



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

NAFA ISLAMIC AGGRESSIVE INCOME FUND

QUARTERLY REPORT

MARCH 31

2015




Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

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.

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	07
CONDENSED INTERIM INCOME STATEMENT	08
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	09
CONDENSED INTERIM DISTRIBUTION STATEMENT	10
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	11
CONDENSED INTERIM CASH FLOW STATEMENT	12
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	13

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. Nigel Poh Cheng	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. Nigel Poh Cheng	Member
Mr. Kamal Amir Chinoy	Member

Trustee

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

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
Silk 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, I-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

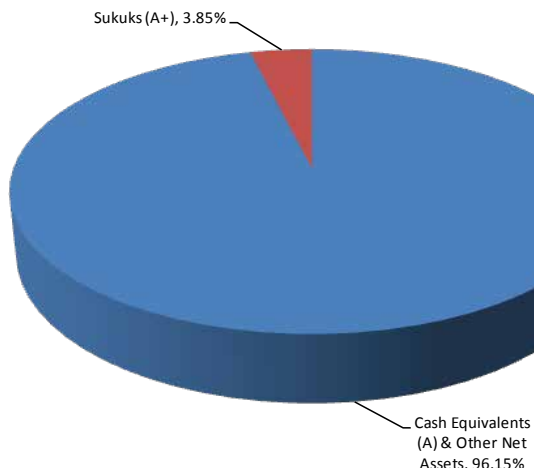
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Aggressive Income Fund (NIAIF)** for the period ended March 31, 2015.

Fund's Performance

The size of NAFA Islamic Aggressive Income Fund increased from Rs. 431 million to Rs. 970 million during the period, i.e. an increase of 125.1%. During the nine month period, the unit price of the Fund increased from Rs. 9.3285 on June 30, 2014 to Rs. 9.9671 on March 31, 2015, thus showing annualized return of 9.12% as compared to its Benchmark (Average 3-Month deposit rate of Islamic Banks) return of 6.75%. During the third quarter the size of the Fund increased by 31.9%. During the quarter, the unit price of the Fund has increased from Rs. 9.7590 on December 31, 2014 to Rs. 9.9671 on March 31, 2015, thus showing an annualized return of 8.65% as compared to its Benchmark return of 6.54% for the same period. The performance of the Fund is net of management fee and all other expenses.

On the shariah compliant securities sphere, search for yields and dearth of primary issuance versus elevated demand kept the yield on the high credit quality corporate bonds depressed. Furthermore, helped by the economic rebound, and declining interest rates, we have seen recoveries from many non-performing corporate bonds. During the period under review, the State Bank of Pakistan reduced the policy rate by 200 bps to 8.0% mainly due to sharp decline in inflation, build-up of FX reserves, largely contained fiscal deficit, and improved external account position. Sovereign securities responded to the beginning of loose monetary policy period with yields on the short term and long term sovereign bonds declining sharply. All sukuk in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

The Fund has earned total income of Rs.49.95 million during the period. After accounting for expenses of Rs.9.44 million, the net income is Rs.40.51 million. The below chart presents the asset allocation and the average credit rating of each of the sub-asset classes of NIAIF:



NAFA ISLAMIC AGGRESSIVE INCOME 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 Fullerton Asset Management Limited

Chief Executive

Director

Date: April 21, 2015
Place: Karachi.

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2015

	Note	Un-audited March 31, 2015	Audited June 30, 2014
(Rupees in '000)			
ASSETS			
Bank Balances		937,004	369,986
Investments	4	37,343	53,679
Profit receivable		12,197	11,801
Advances, deposits, prepayments and other receivables		141	354
Total assets		986,685	435,820
LIABILITIES			
Payable to the Management Company		3,655	993
Payable to the Trustee		139	31
Payable to Securities and Exchange Commission of Pakistan		379	149
Payable against redemption of units		8,709	700
Accrued expenses and other liabilities		3,710	2,943
Total liabilities		16,592	4,816
NET ASSETS		970,093	431,004
Unit holders' funds (As per statement attached)		970,093	431,004
CONTINGENCIES AND COMMITMENTS	6		
(Number of units)			
NUMBER OF UNITS IN ISSUE		97,329,136	46,203,116
NET ASSET VALUE PER UNIT		Rupees 9.9671	Rupees 9.3285

The annexed notes 1 to 10 form an integral part of these 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 MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	------(Rupees in '000)-----			
INCOME				
Capital Gain on sale of investments	-	276	-	265
Income from sukuk bonds	7,278	10,911	3,002	4,275
Profit on bank deposits	42,951	6,309	16,852	2,809
Unrealised (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(275)	-	(357)	(152)
Total Income	49,954	17,496	19,497	7,197
EXPENSES				
Remuneration of the Management Company	5,043	2,190	2,042	529
Sindh Sales Tax on Management fee	877	410	355	97
Federal Excise Duty on remuneration to Management Company	807	350	327	84
Remuneration of the Trustee	804	129	347	46
Annual fee - Securities and Exchange Commission of Pakistan	378	97	153	35
Settlement and bank charges	97	53	40	23
Annual listing fee	22	23	7	8
Auditors' remuneration	382	325	82	83
Impairment loss / (reversal) on investments classified as 'available for sale'	-	2,555	-	(398)
Rating fee	171	165	50	54
Legal and professional charges	37	137	12	137
Other Expenses	-	9	-	(117)
Total Expenses	8,618	6,443	3,415	581
Net income from operating activities	41,336	11,053	16,082	6,616
5 Provision for workers' welfare fund	(827)	(221)	(322)	(132)
Net income for the period before taxation	40,509	10,832	15,760	6,484
7 Taxation	-	-	-	-
Net income for the period after taxation	40,509	10,832	15,760	6,484
Earnings per unit				

The annexed notes 1 to 10 form an integral part of these 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 MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	------(Rupees in '000)-----			
Net income for the period after taxation	40,509	10,832	15,760	6,484
Other comprehensive income / (loss) for the period				
Net unrealised appreciation in market value of investments classified as 'available for sale'	3,573	3,768	1,625	1,863
Total comprehensive income for the period	<u>44,082</u>	<u>14,600</u>	<u>17,385</u>	<u>8,347</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC AGGRESSIVE INCOME FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	------(Rupees in '000)-----			
Undistributed income brought forward	21,403	2,017	51,905	(690)
Final distribution for the year ended June 30, 2014 : Nil (June 30, 2013 : 3.911%)				
-Bonus distribution	-	(4,075)	-	-
-Cash distribution	-	(2,997)	-	-
Net income for the period after taxation	40,509	10,832	15,760	6,484
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	18,079	(1,988)	12,326	(2,005)
Undistributed income carried forward	<u>79,991</u>	<u>3,789</u>	<u>79,991</u>	<u>3,789</u>

The annexed notes 1 to 10 form an integral part of these 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 MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
------(Rupees in '000)-----				
Net assets at the beginning of the period	431,004	165,611	735,519	168,832
Issue of 114,132,846 units (2014: 4,616,086 units - including 463,229 bonus units)	1,105,299	38,477	458,431	37,515
Redemption of 63,006,826 units (2014: 6,263,404 units)	(610,292)	(59,019)	(241,242)	(58,022)
	495,007	(20,542)	217,189	(20,507)
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	(18,079)	1,988	(12,326)	2,005
	(18,079)	1,988	(12,326)	2,005
Net unrealised appreciation on remeasurement of investments classified as 'available for sale'	3,573	3,768	1,625	1,863
Gain on sale of investments	-	276	-	265
Other income for the period	40,509	10,556	15,760	6,219
	40,509	10,832	15,760	6,484
Distribution:				
Final distribution for the year ended June 30, 2014 : Nil (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	18,079	(1,988)	12,326	(2,005)
Net assets as at the end of the period	970,093	156,672	970,093	156,672

The annexed notes 1 to 10 form an integral part of these 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 MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
------(Rupees in '000)-----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period before taxation	40,509	10,832	15,760	6,484
Adjustments				
(Gain) on sale of investments	-	(276)	-	(265)
Impairment loss / (reversal of impairment loss) on investments classified as 'available for sale and held for trading'	-	2,555	-	(398)
Unrealized (diminution) of re-measurement of investments classified as financial assets at fair value through profit or loss - net	275	-	357	152
	40,784	13,111	16,117	5,973
(Increase) / decrease in assets				
Investments	19,634	73,158	15,277	9,583
Profit receivable	(396)	785	(2,710)	310
Advances, deposits, prepayments and other receivables	213	(171)	683	9
	19,451	73,772	13,250	9,902
Increase / (decrease) in liabilities				
Payable to the Management Company	2,662	222	824	(22)
Payable to the Trustee	108	3	37	2
Annual fee payable to Securities and Exchange Commission of Pakistan	230	(36)	154	35
Accrued expenses and other liabilities	767	260	36	271
	3,767	449	1,051	286
Net cash inflow from operating activities	64,002	87,332	30,418	16,161
CASH FLOW FROM FINANCING ACTIVITIES				
Net receipts from issue of units	1,105,299	38,477	458,431	37,515
Net payments on redemption of units	(602,283)	(59,019)	(233,174)	(58,022)
Distributions paid during the period	-	(2,997)	-	-
Net cash outflow on financing activities	503,016	(23,539)	225,257	(20,507)
Net increase / (decrease) in cash and cash equivalents during the period	567,018	63,793	255,675	(4,346)
Cash and cash equivalents at the beginning of the period	369,986	37,546	681,329	105,685
Cash and cash equivalents at the end of the period	937,004	101,339	937,004	101,339

The annexed notes 1 to 10 form an integral part of these 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 MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

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/VIS/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. Thereafter, on 25 August 2014, CDC was re-appointed as the new Trustee of the Fund, after MCBFSL retired on prior day.

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 A-(f) to the Fund.

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

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, 2014

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, 2015

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, 2014.

NAFA ISLAMIC AGGRESSIVE INCOME FUND

	Note	(Un-audited) March 31, 2015	(Audited) 30 June 2014
------(Rupees in '000)-----			
4 INVESTMENTS			
Available for sale			
- Sukuk bonds	4.1	22,176	38,236
At fair value through profit or loss - held for trading			
Sukuk bonds	4.2	<u>15,167</u>	<u>15,443</u>
		<u>37,343</u>	<u>53,679</u>

4.1 Sukuk bonds - available for sale

Name of the investee company	Number of certificates				Market value as at 31 March 2015	Investment as a percentage of	
	As at July 1, 2014	Purchases during the period	Sales during the period	As at 31 March 2015		Market value of net assets	Market value of total investments
(Rupees in '000)							
Engro Fertilizer Limited	4,600	-	-	4,600	11,460	1.18	30.69
Kohat Cement Company Limited	20,000	-	-	20,000	-	-	-
Maple Leaf Cement Factory Limited - Sukuk I	5,312	-	-	5,312	10,716	1.10	28.70
New Allied Limited-1st issue (note 4.1.1.1)	352,000	-	-	352,000	-	-	-
New Allied Limited-2nd issue (note 4.1.1.1)	1,000	-	-	1,000	-	-	-
Pak Electron Limited (note 4.1.1.2)	7,000	-	-	7,000	-	-	-
	<u>389,912</u>	<u>-</u>	<u>-</u>	<u>389,912</u>	<u>22,176</u>	<u>2.29</u>	<u>59.38</u>
Carrying value of investments as at 31 March 2015					<u>148,508</u>		
Provision held					<u>129,905</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 which have a face value of Rs 312.5.

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

4.1.1.2 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.

4.2 Sukuk bonds - At fair value through profit or loss - held for trading

Name of the investee company	Number of bonds				Market value as at 31 March 2015	Investment as a percentage of	
	As at July 1, 2014	Purchases during the period	Sales during the period	As at 31 March 2015		Market value of net assets	Market value of total investments
(Rupees in '000)							
K Electric AZM Sukuk (24.02-2014)	3,000	-	-	3,000	15,167	1.56	40.62
	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>15,167</u>	<u>1.56</u>	<u>40.62</u>
Carrying value of investments as at 31 March 2015					<u>15,442</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) 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 (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the year 2012, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Sindh High Court (SHC) in various Constitutional Petitions declared that amendments introduced in the WWF Ordinance, 1971 through Finance Act 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the court. The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. However, the Management Company, as a matter of abundant caution, have decided to continue to maintain the provision for WWF amounting to Rs.2.841 million (including Rs.0.827 million for the current period). Had the same not been made the net assets value per unit of the Fund would have been higher by Rs.0.0292 per unit.

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on March 31, 2015 and June 30, 2014.

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 period ended 31 March, 2015.

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 TRANSACTIONS WITH CONNECTED PERSONS

8.1 Connected persons include NBP Fullerton Asset Management Limited (NAFA)

Connected persons include NBP Fullerton Asset Management Limited (NAFA) being the Management Company, Central Depository Company of Pakistan Limited, MCB Financial Services Limited (MCBFSL) being Ex-Trustee, 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.

NAFA ISLAMIC AGGRESSIVE INCOME FUND

8.5 Details of the transactions with connected persons during the period are as follows: (Un-audited)

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rupees in '000)			
Management Company				
Management fee expense for the period	5,043	2,190	2,042	529
Front end load for the period	765	48	222	41
Sindh Sales tax on management fee	877	410	355	97
FED on Management Fee	807	350	327	84
National Bank of Pakistan - Sponsor				
Cash Dividend	-	2,933	-	-
Alexandra Fund Management Pte.				
Units redeemed Nil units 2014: 5,290,613 units)	-	50,000	-	50,000
MCB Financial Services Limited - Trustee				
Trustee fee for the period	67	129	-	46
Central Depository Company of Pakistan - Ex-Trustee				
Trustee fee for the period	737	-	347	-
CDS charges	63	25	44	9
Key management personnel of the Management Company				
Units issued 2,596,261 units (2014: 1,317,460 units)	25,115	12,244	8,121	12,244
Units redeemed 2,666,929 (2014: 251,056 units)	25,864	2,361	10,366	2,361
AKHUWAT				
Payment received from sale of GOP	-	20,501	-	-

(Un-Audited) (Audited)
As at As at 30
31 March June 2014
2015

8.6 Amounts outstanding as at period end

	(Rupees in '000)	
Management Company		
Management fee payable	770	59
Sindh sales tax payable on Management Fee	240	10
FED payable on Management Fee	1,223	417
Sindh sales tax and Federal Excise Duty on sales load	276	127
Front end load	1,146	380
MCB Financial Services Limited - Trustee		
Remuneration payable	-	31
Security deposits	-	100
Central Depository Company of Pakistan Limited - Ex Trustee		
Remuneration payable	139	-
Security deposits	100	100
CDS Charges	63	50
National Bank of Pakistan - Sponsor		
Investment held by the Sponsor in the Fund 8,031,156 units (30 June 2014: 8,031,156 units)	80,047	74,919
Balance in current account	1,367	268
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund 5,111,818 units (30 June 2014: 5,111,818 units)	50,949	47,686
Key management personnel of the Management Company		
Investment held in the Fund 2,367,027 units (30 June, 2014 : 1,527,354 units)	23,592	14,248
The Hub Power Company Limited		
Investment in HUBCO Short term Islamic Sukuk	-	24,000

NAFA ISLAMIC AGGRESSIVE INCOME FUND

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 21, 2015.

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

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20001

Fax: 021-35825335

Email: info@nafafunds.com

Website: www.nafafunds.com