

NAFA Savings Plus Fund

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' 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. Gerard Lee How Cheng	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shehryar Farooque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Amjad Waheed	Chief Executive Officer

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Gerard Lee How Cheng	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Shehryar Farooque	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 Alfiah 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 Pakistan Limited
Arif Habib Bank Limited
Soneri Bank Limited
Royal Bank Of Scotland
National Bank Of Pakistan
Habib Bank Limited

NAFA Savings Plus 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

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 No. 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, Peshwar.
Phone No. 92-91-5711784, 5711782
Fax: 92-91-5211780

Multan Office:

82 Khan Centre Near SP Chowk
Abdali Road, Multan Cantt,
Multan.

NAFA Savings Plus Fund

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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 First Annual Report of **NAFA Savings Plus Fund** for the period from October 24, 2009 to June 30, 2010.

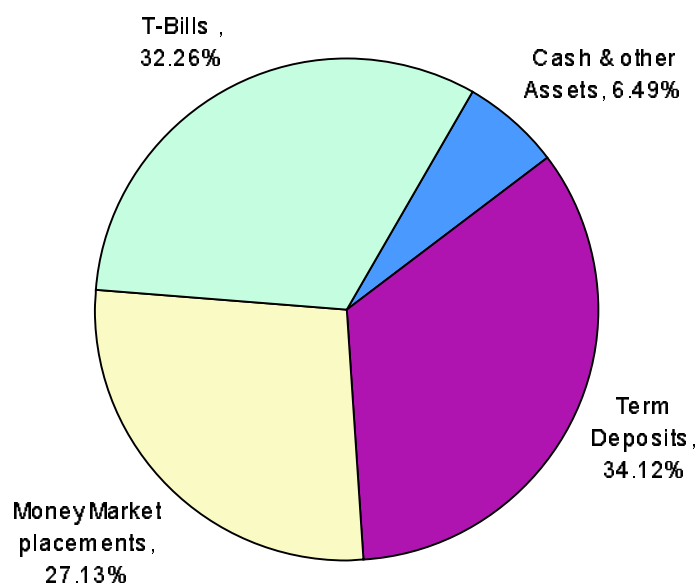
Fund's Performance

NAFA Savings Plus Fund commenced its investments activity November 23, 2009 with an initial fund size Rs.407 Million. Since launch, the Fund size has increased to Rs.586 million as on June 30, 2010 i.e. a growth of 44%. During this period, Unit Price of the Fund has increased from Rs.9.7603 (Ex-Div) to Rs.10.3438 on June 30, 2010, thus showing an annualized return of 10.06%. The performance of the Fund is compared against that of a benchmark (Average 6-Month deposit rates of "A" and above rated Banks). The benchmark has recorded an annualized return of 8.02% during the same period.

NAFA Savings Plus Fund has earned a total income of Rs.43.48 million during the year. After deducting total expenses of Rs.9.13 million, the net income is Rs.34.35 million.

The asset allocation of NAFA Savings Plus Fund as on June 30, 2010 is as follows:

Asset Allocation as on June 30, 2010



NAFA Savings Plus Fund

Income Distribution

In addition to interim distribution of 2.50%, the Board of Directors of the Management Company has also approved a final distribution of 3.00%, translating into total distribution of 5.50% of the par value. After final distribution, the net asset value per unit will be Rs.10.0438 on June 30, 2010.

Taxation

As the above distribution is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, Messrs A. F. Ferguson & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment.

Directors' Statement in Compliance with Code of Corporate Governance

1. The financial statements, prepared by the management company of NAFA Savings Plus Fund, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of NAFA Savings Plus Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon NAFA Savings Plus Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held three meetings during the period October 24, 2010 to June 30, 2010. The attendance of all directors is disclosed in the note 26 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 22 to these financial statements.

NAFA Savings Plus 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
(formerly: National Fullerton Asset Management Limited)

Dr. Amjad Waheed, CFA
Chief Executive

Qamar Hussain
Chairman

Date: August 25, 2010
Place: Karachi.

NAFA Savings Plus Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V 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 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 for the period from October 24, 2009 to June 30, 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

September 06, 2010

NAFA Savings Plus Fund

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE FOR THE PERIOD FROM OCTOBER 24, 2009 TO JUNE 30, 2010

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of Listing Regulations of the Lahore Stock Exchange for the purpose of establishing a framework of good Governance, whereby a listed Company is managed in compliance with the best practice of corporate governance.

NAFA Savings Plus Fund (the Fund) is an open end mutual fund and is listed at the Lahore Stock Exchange. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary of NAFA and other necessary personnel to manage its affairs.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the Board consists of six non-executive directors including two independent directors. The Management Company is not listed on any stock exchange and therefore does not have minority interest.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies occurred during the period in the Board of the Management Company due to resignation of Syed Naseer ul Hassan and Mr. Raymond H. Kotwal were filled by Mr. Kamal Amir Chinoy and Mr. Shehryar Faruque on May 17, 2010.
5. The Management Company has adopted a “Code of Business Ethics and Business Practices”, which has been acknowledged by all the directors and distributed to employees of the Management Company.
6. The Board has developed a vision/mission statement overall corporate strategy and significant policies of the Fund. A complete record of the particulars along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, have been taken by the Board.

NAFA Savings Plus Fund

8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter during the period. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. The related party transactions have been placed before the Audit Committee and approved by the Board of Directors with necessary justification for non arm's length transactions if any, and pricing methods for transactions that were made on terms equivalent to those that prevail in the arm's length transactions only if such terms can be substantiated.
10. All the members of Board are well aware of operations of the Fund and Management Company, therefore no orientation courses were arranged during the period.
11. The Board has approved the appointment of Head of Internal Audit and his terms of employment.
12. Directors' Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
14. The Directors, CEO and Executives do not hold units of the Fund other than those disclosed in note 22 to the financial statements "Transactions with Connected Persons".
15. The Management Company has complied with the corporate and financial reporting requirements of the Code with respect to the Fund.
16. The Board has formed an Audit Committee. It comprises three members, all of whom are non-executive directors including the chairman of the Committee.
17. The meetings of the Audit Committee were held at least once every quarter prior to approval of the interim and final results of the Fund as required by the Code. Terms of Reference of the Audit Committee have been prepared and advised to the Committee for compliance.
18. There exists an effective internal audit function within the Management Company. The Management Company has appointed the Head of Internal Audit, who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Fund.
19. The Statutory Auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.

NAFA Savings Plus Fund

20. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. We confirm that all other material principles contained in the Code have been complied with.

Dated: September 14, 2010
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer

NAFA Savings Plus Fund

FUND MANAGER REPORT

NAFA Savings Plus Fund

NAFA Savings Plus (NSPF) is an open-end Income Scheme.

Investment Objective of the Fund

The objective of NAFA Savings Plus 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.

Benchmark

Average 6-Month deposit rates (A and above rated banks)

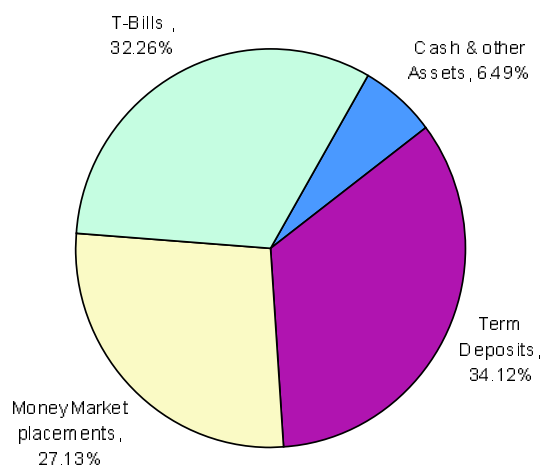
Fund's Performance Review

This is the first Annual report since the launch of the Fund on November 21, 2009. The Fund size as on June 30, 2010 is Rs. 586 million. The Fund has experienced an annualized return of 10.06% since inception. During the same period the benchmark annualized return has been 8.02%. Hence, an outperformance by over 2.00%.

Being 'AA-(f)' rated, NSPF is one of the highest rated income fund in the market, with many features similar to those of money market funds. For instance, it cannot invest in any avenue which has more than six months to maturity, it cannot invest in TFCs/ Sukuks, and it can not invest in money market instruments below a credit rating of 'AA'. The investment value has not declined on any day since Fund's launch in November, 2009.

During FY10, both the money market as well as T-bill rates remained high. Going forward the return of your Fund is expected to further improve. This is mainly due to the discount rate increase subsequent to June 30, 2010. Furthermore, fiscal borrowing is expected to remain strong which will keep interest rates high.

The asset allocation of NSPF is fairly diversified and as on June 30, 2010 is as follows along with its credit quality:



NAFA Savings Plus Fund

Rating	% Allocation
AAA	32.38%
AA+	18.84%
AA	11.87%
AA-	38.18%
A	0.13%
Accruals, deferred costs & unrealized sales / (Payables)	-1.40%

Distribution for the Financial Year 2010

Interim Period / Quarter	Dividend % Par Value	Cumulative Dividend Price per unit (Rs)	Ex-dividend Price per unit (Rs)
Jan 1- Mar 31, 10	2.5%	10.4315	10.1815
Apr 1- Jun 30, 10	3%	10.3438	10.0438

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. NAFA Savings Plus Fund does not have any soft commission arrangement with any broker in the industry.

Following is the unit holder pattern of NAFA Savings Plus Fund by the size of unit holdings as of June 30, 2010.

Size of Unit holding (Units)	# of Unit Holders
1 - 1000	80
1001 - 5000	185
5001 - 10000	73
10001 - 50000	161
50001 - 100000	35
100001 - 500000	50
500001 - 1000000	11
1000001 - 5000000	9
5000001 - 10000000	2
	606

NAFA Savings Plus Fund

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **NBP Fullerton Asset Management Limited** (Formerly National Fullerton Asset Management Limited) (the Management Company) of **NAFA Savings Plus Fund** to comply with the Listing Regulation No. 35 (Chapter XI) of The Lahore Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Sub-Regulation (xiii a) of Listing Regulation No. 35 notified by The Lahore Stock Exchange (Guarantee) Limited requires the Management Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the period from October 24, 2009 to June 30, 2010.

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: September 15, 2010

NAFA Savings Plus Fund

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of **NAFA Savings Plus Fund**, which comprise the statement of assets and liabilities as at June 30, 2010, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the period from October 24, 2009 to June 30, 2010 and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2010 and of its financial performance and cash flows for the period from October 24, 2009 to June 30, 2010 in accordance with the approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in all material respects in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: Rashid A. Jafer
Dated: September 15, 2010
Karachi.

NAFA Savings Plus Fund

STATEMENT OF ASSETS & LIABILITIES AS AT JUNE 30, 2010

	Note	2010 (Rupees in '000)
ASSETS		
Balances with banks	4	232,320
Investments	5	189,079
Loans and receivables	6	159,000
Profit receivable	7	9,450
Prepayments and other receivables	8	428
Preliminary expenses and floatation costs	9	2,295
Total assets		592,572
LIABILITIES		
Payable to the Management Company	10	2,868
Payable to the Trustee	11	98
Payable to the Securities and Exchange Commission of Pakistan	12	263
Payable on redemption of units		1,959
Accrued expenses and other liabilities	13	1,287
Total Liabilities		6,475
NET ASSETS		586,097
UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)		586,097
CONTINGENCIES AND COMMITMENTS	14	
		Number of units
Number of units in issue		56,661,450
NET ASSET VALUE PER UNIT	15	Rupees 10.3438

The annexed notes 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Chairman

NAFA Savings Plus Fund

INCOME STATEMENT FOR THE PERIOD FROM OCTOBER 24, 2009 TO JUNE 30, 2010

	Note	For the Period from October 24, 2009 to June 30, 2010 (Rupees in '000)
INCOME		
Income from government securities		8,757
Income from term deposit receipts		14,727
Income from money market placements		10,683
Profit on bank deposits	16	8,359
Capital loss on sale of investments - net		(5)
Net unrealised diminution in the value of investments at fair value through profit or loss	5.2	(89)
Total income		<u>42,432</u>
EXPENSES		
Remuneration of the Management Company		6,089
Remuneration of the Trustee		700
Annual fee - Securities and Exchange Commission of Pakistan		263
Securities transaction cost		91
Bank charges		225
Annual listing fee		20
Rating fee		121
Auditors' remuneration	17	283
Printing charges		325
Amortisation of preliminary expenses and floatation costs	9	316
Total expenses		<u>8,433</u>
Net income from operating activities		<u>33,999</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		1,048
Provision for workers' welfare fund	18	(701)
Net income for the period before taxation		<u>34,346</u>
Taxation	19	-
Net income for the period after taxation		<u>34,346</u>
Earnings per unit	20	
The annexed notes 1 to 32 form an integral part of these financial statements.		

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

Chief Executive

Chairman

NAFA Savings Plus Fund

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM OCTOBER 24, 2009 TO JUNE 30, 2010

	For the Period from October 24, 2009 to June 30, 2010 (Rupees in '000)
Net income for the period after taxation	34,346
Other comprehensive income for the period	-
Total comprehensive income for the period	<u><u>34,346</u></u>

The annexed notes 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Chairman

NAFA Savings Plus Fund

DISTRIBUTION STATEMENT FOR THE PERIOD FROM OCTOBER 24, 2009 TO JUNE 30, 2010

	For the Period from October 24, 2009 to June 30, 2010 (Rupees in '000)
Net income for the period after taxation	34,346
Interim distribution for the quarter ended March 31, 2010: 2.50% (declared on April 29, 2010)	
- Cash distribution	(1,126)
- Bonus units	(13,986)
Undistributed income carried forward	<u>19,234</u>
Undistributed income comprising of:	
Realised income	19,323
Unrealised income / (loss)	(89)
	<u>19,234</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Chairman

NAFA Savings Plus Fund

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE PERIOD FROM OCTOBER 24, 2009 TO JUNE 30, 2010

	For the Period from October 24, 2009 to June 30, 2010 (Rupees in '000)
Issue of 127,604,571 units - including 1,373,627 bonus units	1,279,412
Redemption of 70,943,121 units	(725,487) 553,925
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	
- amount representing (income) / loss and capital (gains) / losses transferred to income statement	(1,048)
Net unrealised diminution in the value of investments at fair value through profit or loss	(89)
Capital loss on sale of investments - net	(5)
Other net income for the period	34,440
Interim distribution for the quarter ended March 31, 2010: 2.50% (Date of distribution: April 29, 2010)	
- Cash distribution	(1,126)
- Bonus units	(13,986)
	19,234
Interim distribution: Issue of bonus units	13,986
Net Assets at the end of the period	<u><u>586,097</u></u>

The annexed notes 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Chairman

NAFA Savings Plus Fund

CASH FLOW STATEMENT FOR THE PERIOD FROM OCTOBER 24, 2009 TO JUNE 30, 2010

	Note	For the Period from October 24, 2009 to June 30, 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation		34,346
Adjustments		
Net unrealised diminution in the value of investments at fair value through profit or loss		89
Amortisation of preliminary expenses and floatation costs		316
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		(1,048)
		33,703
(Increase) / decrease in assets		
Investments		(189,168)
Loans and receivables		(159,000)
Profit receivable		(9,450)
Prepayments and other receivables		(428)
		(358,046)
Increase / (decrease) in liabilities		
Payable to the Management Company		257
Payable to the Trustee		98
Payable to Securities and Exchange Commission of Pakistan		263
Accrued expenses and other liabilities		1,287
		1,905
		(322,438)
Net cash outflow on operating activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units		1,279,412
Payments on redemption of units		(723,528)
Distributions paid		(1,126)
Net cash inflow from financing activities		554,758
Net increase in cash and cash equivalents during the period		232,320
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	4	232,320

The annexed notes 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Chairman

NAFA Savings Plus Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD FROM OCTOBER 24, 2009 TO JUNE 30, 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 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 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 financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), 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 Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Fund's accounting periods beginning on or after January 1, 2010:

- a) IAS 7 (Amendment), 'Statement of Cash Flows' (effective from January 1, 2010). The amendment requires that only Expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities. The amendment is not expected to have any impact on the Fund's financial statements.
- b) IAS 24 'Related Party Disclosures' (revised) (effective from January 1, 2011). The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party.

There are certain other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2010 but are considered not to be relevant or to have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The area where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relates to classification and valuation of investments (note 3.2 and 5).

2.4 Accounting Convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

NAFA Savings Plus Fund

2.5 Functional and Presentation Currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and cash equivalents include demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: at fair value through profit or loss, available for sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'Financial assets at fair value through profit or loss' category.

b) Available for sale

These are non-derivative financial assets that are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices. These are those non-derivative financial assets that are designated as available for sale and are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables.

c) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.2.4 Subsequent measurement

Subsequent to initial recognition, government securities designated by the management as at fair value through profit or loss and available for sale are valued on the basis of rates announced by the Financial Market Association of Pakistan.

Net gains and losses arising on changes in the fair value of financial assets carried 'at fair value through profit or loss' and 'available for sale' are taken to the income statement and statement of comprehensive income respectively.

Loans and receivables are carried at amortised cost using the effective interest rate method.

3.2.5 Impairment

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement is reclassified from Statement of Comprehensive Income to the income statement.

For financial assets classified as 'loans and receivable', a provision for impairment is established when there is objective evidence that the fund will not be able to collect all amounts due according to original terms. The amount of the provision is the difference between the asset's carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

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3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has been expired.

3.4 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the Net Asset Value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Currently, the Fund is not charging any sales load (front-end load).

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours on that day. The redemption price represents the Net Asset Value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Currently, the Fund is not charging any back-end load.

3.6 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to income / (losses) that form part of the Unit Holders' Funds in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

3.7 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.8 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 among the unit holders.

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.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to avail the tax exemption under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.9 Proposed distributions

Distributions declared subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

NAFA Savings Plus Fund

3.10 Revenue recognition

- Capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income from Term Deposit Receipts, Clean Placements and Certificate of Investments is recognised on an accrual basis.
- Unrealised gains / (losses) arising on revaluation of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Profit on bank deposits is recognised on an accrual basis.

3.11 Net Asset Value per unit

The Net Asset Value per unit as disclosed in 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.

	Note	2010 -----Rupees in '000-----
4 BALANCES WITH BANKS		
Current accounts		581
Savings accounts		31,739
Term Deposit Receipts		<u>200,000</u>
		<u>232,320</u>
5 INVESTMENTS		
At fair value through profit or loss - held for trading		
Government securities - Market Treasury Bills	5.1	<u>189,079</u>
		<u>189,079</u>

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

Issue date	Tenor	Face value				Balance as at June 30, 2010	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at October 24, 2009	Purchases during the period	Sales / matured during the period	As at June 30, 2010	Market value		
-----Number of shares-----								
Market Treasury Bills								
27-Aug-09	6 months	-	100,000	100,000	-	-	-	-
15-Jan-09	12 months	-	50,000	50,000	-	-	-	-
05-Nov-09	3 months	-	45,000	45,000	-	-	-	-
03-Dec-09	6 months	-	60,000	60,000	-	-	-	-
03-Dec-09	6 months	-	40,000	40,000	-	-	-	-
14-Jan-10	3 months	-	50,000	50,000	-	-	-	-
11-Mar-10	3 months	-	40,000	40,000	-	-	-	-
25-Mar-10	3 months	-	50,000	50,000	-	-	-	-
18-Jun-09	12 months	-	62,000	62,000	-	-	-	-
08-Apr-10	3 months	-	50,000	50,000	-	-	-	-
03-Dec-09	6 months	-	15,000	15,000	-	-	-	-
03-Jun-10	3 months	-	85,000	45,000	40,000	39,259	6.70	20.76
03-Jun-10	3 months	-	50,000	-	50,000	49,074	8.37	25.96
18-Jun-09	12 months	-	100,000	100,000	-	-	-	-
17-Jun-10	3 months	-	60,000	15,000	45,000	43,964	7.50	23.25
17-Jun-10	6 months	-	60,000	-	60,000	56,782	9.69	30.03
						<u>189,079</u>		<u>100.00</u>
						<u>189,168</u>		
Carrying value before fair value adjustment as at June 30, 2010						<u>189,168</u>		

NAFA Savings Plus Fund

	Note	2010 -----Rupees in '000-----
5.2 Net unrealised diminution in value of investments at fair value through profit or loss		
Market value of investments		189,079
Less: carrying value of investments		<u>(189,168)</u>
		<u>(89)</u>
6 LOANS AND RECEIVABLES		
Clean Placements	6.1	35,000
Certificates of Investment	6.1	<u>124,000</u>
		<u>159,000</u>
6.1	Clean Placements and Certificates of Investment carry interest rate ranging from 12.05% - 13.00% and are maturing upto September 13, 2010.	

	Note	2010 -----Rupees in '000-----
7 PROFIT RECEIVABLE		
Profit on savings deposits		340
Profit on term deposit receipts		2,763
Profit on certificates of investment		6,113
Profit on clean placements		<u>234</u>
		<u>9,450</u>
8 PREPAYMENTS AND OTHER RECEIVABLES		
Prepaid rating fee		79
Receivable against transfer sales		<u>349</u>
		<u>428</u>
9 PRELIMINARY EXPENSES AND FLOATATION COSTS		
Preliminary expenses and floatation costs incurred	9.1	2,611
Less: amortisation during the period		<u>316</u>
Balance as at June 30, 2010		<u>2,295</u>
9.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from Nov 22, 2009 as per the requirements set out in the Trust Deed of the Fund.	

	Note	2010 -----Rupees in '000-----
10 PAYABLE TO THE MANAGEMENT COMPANY		
Management fee		983
Others	10.1	<u>1,885</u>
		<u>2,868</u>
10.1	Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. The Management Company has charged its remuneration at the rate of two percent per annum for the current period. The remuneration is paid to the Management Company on a monthly basis in arrears.	

NAFA Savings Plus Fund

	Note	2010 -----Rupees in '000-----
11 PAYABLE TO THE TRUSTEE		
Trustee fee	11.1	<u>98</u>

11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2010 is as follows:

Amount of Funds Under Management (Average NAV)	Tariff per annum
Upto Rs 1,000 million	Rs 0.7 million or 0.20% p.a. of NAV, whichever is higher
On an amount exceeding Rs 1,000 million	Rs 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million

	Note	2010 -----Rupees in '000-----
12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
Annual Fee	12.1	<u>263</u>

12.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), a money market fund is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

	Note	2010 -----Rupees in '000-----
13 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable		235
Payable to brokers		16
Bank charges payable		10
Provision for workers' welfare fund	18	701
Printing charges payable		<u>325</u>
		<u>1,287</u>

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2010.

15 NET ASSET VALUE PER UNIT

The Net Asset Value 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.

	Note	For the Period from October 24, 2009 to June 30, 2010 -----Rupees in '000-----
16 PROFIT ON BANK DEPOSITS		
Income on savings deposits		<u>8,359</u>
17 AUDITORS' REMUNERATION	18	
Audit fee		248
Out of pocket expenses		<u>35</u>
		<u>283</u>

NAFA Savings Plus Fund

18 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund (WWF) Ordinance, 1971, whereby the definition of "industrial establishment" was amended to include therein, any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 (Ordinance of 1969) applies. Management Company of the Fund, based on a legal advice obtained through Mutual Funds Association of Pakistan (MUFAP) was of a firm view that Collective Investment Scheme (CIS) were not establishments and therefore, the WWF Ordinance should not be applicable to such schemes. The MUFAP had also filed a constitutional petition in the High Court of Sindh (the Court) on behalf of the members, challenging the applicability of WWF to the CIS. The said petition was dismissed by the Court vide its order dated May 25, 2010 on the main ground that the MUFAP (Petitioner) could not be held entitled to maintain a petition in respect of its members as it was not the aggrieved party. The Judgment recognises that the Trusts are covered by the scope of the definition of commercial establishment as contained in Ordinance of 1969 and, therefore, mutual funds and other funds appear to be covered unless it can be established that they fall within the scope of exemption set out in Section 5 (1)(iii) of the Ordinance of 1969 i.e. the Trusts not run for profit or in the course of business does not make any profit. This could be examined when the aggrieved parties directly approached the Court for redressal.

In the meantime, clarification has been obtained by the MUFAP from the Ministry of Labour & Manpower, Workers' Welfare Fund, Govt. of Pakistan, which, through their letter nos. WWF (A - II) 11.(5)/2010 dated July 8, 2010 and July 15, 2010, has clarified that the WWF Ordinance, 1971 does not have any provisions for the applicability of WWF on those entities whose income are exempt from income tax under any provisions of any law, and that mutual funds are a product being managed / sold by asset management companies which are liable to contribute towards the said WWF levy.

Various legal opinions are available on this matter. Some legal advisors are of the view that this levy is not applicable on CIS and therefore provision is not required to be created while there is also a contrary view according to which this levy has become applicable on the fund and the letter issued by the Ministry of Labour, Government of Pakistan has no legal significance.

Because of ambiguity created based on conflicting opinions by lawyers and as a matter of abundant caution the Management Company of the Fund has decided to recognize a provision for WWF in these financial statements.

19 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year / period, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company has decided to distribute at least 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

20 EARNINGS PER UNIT

Earnings per unit (EPU) for the period from October 24, 2009 to June 30, 2010 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

21 FINANCIAL INSTRUMENTS BY CATEGORY

	-----2010-----		
	Loans and receivables	Assets at fair value through profit or loss	Total
	-----Rupees in '000-----		
Assets			
Balances with banks	232,320	-	232,320
Investments	-	189,079	189,079
Loans and receivables	159,000	-	159,000
Profit receivable	9,450	-	9,450
Other receivables	349	-	349
	<u>401,119</u>	<u>189,079</u>	<u>590,198</u>
	-----2010-----		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
	-----Rupees in '000-----		
Liabilities			
Payable to the Management Company	-	2,868	2,868
Payable to the Trustee	-	98	98
Payable on redemption of units	-	1,959	1,959
Accrued expenses and other liabilities	-	586	586
	<u>-</u>	<u>5,511</u>	<u>5,511</u>

NAFA Savings Plus Fund

22 TRANSACTIONS WITH CONNECTED PERSONS

- 22.1 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), NIB Bank Limited (NIB) (till March 31, 2010) 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.
- 22.2 On March 31, 2010, NIB has sold out its shareholding of NAFA to NBP. Accordingly, thereafter NIB is no longer a connected person for the Fund.
- 22.3 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 22.4 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 22.5 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

22.6 Details of the transactions with connected persons are as follows:

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

Management fee for the period	6,089
Preliminary expenses and floatation costs paid by the Management Company on behalf of the Fund	2,611

Central Depository Company of Pakistan Limited - Trustee

Remuneration for the period	700
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National Bank of Pakistan - Sponsor

Units issued during the period (3,000,000 units)	30,000
Pre-IPO profit paid	187
Cash dividend paid	750

NIB Bank Limited - previously a Sponsor

Units issued during the period (3,000,000 units)	30,000
Units redeemed during the period (1,500,000 units)	15,281
Profit on bank deposit	5,793
Market treasury bills purchased during the period	96,961
Investment in term deposit receipts	50,000
Pre-IPO profit paid	197

Alexandra Fund Management Pte. Limited - Sponsor

Units issued during the period (4,000,000 units)	40,000
Bonus units issued during the period (98,217 units)	
Pre-IPO profit paid	302

Employees of the Management Company

Units issued during the period (1,654,024 units)	16,765
Bonus units issued during the period (1,098 units)	
Units redeemed during the period (1,638,597 units)	16,667

NAFA Provident Fund Trust - Provident Fund

Units issued during the period (790,811 units)	8,120
Bonus units issued during the period (9,655 units)	
Units redeemed during the period (388,401 units)	3,992

**For the Period
from October 24,
2009 to June 30,
2010**

-----Rupees in '000-----

NAFA Savings Plus Fund

22.7	Amounts outstanding as at period end	June 30, 2010 -----Rupees in '000-----
	NBP Fullerton Asset Management Limited - Management Company (Formerly National Fullerton Asset Management Limited)	
	Management fee payable	983
	Others	1,885
	Central Depository Company of Pakistan Limited - Trustee	
	Remuneration payable	98
	National Bank of Pakistan - Sponsor	
	Investment held by the Sponsor in the Fund (3,000,000 units)	31,031
	Balance in current account	582
	Alexandra Fund Management Pte. Limited - Sponsor	
	Investment held by the Sponsor in the Fund (4,098,217 units)	42,391
	Employees of the Management Company	
	Investment held by the executives in the Fund (16,525 units)	171
	NAFA Provident Fund Trust - Provident Fund	
	Investment held in the Fund (412,064 units)	4,262

23 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S. No	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	MBA / Doctorate in Business Administration / CFA	22
2	Sajjad Anwar	CFA / MBA Finance	10
3	Irfan Malik	CFA / MBA	13
4	Tanvir Abid	CFA / MBA	11
5	Ahmed Noman	EMBA, CFA	14

23.1 Mr. Irfan Malik is the manager of the Fund. He is also the fund manager of NAFA Cash Fund and NAFA Islamic Income Fund.

24 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

		2010
1	JGlobal Securities Pakistan Limited	42.34%
2	Invest Capital And Securities (Private) Limited	20.90%
3	IGI Finex Securities Limited	11.43%
4	KASB Securities Limited	7.47%
5	First Capital Securities Corporation Limited	5.47%
6	Atlas Capital Market (Private) Limited	5.08%
7	Invisor Securities (Private) Limited	2.68%
8	Elixir Securities Pakistan (Private) Limited	2.53%
9	JS Global Capital Limited	1.44%
10	BMA Capital Management Limited	0.66%
		<u>100.00%</u>

25 PATTERN OF UNIT HOLDING

Pattern of unit holding as at June 30, 2010

Category	-----2010-----		
	Number of unit holders	Investment amount Rupees in '000	Percentage investment
Individuals	575	225,028	38.39%
Associated companies / Directors	4	93,201	15.90%
Insurance companies	-	-	-
Banks / DFIs	-	-	-
NBFCs	-	-	-
Retirement funds	9	78,065	13.32%
Public Limited companies	8	32,940	5.62%
Others	10	156,863	26.77%
	<u>606</u>	<u>586,097</u>	<u>100.00%</u>

NAFA Savings Plus Fund

26 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 24th, 25th and 26th Board meetings were held on October 28, 2009, February 17, 2010 and April 29, 2010 respectively. Information in respect of attendance by Directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Mr. Masood Karim Shaikh *	-	-	-	-
Dr. Amjad Waheed	3	3	-	-
Mr. Gerard Lee How Cheng	3	2	1	26th meeting
Mr. Patrick Pang Chin	3	3	-	-
Mr. Shahid Anwar Khan	3	1	2	24th & 26th meeting
Mr. Qamar Hussain **	3	2	1	25th meeting
Mr. Raymond H. Kotwal	3	3	-	-
Mr. Syed Naseer Ul Hasan	3	3	-	-

* Mr. Masood Karim Shaikh retired from the board with effect from October 16, 2009.

** Mr. Qamar Hussain was co-opted on the board with effect from October 16, 2009.

27 FINANCIAL RISK MANAGEMENT

The Fund is a money market fund which primarily invests in government securities. The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

27.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / interest rate risk and other price risk.

27.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

27.1.2 Yield / Interest rate risk

Yield interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

As at June 30, 2010, the Fund does not hold any variable rate instruments and is not exposed to cash flow interest rate risk.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2010 the Fund holds Market Treasury Bills which are classified as 'At fair value through profit or loss', exposing the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by the Financial Market Association on June 30, 2010, with all other variables held constant, the net income for the period and net assets would be lower by Rs 467,267. In case of 100 basis points decrease in rates announced by the Financial Market Association on June 30, 2010, with all other variables held constant, the net income for the period and net assets would be higher by Rs 488,222.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2010 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

NAFA Savings Plus Fund

-----JUNE 30, 2010-----

Total	Exposed to Yield / Interest risk			Not exposed to Yield / Interest risk
	Upto three months	More than three months and upto one year	More than one year	

On balance sheet financial instruments

-----Rupees in '000-----

Financial assets

Balances with banks	232,320	231,739	-	-	581
Investments	189,079	132,297	56,782	-	-
Loans and receivables	159,000	159,000	-	-	-
Profit receivable	9,450	-	-	-	9,450
Other receivables	349	-	-	-	349
	<u>590,198</u>	<u>523,036</u>	<u>56,782</u>	<u>-</u>	<u>10,380</u>

Financial liabilities

Payable to the Management Company	2,868	-	-	-	2,868
Payable to the Trustee	98	-	-	-	98
Payable on redemption of units	1,959	-	-	-	1,959
Accrued expenses and other liabilities	586	-	-	-	586
	<u>5,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,511</u>

On balance sheet gap

	<u>584,687</u>	<u>523,036</u>	<u>56,782</u>	<u>-</u>	<u>4,869</u>
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Off balance sheet financial instruments

	-	-	-	-	-
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Off balance sheet gap

	-	-	-	-	-
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The rates of return on financial instruments are as follows:

**2010
Percentage per annum**

Balances with banks	5.00 - 12.00
Term deposit receipts	12.25 - 12.90
Market Treasury bills	11.70 - 12.30
Clean Placements	12.20 - 13.00
Certificates of Investment	12.05 - 12.50

27.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from yield / interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Presently, the Fund is not exposed to any price risk as no equity securities are held by the Fund as on June 30, 2010.

27.2 Credit risk and management of credit risk

Credit risk arising from the inability of the counterparties to fulfill their obligations in respect of financial instrument contracts, is generally limited to the principal amount and accrued income thereon. The Fund's policy is to enter into financial instrument contracts by following internal guidelines such as approving counterparties, approving credit, obtaining adequate collateral and transacting through approved brokers.

The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2010:

Bank Balances by rating category

A1+	92.05%
A-1+	5.63%
A1	0.64%
A-1	0.32%
A-2	1.36%
	<u>100.00%</u>

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27.2.1 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio mainly comprise of government securities and remaining transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk to counterparties other than government.

27.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in government securities that can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. However, during the current period, no borrowing was obtained by the Fund. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the period.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

June 30, 2010			
Total	Upto three months	More than three months and upto one year	More than one year
-----Rupees in '000-----			
Liabilities			
Payable to the Management Company	2,868	983	-
Payable to the Trustee	98	98	-
Payable on redemption of units	1,959	1,959	-
Accrued expenses and other liabilities	586	586	-
	5,511	3,626	-
			1,885

28 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Asset Management Company has taken undertaking from the sponsors to invest Rs 50 million for at least two years in compliance with Regulation 44 (3) (e) (ii) of the NBFC Regulations.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 27, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption request, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short term in nature or periodically repriced.

According to the amendments to International Financial Reporting Standard 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in

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in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Investments of the Fund carried at fair value are categorised in level 1 category.

30 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on July 05, 2010 have proposed a final distribution at the rate of 3%. The financial statements of the Fund for the period ended June 30, 2010 do not include the effect of the final distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2011.

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on **August 25, 2010**.

32 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

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

Chief Executive

Chairman

NAFA Savings Plus Fund

PERFORMANCE TABLE

Particulars	For the Period from October 24, 2009 to June 30, 2010
Net assets (Rs. '000')	586,097
Net Income (Rs. '000')	34,346
Net Asset Value per units (Rs.)	10.0438
Offer price per unit	10.0438
Redemption price per unit	10.0438
Highest offer price per unit (Rs.)	10.0438
Lowest offer price per unit (Rs.)	9.4773
Highest redemption price per unit (Rs.)	10.0438
Lowest redemption price per unit (Rs.)	9.4773
Total return of the fund	10.06%
Capital growth	4.56%
Income distribution	5.50%
Interim distribution per unit	0.2500
Final distribution per unit	0.3000
Distribution dates	
Interim	29-Apr-10
Final	5-Jul-10
Average annual return (launch date 21-11-09) (Since inception to June 30, 2010)	10.06%
Portfolio Composition (Please see Fund Manager Report)	
Weighted average portfolio duration	51 Days
<p>"Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up."</p>	