 73 million, respectively.

During 9MFY2019, the State Bank of Pakistan (SBP) pursued tightening monetary policy and cumulatively hiked the Discount Rate by 425 basis points to 11.25% to contain underlying inflationary pressures and restore financial stability. The market also witnessed issuance of a decent size of Shariah Compliant commercial papers to meet the increasing funding need for working capital/bridge financing for fixed capital investments.

The Fund has earned total income of Rs. 2.917 million during the period. After accounting for expenses of Rs 2.363 million, the net loss is Rs. 0.554 million. The asset allocation of the Fund as on March 31, 2019 is as follows:

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

DIRECTORS' REPORT



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of

NBP Fund Management Limited

Chief Executive

Director

Date: April 26, 2019
Place: Karachi.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے NAFA اسلامک پرنسپل پروٹیکٹڈ فنڈ - II (NIPPF-II) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

31 مارچ 2019 کو NAFA اسلامک پرنسپل پروٹیکٹڈ فنڈ - II (NIPPF-II) کا سائز 115 ملین روپے رہا۔ اس مدت کے دوران، اسلامک پرنسپل پروٹیکٹڈ فنڈ - II کے یونٹ کی قیمت 30 جون 2018 کو 101.5691 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2019 کو 102.0125 روپے ہو گئی، لہذا 0.44% کا اضافہ ظاہر کر رہی ہے۔ اسی مدت کے دوران بیچ مارک میں کمی 1.06% ہوئی۔ چنانچہ زیر جائزہ مدت کے دوران فنڈ نے اپنے بیچ مارک سے 1.50% کی بہتر کارکردگی کا مظاہرہ کیا۔ اپنے قیام (27 جون 2014) کے وقت فنڈ کی یونٹ قیمت نے اپنے بیچ مارک میں 43.01% اضافہ کے مقابلے 59.51% کی نمود کھائی۔ لہذا فنڈ نے اپنے بیچ مارک سے 16.5% کی بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 2019 کی نو ماہی میں اسٹاک مارکیٹ، مایوس کن کارکردگی، عدم استحکام اور عدم دلچسپی کے باعث مشکل حالات سے دوچار رہی۔ ابتدائی طور پر مارکیٹ نے دو جمہوری منتخب حکومتوں میں خوش قسمت تبدیلی کو سراہا اور ملکی غیر ملقی سیاسی صورتحال کو استحکام بخشا تاہم سرمایہ کاروں کا جوش وقتی ثابت ہوا جس کی وجہ سرمایہ کاروں کا سیاسی صورتحال سے خراب معیشت کی طرف متوجہ ہونا تھا جو کہ دوہرے خسارے، خاص طور پر بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) اور نتیجتاً غیر ملکی زرمبادلہ کے ذخائر میں کمی سے صاف ظاہر ہو رہی تھی۔ حکومت نے اس کے رد عمل میں پرنسپل اشیاء کی درآمد پر ڈیوٹیز میں اضافہ، عوامی اخراجات میں کمی اور امریکی ڈالر کے برعکس روپیہ کی قدر میں کمی کی ایڈجسٹمنٹ جیسی تخفیفی مانیٹری اور مالی پالیسیوں کا آغاز کیا۔ نتیجتاً سینٹرل بینک نے افراط زر کے دباؤ اور کھپت پر مشتمل طلب کے دباؤ پر قابو پانے کے لئے پالیسی کی شرح میں خاطر خواہ اضافہ کر دیا اس سے اقتصادی نمو کی سست روی اور کارپوریٹ خاص طور پر گردش کیلئے نقصان میں کمی سے تشویش بڑھ گئی جس کے نتیجے میں زیر جائزہ مدت کے دوران سرمایہ کاروں کے جذبات مدہم پڑ گئے۔

IMF پروگرام میں تاخیر نے مارکیٹ کے شرکاء کو بھی پریشان کیا باوجود اس کے حکومت چائنا، سعودی عرب اور متحدہ عرب امارات جیسے دوست ممالک سے قابل ذکر مالی امداد کو حاصل کرنے میں کامیاب ہوئی جو SBP کے تیزی سے کم ہوتے زرمبادلہ کے ذخائر کو مستحکم کرنے کے لئے معاون ثابت ہوئی۔ اسی اثناء میں، سخت پالیسیوں کے نتائج سامنے آنے شروع ہو گئے جو CAD میں خاطر خواہ کمی سے ظاہر ہوتا ہے۔ مالی سال 19 کی پہلی ششماہی میں 1.27 ملین امریکی ڈالر کے اوسط ماہانہ CAD کے مقابلے میں بالترتیب، جنوری-19 اور فروری-19 میں 873 ملین امریکی ڈالر اور 356 ملین امریکی ڈالر رہی ہے، جس نے مالی سال کی تیسری سہ ماہی کے دوران اسٹاک میں کچھ اعتماد بحال کیا۔ تاہم، مقبوضہ کشمیر میں پلوامہ حملے کے بعد پاکستان اور بھارت کے درمیان کشیدگی کے اضافے کی وجہ سے اسٹاک مارکیٹ کی سرگرمیاں محدود ہو گئیں۔ خاص طور پر، مالی سال 19 کی تیسری سہ ماہی میں مارکیٹ (KMI-30 انڈیکس) 3.5 فیصد تک بہتر ہوا جس کے نتیجے میں، مالی سال 19 کی پہلی ششماہی کے نقصانات کا کچھ ازالہ ہوا اور مالی سال 19 کی نو ماہی میں مارکیٹ کی کمی 10.9% تک رہ گئی۔

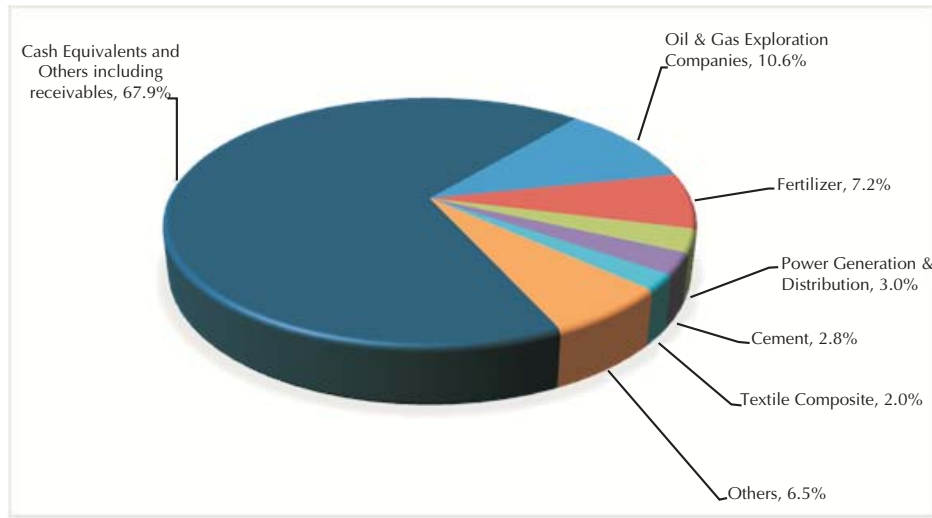
شعبہ جاتی کارکردگی کے حوالہ سے مالی سال 19 کی نو ماہی کے دوران کھاد، تجارتی بینکوں، آئل اینڈ گیس ایکسلپوریشن، ٹیکسٹائل کمپوزٹ اور کیمیکل نے مارکیٹ سے بہتر کارکردگی دکھائی ہے، جبکہ انجینئرنگ، آئل اینڈ گیس مارکیٹنگ، ریفاٹری، سینٹ، آٹو اور بجلی کے شعبوں نے اتر کارکردگی کا مظاہرہ کیا۔ مارکیٹ میں تجارتی سرگرمی کے لحاظ سے غیر ملکی سرمایہ کار 373 ملین امریکی ڈالر کے حجم کے ساتھ خالص فروخت کنندہ رہے۔ مقامی سرمایہ کاروں میں میوچل فنڈز نے 59 ملین امریکی ڈالر کی ایکویٹی فروخت کیں جبکہ

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

انشورنس، انفرادی سرمایہ کار اور کمپنیاں، اس عرصے کے دوران بالترتیب 174 ملین امریکی ڈالر، 144 ملین امریکی ڈالر اور 73 ملین امریکی ڈالر کے حجم کے ساتھ خالص خریدار رہے۔

مالی سال 2019 کی نو ماہی کے دوران، بنیادی افراط زر کے دباؤ کی روک تھام اور مالیاتی استحکام کو بحال کرنے کے لئے اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی پر عمل درآمد کرتے ہوئے پالیسی کی شرح 425 بیس پوائنٹ اضافے کے ساتھ 11.25% کر دی۔ مارکیٹ نے ورکنگ کیپٹل اور فکسڈ کیپٹل سرمایہ کاری کی بڑھتی ہوئی فنڈنگ ضرورت کو پورا کرنے کے لئے تشریعہ کمپلائنٹ کمرشل پیپرز کے اجراء کا تسلی بخش حجم بھی مشاہدہ کیا ہے۔

فنڈ کو موجودہ مدت کے دوران 2.917 ملین روپے کی مجموعی آمدنی ہوئی ہے۔ 2.363 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد کل خسارہ 0.554 ملین روپے ہے۔ 31 مارچ 2019 کے مطابق فنڈ کی ایسٹ ایلوکیشن حسب ذیل ہے:



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ 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 کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 اپریل 2019

مقام: کراچی

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	-----Rupees in '000-----	
ASSETS			
Balances with banks		90,296	108,910
Investments	4	36,971	30,891
Receivable against sale of investments		376	-
Dividend and profit receivable		1,448	965
Security deposits and prepayments		2,606	2,600
Total assets		131,697	143,366
LIABILITIES			
Payable to the Management Company		11,556	11,234
Payable to the Trustee		28	16
Payable to Securities and Exchange Commission of Pakistan		68	100
Accrued expenses and other liabilities		4,783	5,311
Total liabilities		16,435	16,661
NET ASSETS		115,262	126,705
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		115,262	126,705
CONTINGENCIES AND COMMITMENTS	5		
		-----Number of units-----	
NUMBER OF UNITS IN ISSUE		1,129,882	1,237,623
		-----Rupees-----	
NET ASSET VALUE PER UNIT		102.0125	102.3781

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Note	Rupees in '000			
INCOME				
(Loss) on sale of investments - net	(2,465)	(192)	(863)	(98)
Profit on balances with banks	6,555	5,761	2,269	1,696
Dividend income	1,099	622	326	349
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	(2,272)	(497)	889	2,579
Total income	2,917	5,694	2,621	4,526
EXPENSES				
Remuneration of the Management Company	1,032	881	382	368
Sindh Sales Tax on remuneration of the Management Company	134	114	49	47
Accounting and operational charges	90	101	29	32
Remuneration of the Trustee	117	131	37	41
Sindh sales tax on remuneration of the Trustee	15	17	5	5
Annual fee to Securities and Exchange Commission of Pakistan	68	76	22	24
Auditors' remuneration	187	104	44	28
Annual listing fee	16	16	5	5
Selling and marketing expenses	268	-	114	-
Printing charges	-	45	-	15
Legal and professional charges	-	23	-	8
Securities transaction cost	60	40	29	33
Settlement and bank charges	350	248	113	117
Shariah advisor fee	15	343	5	117
Total operating expense	2,352	2,139	834	840
Net income from operating activities	565	3,555	1,787	3,686
Provision for Sindh Workers' Welfare Fund	6	(11)	(11)	(71)
Net income for the period before taxation	554	3,484	1,776	3,615
Taxation	8	-	-	-
Net income for the period after taxation	554	3,484	1,776	3,615
Allocation of net income for the period				
Net income for the period after taxation	554	3,484	1,776	3,615
Income already paid on units redeemed	-	(26)	-	(26)
	554	3,458	1,776	3,589
Accounting income available for distribution:				
-Relating to capital gains	-	-	-	-
-Excluding capital gains	554	3,458	1,776	3,589
	554	3,458	1,776	3,589

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----			
Net income for the period after taxation	554	3,484	1,776	3,615
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>554</u>	<u>3,484</u>	<u>1,776</u>	<u>3,615</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine months ended March 31, 2019			Nine months ended March 31, 2018		
	(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period (audited)	1,034	125,671	126,705	17,335	124,698	142,033
Issue of 4,332 units (2018: Nil units)						
- Capital value	440	-	440	-	-	-
- Element of loss	(1)	-	(1)	-	-	-
Total proceeds on issuance of units	439	-	439	-	-	-
Redemption of 112,073 units (2018: 156,242 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(11,383)	-	(11,383)	(15,869)	-	(15,869)
- Element of income	(51)	-	(51)	58	(26)	32
Total payments on redemption of units	(11,434)	-	(11,434)	(15,811)	(26)	(15,837)
Total comprehensive income for the period	-	554	554	-	3,484	3,484
Distribution during the period	-	(1,001)	(1,001)	-	-	-
Net assets at end of the period (un-audited)	(9,961)	125,224	115,262	1,524	128,156	129,680
Undistributed income brought forward						
- Realised		127,620			122,351	
- Unrealised		(1,949)			2,347	
		125,671			124,698	
Total comprehensive loss for the period		554			3,458	
Distribution during the period		(1,001)			-	
Undistributed income carried forward		125,224			128,156	
Undistributed income carried forward						
- Realised income		127,496			128,653	
- Unrealised (loss)		(2,272)			(497)	
		125,224			128,156	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		102.3781			101.5691	
Net assets value per unit at end of the period		102.0125			104.3999	

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine months ended	
	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	554	3,484
Adjustments		
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	2,272	497
	2,826	3,910
(Increase) in assets		
Investments	(8,352)	(34,363)
Receivable against sale of investments	(376)	-
Dividend and profit receivable	(483)	(334)
Security deposits and prepayments	(6)	(6)
	(9,217)	(34,703)
(Decrease)/ increase in liabilities		
Payable to the Management Company	322	(458)
Payable to the Trustee	12	(1)
Payable to Securities and Exchange Commission of Pakistan	(32)	(381)
Accrued expenses and other liabilities	(528)	(870)
	(226)	(1,710)
Net cash (used in) from operating activities	(6,617)	(32,503)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	439	-
Payments on redemption of units	(11,434)	(15,837)
Cash dividend	(1,001)	-
Net cash (used in) from financing activities	(11,996)	(15,837)
Net decrease in cash and cash equivalents	(18,614)	(48,340)
Cash and cash equivalents at the beginning of the period	108,910	144,702
Cash and cash equivalents at the end of the period	90,296	96,362

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Principal Protected Fund-II (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited (Formerly: NBP Fullerton Asset Management Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 07, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 15, 2014 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 principal 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 has been categorised as an open-end "Shariah Compliant Capital Protected Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited.

The objective of NAFA Islamic Principal Protection Fund - II is to earn a potentially high return through dynamic asset allocation between shariah compliant equities and money market investment avenues, while providing principal protection to its unit holders. Principal protection means that the net realisable value of the Fund shall not fall below the initial investment value (adjusted for distributions / redemptions during the life of the Fund), provided that the units are held till the completion of the initial maturity of the Fund.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of AM1 to the Management Company. The Fund has not yet been rated.

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

2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has an impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

3.3 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

			(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note		----- Rs. In '000 -----	
4 INVESTMENTS				
Financial assets 'at fair value through profit or loss'				
- Listed equity securities	4.1		<u>36,971</u>	<u>30,891</u>

4.1 Listed equity securities

All shares have a nominal face value of Rs.10 each except for the shares of K-Electric Limited which has a face value of Rs. 4.

Name of the Investee Company	Number of shares					Market value as at March 31, 2019	Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
	As at July 01, 2018	Purchases during the period	Bonus / right issue	Sales during the period	As at March 31, 2019		Net assets	Total investments	
Rupees in '000 ----- % -----									
Refinery									
National Refinery Limited	-	1,100	-	900	200	34	0.03	0.09	.*
Oil & Gas Marketing Companies									
Pakistan State Oil Company Limited	6,200	-	600	3,200	3,600	778	0.67	2.10	.*
Attock Petroleum Limited	-	1,900	-	1,200	700	279	0.24	0.75	.*
Hascol Petroleum Limited	3,188	-	797	2,700	1,285	167	0.14	0.45	.*
Sui Northern Gas Pipelines Limited	5,500	2,000	-	-	7,500	563	0.49	1.52	.*
Oil & Gas Exploration Companies									
Pakistan Oilfields Limited	2,000	5,100	300	3,000	4,400	1,968	1.71	5.32	.*
Pakistan Petroleum Limited	9,100	17,600	1,140	5,100	22,740	4,207	3.65	11.38	.*
Mari Petroleum Company Limited	1,200	1,000	120	-	2,320	2,889	2.51	7.81	.*
Oil & Gas Development Company Limited	13,700	16,000	-	8,500	21,200	3,128	2.71	8.46	.*
Fertilizer									
Engro Corporation Limited	10,400	10,300	-	7,700	13,000	4,254	3.69	11.51	.*
Engro Fertilizers Limited	35,000	61,500	-	39,500	57,000	4,078	3.54	11.03	.*

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

Name of the Investee Company	Number of shares					Market value as at March 31, 2019	Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
	As at July 01, 2018	Purchases during the period	Bonus / right issue	Sales during the period	As at March 31, 2019		Net assets	Total investments	
Rupees in '000 ----- % -----									
Cement									
D.G. Khan Cement Company Limited	3,400	-	-	3,400	-	-	-	-	-
Lucky Cement Limited	1,400	4,000	-	2,500	2,900	1,242	1.08	3.36	.*
Maple Leaf Cement Factory Limited	-	16,000	-	7,000	9,000	337	0.29	0.91	.*
Pioneer Cement Limited	9,200	13,550	-	15,200	7,550	263	0.23	0.71	.*
Fauji Cement Company Limited	20,600	-	-	20,600	-	-	-	-	-
Cherat Cement Company Limited	-	15,000	-	6,000	9,000	565	0.49	1.53	.*
Kohat Cement Company Limited	4,100	3,500	1,230	-	8,830	758	0.66	2.05	.*
Paper and Board									
Cherat Packaging Limited	-	2,100	-	1,000	1,100	156	0.14	0.42	.*
Glass and Ceramics									
Tariq Glass Industries Limited	-	5,500	-	-	5,500	557	0.48	1.51	.*
Engineering									
International Industries Limited	-	1,400	-	1,400	-	-	-	-	-
International Steel Limited	7,500	2,600	-	10,000	100	6	0.01	0.02	.*
Ittefaq Iron Industries Limited	5,500	-	-	5,500	-	-	-	-	-
Mughal Iron and Steel Industries Limited	4,226	7,000	-	9,000	2,226	87	0.08	0.24	.*
Textile Composite									
Kohinoor Textile Mills Limited	4,737	-	-	-	4,737	213	0.18	0.58	.*
Nishat Mills Limited	17,000	13,400	-	14,500	15,900	2,140	1.86	5.79	.*
Pharmaceuticals									
Abbot Laboratories (Pakistan) Limited	900	-	-	500	400	255	0.22	0.69	.*
The Searle Company Limited	2,101	-	150	1,803	448	106	0.09	0.29	.*
Power Generation & Distribution									
Kot Addu Power Company Limited	9,900	-	-	9,900	-	-	-	-	-
The Hub Power Company Limited	27,500	40,000	-	29,000	38,500	2,823	2.45	7.64	.*
K-Electric Limited	95,500	103,000	-	90,500	108,000	604	0.52	1.63	.*
Technology & Communication									
Systems Limited	7,000	-	-	-	7,000	746	0.65	2.02	.*
P.T.C.L. "A"	-	31,500	-	23,500	8,000	73	0.06	0.20	.*
Automobile Assembler									
Millat Tractors Limited	300	-	-	300	-	-	-	-	-
Chemical									
Engro Polymer & Chemicals Limited	26,029	20,000	-	16,000	30,029	1,090	0.95	2.95	.*
Sitara Peroxide Limited	-	6,000	-	6,000	-	-	-	-	-
Commercial Banks									
Meezan Bank Limited	16,106	17,000	1,611	13,000	21,717	2,151	1.87	5.82	.*
VANASPATI & ALLIED INDUSTRIES									
Unity Foods Limited	-	48,000	-	35,000	13,000	168	0.15	0.45	.*
Unity Foods Limited- LoR	-	-	106,478	-	106,478	286	0.25	0.77	.*
						36,971	32	100	
Carrying value as at March 31, 2019						39,436			

* Percentage not presented due to rounding off.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

- 4.2** The above investments include shares having a market value (in aggregate) amounting to Rs 1.250 million (June 30, 2018: Rs 5.778 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan.

5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

6 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 3.623 million for the period ended March 31, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2019 would have been higher by Rs. 3.207 per unit (June 30, 2018: Rs. 2.919 per unit).

Had the provision for SWWF not been recorded in this condensed interim financial information the net asset value of the Fund as at March 31, 2018 would have been higher by Rs. 2.949 per unit (June 30, 2017: Rs. 2.569).

7 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue as at the period / year end.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

9 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2019 is 2.63% which includes 0.26% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

10 SELLING AND MARKETING EXPENSE

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs. 0.268 million at the rate of 0.4% of the net assets of the Fund being lower than the actual expenses chargeable to the Fund for the period.

11 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

11.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

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

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

11.4 Details of the transactions with related parties / connected persons during the period and balances with them as at period are as follows:

period are as follows:

	----- (Un-audited) -----	
	Nine months ended	
	March 31, 2019	March 31, 2018
	----- (Rupees in '000) -----	
NBP Fund Management Limited - Management Company		
Remuneration for the period	1,032	881
Sindh sales tax on remuneration of the Management Company	134	114
Accounting and operational charges	90	101
Selling and marketing expenses	268	-
Employees of the Management Company		
Dividend reinvested: 16 units (2017: Nil units)	2	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	117	131
Sindh sales tax on remuneration of the Trustee	15	17
CDS charges	274	24
Taurus Securities Limited		
Brokerage expense	4	1

NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
Amounts/ Balances outstanding as at period / year end		
NBP Fund Management Limited- Management Company		
Remuneration of the Management Company	131	106
Sindh sales tax payable on remuneration of the Management Company	17	14
Federal excise duty payable on the remuneration of the Management Company	8,151	8,151
Accounting and operational charges payable	90	609
Selling and marketing expenses	268	-
Federal excise duty payable on sales load	2,899	2,899
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	25	14
Sindh sales tax payable on remuneration of the trustee	3	2
Settlement charges payable	31	31
Security deposit	100	100
Employees of the Management Company		
Units held: 2,303 units (June 30, 2018: 2,287 units)	235	234
Persons holding directly or indirectly 10% or more of the units in issue / net assets of the Fund		
City School Provident Fund Trust		
Units held: 458,218 units (June 30, 2018: 458,218 units)	46,744	46,911
Mehreen Dawood		
Units held: 209,748 units (June 30, 2017: 208,293 units)	21,397	21,325
Taurus Securities Limited		
Brokerage payable	1	-

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 26, 2019 by the Board of Directors of the Management Company.

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise is specified.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. There have been no significant reclassification during the period except for the impact of change in accounting policy.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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اعتماد Aitemaad



اسلامک سیوننگز

NAFA ISLAMIC STOCK FUND

**QUARTERLY
REPORT
MARCH
31, 2019**



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 ISLAMIC STOCK FUND

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NAFA ISLAMIC STOCK FUND

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

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

Bankers to the Fund

Al Baraka Bank Limited
Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank Limited
Silk Bank Limited
Sindh Bank Limited
Summit Bank Limited
United Bank Limited

NAFA ISLAMIC STOCK FUND

Auditors

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

Legal Advisor

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Fax: 92-42-35861095

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Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NAFA ISLAMIC STOCK FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Stock Fund (NISF)** for the period ended March 31, 2019.

Fund's Performance

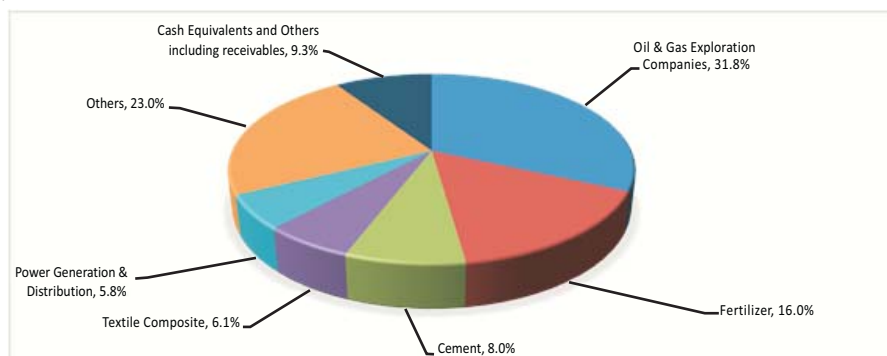
The size of NAFA Islamic Stock Fund (NISF) at the end of the period stood at Rs. 5,504 million, 14% lower than at June 30, 2018. During the period the unit price of NAFA Islamic Stock Fund (NISF) has decreased from Rs. 11.3973 on June 30, 2018 to Rs. 10.5529 on March 31, 2019, thus showing a decrease of 7.41%. The Benchmark (KMI-30 Index) for the same period decreased by 10.90%. Thus, the Fund has outperformed its Benchmark by 3.49% during the period under review. Since inception (January 09, 2015), the unit price of the Fund has shown a growth of 34.50% as compared to 20.72% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 13.78%. This performance is net of management fee and all other expenses.

9MFY19 has been a challenging period for the stock market, characterized by dismal performance, amplified volatility, and lackluster participation. Initially, the market celebrated the fortuitous transition between two democratically elected governments as it quelled the domestic political uncertainty, but the rally proved short-lived as investors' focus shifted from politics to the ailing economy as manifested by intractable twin deficits, especially the ballooning Current Account Deficit (CAD) and the consequent drain on the foreign exchange reserves. The government in its response, embarked on contractionary monetary and fiscal policies such as expanding and deepening the scope of duties on imported luxury goods, cut in public spending, and readjusting the overvalued Rupee against the US Dollar. Concomitantly, the Central Bank also raised the Policy Rate aggressively to rein in inflationary pressures and contain consumption-led demand pressures. This raised concern on economic growth slowdown and corporate profitability, especially of cyclical sectors that in turn dampened market sentiments during the period under review.

Delay in the IMF program also irked the market participants even though the government was able to secure a sizable financial assistance from friendly countries such as China, KSA and UAE that lent support to SBP's fast depleting FX reserves. In the meanwhile, the tightening policies started showing results as reflected by a substantial decline in CAD that clocked in at USD 873 million and USD 356 million in Jan-19 and Feb-19, respectively compared with the average monthly CAD of USD 1.27 billion in 1HFY19, which revived some confidence in the stocks during 3QFY19. However, the gains were capped by the escalation of tension between Pakistan and India post Pulwama attack in Indian occupied Kashmir. More specifically, the market (KMI 30 Index) surged by 3.5% in 3QFY19, offsetting some of the losses in 1HFY19, taking 9MFY19 decline to 10.9%.

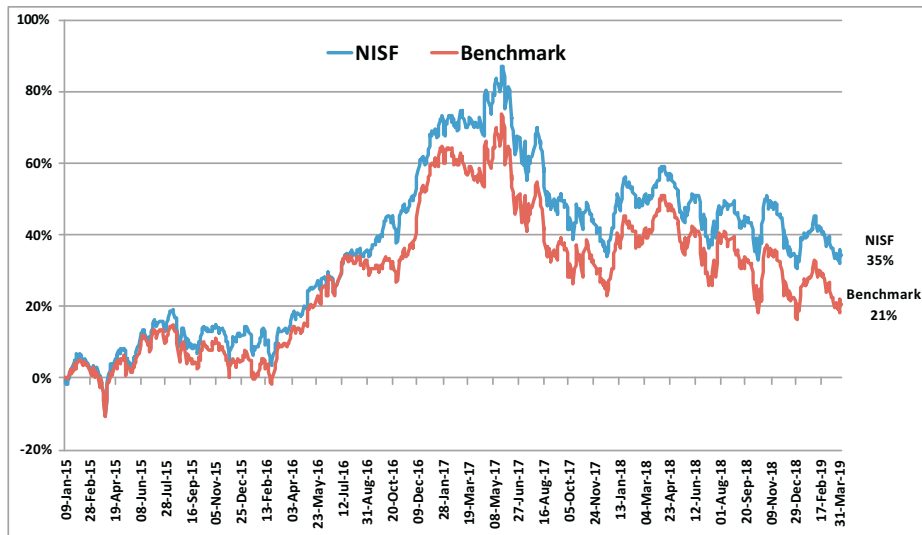
Defensive sectors such as Fertilizers, Commercial Banks, Oil & Gas Exploration, Textile Composite and Chemicals fared better than the market, while Engineering, Oil & Gas Marketing, Refineries, Cements, Autos and Power sectors underperformed the market during 9MFY19. On the trading activity front, Foreign Investors continued their unabated selling, which amounted to USD 373 million. On the local side, Mutual Funds also liquidated equities worth USD 59 million, while Insurance Companies, Individuals, and Companies emerged as large buyers with net inflows to the tune of USD 174 million, USD 144 million, and USD 73 million, respectively.

NAFA Islamic Stock Fund (NISF) has incurred a total loss of Rs.351.265 million during the period. After accounting for total expenses of Rs.142.626 million, the net loss is Rs.493.891 million. The asset allocation of the Fund as on March 31, 2019 is as follows:



NAFA ISLAMIC STOCK FUND

NISF 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: April 26, 2019
Place: Karachi.

NAFA ISLAMIC STOCK FUND

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے NAFA اسلامک اسٹاک فنڈ (NISF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

موجودہ مدت کے اختتام پر NAFA اسلامک اسٹاک فنڈ (NISF) کا سائز 5,504 ملین روپے رہا۔ جو 30 جون 2018 کے مقابلے میں 14% کم ہے۔ اس مدت کے دوران، NAFA اسلامک اسٹاک فنڈ کے یونٹ کی قیمت 30 جون 2018 کو 11.3973 روپے سے کم ہو کر 31 مارچ 2019 کو 10.5529 روپے ہو گئی، لہذا 7.41% کی کمی دیکھی گئی۔ اسی مدت کے دوران پنچ مارک (KMI-30 انڈیکس) 10.90% سے کم ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے پنچ مارک سے 3.49% کی بہتر کارکردگی کا مظاہرہ کیا۔ اپنے قیام کے وقت (09 جنوری 2015) سے اب تک فنڈ کے یونٹ کی قیمت نے اپنے پنچ مارک میں 20.72% اضافے کے مقابلے میں 34.50% کی نمود کھائی۔ اس طرح فنڈ کی کارکردگی اپنے پنچ مارک کے مقابلے میں 13.78% بہتر رہی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 2019 کی نو ماہی میں اسٹاک مارکیٹ، مایوس کن کارکردگی، عدم استحکام اور عدم دلچسپی کے باعث مشکل حالات سے دوچار رہی۔ ابتدائی طور پر مارکیٹ نے دو جمہوری منتخب حکومتوں میں خوش قسمت تبدیلی کو سراہا اور ملکی غیر یقینی سیاسی صورتحال کو استحکام بخشا۔ تاہم سرمایہ کاروں کا جوش وقتی ثابت ہوا جس کی وجہ سرمایہ کاروں کا سیاسی صورتحال سے خراب معیشت کی طرف متوجہ ہونا تھا جو کہ دو ہرے خسارے، خاص طور پر بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) اور نتیجتاً غیر ملکی زرمبادلہ کے ذخائر میں کمی سے صاف ظاہر ہو رہی تھی۔ حکومت نے اس کے رد عمل میں پریشانیوں کی درآ مد پر ڈیوٹیز میں اضافہ، عوامی اخراجات میں کمی اور امریکی ڈالر کے برعکس روپیہ کی قدر میں کمی کی ایڈجسٹمنٹ جیسی تخفیف مانیٹری اور مالی پالیسیوں کا آغاز کیا۔ نتیجتاً سینٹرل بینک نے افراط زر کے دباؤ اور کھپت پر مشتمل طلب کے دباؤ پر قابو پانے کے لئے پالیسی کی شرح میں خاطر خواہ اضافہ کر دیا اس سے اقتصادی نمو کی سست روی اور کارپوریٹ خاص طور پر گردش کیلئے زکیمنا فف میں کمی سے تشویش بڑھ گئی جس کے نتیجہ میں زیر جائزہ مدت کے دوران سرمایہ کاروں کے جذبات مدہم پڑ گئے۔

IMF پروگرام میں تاخیر نے مارکیٹ کے شرکاء کو بھی پریشان کیا باوجود اس کے حکومت چائنا، سعودی عرب اور متحدہ عرب امارات جیسے دوست ممالک سے قابل ذکر مالی امداد کو حاصل کرنے میں کامیاب ہوئی جو SBP کے تیزی سے کم ہوتے زرمبادلہ کے ذخائر کو مستحکم کرنے کے لئے معاون ثابت ہوئی۔ اسی اثناء میں، سخت پالیسیوں کے نتائج سامنے آنے شروع ہو گئے جو CAD میں خاطر خواہ کمی سے ظاہر ہوتا ہے۔ مالی سال 19 کی پہلی ششماہی میں 1.27 ملین امریکی ڈالر کے اوسط ماہانہ CAD کے مقابلے میں بالترتیب، جنوری 19 اور فروری 19 میں 873 ملین امریکی ڈالر اور 356 ملین امریکی ڈالر رہی ہے، جس نے مالی سال کی تیسری سہ ماہی کے دوران اسٹاک میں کچھ اعتماد بحال کیا۔ تاہم، مقبوضہ کشمیر میں پلوامہ حملے کے بعد پاکستان اور بھارت کے درمیان کشیدگی کے اضافے کی وجہ سے اسٹاک مارکیٹ کی سرگرمیاں محدود ہو گئیں۔ خاص طور پر، مالی سال 19 کی تیسری سہ ماہی میں مارکیٹ (KMI-30 انڈیکس) 3.5% فیصد تک بہتر ہوا جس کے نتیجے میں، مالی سال 19 کی پہلی ششماہی کے نقصانات کا کچھ ازالہ ہوا اور مالی سال 19 کی نو ماہی میں مارکیٹ کی کمی 10.9% تک رہ گئی۔

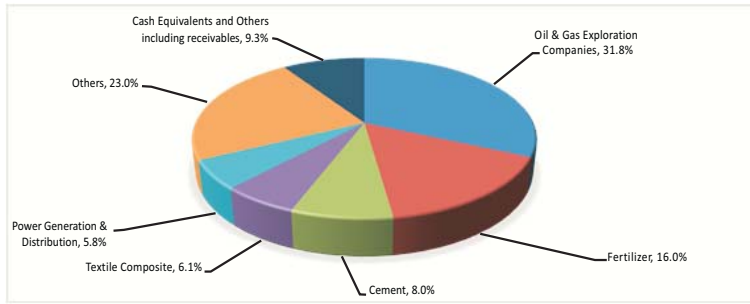
شعبہ جاتی کارکردگی کے حوالہ سے مالی سال 19 کی نو ماہی کے دوران کھاد، تجارتی بینکوں، آئل اینڈ گیس ایکسلوریشن، ٹیکسٹائل کمپوزٹ اور کیمیکل نے مارکیٹ سے بہتر کارکردگی دکھائی ہے، جبکہ انجینئرنگ، آئل اینڈ گیس مارکیٹنگ، ریفرنسری، سینٹ، آٹوز اور بجلی کے شعبوں نے اتر کارکردگی کا مظاہرہ کیا۔ مارکیٹ میں تجارتی سرگرمی کے لحاظ سے غیر ملکی

NAFA ISLAMIC STOCK FUND

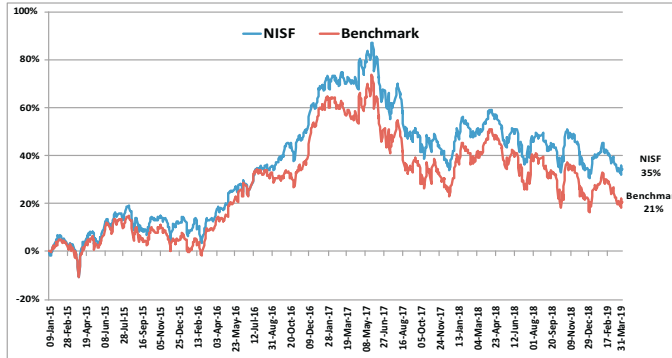
سرمایہ کار 373 ملین امریکی ڈالر کے حجم کے ساتھ خالص فروخت کنندہ رہے۔ مقامی سرمایہ کاروں میں میوچل فنڈز نے 59 ملین امریکی ڈالر کی ایکویٹیز فروخت کیں جبکہ انشورنس، انفرادی سرمایہ کار اور کمپنیاں، اس عرصے کے دوران بالترتیب 174 ملین امریکی ڈالر، 144 ملین امریکی ڈالر اور 73 ملین امریکی ڈالر کے حجم کے ساتھ خالص خریدار رہے۔

NAFA اسلامک اسٹاک فنڈ (NISF) کو اس مدت کے دوران 351.265 ملین روپے کا خسارہ ہوا۔ 142.626 ملین روپے کے اخراجات منہا کرنے کے بعد کل خسارہ 493.891 ملین روپے رہا۔

31 مارچ 2019 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



NISF کی کارکردگی بمقابلہ بیچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ 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 کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔ بورڈ اپنے اسٹاف اور آرٹسٹ کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

مخائبہ بورڈ آف ڈائریکٹر

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 اپریل 2019

مقام: کراچی

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

		(Un-Audited)	(Audited)
		March 31,	June 30
	Note	2019	2018
		-----Rupees in '000-----	
ASSETS			
Balances with banks		486,346	989,555
Investments	4	4,990,955	5,494,948
Profit and Dividend receivable		44,739	12,278
Advances, deposits and other receivables		73,527	12,211
Total Assets		5,595,567	6,508,992
LIABILITIES			
Payable to the Management Company		29,857	42,184
Payable to the Trustee		635	721
Payable to Securities and Exchange Commission of Pakistan		4,185	7,015
Payable against redemption of units		828	-
Payable against purchase of investment		3,969	-
Accrued expenses and other liabilities		51,895	55,146
Total Liabilities		91,369	105,066
NET ASSETS		5,504,198	6,403,926
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		5,504,198	6,403,926
CONTINGENCIES AND COMMITMENTS			
	5		
		-----Number of units-----	
Number of units in issue		521,579,331	561,880,644
		-----Rupees-----	
NET ASSET VALUE PER UNIT		10.5529	11.3973

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

		Nine months ended		Quarter Ended	
	Note	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
------(Rupees in '000)-----					
INCOME					
Capital (loss) on sale of investments - net		(198,370)	(524,729)	(77,031)	(191,204)
Dividend Income		194,078	258,503	39,744	58,595
Profit on bank deposits		49,078	37,259	13,360	12,619
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(396,051)	(285,415)	224,093	788,171
Total (loss) / income		(351,265)	(514,382)	200,166	668,181
EXPENSES					
Remuneration of Management Company		88,095	110,816	28,472	37,326
Sindh sales tax on remuneration of the Management Company		11,452	14,406	3,701	4,852
Accounting and operational charges to the Management Company		4,405	5,541	1,424	1,866
Selling and Marketing Expense	8	17,619	22,163	5,694	7,465
Remuneration of Trustee		5,155	6,292	1,670	2,113
Sindh Sales Tax on remuneration of the Trustee		670	818	217	275
Annual fee - Securities and Exchange Commission of Pakistan		4,185	5,264	1,353	1,773
Securities transaction cost		8,289	9,819	2,617	3,526
Settlement and bank charges		1,485	1,391	453	404
Annual listing fee		17	22	3	8
Shariah advisor fee		583	368	108	156
Auditors' remuneration		409	398	107	164
Fund rating fee		220	135	110	45
Printing charges		25	52	1	34
Legal & Professional charges		17	12	1	12
Total Expenses		142,626	177,497	45,931	60,019
Net (loss) / income from operating activities		(493,891)	(691,879)	154,235	608,162
Provision for Sindh Workers' Welfare Fund	6	-	-	-	-
Net (loss) / income for the period before taxation		(493,891)	(691,879)	154,235	608,162
Taxation	7	-	-	-	-
Net (loss) / income for the period after taxation		(493,891)	(691,879)	154,235	608,162
Allocation of net Income for the period:					
Net income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
		-	-	-	-
Accounting income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		-	-	-	-

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine months ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(493,891)	(691,879)	154,235	608,162
Other Comprehensive Income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(493,891)</u>	<u>(691,879)</u>	<u>154,235</u>	<u>608,162</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	For the nine months period ended March 31, 2019			For the nine months period ended March 31, 2018		
	Rupees in '000			Rupees in '000		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	6,390,941	12,985	6,403,926	7,053,964	1,238,729	8,292,693
Issue of 354,284,405 units (2018: 434,655,326 units)						
- Capital value (at net asset value per unit at the beginning of the period)	4,037,886	-	4,037,886	5,686,744	-	5,686,744
- Element of loss	(87,742)	-	(87,742)	(427,469)	-	(427,469)
Total proceeds on issuance of units	3,950,144	-	3,950,144	5,259,275	-	5,259,275
Redemption of 394,585,718 units (2018: 424,190,027 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(4,497,212)	-	(4,497,212)	(5,549,977)	-	(5,549,977)
- Element of income	141,231	-	141,231	550,807	-	550,807
Total payments on redemption of units	(4,355,981)	-	(4,355,981)	(4,999,170)	-	(4,999,170)
Total comprehensive (loss) for the period	-	(493,891)	(493,891)	-	(691,879)	(691,879)
Distribution during the period	-	-	-	-	(21,002)	(21,002)
Net (loss) for the period less distribution	-	(493,891)	(493,891)	-	(712,881)	(712,881)
Net assets at end of the period	5,985,104	(480,906)	5,504,198	7,314,069	525,848	7,839,917
Undistributed income brought forward						
- Realised income		502,116			681,555	
- Unrealised (loss) / income		(489,131)			557,174	
		12,985			1,238,729	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net (loss) for the period after taxation		(493,891)			(691,879)	
Distribution during the period		-			(21,002)	
Undistributed (accumulated loss) / income carried forward		(480,906)			525,848	
Undistributed (accumulated loss) / income carried forward						
- Realised (loss) / income		(84,855)			811,263	
- Unrealised (loss)		(396,051)			(285,415)	
		(480,906)			525,848	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		11.3973			13.1045	
Net assets value per unit at end of the period		10.5529			12.1874	

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

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

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine months ended	
	March 31, 2019	March 31, 2018
	------(Rupees in '000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(493,891)	(691,879)
Adjustments		
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	396,051 (97,840)	285,415 (406,464)
(Increase) / decrease in assets		
Investments	107,942	224,245
Profit and Dividend receivable	(32,461)	(6,951)
Advances, deposits and other receivables	(61,316)	(5)
Receivable against sale of investments	-	28,893
	14,165	246,182
(Decrease) / increase in liabilities		
Payable to the Management Company	(12,327)	9,238
Payable to the Trustee	(86)	(54)
Payable to the Securities and Exchange Commission of Pakistan	(2,830)	(106)
Payable against purchase of investment	3,969	121,005
Accrued expenses and other liabilities	(3,251)	(118,726)
	(14,525)	11,357
Net cash (used in) operating activities	(98,200)	(148,925)
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	3,950,144	5,267,317
Net payments on redemption of units	(4,355,153)	(5,056,517)
Distributions made	-	(31,052)
Net cash (used in) / generated from financing activities	(405,009)	179,748
Net (decrease) / increase in cash and cash equivalents during the period	(503,209)	30,823
Cash and cash equivalents at the beginning of the period	989,555	1,014,592
Cash and cash equivalents at the end of the period	486,346	1,045,415

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Stock Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited (Formerly: NBP Fullerton Asset Management Limited) as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 18, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 21, 2014. 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 principal 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 is listed on the Pakistan Stock Exchange. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund is categorized as an Open-End "Shariah Compliant Equity Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorization of Collective Investment Schemes (CIS).

The objective of NAFA Islamic Stock Fund is to provide with long term capital growth from an actively managed portfolio of Shariah 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 "3 - 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 condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

NAFA ISLAMIC STOCK FUND

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2018.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has an impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

'IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income ("FVOCI") or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

NAFA ISLAMIC STOCK FUND

3.3 'The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

	Note	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
		----- Rupees in '000 -----	
4 INVESTMENTS			
Financial assets at fair value through profit or loss			
- Listed equity securities	4.1	<u>4,990,955</u>	<u>5,494,948</u>

4.1 Listed equity securities

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

Name of the investee company	As at July 01, 2018	Purchases during the period	Bonus / Right Issue	Sales during the period	As at March 31, 2019	Market value as at March 31, 2019	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
							Net assets	Total investments	
.....No. of shares.....						Rupees in '000	----- % -----		
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	101,250	37,750	12,550	97,900	53,650	21,380	0.39	0.43	0.05
Pakistan State Oil Company Limited	648,820	610,500	80,024	606,600	732,744	158,405	2.88	3.17	0.19
Hascol Petroleum Limited	112,748	55,000	28,187	-	195,935	25,407	0.46	0.51	0.11
Sui Northern Gas Pipelines Limited	1,333,200	1,544,500	-	1,846,500	1,031,200	77,453	1.41	1.55	0.16
OIL & GAS EXPLORATION COMPANIES									
Pakistan Oilfields Limited	528,150	403,200	96,890	364,700	663,540	296,768	5.39	5.95	0.23
Pakistan Petroleum Limited	2,484,900	1,087,000	352,110	674,400	3,249,610	601,145	10.92	12.04	0.14
Mari Petroleum Company Limited	185,950	48,660	22,801	34,980	222,431	276,980	5.03	5.55	0.18
Oil and Gas Development Company Limi	3,012,500	1,632,300	-	760,400	3,884,400	573,143	10.41	11.48	0.09
REFINERY									
Attock Refinery Limited	-	163,500	-	44,300	119,200	12,752	0.23	0.26	0.11
FERTILIZERS									
Engro Fertilizers Limited	5,179,000	3,519,000	-	3,769,500	4,928,500	352,634	6.41	7.07	0.37
Engro Corporation Limited	1,540,500	662,300	-	601,600	1,601,200	523,961	9.52	10.50	0.31
Dawood Hercules Corporation Limited	260,400	-	-	248,400	12,000	1,540	0.03	0.03	0.00
Fatima Fertilizer Company Limited	-	147,000	-	48,000	99,000	3,305	0.06	0.07	0.00

NAFA ISLAMIC STOCK FUND

Name of the investee company	As at July 01, 2018	Purchases during the period	Bonus / Right Issue	Sales during the period	As at March 31, 2019	Market value as at March 31, 2019	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
							Net assets	Total investments	
.....No. of shares.....						Rupees in '000	----- % -----		
CEMENT									
D.G. Khan Cement Company Limited	965,700	1,251,000	-	2,216,700	-	-	-	-	-
Kohat Cement Limited	462,500	-	94,110	178,900	377,710	32,419	0.59	0.65	0.19
Lucky Cement Limited	266,000	567,250	-	302,050	531,200	227,481	4.13	4.56	0.16
Maple Leaf Cement Factory Limited	383,588	5,937,000	-	4,019,587	2,301,001	86,173	1.57	1.73	0.39
Pioneer Cement Limited	530,100	2,133,500	-	397,500	2,266,100	78,792	1.43	1.58	1.00
Attock Cement (Pakistan) Limited	702,200	-	-	702,200	-	-	-	-	-
Cherat Cement Company Limited	807,651	-	-	498,900	308,751	17,678	0.32	0.35	0.17
GENERAL INDUSTRIES									
Ecopack Limited	1,811	-	272	-	2,083	31	-	-	0.01
Synthetic Products Enterprises Limited	1,409,600	7,000	-	114,000	1,302,600	42,986	0.78	0.86	1.53
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	29,550	-	-	29,550	-	-	-	-	-
Agriautos Industries Limited	105,900	700	-	80,500	26,100	5,907	0.11	0.12	0.09
AUTOMOBILES ASSEMBLER									
Baluchistan Wheels Limited	10,000	-	-	-	10,000	855	0.02	0.02	0.07
Indus Motor Company Limited	16,610	-	-	16,610	-	-	-	-	-
Sazgar Engineering Works Limited	4	-	-	-	4	1	-	-	-
Millat Tractors Limited	45,350	26,860	-	72,210	-	-	-	-	-
GLASS AND CERAMICS									
Tariq Glass Industries Limited	1,087,600	214,500	-	646,300	655,800	66,406	1.21	1.33	0.89
Shabbir Tiles and Ceramics Limited	1,199,500	-	-	1,173,000	26,500	332	0.01	0.01	0.01
CABLE AND ELECTRIC GOODS									
Pak Elektron Limited	226,050	2,252,500	-	2,478,550	-	-	-	-	-
ENGINEERING									
Mughal Iron and Steel Industries Limited	371,408	682,000	-	621,585	431,823	16,867	0.31	0.34	0.17
Amreli Steels Ltd.	228,600	-	-	228,600	-	-	-	-	-
International Steels Limited	1,410,400	2,538,200	-	2,970,700	977,900	62,615	1.14	1.25	0.22
International Industries Limited	96,600	140,600	-	-	237,200	29,437	0.53	0.59	0.20
Ittefaq Iron Industries Limited	631,500	-	-	631,500	-	-	-	-	-
Crescent Steel & Allied Products Limited	16,400	-	-	16,400	-	-	-	-	-
TEXTILE COMPOSITE									
Kohinoor Textile Mills Limited	1,613,034	-	-	757,500	855,534	38,388	0.70	0.77	0.29
Nishat Mills Limited	1,528,600	2,028,800	-	1,342,000	2,215,400	298,215	5.42	5.98	0.63

NAFA ISLAMIC STOCK FUND

Name of the investee company	As at July 01, 2018	Purchases during the period	Bonus / Right Issue	Sales during the period	As at March 31, 2019	Market value as at March 31, 2019	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
							Net assets	Total investments	
No. of shares.....						Rupees in '000	%		
PAPER AND BOARD									
Cherat Packaging Limited.	219,200	109,400	42,608	105,000	266,208	41,685	0.76	0.84	0.69
Century Paper and Board Mills Limited	496,700	-	-	496,700	-	-	-	-	-
PHARMACEUTICALS									
Ferozsons Laboratories Limited	170,600	-	-	104,700	65,900	12,885	0.23	0.26	0.22
Abbot Laboatories (Pakistan) Limited	47,550	-	-	25,400	22,150	14,121	0.26	0.28	0.02
The Searle Company Limited	64,625	258,000	30,250	240,460	112,415	26,624	0.48	0.53	0.05
GlaxoSmithKline (Pakistan) Limited	106,700	-	-	-	106,700	15,320	0.28	0.31	0.03
AGP Limited	372,125	226,500	-	360,005	238,620	20,316	0.37	0.41	0.09
TECHNOLOGY AND COMMUNICATION									
Avanceon Limited	624,625	26,000	-	386,000	264,625	18,434	0.33	0.37	0.19
NetSol Technologies Limited	833,500	508,500	-	458,100	883,900	72,091	1.31	1.44	0.99
Systems Limited	880,500	16,000	-	395,000	501,500	53,410	0.97	1.07	0.45
Pakistan Telecommunication Company Li	-	750,000	-	750,000	-	-	-	-	-
POWER GENERATION AND DISTRIBUTION									
Hub Power Company Limited	3,086,500	2,917,500	-	2,410,500	3,593,500	263,511	4.79	5.28	0.31
Kot Addu Power Company Limited	655,500	-	-	655,500	-	-	-	-	-
K-Electric Limited	10,260,500	12,844,000	-	13,393,500	9,711,000	54,285	0.99	1.09	0.04
COMMERCIAL BANKS									
Meezan Bank Limited	1,336,550	2,216,000	315,705	701,500	3,166,755	313,667	5.70	6.28	0.27
FOOD AND PERSONAL CARE PRODUCTS									
Al-Shaheer Corporation Limited	1,091,338	132,000	-	-	1,223,338	21,996	0.40	0.44	0.86
At-Tahur Limited	1,105,865	-	-	584,500	521,365	14,395	0.26	0.29	0.36
CHEMICAL									
Lotte Chemical Pakistan Limited	8,278,500	4,695,000	-	12,972,500	1,000	14	-	-	-
Engro Polymer and Chemicals Limited	3,606,480	4,436,000	-	5,702,000	2,340,480	85,006	1.54	1.70	0.26
Sitara Peroxide Limited	-	634,000	-	634,000	-	-	-	-	-
TRANSPORT									
Pakistan National Shipping Corporation Limited	117,500	-	-	100,500	17,000	1,024	0.02	0.02	0.01
VANASPATI & ALLIED INDUSTRIES									
Unity Foods Limited	-	1,734,000	-	-	1,734,000	22,369	0.41	0.45	1.03
Unity Foods Limited - LOR	-	-	3,846,532	-	3,846,532	10,347	0.19	0.21	1.03
Total as at March 31, 2019					57,936,103	4,990,955	91	100	
Carrying value as at March 31, 2019					5,387,006				

4.2 Investments include shares with market value of Rs 168.72 (June 30, 2018: Rs 206.50) 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.

5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

NAFA ISLAMIC STOCK FUND

6 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 44.44 million as at March 31, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2019 would have been higher by Rs. 0.0852 per unit (June 30, 2018: Rs. 0.079 per unit).

7 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

8 SELLING AND MARKETING EXPENSE

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs. 17.619 million at the rate of 0.4% of the net assets of the Fund being lower than the actual expenses chargeable to the Fund for the period.

9 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2019 is 3.24% which includes 0.37% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an shariah compliant equity scheme.

10 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 10.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.
- 10.2 The transactions with connected persons / related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 10.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 10.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

NAFA ISLAMIC STOCK FUND

		-----Unaudited-----	
		Nine months ended	
		March 31,	March 31,
		2019	2018
		------(Rupees in '000)-----	
10.5	Details of the transactions with connected persons are as follows:		
	NBP Fund Management Limited - Management Company		
	Remuneration of the Management Company	88,095	110,816
	Sindh sales tax on remuneration of the Management Company	11,452	14,406
	Accounting and operational charges to the Management Company	4,405	5,541
	Selling and Marketing Expense	17,619	22,163
	Units issued / transferred in Nil (2018: 10,120 units)	-	119
	Units redeemed / transferred out Nil (2018: 4,115,415 units)	-	47,753
	NAFA Islamic Principal Preservation Fund		
	Units issued / transferred In Nil (2018: 1,135,749 units)	-	13,322
	Units redeemed / transferred out Nil (2018: 1,153,541 units)	-	13,500
	Employees of the Management Company		
	Units issued / transferred In 17,685,340 (2018: 9,435,005 units)	193,505	112,462
	Units redeemed / transferred out 17,980,749 (2018: 10,913,765 units)	129,203	201,461
	National Fullerton Asset Management Limited - Employees		
	Provident Fund		
	Units issued / transferred In Nil (2018: 992,488 units)	-	11,943
	Units redeemed 197,914 (2018: 1,725,725 units)	2,075	20,055
	Bank Islami Pakistan Limited (Common Directorship)		
	Profit on bank deposits	11,501	28,254
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration	5,155	6,292
	Sindh Sales Tax on remuneration of Trustee	670	818
	Company Secretary / Chief Operating Officer - Management Company		
	Units issued / transferred In 8,756 (2018: 222,626 units)	100	2,502
	Units redeemed / transferred out 68,300 (2018: 76,034 units)	764	900
	Taurus Securities Limited (Subsidiary of parent)		
	Brokerage expense	478	606
	Portfolios Managed by Management Company		
	Units issued / transferred In: 6,083,986 (2018: 2,708,756 units)	68,647	32,924
	Units redeemed / transferred out 2,319,070 (2018: 832,958 units)	25,076	9,758
	*Jubilee Life Insurance Co. Ltd (Common Directorship)		
	Units issued / transferred In: 22,662,170 (2018: Nil units)	250,000	-
	Cherat Packaging Limited (Common Directorship)		
	Shares purchased: 109,400 (2018: 60,800 shares)	17,003	10,703
	Shares sold: 105,000 (2018: Nil shares)	17,830	-
	Dividend Income	2,154	1,844
	Cherat Cement Company Limited (Common Directorship)		
	Shares purchased: Nil (2018: 364,700 shares)	-	54,928
	Shares sold: 498,900 (2018: 958,000 shares)	40,208	120,119
	Dividend Income	1,977	6,923

NAFA ISLAMIC STOCK FUND

	-----Unaudited -----	
	Nine months ended	
	March 31,	March 31,
	2019	2018
	------(Rupees in '000)-----	
International Industries Limited (Common Directorship)		
Shares purchased: 140,600 (2018: 123,100 shares)	22,688	35,063
Shares sold: Nil (2018: 26,500 shares)	-	7,709
Dividend Income	1,221	246
International Steel Limited (Common Directorship)		
Shares purchased: 2,538,200 (2018: 1,813,400 shares)	211,038	214,753
Shares sold: 2,970,700 (2018: 835,700 shares)	220,788	96,090
Dividend Income	5,910	3,218

*Comparative transactions with these parties have not been disclosed as these parties were not related in last year.

	(Un-audited)	(Audited)
	March 31,	June 30,
	2019	2018
	------(Rupees in '000)-----	
10.6 Amounts outstanding as at period end		
NBP Fund Management Limited - Management Company		
Remuneration payable to the Management Company	9,532	11,125
Sindh Sales Tax payable on remuneration of the Management Company	1,239	1,446
Federal Excise Duty payable on remuneration of the Management Company	8,209	8,209
Accounting and operational charges	1,424	3,710
Selling and marketing expenses	5,695	14,841
Sales load payable	1,412	507
Federal excise duty payable on sales load	2,327	2,327
Other payable	20	19
Employees of the Management Company		
Units held 2,234,384 units (June 30, 2018: 2,256,965 units)	23,579	25,723
National Fullerton Asset Management Limited - Employees Provident Fund		
Units held 197,758 units (June 30, 2018: 395,673 units)	2,087	4,510
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	562	638
Sindh sales tax payable	73	83
Security deposit	102	102
National Bank of Pakistan - Parent Company		
Bank Balances	4,930	10,558
Summit Bank Limited - Common Directorship		
Bank Balances	9,921	8,049
Bank Islami Pakistan Limited - Common Directorship		
Bank balances	308,494	389,539
Profit receivable	4,166	3,462
Portfolios Managed by Management Company		
Units held 9,178,408 units (June 30, 2018: 5,413,491 units)	96,859	61,699
Jubilee Life Insurance Co. Ltd - Common Directorship		
Units held 22,662,170 units (June 30, 2018: Nil units)	239,152	-

NAFA ISLAMIC STOCK FUND

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	------(Rupees in '000)-----	
Cherat Packaging Limited - Common Directorship Shares held 293,558 (June 30, 2018: 219,200)	41,685	35,427
Cherat Cement Company Limited - Common Directorship Shares held 281,400 (June 30, 2018: 780,300 shares)	17,678	75,869
International Steels Limited - Common Directorship Shares held 977,900 (June 30, 2018: 1,410,400)	62,615	143,438
International Industries Limited - Common Directorship Shares held 237,200 (June 30, 2018: 96,600)	29,437	22,439
Taurus Securities Limited - Common Directorship Brokerage payable	29	15
11 DATE OF AUTHORISATION FOR ISSUE		
These financial statements were authorised for issue by the Board of Directors of the Management Company on April 26, 2019.		
12 GENERAL		
12.1	Figures have been rounded off to the nearest thousand rupees.	
12.2	Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.	

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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REPORT**

**MARCH
31, 2019**



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 STOCK FUND

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NAFA STOCK FUND

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

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

Bankers to the Fund

MCB Bank Limited
Summit Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Sindh Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited
Faysal Bank Limited
Soneri Bank Limited
The Bank of Punjab
Albaraka Bank of Pakistan
Silk Bank Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
U Microfinance Bank Limited
Telenor Microfinance Bank Limited

NAFA STOCK FUND

Auditors

KPMG Taseer Hadi & Co.
Sheikh Sultan Trust Buildings,
Ground No. 2 Shaheed Chaudary Aslam Rd,
Civil Lines, Karachi, 75530

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NAFA STOCK FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NAFA Stock Fund (NSF)** for the period ended March 31, 2019.

Fund's Performance

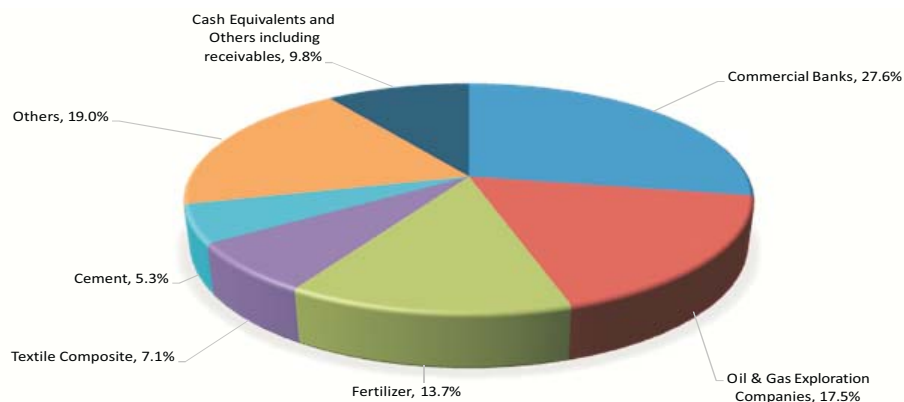
The size of NAFA Stock Fund has decreased from Rs. 14,984 million to Rs. 14,532 million during the period, i.e. a decrease of 3%. During the period, the unit price of NAFA Stock Fund (NSF) has decreased from Rs. 14.6226 on June 30, 2018 to Rs. 13.7375 on March 31, 2019, thus showing a decrease of 6.05%. The Benchmark for the same period decreased by 7.29%. Thus, the Fund has outperformed its Benchmark by 1.24% during the period under review. Since inception the NAV of the Fund has increased from Rs. 2.7226 (Ex-Div) on January 19, 2007 to Rs 13.7375 on March 31, 2019, thus showing an increase of 404.57%. During the said period, the Benchmark increased by 85.59%, translating into outperformance of 318.98%. This performance is net of management fee and all other expenses.

9MFY19 has been a challenging period for the stock market, characterized by dismal performance, amplified volatility, and lackluster participation. Initially, the market celebrated the fortuitous transition between two democratically elected governments as it quelled the domestic political uncertainty, but the rally proved short-lived as investors' focus shifted from politics to the ailing economy as manifested by intractable twin deficits, especially the ballooning Current Account Deficit (CAD) and the consequent drain on the foreign exchange reserves. The government in its response, embarked on contractionary monetary and fiscal policies such as expanding and deepening the scope of duties on imported luxury goods, cut in public spending, and readjusting the overvalued Rupee against the US Dollar. Concomitantly, the Central Bank also raised the Policy Rate aggressively to rein in inflationary pressures and contain consumption-led demand pressures. This raised concern on economic growth slowdown and corporate profitability, especially of cyclical sectors that in turn dampened market sentiments during the period under review.

Delay in the IMF program also irked the market participants even though the government was able to secure a sizable financial assistance from friendly countries such as China, KSA and UAE that lent support to SBP's fast depleting FX reserves. In the meanwhile, the tightening policies started showing results as reflected by a substantial decline in CAD that clocked in at USD 873 million and USD 356 million in Jan-19 and Feb-19, respectively compared with the average monthly CAD of USD 1.27 billion in 1H FY19, which revived some confidence in the stocks during 3QFY19. However, the gains were capped by the escalation of tension between Pakistan and India post Pulwama attack in Indian occupied Kashmir. More specifically, the market (KSE 100 Index) surged by 4.3% in 3QFY19, offsetting some of the losses in 1H FY19, taking 9MFY19 decline to 7.8%.

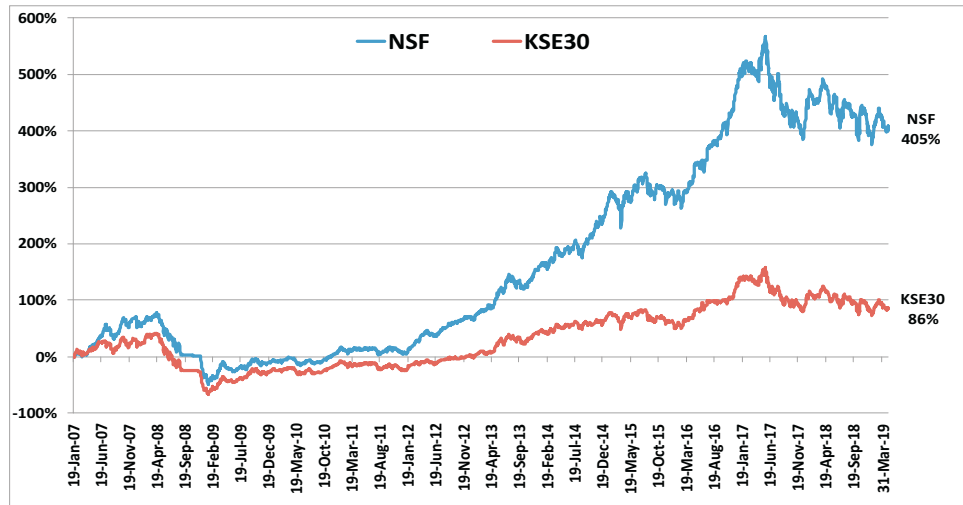
Defensive sectors such as Fertilizers, Commercial Banks, Oil & Gas Exploration, Textile Composite and Chemicals fared better than the market, while Engineering, Oil & Gas Marketing, Refineries, Cements, Autos and Power sectors underperformed the market during 9MFY19. On the trading activity front, Foreign Investors continued their unabated selling, which amounted to USD 373 million. On the local side, Mutual Funds also liquidated equities worth USD 59 million, while Insurance Companies, Individuals, and Companies emerged as large buyers with net inflows to the tune of USD 174 million, USD 144 million, and USD 73 million, respectively.

The Fund has incurred a loss of Rs. 668.435 million during the period. After accounting for expenses of Rs. 368.009 million, the net loss is Rs. 1,036.444 million. The asset allocation of the Fund as on March 31, 2018 is as follows:



NAFA STOCK FUND

NSF 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: April 26, 2019
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے NAFA اسٹاک فنڈ (NSF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

اس مدت کے دوران NAFA اسٹاک فنڈ (NSF) کا فنڈ سائز 14,984 ملین روپے سے کم ہو کر 14,532 ملین روپے ہو گیا ہے، یعنی 3% کی کمی ہوئی۔ اس مدت کے دوران، NSF کے یونٹ کی قیمت 30 جون 2018 کو 14.6226 روپے سے کم ہو کر 31 مارچ 2019 کو 13.7375 روپے ہو گئی ہے، لہذا 6.05% کی کمی۔ اسی مدت کے دوران بیچ مارک 7.29% سے کم ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران فنڈ نے اپنے بیچ مارک سے 1.24% کی بہتر کارکردگی کا مظاہرہ کیا۔ اپنے قیام کے وقت سے لے کر اب تک اس فنڈ کی NAV 19 جنوری 2007 کو 2.7226 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2019 کو 13.7375 روپے ہو گئی، یعنی 404.57% کا اضافہ۔ جبکہ مذکورہ بالا مدت کے دوران بیچ مارک 85.59% سے بڑھا، لہذا اب تک فنڈ نے 318.98% کی بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 2019 کی نو ماہی میں اسٹاک مارکیٹ، مایوس کن کارکردگی، عدم استحکام اور عدم دلچسپی کے باعث مشکل حالات سے دوچار رہی۔ ابتدائی طور پر مارکیٹ نے دو جمہوری منتخب حکومتوں میں خوش قسمت تبدیلی کو سراہا اور ملکی غیر ملقی سیاسی صورتحال کو استحکام بخشتا تاہم سرمایہ کاروں کا جوش وقتی ثابت ہوا جس کی وجہ سرمایہ کاروں کا سیاسی صورتحال سے خراب معیشت کی طرف متوجہ ہونا تھا جو کہ دوہرے خسارے، خاص طور پر بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) اور نتیجتاً غیر ملکی زرمبادلہ کے ذخائر میں کمی سے صاف ظاہر ہو رہی تھی۔ حکومت نے اس کے رد عمل میں پریشانی کی اشیا کی درآمد پر ڈیوٹیز میں اضافہ، عوامی اخراجات میں کمی اور امریکی ڈالر کے برعکس روپیہ کی قدر میں کمی کی ایڈجسٹمنٹ جیسی تخفیفی مانیٹری اور مالی پالیسیوں کا آغاز کیا۔ نتیجتاً سینٹرل بینک نے افراط زر کے دباؤ اور کھپت پر مشتمل طلب کے دباؤ پر قابو پانے کے لئے پالیسی کی شرح میں خاطر خواہ اضافہ کر دیا اس سے اقتصادی نمو کی سست روی اور کارپوریٹ خاص طور پر گردش سیکٹرز کی منافع میں کمی سے تشویش بڑھ گئی جس کے نتیجے میں زیر جائزہ مدت کے دوران سرمایہ کاروں کے جذبات مدہم پڑ گئے۔

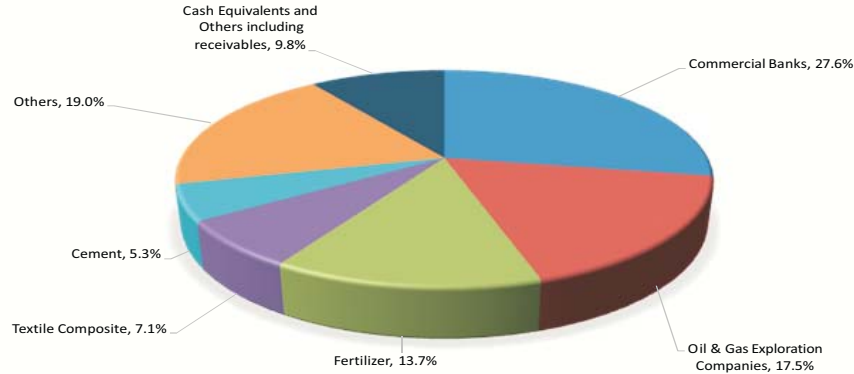
IMF پروگرام میں تاخیر نے مارکیٹ کے شرکاء کو بھی پریشان کیا باوجود اس کے حکومت چائنا، سعودی عرب اور متحدہ عرب امارات جیسے دوست ممالک سے قابل ذکر مالی امداد کو حاصل کرنے میں کامیاب ہوئی جو SBP کے تیزی سے کم ہوتے زرمبادلہ کے ذخائر کو مستحکم کرنے کے لئے معاون ثابت ہوئی۔ اسی اثناء میں، سخت پالیسیوں کے نتائج سامنے آنے شروع ہو گئے جو CAD میں خاطر خواہ کمی سے ظاہر ہوتا ہے۔ مالی سال 19 کی پہلی ششماہی میں 1.27 بلین امریکی ڈالر کے اوسط ماہانہ CAD کے مقابلے میں بالترتیب، جنوری 19 اور فروری 19 میں 873 ملین امریکی ڈالر اور 356 ملین امریکی ڈالر رہی ہے، جس نے مالی سال کی تیسری سہ ماہی کے دوران اسٹاک میں کچھ اعتماد بحال کیا۔ تاہم، مقبوضہ کشمیر میں پلواہ حملے کے بعد پاکستان اور بھارت کے درمیان کشیدگی کے اضافے کی وجہ سے اسٹاک مارکیٹ کی سرگرمیاں محدود ہو گئیں۔ خاص طور پر، مالی سال 19 کی تیسری سہ ماہی میں مارکیٹ (KSE-100 انڈیکس) 4.3 فیصد تک بہتر ہوا جس کے نتیجے میں، مالی سال 19 کی پہلی ششماہی کے نقصانات کا کچھ ازالہ ہوا اور مالی سال 19 کی نو ماہی میں مارکیٹ کی کمی 7.8% تک رہ گئی۔

شعبہ جاتی کارکردگی کے حوالہ سے مالی سال 19 کی نو ماہی کے دوران کھاد، تجارتی بینکوں، آئل اینڈ گیس ایکسپلوریشن، ٹیکسٹائل کمپوزٹ اور کیمیکل نے مارکیٹ سے بہتر کارکردگی دکھائی ہے، جبکہ انجینئرنگ، آئل اینڈ گیس مارکیٹنگ، ریفرنسری، سینٹ، آٹو اور بجلی کے شعبوں نے اتر کارکردگی کا مظاہرہ کیا۔ مارکیٹ میں تجارتی سرگرمی کے لحاظ سے غیر ملکی سرمایہ کار 373 ملین امریکی ڈالر کے حجم کے ساتھ خالص فروخت کنندہ رہے۔ مقامی سرمایہ کاروں میں میوچل فنڈز نے 59 ملین امریکی ڈالر کی ایکویٹی فروخت کیں جبکہ

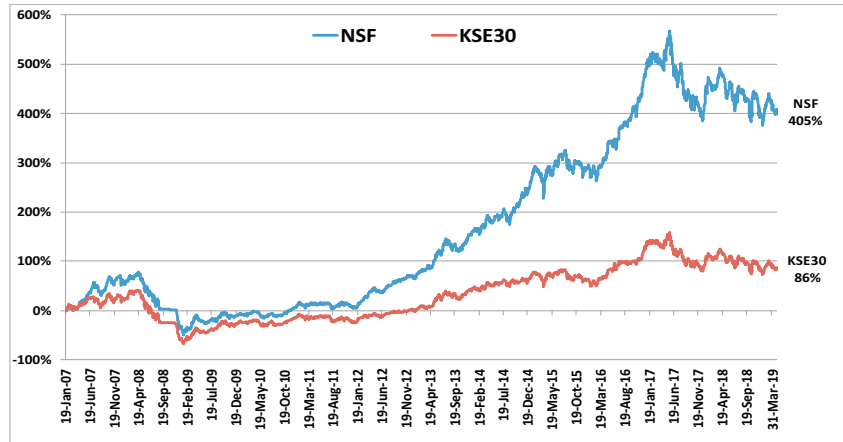
NAFA STOCK FUND

انسٹورنس، انفرادی سرمایہ کار اور کمپنیاں، اس عرصے کے دوران بالترتیب 174 ملین امریکی ڈالر، 144 ملین امریکی ڈالر اور 73 ملین امریکی ڈالر کے حجم کے ساتھ خالص خریدار رہے۔

NAFA اسٹاک فنڈ کو اس مدت کے دوران 668.435 ملین روپے کا مجموعی خسارہ ہوا۔ 368.009 ملین روپے کے اخراجات منہا کرنے کے بعد کل خسارہ 1,036.444 ملین روپے ہے۔ 31 مارچ 2019 کو فنڈ کی ایسٹیلویشن درج ذیل ہے:



NSF کی کارکردگی بمقابلہ بیسچ مارک



اظہار تشکر

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

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

مجاہد بورڈ آف ڈائریکٹرز
NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 اپریل 2019

مقام: کراچی

NAFA STOCK FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

	Note	Unaudited March 31, 2019	Audited June 30, 2018
-----Rupees in '000-----			
Assets			
Bank balances		1,225,918	2,359,377
Investments	4	13,108,975	12,814,899
Dividend and profit receivable		177,598	28,095
Receivable against sale of investments		79,719	14,946
Advance, deposit and prepayment		151,698	7,191
Total assets		14,743,908	15,224,508
Liabilities			
Payable to the Management Company		49,211	71,357
Payable to the Trustee		1,500	1,568
Payable to Securities and Exchange Commission of Pakistan		11,071	14,984
Accrued expenses and other liabilities		150,533	152,659
Total liabilities		212,315	240,568
Net assets		14,531,593	14,983,940
Unit holders' funds (As per Statement attached)		14,531,593	14,983,940
Contingencies and commitments	6		
-----Number of units-----			
Number of units in issue		1,057,805,496	1,024,707,999
-----Rupees-----			
Net asset value per unit		13.7375	14.6226

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA STOCK FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months ended		Quarter ended	
Note	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	-----Rupees in '000-----			
Income				
Loss on sale of investments - net	(532,923)	(702,720)	(103,286)	(149,912)
Dividend Income	576,486	573,457	181,382	160,652
Profit on bank deposits	111,615	76,279	36,006	28,123
Income from government securities	25,335	3,789	-	-
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(848,948)	(109,279)	802,318	1,880,609
Total (loss) / income	(668,435)	(158,474)	916,420	1,919,472
Expenses				
Remuneration of the Management Company	233,064	233,389	73,625	80,282
Sindh sales tax on remuneration of the Management Company	30,298	30,341	9,571	10,437
Remuneration of the Trustee	12,404	12,420	3,928	4,261
Sales Tax on remuneration of the Trustee	1,613	1,615	511	554
Accounting and operational charges to the Management Company	11,653	11,669	3,681	4,014
Selling and marketing expenses	46,613	46,678	14,725	16,057
Annual fee - Securities and Exchange Commission of Pakistan	11,071	11,086	3,498	3,813
Securities transaction costs	18,507	12,268	4,809	3,760
Settlement and bank charges	2,017	2,272	660	699
Auditors' remuneration	504	492	125	134
Fund rating fee	166	139	55	49
Legal and professional charges	53	106	20	37
Annual listing fee	21	21	7	7
Printing charges	25	26	2	17
Total expenses	368,009	362,522	115,217	124,121
Net (loss) / income from operating activities	(1,036,444)	(520,996)	801,203	1,795,351
Provision for Sindh Workers' Welfare Fund	5	-	-	-
Net (loss) / income for the period before taxation	(1,036,444)	(520,996)	801,203	1,795,351
Taxation	7	-	-	-
Net (loss) / income for the period after taxation	(1,036,444)	(520,996)	801,203	1,795,351
Allocation of Net income for the period:				
Net loss for the period	-	-	-	-
Income already paid on units redeemed	-	-	-	-
	-	-	-	-
Accounting Income available for distribution:				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-
	-	-	-	-

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA STOCK FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	-----Rupees in '000'-----			
Net (loss) / income for the period after taxation	(1,036,444)	(520,996)	801,203	1,795,351
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(1,036,444)</u>	<u>(520,996)</u>	<u>801,203</u>	<u>1,795,351</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA STOCK FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine months period ended					
	March 31, 2019			March 31, 2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	12,431,591	2,552,349	14,983,940	12,515,766	4,341,986	16,857,752
Issue of 468,383,137 units (2018: 438,631,317 units)						
- Capital value	6,848,979	-	6,848,979	7,108,906	-	7,108,906
- Element of loss	(157,139)	-	(157,139)	(543,085)	-	(543,085)
Total proceeds on issuance of units	6,691,840	-	6,691,840	6,565,821	-	6,565,821
Redemption of 435,285,640 units (2018: 397,328,070 units)						
- Capital value	(6,365,008)	-	(6,365,008)	(6,439,643)	-	(6,439,643)
- Element of income	257,265	-	257,265	586,637	-	586,637
Total payments on redemption of units	(6,107,743)	-	(6,107,743)	(5,853,006)	-	(5,853,006)
Total comprehensive loss for the period	-	(1,036,444)	(1,036,444)	-	(520,996)	(520,996)
Distribution during the period	-	-	-	-	(11,471)	(11,471)
Net assets at end of the period	13,015,688	1,515,905	14,531,593	13,228,581	3,809,519	17,038,100
Undistributed income brought forward						
- Realised income		3,535,171			2,544,122	
- Unrealised (loss) / income		(982,822)			1,797,864	
		2,552,349			4,341,986	
Accounting (loss) / income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the period after taxation		(1,036,444)			(520,996)	
Distribution during the period		-			(11,471)	
Undistributed income carried forward		1,515,905			3,809,519	
Undistributed income carried forward						
- Realised income		2,364,853			3,918,798	
- Unrealised loss		(848,948)			(109,279)	
		1,515,905			3,809,519	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		14.6226			16.2138	
Net assets value per unit at end of the period		13.7375			15.7612	

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA STOCK FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine months period ended	
	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(1,036,444)	(520,996)
Adjustments		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	848,948	109,279
	(187,496)	(411,717)
(Increase) / decrease in assets		
Investments - net	(1,143,024)	116,377
Dividend and profit receivable	(149,503)	(58,657)
Receivable against sale of investments	(64,773)	172,593
Advance, deposit and prepayment	(144,507)	(7)
	(1,501,807)	230,306
(Decrease) / increase in liabilities		
Payable to the Management Company	(22,146)	18,557
Payable to the Trustee	(68)	(90)
Payable to Securities and Exchange Commission of Pakistan	(3,913)	(2,232)
Payable against purchase of investment	-	280,111
Accrued expenses and other liabilities	(2,126)	(90,636)
	(28,253)	205,710
Net cash (used in) / generated from operating activities	(1,717,556)	24,299
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	6,691,840	6,566,317
Net payments on redemption of units	(6,107,743)	(5,861,762)
Distribution paid	-	(118,187)
Net cash generated from financing activities	584,097	586,368
Net (decrease) / increase in cash and cash equivalents during the period	(1,133,459)	610,667
Cash and cash equivalents at the beginning of the period	2,359,377	1,681,511
Cash and cash equivalents at the end of the period	1,225,918	2,292,178

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA STOCK FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Stock 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 Trustee. The Trust Deed was executed on December 06, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006 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 the SECP. The registered and principal 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 also the member of MUFAP.

The Fund is an open-ended mutual fund classified as an "equity scheme" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters 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 core objective of the Fund, is to provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan.

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

2. BASIS OF PREPARATION

2.1 Statement Of Compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

NAFA STOCK FUND

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

3. ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has an impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

3.3 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

		(Unaudited)	(Audited)
		March 31,	June 30,
		2019	2018
		(Rupees in '000)	
Financial assets at fair value through profit or loss			
4.	INVESTMENTS		
	Financial assets at fair value through profit or loss		
	- Listed equity securities	4.1	
		13,108,975	12,814,899

NAFA STOCK FUND

4.1 Investment in listed equity securities

All shares have a nominal face value of Rs.10 each except for the shares of Thal Limited, Al-Ghazi Tractor Limited and Shabbir Tiles and Ceramics Limited which have a face value of Rs.5.

Name of the Investee Company	As at 1 July 2018	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 31 March 2019	Market value /carrying value as at 31 March 2019	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	(Number of shares)						(Rupees in '000)	(%)		
Refinery										
Attock Refinery Limited	1,600	-	400	-	-	2,000	214	-	-	-
	1,600	-	400	-	-	2,000	214	-	-	
Oil and Gas Exploration Company										
Pakistan Oilfields Limited	854,080	682,400	163,116	-	686,200	1,013,396	453,241	3.12	3.46	0.36
Pakistan Petroleum Limited	3,300,525	2,423,700	624,934	-	1,734,900	4,614,259	853,592	5.87	6.51	0.20
Mari Petroleum Company Limited	401,540	54,360	39,248	-	92,920	402,228	500,870	3.45	3.82	0.33
Oil & Gas Development Company Limited	4,029,381	3,135,000	-	-	2,199,000	4,965,381	732,642	5.04	5.59	0.12
	8,585,526	6,295,460	827,298	-	4,713,020	10,995,264	2,540,345	17.48	19.38	
Oil and Gas Marketing Company										
Pakistan State Oil Company Limited	995,400	955,600	242,040	-	977,300	1,215,740	262,819	1.81	2.00	0.31
Attock Petroleum Limited	153,800	5,200	30,760	-	38,750	151,010	60,178	0.41	0.46	0.15
Shell Pakistan Limited	469,100	-	-	-	320,900	148,200	39,011	0.27	0.30	0.14
Hascol Petroleum Limited	3,058	135,500	765	-	-	139,323	18,066	0.12	0.14	0.08
Sui Northern Gas Pipelines Limited	2,137,700	2,727,000	-	-	1,828,500	3,036,200	228,049	1.57	1.74	0.48
Sui Southern Gas Company Limited	-	2,000	-	-	-	2,000	44	-	-	-
	3,759,058	3,825,300	273,565	-	3,165,450	4,692,473	608,167	4.18	4.64	
Fertilizer										
Dawood Hercules Corporation Limited	319,400	2,100	-	-	205,100	116,400	14,942	0.10	0.11	0.02
Engro Corporation Limited	2,380,885	793,900	-	-	970,000	2,204,785	721,472	4.96	5.50	0.42
Engro Fertilizers Limited	7,396,000	3,323,000	-	-	4,886,500	5,832,500	417,315	2.87	3.18	0.44
Fauji Fertilizer Bin Qasim Company Limited	-	3,518,000	-	-	558,500	2,959,500	101,333	0.70	0.77	0.32
Fauji Fertilizer Company Limited	3,838,500	4,960,000	-	-	1,793,500	7,005,000	731,742	5.04	5.58	0.55
	13,934,785	12,597,000	-	-	8,413,600	18,118,185	1,986,804	13.67	15.14	
Chemical										
Engro Polymer & Chemicals Limited	6,156,569	8,480,000	-	-	8,951,000	5,685,569	206,500	1.42	1.58	0.63
Descon Oxychem Limited	-	600,000	-	-	600,000	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	16,473,500	-	-	16,472,500	1,000	14	-	-	-
	6,156,569	25,553,500	-	-	26,023,500	5,686,569	206,514	1.42	1.58	
Automobile Parts and Accessories										
Thal Limited*	177,889	-	-	-	45,500	132,389	55,868	0.38	0.43	0.16
Baluchistan Wheels Limited	87,000	-	-	-	-	87,000	7,438	0.05	0.06	0.65
	264,889	-	-	-	45,500	219,389	63,306	0.43	0.49	
Cement										
D.G. Khan Cement Company Limited	1,147,900	2,754,300	-	-	3,902,200	-	-	-	-	-
Lucky Cement Limited	313,633	1,033,900	-	-	621,600	725,933	310,874	2.14	2.37	0.22
Maple Leaf Cement Factory Limited	338,501	10,922,000	-	-	4,806,500	6,454,001	241,702	1.66	1.84	1.09
Pioneer Cement Limited	736,800	3,010,500	-	-	-	3,747,300	130,294	0.90	0.99	1.65
Attock Cement Pakistan Limited	1,197,601	-	-	-	1,197,600	1	-	-	-	-
Fecto Cement Limited	243,200	-	-	-	-	243,200	6,810	0.05	0.05	0.48
Kohat Cement Company Limited	641,500	-	133,890	-	360,200	415,190	35,636	0.25	0.27	0.21
Cherat Cement Company Limited	1,242,700	-	-	-	462,500	780,200	49,012	0.34	0.37	0.44
	5,861,835	17,720,700	133,890	-	11,350,600	12,365,825	774,328	5.34	5.89	
Paper and Board										
Century Paper and Board Mills Limited	3,172,600	-	-	-	305,000	2,867,600	144,814	1.00	1.10	1.95
Cherat Packaging Limited	467,735	14,300	70,655	-	-	552,690	78,482	0.54	0.60	1.43
	3,640,335	14,300	70,655	-	305,000	3,420,290	223,296	1.54	1.70	
Automobile Assembler										
Al-Ghazi Tractors Limited	52,200	-	-	-	52,200	-	-	-	-	-
Indus Motor Company Limited	74,890	-	-	-	39,120	35,770	46,676	0.32	0.36	0.05
Millat Tractors Limited	101,320	37,520	-	-	138,840	-	-	-	-	-
Pak Suzuki Motor Company Limited	21,550	-	-	-	21,500	50	14	-	-	-
	249,960	37,520	-	-	251,660	35,820	46,690	0.32	0.36	
Pharmaceuticals										
Abbot Laboratories (Pakistan) Limited	127,150	-	-	-	80,550	46,600	29,709	0.20	0.23	0.05
AGP Limited	-	385,000	-	-	-	385,000	32,779	0.23	0.25	0.14
GlaxoSmithKline (Pakistan) Limited	2,000	9,400	-	-	-	11,400	1,637	0.01	0.01	-
GlaxoSmithKline Consumer Healthcare Pakistan Limited	15,600	-	-	-	-	15,600	5,311	0.04	0.04	0.01
The Searle Company Limited	81,311	157,000	23,651	-	142,635	119,327	28,260	0.19	0.22	0.06
	226,061	551,400	23,651	-	223,185	577,927	97,696	0.67	0.75	

NAFA STOCK FUND

Name of the Investee Company	As at 1 July 2018	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 31 March 2019	Market value /carrying value as at 31 March 2019	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	(Number of shares)					(Rupees in '000)	(%)			
Engineering										
International Industries Limited	850,300	95,100	-	-	381,200	564,200	70,017	0.48	0.53	0.47
International Steels Limited	1,567,000	4,105,500	-	-	3,144,000	2,528,500	161,900	1.11	1.24	0.58
Amreli Steels Limited	611,800	-	-	-	611,800	-	-	-	-	-
Ittefaq Iron Industries Limited	2,187,000	-	-	-	2,187,000	-	-	-	-	-
Mughal Iron and Steel Industries Limited	813,387	4,158,500	-	-	893,000	4,078,887	159,321	1.10	1.22	1.62
	6,029,487	8,359,100	-	-	7,217,000	7,171,587	391,238	2.69	2.99	
Textile Composite										
Azgard Nine Limited (Non-voting)	806,400	-	-	-	-	806,400	5,645	0.04	0.04	0.18
Gul Ahmed Textile Mills Limited	2,962,700	5,082,000	-	-	646,500	7,398,200	421,475	2.90	3.22	2.08
Kohinoor Textile Mills Limited	3,189,339	-	-	-	874,000	2,315,339	103,889	0.71	0.79	0.77
Nishat Chunian Limited	4,671,800	3,690,500	-	-	4,149,000	4,213,300	217,996	1.50	1.66	1.75
Nishat Mills Limited	1,837,000	845,000	-	-	609,300	2,072,700	279,006	1.92	2.13	0.59
Sapphire Fibres Limited	40	-	-	-	-	40	27	-	-	-
	13,467,279	9,617,500	-	-	6,278,800	16,805,979	1,028,038	7.07	7.84	
Food and Personal Care Products										
Al-Shaheer Corporation Limited	1,854,288	-	-	-	-	1,854,288	33,340	0.23	0.25	1.30
Technology and Communication										
Avanceon Limited	955,250	-	-	-	301,500	653,750	45,540	0.31	0.35	0.48
NetSol Technologies Limited	-	1,522,900	-	-	-	1,522,900	124,208	0.85	0.95	1.70
System Limited	1,927,000	-	-	-	358,000	1,569,000	167,099	1.15	1.27	1.40
	2,882,250	1,522,900	-	-	659,500	3,745,650	336,847	2.31	2.57	
Power Generation and Distribution										
K-Electric Limited	-	31,748,000	-	-	11,001,500	20,746,500	115,973	0.80	0.88	0.08
Kot Addu Power Company Limited	1,507,000	-	-	-	1,507,000	-	-	-	-	-
Saif Power Limited	477,000	-	-	-	7,000	470,000	10,871	0.07	0.08	0.12
The Hub Power Company Limited	4,456,666	4,001,000	-	-	2,410,000	6,047,666	443,475	3.05	3.38	0.52
	6,440,666	35,749,000	-	-	14,925,500	27,264,166	570,319	3.92	4.34	
Commercial Banks										
Allied Bank Limited	4,776,701	272,500	-	-	1,152,000	3,897,201	421,054	2.90	3.21	0.34
Askari Bank Limited	1,200,000	-	-	-	-	1,200,000	24,540	0.17	0.19	0.10
Bank Al-Falah Limited	14,792,000	5,971,000	1,599,750	-	2,569,000	19,793,750	931,692	6.38	7.16	1.12
Bank Al-Habib Limited	5,036,150	4,347,500	-	-	1,503,500	7,880,150	675,014	4.65	5.15	0.71
Bank Of Punjab Limited	-	16,482,000	-	-	2,360,000	14,122,000	183,868	1.27	1.40	0.53
Faysal Bank Limited	14,016,250	-	-	-	10,177,000	3,839,250	90,376	0.62	0.69	0.25
Habib Bank Limited	5,048,433	3,086,400	-	-	4,475,700	3,659,133	484,799	3.34	3.70	0.25
Habib Metropolitan Bank Limited	729,000	-	-	-	650,000	79,000	3,277	0.02	0.02	0.01
MCB Bank Limited	1,926,700	2,028,600	-	-	1,571,800	2,383,500	468,429	3.22	3.57	0.20
Meezan Bank Limited	55	346,500	6	-	-	346,561	34,327	0.24	0.26	0.03
United Bank Limited	2,857,740	4,734,300	-	-	2,582,700	5,009,340	698,953	4.85	5.31	0.41
	50,383,029	37,268,800	1,599,756	-	27,041,700	62,209,885	4,016,329	27.66	30.66	
Modarbas										
Sindh Modaraba	1,308,500	-	-	-	13,000	1,295,500	8,745	0.06	0.07	2.88
Glass and Ceramics										
Ghani Value Glass Limited	-	1,000	-	-	-	1,000	34	-	-	-
Shabbir Tiles & Ceramics Limited	1,936,000	-	-	-	1,936,000	-	-	-	-	-
Tariq Glass Industries Limited	2,058,900	355,000	-	-	761,700	1,652,200	167,302	1.15	1.28	2.25
	3,994,900	356,000	-	-	2,697,700	1,653,200	167,336	1.15	1.28	
Transport										
Pakistan National Shipping Corporation Limited	328,100	-	-	-	328,100	-	-	-	-	-
Cable and Electric Goods										
Pak Elektron Limited	291,825	5,397,500	-	-	5,688,825	500	12	-	-	-
Miscellaneous										
Tri-Pack Films Limited	1	-	-	-	-	1	-	-	-	-
TPL Properties Limited	445,500	-	78,702	-	46,000	478,202	3,768	0.03	0.03	0.15
Synthetic Products Enterprises Limited	163,000	8,000	-	-	-	171,000	5,643	0.04	0.04	0.20
	608,501	8,000	78,702	-	46,000	649,203	9,411	0.07	0.07	
Total - 31 March 2019	130,269,443	164,873,980	3,007,917	-	119,387,640	178,763,700	13,108,975	90.21	100.00	
Carrying value before fair value adjustment as at 31 March 2019							13,957,923			

NAFA STOCK FUND

- 4.1.1** Investments include shares with market value of Rs. 229.207 million (30 June 2018: Rs. 277.039 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 23th October 2007 issued by the Securities and Exchange Commission of Pakistan.

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 108.972 million for the Nine months period ended March 31, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2019 would have been higher by Rs. 0.1030 per unit (June 30, 2018: Rs. 0.1063 per unit).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

7 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

8 SELLING AND MARKETING EXPENSE

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs. 46.613 million at the rate of 0.4% of the net assets of the Fund being lower than the actual expenses chargeable to the Fund for the period.

9 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2019 is 3.16% which includes 0.37% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

NAFA STOCK FUND

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

10.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

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

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

10.4 Transactions during the period

Transactions during the period	----- Unaudited -----	
	Nine months ended	
	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	233,064	233,389
Sindh sales tax on remuneration of the Management Company	30,298	30,341
Front-end Load	6,833	9,948
Accounting and operational charges to the Management Company	11,653	11,669
Selling and marketing expenses	46,613	46,678
Units issued / transferred in : 27,660,529 units (March 31, 2018: 4,738,174 units)	387,813	70,412
Units redeemed/transferred out :26,326,719 units (March 31, 2018:12,950,235 units)	377,497	195,465
Employees of the Management Company		
Units issued / transferred in : 1,848,183 units (March 31, 2018: 1,016,038 units)	25,885	15,673
Units redeemed / transferred out : 1,859,455 units (March 31, 2018: 867,998 units)	26,858	13,122
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of trustee	12,404	12,420
Sales tax on remuneration of trustee	1,613	1,615
CDS Charges	731	965
Chief Executive Officer of the Management Company		
Units Issued / transferred in: 41,116 units (March 31, 2018: 141,252 units)	575	2,002
Units redeemed / transferred out: 21,913 units (March 31, 2018: 64,586 units)	300	1,000
Mr Kamal A Chinoy - Director		
Units Issued / transferred in: 1,646 Units (March 31, 2018: 1,646 units)	24	24
NAFA Provident Fund Trust - Provident Fund		
Units Issued / transferred in : Nil units (March 31, 2018: 336.205 units)	-	4,992
Units redeemed / transferred out : 18,782 units (March 31, 2018: 832,774 units)	4,327	12,280
NBP Employees Pension Fund		
Units issued / transferred in: Nil units (March 31, 2018: 46,725 units)	-	689

NAFA STOCK FUND

	----- Unaudited -----	
	Nine months ended	
	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----	
Taurus Securities Limited (Subsidiary of Parent Company)		
Brokerage	1,045	754
Summit Bank Limited (Common Directorship)		
Bank Profit	10	15
Units Issued / transferred in: Nil units (March 31, 2018: 475 units)	-	7
Units redeemed / transferred out: 638,038 units (March 31, 2018: Nil units)	9,535	-
Askari Bank Limited (Common Directorship)		
Mark-up on bank balances	35	150
Bank Islami Pakistan Limited (Common Directorship)		
Mark-up on bank balances	21	5,305
Management Association Of Pakistan (Common Directorship)		
Units Issued / transferred in: 208,226 units (March 31, 2018: 233,120 units)	2,969	3,523
Units redeemed / transferred out: 242,536 units (March 31, 2018: 255,718 units)	3,366	3,723
Faruque Private Limited (Common Directorship)		
Units Issued / transferred in: Nil units (March 31, 2018: 1,321,215 units)	-	19,995
Units redeemed / transferred out: Nil units (March 31, 2018: 1,177,228 units)	-	17,007
* IGI Life Insurance Limited		
Units Issued / transferred in: Nil units (March 31, 2018: 1,225 units)	-	18
Units redeemed / transferred out: Nil units (March 31, 2018: 1,644,253 units)	-	24,174
Cherat Cement Company Limited (Common Directorship)		
Nil shares purchased (March 31, 2018 : 383,700)	-	55,382
462,500 shares sold (March 31, 2018: 957,500)	31,635	117,173
Dividend Income	4,971	11,351
Company secretary / Chief Operating Officer of the Management Company		
Units issued / transferred in: 288,326 unit (March 31, 2018: Nil units)	4,000	-
Units redeemed / transferred out: 288,326 units (March 31, 2018: Nil units)	4,222	-
Chief Financial Officer of the Management Company		
Units issued / transferred in 75,723 units (March 31, 2018: 43 units)	1,126	1
Units redeemed / transferred out: 10,268 units (March 31, 2018: Nil units)	150	-
Mr. Humayun Bashir - Director		
Units issued / transferred in: 1,691,509 units (March 31, 2018: 7,451,439 units)	24,982	109,664
Units redeemed / transferred out: 3,708,495 units (March 31, 2018: 5,344,897 units)	52,598	80,067

NAFA STOCK FUND

	Nine months ended	
	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----	
International Steels Limited (Common Directorship)		
4,105,500 shares purchased (March 31, 2018 : 940,400 shares)	351,366	109,197
3,144,000 shares sold (March 31, 2018: 466,000 shares)	232,650	52,899
Dividend income	11,717	3,789
Cherat Packaging Limited (Common Directorship)		
14,300 shares purchased (March 31, 2018: 15,500 shares)	2,468	3,412
Nil shares sold (March 31, 2018: 18,400 shares)	-	4,195
Dividend income	4,971	3,820
Rights issue: Nil share (March 31, 2018: 55,634 shares)	-	6,954
International Industries Limited (Common Directorship)		
95,100 shares purchased (March 31, 2018: Nil)	16,259	-
381,200 shares sold (March 31, 2018: 235,400 shares)	79,223	78,113
Dividend income	4,887	3,670
Gul Ahmed Textile Mills Limited (Common Directorship)		
5,082,000 shares purchased (March 31, 2018: 14,000)	255,510	553
646,500 shares sold (March 31, 2018: 1,758,500)	35,727	61,996
Dividend income	15,772	5,620
National Clearing Company of Pakistan Limited (Common Directorship)		
Units issued / transferred in Nil units (March 31, 2018: 1,682 units)	-	25
NAFA Money Market Fund		
Market Treasury Bills purchased during the period	983,507	-
Portfolios managed by the Management Company		
Units issued / transferred in 14,330,288 units (March 31, 2018: 8,934,272 units)	198,633	132,664
Units redeemed / transferred out 15,440,053 units (March 31, 2018: 7,309,648 units)	216,689	103,732
	(Unaudited)	(Audited)
	March 31,	June 30,
	2019	2018
	(Rupees in '000)	
10.5 Balances outstanding as at period / year end		
NBP Fund Management Limited - Management Company		
Units held: 1,333,811 (2018: Nil units)	18,323	-
Remuneration of the Management Company	24,854	26,112
Sindh Sales Tax on remuneration of the Management Company	3,231	3,395
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,681	8,117
Selling and marketing expenses	14,725	32,470
Sales load	2,720	1,263

NAFA STOCK FUND

	(Unaudited) March 31, 2019 (Rupees in '000)	(Audited) June 30, 2018
National Bank of Pakistan - Parent Company		
Units held: 31,347,445 (2018: 31,347,445 units)	430,636	458,381
Bank Balance	7,539	7,815
Central Depository Company of Pakistan Limited - Trustee		
Remuneration Payable	1,328	1,388
Sindh Sales Tax on Trustee remuneration	172	180
CDC charges	25	161
Security deposit	100	100
National Clearing Company Of Pakistan Limited (Common Directorship)		
Units held: 2,580,238 (2018: 2,580,238 units)	35,446	37,730
Employees of the Management Company		
Units held: 277,007 (2018: 288,279 units)	3,805	4,215
Chief Executive Officer of the Management Company		
Units held: 318,294 (2018: 299,091 units)	4,373	4,373
Chief Financial Officer of the Management Company		
Units held: 130,852 (2018: 65,397 units)	1,798	956
Mr. Kamal. A. Chinoy - Director		
Units held: 1,208,528 (2018: 1,208,528 units)	16,602	17,671
Mr. Humayun Bashir - Director		
Units held: Nil (2018: 2,016,986 units)	-	29,494
NBP Employees Pension Fund		
Units held: 62,721,184 (2018: 62,721,184 units)	861,632	917,147
NAFA Employee Provident Fund		
Units held: 152,711 (2018: 471,493 units)	2,098	6,894
Management Association of Pakistan		
Units held: 181,928 (2018: 216,238 units)	2,499	3,162
International Industries Limited (Common Directorship)		
Shares held: 564,200 (2018: 850,300 shares)	70,017	197,516
International Steels Limited (Common Directorship)		
Shares held: 2,528,500 (2018: 1,567,000 shares)	161,900	159,364
Cherat Packaging Pakistan Limited (Common Directorship)		
Shares held: 780,200 (2018: 467,735 shares)	49,012	67,209
Gul Ahmed Textile Mills Limited (Common Directorship)		
Shares held: 7,398,200 (2018: 2,962,700 shares)	421,475	127,189

NAFA STOCK FUND

	(Unaudited) March 31, 2019 (Rupees in '000)	(Audited) June 30, 2018
Cherat Cement Company Limited (Common Directorship) Shares held: 780,200 (2018: 2,403,000 shares)	260,909	120,828
Taurus Securities Limited (Common Directorship) Brokerage payable	162	122
Summit Bank Limited (Common Directorship) Units held: Nil (2018: 638,038 units) Bank balance Mark-up on bank balance	- 23,308 1	9,330 22,434 1
Askari Bank Limited (Common Directorship) Bank balance Mark-up on balance	275 7	538 2
Bank Islami Pakistan Limited (Common Directorship) Bank balance Mark-up on balance	24 2	710 6
Portfolios managed by the Management Company Units held: 22,614,082 (2018: 22,376,634 units)	292,153	327,204

* Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at period end.

** Prior period balances with these parties have not been disclosed as they were not connected persons and related parties during prior periods.

11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2019.

12 GENERAL

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

12.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA STOCK FUND

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- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
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NBP FUNDS

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NBP MAHANA AMDANI FUND

(Formerly: NAFA SAVINGS PLUS FUND)

QUARTERLY

REPORT

MARCH

31, 2019



NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

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.**

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

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NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Albaraka Bank of Pakistan
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Khushhali Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Summit Bank Limited
Sindh Bank Limited
Samba Bank Limited
Soneri Bank Limited
Silk Bank Limited

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

The Bank of Punjab
Telenor Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited
Zarai Taraqiat Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Sheikh Sultan Trust Buildings,
Ground No. 2 Shaheed Chaudary Aslam Rd,
Civil Lines, Karachi, 75530

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

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(Toll Free): 0800-20002,
Fax: (021) 35825329
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Lahore Office:

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Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of for **NBP Mahana Amdani Fund (NMAF) - Formerly: Nafa Savings Plus Fund** the period ended March 31, 2019.

Fund's Performance

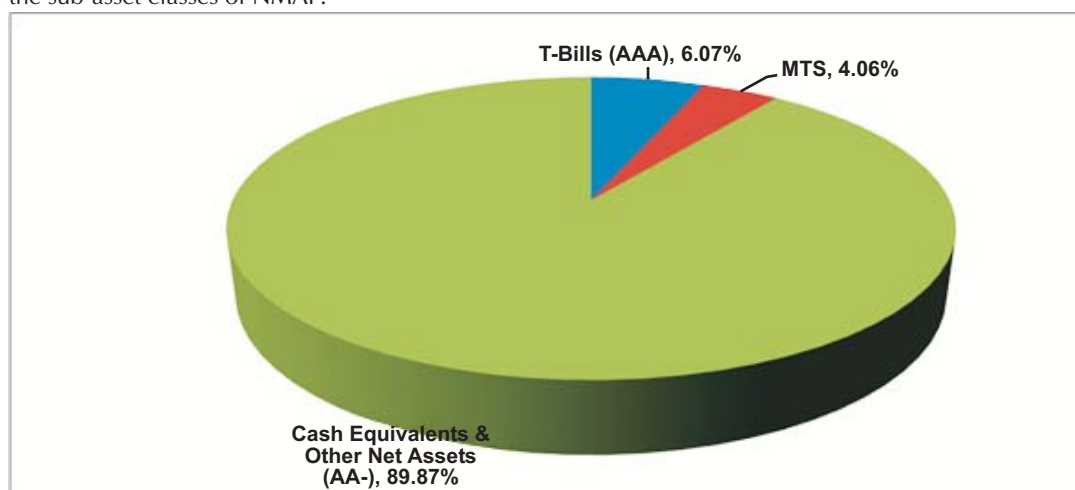
The size of **NBP Mahana Amdani Fund (NMAF) - Formerly: Nafa Savings Plus Fund** has dropped from Rs. 496 million to Rs. 408 million during the period (i.e. a decline of 18%). During the period, the unit price of the Fund has increased from Rs. 9.5518 (Ex-Div) on June 30, 2018 to Rs. 10.1531 on March 31, 2019, thus showing a return of 8.4% as compared to the benchmark return of 9.6% for the same period. 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. Weighted average maturity of the Fund cannot exceed one year. 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 9MFY2019, the State Bank of Pakistan (SBP) pursued tightening monetary policy and cumulatively hiked the Discount Rate by 425 basis points to 11.25% to contain underlying inflationary pressures and restore financial stability. Since FY2019, sovereign yields responded consequently to every policy rate increase. The yields on T-bills for 3-month, 6-month and 12-month tenors increased by 412 basis points, 410 basis points and 395 basis points respectively during the period under review. Similarly, 10-year PIB yield inched up by 410 basis points to 13.12%. Foreseeing further upside risks to inflation and interest rates, investors' preference remained tilted towards shorter tenor maturities.

After remaining relatively dormant, the market witnessed a surge in fresh issuances of debt securities to meet the increasing working capital and fixed capital investment requirement during the period under review. However, trading activity in corporate debt securities remained thin and was recorded at Rs. 11.4 billion compared to Rs. 16.1 billion in the same period last year. Trading activity in the longer tenor sovereign bonds (PIBs) also remained subdued mainly due to upside risks to interest rates.

The Fund has earned total income of Rs.32.95 million during the period. After deducting expenses of Rs.7.07 million, the net income is Rs.25.88 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NMAF:



NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend 6.02% of the opening ex.NAV (6.11% of par value) for the period ended March 31, 2019:

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: April 26, 2019
Place: Karachi.

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے NBP ماہانہ آمدنی فنڈ (NMAF) (سابقہ: NAFA سیونگز پلس فنڈ) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

اس مدت کے NBP ماہانہ آمدنی فنڈ (NMAF) (سابقہ: NAFA سیونگز پلس فنڈ) کا سائز 496 ملین روپے سے کم ہو کر 408 ملین روپے ہو گیا ہے، یعنی 18% کی کمی۔ اس مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2018 کو 9.5518 روپے (Ex Div) سے بڑھ کر 31 مارچ 2019 کو 10.1531 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے بچ مارک منافع 9.6% کے مقابلے میں 8.4% منافع درج کرایا۔ فنڈ کی یکا کرکردگی مینجمنٹ 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 نشاندہی کرتی ہے۔ فنڈ کی میچورٹی کی نئی تلی اوسط مدت ایک سال سے زائد نہیں ہو سکتی۔ فنڈ کو MTS میں سرمایہ کاری کی اجازت ہے، تاہم NBP فنڈ کی داخلی ہدایات صرف بنیادی طور پر مستحکم کمپنیوں میں سرمایہ کاری کی اجازت دیتی ہیں۔ یہ یہاں ذکر مناسب ہے کہ اس ایسیٹ کلاس میں فنڈ منافع کی پہلے سے طے شدہ شرح منافع پر فنانسنگ فراہم کرتا ہے اور اسٹاک مارکیٹ میں براہ راست سرمایہ کاری نہیں کرتا۔

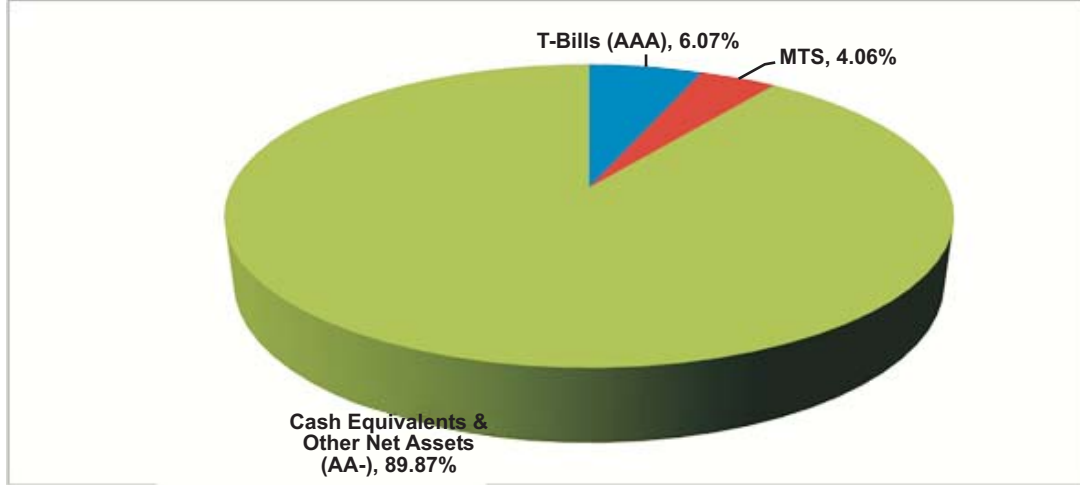
مالی سال 2019 کی نو ماہی کے دوران، بنیادی افراط زر کے دباؤ کی روک تھام اور مالیاتی استحکام کو بحال کرنے کے لئے اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی پر عمل درآمد کرتے ہوئے پالیسی کی شرح 425 بیس پوائنٹ اضافے کے ساتھ 11.25% کر دی۔ مالی سال 2019 سے، ہر پالیسی کی شرح میں اضافہ کے نتیجے میں Sovereign Yields میں بھی اضافہ دیکھا گیا۔ 3 ماہ، 6 ماہ اور 12 ماہ کے T-bills پر yields زیر جائزہ مدت کے دوران علی الترتیب 412 بیس پوائنٹس، 410 بیس پوائنٹس اور 395 بیس پوائنٹس تک کا اضافہ ہوا۔ اسی طرح 10 سالہ PIB کی yield 410 بیس پوائنٹس کے اضافہ کے ساتھ 13.12% ہو گئی۔ افراط زر کے خدشات اور شرح سود میں اضافہ کے پیش نظر سرمایہ کاروں نے حکومت کی قلیل المدت میچورٹیز کو ترجیح دی۔

نسبتاً غیر فعال رہنے کے بعد، زیر جائزہ مدت کے دوران مارکیٹ میں بڑھتے ہوئے ورکنگ کیپٹل اور فیکسڈ کیپٹل انویسٹمنٹ کی ضروریات کو پورا کرنے کے لئے Debt سیکورٹیز کے نئے اجراء میں اضافہ دیکھا گیا۔ تاہم، کارپوریٹ Debt سیکورٹیز میں تجارتی سرگرمی گزشتہ سال کی بنسبت کم رہی اور گزشتہ سال کی اسی مدت میں 16.1 بلین روپے کے مقابلے میں 11.4 بلین روپے درج کی گئی۔ طویل المدت حکومتی بانڈز (PIBs) میں تجارتی سرگرمی بھی شرح سود بڑھنے کے خدشات کے سبب کم رہی۔

NBP ماہانہ آمدنی فنڈ (NMAF) (سابقہ: NAFA سیونگز پلس فنڈ) کو اس مدت کے دوران 32.95 ملین روپے کی مجموعی آمدنی ہوئی۔ 7.07 ملین روپے کے اخراجات منہا کرنے کے بعد کل آمدنی 25.88 ملین روپے ہے۔

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

درج ذیل چارٹ NMAF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2019 کو ختم ہونے والی مدت کے لئے اوپننگ ex.NAV کا 6.02% (par value کا 6.11%) عبوری نقد ڈیویڈنڈ منظور کیا ہے۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ 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 کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔ بورڈ اپنے اسٹاف اور ڈسٹریبیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 اپریل 2019

مقام: کراچی

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

	Note	Un-audited March 31, 2018	Audited June 30, 2018
-----Rupees in '000-----			
ASSETS			
Balances with banks and short term deposits		378,700	350,506
Investments	4	24,723	70,302
Receivable against Margin Trading System		16,554	89,671
Profit receivable		3,994	686
Deposits, prepayments and other receivables		356	350
Total assets		424,327	511,515
LIABILITIES			
Payable to the Management Company		1,145	919
Payable to the Trustee		66	80
Payable to the Securities and Exchange Commission of Pakistan		242	356
Payable on redemption of units		26	15
Accrued expenses and other liabilities		15,242	14,376
Total liabilities		16,721	15,746
NET ASSETS		407,606	495,769
Unit holders' funds (as per statement attached)		407,606	495,769
CONTINGENCIES AND COMMITMENTS			
	6	(Number of units)	
Number of units in issue		40,145,811	46,359,587
-----Rupees-----			
Net asset value per unit		10.1531	10.6940

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months ended		Quarter ended	
Note	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
-----Rupees in '000-----				
INCOME				
(loss) / gain on sale of investments - net	(31)	2	(2)	1
Income from government securities	1,717	1,182	636	384
Income from term deposit receipts	2,084	5,384	25	1,498
Income from certificates of investment	-	729	-	689
Income from clean placements	-	34	-	34
Profit on bank deposits	23,227	11,538	9,718	3,809
Income from Margin Trading System	5,964	5,322	1,751	2,209
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	(10)	(5)	(10)	1
Total Income	32,951	24,186	12,118	8,625
EXPENSES				
Remuneration of the Management Company	2,236	2,105	756	750
Sindh sales tax on remuneration of the Management Company	291	273	99	97
Remuneration of the Trustee	547	594	169	210
Sindh sales tax on remuneration of the Trustee	71	77	22	27
Annual fee - Securities and Exchange Commission of Pakistan	241	262	74	93
Accounting and operational charges to the Management Company	322	350	99	124
Selling and marketing expenses	913	-	397	-
Auditors' remuneration	455	474	108	114
Settlement and bank charges	1,068	967	313	420
Annual listing fee	21	21	7	7
Fund rating fee	338	299	120	99
Legal and professional charges	18	33	-	9
Printing charges	20	57	3	23
Total Expenses	6,541	5,512	2,167	1,973
Net income from operating activities	26,410	18,674	9,951	6,652
Provision for Sindh Workers' Welfare Fund	(528)	(373)	(199)	(133)
Net income for the period before taxation	25,882	18,301	9,752	6,519
Taxation	-	-	-	-
Net income for the period after taxation	25,882	18,301	9,752	6,519
Allocation of net income for the period				
Net income for the period	25,882	18,301	9,752	6,519
Income already paid on units redeemed	(1,004)	(3,497)	(240)	(2,316)
	24,878	14,804	9,512	4,203
Accounting income available for distribution:				
-Relating to capital gains	-	-	-	-
-Excluding capital gains	24,878	14,804	9,512	4,203
	24,878	14,804	9,512	4,203

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	-----Rupees in '000-----			
Net income for the period after taxation	25,882	18,301	9,752	6,519
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>25,882</u>	<u>18,301</u>	<u>9,752</u>	<u>6,519</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine Months ended Mar-2019			Nine Months ended Mar-2018		
	Capital value	Undistributed income	Total	Capital 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 20,556,118 units (2018: 29,789,549 units)						
- Capital value	208,482	-	208,482	302,111	-	302,111
- Element of income	636	-	636	5,118	-	5,118
Total proceeds on issuance of units	209,118	-	209,118	307,229	-	307,229
Redemption of 26,769,894 units (2018: 28,344,401 units)						
- Capital value	(271,503)	-	(271,503)	(287,455)	-	(287,455)
- Element of loss	(11)	(1,004)	(1,015)	(1,626)	(3,497)	(5,123)
Total payments on redemption of units	(271,514)	(1,004)	(272,518)	(289,081)	(3,497)	(292,578)
Total comprehensive income for the period	-	25,882	25,882	-	18,301	18,301
Final distribution for the year ended 30 June 2018 5.52% declared on 4 July 2018 (2017: Nil)						
- Cash Distribution	-	(19,708)	(19,708)	-	-	-
- Refund of Capital	(5,878)	-	(5,878)	-	-	-
Total distribution	(5,878)	(19,708)	(25,586)	-	-	-
Interim distribution 1.07% declared on 29 August 2018 (2017: Nil)						
- Cash Distribution	-	(4,644)	(4,644)	-	-	-
- Refund of Capital	(218)	-	(218)	-	-	-
Total distribution	(218)	(4,644)	(4,862)	-	-	-
Interim distribution 0.56% declared on 28 September 2018 (2017: Nil)						
- Cash Distribution	-	(2,371)	(2,371)	-	-	-
- Refund of Capital	(74)	-	(74)	-	-	-
Total distribution	(74)	(2,371)	(2,445)	-	-	-
Interim distribution 0.65% declared on 29 October 2018 (2017: Nil)						
- Cash Distribution	-	(2,617)	(2,617)	-	-	-
- Refund of Capital	(26)	-	(26)	-	-	-
Total distribution	(26)	(2,617)	(2,643)	-	-	-
Interim distribution 0.63% declared on 28 November 2018 (2017: Nil)						
- Cash Distribution	-	(2,427)	(2,427)	-	-	-
- Refund of Capital	(39)	-	(39)	-	-	-
Total distribution	(39)	(2,427)	(2,466)	-	-	-
Interim distribution 0.73% declared on 28 December 2018 (2017: Nil)						
- Cash Distribution	-	(2,860)	(2,860)	-	-	-
- Refund of Capital	(115)	-	(115)	-	-	-
Total distribution	(115)	(2,860)	(2,975)	-	-	-
Interim distribution 0.899% declared on 28 January 2019 (2018: Nil)						
- Cash Distribution	-	(3,275)	(3,275)	-	-	-
- Refund of Capital	(7)	-	(7)	-	-	-
Total distribution	(7)	(3,275)	(3,282)	-	-	-
Interim distribution 0.788% declared on 26 February 2018 (2018: Nil)						
- Cash Distribution	-	(2,976)	(2,976)	-	-	-
- Refund of Capital	(82)	-	(82)	-	-	-
Total distribution	(82)	(2,976)	(3,058)	-	-	-
Interim distribution 0.84% declared on 28 March 2019 (2018: Nil)						
- Cash Distribution	-	(3,266)	(3,266)	-	-	-
- Refund of Capital	(62)	-	(62)	-	-	-
Total distribution	(62)	(3,266)	(3,328)	-	-	-
Net assets at end of the period	397,970	9,636	407,606	450,221	23,981	474,201
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		24,878			2	
- Excluding capital gains		24,878			14,802	
					14,804	
Final distribution for the year ended 30 June 2018		(19,708)				
Interim distributions made during the period		(24,436)				
Undistributed income carried forward		9,636			23,981	
Undistributed income carried forward						
- Realised		9,646			23,986	
- Unrealised		(10)			(5)	
		9,636			23,981	
		(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		10.1531			10.5485	

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine months ended	
	March 31, 2019	March 31, 2018
	-----Rupees in '000-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	25,882	18,301
Adjustments		
Net unrealised (diminution) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	10	5
loss / (Gain) on sale of investments - net	31	(2)
	25,923	18,304
(Increase) / decrease in assets		
Investments	45,539	(5,993)
Receivable against Margin Trading System	73,117	(43,409)
Profit receivable	(3,308)	14
Deposits, prepayments and other receivables	(6)	194
	115,342	(49,194)
Increase / (decrease) in liabilities		
Payable to the Management Company	226	(53)
Payable to the Trustee	(14)	14
Payable to the Securities and Exchange Commission of Pakistan	(114)	(85)
Accrued expenses and other liabilities	865	(3,394)
	963	(3,518)
Net cash generated from / (used in) operating activities	142,228	(34,408)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	202,617	307,229
Payments on redemption of units	(272,507)	(292,578)
Distributions paid	(44,144)	-
Net cash (used in) / generated from financing activities	(114,034)	14,651
Net increase / decrease in cash and cash equivalents during the period	28,194	(19,757)
Cash and cash equivalents at the beginning of the period	350,506	299,998
Cash and cash equivalents at the end of the period	378,700	280,241

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Mahana Amdani Fund (NMAF) - Formerly: Nafa Savings Plus 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 09 October 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 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 also the member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund 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.

With the approval of SECP, the Management Company has changed the name of the fund from 'NAFA Income Fund' to 'NBP Savings Fund' with effect from April 25, 2019. The trust deed has been amended through supplemental trust deed executed for the change of name.

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 Limited (PACRA) has assigned a stability rating of 'AA-(f)' to the Fund and an asset manager rating of 'AM1' to the Management Company.

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has an impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost."

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

3.3 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

4 INVESTMENTS

	Note	Un-audited March 31 2019 (Rupees in '000)	Audited June 30, 2018
Financial Asset - at fair value through profit or loss			
Government securities - Market Treasury Bills	4.1	24,723	24,723
Financial Assets at - amortised cost			
Term deposits receipts		-	45,579
		<u>24,723</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 March 31, 2019	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 March 31, 2019			
-----Rupees in '000-----								
Market Treasury Bills								
June 7, 2018	03 Months	25,000	-	25,000	-	-	-	-
July 19, 2018	03 Months	-	25,000	25,000	-	-	-	-
October 11, 2018	03 Months	-	25,000	25,000	-	-	-	-
August 2, 2018	03 Months	-	25,000	25,000	-	-	-	-
December 6, 2018	03 Months	-	25,000	25,000	-	-	-	-
February 14, 2019	3 Months	-	25,000	-	25,000	24,723	6.07	100.00
						24,723	6.07	100.00
						24,733		
Carrying Value as at March 31, 2019								
Net unrealised appreciation on re-measurement of investments								
classified as 'financial assets at fair value through profit or loss'						(10)		

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 31.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 1.889 million for the period ended March 31, 2018 in this condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2019 would have been higher by Rs. 0.0471 per unit (June 30, 2018: Rs. 0.2468 per unit).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstandings at March 31, 2019 and June 30, 2018

7 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

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

8 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2019 is 2.20% which includes 0.35% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income scheme.

9 SELLING AND MARKETING EXPENSES

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs.0.913 million at the rate of 0.4% of the net assets of the Fund being lower than the actual expenses chargeable to the Fund for the period.

10 TRANSACTIONS WITH CONNECTED PERSONS

10.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

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

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

10.4 The details of transactions with connected persons and balances with them as at period end are as follows:

	---- (Un-Audited) ---- Nine months ended	
	March 31, 2019	March 31, 2018
	-----Rupees in '000-----	
10.5 Transactions during the period		
NBP Fund Management Limited		
Management fee for the period	2,236	2,105
Sindh sales tax on remuneration of the Management Company	291	273
Front end load	135	88
Accounting and operational charges to the Management Company	322	350
Selling and marketing expenses payable	913	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	547	594
Sindh sales tax on remuneration of the Trustee	71	77
Employees of the Management Company		
Units issued / transferred in 134,430 units; 2018: 667,104 units)	1,139	6,843
Units redeemed / transferred out 585137 units; 2018: 592,118 units)	5,966	6,068
NBP Endowment Fund Student Loan Scheme		
Units issued / transferred in 1,284 units; 2018: Nilunits)	13	-

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

		---- (Un-Audited) ---- Nine months ended	
		March 31, 2019	March 31, 2018
		-----Rupees in '000-----	
NAFA Money Market Fund			
Sell of Treasury bill		24,983	-
NAFA Government Securities Liquid Fund			
Sell of Treasury bill		24,926	-
NAFA Government Securities Savings Fund			
Purchase of Treasury bill		24,886	-
Summit Bank Limited			
Bank profit earned by the fund on deposit in saving account		5	3
Bankislami Pakistan Limited			
Bank profit earned by the fund on deposit in saving account		2	-
Askari Bank Limited			
Bank profit earned by the fund on deposit in saving account		19	-
11	Amounts outstanding as at period end	Un-audited March 31, 2018	Audited June 30, 2018
		(Rupees in '000)	
NBP Fund Management Limited			
Remuneration payable to the Management Company		265	265
Allocation of expenses		99	248
Sindh sales tax payable on remuneration of the Management Company		34	34
Selling and Marketing expenses payable		398	-
Sales load and Transfer Load to Management Company		54	74
Sales tax payable on sale load		7	10
Others		288	288
Central Depository Company of Pakistan Limited - Trustee			
Remuneration payable		58	71
Sindh Sales Tax payable		8	9
Security Deposit		100	100
National Bank of Pakistan - Parent Company			
Balance in account		3,978	3,084
NBP Endowment Fund Student Loan Scheme -- Associated Companies			
Investment held in the Fund (15,757 units; June 30, 2018: 14,473 units)		160	155
Employees of the Management Company			
Investment held in the Fund (15,232 units; June 30, 2018: 465,938units)		155	4,983
Summit Bank Limited			
Bank Balances		381	973

NBP MAHANA AMDANI FUND (Formerly: NAFA SAVINGS PLUS FUND)

	Un-audited March 31, 2018 (Rupees in '000)	Audited June 30, 2018
Askari Bank Limited		
Bank Balances	199	387
BankIslami Pakistan Limited		
Bank Balances	315	192
Syed Muhammad Asif Ali (10% holding of units)		
Unit holder with 10% or more units holding		
Units held 6,339,505 units (June 2018: 5,758,158 Units)	64,366	61,578
*Yousaf Khan		
Units held: Nil units (30 June 2018: 6,402,333 units)	-	68,467

* Current balances with parties have not been disclosed as they did not remain connected person and related parties during the period

12 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant changes to corresponding figures have been made during the current period.

13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 26th April 2019.

14 GENERAL

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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NAFA MONEY MARKET FUND

**QUARTERLY
REPORT**

**MARCH
31, 2019**



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 MONEY MARKET FUND

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NAFA MONEY MARKET FUND

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

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

Bankers to the Fund

MCB Bank Limited
Summit Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Sindh Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited
Faysal Bank Limited

NAFA MONEY MARKET FUND

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

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1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NAFA MONEY MARKET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NAFA Money Market Fund (NMMF)** for the period ended March 31, 2019.

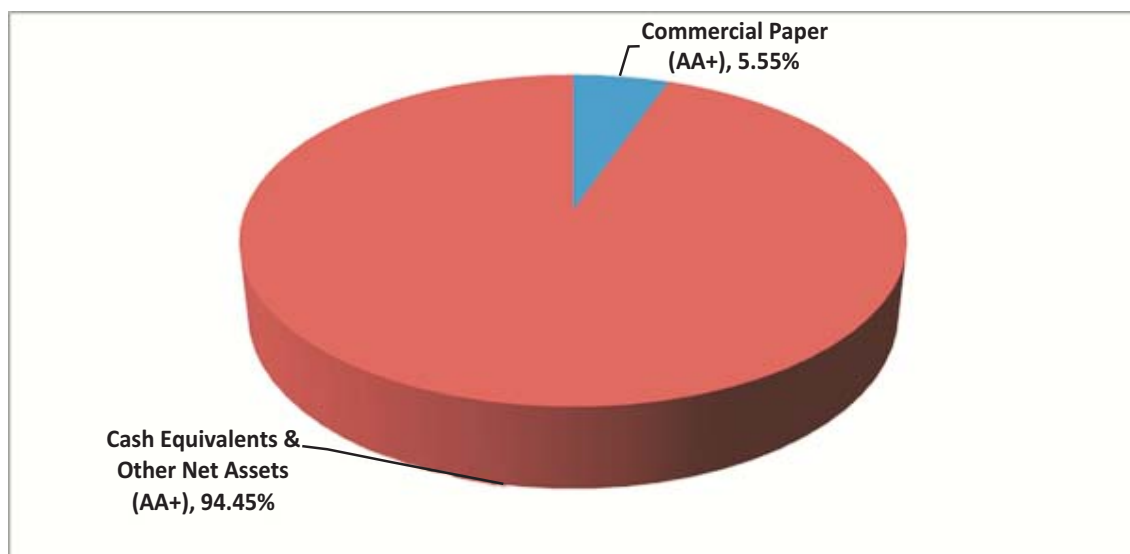
Fund's Performance

The size of NAFA Money Market Fund has decreased from Rs. 23,192 million to Rs. 17,174 million during the period (i.e. a decline of 26%). During the period, the unit price of the Fund has increased from Rs. 9.2890 (Ex-Div) on June 30, 2018 to Rs. 9.8596 on March 31, 2019, thus showing a return of 8.2% as compared to the benchmark return of 8.0% for the same period. The performance of the Fund is net of management fee and all other expenses.

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a Money Market scheme, the Fund has strict investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is 'AA', while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

During 9MFY2019, the State Bank of Pakistan (SBP) pursued tightening monetary policy and cumulatively hiked the Discount Rate by 425 basis points to 11.25% to contain underlying inflationary pressures and restore financial stability. Sovereign yields responded to these policy actions and future path of inflation and interest rates. The yields on T-bills for 3-month, 6-month and 12-month tenors increased by 412 basis points, 410 basis points and 395 basis points respectively, during the period under review. Foreseeing upside risks to inflation and interest rates, investors' preference remained tilted towards shorter tenor maturities.

The Fund has earned a total income of Rs. 1,671.78 million during the period. After deducting expenses of Rs.228.43 million, the net income is Rs. 1,443.35 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NMMF:



NAFA MONEY MARKET FUND

Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 4.56% of the opening ex-NAV (5.86% of the par value) for the period ended March 31, 2019.

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: April 26, 2019
Place: Karachi.

NAFA MONEY MARKET FUND

ڈائریکٹر زکی رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز ہمد مسرت 31 مارچ 2019ء کو ختم ہونے والی نو ماہی کے لئے NAFA منی مارکیٹ فنڈ (NMMF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

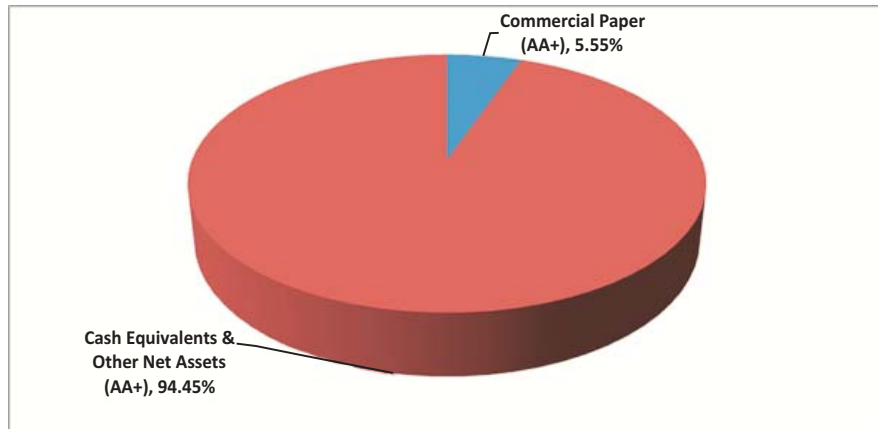
فنڈ کی کارکردگی

NAFA منی مارکیٹ فنڈ کا سائز اس مدت کے دوران 23,192 ملین روپے سے کم ہو کر 17,174 ملین روپے ہو گیا ہے یعنی 26% کی کمی ہوئی۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2018 کو 9.2890 روپے (EX-Div) سے بڑھ کر 31 مارچ 2019 کو 9.8596 روپے ہو گئی، لہذا اسی مدت کے لئے اپنے بیچ مارک منافع 8.0% کے مقابلے میں 8.2% منافع درج کرایا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NMMF کو PACRA کی طرف سے AA(f) کی اسٹیٹیلٹی ریننگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ ایک منی مارکیٹ اسکیم کی حیثیت سے فنڈ سرمایہ کاری کی انتہائی سخت ہدایات رکھتا ہے۔ فنڈ کی منظور شدہ انویسٹمنٹس میں ٹی بلز، بینک ڈپازٹس اور منی مارکیٹ انسٹرومنٹس شامل ہیں۔ ریننگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی کسی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی پٹی تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

مالی سال 2019 کی نو ماہی کے دوران، بنیادی افراط زر کے دباؤ کی روک تھام اور مالیاتی استحکام کو بحال کرنے کے لئے اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی پر عمل درآمد کرتے ہوئے پالیسی کی شرح 425 بیس پوائنٹ اضافے کے ساتھ 11.25% کر دی۔ مالی سال 2019 سے، ہر پالیسی کی شرح میں اضافہ کے نتیجے میں Sovereign Yields میں بھی اضافہ دیکھا گیا۔ 3 ماہ، 6 ماہ اور 12 ماہ کے T-bills پر yields زیر جائزہ مدت کے دوران علی الترتیب 412 بیس پوائنٹس، 410 بیس پوائنٹس اور 395 بیس پوائنٹس تک کا اضافہ ہوا۔ اسی طرح 10 سالہ PIB کی yield 410 بیس پوائنٹس کے اضافہ کے ساتھ 13.12% ہو گئی۔ افراط زر کے خدشات اور شرح سود میں اضافہ کے پیش نظر سرمایہ کاروں نے حکومت کی قلیل المدت میچورٹیز کو ترجیح دی۔

فنڈ نے اس مدت کے دوران 1,671.78 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 228.43 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1,443.35 ملین روپے رہی۔ درج ذیل چارٹ NMMF کی ایسٹ ایلویشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیکائش شدہ اوسط ریننگ پیش کرتا ہے۔



NAFA MONEY MARKET FUND

آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2019 کو ختم ہونے والی مدت کے لئے اوپننگ NAV کا 4.56% (par value کا 5.86%) عبوری نقد ڈیویڈنڈ منظور کیا ہے۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ 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 کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 اپریل 2019

مقام: کراچی

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

	Note	(Un-audited) March 31, 2019 -----Rupees in '000-----	(Audited) June 30, 2018 -----
ASSETS			
Bank balances	4	16,375,035	23,350,772
Investments	5	953,211	-
Mark-up accrued		15,219	10,717
Deposit and prepayments		109	100
Total assets		17,343,574	23,361,589
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		21,900	26,513
Payable to Central Depository Company of Pakistan Limited - Trustee		1,308	1,716
Payable to the Securities and Exchange Commission of Pakistan		13,984	17,142
Payable against redemption of units		50	260
Accrued expenses and other liabilities		132,758	123,564
Total liabilities		170,000	169,195
NET ASSETS		17,173,574	23,192,394
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		17,173,574	23,192,394
Contingencies and commitments	6	-	-
----- Number of units -----			
Number of units in issue		1,741,816,537	2,228,970,187
----- Rupees -----			
Net asset value per unit		9.8596	10.4050

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

		Nine Months Period ended		Quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Note		Rupees in '000			
INCOME					
Return / mark-up on:					
- bank balances		846,545	695,697	526,427	105,055
- government securities		732,863	130,469	-	119,806
- term deposit receipts		-	126,706	-	72,237
- letters of placement		110,384	9,108	-	9,108
- certificates of investment		-	82,542	-	44,255
- commercial paper		9,418	-	9,418	-
Net loss on sale of investments		(27,424)	(1,427)	-	(1,355)
Total income		1,671,786	1,043,095	535,845	349,106
EXPENSES					
Remuneration of NBP Fund Management Limited - Management Company		132,689	82,415	41,799	27,804
Sindh Sales Tax on remuneration of the Management Company		17,250	10,714	5,434	3,614
Reimbursement of operational expenses to the Management Company		18,646	16,383	4,885	5,485
Remuneration of Central Depository Company of Pakistan Limited - Trustee		12,877	11,519	3,486	3,846
Sindh Sales Tax on remuneration of the Trustee		1,674	1,497	453	499
Annual fee to the Securities and Exchange Commission of Pakistan		13,984	12,287	3,664	4,113
Bank charges		769	651	(55)	162
Settlement charges		209	22	-	22
Auditors' remuneration		540	485	127	106
Legal and professional charges		26	26	9	8
Fund rating fee		301	270	96	92
Annual listing fee		18	21	4	7
Total expenses		198,983	136,290	59,902	45,758
Net income from operating activities		1,472,803	906,805	475,943	303,348
Provision for Sindh Workers' Welfare Fund	7	(29,456)	(18,136)	(9,518)	(6,067)
Net income for the period before taxation		1,443,347	888,669	466,424	297,281
Taxation	8	-	-	-	-
Net income for the period after taxation		1,443,347	888,669	466,424	297,281
Allocation of net income for the period:					
Net income for the period after taxation		1,443,347	888,669	466,424	297,281
Income already paid on units redeemed		(425,210)	(356,546)	(82,393)	(139,271)
		1,018,137	532,123	384,031	158,010
Accounting income available for distribution:					
- Relating to capital gain		-	-	-	-
- Excluding capital gain		1,018,137	532,123	384,031	158,010
		1,018,137	532,123	384,031	158,010

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine Months Period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----			
Net income for the period after taxation	1,443,347	888,669	466,424	297,281
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,443,347	888,669	466,424	297,281

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine Month Period ended March 31,					
	2019			2018		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	22,493,568	698,826	23,192,394	14,730,540	114,918	14,845,458
Issue of 4,207,265,393 units (2018: 3,865,841,560 units)						
- Capital value	41,449,563	-	41,449,563	38,093,244	-	38,093,244
- Element of income	412,395	-	412,395	721,995	-	721,995
Total proceeds on issuance of units	41,861,958	-	41,861,958	38,815,239	-	38,815,239
Redemption of 4,694,419,043 units (2018: 3,079,316,355 units)						
- Capital value	(46,248,947)	-	(46,248,947)	(30,338,982)	-	(30,338,982)
- Element of loss	(65,527)	(425,210)	(490,737)	(314,551)	(356,546)	(671,097)
Total payments on redemption of units	(46,314,474)	(425,210)	(46,739,684)	(30,653,533)	(356,546)	(31,010,079)
Total comprehensive income for the period	-	1,443,347	1,443,347	-	888,669	888,669
Distribution during the period:						
Final Distribution @ Rs. 0.5531 declared on July 04,2018						
- Cash Distribution	-	(600,319)	(600,319)	-	(16,961)	(16,961)
- Refund of Capital	(632,525)	-	(632,525)	-	-	-
Interim Distribution @ Rs. 0.3297 declared on December 20,2018						
- Cash Distribution	-	(571,218)	(571,218)	-	-	-
- Refund of Capital	(275,895)	-	(275,895)	-	-	-
Interim Distribution @ Rs. 0.1047 declared on January 28, 2019						
- Cash Distribution	-	(169,857)	(169,857)	-	-	-
- Refund of Capital	(50,031)	-	(50,031)	-	-	-
Interim Distribution @ Rs. 0.0740 declared on February 26, 2019						
- Cash Distribution	-	(138,455)	(138,455)	-	-	-
- Refund of Capital	(11,631)	-	(11,631)	-	-	-
Interim Distribution @ Rs. 0.0740 declared on March 28, 2019						
- Cash Distribution	-	(125,253)	(125,253)	-	-	-
- Refund of Capital	(9,257)	-	(9,257)	-	-	-
Net assets at end of the period	17,061,713	111,861	17,173,574	22,892,246	630,080	23,522,326
Undistributed income brought forward						
- Realised		698,826			114,918	
- Unrealised		-			-	
		698,826			114,918	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		1,018,137			532,123	
		1,018,137			532,123	
Distribution during the period						
Final Distribution @ Rs. 0.5531 declared on July 04,2018						
- Cash Distribution		(600,319)			(16,961)	
Interim Distribution @ Rs. 0.3297 declared on December 20,2018, @ Rs. 0.1047 declared on January 28,2019, @ Rs. 0.0740 declared on February 26, 2019 and @ Rs. 0.0740 declared on March 28, 2019						
- Cash Distribution		(1,004,783)				
Undistributed income carried forward		111,861			630,080	
Undistributed income carried forward						
- Realised		111,861			630,080	
- Unrealised		-			-	
		111,861			630,080	
Net assets value per unit at beginning of the period			- (Rupees) - 10.4050			- (Rupees) - 9.8585
Net assets value per unit at end of the period			9.8596			10.2611

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine Months period ended	
	March 31, 2019	March 31, 2018
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,443,347	888,669
Adjustments:		
- Return / mark-up on bank balances	(846,545)	(695,697)
- government securities	(732,863)	-
- letters of placement	(110,384)	-
- commercial paper	(9,418)	-
- Provision for Sindh Workers' Welfare Fund	29,456	-
	(226,407)	192,972
(Increase) / decrease in assets		
Investments	(953,211)	(2,068,783)
Deposit and prepayments	9,410	171
	(943,801)	(2,068,612)
(decrease) / Increase in liabilities		
Payable to the Management Company	(4,613)	8,539
Payable to the Trustee	(408)	458
Payable to the Securities and Exchange Commission of Pakistan	(3,158)	3,664
Accrued expenses and other liabilities	(20,262)	(55,443)
	(28,441)	(42,782)
- 'Return / mark-up on bank balances received	842,043	689,486
- government securities received	732,863	-
- letters of placement received	110,384	-
Net cash generated / (used in) from operating activities	486,640	(1,228,936)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units	40,882,619	38,817,135
Amounts paid on redemption of units	(46,739,895)	(31,014,137)
Distributions paid	(1,605,102)	(16,961)
Net cash (used in) / generated from financing activities	(7,462,378)	7,786,037
Net (decrease) / increase in cash and cash equivalents during the period	(6,975,737)	6,557,101
Cash and cash equivalents at the beginning of the period	23,350,772	15,018,825
Cash and cash equivalents at the end of the period	16,375,035	21,575,926

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 4, 2011 and was approved by Securities and Exchange Commission of Pakistan (SECP) on April 14, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the 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 No. 4, Scheme No. 5, Clifton, Karachi.

The Fund is an open-ended mutual fund categorised as "money market scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund 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 investment objective of the Fund is to generate stable income stream for its unit holders while ensuring capital preservation by investing in AA and above rated banks and money market instruments.

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

Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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 requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and, therefore, should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2018.

NAFA MONEY MARKET FUND

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has an impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

3.3 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

NAFA MONEY MARKET FUND

		(Un-audited) March 31, 2018	(Audited) June 30, 2018
	Note	-----Rupees in '000-----	
4 BANK BALANCES			
Current accounts	4.1	16,416	19,044
Savings accounts	4.2, 4.3 & 4.4	16,358,619	23,331,728
		<u>16,375,035</u>	<u>23,350,772</u>
4.1	These include bank balances of Rs. 0.166 million and Rs. 16.201 million (June 30, 2018: Rs. 0.165 million and Rs. 18.8 million), maintained with National Bank of Pakistan and Summit Bank Limited (related parties) respectively.		
4.2	These savings accounts carry mark-up at rates ranging from 3.75% to 11.35% per annum (June 30, 2018: 2.75% to 7.5%) per annum.		
4.3	These include a balance of Rs. 5.755 million (June 30, 2018: Rs. 4.043 million), which is maintained with National Bank of Pakistan, a related party, and carries mark-up at the rate of 8.50% (June 30, 2018: 3.5%) per annum.		
4.4	These include a balance of Rs. 0.446 million (June 30, 2018: Rs. 1.62 million), which is maintained with Askari Bank Limited, a related party, and carries mark-up at the rate of 8.50% (June 30, 2018: 3.5%) per annum.		

	Note	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
		-----Rupees in '000-----	
5 INVESTMENTS			
Financial Assets At fair value through profit or loss			
Government securities - Market Treasury Bills	5.1	-	-
Financial Assets At Amortised cost			
Commercial Paper	5.2	953,211	-
		<u>953,211</u>	<u>-</u>

5.1 Investment in government securities - Market Treasury Bills

Issue date	Tenor	Face value			As at March 31, 2019	Market value as at March 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2018	Purchases during the period	Sales / matured during the period				
-----Rupees in '000-----								
July 19, 2018	03 Months	-	40,887,500	40,887,500	-	-	-	-
August 2, 2018	03 Months	-	2,500,000	2,500,000	-	-	-	-
October 11, 2018	03 Months	-	35,086,000	35,086,000	-	-	-	-
Total as at March 31, 2019					-	-	-	-
Carrying value before mark to market as at March 31, 2019					-			

NAFA MONEY MARKET FUND

- 5.2 This represent the purchase of Commercial Paper from K-Electric Limited on March 01,2019 (having face value of Rs. 1,000 million). This carry profit at the rate of 10.91% and will mature on September 02, 2019.

6 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2019 and June 30, 2018.

7 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 17 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 60.091 million for the nine month period ended March 31, 2019 in this condensed interim financial information. Had the provision not being made, the net asset value per unit as at March 31, 2019 would have been higher by Rs.0.0345 per unit (June 2018: Rs. 0.0137 per unit) .

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these consdensed interim 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 of the Income Tax Ordinance, 2001.

9 TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 1.22 % per annum including 0.33 % representing government levies on collective investment scheme such as sales tax, Sindh Worker's Welfare Fund and Securities and Exchange Commission of Pakistan fee for the period. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as Money Market scheme.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

- 10.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.
- 10.2 The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.
- 10.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

NAFA MONEY MARKET FUND

- 10.4 Remuneration of the Trustee is determined in accordance with the rates agreed between the Management Company and the Trustee.

----- (Un-audited) -----	
Nine Months Period ended	
March 31, 2019	March 31, 2018
----- Rupees in '000 -----	

- 10.5 Details of transactions with connected persons and related parties are as follows:

NBP Fund Management Limited (Management Company)

Remuneration of the Management Company	132,689	82,415
Sindh Sales Tax on remuneration of the Management Company	17,250	10,714
Reimbursement of operational expenses to the Management Company	18,646	16,383
Dividend re-invest 37,212 units (2018: Nil units)	367	-
Units issued / transferred in 10,720,492 units (2018: 27,053,462 units)	105,674	275,027
Units redeemed / transferred out 14,377,056 (2018: 24,493,061 units)	142,409	249,566

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	12,877	11,519
Sindh Sales Tax on remuneration of the Trustee	1,674	1,497

Employees of the Management Company

Dividend re-invest 54,531 units (2018: 2,070 units)	537	21
Units issued / transferred in 1,340,223 units (2018: 3,313,818 units)	13,205	33,300
Units redeemed / transferred out 479,175 units (2018: 3,006,463 units)	4,762	30,211

National Bank of Pakistan

(Parent of the Management Company)

Mark-up on bank balances	228	73
T-Bills Purchased	10,161,000	-
T-Bills Sold	1,185,000	-

Askari Bank Limited (Common Directorship with the Management Company)

Bank Profit - Saving A/c	87	180
--------------------------	----	-----

NAFA Savings Plus Fund

(Entity Managed by the Management Company)

T-Bills Purchased	24,983	-
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NAFA Income Fund

(Entity Managed by the Management Company)

T-Bills Purchased	29,979	-
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NAFA Income Opportunity Fund

(Entity Managed by the Management Company)

T-Bills Purchased	199,861	-
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NAFA Multi Asset Fund

(Entity Managed by the Management Company)

T-Bills Purchased	499,769	-
T-Bills Sold	69,553	-

NAFA Asset Allocation Fund

(Entity Managed by the Management Company)

T-Bills Purchased	1,199,444	-
T-Bills Sold	134,121	-

NAFA Stock Fund

(Entity Managed by the Management Company)

T-Bills Sold	983,507	-
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NAFA MONEY MARKET FUND

	(Un-audited)	
	Nine Months Period ended	
	March 31, 2019	March 31, 2018
	Rupees in '000	
Honda Atlas Cars (Pakistan) Limited		
(Unit holder of 10% or more of units of the CIS)		
Units issued / transferred in - Nil (2018: 49,098,068 units)	-	500,000
Dividend re-invest Nil units (2018: 137,403 units)	-	1,369
Gross Cash Dividend	-	1,826
Chief Executive Officer		
Units issued / transferred in Nil units (2018: 199,698 units)	-	2,000
Humayun Bashir (Director of Management Company)		
Units issued / transferred in 8,172 units (2018: 135 units)	81	1
Units issued / transferred in 5 units (2018: 7,635,580 units)	-	77,682
Units redeemed / transferred out 1,365,941 units (2018: 7,554,009 units)	13,553	76,847
Chief Operating Officer and Company Secretary		
Dividend re-invest 17 units (2018: Nil Units)	-	-
Units issued / transferred in Nil units (2018: 102,419 units)	-	1,026
Units redeemed / transferred out Nil units (2018: 81,760 units)	-	826
NAFA Employee Provident Fund		
(Provident Fund of the Management Company)		
Dividend re-invest 550 units (2018: 550 Units)	-	5
Units issued / transferred in 821,886 units (2018: 821,886 units)	-	8,192
Units redeemed / transferred out 499,525 units (2018: 499,525)	-	5,007
Management Association of Pakistan		
(Common Directorship with the Management Company)		
Dividend re-invest Nil units (2018: 241 units)	-	2
Units issue / transferred in 1,078,820 units (2018: 371,532 units)	10,631	3,710
Units redeemed / transferred out 1,445,806 units (2018: 351,764 units)	14,344	3,539
Pakistan Mobile Communication Limited		
(Unit holder of 10% or more of units of the CIS)		
Dividend re-invest 11,919,905 units (2018: Nil units)	117,473	-
Units issued / transferred in 215,912,351 units (2018: 341,210,420 units)	2,153,972	3,500,000
Units redeemed / transferred out 387,661,023 units (2018: Nil units)	3,892,400	-
Fauji Fertilizer Company Limited		
(Unit holder of 10% or more of units of the CIS)		
Dividend re-invest 9,847,333 units (2018: Nil units)	97,040	-
Units issue / transferred in 1,278,302,610 units (2018: Nil units)	12,745,000	-
Units redeemed / transferred out 953,518,671 units (2018: Nil units)	9,471,558	-
Portfolios Managed by Management Company		
T-Bills Sold	529,539	-
Dividend re-invest 73,179 units (2018: 3,412 units)	722	34
Units issue / transferred in 3,552,582 units (2018: 34,567,480 units)	38,935	346,010
Units redeemed / transferred out 4,597,894 units (2018: 36,330,319 units)	52,205	365,005
Reliance Enterprises		
(COO Holding more than 10% in RE)		
Dividend re-invest 3,170 units (2018: Nil)	31	-
Units issued / transferred in 2 units (2018: Nil units)	-	-

* Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

NAFA MONEY MARKET FUND

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	----- Rupees in '000 -----	
10.6 Amounts outstanding as at period / year end are as follows:		
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	13,830	11,953
Sindh Sales Tax on remuneration of the Management Company	1,798	1,554
Operational expenses	4,886	11,958
Sales load	982	683
Sindh Sales Tax and Federal Excise Duty on sales load	404	365
Investment held in the fund: 5,334,323 units (June 30, 2018: 16,286,931 units)	52,594	169,466
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,158	1,519
Sindh Sales Tax on remuneration of the Trustee	151	197
Security deposit	100	100
National Bank of Pakistan (Parent of the Management Company)		
Bank balances		
- in savings account	5,755	4,043
- in current account	166	165
Accrued markup	63	47
Summit Bank Limited (Common directorship with the Management Company)		
Bank balance in current account	16,201	18,800
Askari Bank Limited (Common Directorship with the Management Company)		
Bank balance in savings account	446	1,623
Accrued markup	46	15
Chief Executive Officer		
Investment held in the Fund: Nil (June 30, 2018: 53,942 units)	-	561
Chief Operating Officer and Company Secretary		
Investment held in the Fund: 761 units (June 30, 2018: Nil)	8	-
Employees of the Management Company		
Investment held in the Fund: 2,944,203 units (June 30, 2018: 3,542,032 units)	29,029	36,855
NAFA Employee Provident Fund (Provident Fund of the Management Company)		
Investment held in the Fund: Nil (June 30, 2018: 794,320 units)	-	8,265
Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: Nil (June 30, 2018: 299,306,409 units)	-	3,114,283
Management Association of Pakistan (Common Directorship with the Management Company)		
Investment held in the Fund: 238,028 units (June 30, 2018: 454,877 units)	2,347	4,733
Portfolios Managed by Management Company		
Investment held in the Fund: 3,698,972 units (June 30, 2018: 1,794,955 units)	36,470	18,675

NAFA MONEY MARKET FUND

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	----- Rupees in '000 -----	
Pakistan Mobile Communication Limited (Unit holder of 10% or more of units of the CIS) Investment held in the Fund: 175,716,836 units (June 30, 2018: 318,561,562 units)	1,732,498	3,314,633
Fauji Fertilizer Company Limited (Unit holder of 10% or more of units of the CIS) Investment held in the Fund: 348,415,146 units (June 30, 2018: Nil units)	3,435,234	-
Reliance Enterprises (COO Holding more than 10% in RE) Investment held in the Fund: 137,496 units (June 30, 2018: 1,061,394 units)	1,356	11,044
*Interloop Limited (Unit holder of 10% or more of units of the CIS) Investment held in the Fund: Nil (June 30, 2018: 290,360,046 units)	-	3,021,196

* Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at period end.

11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 26, 2019 by the Board of Directors of the Management Company.

12 GENERAL

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

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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اعتماد Aitemaad



اسلامک بینک پاکستان

NAFA RIBA FREE SAVINGS FUND

**QUARTERLY
REPORT
MARCH
31, 2019**



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 RIBA FREE SAVINGS FUND

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NAFA RIBA FREE SAVINGS FUND

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
Sindh Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Al Baraka Islamic Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Meezan Bank Limited
United Bank Limited
Summit Bank Limited
BankIslami Pakistan Limited
Silk Bank Limited
Dubai Islamic Bank Pakistan Limited
National Bank of Pakistan
Soneri Bank Limited

NAFA RIBA FREE SAVINGS FUND

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NAFA RIBA FREE SAVINGS FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of NAFA Riba Free Savings Fund (NRF SF) for the period ended March 31, 2019.

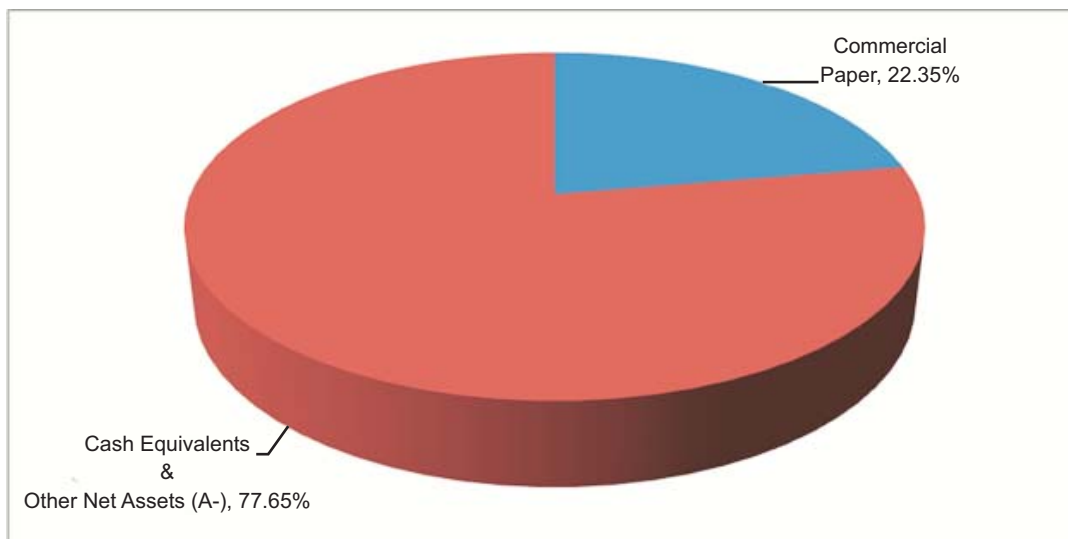
Fund's Performance

The size of NAFA Riba Free Savings Fund has increased from Rs. 4,017 million to Rs. 6,113 million during the period (i.e. a significant growth of 52%). During the period, the unit price of the Fund has increased from Rs. 10.1885 (Ex-Div) on June 30, 2018 to Rs. 10.8107 on March 31, 2019, thus showing a return of 8.1% as compared to the benchmark return of 3.3% for the same period. The performance of the Fund is net of management fee and all other expenses.

NRF SF is an Islamic Income Scheme with no direct or indirect exposure to the stock market and corporate sukuks. 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 9MFY2019, the State Bank of Pakistan (SBP) pursued tightening monetary policy and cumulatively hiked the Discount Rate by 425 basis points to 11.25% to contain underlying inflationary pressures and restore financial stability. The government issued GoP Sukuks to the tune of PKR 200 billion to clear energy sector circular debt that helped the undersupplied Shariah Compliant segment. The market also witnessed issuance of a decent size of corporate Sukuks and Shariah Compliant commercial papers to meet the increasing funding need for working capital as well as fixed capital investments. In the secondary market, trading activity in corporate Sukuks witnessed an increase from Rs. 6.4 billion last year to Rs. 8.6 billion this year.

The Fund has earned total income of Rs. 371.75 million during the period. After deducting expenses of Rs.61.17 million, the net income is Rs.310.58 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NRF SF:



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: April 26, 2019
Place: Karachi.

NAFA RIBA FREE SAVINGS FUND

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے NAFA ربا فری سیونگز فنڈ (NRFSF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

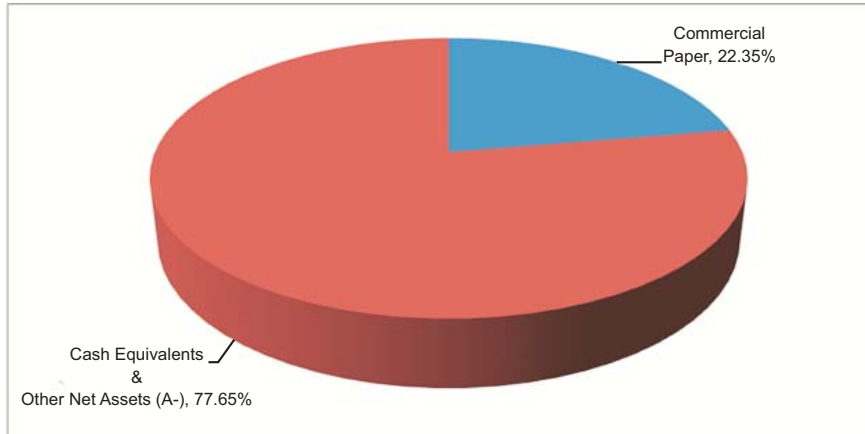
فنڈ کی کارکردگی

NAFA ربا فری سیونگز فنڈ کا سائز اس مدت کے دوران 4,017 ملین روپے سے بڑھ کر 6,113 ملین روپے ہو گیا ہے یعنی 52% کا گراں قدر اضافہ ہے۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2018 کو 10.1885 روپے (EX-Div) سے بڑھ کر 31 مارچ 2019 کو 10.8107 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے پنچ مارک منافع 3.3% کے مقابلے میں 8.1% منافع درج کرایا۔ فنڈ کا منافع مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NRFSF ایک اسلامک انکم اسکیم ہے جس کا اسٹاک مارکیٹ اور کارپوریٹ sukuks سے کوئی براہ راست یا بالواسطہ تعلق نہیں ہے۔ فنڈ کو PACRA کی طرف سے A(f) کی اسٹیٹیلیٹی ریننگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تو اتار سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔ کسی بھی واحد انسٹرومنٹ کی میچورٹی، ماسوائے حکومت پاکستان کے اجارہ سلوک، 6 ماہ سے تجاوز نہیں کر سکتی۔

زیر جائزہ مدت کے دوران، بنیادی افراط زر کے دباؤ کی روک تھام اور مالیاتی استحکام بحال کرنے کے لئے مانیٹری پالیسی کی سختی اور مجموعی کی کے باعث اسٹیٹ بینک آف پاکستان (SBP) نے ڈسکاؤنٹ شرح 425 بیس پوائنٹ اضافے کے ساتھ 11.25% کر دی۔ حکومت نے انرجی سیکٹر کے گردشی قرضہ کی ادائیگی کے لئے 200 بلین پاکستانی روپے کے GoP Sukuks جاری کئے جس نے undersupplied شرائع کمپلیٹ سیگمنٹ کی مدد کی۔ مارکیٹ نے ورکنگ کیپٹل اور فکسڈ کیپٹل سرمایہ کاری کی بڑھتی ہوئی فنڈنگ ضرورت کو پورا کرنے کے لئے کارپوریٹ Sukuks اور شرائع کمپلیٹ کمرشل پیپرز کے اجراء کا تسلی بخش حجم بھی مشاہدہ کیا ہے۔ ثانوی مارکیٹ میں، کارپوریٹ Sukuks میں ٹریڈنگ کی سرگرمی گزشتہ سال 6.4 بلین روپے سے بڑھ کر اس سال 8.6 بلین روپے ہو گئی۔

فنڈ نے اس مدت کے دوران 371.75 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 61.17 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 310.58 ملین روپے رہی۔ درج ذیل چارٹ NRFSF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط ریٹنگ پیش کرتا ہے۔



NAFA RIBA FREE SAVINGS FUND

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ 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 کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔ بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 اپریل 2019

مقام: کراچی

NAFA RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

	Note	Un-Audited MARCH 31, 2019 ----- Rupees in '000 -----	Audited June 30, 2018
ASSETS			
Balances with banks		4,747,392	3,921,350
Investments	4	1,366,451	100,380
Prepayment and other receivables		207	200
Profit receivable		46,252	21,579
Total assets		6,160,302	4,043,509
LIABILITIES			
Payable to the Management Company		13,450	4,913
Payable to the Trustee		618	391
Payable to Securities and Exchange Commission of Pakistan		2,899	2,473
Payable against redemption of units		455	-
Accrued expenses and other liabilities		29,660	18,531
Total liabilities		47,082	26,308
NET ASSETS		6,113,220	4,017,201
Unit holders' fund (As per statement attached)		6,113,220	4,017,201
CONTINGENCIES AND COMMITMENTS			
	6	----- Number of units -----	
Number of units in issue		565,479,683	374,671,846
		-----Rupees-----	
Net asset value per unit		10.8107	10.7219

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

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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine months ended		Quarter ended	
Note	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
----- Rupees in '000 -----				
INCOME				
Profit on Term deposits and bank deposits	309,411	140,482	127,547	53,602
Income on GOP Ijara Sukuks & commercial paper	2,949	4,137	-	1,359
Income Commercial paper	59,771	2,749	29,785	2,660
Realized loss from last year revaluation		-	380	-
Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(380)	(2,000)	(380)	(720)
Total income	371,751	145,368	157,332	56,901
EXPENSES				
Remuneration of the Management Company	26,220	13,726	10,282	5,371
Sindh sales tax on remuneration of the Management Company	3,409	1,784	1,337	698
Remuneration of the Trustee	3,879	2,660	1,395	983
Sindh Sales Tax on remuneration of the Trustee	504	346	181	128
Selling and Marketing Expense	12,063	-	5,720	-
Annual fee - Securities and Exchange Commission of Pakistan	2,899	1,785	1,073	683
Accounting and operational charges to the Management Company	3,865	2,379	1,430	910
Annual listing fee	21	21	7	7
Settlement & Bank charges	434	413	140	107
Auditors' remuneration	542	451	116	103
Fund rating fee	304	266	107	89
Printing and related costs	32	62	5	18
Shariah advisor fee	635	364	250	141
Legal and professional charges	30	66	15	31
Total expenses	54,837	24,323	22,058	9,269
Net income from operating activities	316,914	121,045	135,274	47,632
Provision for Sindh Workers' Welfare Fund	5 (6,338)	(2,421)	(2,705)	(952)
Net income for the period before taxation	310,576	118,624	132,569	46,680
Taxation	7 -	-	-	-
Net income for the period after taxation	310,576	118,624	132,569	46,680
Earnings per unit				
Allocation of net income for the period:				
Net income for the period after taxation	310,576	118,624	132,569	46,680
Income already paid on units redeemed	(96,803)	(36,274)	(61,404)	(19,063)
	213,773	82,350	71,165	27,617
Accounting Income available for Distribution				
- Relating to capital gain	-	-	-	-
- Excluding capital gain	213,773	82,350	71,165	27,617
	213,773	82,350	71,165	27,617

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

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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine months ended		Quarter ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	----- Rupees in '000 -----			
Net income for the period after taxation	310,576	118,624	132,569	46,680
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>310,576</u>	<u>118,624</u>	<u>132,569</u>	<u>46,680</u>

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA RIBA FREE SAVINGS FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine Months Period ended March 31,					
	2019			2018		
	----- (Rupees in '000) -----					
	Capital Value	Undistribut ed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	3,904,490	112,711	4,017,201	2,108,566	18,583	2,127,149
Issue of 658,507,996 units (2018: 472,789,797 units)						
- Capital value	6,709,209	-	6,709,209	4,816,877	-	4,816,877
- Element of income	193,874	-	193,874	83,253	-	83,253
Total proceeds on issuance of units	6,903,083	-	6,903,083	4,900,130	-	4,900,130
Redemption of 467,700,159 units (2018: 355,619,450 units)						
- Capital value	(4,765,163)	-	(4,765,163)	(3,623,122)	-	(3,623,122)
- Element of loss	(55,825)	(96,803)	(152,627)	(39,808)	(36,274)	(76,081)
Total payments on redemption of units	(4,820,988)	(96,803)	(4,917,790)	(3,662,930)	(36,274)	(3,699,203)
Total comprehensive income for the period	-	310,576	310,576	-	118,624	118,624
Final Distribution @ Rs.0.5334 declared on July 04, 2018						
- Cash distribution	-	(94,079)	(94,079)	-	-	-
- Refund of capital	(105,771)	-	(105,771)	-	-	-
	(105,771)	(94,079)	(199,850)	-	-	-
Net assets at end of the period	5,880,814	232,405	6,113,220	3,345,766	100,933	3,446,700
Undistributed income brought forward						
- Realised		112,711			17,383	
- Unrealised		-			1,200	
		112,711			18,583	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		213,773			82,350	
		213,773			82,350	
Distribution paid during the period		(94,079)			-	
Undistributed income carried forward		232,405			100,933	
Undistributed income carried forward						
- Realised		232,785			102,933	
- Unrealised		(380)			(2,000)	
		232,405			100,933	

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

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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine Months Period Ended	
	31-Mar-19	31-Mar-18
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	310,576	118,624
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	380	2,000
	310,956	120,624
(Increase) / decrease in assets		
Investments - net	(1,266,451)	(147,369)
Advances, deposits, prepayments and other receivables	(7)	10,149
Profit receivable	(24,673)	(19,294)
	(1,291,131)	(156,514)
Increase / (decrease) in liabilities		
Payable to the Management Company	8,537	2,064
Payable to the Trustee	227	145
Payable to Securities and Exchange Commission of Pakistan	426	710
Accrued expenses and other liabilities	11,129	(12,716)
	20,319	(9,797)
Net cash (used in) operating activities	(959,856)	(45,687)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	6,797,312	4,900,130
Payment on redemption of units	(4,917,335)	(3,699,159)
Distribution paid	(94,079)	-
Net cash generated from financing activities	1,785,898	1,200,971
Net increase in cash and cash equivalents during the period	826,042	1,155,284
Cash and cash equivalents at the beginning of the period	3,921,350	2,048,337
Cash and cash equivalents at end of the period	4,747,392	3,203,621

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA RIBA FREE SAVINGS FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Riba Free Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 18, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the 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 No. 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 and classified as an Islamic "income scheme" by the Management Company and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The 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 has assigned stability rating of 'A(f)' to the Fund.

Title of the assets of the Fund is held in the name of CDC as a trustee of the Fund.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

NAFA RIBA FREE SAVINGS FUND

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has an impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the financial statements of the Fund.

3.3 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

NAFA RIBA FREE SAVINGS FUND

	Note	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
4 INVESTMENTS			
Financial assets classified as amortised cost			
Commercial Paper	4.1	1,366,451	-
Financial assets at fair value through profit loss			
Government of Pakistan Ijarah Sukuks	4.2	-	100,380
		<u>1,366,451</u>	<u>100,380</u>

4.1 This represents the purchase of commercial paper from HASCOL Petroleum Limited on January 15, 2019 (having face value of Rs. 600 million). This carry profit at the rate of 12.26% and will mature on July 15, 2019 and K-Electric Limited on March 01, 2019 (having face value of Rs. 825 million). This carry profit at the rate of 11.75% and will mature on September 02, 2019.

4.2 Government of Pakistan Ijarah Sukuks

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

Name of the investee company	Issue Date	Number of certificates				Market Value as at March 31, 2019	Investment as percentage of	
		As at July 01, 2018	Purchases during the period	Sales during the period	As at March 31, 2019		Net assets	Market value of total investments
						Rupees in '000'	-----%	-----
GoP Ijarah Sukuk XVI	18-Dec-2015 to 18-Dec-2018	1,000	-	1,000	-	-	0%	-
						<u>-</u>		
Carrying Value as at March 31, 2019						-		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'						<u>-</u>		

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 16 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 11.4121 million for the period ended March 31, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2019 would have been higher by Rs. 0.0202 per unit (June 30, 2018: Rs. 0.0135 per unit).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018

NAFA RIBA FREE SAVINGS FUND

7 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

8 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2019 is 1.58% which includes 0.34% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as shariah compliant income scheme.

9 SELLING AND MARKETING EXPENSES

The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs.12.063 million at the rate of 0.4% of the net assets of the Fund being lower than the actual expenses chargeable to the Fund for the period.

10 TRANSACTIONS WITH CONNECTED PERSONS

- 10.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.
- 10.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 10.3** Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

NAFA RIBA FREE SAVINGS FUND

		----- (Un-Audited) -----	
		Nine months Period ended	
		March	March
		31,2019	31,2018
		----- Rupees in '000 -----	
10.5	Transactions during the period		
	NBP Fund Management Limited		
	Management remuneration for the period	26,220	13,726
	Sale Load for the period	1,663	626
	Sindh sales tax on remuneration of the Management Company	3,409	1,784
	Selling and marketing expense	12,063	-
	Accounting and operational charges to the Management Company	3,865	2,379
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	3,879	2,660
	Sindh Sale tax on Remuneration	504	346
	CDS Charges	11	35
	Employees of Management Company		
	Bonus units issued Nil units; (2015: Nil units)		
	Units issued / transferred in 6,714,396 units; (2018: 2,349,458 units)	70,099	24,363
	Units redeemed / transferred out 6,241,165 units; (2018: 1,587,688 units)	65,659	16,469
	*PTCL EMPLOYEES GENERAL PROVIDENT FUND		
	Unit holder with more than 10% units holding		
	Units issued / transferred in Nil units (2018: 1,011,937 units)	-	97,563
	Units redeemed / transferred out Nil units (2018: 171,482,445 units)	-	16,571
	NBP FUND's Employee Provident Fund (Management Company)		
	Units issued / transferred in 34,091 units (2018: 1,532,336 units)	127	15,725
	Units redeemed / transferred out 100,140 units (2018: 1,214,627 units)	1,055	12,649
	SERVICE SALES CORP.PROVIDENT FUND TRUST		
	Units issued / transferred in 2,517,401units (2017:Nil units)	26,155	26,155
	Units redeemed / transferred out 431,929 units (2017: Nil units)	4,511	4,511
	TELENOR PAKISTAN (PVT) LTD EMPLOYEES P.F (ISLAMIC)		
	Units issued / transferred in 962,016 units (2018:3,147,362 units)	9,613	33,000
	Units redeemed / transferred out 1,184,022 units (2018:160,817 units)	12,347	1,700
	PROSPERITY WEAVING MILLS		
	Units redeemed / transferred out 16 units (2018: 876 units)	-	9
	BYCO PETROLEUM PAKISTAN LIMITED - EMPLOYEE PROVIDENT FUND - CPS		
	Units issued / transferred in 2,170,605 units (2018: 4,411,722 units)	22,547	45,600
	Units redeemed / transferred out 3,809,445 units (2018:Nil units)	40,100	-
	CHIEF FINANCIAL OFFICER		
	Units issued / transferred in 222,227 units (2018:173,886 units)	2,303	1,800
	Units redeemed / transferred out 223,827 units (2018:52,250 units)	2,329	551
	*Bank Islami Pakistan Limited		
	(Common Directorship with the Management Company)		
	Profit Income	15,684	17,706

NAFA RIBA FREE SAVINGS FUND

	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
	----- Rupees in '000 -----	
11 Balances outstanding as at period / year end		
NBP Fund Management Limited		
Remuneration payable	3,749	2,143
Sales load payable - Sindh sale tax & Federal excise duty on sale load	976	662
Sindh sales tax payable on remuneration of the Management Company	943	280
Shariah Advisor Fee	632	-
Operational expenses	1,430	1,828
Selling and Marketing expense payable	5,720	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	491	347
Sale tax on Remuneration payable	127	44
CDS settlement charges payable	39	29
Security deposit	200	200
National Bank of Pakistan - Parent Company		
Balance in current account	4,081	4,080
Employees of Management Company		
Investment held in the Fund 1,593,082 units (June 30, 2018: 1,119,850 units)	17,222	2,007
Summit Bank Ltd. (common Directorship with the Management Company)		
Balance in current account	6,778	2,881
*Bank Islami Pakistan Limited (Common Directorship with the Management Company)		
Bank balance	1,619,234	62,359
Profit receivable	11,114	698
NAFA Employee Provident Fund (Management Company)		
Investment held in the Fund 664,608 units (June 30, 2018: 730,656 units)	7,185	7,834
TELENOR PAKISTAN PRIVATE LIMITED EMPLOYEE PROVIDENT FUND (Islamic)		
Units held: 383,173 ((June 30, 2018: 605,179 units)	4,142	6,489
CHIEF FINANCIAL OFFICER		
Units held: 84,713 (June 30, 2018: 86,314 units)	916	925
BYCO PETROLEUM PAKISTAN LIMITED - EMPLOYEE PROVIDENT FUND - CPS		
Units held: 1,077,407 (June 30, 2018: 2,716,248)	11,648	29,123
PROSPERITY WEAVING MILLS		
Units held: 892 ((June 30, 2018: Nil units)	10	-

*Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at period end.

NAFA RIBA FREE SAVINGS FUND

12 DATE OF AUTHORISATION FOR ISSUE

This financial information was authorised for issue by the Board of Directors of the Management Company on 26th April, 2019.

13 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

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