


## 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. Shahid Anwar Khan	Chairman
Mr. Amir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Mr. Khalid Mahmood	Director
Dr. Amjad Waheed	Chief Executive Officer

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Amir Shehzad	Member

### Trustee

MCB Financial Services Limited  
3rd Floor, Adamjee House,  
I.I. Chundriger Road Karachi - 74000

### Bankers to the Fund

Al-Baraka Islamic Bank Limited  
Askari Bank Limited  
Allied Bank Ltd  
Bank Al Habib Ltd  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Burj Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Soneri Bank Limited  
The Bank of Khyber  
United Bank Limited

# NAFA RIBA FREE SAVINGS 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:**

7<sup>th</sup> 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.  
Contact: 042-35914272

## **Islamabad Office:**

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

## **Peshawar Office:**

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

## **Multan Office:**

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

# NAFA 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 (NRF SF) for the period ended March 31, 2013.

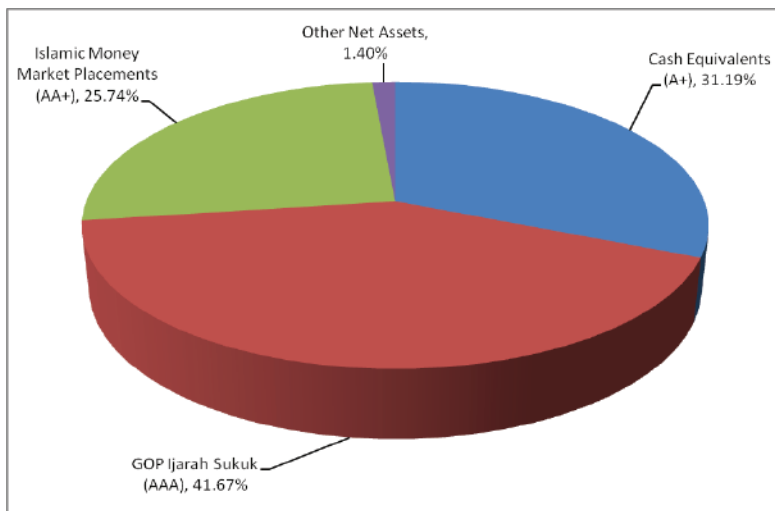
### Fund's Performance

The size of NAFA Riba Free Savings Fund has increased from Rs. 872 million to Rs. 1,360 million during the period, i.e. a growth of 55.94%. During the nine month period, the unit price of the Fund has increased from Rs. 9.4551 (Ex - Div) on June 30, 2012 to Rs. 10.0807 on March 31, 2013, thus showing a simple annualized return of 8.81% as compared to its Benchmark (Average 6-Month Deposit Rate of A- and above rated Islamic banks) simple annualized return of 7.42% for the same period. During the third quarter the size of the Fund increased by 4.27%. During the quarter, the unit price of the Fund has increased from Rs. 9.8930 (Ex-Div) on December 31, 2012 to Rs. 10.0807 on March 31, 2013, thus showing a simple annualized return of 7.69% as compared to its Benchmark simple annualized return of 6.82% for the same period.

NRF SF is an Islamic Income Scheme that invests only in Shariah compliant avenues. The Fund has been awarded a stability rating of AA-(f) by PACRA which denotes a very strong capacity to manage risk and generate relatively stable return.

The Fund is invested in GoP Ijarah Sukuks with six months coupon reset. This minimizes the pricing risk. The Fund is not authorized to invest in Islamic corporate debt securities and the Stock Market. Further, the Fund cannot invest in Islamic money market instruments/ securities which have more than six months maturity or below AA- rating. The Fund is categorized as a Shariah Compliant Income Scheme.

The Fund has earned total income of Rs.90.59 million during the period. After deducting expenses of Rs.17.19 million, the net income is Rs.73.40 million. The asset allocation of the Fund as on March 31, 2013 is as follows:



# NAFA RIBA FREE SAVINGS FUND

## Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 6.36% of opening ex-NAV (6.558% of the par value) during the period.

## 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 26, 2013  
Place: Karachi.

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2013

	Note	Un-Audited MARCH 31, 2013	Audited June 30, 2012
----- Rupees in '000 -----			
<b>ASSETS</b>			
Balances with banks		424,174	249,205
Investments	4	916,599	615,882
Prepayment and other receivables		380	200
Profit receivable		26,099	13,637
Preliminary expenses and floatation costs		481	632
<b>Total assets</b>		<b>1,367,733</b>	<b>879,556</b>
<b>LIABILITIES</b>			
Payable to the Management Company		2,346	1,041
Payable to the Trustee		125	122
Payable to Securities and Exchange Commission of Pakistan		655	485
Payable against redemption of units		-	2,835
Accrued expenses and other liabilities		4,785	3,068
<b>Total liabilities</b>		<b>7,911</b>	<b>7,551</b>
<b>NET ASSETS</b>		<b>1,359,822</b>	<b>872,005</b>
Unit holders' fund (As per statement attached)		1,359,822	872,005
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
-----Number of units-----			
Number of units in issue		134,893,647	86,561,291
-----Rupees-----			
Net asset value per unit		10.0807	10.0738

The annexed notes form an integral part of this 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, 2013

	Nine months ended		Quarter ended	
Note	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	----- Rupees in '000 -----			
<b>INCOME</b>				
Profit on bank deposits	30,221	15,957	11,343	6,411
Capital gain on sale of investments - net	213	2,393	-	(105)
Income on GOP Ijara Sukuks	59,578	35,005	20,180	15,497
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	580	59	-	(195)
<b>Total income</b>	<b>90,592</b>	<b>53,414</b>	<b>31,523</b>	<b>21,608</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	10,914	4,408	4,153	2,000
Sindh sales tax on remuneration of the Management Company	1,746	705	664	319
Remuneration of the Trustee	1,252	730	375	321
Annual fee - Securities and Exchange Commission of Pakistan	655	322	249	141
Annual listing fee	30	22	10	7
Securities transaction cost	55	94	4	48
Bank charges	307	116	91	14
Auditors' remuneration	382	320	90	70
Fund rating fee	150	133	50	50
Printing and related costs	33	64	-	1
Amortisation of preliminary expenses and floatation costs	151	151	50	50
Legal and professional charges	15	8	-	7
<b>Total expenses</b>	<b>15,690</b>	<b>7,073</b>	<b>5,736</b>	<b>3,028</b>
<b>Net income from operating activities</b>	<b>74,902</b>	<b>46,341</b>	<b>25,787</b>	<b>18,580</b>
Provision for workers' welfare fund	5	(1,498)	(849)	(294)
<b>Net income for the period before taxation</b>	<b>73,404</b>	<b>45,492</b>	<b>25,271</b>	<b>18,286</b>
Taxation	7	-	-	-
<b>Net income for the period after taxation</b>	<b>73,404</b>	<b>45,492</b>	<b>25,271</b>	<b>18,286</b>

### Earnings per unit

The annexed notes form an integral part of this 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, 2013

	Nine months ended		Quarter ended	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	----- Rupees in '000 -----			
Net income for the period after taxation	73,404	45,492	25,271	18,286
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>73,404</u>	<u>45,492</u>	<u>25,271</u>	<u>18,286</u>

The annexed notes form an integral part of this 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, 2013

	Note	Nine months ended		Quarter ended	
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
----- Rupees in '000 -----					
Undistributed income brought forward		2,244	13,491	3,308	11,800
Final distribution for the period from July 30, 2010 to ended June 30, 2011: 3.00% (Date of distribution: July 04, 2011)					
- Bonus units		-	(10,877)	-	-
Net income for the period after taxation		73,404	45,492	25,271	18,286
Interim distributions during the nine months and quarter ended March 31, 2013					
- Bonus units	8	(73,362)	(42,585)	(25,381)	(22,385)
- Cash Distribution	8	(8)	(1,278)	(6)	(1,278)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		890	3,691	(24)	1,511
<b>Undistributed income carried forward</b>		<u>3,168</u>	<u>7,934</u>	<u>3,168</u>	<u>7,934</u>

The annexed notes form an integral part of this 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, 2013

	Nine months ended		Quarter ended	
	Note 31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
----- Rupees in '000 -----				
<b>Net assets at the beginning of the period</b>	872,005	376,778	1,304,120	635,555
Issue of 106,007,166 units including 7,284,011 bonus units (2012: 69,171,526 units including 5,276,226 bonus units )	997,594	649,897	259,701	251,601
Redemption of 57,674,810 units (2012:26,408,282 units)	(583,173)	(268,703)	(229,264)	(101,978)
	414,421	381,194	30,437	149,623
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing accrued (income) / losses and capital (gains) / losses transferred to Income Statement	-	-	-	-
- amount representing (income) / losses that form part of the unit holders' fund transferred to Distribution Statement	(890)	(3,691)	24	(1,511)
	(890)	(3,691)	24	(1,511)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	580	59	-	(195)
Capital gain on sale of investments	213	2,393	-	(105)
Other operating income	72,611	43,040	25,271	18,586
<b>Net income for the period</b>	73,404	45,492	25,271	18,286
<b>Final distribution</b>				
Final distribution for the year ended June 30, 2012: Nil (June 30,2011:3%)		10,877	-	-
<b>Interim distributions</b>				
Issue of bonus units during the nine months and quarter ended March 31,2013	8	73,362	42,585	25,381
			25,381	22,385
<b>Less: Distributions made during the period</b>				
Final distribution for the year ended June 30, 2012: Nil (June 30,2011:3%)		-	(10,877)	-
Interim distributions during the nine months and quarter ended March 31,2013				
-Bonus units	8	(73,362)	(42,585)	(25,381)
-Cash Distribution	8	(8)	(1,278)	(6)
			(6)	(1,278)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	890	3,691	(24)	1,511
<b>Net assets as at the end of the period</b>	<u>1,359,822</u>	<u>802,186</u>	<u>1,359,822</u>	<u>802,186</u>

The annexed notes form an integral part of this 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, 2013

	Nine months ended		Quarter ended	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
----- Rupees in '000 -----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	73,404	45,492	25,271	18,286
<b>Adjustments</b>				
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(580)	(59)	-	195
Gain on sale of investments - net	(213)	(2,393)	-	105
Amortisation of preliminary expenses and floatation costs	151	151	50	50
	<u>72,762</u>	<u>43,191</u>	<u>25,321</u>	<u>18,636</u>
<b>(Increase) / decrease in assets</b>				
Investments - net	(299,924)	(301,885)	(87,000)	(179,658)
Advances, deposits, prepayments and other receivables	(180)	(40)	(160)	(25)
Profit receivable	(12,462)	(10,584)	(10,617)	(11,803)
	<u>(312,566)</u>	<u>(312,509)</u>	<u>(97,777)</u>	<u>(191,486)</u>
<b>Increase / (decrease) in liabilities</b>				
Payable to the Management Company	1,305	(734)	513	(993)
Payable to the Trustee	3	65	(35)	33
Payable to Securities and Exchange Commission of Pakistan	170	164	249	141
Accrued expenses and other liabilities	1,717	2,431	647	1,871
	<u>3,195</u>	<u>1,926</u>	<u>1,374</u>	<u>1,052</u>
<b>Net cash generated from / (used in) from operating activities</b>	<u>(236,609)</u>	<u>(267,392)</u>	<u>(71,082)</u>	<u>(171,798)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	997,594	649,897	259,701	251,601
Payment on redemption of units	(586,008)	(266,686)	(230,070)	(99,640)
Distribution paid	(8)	(1,278)	(6)	(1,278)
<b>Net cash (used in) / generated from financing activities</b>	<u>411,578</u>	<u>381,933</u>	<u>29,625</u>	<u>150,683</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>174,969</u>	<u>114,541</u>	<u>(41,457)</u>	<u>(21,115)</u>
Cash and cash equivalents at the beginning of the period	249,205	103,591	465,631	239,247
<b>Cash and cash equivalents at end of the period</b>	<u>424,174</u>	<u>218,132</u>	<u>424,174</u>	<u>218,132</u>

The annexed notes form an integral part of this 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, 2013

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Riba Free Savings Fund (NRFSF / 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.

The Central Depository Company of Pakistan Limited (CDC) retired as the Trustee of the Fund and MCB Financial Services Limited (MCBFSL) was appointed as the new Trustee with effect from January 11, 2013. The SECP approved the appointment of MCBFSL as the Trustee in place of CDC and further approved the amendments to the Trust Deed. Accordingly, the Trust Deed of the Fund was revised through a supplemental Deed executed between the Management Company, CDC and MCBFSL.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The Registered and 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 the 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 has assigned an asset manager rating of AM2 to the Management Company and a stability rating of AA-(f) to the Fund.

Title of the assets of the Fund is held in the name of MCB Financial Services Limited (MCBFSL) 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 (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies 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 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 the SECP prevail.

The disclosures made in this condensed interim financial information have 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, 2012.

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, 2013.

# NAFA RIBA FREE SAVINGS FUND

## 2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the accounting periods beginning on or after July 1, 2012:

Amendment to IFRS 7, 'Financial instruments': The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain other new standards, amendments and interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

## 2.3 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2012.

Note	(Un-Audited)	(Audited)
	March 31, 2013	June 30, 2012

Rupees in '000

## 4 INVESTMENTS

At fair value through profit or loss - held for trading	4.1	566,599	443,962
Government of Pakistan Ijarah Sukuks	4.2	350,000	171,920
Sukuks		<u>916,599</u>	<u>615,882</u>

### 4.1 Government of Pakistan Ijarah 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, 2013	Investment as a percentage of	
		As at July 01, 2012	Purchases during the period	Sales during the period	As at March 31, 2013		Net assets	Market value of total investments
Rupees in '000							-----%-----	
GoP Ijarah Sukuk V	November 15, 2010	850	-	-	850	85,145	6.53%	10.26%
GoP Ijarah Sukuk VI	December 20, 2010	180	-	-	180	18,032	1.38%	2.17%
GoP Ijarah Sukuk VII	March 07, 2011	80	-	-	80	8,002	0.61%	0.96%
GoP Ijarah Sukuk VIII	May 16, 2011	1,000	-	-	1,000	100,180	7.68%	12.08%
GoP Ijarah Sukuk IX	December 26, 2011	1,567	150	-	1,717	172,059	13.19%	20.74%
GoP Ijarah Sukuk X	March 02, 2012	250	150	-	400	40,016	3.07%	4.82%
GoP Ijarah Sukuk XI	April 30, 2012	210	-	-	210	21,040	1.61%	2.54%
GoP Ijarah Sukuk XII	June 28, 2012	300	350	150	500	50,125	3.84%	6.04%
GoP Ijarah Sukuk XIII	September 18, 2012	-	470	-	470	47,000	3.60%	5.67%
GoP Ijarah Sukuk XIV	March 28, 2013	-	250	-	250	25,000		
						<u>566,599</u>		
Carrying Value as at March 31, 2013						566,019		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'						<u>580</u>		

# NAFA RIBA FREE SAVINGS FUND

## 4.2 Unlisted Sukuks - at fair value through profit or loss \*

Name of the investee company	Issue Date	Number of certificates				Market value as at March 31, 2013	Investment as a percentage of	
		As at July 01, 2012	Purchases during the period	Sales during the period	As at March 31, 2013		Net assets	Market value of total investments
						Rupees in '000	-----%-----	
Engro Fertilizer Limited	March 22, 2012	14,384	-	14,384	-	-	-	-
Hub Power Company Limited	February 03, 2012	20,000	-	20,000	-	-	-	-
Hub Power Company Limited	August 03, 2012	-	4,600	4,600	-	-	-	-
Hub Power Company Limited	August 16, 2012	-	22,000	22,000	-	-	-	-
Kot Addu Power Company Limited	December 11, 2012	-	27,000	-	27,000	135,000	10.35%	16.27%
Kot Addu Power Company Limited	December 28, 2012	-	4,000	-	4,000	20,000	1.53%	2.41%
Hub Power Company Limited	March 13, 2013	-	25,000	-	25,000	125,000		
Hub Power Company Limited	December 28, 2012	-	14,000	-	14,000	70,000		
						<u>350,000</u>		
						<u>350,000</u>		

Carrying Value as at March 31, 2013

\*All Sukuks have a face value of Rs 5,000 each

## 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 the light of this, Mutual Fund Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court challenging the applicability of WWF on CISs which was dismissed mainly on the grounds that MUFAP is not an aggrieved party.

Subsequently, clarifications were 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. These clarifications were forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on these clarifications, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Further, a Constitutional Petition was filed with the Honorable High Court of Sindh by a CIS / mutual fund and a pension fund through their trustee and an asset management company inter alia praying to declare that mutual funds / voluntary pension funds being pass through vehicles / entities are not industrial establishments and hence, are not liable to contribute to the WWF under the WWF Ordinance. The matter is still pending with the Honorable Court.

The Management Company is hopeful that the decision of the court will be in favour of the Fund. The Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF as at March 31, 2013 amounting to Rs.3.357 million (including Rs.1.498 million for the current period) (June 30, 2012: Rs 1.859 million) in this condensed interim financial information. Had the same not been made the net asset value per unit would have been higher by Rs 0.0249.

## 6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2013.

## 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 year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund intends to avail such exemption in the current and future periods. Accordingly, no provision has been made for current and deferred taxation in this condensed interim financial information.

# NAFA RIBA FREE SAVINGS FUND

## 8 INTERIM DISTRIBUTIONS

The Fund makes distribution on a monthly basis and has made following distributions during the period.

Date of distribution	Rate Per Unit	Bonus			Cash Distribution	Total
		Units	Amount			
Rupees in '000						
Unit declared on July 30, 2012	0.0826	753,302	7,586	-	7,586	
Unit declared on August 28, 2012	0.0816	758,590	7,639	-	7,639	
Unit declared on September 28, 2012	0.0756	827,184	8,329	1	8,330	
Unit declared on October 30, 2012	0.0705	771,783	7,776	1	7,777	
Unit declared on November 28, 2012	0.0705	817,765	8,236	-	8,236	
Unit declared on December 28, 2012	0.0685	835,422	8,415	1	8,416	
Unit declared on January 29, 2013	0.0705	909,160	9,158	5	9,163	
Unit declared on February 27, 2013	0.0604	807,045	8,128	-	8,128	
Unit declared on March 28, 2013	0.0604	803,759	8,095	-	8,095	
		<u>7,284,011</u>	<u>73,362</u>	<u>8</u>	<u>73,370</u>	

As per clause 11 of the Trust Deed and clause 5 of the Offering Document, the Management Company on behalf of the Fund, on a monthly basis (except June) distributes cash dividend, bonus, partially cash / bonus or in any other form acceptable to the Commission (such as bonus units) that may qualify under the tax laws. Net income (after deducting all the expenses of the Fund) earned upto 30th of each month may be distributed by the Management Company. The Board of Directors on April 19, 2012 have passed a resolution providing standing authorisation to the Chief Executive Officer to approve and declare interim dividends out of profits earned by the Fund upto the 30th of each month.

## 9 TRANSACTIONS WITH CONNECTED PERSONS

- 9.1 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.
- 9.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 9.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 9.4 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	
31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
----- Rupees in '000 -----			

### 9.5 Transactions during the period

#### NBP Fullerton Asset Management Limited - Management Company

Management remuneration for the period	10,914	4,408	4,153	2,000
Sindh sales tax on remuneration of the Management Company	1,746	705	664	319
Bonus units issued (281,270 units; 2012: 556,855 units)	-	-	-	-
Units redeemed / transferred out (1,202,006 units; 2012: 470,807 units)	12,200	4,800	-	2,000

#### Alexandra Fund Management Pte. Ltd. - Sponsor

Bonus units issued ( 660,181 units; 2012: 1,228,868 units)	-	-	-	-
Units redeemed / transferred out (Nil Units; 2012: 4,916,082 units)	-	50,000	-	-

#### MCB Financial Services Limited- Trustee

Remuneration	321	-	-	-
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# NAFA RIBA FREE SAVINGS FUND

----- (Un-Audited) -----			
Nine months ended		Quarter ended	
31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
----- Rupees in '000 -----			

**Central Depository Company of Pakistan Limited - Ex-Trustee \***  
Remuneration

931	730	54	321
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**Employees of Management Company**

Bonus units issued (12,798 units; 2012: 9,090 units)	-	-	-	-
Units issued / transferred in (542,078 units; 2012: 371,599 units)	5,481	3,781	2,204	802
Units redeemed / transferred out (355,005 units; 2012: 315,728 units)	3,591	3,211	404	873

**Company Secretary / CFO**

Bonus units issued (404 units; 2012: Nil units)	-	-	-	-
Units issued / transferred in (17,298 units; 2011: Nil units)	175	-	-	-
Units redeemed / transferred out (16,937 units; 2011: Nil units)	171	-	-	-

**CDC Trustee NAFA Islamic Multi Asset Fund**

Purchase of sukuk	-	15,000	-	15,000
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**CDC Trustee NAFA Multi Asset Fund**

Purchase of sukuk	-	35,000	-	35,000
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(Un-Audited)	(Audited)
March	June 30,
31, 2013	2012
----- Rupees in '000 -----	

## 9.6 Balances outstanding as at period / year end

**NBP Fullerton Asset Management Limited - Management Company**

Remuneration payable	1,448	1,041
Sindh sales tax payable on remuneration of the Management Company	237	-
Sales load payable	661	-
Investment held in the Fund (4,580,047 units; June 30, 2012: 5,500,782 units)	46,170	55,414

**MCB Financial Services Limited- Trustee**

Remuneration payable	125	-
Security deposit	100	-

**Central Depository Company of Pakistan Limited - Ex-Trustee \***

Remuneration payable	-	121
CDS settlement charges payable	37	1
Security deposit	100	100

**National Bank of Pakistan - Sponsor**

Balance in current account	-	2,046
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**Alexandra Fund Management Pte. Ltd. - Sponsor**

Investment held in the Fund (10,750,003 units; June 30, 2012: 10,089,822 units)	108,368	101,643
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**Employees of Management Company**

Investment held in the Fund (382,227 units; June 30, 2012: 182,356 units)	3,853	1,837
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**Company Secretary / CFO (765 units; June 30, 2012 Nil: units)**

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# NAFA RIBA FREE SAVINGS FUND

## 10 DATE OF AUTHORISATION FOR ISSUE

This financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2013.

## 11 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director