

**AM2+**  
Rated by PACRA



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

## **NAFA RIBA FREE SAVINGS FUND**

# **QUARTERLY REPORT MARCH 31 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 RIBA FREE SAVINGS FUND

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# NAFA RIBA FREE SAVINGS 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 & 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. 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 Limited  
Bank Alfalah Limited  
Burj Bank Limited  
Habib Bank Limited  
Meezan Bank Limited  
United Bank Limited  
Summit Bank Limited  
NIB Bank Limited  
BankIslami Pakistan Limited  
MCB Bank Limited  
Silk Bank Limited  
Dubai Islamic Bank Pakistan Limited  
National Bank of Pakistan  
Allied Bank Limited  
Sindh Bank Limited  
Bank Al Habib Limited

# NAFA RIBA FREE SAVINGS FUND

## Auditors

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

## Legal Advisor

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:

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

## Multan Office:

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

# NAFA RIBA FREE SAVINGS FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Riba Free Savings Fund (NRFSF)** for the period ended March 31, 2016.

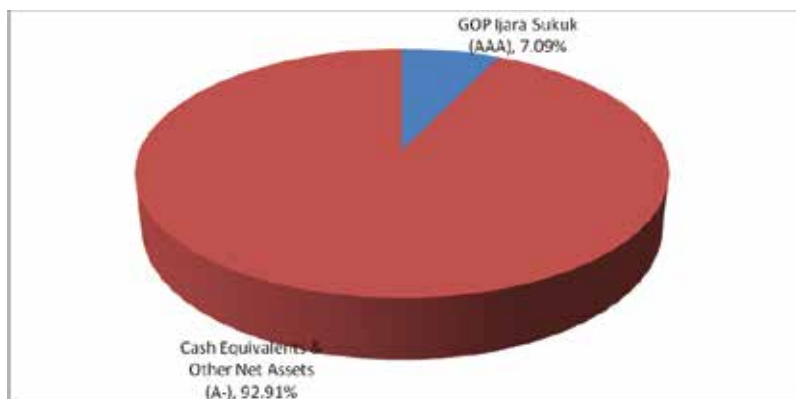
### Fund's Performance

The size of NAFA Riba Free Savings Fund has increased from Rs. 799 million to Rs. 1,422 million during the period, i.e. an increase of 78.0%. During the period, the unit price of the Fund has increased from Rs. 10.1642 on June 30, 2015 to Rs. 10.5906 on March 31, 2016, thus showing a return of 5.57% as compared to the benchmark (average 6-Month Deposit Rate of 'A-' and above rated Islamic banks) return of 4.96% for the same period. The performance of the Fund is net of management fee and all other expenses.

NRFSF is an Islamic Income Scheme with no direct or indirect exposure to the stock market and corporate sukus. The stability rating of the Fund by PACRA is 'A (f)', which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile. The maturity of any single instrument except GOP Ijarah Sukuks cannot exceed six months.

During the period under review, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP highlighted: i) benign inflation readings and anchored near-term inflation expectation; ii) high real lending rates; iii) comfortable external account position; and (iv) improving law and order situation; and macroeconomic stability. In the period under review, MoF Conducted auction for a floating rate GOP Ijarah Sukuk and accepted Rs.118 billion against the target of Rs.100 billion. Auctions for the Fixed Rental Rate GOP Ijarah Sukuk were also conducted where an amount of Rs.196 billion was accepted against the target of Rs.180 billion. Foreign exchange reserves reached a comfortable level of USD 20 billion. Inflation as measured by the CPI clocked-in at 3.9% on a year-on-year basis in March compared with 3.2% in June 2015.

The Fund has earned total income of Rs.74.18 million during the period. After deducting expenses of Rs.16.93 million, the net income is Rs.57.25 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NRFSF.



# NAFA RIBA FREE SAVINGS FUND

## Acknowledgement

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

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

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: April 29, 2016  
Place: Karachi.

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2016

	Note	Un-Audited March 31, 2016	Audited June 30, 2015
----- Rupees in '000 -----			
<b>ASSETS</b>			
Balances with banks		1,336,375	1,467,701
Investments	4	100,750	138,011
Prepayment and other receivables		10	150
Security deposit		200	200
Profit receivable		9,231	7,965
Preliminary expenses and floatation costs		-	45
Receivable against issue of units		171	19,572
<b>Total assets</b>		<b>1,446,737</b>	<b>1,633,644</b>
<b>LIABILITIES</b>			
Payable to the Management Company		11,608	11,088
Payable to the Trustee		204	180
Payable to Securities and Exchange Commission of Pakistan		761	1,110
Payable against redemption of units		1,118	773,811
Dividend payable		-	33,390
Accrued expenses and other liabilities		11,184	14,847
<b>Total liabilities</b>		<b>24,875</b>	<b>834,426</b>
<b>NET ASSETS</b>		<b>1,421,862</b>	<b>799,218</b>
<b>Unit holders' fund (As per statement attached)</b>		<b>1,421,862</b>	<b>799,218</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
-----Number of units-----			
<b>Number of units in issue</b>		<b>134,257,245</b>	<b>78,630,792</b>
-----Rupees-----			
<b>Net asset value per unit</b>		<b>10.5906</b>	<b>10.1642</b>

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

	Note	Nine months ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
----- Rupees in '000 -----					
<b>INCOME</b>					
Profit on bank deposits		65,912	95,783	22,956	25,934
Capital (loss)/gain on sale of investments - net		(1,010)	(1,115)	(163)	-
Income on GOP Ijara Sukuks		6,186	10,910	1,850	3,235
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		750	(2,627)	(320)	716
<b>Total income</b>		<b>71,838</b>	<b>102,951</b>	<b>24,323</b>	<b>29,885</b>
<b>EXPENSES</b>					
Remuneration of the Management Company		9,857	13,648	2,346	3,929
Sindh sales tax on remuneration of the Management Company		1,601	2,375	381	684
FED on remuneration of the Management Company		1,577	2,184	375	629
Remuneration of the Trustee		1,491	1,566	524	477
Sindh Sales Tax on remuneration of the Trustee		209	-	74	-
Annual fee - Securities and Exchange Commission of Pakistan		761	819	276	236
Allocated expenses		517	-	368	-
Annual listing fee		30	40	10	-
Securities transaction cost		12	62	12	48
Bank charges		135	157	40	15
Auditors' remuneration		497	536	127	152
Fund rating fee		151	169	-	48
Printing and related costs		54	85	18	-
Amortisation of preliminary expenses and floatation costs		45	138	-	45
Legal and professional charges		-	25	-	-
<b>Total expenses</b>		<b>16,937</b>	<b>21,804</b>	<b>4,551</b>	<b>6,263</b>
<b>Net income from operating activities</b>		<b>54,901</b>	<b>81,147</b>	<b>19,772</b>	<b>23,622</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		2,345	-	(3,140)	-
Provision for workers' welfare fund	5	-	(1,623)	-	(473)
<b>Net income for the period before taxation</b>		<b>57,246</b>	<b>79,524</b>	<b>16,632</b>	<b>23,149</b>
Taxation	7	-	-	-	-
<b>Net income for the period after taxation</b>		<b>57,246</b>	<b>79,524</b>	<b>16,632</b>	<b>23,149</b>
<b>Earnings per unit</b>					

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

	<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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	----- Rupees in '000 -----			
Net income for the period after taxation	57,246	79,524	16,632	23,149
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>57,246</u>	<u>79,524</u>	<u>16,632</u>	<u>23,149</u>

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- Rupees in '000 -----			
Undistributed income brought forward	14,135	9,432	54,749	55,181
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed			-	
Net income for the period after taxation	57,246	79,524	16,632	23,149
Undistributed income carried forward				
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	2,289	-	12,915
Undistributed income carried forward	<u>71,381</u>	<u>91,245</u>	<u>71,381</u>	<u>91,245</u>

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
----- Rupees in '000 -----				
Net assets at the beginning of the period	799,218	1,657,030	1,485,909	1,272,602
Issue of 235,878,639 units including Nil bonus units (2015: 122,673,021 units including Nil bonus units )	2,427,628	1,281,229	281,589	587,037
Redemption of 180,252,186 units (2015:142,983,994 units)	(1,859,885)	(1,484,175)	(365,408)	(349,180)
	567,743	(202,946)	(83,819)	237,857
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed transferred to income statement	(2,345)	-	3,140	-
- amount representing (income) / losses that form part of the unit holders' fund transferred to Distribution Statement	-	(2,289)	-	(12,915)
	-	(2,289)	-	(12,915)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	750	(2,627)	(320)	716
Capital gain on sale of investments	(1,010)	(1,115)	(163)	-
Other operating income	57,506	83,266	17,115	22,433
<b>Net income for the period</b>	57,246	79,524	16,632	23,149
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	2,289	-	12,915
<b>Net assets as at the end of the period</b>	1,421,862	1,533,608	1,421,862	1,533,608

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
----- Rupees in '000 -----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	57,246	79,524	16,632	23,149
<b>Adjustments</b>				
Element of (income)/loss and capital gains included in prices of units issued less those in units redeemed - net	(2,345)	-	3,140	-
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(750)	2,627	320	(716)
Loss on sale of investments - net	1,010	1,115	163	-
Amortisation of preliminary expenses and floatation costs	45	138	-	45
	<u>55,206</u>	<u>83,404</u>	<u>20,255</u>	<u>22,478</u>
<b>(Increase) / decrease in assets</b>				
Investments - net	37,001	238,417	26,001	-
Advances, deposits, prepayments and other receivables	140	121	10	-
Profit receivable	(1,266)	11,971	198	435
	<u>35,875</u>	<u>250,509</u>	<u>26,209</u>	<u>435</u>
<b>Increase / (decrease) in liabilities</b>				
Payable to the Management Company	520	2,265	6	686
Payable to the Trustee	24	(101)	(1)	(2)
Payable to Securities and Exchange Commission of Pakistan	(349)	(1,562)	276	236
Accrued expenses and other liabilities	(3,663)	1,946	504	792
	<u>(3,468)</u>	<u>2,548</u>	<u>785</u>	<u>1,712</u>
<b>Net cash generated from / (used in) from operating activities</b>	<u>87,613</u>	<u>336,461</u>	<u>47,249</u>	<u>24,625</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	2,447,029	1,281,229	307,705	587,037
Payment on redemption of units	(2,632,578)	(3,000,043)	(373,797)	(347,971)
Distribution paid	(33,390)	-	-	-
<b>Net cash (used in) / generated from financing activities</b>	<u>(218,939)</u>	<u>(1,718,814)</u>	<u>(66,092)</u>	<u>239,066</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>(131,326)</u>	<u>(1,382,353)</u>	<u>(18,843)</u>	<u>263,691</u>
Cash and cash equivalents at the beginning of the period	1,467,701	2,791,207	1,355,218	1,145,163
<b>Cash and cash equivalents at end of the period</b>	<u>1,336,375</u>	<u>1,408,854</u>	<u>1,336,375</u>	<u>1,408,854</u>

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA RIBA FREE SAVINGS FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Riba Free Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 14, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

On January 11, 2013, MCB Financial Services Limited (MCB-FSL) was appointed as the new Trustee of the Fund, after CDC retired on the prior day. The appointment of the new Trustee was made as per clause 21 of the Trust Deed and Regulation 42(3) of the NBFC and Notified Entities Regulations 2008. The supplemental Trust Deed of the Fund was signed on November 16, 2012. Thereafter, on September 4, 2013, CDC was re-appointed as the new Trustee of the Fund, after MCB-FSL retired on the prior day and the supplemental Trust Deed was signed on July 29, 2013.

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

The Fund is an open-end mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the Fund can be transferred to / from the Funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The Fund is categorised as an Open-End Islamic "Income Scheme" as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / debt securities.

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

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan (CDC) Limited as 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 for interim financial reporting. 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 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 Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2015.

In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2016.

### 3 SIGNIFICANT 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, 2015.

# NAFA RIBA FREE SAVINGS FUND

	Note	Un-Audited March 31, 2016	Audited June 30, 2015
		----- Rupees in '000 -----	
<b>4 INVESTMENTS</b>			
<b>At fair value through profit or loss - held for trading</b>			
Government of Pakistan Ijarah Sukuks	4.1	100,750	138,011
		<u>100,750</u>	<u>138,011</u>

## 4.1 Government of Pakistan Ijara Sukuks - at fair value through profit or loss

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

Name of the investee company	Issue Date	Number of certificates				Market value as at March 31, 2016	Investment as a percentage of	
		As at July 01, 2015	Purchases during the period	Sales during the period	As at March 31, 2016		Net assets	Market value of total investments
						Rupees in '000	-----%-----	
GoP Ijara Sukuk X	02-Mar-2012 to 21-Nov-2015	400	-	400	-	-	-	-
GoP Ijara Sukuk XI	30-Apr-2012 to 21-Nov-2015	240	-	240	-	-	-	-
GoP Ijara Sukuk XIII	18-Sept-2012 to 21-Nov-2015	470	-	470	-	-	-	-
GoP Ijara Sukuk XIV	28-Mar-2013 to 28-Mar-2016	260	-	260	-	-	-	-
GoP Ijara Sukuk XVI	18-Dec-2015 to 18-Dec-2018	-	1,000	-	1,000	100,750	7%	100%
						<u>100,750</u>		
Carrying Value as at March 31, 2016						100,000		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'						<u>750</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 Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2012, the Honourable 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, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 10.079 million in these condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at March 31, 2016 would have been higher by Rs 0.0751 per unit.

The Finance Act, 2015 has excluded Collective Investment Schemes (CISs) from the definition of 'industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, the Management Company has discontinued further provisioning of WWF with effect from 1 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending before the Sindh High Court (SHC).

## 6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2016 and June 2016.

# NAFA RIBA FREE SAVINGS FUND

## 7 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 ninety percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision for taxation has been made in this condensed interim financial information.

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

	----- (Un-Audited) -----			
	Nine months ended		Quarter ended	
8.5 Transactions during the period	March 31,	March 31,	March 31,	March 31,
NBP Fullerton Asset Management Limited	2016	2015	2016	2015
- Management Company	----- Rupees in '000 -----			
Management remuneration for the period	9,857	13,648	2,346	3,929
Sale Load for the period	382	717	230	350
Sindh sales tax on remuneration of the Management Company	1,601	2,375	381	684
FED on remuneration of the Management Company	1,577	2,184	375	629
Allocated expenses	517	-	368	-
Units redeemed / transferred out Nil units; (2015: 5,023,573 units)	-	51,829	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration	1,491	1,566	524	477
Sindh Sale tax on Remuneration	209	-	74	-
CDS Charges	11	-	9	-
<b>Employees of Management Company</b>				
Bonus units issued Nil units; (2015: Nil units)		-	-	-
Units issued / transferred in 1,296,120 units; (2015: 598,371 units)	13,447	5,285	7,337	2,204
Units redeemed / transferred out 1,312,233 units; (2015: 736,355 units)	13,634	7,344	6,086	404
<b>National Bank of Pakistan - Sponsor</b>				
Bonus units issued (Nil units; 2015: Nil units)	-	-	-	-
Distribution paid Nil	33,390	-	-	-
<b>Capt. Haleem A. Siddiqui</b>				
Unit holder with more than 10% units holding				
Units issued / transferred in 18,754,025 units (2015: Nil units)	192,066	-	-	-
<b>Export Processing Zone Authority</b>				
Unit holder with more than 10% units holding				
Units issued / transferred in 28,516,027 units (2015: Nil units)	292,911	-	36,238	-
Units redeemed / transferred out 17,500,203 units (2015: Nil units)	179,829	-	33,053	-



# NAFA RIBA FREE SAVINGS FUND

	(Un-Audited) As at March 31, 2016	(Audited) As at June 30, 2015
<b>9 Balances outstanding as at period / year end</b>		
	------(Rupees in '000)-----	
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Remuneration payable	774	1,622
Sales load/Transfer Load payable	35	132
Sindh sales tax payable on remuneration of the Management Company	127	283
FED payable on remuneration of the Management Company	10,350	8,773
Sindh sales tax on sales load payable	6	23
FED Excise duty on sales load payable	316	255
Investment held in the Fund Nil units; (June 30, 2014: 5,023,573 units)	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	179	180
Sale tax on Remuneration payable	25	-
CDS settlement charges payable	57	51
Security deposit	200	200
<b>National Bank of Pakistan - Sponsor</b>		
Payable against redemption fo units	-	496,824
Balance in current account	2,137	2,299
Dividend payable	-	33,390
<b>Employees of Management Company</b>		
Investment held in the Fund 154,334 units (June 30, 2015: 170,447 units)	1,634	1,732
<b>Summit Bank Ltd.</b>		
Balance in current account	2,633	1,614
<b>Capt. Haleem A. Siddiqui</b>		
Unit holder with more than 10% units holding		
Units held: 18,754,025 (2015: Nil units)	198,616	-
<b>Export Processing Zone Authority - Unitholder with more than 10% unit holding</b>		
Units held: 16,303,782 (2014: Nil units)	-	-
Units held: 16,303,782 (2014: Nil units)	-	165,715
<b>Amount receivable against issue of units from:</b>		
NAFA Islamic Stock Fund	-	462
NAFA Government Securities Savings Fund	-	347
NAFA Islamic Asset Allocation Fund	-	18,763
<b>Amount payable against redemption of units to:</b>		
NAFA Government Securities Liquid Fund	-	9,456
NAFA Islamic Aggressive Income Fund	-	259,455
NAFA Stock Fund	-	3,577
NAFA Asset Allocation Fund	-	925
NAFA Income Opportunity Fund	-	1,794

## 10 DATE OF AUTHORISATION FOR ISSUE

This financial information was authorised for issue by the Board of Directors of the Management Company on 29th April, 2016.

## 11 GENERAL

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

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

**UAN:** 021-111-111-632

**Toll Free:** 0800-20002

**Sms:** NAFA INVEST to 8080

**Fax:** 021-35825335

**Email:** [info@nafafunds.com](mailto:info@nafafunds.com)

**Website:** [www.nafafunds.com](http://www.nafafunds.com)

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