

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND



QUARTERLY REPORT
SEPTEMBER 30, 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.**



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	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

Bank Al-Habib Limited
United Bank Limited
Habib Bank Limited
Silk Bank Limited
Dubai Islamic Bank Pakistan Limited
Al Baraka Bank (Pakistan) Limited
Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Soneri Bank Limited
Faysal Bank Limited

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block, 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.nbpfunds.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
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Active Allocation Riba Free Savings Fund (NAARFSF)** (Formerly; NAFA Active Allocation Riba Free Savings Fund) for the quarter ended September 30, 2019.

Fund's Performance

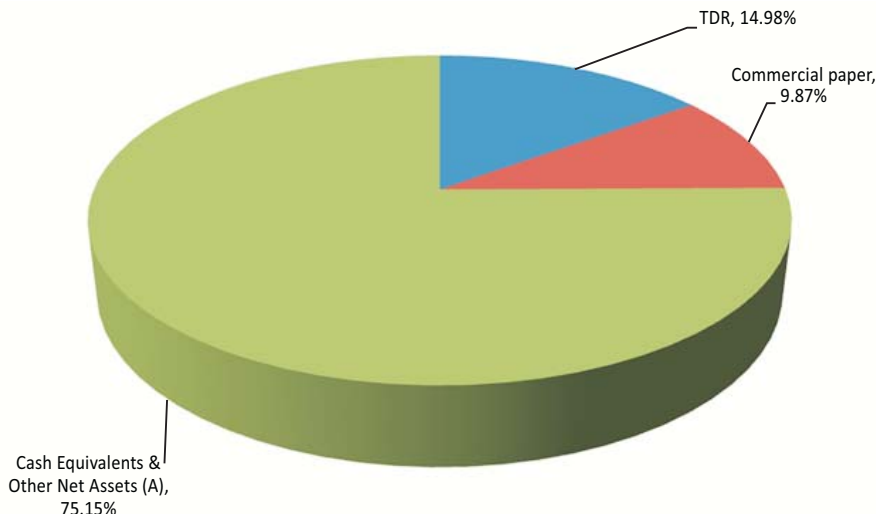
The size of NBP Active Allocation Riba Free Savings Fund has decreased from Rs. 892 million to Rs. 521 million during the quarter, i.e. a drop of 42%. During the period under review, the unit price of the Fund has increased from Rs. 10.0256 on June 30, 2019 to Rs. 10.2810 on September 30, 2019 thus posting a return of 10.1% p.a as compared to its Benchmark return of 5.7% p.a for the same period. The return of the Fund is net of management fee and all other expenses.

NAARFSF is an Islamic Income Scheme with no direct or indirect exposure to stock market. 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 Fund is allowed to invest in Shariah complaint Government security of maturity up to 3 years as well as Shariah Complaint money market and debt security of up to 2 years maturity rated AA- or better. GOP Ijarah Sukuks are floating rate Shariah Compliant securities with six monthly coupon resets. This minimizes pricing risk.

The primary market for Corporate Sukuks remained under-supplied against the large and growing demand. In the secondary market, the trading activity in the Corporate Sukuks remained skewed towards high quality debt issues with cumulative traded value of around Rs. 2.5 billion in 1QFY20 compared to Rs. 2.9 billion during same period last year. During 1QFY20, the State Bank of Pakistan (SBP) held two bi-monthly monetary policy reviews. In its first monetary policy review, considering upside risks to inflation and the need to contain demand pressure, the SBP increased the Policy Rate by 100bps from 12.25% to 13.25%. In the second monetary policy review on September 16th, the SBP decided to keep the policy rate unchanged. The SBP cited favorable adjustments in the Current Account Deficit (CAD) mainly driven by 11% growth in exports and 25.8% contraction in imports while maintaining its inflation expectation. As expected, inflation kept rising and year-on-year CPI inflation spiked to 11.4% in September 2019 compared with 5.1% in September 2018. The inflation is expected to remain on the upward trajectory due to pass-through impact of currency devaluation, volatility in international oil prices, unabated government borrowing, and impact of upward adjustment in utility tariffs. In line with the hike in the Policy Rate, 3-month, 6-month, and 12-month KIBOR went up by 88 bps, 79 bps, and 42 bps, respectively.

The Fund has earned a total income of Rs. 21.52 million during the period. After deducting total expenses of Rs. 4.22 million, the net income is Rs. 17.30 million.

The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset class of NAARFSF:



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: October 24, 2019
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 اکتوبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NBP ایکٹو ایلوکیشن ربا فری سیونگ فنڈ (سابقہ: NAFA) ایکٹو ایلوکیشن ربا فری سیونگ فنڈ (NAARFSF) کے کنڈیشنڈ غیر جانچ شدہ مالی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

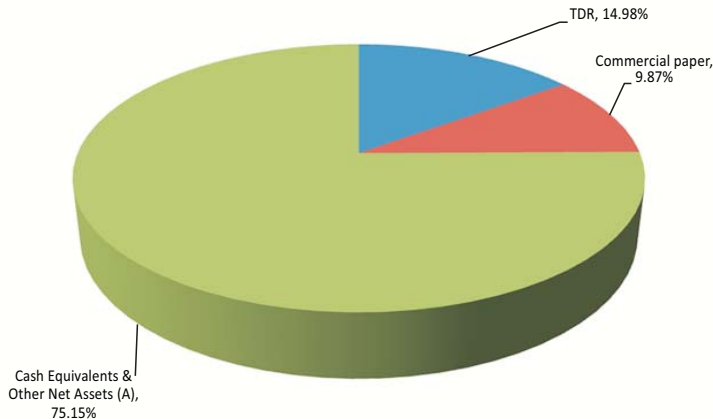
NBP ایکٹو ایلوکیشن ربا فری سیونگ فنڈ (NAARFSF) کا ساٹھ ماہ کی مدت کے دوران 892 ملین روپے سے کم ہو کر 521 ملین روپے ہو گیا ہے یعنی 42% کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کی یونٹ قیمت 30 جون 2019 کو 10.0256 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2019 کو 10.2810 روپے تک پہنچ گئی ہے، لہذا اسی مدت کے دوران 5.7% پانچ مارک منافع کے مقابلے میں 10.1% منافع درج کروایا۔ فنڈ کی یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NAARFSF ایک اسلامک انکم اسکیم ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تو اترا سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔ فنڈ 3 سالوں تک میچورٹی کی شریعہ کمپلیٹ گورنمنٹ سیکورٹیز اور AA- یا بہتر درجہ کی 2 سالہ میچورٹی کی شریعہ کمپلیٹ منی مارکیٹ اور ڈیٹ سیکورٹیز میں سرمایہ کاری کی اجازت دیتا ہے۔ حکومت پاکستان اجارہ سکوک چھ ماہ کو پن ری سیٹ کے ساتھ فلوٹنگ ریٹ شریعہ کمپلیٹ سیکورٹیز ہیں۔ یہ قیمت کے خطرہ کو کم کرتا ہے۔

کارپوریٹ سکوک کے لئے ابتدائی مارکیٹ کی زیادہ طلب کے مقابلے میں رسد کم رہی۔ ثانوی منڈی میں، کارپوریٹ سکوک کا تجارتی سرگرمی اعلیٰ کوالٹی ڈیٹ اجراء کی جانب زیادہ جھکاؤ رہا جس کی مجموعی تجارتی قدر مالی سال 2019ء میں 2.9 بلین روپے کے مقابلے میں مالیاتی سال 2020ء میں 2.5 بلین روپے رہی۔ مالی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو ماہی پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے ماہی پالیسی جائزہ میں، افراط زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مدنظر رکھتے ہوئے SBP نے پالیسی شرح 12.25% فی صد سے بڑھا کر 13.25% فی صد کر دی۔ 16 ستمبر کو دوسرے ماہی پالیسی جائزہ میں SBP نے پالیسی کی شرح کو برقرار رکھنے کا فیصلہ کیا۔ SBP نے کرنٹ اکاؤنٹ خسارہ (CAD) میں واضح تبدیلی دیکھی جو برآمدات میں 11% صدیوں اور درآمدات میں 25.8% فی صد کی کمی کے مہیوں منت ہے جب کہ افراط زر میں اضافہ متوقع تھا۔ تو قعات کے مطابق افراط زر میں اضافہ ہوتا رہا اور سالہا سال کی بنیاد پر CPI افراط زر میں ستمبر 2018ء میں 5.1% فی صد کے مقابلے میں ستمبر 2019ء کے دوران 11.4% فی صد اضافہ ہوا۔ روپے کی قدر میں کمی، تیل کی بین الاقوامی قیمتوں میں عدم استحکام، مسلسل حکومتی قرضوں کا حصول اور یوٹیلیٹی نرخوں میں اضافہ کے اثرات کی وجہ سے افراط زر میں مزید اضافہ کی توقع ہے۔ پالیسی شرح میں اضافہ کے تحت سہ ماہی، شش ماہی اور سالانہ KIBOR میں بالترتیب 79، 88 اور 42 بی پی ایس اضافہ ہوا۔

فنڈ نے موجودہ مدت کے دوران 21.52 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 4.22 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 17.30 بلین روپے ہے۔

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





اظہار تشکر

یورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی 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۔

یورڈ 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 یورڈ آف ڈائریکٹرز

NBP فونڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 24 اکتوبر 2019

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

	Un-Audited September 30, 2019	Audited June 30, 2019
	Note	------(Rupees in 000)-----
ASSETS		
Balances with banks	4	456,962
Investments	5	434,701
Profit receivable		8,735
Prepayments and other receivables		1,581
Preliminary expenses and floatation costs		310
		529,014
		902,289
LIABILITIES		
Payable to NBP Fund Management Limited - Management Company		3,878
Payable to Central Depository Company of Pakistan Limited - Trustee		155
Payable to Securities and Exchange Commission of Pakistan		1,184
Accrued expenses and other liabilities		5,198
Total liabilities		10,415
NET ASSETS		520,718
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		891,874
CONTINGENCIES AND COMMITMENTS	7	-
Number of units in issue		88,959,816
NET ASSET VALUE PER UNIT		10.2810
		10.0256

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

Note	Quarter ended September 30, 2019	Quarter ended September 30, 2018
------(Rupees in 000)-----		
INCOME		
Profit on bank deposits	15,068	48,322
Loss on sale of investments - net	(981)	1,321
Income on Commercial Paper	3,045	1,548
Income on Term deposit receipts	3,666	-
Unrealised Gain / (loss) on re-measurement of investments at fair value through profit or loss	723	(2,360)
Total income	21,521	48,831
EXPENSES		
Remuneration of NBP Fund Management Limited Management Company	1,828	7,654
Sindh sales tax on remuneration of the Management Company	238	995
Remuneration to Central Depository Company of Pakistan Limited- Trustee	132	770
Sindh Sales Tax on remuneration of the Trustee	17	100
Annual fee - Securities and Exchange Commission of Pakistan	35	490
Settlement and bank charges	23	37
Rating Fee	63	47
Legal & Professional charges	22	-
Auditors' remuneration	170	165
Accounting and operational charges	176	654
Shariah Advisor Fee	32	124
Security Transaction Cost	9	-
Selling & Marketing	1,073	600
Amortization of Formation Cost	50	47
Total Expenses	3,868	11,683
Net Income from operating activities	17,653	37,148
Provision for Sindh Workers' Welfare Fund	(353)	(743)
Net Income for the period before taxation	17,300	36,405
Taxation	-	-
Net Income for the period after taxation	17,300	36,405
Allocation of Net income for the period:		
Net income for the period after taxation	17,300	36,405
Income already paid on units redeemed	(4,493)	(1,544)
	12,807	34,861
Accounting income available for distribution:		
- Relating to Capital Gains	-	-
- Excluding Capital Gains	12,807	34,861
	12,807	34,861

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	------(Rupees in 000)-----	
Accounting income available for distribution:	17,300	36,405
Other Comprehensive Income	-	-
Total comprehensive Income for the period	<u><u>17,300</u></u>	<u><u>36,405</u></u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
 (Management Company)

 Chief Financial Officer

 Chief Executive Officer

 Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended September 30, 2019			Quarter ended September 30, 2018		
	Rupees in '000			Rupees in '000		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at the beginning of the period	888,863	3,011	891,874	2,128,714	32,425	2,161,139
Issue of 1,553,108 units (2018 :70,243,398 units)						
- Capital Value	15,571	-	15,571	649,183	-	649,183
- Refund of Capital	-	-	-	54,335	-	54,335
- Element of income	130	-	130	1,270	-	1,270
Total proceeds on issuance of units	15,701	-	15,701	704,788	-	704,788
Redemption of units 39,864,371 (2018 : 21,522,303 units)						
- Capital value	(399,664)	-	(399,664)	(215,554)	-	(215,554)
- Element of loss	-	(4,493)	(4,493)	-	(1,544)	(1,544)
Total payments on redemption of units	(399,664)	(4,493)	(404,157)	(215,554)	(1,544)	(217,098)
Total comprehensive income for the period		17,300	17,300		36,405	36,405
Distribution Paid						
- Cash Distribution	-	-	-	-	(30,238)	(30,238)
- Refund of Capital	-	-	-	(54,335)	-	(54,335)
				(54,335)	(30,238)	(84,573)
Net assets at end of the period - September 30, 2019	504,900	15,818	520,718	2,563,613	37,048	2,600,661
Undistributed income brought forward						
- Realised		4,865			34,785	
- Unrealised		(1,854)			(2,360)	
		3,011			32,425	
Accounting income / (loss) available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		12,807			34,861	
		12,807			34,861	
Distribution for the period					(30,238)	
Undistributed income carried forward		15,818			37,048	
Undistributed income carried forward						
- Realised income		15,095			39,408	
- Unrealised (loss) / income		723			(2,360)	
		15,818			37,048	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the year				10,0256		10,4233
Net assets value per unit at end of the period				10,2810		10,1565

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Un-Audited Quarter ended September 30, 2019	Un-Audited Quarter ended September 30, 2018
	------(Rupees in 000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income for the period before taxation	17,300	36,405
Adjustments		
Net unrealised (appreciation) / Diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(723)	2,360
	<u>16,577</u>	<u>38,765</u>
(Increase) / decrease in assets		
Investments	306,050	(192,914)
Profit receivable	3,408	(5,499)
Prepayments and other receivables	63	(70)
Preliminary expenses and floatation costs	50	50
	<u>309,571</u>	<u>(198,433)</u>
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	(1,426)	839
Payable to Central Depository Company of Pakistan Limited - Trustee	(116)	68
Payable to Securities and Exchange Commission of Pakistan	(1,149)	(718)
Accrued expenses and other liabilities	572	672
	<u>(2,119)</u>	<u>861</u>
Net cash (Used In) / generated from operating activities	<u>324,029</u>	<u>(158,807)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	15,701	650,450
Net payments on redemption of units	(404,157)	(217,096)
Distributions Paid	-	(30,238)
Net cash generated from / (used in) financing activities	<u>(388,456)</u>	<u>403,116</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(64,427)</u>	<u>244,309</u>
Cash and cash equivalents at the beginning of the period	456,962	2,057,150
Cash and cash equivalents at the end of the period	<u><u>392,535</u></u>	<u><u>2,301,460</u></u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

The Fund has been categorised as an Open-End "Shariah Compliant Income Scheme" as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shari'ah compliant banks deposits and money market / debt securities.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM1 to the Management Company as at June 30, 2019. The Fund has been rated A-(f) with stable outlook as at June 30, 2019

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.

"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, 2019.

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 September 30, 2019.

These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

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, 2019.

3.2 There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2019 that have a material effect on the financial statements of the Fund.

4 BANK BALANCES	Note	Un-Audited	Audited
		As at September 30, 2019 (Rupees in '000)	As at June 30, 2019 (Rupees in '000)
Savings accounts	4.1	392,535	456,962
		<u>392,535</u>	<u>456,962</u>

4.1 These accounts carry mark-up at rates ranging from 5 % to 14.45% (June 2019: 5 % to 13.5%) per annum.

5 INVESTMENTS	Note	Un-Audited	Audited
		As at September 30, 2019 (Rupees in '000)	As at June 30, 2019 (Rupees in '000)
Financial assets 'at fair value through profit or loss			
Government Securities - GoP Ijarah Sukuk	5.1	-	86,490
Commercial Paper	5.2	51,374	228,211
Term Deposit Receipts		78,000	120,000
		<u>129,374</u>	<u>434,701</u>

5.1 Government Securities - GoP Ijarah Sukuk

Issue date	Coupon rate / tenor	Number of certificates				Market value as at September 30, 2019 (Rupees in '000)	Investment as a percentage of	
		As at July 1, 2019	Purchased during the period	Matured during the period	As at September 30, 2019		Net assets	Market value of total investment
June 30, 2017	June 30, 2020	20,000	-	20,000	-	-	-	

Carrying value as at September 30, 2019

Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net as at September 30, 2019

5.2 This represents Commercial paper of K-Electric Limited which carries profit at the rate of 13.6% per annum

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, 2019.

The Fund, being prudent, recognised provision for SWWF amounting to Rs.4.848 million for the period ended September 30, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2019 would have been higher by Rs. 0.0957 per unit (June 30, 2019: Rs. 0.0505 per unit).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019 and June 30, 2019.

8 Selling and Marketing Expense

The SECP vide circular 11 of 2019 dated July 05, 2019 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 prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.7% per annum of the net assets of the Fund.

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, 2020 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 as at September 30, 2019 is 2.41% (2018: 1.90%) which includes 0.37% (2018: 0.36%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah Compliant Income Fund'.

11 TRANSACTIONS WITH CONNECTED PERSONS

11.1 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 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.

- 11.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.3 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.
- 11.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

Un-audited Quarter Ended September 30, 2019	Un-audited Quarter Ended September 30, 2018
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------(Rupees in '000)-----

11.5 **Details of the transactions with connected persons are as follows:**

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	1,828	7,654
Sindh sales tax on remuneration of the Management Company	238	995
Accounting and operational charges	176	654
Selling & Marketing expenses	1,073	600

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN I)

Units issued during the period 184,542 units (7,277,644 units)	1,860	68,641
Units redeemed during the period 2,638,378 units (2,302,227 ur	26,785	23,200

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN II)

Units issued during the period 1,507,039 units(6,676,705 units)	15,240	62,828
Units redeemed during the period Nil units(4,893,080)	-	49,400

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN III)

Units issued during the period 5,083,108 units(2,194,831 units)	51,810	6,982
Units redeemed during the period Nil units (4,868,325 units)	-	48,896

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN IV)

Units issued during the period 3,002,018 units(16,968,957 units)	30,572	163,197
Units redeemed during the period Nil units(972,492 units)	-	9,800

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN V)

Units issued during the period 291,246 units (17,530,380 units)	2,941	165,504
Units redeemed during the period 6,186,736 units(8,486,179 un	62,780	85,800

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN VI)

Units issued during the period 3,469,346 units (7,425,986 units)	35,244	69,122
Units redeemed during the period Nil units(Nill units)	-	-

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN VII)

Units issued during the period 1,077,320 units (2,947,427 units)	10,900	27,462
Units redeemed during the period 1,139,501 units(Nill units)	11,546	-

NAFA ISLAMIC ACTIVE ALLOCATION FUND (PLAN VIII)

Units issued during the period 16,838,246 units (9,221,467 unit:	170,180	86,714
Units redeemed during the period Nil units (Nill units)	-	-

BankIslami Pakistan Limited

Profit income	4,809	777
Profit on Term deposit receipts	3,666	-
Placement of Term deposit receipts	283,000	-

Central Depository Company of Pakistan Limited- Trustee

Remuneration to Central Depository Company of Pakistan Limit	132	770
Sindh Sales Tax on remuneration of the Trustee	17	100

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND
(FORMERLY; NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



	Un-audited as at September 30, 2019	Audited as at June 30, 2019
	------(Rupees in '000)-----	
11.6 Amounts outstanding as at period end		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	523	913
Sindh sales tax on remuneration of the Management Company	68	119
Federal excise duty on remuneration of the Management Comp	612	612
Allocation of operational charges	176	1,787
Selling & Marketing expenses	1,073	447
NAFA Islamic Active Allocation Fund-I (Plan I)		
Units held 3,450,829 units (June 30,2019 :5,904,664 units)	35,478	59,198
NAFA Islamic Active Allocation Fund-I (Plan II)		
Units held 3,680,738 units (June 30,2019: 5,187,778 units)	37,842	52,011
NAFA Islamic Active Allocation Fund-I (PLAN III)		
Units Held 7,974,039 units (June 30,2019:13,057,147 units)	81,981	130,906
NAFA Islamic Active Allocation Fund- I (Plan IV)		
Units Held 4,307,609 units (June 30,2019: 7,309,627 units)	44,287	73,283
NAFA Islamic Active Allocation Fund- I (Plan V)		
Units Held 5,807,854 units (June 30,2019 : 11,703,344 units)	59,711	117,333
NAFA Islamic Active Allocation Fund- II (Plan VI)		
Units Held 3,880,810 units (June 30,2019 :7,350,156 units)	39,899	73,690
NAFA Islamic Active Allocation Fund- II (Plan VII)		
Units Held 2,180,456 units (June 30,2019 : 2,242,636 units)	22,417	22,484
NAFA Islamic Active Allocation Fund- II (Plan VIII)		
Units Held 19,366,218 units (June 30,2019 : 36,204,465 units)	199,104	362,971
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	34	137
Sindh sales tax on remuneration of Trustee	4	18
Security Deposit	100	100
BankIslami Pakistan Limited		
Balance with bank including TDR	114,018	249,006
Profit receivable	2,272	1,576

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

13 GENERAL

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

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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