


## 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 SAVINGS PLUS FUND

## FUNDS'S INFORMATION

### Management Company

NBP Fullerton Asset Management Limited – Management Company  
(Formerly National Fullerton Asset Management Limited)

### Board of Directors of the Management Company

Mr. Qamar Hussain	Chairman
Mr. Shahid Anwar Khan	Director
Mr. Choy Peng Wah	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Amjad Waheed	Chief Executive Officer
Dr. Asif A. Brohi	Director

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Choy Peng Wah	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Shehryar Faruque	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

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Samba Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
JS Bank Limited  
United Bank Limited  
NIB Bank Limited  
The Bank of Punjab  
KASB Bank Limited  
Standard Chartered Bank (PAK) Limited  
Arif Habib Bank Limited  
Soneri Bank Limited  
Royal Bank of Scotland Limited  
National Bank of Pakistan  
Habib Bank Limited

## **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:**

9th Floor, Adamjee House,  
I.I. Chundrigar Road,  
Karachi

## **Lahore Office:**

68-B-1, M.M. Alam Road,  
Gulberg 3, Lahore.  
UAN: 042-111-111-632  
Phone: 042-35778248-63  
Fax: 042-35876806

## **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 Corporate Branch  
3rd Floor, Park Lane Tower, near Shahjahan Banquet Hall,  
Officers Colony, Khanewal Road. Multan.  
Tel : 92-061-6214070  
Fax: 92-061-6214062  
UAN: 92-061-111-111-632

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# NAFA SAVINGS PLUS FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited (formerly: National Fullerton Asset Management Limited) is pleased to present the unaudited (reviewed) financial statements of NAFA Savings Plus Fund for the half year ended December 31, 2010.

### Fund's Performance

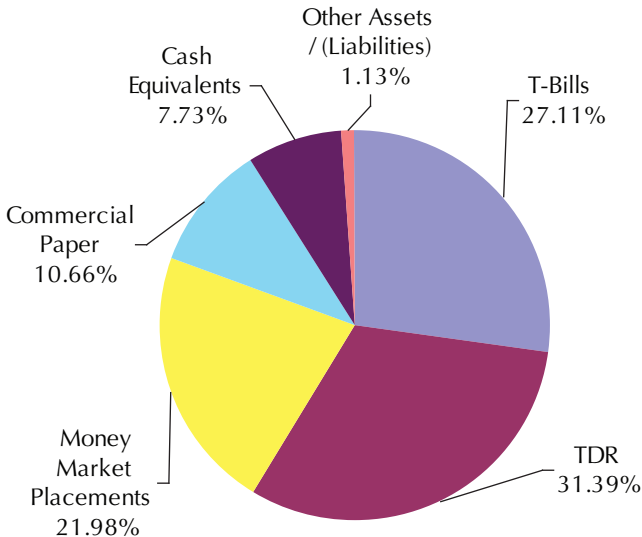
The size of NAFA Savings Plus Fund has increased from Rs. 586 million to Rs. 637 million during the period, i.e. a growth of 8.70%. During the said period, the unit price of the Fund has increased from Rs. 9.7995 (Ex-Div) to Rs. 10.2829 on December 31, 2010, thus showing an annualized return of 10.02% as compared to its Benchmark (Average 6-Month Deposit Rate of A and above rated banks) annualized return of 8.30% for the same period.

The fixed income funds with short maturity profile have shown good double digit returns, and are benefitting from rising interest rates environment.

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

The Fund has earned total income of Rs.40.40 million during the period. After deducting expenses of Rs.8.79 million, the net income is Rs.31.61 million, translating into earning per unit of Rs.0.4834.

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



# NAFA SAVINGS PLUS FUND

## Income Distribution

The Board of Directors of the Management Company, in addition to interim distribution of 2.511%, has also approved a further interim distribution of 2.511%.

## 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  
(formerly: National Fullerton Asset Management Limited)

Chief Executive

Director

Date: February 18, 2011  
Place: Karachi.

## TRUSTEE REPORT TO THE UNIT HOLDERS NAFA SAVINGS PLUS FUND

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

NAFA Savings Plus Fund (the Fund), an open-end scheme was established under a trust deed dated October 09, 2009, executed between NBP Fullerton Asset Management Limited [Formerly National Fullerton Asset Management Limited], as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the period from July 01, 2010 to December 31, 2010 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 24, 2011

# NAFA SAVINGS PLUS FUND

## AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA SAVINGS PLUS FUND** as at December 31, 2010, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2010. The Management Company (NBP Fullerton Asset Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the quarter ended December 31, 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2010.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

**Engagement Partner: Rashid A. Jafer**

Dated: February 18, 2011

Karachi



# NAFA SAVINGS PLUS FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2010

	Note	Unaudited December 31, 2010	Audited June 30, 2010
------(Rupees in '000)-----			
<b>ASSETS</b>			
Balances with banks		249,549	232,320
Investments	4	240,652	189,079
Loans and receivables		140,000	159,000
Profit receivable	5	7,594	9,450
Prepayments and other receivables		981	428
Preliminary expenses and floatation costs		2,034	2,295
<b>Total assets</b>		<b>640,810</b>	<b>592,572</b>
<b>LIABILITIES</b>			
Payable to Management Company		1,331	2,868
Payable to Trustee		107	98
Payable to Securities and Exchange Commission of Pakistan		241	263
Payable on redemption of units		69	1,959
Accrued expenses and other liabilities	6	1,984	1,287
<b>Total liabilities</b>		<b>3,732</b>	<b>6,475</b>
<b>Net Assets</b>		<b>637,078</b>	<b>586,097</b>
<b>Unit holders' funds (as per statement attached)</b>		<b>637,078</b>	<b>586,097</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
(Number of units)			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>61,955,078</b>	<b>56,661,450</b>
-----Rupees-----			
<b>NET ASSET VALUE PER UNIT</b>	3.3	<b>10.2829</b>	<b>10.3438</b>

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

For NBP Fullerton Asset Management Limited  
(Formerly National Fullerton Asset Management Limited)  
(Management Company)

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010

Note	Half year ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009	Quarter ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009
-----Rupees in '000-----				
<b>INCOME</b>				
Capital loss / gain on sale of investments - net	(89)	3	(11)	3
Income from government securities	14,881	1,299	7,473	1,299
Income from term deposit receipts	11,982	2,370	6,022	2,370
Income from certificates of investment	5,989	456	4,111	456
Income from clean placements	1,532	-	265	-
Income on commercial paper	2,421	-	2,269	-
Profit on bank deposits	2,869	2,609	1,042	2,609
Net unrealised (loss) / gain on investments at fair value through profit or loss	(95)	(15)	(135)	(15)
<b>Total Income</b>	<b>39,490</b>	<b>6,722</b>	<b>21,036</b>	<b>6,722</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	6,429	1,008	3,348	1,008
Remuneration of the Trustee	643	101	335	101
Annual fee - Securities and Exchange Commission of Pakistan	241	38	125	38
Auditors' remuneration	230	76	123	76
Amortisation of preliminary expenses and floatation costs	261	57	129	57
Securities transaction costs	54	33	44	33
Bank charges	162	41	108	41
Annual Listing Fee (Lahore Stock Exchange)	20	4	10	4
MUFAP rating fee	90	22	40	22
Legal and professional charges	10	-	10	-
Printing charges	-	25	(124)	25
<b>Total Expenses</b>	<b>8,140</b>	<b>1,405</b>	<b>4,148</b>	<b>1,405</b>
<b>Net income from operating activities</b>	<b>31,350</b>	<b>5,317</b>	<b>16,888</b>	<b>5,317</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	910	274	(1,014)	274
Provision for workers' welfare fund	9	-	(317)	-
<b>Net income for the period before taxation</b>	<b>31,615</b>	<b>5,591</b>	<b>15,557</b>	<b>5,591</b>
Taxation	8	-	-	-
<b>Net income for the period after taxation</b>	<b>31,615</b>	<b>5,591</b>	<b>15,557</b>	<b>5,591</b>
<b>Earnings per unit</b>	<b>3.4</b>			

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

For NBP Fullerton Asset Management Limited  
(Formerly National Fullerton Asset Management Limited)  
(Management Company)

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010

	Half year ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009	Quarter ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009
	-----Rupees in '000-----			
Net income for the period after taxation	31,615	5,591	15,557	5,591
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>31,615</u>	<u>5,591</u>	<u>15,557</u>	<u>5,591</u>

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

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

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010

	Half year ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009	Quarter ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009
-----Rupees in '000-----				
<b>Undistributed income brought forward comprising:</b>				
- Realised income	19,323	-	18,797	-
- Unrealised (loss) / income	(89)	-	40	-
	<u>19,234</u>	<u>-</u>	<u>18,837</u>	<u>-</u>
Final distribution for the year ended June 30, 2010: 3.00% (declared on July 05, 2010)				
- Bonus units	(15,562)	-	-	-
-Cash distribution	(1,352)	-	-	-
Interim distribution for the quarter ended September 30, 2010: 2.5110% (declared on October 17, 2010)				
- Bonus units	(15,795)	-	(15,795)	-
-Cash distribution	(1,139)	-	(1,139)	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	95	-	(364)	-
Net income for the period	31,615	5,591	15,557	5,591
Undistributed income carried forward	<u>17,096</u>	<u>5,591</u>	<u>17,096</u>	<u>5,591</u>
<b>Undistributed income comprising:</b>				
- Realised income	17,191	5,606	17,191	5,606
- Unrealised loss	(95)	(15)	(95)	(15)
	<u>17,096</u>	<u>5,591</u>	<u>17,096</u>	<u>5,591</u>

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

For NBP Fullerton Asset Management Limited  
(Formerly National Fullerton Asset Management Limited)  
(Management Company)

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010

	Half year ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009	Quarter ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009
-----Rupees in '000-----				
Net assets at the beginning of the period	586,097	-	706,076	-
Issue of 46,113,033 units - including 3,117,280 bonus units (December 31, 2009: 64,722,209 units)	438,236	648,912	173,222	648,912
Redemption of 40,819,405 units (December 31, 2009: 17,290,122 units)	(415,469)	(174,318)	(257,652)	(174,318)
	22,767	474,594	(84,430)	474,594
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	(910)	(274)	1,014	(274)
- amount representing (income) / losses that form part of the unit holders' fund transferred to Distribution Statement	(95)	-	364	-
	(1,005)	(274)	1,378	(274)
Unrealised loss on investments at fair value through profit or loss - net	(95)	(15)	(135)	(15)
Loss on sale of investments	(89)	-	(11)	-
Other income (net of expenses)	31,799	5,606	15,703	5,606
<b>Net income for the period</b>	<b>31,615</b>	<b>5,591</b>	<b>15,557</b>	<b>5,591</b>
<b>Distribution:</b>				
Final distribution for the year ended June 30, 2010: 3.00% (declared on July 05, 2010)				
- Bonus units	(15,562)	-	-	-
-Cash distribution	(1,352)	-	-	-
Interim distribution for the quarter ended September 30, 2010: 2.5110% (declared on October 17, 2010)				
- Bonus units	(15,795)	-	(15,795)	-
-Cash distribution	(1,139)	-	(1,139)	-
Add: Bonus distribution				
Final distribution	15,562	-	-	-
Interim distribution	15,795	-	15,795	-
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing income / (losses) that form part of the unit holders' fund	95	-	(364)	-
<b>Net assets at the end of the period</b>	<b>637,078</b>	<b>479,911</b>	<b>637,078</b>	<b>479,911</b>

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

For NBP Fullerton Asset Management Limited  
(Formerly National Fullerton Asset Management Limited)  
(Management Company)

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010

	Half year ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009	Quarter ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009
-----Rupees in '000-----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income for the period	31,615	5,591	15,557	5,591
<b>Adjustments</b>				
Unrealised loss on investments at fair value through profit or loss - net	95	15	135	15
Amortisation of preliminary expenses and floatation costs	261	57	129	57
Loss / (gain) on sale of investments - net	89	(3)	11	(3)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(910)	(274)	1,014	(274)
	31,150	5,386	16,846	5,386
<b>(Increase) / Decrease in assets</b>				
Investments	(51,757)	(49,782)	(60,421)	(49,782)
Loans and receivables	19,000	(70,000)	(85,000)	(70,000)
Profit receivable	1,856	(3,106)	(2,930)	(3,106)
Prepayments and other receivables	(553)	(6,389)	39	(6,389)
Preliminary expenses and floatation costs	-	(2,611)	-	(2,611)
	(31,454)	(131,888)	(148,312)	(131,888)
<b>Increase / (Decrease) in liabilities</b>				
Payable to the Management Company	(1,537)	3,635	(2,571)	3,635
Payable to the Trustee	9	79	2	79
Payable to Securities and Exchange Commission of Pakistan	(22)	38	125	38
Accrued expenses and other liabilities	697	133	118	133
	(853)	3,885	(2,326)	3,885
<b>Net cash outflow on operating activities</b>	(1,157)	(122,617)	(133,792)	(122,617)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	438,236	648,912	173,222	648,912
Payments on redemption of units	(417,359)	(173,874)	(258,951)	(173,874)
Cash dividend paid	(2,491)	-	(1,139)	-
<b>Net cash inflow from / (outflow on) financing activities</b>	18,386	475,038	(86,868)	475,038
Net increase / (decrease) in cash and cash equivalents during the period	17,229	352,421	(220,660)	352,421
Cash and cash equivalents at the beginning of the period	232,320	-	470,209	-
Cash and cash equivalents at the end of the period	249,549	352,421	249,549	352,421

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

For NBP Fullerton Asset Management Limited  
(Formerly 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010

## 1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Savings Plus Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) as Management Company (formerly National Fullerton Asset Management Limited) 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).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 9th Floor, Adamjee House, I.I Chundrigarh Road, Karachi.

The Fund is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from November 16, 2009 to November 21, 2009. The Fund is categorised as an Open-End "Income Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to minimize 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 a stability rating of 'AA-(f)'.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Financing Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the directives issued by the SECP. In cases where requirements differ, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.

2.2 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of the Code of Corporate Governance. These condensed interim financial statements are being circulated to the unit holders as required under the NBFC Regulations.

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used 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 year ended June 30, 2010.

### 3.1 Standards, interpretations and amendments to published approved accounting standards effective from July 1, 2010

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after January 1, 2010 but are considered not to be relevant or have any significant effect on the Fund's operations and are, therefore, not disclosed in these condensed interim financial statements.

# NAFA SAVINGS PLUS FUND

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

The following revised standard has been published and is mandatory for accounting periods beginning on or after January 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Fund will apply the revised standard from July 1, 2011. The Fund is currently in the process of assessing the impact, if any, of the revised standard on the related party disclosures.

There are other amendments to the standards, improvements to International Financial Reporting Standards 2010 and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these condensed interim financial statements.

## 3.3 Net Asset Value per unit

The net asset value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

## 3.4 Earnings per unit

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

	Note	Un-audited December 31, 2010	Audited June 30, 2010
(Rupees in '000)			
<b>4. INVESTMENTS</b>			
<b>At fair value through profit or loss - held for trading</b>			
Government securities - Market Treasury Bills	4.1	172,733	189,079
Commercial Paper	4.2	67,919	-
		<u>240,652</u>	<u>189,079</u>

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

Issue date	Tenor	Face Value				Market Value as at December 31, 2010	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2010	Purchases during the period	Sales / matured during the period	As at December 31, 2010			
Market Treasury Bills		-----Rupees in '000-----					-----%-----	
03-Jun-10	3 months	40,000	-	40,000	-	-	-	-
03-Jun-10	3 months	50,000	-	50,000	-	-	-	-
17-Jun-10	3 months	45,000	-	45,000	-	-	-	-
17-Jun-10	6 months	60,000	-	60,000	-	-	-	-
13-Aug-09	12 months	-	40,000	40,000	-	-	-	-
26-Sep-09	12 months	-	220,000	220,000	-	-	-	-
13-Aug-10	3 months	-	425,000	425,000	-	-	-	-
8-Oct-09	12 months	-	80,000	80,000	-	-	-	-
17-Jun-10	6 months	-	10,000	10,000	-	-	-	-
7-Oct-10	3 months	-	150,000	150,000	-	-	-	-
21-Oct-10	3 months	-	75,000	50,000	25,000	24,886	3.91	10.34
4-Nov-10	3 months	-	100,000	-	100,000	99,054	15.55	41.16
18-Dec-10	3 months	-	50,000	-	50,000	48,793	7.66	20.28
						<u>172,733</u>		
						<u>172,828</u>		

Carrying value before fair value adjustment as at December 31, 2010



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

Issue date	Tenor	Face Value				Market Value as at December 31, 2010	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2010	Purchases during the period	Sales / matured during the period	As at December 31, 2010			
		-----Rupees in '000-----				-----%-----		
24-Sep-10	6 months	-	70,000	-	70,000	67,919	10.66*	28.22
Carrying value before fair value adjustment as at December 31, 2010						67,919		

\*Exposure exceeds 10% due to reduction in fund size, which is to be brought down in next 90 days starting from 01 Dec, 2010

## 5. PROFIT RECEIVABLE

Profit on savings deposits  
 Profit on term deposit receipts  
 Profit on certificates of investment  
 Profit on clean placements

Un-audited December 31, 2010	Audited June 30, 2010
(Rupees in '000)	
162	340
3,556	2,763
3,876	6,113
-	234
<u>7,594</u>	<u>9,450</u>

## 6. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable  
 Payable to brokers  
 Bank charges payable  
 Provision for workers' welfare fund  
 Printing charges payable  
 Others

234	235
-	16
59	10
1,346	701
204	325
141	-
<u>1,984</u>	<u>1,287</u>

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2010 and December 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 90 percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2011 as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 9. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the financial statements for the period ended June 30, 2010.

# NAFA SAVINGS PLUS FUND

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

As the matter relating to levy of WWF is currently pending in the court, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 1.346 million in these condensed interim financial statements.

## 10. TRANSACTIONS WITH CONNECTED PERSONS

**10.1** Connected persons include NBP Fullerton Asset Management Limited being the Management Company (NAFA) (formerly National Fullerton Asset Management Limited), Central Depository Company of Pakistan Limited being Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, NAFA Provident Fund Trust 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.

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

**10.3** Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

**10.4** Details of the transactions with connected persons during the period are as follows:

	Un-audited			
	Half year ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009	Quarter ended December 31, 2010	For the Period from October 24, 2009 to December 31, 2009
	-----Rupees in '000-----			
<b>NBP Fullerton Asset Management Limited - Management Company (Formerly National Fullerton Asset Management Limited)</b>				
Management fee for the period	6,429	1,008	3,348	1,008
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration for the period	643	101	335	101
<b>National Bank of Pakistan - Sponsor</b>				
Units issued / transferred in (Nil units; 2009: 3,000,000 units)	-	30,000	-	30,000
Pre-IPO profit paid	-	187	-	187
Cash dividend paid	1,653	-	753	-
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>				
Units issued / transferred in (Nil units; 2009: 4,000,000 units)	-	40,000	-	40,000
Units redeemed / transferred out (2,075,304 units; 2009: Nil units)	21,000	-	-	-
Pre-IPO profit paid	-	302	-	302
Bonus units issued during the period (175,882 units; 2009: Nil units)	-	-	-	-
<b>NAFA Provident Fund Trust - Provident Fund</b>				
Units issued / transferred in (661,044 units; 2009: Nil units)	6,716	-	3,350	-
Bonus units issued (19,142 units; 2009: Nil units)	-	-	-	-
Units redeemed / transferred out (812,222 units; 2009: Nil units)	8,285	-	3,793	-

# NAFA SAVINGS PLUS FUND

	Un-audited December 31, 2010	Audited June 30, 2010
	(Rupees in '000)	
<b>10.5 Amounts outstanding as at period end</b>		
<b>NBP Fullerton Asset Management Limited - Management Company (Formerly National Fullerton Asset Management Limited)</b>		
Management fee payable	1,071	983
Others	260	1,885
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	107	98
<b>National Bank of Pakistan - Sponsor</b>		
Investment held by the Sponsor in the Fund (3,000,000 units; June 30, 2010: 3,000,000 units)	30,849	31,031
Balance in current account	902	582
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held by the Sponsor in the Fund (2,198,796 units; June 30, 2010: 4,098,217 units)	22,610	42,391
<b>NAFA Provident Fund Trust - Provident Fund</b>		
Investment held in the Fund (280,028 units; June 30, 2010: 412,064 units)	2,880	4,262

## 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 February 18, 2011.

## 12. GENERAL

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

12.2 Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison. No significant rearrangements or reclassifications have been made to corresponding figures.

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

Chief Executive

Director