

**AM2++**  
Listed by SECP



NBP Fullerton  
Asset Management Ltd.  
A Subsidiary of  
National Bank of Pakistan

## NAFA ISLAMIC ENERGY FUND

**QUARTERLY  
REPORT**  
**September  
30 2016**




*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.

# NAFA ISLAMIC ENERGY FUND

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# NAFA ISLAMIC ENERGY 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. Aamir Sattar              | Director                |
| Mr. Abdul Hadi Palekar        | Director                |
| Mr. Koh Boon San              | Director                |
| Mr. Lui Mang Yin (Martin Lui) | Director                |
| Mr. Kamal Amir Chinoy         | Director                |
| Mr. Shehryar Faruque          | Director                |
| Mr. Saiyed Hashim Ishaque     | Director                |

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

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

### Human Resource and Remuneration Committee

|                               |          |
|-------------------------------|----------|
| Mr. Kamal Amir Chinoy         | Chairman |
| Mr. Lui Mang Yin (Martin Lui) | Member   |
| Mr. Abdul Hadi Palekar        | 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

Silk Bank Limited  
United Bank Limited  
BankIslami Pakistan Limited  
Meezan Bank Limited  
Dubai Islamic Bank Pakistan Limited

# NAFA ISLAMIC ENERGY FUND

## **Auditors**

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

## **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: 111-111NFA (111-111-632),  
(Toll Free): 0800-20001,  
Fax: (021) 35825329  
Website: [www.nafafunds.com](http://www.nafafunds.com)

## **Lahore Office:**

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

## **Islamabad Office:**

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

## **Peshawar Office:**

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 ENERGY FUND

## DIRECTORS' REPORT

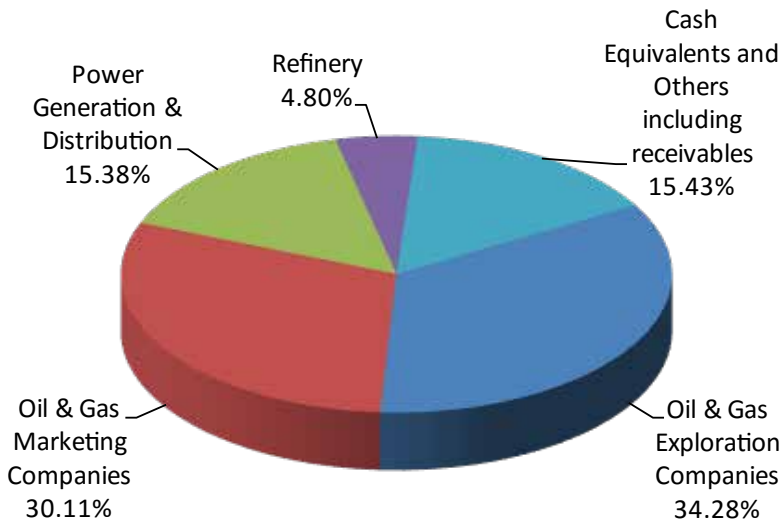
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Energy Fund (NIEF)** for the quarter ended September 30, 2016.

### Fund's Performance

The Fund size of NAFA Islamic Energy Fund (NIEF) at the end of the period stood at Rs.1,587 million, 54% higher compared to the previous quarter. During the first quarter the unit price of NIEF has increased from Rs. 10.5499 on June 30, 2016 to Rs. 11.8065 on September 30, 2016, thus showing an increase of 11.91%. The Benchmark (KMI-30 Index) increased by 4.23%. Thus, the Fund has outperformed its Benchmark by 7.68% during the period under review. Since inception (April 21, 2016), the unit price of the Fund has shown a growth of 22.53% as compared to 16.95% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 5.58%. This performance is net of management fee and all other expenses.

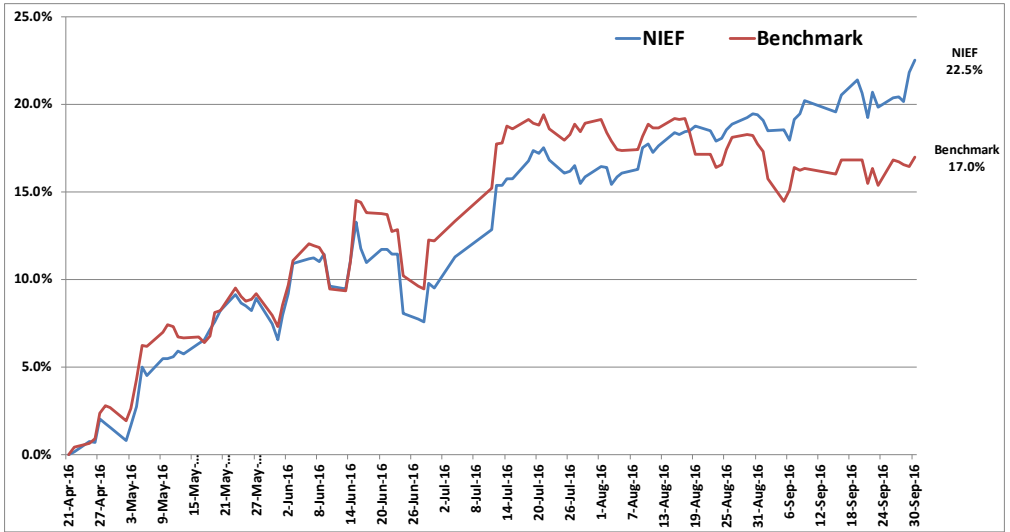
During Q1FY17, the stock market extended the rally that started from the lows hit at the end of February 2016, delivering a return of about 4.2%. Positives like improving economic prospects as captured in an all-time high foreign exchange reserves of US\$23.6bn, multi-year low inflation & interest rates, and pick-up in economic growth, albeit from low levels; attractive stock market valuations; and tepid returns on alternate investment avenues buoyed local investors' interest in the market. Better than expected corporate results announcements for the period ending June 30, 2016 provided the much needed confidence to the market participants. However, foreign investors remained sellers with outflows of US\$ 39.7 million recorded during the quarter. Automobile Assembler, Automobile Parts & Accessories, Engineering, and Textile Composite sectors performed better than the market whereas Cement and Fertilizer sectors lagged behind.

The Fund has earned total income of Rs.179.04 million during the period. After deducting expenses of Rs.10.18 million, the net income is Rs.168.86 million. The below chart presents the asset allocation of NIEF.



# NAFA ISLAMIC ENERGY 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 Fullerton Asset Management Limited

Chief Executive

Director

Date: October 28, 2016  
Place: Karachi.

# NAFA ISLAMIC ENERGY FUND

## ڈائریکٹرز رپورٹ

NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ، بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2016ء کو ختم ہونے والی سہ ماہی کے لیے NAFA اسلامک انرجی فنڈ (NIEF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتا ہے۔

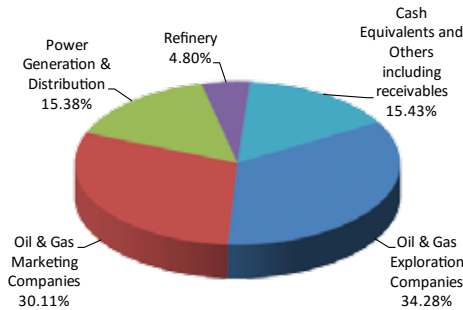
### فنڈ کی کارکردگی

NAFA اسلامک انرجی فنڈ (NIEF) کا فنڈ سائز، اس مدت کے اختتام پر 1,587 ملین روپے ہے جو گزشتہ سہ ماہی کے مقابلے میں %54 زیادہ ہے۔ پہلی سہ ماہی کے دوران NAAF کے یونٹ کی قیمت 30 جون 2016 کو 10.5499 روپے سے بڑھ کر 30 ستمبر 2016 کو 11.8065 روپے ہو چکی ہے اور اس طرح %11.91 اضافہ ہوا۔ بیچ مارک (30-KMI انڈیکس) میں %4.23 اضافہ ہوا۔ اس طرح فنڈ نے زیر جائزی عرصے کے دوران بیچ مارک سے %7.68 سے بہتر کارکردگی رہی۔

یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اپنے قیام (21 اپریل 2016ء) سے اب تک فنڈ نے اپنے بیچ مارک میں %16.95 اضافے کے مقابلے میں %22.53 نمود کھائی ہے، اس طرح فنڈ نے اپنے بیچ مارک کو %5.58 سے بہتر کارکردگی رہی۔ یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 2017 کی پہلی سہ ماہی کے دوران اسٹاک مارکیٹ نے تیزی کا وہ رجحان آگے بڑھایا جس کا آغاز فروری 2016 کے اختتام پر پست سطح سے ہوا تھا اور لگ بھگ %4.2 منافع پیش کیا۔ مثبت عوامل مثلاً بہتر ہوتے اقتصادی امکانات، جن کی نشاندہی 23.6 ارب امریکی ڈالر پر مشتمل ملکی تاریخ کے سب سے بلند زرمبادلہ کے ذخائر سے ہوتی ہے، کئی سال پر محیط کم تر افراط زر اور شرح سود، اور معاشی نمومیں تیزی، اسٹاک مارکیٹ میں پُرکشش آمدن اور سرمایہ کاری کے متبادل ذرائع سے بہتر نتائج کے باعث مقامی سرمایہ کاروں کی طرف سے اسٹاک مارکیٹ میں دل چسپی میں اضافہ ہوا۔ 30 جون 2016 کو ختم ہونے والی مدت کے لیے توقع سے بہتر کاروباری نتائج کے اعلانات نے مارکیٹ کے شرکاء کو درکار انتہائی ضروری اعتماد فراہم کیا۔ تاہم غیر ملکی سرمایہ کاروں کی طرف سے فروخت کا سلسلہ جاری رہا جس کے نتیجے میں سہ ماہی کے دوران 39.7 ملین ڈالر کا اخراج ریکارڈ کیا گیا۔ آٹوموبیل آسمبلرز، آٹوموبیل پارٹس اور ایسیریز، انجینئرنگ اور ٹیکسٹائل کمپوزٹ سیکٹرز نے مارکیٹ کے مقابلے میں بہتر کارکردگی کا مظاہرہ کیا جب کہ سینٹ اور فرٹیلائزر ریکٹرز پیمانہ دگی کا شکار ہے۔

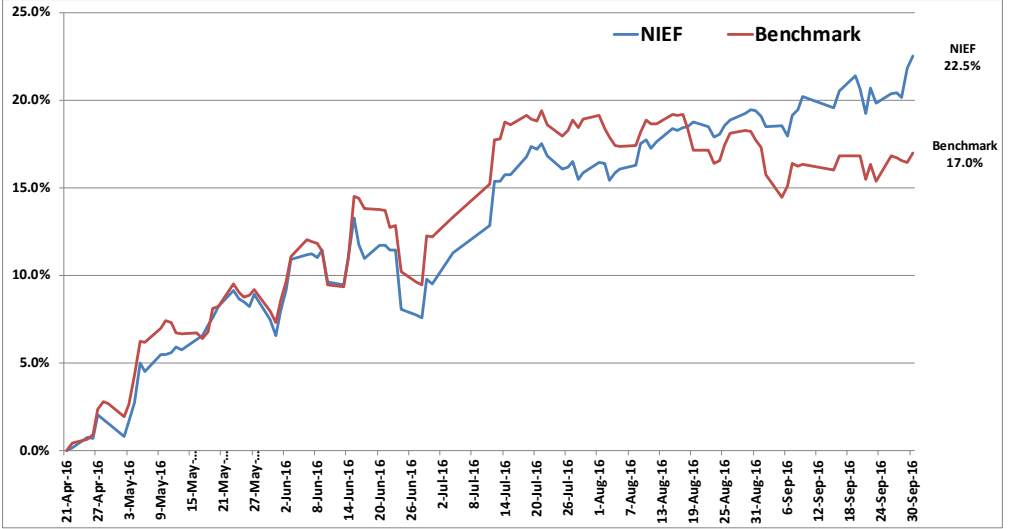
فنڈ نے اس مدت کے دوران 179.04 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 10.18 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 168.86 ملین روپے رہی۔ درج ذیل چارٹ NIEF کی ایسیٹ ایلوکیشن پیش کرتا ہے:





# NAFA ISLAMIC ENERGY FUND

NIEF کی کارکردگی بمقابلہ بیچ مارک (قیام سے اب تک)



## اظہارِ تشکر

بورڈ اس موقع کا 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 سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہارِ تشکر کرتا ہے۔ بورڈ اپنے اسٹاف اور آرٹسٹ کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراجِ تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ

28 اکتوبر 2016

مقام: کراچی

# NAFA ISLAMIC ENERGY FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016

|   | Note | Un-Audited<br>September 30,<br>2016 | Audited<br>June 30,<br>2016 |
|---|------|-------------------------------------|-----------------------------|
| (Rupees in '000)  |      |                                     |                             |
| <b>ASSETS</b>   |      |                                     |                             |
| Balances with banks   |      | 252,710                             | 123,181                     |
| Investments   | 4    | 1,342,190                           | 959,794                     |
| Receivable against issue of units                                       |      | 6,443                               | 202,911                     |
| Dividend and profit receivable  | 5    | 18,120                              | 2,766                       |
| Preliminary expenses and floatation costs                               |      | 2,079                               | 2,195                       |
| Prepayments and other receivables                                       |      | 56                                  | -                           |
| Security deposits   |      | 2,600                               | 2,600                       |
| <b>Total assets</b>   |      | <b>1,624,198</b>                    | <b>1,293,447</b>            |
| <b>LIABILITIES</b>  |      |                                     |                             |
| Payable to NBP Fullerton Asset Management Limited - Management Company  |      | 15,756                              | 10,497                      |
| Payable to the Central Depository Company of Pakistan Limited - Trustee |      | 233                                 | 203                         |
| Payable to the Securities and Exchange Commission of Pakistan           |      | 502                                 | 173                         |
| Payable against redemption of units                                     |      | 9,586                               | 240,024                     |
| Dividend payable  |      | -                                   | 80                          |
| Accrued expenses and other liabilities                                  | 6    | 10,953                              | 9,371                       |
| <b>Total liabilities</b>  |      | <b>37,030</b>                       | <b>260,348</b>              |
| <b>NET ASSETS</b>   |      | <b>1,587,168</b>                    | <b>1,033,099</b>            |
| <b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>                  |      | <b>1,587,168</b>                    | <b>1,033,099</b>            |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                    | 7    |                                     |                             |
| <b>Number of units in issue</b>   |      | <b>134,431,299</b>                  | <b>97,924,755</b>           |
| <b>NET ASSET VALUE PER UNIT</b>   |      | <b>11.8065</b>                      | <b>10.5499</b>              |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC ENERGY FUND

## CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|   | Note | Quarter Ended<br>September<br>30, 2016<br><br>(Rupees in '000) |
|---|------|--|
| <b>INCOME</b>   |      |  |
| Net gain on sale of investments   |      | 12,745   |
| Dividend Income   |      | 13,608   |
| Profit on bank deposits   |      | 4,019  |
| Unrealised appreciation on re-measurement of investments classified as<br>financial assets 'at fair value through profit or loss' - net |      | 127,940  |
| <b>Total loss</b>   |      | 158,312  |
| <br><b>EXPENSES</b>   |      |  |
| Remuneration of NBP Fullerton Asset Management Limited<br>Management Company  |      | 6,922  |
| Sindh sales tax on remuneration of the Management Company   |      | 900  |
| Remuneration to Central Depository Company of Pakistan Limited- Trustee   |      | 598  |
| Sindh sales tax on remuneration of Trustee  |      | 78   |
| Annual fee - Securities and Exchange Commission of Pakistan   |      | 329  |
| Securities transaction cost   |      | 525  |
| Settlement and bank charges   |      | 147  |
| Shariah advisor fee   |      | 76   |
| Amortisation of preliminary expenses and floatation costs   |      | 114  |
| Accounting and operational charges to the Management Company  |      | 346  |
| Annual listing fee  |      | 10   |
| Auditors' remuneration  |      | 120  |
| Printing charges  |      | 18   |
| <b>Total Expenses</b>   |      | 10,183   |
| <b>Net income from operating activities</b>   |      | 148,129  |
| Net element of income/(loss) and capital gains/(losses) included<br>'in prices of units issued less those in units redeemed             |      | 20,729   |
| Provision for Workers' Welfare Fund   | 8    | -  |
| <b>Net income for the period before taxation</b>  |      | 168,858  |
| Taxation  | 9    | -  |
| <b>Net income for the period after taxation</b>   |      | 168,858  |
| <b>Earnings per unit</b>  | 10   |  |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC ENERGY FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|  | Quarter Ended<br>September<br>30, 2016<br>(Rupees in '000) |
|--|--|
| Net income for the period after taxation         | 168,858  |
| Other Comprehensive Income                       | -  |
| <b>Total comprehensive income for the period</b> | <u><u>168,858</u></u>                                      |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC ENERGY FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016

Quarter Ended  
September  
30, 2016  
(Rupees in '000)

|   |                |
|---|----------------|
| Undistributed income brought forward                                |                |
| Realised income   | (9,347)        |
| Unrealised income   | 63,199         |
|   | <u>53,852</u>  |
| Net income for the period after taxation                            | 168,858        |
| Undistributed income carried forward                                | <u>222,710</u> |
| <b>Undistributed income at the end of the period comprising of:</b> |                |
| Realised income   | 94,770         |
| Unrealised gain   | 127,940        |
|   | <u>222,710</u> |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC ENERGY FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|   | Quarter Ended<br>September<br>30, 2016<br>(Rupees in '000) |
|---|--|
| Net assets at the beginning of the period   | 1,033,099  |
| Issue of 50,077,195 units   | 560,506  |
| Redemption of 13,570,651 units  | (154,566)  |
|   | 405,940  |
| Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed | (20,729)   |
| Net unrealised appreciation / (diminution) on re-measurement as 'financial assets at fair value through profit or loss'     | 127,940  |
| Capital gain on sale of investments - net   | 12,745   |
| Other income (net of expenses) for period   | 28,173   |
|   | 168,858  |
| <b>Net assets at the end of the period</b>  | <b><u>1,587,168</u></b>                                    |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC ENERGY FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|   | Un-Audited<br>Quarter ended<br>September 30,<br>2016<br>(Rupees in '000) |
|---|--|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |  |
| Net income for the period before taxation   | 168,858  |
| <b>Adjustments</b>  |  |
| Element of income and capital gains included in prices of units issued less those in units redeemed - net | (20,729)   |
| Net unrealised diminution on re-measurement financial assets 'at fair value through profit or loss' - net | (127,940)  |
| Amortisation of preliminary expenses and floatation costs   | 116  |
|   | <hr/> 20,305   |
| <b>(Increase) / decrease in assets</b>  |  |
| Investments   | (254,456)  |
| Dividend and profit receivable  | (15,354)   |
| Prepayments and other receivables   | (56)   |
|   | <hr/> (269,866)  |
| <b>Increase / (decrease) in liabilities</b>   |  |
| Payable to the Management Company   | 5,259  |
| Payable to the Trustee  | 30   |
| Payable to the Securities and Exchange Commission of Pakistan   | 329  |
| Dividend payable  | (80)   |
| Accrued expenses and other liabilities  | 1,582  |
|   | <hr/> 7,120  |
| <b>Net cash (used in) operating activities</b>  | <hr/> (242,441)  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |  |
| Net receipts from issue of units  | 756,974  |
| Net payments on redemption of units   | (385,004)  |
| <b>Net cash generated from financing activities</b>   | <hr/> 371,970  |
| <b>Net increase in cash and cash equivalents during the period</b>  | <hr/> 129,529  |
| Cash and cash equivalents at the beginning of the period  | 123,181  |
|   | <hr/> <hr/> 252,710  |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC ENERGY FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Energy 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 March 28, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 07, 2016 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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. Due to a fire incident in the month of June 2016 at the registered office of the Management Company, its office has been temporarily shifted to 2nd floor, Ex - NDFC Building, Tariq Road, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund's pre-IPO investment was received on April 19, 2016. It is an open-ended mutual fund 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 Fund is categorised as an Open-End "Shariah Compliant Equity Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

The core objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of shariah compliant listed equities belonging to the energy sector.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ to the Management Company as at August 04, 2016. The Fund has not been rated so far.

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

The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up on the occurrence of certain events as specified in offering document of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) 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 Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail..

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'.



# NAFA ISLAMIC ENERGY FUND

The directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2016

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Principle accounting policies adopted for the preparation of this condensed interim financial statements for the quarter ended September 30, 2016 are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2016.

## 4 INVESTMENTS

|  | (Un-Audited)<br>September 30,<br>2016 | (Audited)<br>June 30,<br>2016 |
|--|---------------------------------------|-------------------------------|
| Note   | (Rupees in '000)                      |                               |
| <b>Financial assets 'at fair value through profit or loss'</b> |                                       |                               |
| - Listed equity securities                                     | 4.1 <u>1,342,190</u>                  | <u>959,794</u>                |

### 4.1 Investments in shares of listed companies at fair value through profit or loss

| Name of the investee company             | As at July 1, 2016 | Purchases during the period | Bonus / right shares | Sales during the period | As at September 30, 2016 | Market value as at September 30, 2016 | Market value as a percentage of net assets | Market value as a percentage of total investment | Paid up capital of investee company held |
|--|--------------------|-----------------------------|----------------------|-------------------------|--------------------------|---------------------------------------|--|--|--|
|  |                    |                             |                      |                         |                          | (Rupees in '000)                      | ------%                                    |  |  |
| <b>OIL AND GAS EXPLORATION COMPANIES</b> |                    |                             |                      |                         |                          |                                       |  |  |  |
| Mari Petroleum Company Limited           | 157,550            | 30,000                      | -                    | -                       | 187,550                  | 179,022                               | 11.28                                      | 13.34  | 0.02                                     |
| Oil & Gas Development Company Limited    | 499,300            | 161,000                     | -                    | -                       | 660,300                  | 93,254                                | 5.88                                       | 6.95   | -  |
| Pakistan Oilfields Limited               | 317,900            | 104,200                     | -                    | 39,500                  | 382,600                  | 153,541                               | 9.67                                       | 11.44  | 0.02                                     |
| Pakistan Petroleum Limited               | 677,500            | 61,300                      | -                    | 16,500                  | 722,300                  | 118,219                               | 7.45                                       | 8.81   | -  |
| <b>OIL AND GAS MARKETING COMPANIES</b>   |                    |                             |                      |                         |                          |                                       |  |  |  |
| Attock Petroleum Limited                 | 96,100             | 1,800                       | -                    | -                       | 97,900                   | 50,908                                | 3.21                                       | 3.79   | 0.01                                     |
| Pakistan State Oil Company Limited       | 340,900            | 89,500                      | -                    | 8900                    | 421,500                  | 174,560                               | 11.00                                      | 13.01  | 0.02                                     |
| Shell (Pakistan) Limited                 | 176,600            | 124,300                     | -                    | -                       | 300,900                  | 123,387                               | 7.77                                       | 9.19   | 0.03                                     |
| Sui Northern Gas Pipelines Limited       | 1,625,000          | 947,000                     | -                    | 710,000                 | 1,862,000                | 93,323                                | 5.88                                       | 6.95   | 0.03                                     |
| Sui Southern Gas Company                 | -                  | 879,500                     | -                    | -                       | 879,500                  | 35,655                                | 2.25                                       | 2.66   | 0.01                                     |
| <b>POWER GENERATION AND DISTRIBUTION</b> |                    |                             |                      |                         |                          |                                       |  |  |  |
| Hub Power Company Limited                | 386,300            | 127,500                     | -                    | -                       | 513,800                  | 61,230                                | 3.86                                       | 4.56   | -  |
| Kot Addu Power Company Limited           | 757,000            | 458,500                     | -                    | -                       | 1,215,500                | 101,725                               | 6.41                                       | 7.58   | 0.01                                     |
| K-Electric Limited                       | 6,429,000          | 3,112,000                   | -                    | 735,000                 | 8,806,000                | 81,103                                | 5.11                                       | 6.04   | 0.01                                     |
| <b>REFINERY</b>                          |                    |                             |                      |                         |                          |                                       |  |  |  |
| Attock Refinery Limited                  | 183,600            | 49,900                      | -                    | 39,400                  | 194,100                  | 63,253                                | 3.99                                       | 4.71   | 0.02                                     |
| National Refinery Limited                | 73,200             | -                           | -                    | 50,200                  | 23,000                   | 13,009                                | 0.82                                       | 0.97   | -  |
|  |                    |                             |                      |                         | <b>16,266,950</b>        | <b>1,342,190</b>                      | <b>84.57</b>                               | <b>100.00</b>                                    |  |
| Carrying value as at September 30, 2016  |                    |                             |                      |                         |                          | <u>1,214,250</u>                      |  |  |  |

# NAFA ISLAMIC ENERGY FUND

|  | (Un-audited)<br>September 30,<br>2016 | (Audited)<br>June 30,<br>2016 |
|--|---------------------------------------|-------------------------------|
| <b>5 DIVIDEND AND PROFIT RECEIVABLE</b>            | (Rupees in '000)                      |                               |
| Accrued profit on profit and loss sharing accounts | 2,556                                 | 931                           |
| Dividend receivable                                | 15,564                                | 1,835                         |
|  | <u>18,120</u>                         | <u>2,766</u>                  |
| <b>6 ACCRUED EXPENSES AND OTHER LIABILITIES</b>    |                                       |                               |
| Auditors' remuneration                             | 425                                   | 305                           |
| Legal fee  | 11                                    | 17                            |
| Brokerage payable                                  | 526                                   | 735                           |
| Settlement charges                                 | 114                                   | 28                            |
| Bank charges                                       | 56                                    | 10                            |
| Withholding tax payable                            | 9,384                                 | 8,053                         |
| Haram portion of dividend                          | 171                                   | 50                            |
| Printing charges                                   | 108                                   | 90                            |
| Shariah advisor fee                                | 158                                   | 83                            |
|  | <u>10,953</u>                         | <u>9,371</u>                  |

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2016 and June 30, 2016.

## 8 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, no provision of WWF has been made in these financial statements.

## 9 TAXATION

The income of the Fund is exempt from income tax under 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 its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current year as the Management company has decided to distribute the required minimum percentage of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 10 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

## 11 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 2.93% p.a. including 0.38% representing government levies on collective Investment scheme such as Sales tax, Worker's Welfare Fund and Securities & Exchange Commission of Pakistan fee for the same period.

## 12 TRANSACTIONS WITH CONNECTED PERSONS

12.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Alexandra Fund Management Pte. Limited being the sponsors, NAFA provident Trust Fund being the employee contribution plan of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

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

12.3 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.

# NAFA ISLAMIC ENERGY FUND

## 12.4 Details of the transactions with connected persons are as follows:

|  | Un-audited<br>Quarter Ended<br>September 30,<br>2016<br>(Rupees in '000) |
|--|--|
| <b>NBP Fullerton Asset Management Limited - Management Company</b> |  |
| Remuneration of the Management Company                             | 6,922  |
| Sindh sales tax on remuneration of the Management Company          | 900  |
| Accounting and operational charges to the Management Company       | 346  |
| Sales load paid to the Management Company                          | 826  |
| <b>NBP Fullerton Asset Management Limited - Management Company</b> |  |
| Units issued / transferred in (498,268 units)                      | 5,694  |
| Units redeemed / Transferred out ( 614,498)                        | 6,995  |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>    |  |
| Remuneration   | 598  |
| Sindh sales tax on remuneration of Trustee                         | 78   |
| <b>Javed Ahmed*</b>  |  |
| Units issued / transferred in (15,013,795 units)                   | 163,225  |

## 12.5 Amounts outstanding as at period end

|   | Un-audited<br>September 30,<br>2016 | Audited<br>June 30,<br>2016 |
|---|-------------------------------------|-----------------------------|
|   | ------(Rupees in '000)-----         |                             |
| <b>NBP Fullerton Asset Management Limited - Management Company</b>        |                                     |                             |
| Payable to the Management Company   | 2,472                               | 1,926                       |
| Sindh sales tax on remuneration of Management Company                     | 321                                 | 313                         |
| Federal excise duty on remuneration of Management Company                 | 583                                 | 583                         |
| Front-end load payable  | 4,722                               | 793                         |
| Sindh sales tax on front end load   | 626                                 | 129                         |
| Federal excise duty on front end load                                     | 1,557                               | 1,624                       |
| Other Payable   |                                     |                             |
| - Initial deposit on opening of bank accounts                             | 25                                  | 25                          |
| - Listing fee   | 40                                  | 40                          |
| - Security deposit paid to National Clearing Company of Pakistan Limited  | 2,500                               | 2,500                       |
| - Security deposit paid to Central Depository Company of Pakistan Limited | 100                                 | 100                         |
| - Preliminary expenses and floatation costs                               | 2,282                               | 2,282                       |
| - Accounting and operational charges charged by the Management Company    | 528                                 | 182                         |
| Units held: 10,194,849 (June 2016; 10,194,849 units)                      | 120,365                             | 107,555                     |
| <b>Employees of the Management Company</b>                                |                                     |                             |
| Units held: 294,338 units ( June 2016 ; 410,567 )                         | 3,475                               | 4,331                       |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>           |                                     |                             |
| Trustee fee   | 206                                 | 178                         |
| Sindh sales tax on the remuneration of trustee                            | 114                                 | 25                          |
| Security deposit  | 27                                  | 100                         |
| <b>Summit Bank Limited (Common Directorship)</b>                          |                                     |                             |
| Bank Balances   | 3,847                               | 566                         |
| <b>Net amount receivable against issuance of units from:</b>              |                                     |                             |
| NAFA Islamic Aggressive Income Fund                                       | -                                   | 202,495                     |
| NAFA Islamic Principal Protected Fund - II                                | -                                   | 416                         |
| <b>Net amount payable against redemption of units to:</b>                 |                                     |                             |
| NAFA Financial Sector Income Fund   | -                                   | 3,971                       |
| NAFA Government Securities Liquid Fund                                    | -                                   | 5,171                       |
| NAFA Islamic Asset Allocation Fund  | -                                   | 214,029                     |
| NAFA Islamic Stock Fund   | -                                   | 2,139                       |
| NAFA Money Market Fund  | -                                   | 509                         |
| NAFA Stock Fund   | -                                   | 14,205                      |
| <b>Javed Ahmed*</b>   |                                     |                             |
| Units held: 15,013,795 (June 2016; Nil units)                             | 177,260                             | -                           |

\* These represents unit holder, holding 10% or more of the units in the fund at the close of the period.

# NAFA ISLAMIC ENERGY FUND

## 13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 28, 2016.

## 14 GENERAL

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

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

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