



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together



Joint - Venture Partners

NAFA ISLAMIC AGGRESSIVE INCOME FUND

QUARTERLY REPORT
MARCH 31
2014



MISSION STATEMENT



To rank in the top quartile
in performance of
NAFA FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.

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NAFA ISLAMIC AGGRESSIVE INCOME FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Aamir Sattar	Member

Human Resource Committee

Mr. Nausherwan Adil	Chairman
Mr. Wah Geok Sum	Member
Mr. Kamal Amir Chinoy	Member

Trustee

MCB Financial Service Limited
3rd Floor, Adamjee House,
I.I. Chundrigar Road Karachi - 74000

Bankers to the Fund

Al-Baraka Islamic Bank
Bank Alfalah Limited
Burj Bank Limited
National Bank of Pakistan
NIB Bank Limited
Dubai Islamic Bank Limited
Meezan Bank Limited
Habib Bank Limited

Auditors

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

Legal Advisor

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

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 111-111-NFA (111-111-632)
Helpline (Toll Free): 0800-20001
Fax: (021) 35825329

Lahore Office:

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

Islamabad Office:

Plot No. 395, 396
Industrial Area, 1-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

1st Floor, Haji Tehmas Centre,
Near KFC, Tehkal Payan
University Road, Peshawar.
Phone: 92-91-5711784, 5711782
Fax: 92-91-5211780

Multan Office:

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

NAFA ISLAMIC AGGRESSIVE INCOME FUND

DIRECTORS' REPORT

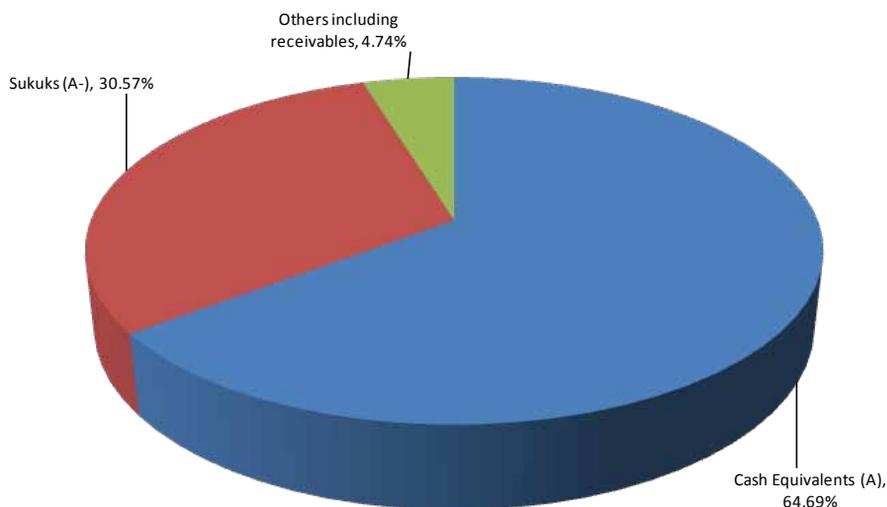
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Aggressive Income Fund (NIAIF)** for the period ended March 31, 2014.

Fund's Performance

The size of NAFA Islamic Aggressive Income Fund decreased from Rs. 166 million to Rs. 157 million during the period, i.e. a decline of 5.4%. During the nine month period, the unit price of the Fund increased from Rs. 8.7896 (Ex-Div) on June 30, 2013 to Rs. 9.5575 on March 31, 2014, thus showing annualized return of 11.64% as compared to its Benchmark (Average 3-Month deposit rate of Islamic Banks) return of 6.49%. During the third quarter the size of the Fund decreased by 7.20%. During the quarter, the unit price of the Fund has increased from Rs. 9.1272 on December 31, 2013 to Rs. 9.5575 on March 31, 2014, thus showing an annualized return of 19.12% as compared to its Benchmark return of 6.50% for the same period. The performance of the Fund is net of management fee and all other expenses.

NIAIF is categorized as Islamic Aggressive Income Scheme and has been awarded stability rating of BBB+(f) by PACRA.

The Fund has earned total income of Rs.17.50 million during the period. After accounting for expenses of Rs.6.67 million, the net income is Rs.10.83 million. The below chart presents the asset allocation and the average credit rating of each of the sub-asset classes of NIAIF:



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 Fullerton Asset Management Limited

Chief Executive

Director

Date: April 30, 2014
Place: Karachi.

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

	Note	Unaudited March 31, 2014	Audited June 30, 2013
(Rupees in '000)			
ASSETS			
Bank Balances		101,339	37,546
Investments	4	47,900	119,569
Profit receivable		10,098	10,883
Advances, deposits, prepayments and other receivables		515	344
Total assets		159,852	168,342
LIABILITIES			
Payable to the Management Company		566	344
Payable to the Trustee		16	13
Payable to Securities and Exchange Commission of Pakistan		97	133
Accrued expenses and other liabilities		2,501	2,241
Total liabilities		3,180	2,731
NET ASSETS		156,672	165,611
Unit holders' funds (As per statement attached)		156,672	165,611
CONTINGENCIES AND COMMITMENTS	6		
(Number of units)			
NUMBER OF UNITS IN ISSUE		16,392,615	18,039,933
		Rupees	Rupees
NET ASSET VALUE PER UNIT		9.5575	9.1803

The annexed notes 1 to 10 form an integral part of this condensed interim financial information

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

Note	Nine months ended		Quarter Ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
----- Rupees in '000 -----				
INCOME				
Capital Gain / (loss) on sale of investments	276	8	265	(1)
Income from sukuk bonds	10,911	13,690	4,275	4,909
Profit on bank deposits	6,309	2,346	2,809	905
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	-	26	(152)	-
Total Income	17,496	16,071	7,197	5,814
EXPENSES				
Remuneration of the Management Company	2,190	2,700	529	902
Sindh Sales Tax on Management fee	410	432	97	144
Federal Excise Duty on remuneration to Management Company	350	-	84	-
Remuneration of the Trustee	129	135	46	45
Annual fee - Securities and Exchange Commission of Pakistan	97	101	35	33
Securities transaction cost	-	2	-	-
Settlement and bank charges	53	79	23	18
Annual listing fee	23	23	8	8
Auditors' remuneration	325	300	83	78
Impairment loss / (reversal) on investments classified as 'available for sale'	2,555	6,301	(398)	442
Amortisation of preliminary expenses and floatation costs	-	160	-	-
Rating fee	165	150	54	50
Legal and professional charges	137	9	137	-
Other Expenses	9	-	(117)	-
Total Expenses	6,443	10,392	581	1,720
Net income from operating activities	11,053	5,679	6,616	4,094
Provision for workers' welfare fund	5	(221)	(132)	(82)
Net income for the period before taxation	10,832	5,565	6,484	4,012
Taxation	7	-	-	-
Net income for the period after taxation	10,832	5,565	6,484	4,012
Earnings per unit				

The annexed notes 1 to 10 form an integral part of this condensed interim financial information

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months ended		Quarter Ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	----- Rupees in '000 -----			
Net income for the period after taxation	10,832	5,565	6,484	4,012
Other comprehensive income for the period				
Net unrealised (diminution) in market value of investments classified as 'available for sale'	3,768	2,996	1,863	1,463
Total comprehensive income for the period	<u>14,600</u>	<u>8,561</u>	<u>8,347</u>	<u>5,475</u>

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For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months ended		Quarter Ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	----- Rupees in '000 -----			
Undistributed income / (loss) brought forward	2,017	(4,754)	(690)	(3,204)
Final distribution for the year ended June 30, 2013 : 3.911%				
- Bonus distribution	(4,075)	-	-	-
- Cash distribution	(2,997)	-	-	-
Net income for the period after taxation	10,832	5,565	6,484	4,012
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount that forms part of the unit holders' fund	(1,988)	(11)	(2,005)	(8)
Undistributed income carried forward	<u>3,789</u>	<u>800</u>	<u>3,789</u>	<u>800</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months ended		Quarter Ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	----- Rupees in '000 -----			
Net assets at the beginning of the period	165,611	178,615	168,832	180,993
Issue of 4,616,086 units - including 463,229 bonus units (2013: 73,543 units)	38,477	635	37,515	121
Redemption of 6,263,404 units (2013: 180,394 units)	(59,019) (20,542)	(1,565) (930)	(58,022) (20,507)	(343) (222)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing loss and capital losses that form part of unit holders' fund - transferred to Distribution Statement	1,988 1,988	11 11	2,005 2,005	8 8
Net unrealised (diminution) on remeasurement of investments classified as 'available for sale'	3,768	2,996	1,863	1,463
Gain / (loss) on sale of investments	276	8	265	(1)
Other (loss) / income for the period	10,556 10,832	5,557 5,565	6,219 6,484	4,013 4,012
Distribution:				
Final distribution for the year ended June 30, 2013 : 3.911%				
- Bonus distribution	(4,075)	-	-	-
- Cash distribution	(2,997)	-	-	-
Add: Bonus distribution	4,075	-	-	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing unrealised income	(1,988)	(11)	(2,005)	(8)
Net assets as at the end of the period	156,672	186,247	156,672	186,247

The annexed notes 1 to 10 form an integral part of this condensed interim financial information

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months ended		Quarter Ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
----- Rupees in '000 -----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income / (loss) for the period before taxation	10,832	5,565	6,484	4,012
Adjustments				
Amortisation of preliminary expenses and floatation costs	-	160	-	-
Gain / (loss) on sale of investments	(276)	(8)	(265)	1
Impairment loss / (reversal of impairment loss) on investments classified as 'available for sale and held for trading'	2,555	6,301	(398)	442
Unrealized appreciation of re-measurement of investments classified as financial assets at fair value through profit or loss - net	-	(26)	152	-
	13,111	11,991	5,973	4,454
(Increase) / decrease in assets				
Investments	73,158	(12,036)	9,583	2,931
Profit receivable	785	1,502	310	1,287
Deposits, prepayments and other receivables	(171)	(77)	9	(62)
	73,772	(10,612)	9,902	4,155
Increase / (decrease) in liabilities				
Payable to Management Company	222	27	(22)	9
Payable to Trustee	3	-	2	1
Annual fee payable to Securities and Exchange Commission of Pakistan	(36)	(25)	35	34
Accrued expenses and other liabilities	260	193	271	70
	449	194	286	113
Net cash inflow from operating activities	87,332	1,574	16,161	8,723
CASH FLOW FROM FINANCING ACTIVITIES				
Net receipts from issue of units	38,477	635	37,515	121
Net payments on redemption of units	(59,019)	(1,565)	(58,022)	(343)
Distributions paid during the period	(2,997)	-	-	-
Net cash outflow on financing activities	(23,539)	(930)	(20,507)	(222)
Net increase / (decrease) in cash and cash equivalents during the period	63,793	644	(4,346)	8,501
Cash and cash equivalents at the beginning of the period	37,546	39,611	105,685	31,754
Cash and cash equivalents at the end of the period	101,339	40,255	101,339	40,255

The annexed notes 1 to 10 form an integral part of this condensed interim financial information

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

Notes to and forming part of the Condensed Interim Financial information (Un-audited) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Aggressive Income Fund ("the Fund") was established under a Trust Deed executed between NBP Fullerton Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 20 August 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 03 September 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. With effect from 22 November 2011, the SECP approved the appointment of MCBFSL as the Trustee in place of CDC and further approved the amendments to the Trust Deed vide its letter number SCD/AMCWING/VS/NIF/458/2011 dated 15 November 2011. Accordingly, the Trust Deed of the Fund was revised through a supplemental Trust Deed executed between the Management Company, CDC and MCBFSL.

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 Management Company is also the member of MUFAP.

The Fund is an open-ended mutual fund and is listed on the Lahore 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 preservation of capital and earn a reasonable rate of return. The principal activity of the Fund is to make investments in Shariah compliant securities, having a good credit rating and liquidity subject to the guidelines prescribed by SECP.

The Pakistan Credit Rating Agency Limited has assigned an asset manager rating of AM2 to the Management Company and a stability rating of BBB+(f) to the Fund.

Title to the assets of the Fund is held in the name of MCB Financial Services Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, 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 directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

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, 2013

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, 2014

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2013.

NAFA ISLAMIC AGGRESSIVE INCOME FUND

		(Un-audited) 31 March 2014	(Audited) 30 June 2013
(Rupees in '000)			
4 INVESTMENTS			
Available for sale			
- Sukuk bonds	4.1	32,900	57,495
At fair value through profit or loss - held for trading			
Sukuk and Ijara bonds	4.2	<u>15,000</u>	<u>62,074</u>
		<u>47,900</u>	<u>119,569</u>

4.1 Sukuk and Ijara bonds - available for sale

Name of the investee company	Number of certificates				Market value as at 31 March 2014	Investment as a percentage of	
	As at July 1, 2013	Purchases during the period	Sales during the period	As at 31 March 2014		Market value of net assets	Market value of total investments
(Rupees in '000)							
Engro Fertilizer Limited	4,600	-		4,600	23,291	14.87	48.62
Kohat Cement Company Limited	20,000	-	-	20,000	867	0.55	1.81
Maple Leaf Cement Factory Limited - Sukuk I (note 4.1.1.1)	5,312	-	-	5,312	8,742	5.58	18.25
New Allied Limited-1st issue (note 4.1.1.2)	352,000	-	-	352,000	-	-	-
New Allied Limited-2nd issue (note 4.1.1.2)	1,000	-	-	1,000	-	-	-
Pak Electron Limited (note 4.1.1.3)	7,000	-	-	7,000	-	-	-
GOP Ijara Sukuk - issue date 15.11.2010	1,960	-	1,960	-	-	-	-
	<u>391,872</u>	<u>-</u>	<u>1,960</u>	<u>389,912</u>	<u>32,900</u>	<u>21.00</u>	<u>68.68</u>
Carrying value of investments as at 31 March 2014					<u>175,294</u>		
Provision held					<u>143,019</u>		

4.1.1 All sukuk bonds have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics (Private) Limited - 1st issue and Government of Pakistan Ijara bond which have a face value of Rs 312.5 and Rs 100,000 each respectively.

4.1.1.1 Maple Leaf Cement Factory Limited defaulted for the second time in the payment of principal and mark-up due on September 03, 2011 (earlier default on December 03, 2009). In accordance with the requirements of Circular No.33 of 2012 dated October 24, 2012 issued by SECP, the exposure has been classified as non-performing (both by the fund and MUFAP). A provision of 60% has been made in respect of the outstanding exposure and no further mark up is being accrued.

4.1.1.2 These represent investments in privately placed Term Finance Certificates and Sukuk bonds of the investee company. These investments have been fully provided.

4.1.1.3 This represents investment in privately placed sukuk bonds. On 27 December 2011 i.e. the scheduled redemption date, profit redemption of Rs. 0.563 million was not received by the Fund. These investments have been fully provided.

NAFA ISLAMIC AGGRESSIVE INCOME FUND

4.2 Sukuk and Ijara bonds - available for sale

Name of the investee company	Number of bonds				Market value as at 31 March 2014	Investment as a percentage of	
	As at July 1, 2013	Purchases during the period	Sales during the period	As at 31 March 2014		Market value of net assets	Market value of total investments
(Rupees in '000)							
GOP Ijara Sukuk - issue date 07.03.2011	400	-	400	-	-	-	-
GOP Ijara Sukuk - issue date 26.12.2011	3,000	-	3,000	-	-	-	-
GOP Ijara Sukuk - issue date 02.03.2012	2,800	-	2,800	-	-	-	-
GOP Ijara Sukuk - issue date 30.04.2012	800	-	800	-	-	-	-
HUBCO Short term Islamic Sukuk Issue date 14.02.2013	2,400	-	2,400	-	-	-	-
HUBCO Short term Islamic Sukuk Issue date 13.03.2013	2,400	-	2,400	-	-	-	-
GOP Ijara Sukuk - issue date 18.09.2012	600	-	600	-	-	-	-
K Electric AZM Sukuk (24.02-2014)	-	3,000	-	3,000	15,000	9.57	31.32
	<u>12,400</u>	<u>3,000</u>	<u>12,400</u>	<u>3,000</u>	<u>15,000</u>	<u>9.57</u>	<u>31.32</u>
Carrying value of investments as at 31 March 2014					<u>15,000</u>		

5 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on July 8, 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on December 14, 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. This response was contradictory to the earlier clarification issued by the Ministry. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several mutual funds (CISs) / pension funds for the collection of WWF. In respect of such show cause notices, certain mutual funds (CISs) / pension funds have been granted stay by the Honorable SHC on the basis of the pending Constitutional Petition as referred to above.

In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through the Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and pension funds, the issue of chargeability or otherwise of WWF levy to the CISs / pension funds is currently pending before the Honorable SHC.

However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF as at March 31, 2014 amounting to Rs. 1.604 million (June 30, 2013: Rs 1.383 million) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs 0.0978.

NAFA ISLAMIC AGGRESSIVE INCOME FUND

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on March 31, 2014 and June 30, 2013.

7 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The management company intends to distribute not less than 90% of the annual accounting income to comply with the above stated clause and regulation. Accordingly, no tax provision has been made in this condensed interim financial information for the nine months period ended 31 March 2014.

8 TRANSACTIONS WITH CONNECTED PERSONS

8.1 Connected persons include NBP Fullerton Asset Management Limited (NAFA) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee as at 2 November 2011 and MCB Financial Services Limited (MCBFSL) being the new Trustee from 22 November 2011, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

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

8.3 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.

8.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

8.5 Details of the transactions with connected persons during the period are as follows:

	Nine months ended		Quarter Ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
----- Rupees in '000 -----				
NBP Fullerton Asset Management Limited - Management Company				
Management fee expense for the period	2,190	2,700	529	902
Front end load for the period	48	4	41	-
Sindh Sales tax on management fee	410	432	97	144
FED on Management Fee	350	-	84	-
National Bank of Pakistan - Sponsor				
Cash Dividend	2,933	-	-	-
Alexandra Fund Management Pte. Limited - Sponsor				
Bonus units issued 428,370 units (2013: Nil units)	-	-	-	-
Units redeemed 5,290,613 units (2013: Nil units)	50,000	-	50,000	-
MCB Financial Services Limited - Trustee				
Trustee fee for the period	129	135	46	45
Central Depository Company of Pakistan- Ex-Trustee				
CDS charges	25	27	9	25
Employees of Management Company				
Units issued 1,317,460 units (2013: Nil units)	12,244	-	12,244	-
Units redeemed 251,056 (2013: 9,738 units)	2,361	83	2,361	-
AKHUWAT				
Payment received from sale of GOP	20,501	-	-	-

NAFA ISLAMIC AGGRESSIVE INCOME FUND

	(Un-Audited) As at 31 March 2014	(Audited) As at 30 June 2013
	(Rupees in '000)	
8.6	Amounts outstanding as at period end	
NBP Fullerton Asset Management Limited - Management Company		
Management fee payable	162	269
Sindh sales tax payable	30	43
FED payable	305	26
Others	69	6
MCB Financial Services Limited - Trustee		
Remuneration payable	16	13
Security deposits	100	100
Central Depository Company of Pakistan Limited - Ex Trustee		
Security deposits	100	100
CDS Charges	25	16
National Bank of Pakistan - Sponsor		
Investment held by the Sponsor in the Fund 7,500,000 units (30 June 2013: 7,500,000 units)		68,852
Balance in current account	71,681 753	14
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund 4,773,738 units (30 June 2014: 12,293,700 units)	45,625	88,461
Employees of Management Company Management Company		
Investment held in the Fund (1,066,403 units)	10,192	-
The Hub Power Company Limited		
Investment in HUBCO Short term Islamic Sukuk	-	24,000

9 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 30, 2014.

10 GENERAL

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

10.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



NBP Fullerton
Asset Management Ltd.

A Subsidiary of

National Bank of Pakistan

Your investments & "NAFA" grow together



Joint - Venture Partners

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