

NAFA SAVINGS PLUS FUND

NAFA SAVINGS PLUS FUND

**QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2010
(UN-AUDITED)**

NAFA SAVINGS PLUS FUND

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NAFA SAVINGS PLUS FUND

DIRECTORS' REPORT

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Savings Plus Fund for the period ended March 31, 2010.

Fund's Performance

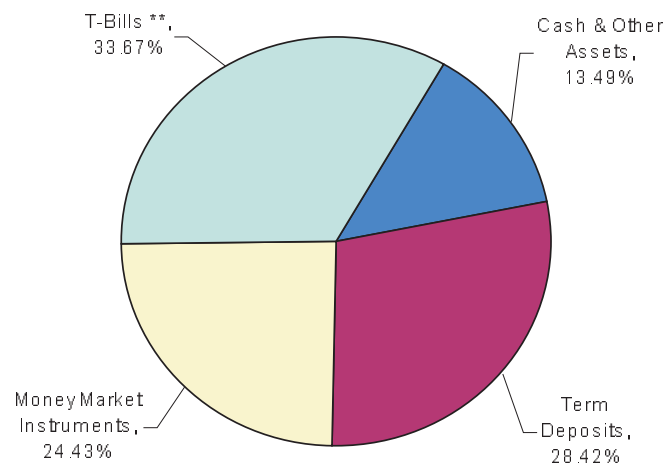
NAFA Savings Plus Fund commenced its investment activities on November 23, 2009 with an initial fund size Rs. 407 Million. During the said period, the unit price of NAFA Savings Plus Fund has increased from Rs. 10 to Rs. 10.3574 on March 31, 2010, thus showing an annualized return of 10.36% (net of management fee and all other expenses). The size of NAFA Savings Plus Fund has increased to Rs. 651 Million as at March 31, 2010 i.e., a growth of 59.95%.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a stability rating of AA-(f) to NAFA Savings Plus Fund.

NAFA Savings Plus Fund has earned total income of Rs. 27.47 million during the period. After deducting expenses of Rs. 5.01 million, the net income is Rs. 22.46 million, translating into earning per unit of Rs. 0.3574.

The asset allocation of the Fund as on March 31, 2010 is as follows:

Asset Allocation as on March 31, 2010



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Income Distribution

The Board of Directors of the Management Company has approved an interim distribution of 2.50%. After interim distribution, the net asset value per unit will be Rs. 10.1074 on March 31, 2010.

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
National Fullerton Asset Management Limited

Chief Executive

Director

Date: April 29, 2010
Place: Karachi.

NAFA SAVINGS PLUS FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) AS AT MARCH 31, 2010

	Note	Unaudited March 31, 2010
----- Rupees in '000 -----		
ASSETS		
Balances with banks		233,558
Investments	4	162,488
Money Market Instruments		56,651
Loans and receivables		194,000
Profit receivable	5	8,022
Prepayments and other receivables		1,214
Preliminary expenses and floatation costs		2,426
Total assets		658,359
LIABILITIES		
Payable to National Fullerton Asset Management Limited - Management Company		3,938
Payable to Central Depository Company of Pakistan Limited - Trustee		109
Payable to Securities and Exchange Commission of Pakistan		146
Payable on redemption of units		3,071
Accrued expenses and other liabilities	6	169
Total liabilities		7,433
NET ASSETS		650,926
Unit Holders' Funds (as per statement attached)		650,926
Contingencies and Commitments	7	-
Number of units in issue		62,846,331
Net asset value per unit		10.3574

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For National Fullerton Asset Management Limited
(Management Company)**

Chief Executive

Director

NAFA SAVINGS PLUS FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO MARCH 31, 2010

	Note	For the Period from October 24, 2009 to March 31, 2010	For the Quarter ended March 31, 2010
----- Rupees in '000 -----			
INCOME			
Income from treasury bills		3,392	2,093
Income from term deposit receipts		9,169	6,799
Income from money market placements		4,171	3,715
Profit on bank deposits		7,278	4,669
Gain on sale of investment		5	2
Unrealised loss on investments at fair value through profit or loss - net		(73)	(58)
Total Income		23,942	17,220
EXPENSES			
Remuneration of National Fullerton Asset Management Limited - Management Company		3,763	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		388	287
Annual fee - Securities and Exchange Commission of Pakistan		146	108
Securities transaction cost		68	35
Bank charges		148	107
Annual listing fee		12	8
Rating fee		71	49
Auditors' remuneration		162	86
Amortisation of preliminary expenses and floatation costs		186	129
Printing charges		70	45
Total Expenses		5,014	3,609
Net income from operating activities		18,928	13,611
Element of income and capital gains included in prices of units issued less those in units redeemed		3,534	3,260
Net income for the period before taxation		22,462	16,871
Taxation	8	-	-
Net income for the period after taxation		22,462	16,871
Earnings per unit	9		

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA SAVINGS PLUS FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO MARCH 31, 2010

	For the Period from October 24, 2009 to March 31, 2010	For the Quarter ended March 31, 2010
	----- Rupees in '000 -----	
Net income for the period after taxation	22,462	16,871
Other comprehensive income	-	-
Total comprehensive income for the period	<u>22,462</u>	<u>16,871</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For National Fullerton Asset Management Limited
(Management Company)**

Chief Executive

Director

NAFA SAVINGS PLUS FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO MARCH 31, 2010

	For the Period from October 24, 2009 to March 31, 2010	For the Quarter ended March 31, 2010
	----- Rupees in '000 -----	
(Accumulated gain) / undistributed income brought forward	-	5,591
Net income for the period	22,462	16,871
Undistributed income carried forward	<u>22,462</u>	<u>22,462</u>
Undistributed income comprising:		
(Accumulated gain) / undistributed income brought forward	-	5,591
Realised income	22,535	16,929
Unrealised income / (loss)	<u>(73)</u>	<u>(58)</u>
	<u>22,462</u>	<u>22,462</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For National Fullerton Asset Management Limited
(Management Company)**

Chief Executive

Director

NAFA SAVINGS PLUS FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO MARCH 31, 2010

	For the Period from October 24, 2009 to March 31, 2010	For the Quarter ended March 31, 2010
	----- Rupees in '000 -----	
Net assets at the beginning of the period	-	479,911
Issue of 107,874,670 units	1,089,948	441,036
Redemption of 45,028,339 units	(457,950)	(283,632)
	631,998	157,404
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(3,534)	(3,260)
Unrealised loss on investments at fair value through profit or loss - net Other income (net of expenses)	(73) 22,535	(58) 16,929
Net income for the period	22,462	16,871
Net assets at the end of the period	650,926	650,926

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For National Fullerton Asset Management Limited
(Management Company)**

Chief Executive

Director

NAFA SAVINGS PLUS FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO MARCH 31, 2010

	For the Period from October 24, 2009 to March 31, 2010	For the Quarter ended March 31, 2010
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	22,462	16,871
Adjustments		
Unrealised loss on investments at fair value through profit or loss - net	73	58
Amortisation of preliminary expenses and floatation costs	186	129
Gain on sale of investment	(5)	(2)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(3,534)	(3,260)
	<u>19,182</u>	<u>13,796</u>
(increase) / decrease in assets		
Investments	(162,556)	(112,774)
Loans and receivables	(194,000)	(124,000)
Profit receivable	(8,022)	(4,916)
Prepayments and other receivables	(1,214)	5,175
Money Market Instruments	(56,651)	(56,651)
Preliminary expenses and floatation costs	(2,612)	(1)
	(425,055)	(293,167)
Increase / (decrease) in liabilities		
Payable to National Fullerton Asset Management Limited - Management Company	3,938	303
Payable to Central Depository Company of Pakistan Limited - Trustee	109	30
Payable to Securities and Exchange Commission of Pakistan	146	108
Payable on redemption of units	3,071	2,627
Accrued expenses and other liabilities	169	36
	7,433	3,104
Net cash outflow on operating activities	<u>(398,440)</u>	<u>(276,267)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	1,089,948	441,036
Payments on redemption of units	(457,950)	(283,632)
Net cash inflow from financing activities	631,998	157,404
Cash and cash equivalents as at begning	-	352,421
Cash and cash equivalents as at March 31, 2010	<u>233,558</u>	<u>233,558</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

**For National Fullerton Asset Management Limited
(Management Company)**

Chief Executive

Director

NAFA SAVINGS PLUS FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO MARCH 31, 2010

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Savings Plus Fund (NSPF) was established under a Trust Deed executed between National Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on October 09, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

NSPF is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering to the Fund. The units of the Fund were initially offered for public subscription at par from November 16, 2009 to November 21, 2009.

The objective of the Fund is to provide an open-end income scheme, seeking to minimise risk, preserve capital and generate a reasonable return along with a high degree of liquidity from a portfolio primarily constituted of bank deposits and money market instruments.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2- to the Management Company. The fund has been assigned stability rating 'AA- (f)'.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprises of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, 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.

2.2 The directors of the asset management company declare that these condensed interim financial statements give a true and fair view of the Fund.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the Half Year and period ended December 31, 2009.

IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement of financial position (referred to as the statement of assets and liabilities in these condensed interim financial statements) as at the beginning of the comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period.

The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present two separate performance statements. As a result, non-owner changes in equity which were previously credited directly in the statement of movement in unit holders' fund and the distribution statement are now shown as other comprehensive income in the performance statement (referred to as the statement of comprehensive income in these condensed interim financial statements). The change in presentation has not affected the values of the net assets of the Fund for either the current or any of the prior periods and hence restated statement of assets and liabilities has not been presented.

3.2 The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2009:

IAS 39 (amendment), 'Financial instruments: Recognition and measurement'. The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The adoption of the amendment did not have a significant impact on the Fund's financial statements.

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IFRS 7 (amendment) 'Financial instruments: Disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures, which would be detailed in the financial statements for the year ending June 30, 2010, but does not have an impact on the Fund's financial position or performance.

IAS 32 (amendment) 'Financial instruments: Presentation', and IAS 1 (amendment) 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'. The amended standards require entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. One of the particular features is that apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity. In this connection, Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations 2008 mandates the payment of 90% of the Fund's profits for the year as dividends.

- 3.3 There are other standards, amendments and interpretations that were mandatory for accounting periods beginning on or after July 1, 2009 but were considered not to be relevant or did not have any significant effect on the Fund's operations.

	Note	Unaudited March 31, 2010
		Rupees in '000
4 INVESTMENTS		
At fair value through profit or loss - held for trading		
Government securities - Market Treasury Bills	4.1	<u>162,488</u>
		162,488

4.1 Investment in government securities - 'At fair value through profit or loss'

Issue Date	Tenor	Face Value				Market Value	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2009	Purchases during the period	Sales / matured during the period	As at March 31, 2010			
.....(Rupees in '000).....								
Treasury Bills								
January 15, 2009	12 Month	-	50,000	50,000	-	-	-	-
December 03, 2009	6 Months		60,000		60,000	58,756	9.03	36.16
December 03, 2009	6 Months		40,000		40,000	39,170	6.02	24.11
January 14, 2010	3 Months		50,000		50,000	49,873	7.66	30.69
March 11, 2010	6 Months		15,000		15,000	14,689	2.26	9.04
						<u>162,488</u>		
						<u>162,561</u>		
Carrying value before fair value adjustment as at March 31, 2010						<u>162,561</u>		

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	Unaudited March 31, 2010
	Rupees in '000
5 PROFIT RECEIVABLE	
Profit on savings deposits	496
Profit on money market placements	3,891
Profit on term deposit receipts	3,354
Profit on Clean Placement	281
	<u>8,022</u>
6 ACCRUED EXPENSES AND OTHER LIABILITIES	
Auditors' remuneration	67
Payable to brokers	24
Others	78
	<u>169</u>

7 CONTINGENCIES AND COMMITMENTS

7.1 The Finance Act 2008 introduced an amendment to the Workers Welfare Fund Ordinance, 1971 (WWF Ordinance) whereby the definition of "Industrial Establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it can be construed that all Collective Investment Schemes (CIS) whose income exceeds Rs 0.5 million in a tax year are brought within the purview and scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of 2 percent of their accounting or taxable income, whichever is higher. In case of the Fund, such contribution works out to Rs 449 thousand approximately as at March 31, 2010. However, the final contribution amount will be based on the income earned by the Fund for the year ending June 30, 2010.

To avoid any claim in this regard by the relevant authorities, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the ground that CIS do not have any workers or employees. The legal proceedings in respect of the aforementioned petition are currently in progress and the outcome cannot be reasonably ascertained.

The Management Company, based on the advice of the MUFAP's legal counsel, is confident of a favorable decision and accordingly no provision for any liability that may arise in this respect has been made in these condensed interim financial statements.

7.2 There are no other contingencies and commitments outstanding as at March 31, 2010.

8 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 distribute such accounting income, if any, for the period from October 24, 2009 to June 30, 2010 to its unit holders. Accordingly, no tax liability has been recorded in the current period.

9 EARNINGS PER UNIT

Earnings per unit (EPU) for the period from October 24, 2009 to March 31, 2010 has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

10 TRANSACTION WITH CONNECTED PERSONS

Connected persons include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, NIB Bank Limited 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.

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

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	Unaudited For the Period from October 24, 2009 to March 31, 2010	Unaudited For the Quarter ended March 31, 2010
	----- Rupees in '000 -----	
10.1 Details of the transactions with connected persons are as follows:		
National Fullerton Asset Management Limited - Management Company		
Management fee expense for the period	3,763	2,755
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	388	287
National Bank of Pakistan - Sponsor		
Units issued (3,000,000 units)	30,000	-
Pre-IPO profit paid	187	-
NIB Bank Limited - Sponsor		
Units issued (3,000,000 units)	30,000	-
Units Redeemed (1,500,000 units)	15,281	15,281
Profit on bank deposit	5,793	3,868
Treasury bills purchased	96,961	-
Investment in term deposit receipts	50,000	-
Pre-IPO profit paid	197	-
Alexandra Fund Management Pte. Limited - Sponsor		
Units issued (4,000,000 units)	40,000	-
Pre-IPO profit paid	302	-
Employees of the Management Company		
Units issued (1,516,676 units)	15,294	5,064
Units redeemed (1,337,925 units)	13,538	5,428
Company Secretary / Chief Financial Officer		
Units issued (4,926 units)	50	50
Units redeemed (4,901 units)	50	50
NAFA Employees Provident Fund		
Units issued (486,926 units)	5,000	5,000
Units redeemed (129,462 units)	1,332	1,332
10.2 Amounts outstanding as at period end		Unaudited March 31, 2010 Rupees in '000
National Fullerton Asset Management Limited - Management Company		
Management fee payable		1,092
Others		2,846
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable		109
National Bank of Pakistan - Sponsor		
Investment held by the Sponsor in the Fund (3,000,000 units)		31,072
Balance in current account		236
NIB Bank Limited - Sponsor		
Investment held by the Sponsor in the Fund (1,500,000 units)		15,536
Balance in saving account		72,366
Profit receivable on bank deposits		289
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund (4,000,000 units)		41,430
Employees of the Management Company		
Investment held by the executives in the Fund (100,516 units)		1,041
NAFA Employees Provident Fund		
Investment held in the fund (357,464 units)		3,702
Company Secretary / Chief Financial Officer		
Investment held by the executives in the Fund (25 units)		

NAFA SAVINGS PLUS FUND

11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on April 29, 2010.

12 GENERAL

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

**For National Fullerton Asset Management Limited
(Management Company)**

Chief Executive

Director



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