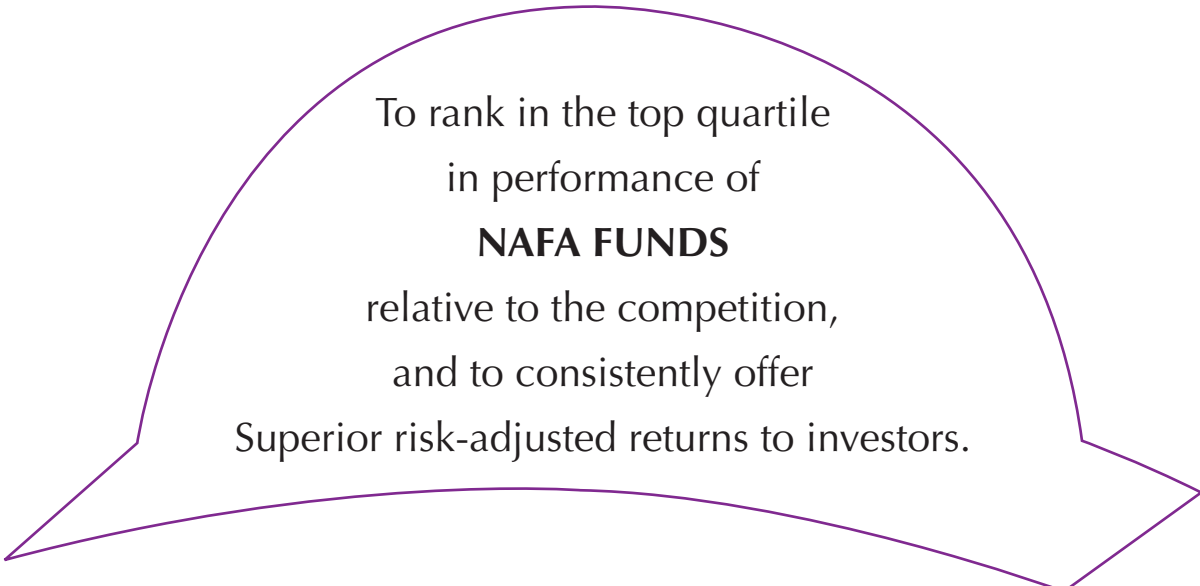


MISSION STATEMENT



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

Board of Directors of the Management Company

Mr. Shahid Anwar Khan	Chairman
Mr. Amir Shahzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Asif A. Brohi	Director
Dr. Amjad Waheed	Chief Executive Officer

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Koh Boon San	Chairman
Mr. Shehryar Faruque	Member
Mr. Amir Shahzad	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
Summit Bank Limited
Soneri Bank Limited
National Bank of Pakistan
Habib Bank Limited
Barclays 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
UAN: 021-111-111-NFA (632)
Toll Free: 0800-20001
Fax: 021-32467605

Lahore Office:

House # 10 - A, Block -S, Gulberg - II, Lahore.
UAN: 042-111-111-632
Fax: 042-35760373

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

NBP City Branch, Hussain-a-Gahi, Multan.
Tel : 92-061-4502204
Fax: 92-061-4502203

NAFA SAVINGS PLUS FUND

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NAFA SAVINGS PLUS FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Third Annual Report of **NAFA Savings Plus Fund** for the year ended June 30, 2012.

Fund's Performance

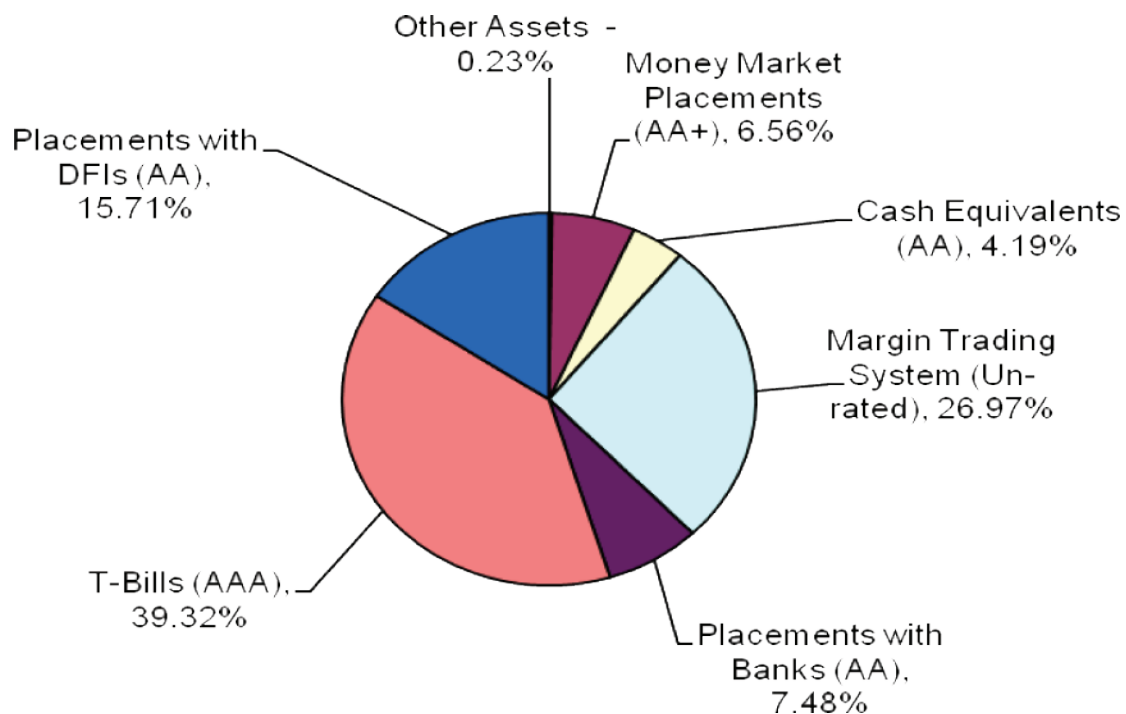
The size of **NAFA Savings Plus Fund** has increased from Rs. 545 million to Rs. 1,337 million during the period, i.e. a growth of 145.32%. During the said period, the unit price of the Fund has increased from Rs. 9.0408 (Ex-Div) on June 30, 2011 to Rs. 10.0391 on June 30, 2012, thus showing an annualized return of 11.01% as compared to its Benchmark (Average 6-Month Deposit Rate of A and above rated banks) annualized return of 8.40% for the same period.

NSPF cannot invest in any avenue which has more than six months maturity, nor can it invest in debt securities and equities. Moreover, it cannot invest in money market instruments below a credit rating of 'AA-' or having a maturity of more than six months. The investment value of the Fund has not declined on any day since its launch in November 2009. The Fund has been awarded stability rating of AA-(f) by PACRA. The Fund is categorized as an the "Income Scheme". With some letup in inflationary pressures and improved external accounts, SBP slashed the Policy Rate during FY12 by 2% to 12%.

The management is announcing monthly dividends since July 2011 and intends to continue this policy in the future as well.

The Fund has earned a total income of Rs.113.26 million during the year. After deducting total expenses of Rs.22.07 million, the net income is Rs.91.19 million.

The asset allocation of NAFA Savings Plus Fund as on June 30, 2012 is as follows:



NAFA SAVINGS PLUS FUND

Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 10.42% of opening ex-NAV (10.45% of the par value) during the year.

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, 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 the 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 Financial Reporting 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 the 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 five meetings during the current financial year. The attendance of all directors is disclosed in the note 25 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 24 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 21 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

Chief Executive

Director

Date: September 11, 2012
Place: Karachi.

NAFA SAVINGS PLUS FUND

TRUSTEE REPORT TO THE UNIT HOLDERS NAFA SAVINGS PLUS FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Savings Plus Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2012 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 26, 2012

NAFA SAVINGS PLUS FUND

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE NAFA SAVINGS FUND FOR THE YEAR ENDED JUNE 30, 2012

This statement is being presented by the Board of Directors of NBP Fullerton Asset Management Limited (Company), the Management Company of **NAFA Savings Fund** (the Fund) to comply with the Best Practices of Code of Corporate Governance (CCG) contained in Regulation No. 35, Chapter XI of Listing Regulations of Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

NBP Fullerton Asset Management Limited, though an un-listed Public Limited Company complies with the CCG as the Fund under its management is listed on Lahore Stock Exchange.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board of Directors. The Company, being an un-listed company, does not have any minority interest. At present the Board includes:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque
Executive Directors	Dr. Amjad Waheed (Chief Executive Officer)
Non- Executive Directors	1. Shahid Anwar Khan (Chairman) 2. Dr. Asif.A Brohi 3. Mr. Amir Shahzad 4. Mr. Wah Geok Sum 5. Mr. Koh Boon San

The independent directors meet the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than ten listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable). However, the requirement of serving as a director of seven listed companies is applicable from the date of next elections of directors.
3. All the resident directors of the 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. Two casual vacancies occurred on the board on August 27, 2011 and March 31, 2012 during the year. First casual vacancy was filled up by the director within 24 days and the second casual vacancy was filled up by the director on the same day.
5. Subsequent to year end, the Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

NAFA SAVINGS PLUS FUND

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies 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. There is no other executive-director of the Company besides CEO.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. 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 meetings were appropriately recorded and circulated.
9. In order to apprise the directors on their duties and responsibilities and requirements of CCG, the code requires company to conduct formal orientation for directors. The board did not arrange director training /education program required under the code as all the directors meet the exemption criteria of minimum fourteen years of education and fifteen years of experience. The directors are conversant with the relevant laws applicable to the company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the Units of the Fund other than that disclosed in note 21 to the financial statements " Transactions with Connected Persons".
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is a non-independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the CCG. The revised terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR Committee. It comprises of four members, of who are non-executive directors and the chairman of the committee is a non-independent director.
18. The board has set up an effective internal audit function.

NAFA SAVINGS PLUS 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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
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. There was no 'closed period' prior to the announcement of interim/final results.
22. Material / price sensitive information has been disseminated amongst all market participants at once through stock exchange.
23. We confirm that all other material principles contained in the CCG have been complied with.

Karachi
September 11, 2012

For and behalf of the board

Dr. Amjad Waheed
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

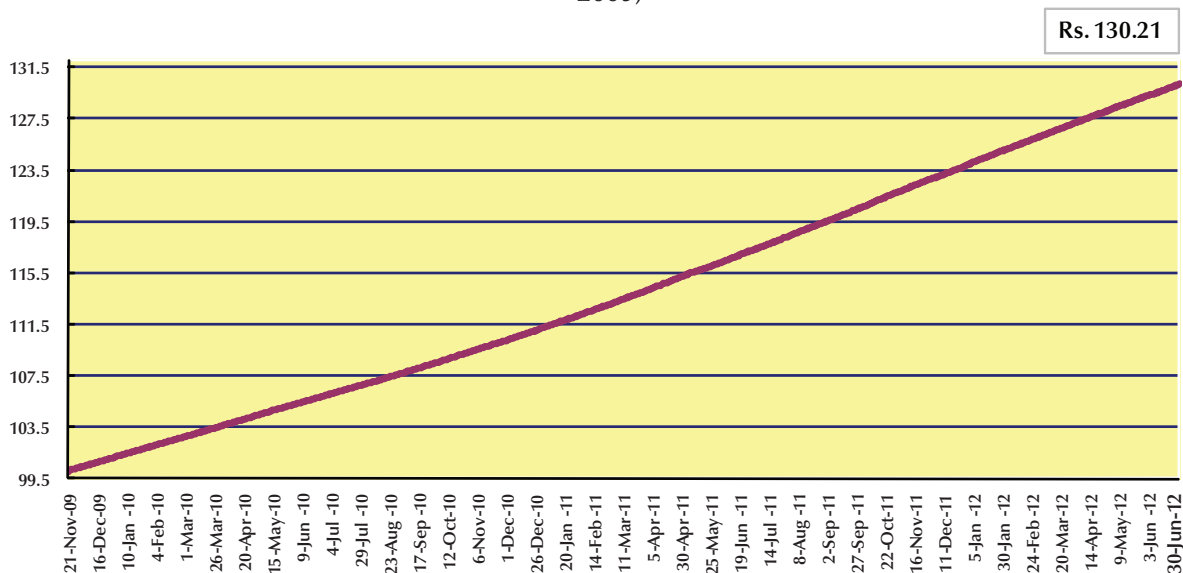
Average 6-Month deposit rates (A and above rated banks)

Fund Performance Review

This is the third Annual report since the launch of the Fund on November 21, 2009. The Fund size increased by 145% during the year and stands at Rs 1,337 million as on June 30, 2012. Since its inception, the Fund has generated an annualized return of 10.65% against the benchmark return of 8.32%. This translates into an out-performance of 2.33% p.a. The Fund's annualized return during FY 2011-12 is 11.01% versus the benchmark return of 8.40%. Thus the Fund has achieved its investment objectives.

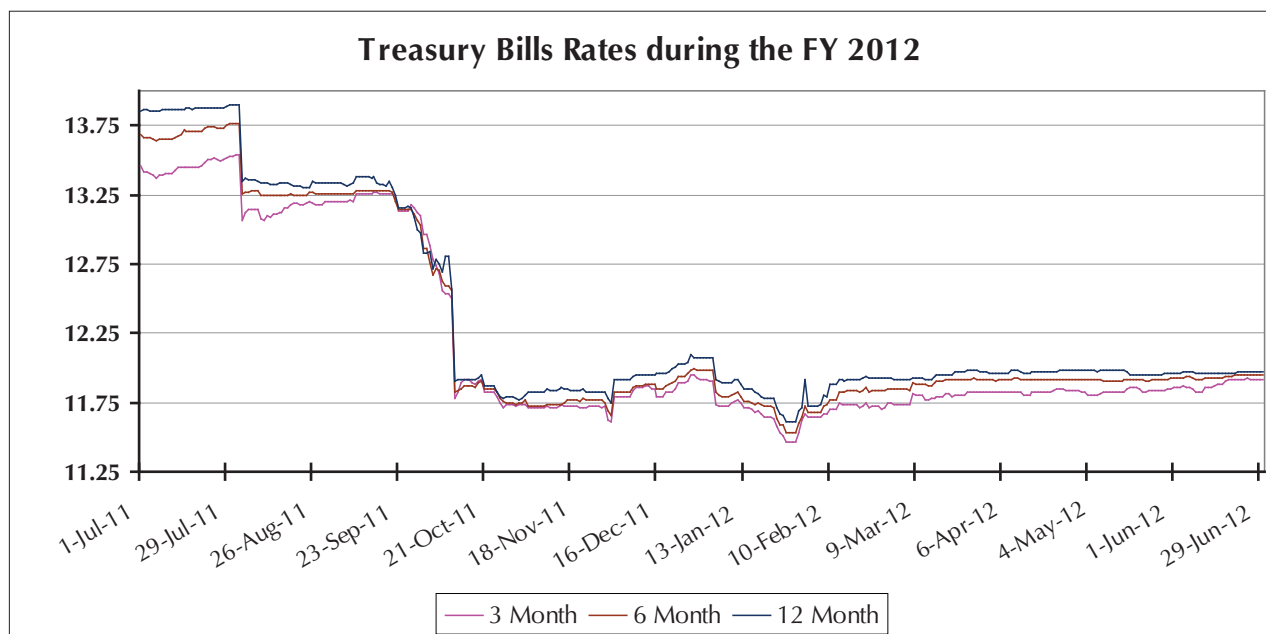
The Fund is rated 'AA-(f)' by PACRA, which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. NSPF has many features similar to those of money market funds. For instance, it cannot invest in any avenue which has more than six months maturity, it cannot invest in TFCs/ Sukuks, nor can it invest in money market instruments below a credit rating category of 'AA'. The investment value of the Fund has not declined on any day since its launch in November 2009. The Fund is allowed to invest in MTS. However, NAFA's internal guidelines permit financing in only fundamentally strong companies. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rate of return with no direct exposure to the stock market.

Value of Rs. 100 invested in NAFA Savings Plus Fund at Launch (November 21, 2009)



NAFA SAVINGS PLUS FUND

Inflation as measured by CPI stood at 11% for FY12 as against 13.3% during the preceding year. With this letup in inflation and to spur private sector investment, SBP reduced the Discount Rate from 14% to 12%. Correspondingly the benchmark 6-Months T-bill rate declined to 11.95% from 13.76% during the year.



Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-12	30-Jun-11
T-Bills	39.32%	54.15%
Placement with DFIs	15.71%	-
Placement with Banks	7.48%	13.76%
Money Market Placements	6.56%	9.17%
Cash Equivalents	4.19%	10.64%
Margin Trading System (MTS)	26.97%	10.89%
Other Assets / (Liabilities)	-0.23%	1.39%
Total	100.00%	100.00%

NAFA SAVINGS PLUS FUND

Distribution for the Financial Year 2012

Interim Period / Quarter	Dividend as a % of Par Value (Rs.10)	Cummlative Div. Price / Unit	Ex- Div. Price
Jul-11	0.892	10.1242	10.0350
Aug-11	0.913	10.1402	10.0489
Sep-11	0.832	10.1300	10.0468
Oct-11	0.913	10.1438	10.0525
Nov-11	0.903	10.1414	10.0511
Dec-11	0.923	10.1452	10.0529
Jan-12	0.923	10.1329	10.0406
Feb-12	0.903	10.1200	10.0297
Mar-12	0.822	10.1126	10.0304
Apr-12	0.822	10.1095	10.0273
May-12	0.822	10.1166	10.0344
Jun-12	0.782	10.1045	10.0263

Unit Holding Pattern of NAFA Savings Plus Fund as on 30th June 2012

Size of Unit Holding (Units)	# of Unit Holders
1 - 1000	90
1001 - 5000	171
5001 - 10000	98
10001 - 50000	360
50001 - 100000	121
100001 - 500000	152
500001 - 1000000	30
1000001 - 5000000	24
5000001 - 10000000	-
10000001 - 100000000	1
100000001 - 1000000000	-
	1,047

During the period under question:

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.

Workers' Welfare Fund (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 3,792,190/-. If the same were not made the NAV per unit/ FY 2012 return of scheme would be higher by Rs. 0.0285/ 0.31%. For details investors are advised to read note 16 of the Financial Statement of the Scheme for the year ended June 30, 2012.

NAFA SAVINGS PLUS FUND

REVIEW REPORT 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**, 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. 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 Company'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 Company's personnel and review of various documents prepared by the 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.

Regulation 35 (x) of the listing regulations notified by the Lahore Stock Exchange (Guarantee) Limited requires the 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 for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2012.

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 26, 2012

NAFA SAVINGS PLUS FUND

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **NAFA Savings Plus Fund (here in after referred to as "the Fund")**, which comprise the statement of assets and liabilities as at June 30, 2012, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended, 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 approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 International Standards on Auditing 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 financial position of the Fund as at June 30, 2012, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Rashid A. Jafer**
Dated: September 26, 2012
Karachi

NAFA SAVINGS PLUS FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2012

	Note	2012 ------(Rupees in '000)-----	2011
ASSETS			
Balances with banks	4	156,039	132,970
Investments	5	823,491	345,223
Receivable against Margin Trading System		360,584	59,363
Profit receivable	6	9,107	2,564
Deposits, prepayments and other receivables	7	1,543	9,437
Preliminary expenses and floatation costs	8	1,252	1,775
Total assets		1,352,016	551,332
LIABILITIES			
Payable to the Management Company	9	2,260	880
Payable to Central Depository Company of Pakistan Limited - Trustee	10	170	76
Payable to Securities and Exchange Commission of Pakistan	11	667	460
Payable against redemption of units		7,281	2,233
Accrued expenses and other liabilities	12	4,497	2,452
Total liabilities		14,875	6,101
NET ASSETS		1,337,141	545,231
UNIT HOLDERS' FUNDS (as per statement attached)		1,337,141	545,231
CONTINGENCIES AND COMMITMENTS			
	13	------(Number of units)-----	
Number of units in issue		133,193,988	52,913,633
------(Rupees)-----			
NET ASSET VALUE PER UNIT	14	10.0391	10.3042

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA SAVINGS PLUS FUND

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 -----Rupees in '000-----	2011
INCOME			
Income from government securities		44,618	32,859
Income from term deposit receipts		6,380	22,770
Profit on bank deposits		6,071	4,992
Income from money market placements		17,403	10,817
Income from commercial papers		-	4,501
Income from investment in sukuk certificates		9,286	-
Income from Margin Trading System		29,948	1,691
Net capital loss on sale of investments		(133)	(122)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.4	(316)	(185)
Total income		<u>113,257</u>	<u>77,323</u>
EXPENSES			
Remuneration of the Management Company		12,128	10,834
Sindh sales tax on remuneration of the Management Company		1,941	-
Remuneration of the Trustee		1,420	1,138
Annual fee - Securities and Exchange Commission of Pakistan		667	460
Amortisation of preliminary expenses and floatation costs	8	523	520
Securities transaction cost		209	133
Bank charges		293	285
Settlement charges		2,128	149
Annual listing fee		40	40
Rating fee		212	200
NCCPL Fee		222	78
Auditors' remuneration	15	388	357
Legal and professional charges		40	120
Total expenses		<u>20,211</u>	<u>14,314</u>
Net income from operating activities		<u>93,046</u>	<u>63,009</u>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		-	(1,508)
Provision for Workers' Welfare Fund	16	(1,861)	(1,230)
Net income for the year before taxation		<u>91,185</u>	<u>60,271</u>
Taxation	17	-	-
Net income for the year after taxation		<u>91,185</u>	<u>60,271</u>
Earnings per unit	19		

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA SAVINGS PLUS FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2012

	2012	2011
	-----Rupees in '000-----	
Net income for the year after taxation	91,185	60,271
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>91,185</u>	<u>60,271</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA SAVINGS PLUS FUND

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2012

	2012	2011
	-----Rupees in '000-----	
Undistributed income brought forward comprising:		
- Realised income	15,502	19,323
- Unrealised loss on remeasurement of investments	(185)	(89)
	<u>15,317</u>	<u>19,234</u>
Net income for the year	91,185	60,271
Final distribution for the year		
- Re 0.275 per unit declared on July 04, 2011 (2011: Re. 0.30 per unit declared on July 5, 2010)		
- Cash distribution	(1,245)	(1,352)
- Issue of bonus units	(13,370)	(15,562)
Interim distributions during the year		
- Re 0.0892 per unit declared on August 02, 2011		
- Cash distribution	(402)	-
- Issue of bonus units	(4,616)	-
- Re 0.0913 per unit declared on September 06, 2011 (2011: Re 0.0251 per unit declared on September 30, 2011)		
- Cash distribution	(411)	(1,139)
- Issue of bonus units	(4,796)	(15,795)
- Re 0.0832 per unit declared on October 03, 2011		
- Cash distribution	(375)	-
- Issue of bonus units	(5,023)	-
- Re 0.0913 per unit declared on November 02, 2011		
- Cash distribution	(411)	-
- Issue of bonus units	(5,486)	-
- Re 0.0903 per unit declared on December 02, 2011 (2011: Re 0.0251 per unit declared on December 31, 2011)		
- Cash distribution	(407)	(1,137)
- Issue of bonus units	(5,770)	(13,436)
- Re 0.0923 per unit declared on January 03, 2011		
- Cash distribution	(277)	-
- Issue of bonus units	(5,223)	-
- Re 0.0923 per unit declared on January 30, 2012		
- Cash distribution	(277)	-
- Issue of bonus units	(7,979)	-
- Re 0.0903 per unit declared on February 28, 2012		
- Cash distribution	(271)	-
- Issue of bonus units	(10,056)	-
- Re 0.0822 per unit declared on March 29, 2012 (2011: Re 0.0271 per unit declared on March 31, 2011)		
- Cash distribution	(247)	(1,222)
- Issue of bonus units	(10,030)	(14,125)
- Re 0.0822 per unit declared on April 27, 2012 (2011: Re 0.025 per unit declared on April 19, 2011)		
- Cash distribution	(247)	-
- Issue of bonus units	(10,557)	-
- Re 0.0822 per unit declared on May 31, 2012		
- Cash distribution	(247)	-
- Issue of bonus units	(10,914)	-
- Re 0.0782 per unit declared on June 27, 2012		
- Cash distribution	(235)	-
- Issue of bonus units	(10,399)	-
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed	4,940	(420)
Undistributed income carried forward	<u>2,171</u>	<u>15,317</u>
Undistributed income comprising:		
Realised income	2,487	15,502
Unrealised loss on remeasurement of investments	(316)	(185)
	<u>2,171</u>	<u>15,317</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA SAVINGS PLUS FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2012

	2012	2011
	-----Rupees in '000-----	
Net assets at the beginning of the year	545,231	586,097
Issue of 190,210,871 units including 10,384,809 bonus units (2011: 78,870,578 units including 5,839,010 bonus units)	1,813,356	746,963
Redemption of 109,930,516 units (2011: 82,618,395 units)	(1,107,579)	(844,758)
	705,777	(97,795)
Final distribution of bonus units for the year		
- Re 0.275 per unit declared on July 04, 2011 (2011: Re. 0.30 per unit declared on July 5, 2010)	13,370	15,562
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(316)	(185)
Net loss on sale of investments	(133)	(122)
Other income (net of expenses) for the year	91,634	60,578
	91,185	60,271
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed		
- amount representing (income) / losses and capital (gains) / losses - amount transferred to income statement	-	1,508
- amount representing (income) / loss that forms part of unit holder's fund - amount transferred to distribution statement	(4,940)	420
	(4,940)	1,928
Distributions during the year		
Interim distributions	90,849	43,356
Final distribution made during the year		
- Re 0.275 per unit declared on July 04, 2011 (2011: Re. 0.30 per unit declared on July 5, 2010)		
- Cash distribution	(1,245)	(1,352)
- Issue of bonus units	(13,370)	(15,562)
Interim distributions made during the year		
- Re 0.0892 per unit declared on August 02, 2011		
- Cash distribution	(402)	-
- Issue of bonus units	(4,616)	-
- Re 0.0913 per unit declared on September 06, 2011 (2011: Re 0.0251 per unit declared on September 30, 2011)		
- Cash distribution	(411)	(1,139)
- Issue of bonus units	(4,796)	(15,795)
- Re 0.0832 per unit declared on October 03, 2011		
- Cash distribution	(375)	-
- Issue of bonus units	(5,023)	-
- Re 0.0913 per unit declared on November 02, 2011		
- Cash distribution	(411)	-
- Issue of bonus units	(5,486)	-
- Re 0.0903 per unit declared on December 02, 2011 (2011: Re 0.0251 per unit declared on December 31, 2011)		
- Cash distribution	(407)	(1,137)
- Issue of bonus units	(5,770)	(13,436)
- Re 0.0923 per unit declared on January 03, 2011		
- Cash distribution	(277)	-
- Issue of bonus units	(5,223)	-
- Re 0.0923 per unit declared on January 30, 2012		
- Cash distribution	(277)	-
- Issue of bonus units	(7,979)	-
- Re 0.0903 per unit declared on February 28, 2012		
- Cash distribution	(271)	-
- Issue of bonus units	(10,056)	-
- Re 0.0822 per unit declared on March 29, 2012 (2011: Re 0.0271 per unit declared on March 31, 2011)		
- Cash distribution	(247)	(1,222)
- Issue of bonus units	(10,030)	(14,125)
- Re 0.0822 per unit declared on April 27, 2012 (2011: Re 0.025 per unit declared on April 19, 2011)		
- Cash distribution	(247)	-
- Issue of bonus units	(10,557)	-
- Re 0.0822 per unit declared on May 31, 2012		
- Cash distribution	(247)	-
- Issue of bonus units	(10,914)	-
- Re 0.0782 per unit declared on June 27, 2012		
- Cash distribution	(235)	-
- Issue of bonus units	(10,399)	-
	(109,271)	(63,768)
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed	4,940	(420)
Net assets at the end of the year	<u>1,337,141</u>	<u>545,231</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA SAVINGS PLUS FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2012

Note	2012	2011
	-----Rupees in '000-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year before taxation	91,185	60,271
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	523	520
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	316	185
Element of loss and capital losses included in prices of units issued less those in units redeemed	-	1,508
	<u>92,024</u>	<u>62,484</u>
(Increase) / decrease in assets		
Investments - net	(478,584)	2,671
Receivable against Margin Trading System	(301,221)	(59,363)
Profit receivable	(6,543)	6,886
Deposits, prepayments and other receivables	7,894	(8,048)
	<u>(778,454)</u>	<u>(57,854)</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	1,380	(2,949)
Payable to Central Depository Company of Pakistan Limited - Trustee	94	(22)
Payable to Securities and Exchange Commission of Pakistan	207	197
Accrued expenses and other liabilities	2,045	1,165
	<u>3,726</u>	<u>(1,609)</u>
Net cash (used in) / generated from operating activities	<u>(682,704)</u>	<u>3,021</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	1,813,356	746,963
Payments on redemption of units	(1,102,531)	(844,484)
Distributions paid	(5,052)	(4,850)
Net cash generated from / (used in) financing activities	<u>705,773</u>	<u>(102,371)</u>
Net increase / (decrease) in cash and cash equivalents during the year	<u>23,069</u>	<u>(99,350)</u>
Cash and cash equivalents at the beginning of the year	132,970	232,320
Cash and cash equivalents at the end of the year	<u>4</u> <u>156,039</u>	<u>132,970</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA SAVINGS PLUS FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 the Management Company and Central Depository Company of Pakistan Limited (CDC) as the 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. Chundrigar Road, Karachi. The Management Company is a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund, categorised as an income scheme by the Management Company 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 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. Based on the performance of the Fund for the year ended June 30, 2012, 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 the 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 (IFRSs) 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 the 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 IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

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

The following standards, amendments and interpretations to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2011:

- a) IFRS 7, 'Financial Instruments: Disclosures' This amendment is effective from January 1, 2011. The amendment emphasizes the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The amendment does not have any significant impact on the Fund's financial statements during the current year.
- b) IFRS 7, 'Financial instruments: Disclosures' This amendment is effective from July 1, 2011. The amendment aims to promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The amendment does not have any impact on the Fund's financial statements during the current year.
- c) IAS 1, 'Presentation of financial statements' (effective January 1, 2011). The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The amendment does not have any impact on the Fund's financial statements.
- d) IAS 24 (revised), 'Related party disclosures', issued in November 2009. It superseded IAS 24, 'Related Party Disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after January 1, 2011. 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 revised standard does not have any impact on the Fund's financial statements.

NAFA SAVINGS PLUS FUND

There are other new and amended standards and interpretations that are mandatory for accounting periods beginning on 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 financial statements.

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

The following standards and amendments to standards have been published and are mandatory for accounting periods beginning on or after July 1, 2012:

- a) IAS 1, 'Financial statement presentation' (effective July 1, 2012). The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendment will not have any significant effect on the Fund's financial statements.
- b) IAS 32, 'Financial instruments: Presentation', (effective January 1, 2014). This amendment clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The management of the Fund is in the process of assessing the impact of this amendment on the Fund's financial statements.

There are other new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 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 financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgement was exercised in application of accounting policies principally relate to classification and valuation of financial assets (note 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain financial assets have been carried at fair value in accordance with the requirements of International Accounting Standard (IAS) 39; 'Financial Instruments Recognition and Measurement.'

2.6 Functional and presentation currency

These financial statements are presented in Pak 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. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents include bank balances, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less which are subject to insignificant changes in value.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets into the following categories: 'loans and receivables', 'at fair value through profit or loss' and 'available for sale'. 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.

NAFA SAVINGS PLUS FUND

a) Loans and receivables

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

b) 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 market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short term profit making exists.

c) Available for sale

These are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

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

Financial assets at 'fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss' and 'available for sale' are valued as follows:

Basis of valuation of government securities

The investment of the Fund in Government Securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan, in accordance with the requirements of the NBFC Regulations.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the 'income statement'.

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in other comprehensive income is transferred to the income statement.

Loans and Receivable

Subsequent to initial recognition financial assets classified as 'Loans and receivables' are carried at amortised cost using the effective interest method.

Gain or loss is also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

3.2.5 Impairment

The Fund assesses at each reporting 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 other comprehensive income is reclassified from the statement of comprehensive income to the income statement.

For financial assets classified as 'loans and receivables' 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 the original terms. Provision is made in accordance with the criteria specified in circular no. 1 dated January 6, 2009 and circular no. 13 dated May 4, 2009 issued by the SECP.

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.

NAFA SAVINGS PLUS FUND

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. They are initially recognised at fair value and subsequently stated at amortised cost.

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

3.4 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.

3.5 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is re-measured to its fair value and the resultant gain or loss is recognised in the income statement.

3.6 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.7 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.

3.8 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.

During the current year, the Fund has revised its methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is determined based on the income earned during the year and on unrealised appreciation / (diminution) arising during the year on available for sale securities. The amount so determined is taken directly to the distribution statement. Previously, the element was calculated based on cumulative values of undistributed income and unrealised gain / loss on available for sale securities present in the net asset value of units. The element which related to income earned during the year was recognised in the income statement, while the remaining amount was recognised in the distribution statement.

The revised methodology, in the opinion of the management, reflects a more appropriate manner for determination of element. The change in the presentation of element in the financial statements has been based on the recommendation of the Institute of Chartered Accountants of Pakistan (ICAP) to the Securities and Exchange Commission of Pakistan (SECP). As per ICAP's recommendation to the SECP, element of income, being in the nature of "equalization account" does not qualify for recognition either as expense or income as per International Financial Reporting Standards (IFRSs). Therefore, in order to enhance harmonization of mutual fund accounting with the primary accounting framework, the net balance of element of income at the end of the reporting period has been recognised directly in the distribution statement.

The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology:

- Income for the year would have been higher by Rs. 4.940 million; and
- amount taken to distribution statement would have been higher by Rs 2.248 million.

3.9 Proposed distributions

Distributions declared subsequent to the reporting 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 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.

3.11 Securities under Margin Trading System (MTS)

Securities purchased under an agreement to resell (Reverse repo) are included as receivable against MTS transactions at fair value of the consideration given. All purchases and sale of securities that require delivery within the time frame established by the regulations or market convention are recognised at the trade date. Trade date is the date at which the Fund commits to purchase or sell the assets. The MTS transactions are accounted for on the settlement date. The income is accrued at the applicable rate of return specified in the Bid on the outstanding Marginal Trading Transaction Value after adjustment of MTM losses.

3.12 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders.

The Fund 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.

3.13 Revenue recognition

- Income from government securities is recognised on an accrual basis.
- Profit on bank deposits is recognised on an accrual basis.
- Income from term deposit receipts, commercial papers and money market placements is recognised on an accrual basis.
- Income from Margin Trading System is recognised on an accrual basis.
- Capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement 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.

3.14 Expenses

All expenses including Management fee and Trustee fee are recognised in the income statement on accrual basis.

3.15 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

	Note	2012	2011
-----Rupees in '000-----			
4 BALANCES WITH BANKS			
Current accounts		7,028	451
Savings accounts	4.1	49,011	57,519
Term deposit receipts	4.2	100,000	75,000
		<u>156,039</u>	<u>132,970</u>

4.1 These carry a rate of return ranging from 6.00% to 12.25% (2011: 5% to 12% per annum).

4.2 These term deposit receipts carry rate of return of 12.25% (2011: 13.70% per annum).

NAFA SAVINGS PLUS FUND

	Note	2012	2011
-----Rupees in '000-----			
5 INVESTMENTS			
At fair value through profit or loss - held for trading			
Government securities - Market Treasury Bills	5.1	525,771	295,223
Loans and receivables			
Sukuk certificates	5.2	87,720	-
Certificates of investment	5.3	210,000	50,000
		297,720	50,000
		<u>823,491</u>	<u>345,223</u>

5.1 Investment in government securities: Market Treasury Bills - 'at fair value through profit or loss'

Issue date	Tenor	Face value				Market Value	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2011	Purchased during the year	Disposed / matured during the year	As at June 30, 2012			
-----Rupees in '000-----								
Market Treasury Bills								
2-Dec-10	12 months	-	40,000	40,000	-	-	-	-
18-Dec-10	12 months	-	15,000	15,000	-	-	-	-
10-Feb-11	6 months	-	60,000	60,000	-	-	-	-
10-Feb-11	12 months	-	130,000	130,000	-	-	-	-
24-Feb-11	12 months	-	20,000	20,000	-	-	-	-
10-Mar-11	12 months	-	20,000	20,000	-	-	-	-
21-Apr-11	3 months	102,200	20,000	122,200	-	-	-	-
21-Apr-11	6 months	540	50,000	50,540	-	-	-	-
19-May-11	3 months	-	115,000	115,000	-	-	-	-
19-May-11	6 months	75,000	-	75,000	-	-	-	-
19-May-11	12 months	-	55,000	55,000	-	-	-	-
2-Jun-11	6 months	-	50,000	50,000	-	-	-	-
16-Jun-11	3 months	100,000	-	100,000	-	-	-	-
16-Jun-11	6 months	-	20,000	20,000	-	-	-	-
16-Jun-11	12 months	-	75,000	75,000	-	-	-	-
30-Jun-11	3 months	25,000	-	25,000	-	-	-	-
30-Jun-11	6 months	-	53,000	53,000	-	-	-	-
14-Jul-11	3 months	-	77,500	77,500	-	-	-	-
14-Jul-11	6 months	-	50,000	50,000	-	-	-	-
11-Aug-11	3 months	-	125,000	125,000	-	-	-	-
11-Aug-11	6 months	-	290,000	290,000	-	-	-	-
25-Aug-11	6 months	-	6,500	6,500	-	-	-	-
8-Sep-11	6 months	-	20,000	20,000	-	-	-	-
22-Sep-11	6 months	-	7,200	7,200	-	-	-	-
22-Sep-11	3 months	-	100,000	100,000	-	-	-	-
6-Oct-11	6 months	-	195,000	195,000	-	-	-	-
20-Oct-11	3 months	-	15,000	15,000	-	-	-	-
20-Oct-11	6 months	-	30,000	30,000	-	-	-	-
3-Nov-11	3 months	-	20,000	20,000	-	-	-	-
3-Nov-11	6 months	-	115,000	115,000	-	-	-	-
17-Nov-11	3 months	-	150,000	150,000	-	-	-	-
17-Nov-11	6 months	-	50,000	50,000	-	-	-	-
1-Dec-11	3 months	-	130,000	130,000	-	-	-	-
1-Dec-11	6 months	-	131,500	131,500	-	-	-	-
12-Jan-12	3 months	-	165,000	165,000	-	-	-	-
12-Jan-12	6 months	-	105,000	105,000	-	-	-	-
26-Jan-12	3 months	-	187,500	187,500	-	-	-	-
26-Jan-12	6 months	-	187,500	75,000	112,500	111,552	8.34%	13.55%
9-Feb-12	3 months	-	20,000	20,000	-	-	-	-
23-Feb-12	3 months	-	26,500	26,500	-	-	-	-
8-Mar-12	3 months	-	127,500	127,500	-	-	-	-
22-Mar-12	3 months	-	377,000	377,000	-	-	-	-
5-Apr-12	3 months	-	355,000	355,000	-	-	-	-
19-Apr-12	3 months	-	160,000	127,500	32,500	32,373	2.42%	3.93%
3-May-12	3 months	-	450,000	360,000	90,000	89,242	6.67%	10.84%
17-May-12	3 months	-	305,000	112,500	192,500	190,016	14.21%	23.07%
14-Jun-12	3 months	-	75,000	-	75,000	73,371	5.49%	8.91%
28-Jun-12	3 months	-	30,000	-	30,000	29,217	2.19%	3.55%
						<u>525,771</u>		<u>63.85%</u>
						<u>526,087</u>		

Carrying value before fair value adjustment as at June 30, 2012

NAFA SAVINGS PLUS FUND

5.2 Investment in Sukuk certificates

Name of Issuer	Maturity date	Rate	As at June 30, 2012	As at June 30, 2011
The Hub Power Compay Limited	3-Aug-12	13.09%	65,000	-
Engro Fertilizers Limited	22-Sep-12	13.55%	22,720	-
			<u>87,720</u>	

5.3 Investment in Certificates of Investment

Name of Issuer	Maturity date	Rate	As at June 30, 2012	As at June 30, 2011
Pak Libya Holding Company Limited	13-Aug-11	13.70%	-	50,000
Pak Brunei Investment Company Limited	14-Sep-12	12.33%	110,000	-
PAIR Investment Limited	27-Jul-12	12.35%	100,000	-
			<u>210,000</u>	

	Note	2012	2011
		-----Rupees in '000-----	
5.4 Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		525,771	295,223
		<u>526,087</u>	<u>(295,408)</u>
Market value of investments		<u>(316)</u>	<u>(185)</u>
Less: Carrying value of investments			

6 PROFIT RECEIVABLE

	563	321
	67	816
Income accrued on savings deposits	2,831	920
Income accrued on term deposit receipts	4,325	-
Income accrued on certificates of investment	1,321	507
Income accrued on sukuk certificates	<u>9,107</u>	<u>2,564</u>
Income accrued on Margin Trading System		

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	100	100
Security deposits with:	250	8,250
- Central Depository Company of Pakistan Limited	87	79
- National Clearing Company of Pakistan Limited	199	172
Prepaid rating fee	700	700
Prepaid NCCPL fee	9	-
Receivable from the Management Company	198	-
Receivable against transfer sales	-	136
Receivable against exposure margin	<u>1,543</u>	<u>9,437</u>
Other receivable		

8 PRELIMINARY EXPENSES AND FLOATATION COSTS

	8.1	1,775	2,295
		<u>523</u>	<u>520</u>
Balance at the beginning of the year		<u>1,252</u>	<u>1,775</u>
Less: Amortisation expense during the year			
Balance at the end of the year			

8.1 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 November 22, 2009 as per the requirements set out in the Trust Deed of the Fund.

NAFA SAVINGS PLUS FUND

9	PAYABLE TO THE MANAGEMENT COMPANY	Note	2012	2011
		-----Rupees in '000-----		
	Management remuneration	9.1	1,700	562
	Sindh sales tax payable	9.2	272	-
	Other payable		288	318
			<u>2,260</u>	<u>880</u>
9.1	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 1.25 percent per annum for the period from July 1, 2011 to March 10, 2012 and, thereafter, at the rate of 1.5 percent per annum of the average annual net assets of the Fund (2011: 1.25%). The remuneration is paid to the Management Company monthly in arrears.			
9.2	During the current year, the provincial government has levied Sindh Sales Tax at the rate of 16% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011 effective from July 1, 2011.			
10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2012	2011
		-----Rupees in '000-----		
	Trustee fee	10.1	166	76
	CDC settlement charges		4	-
			<u>170</u>	<u>76</u>
10.1	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 is as follows:				
	Amount of funds under management (Average NAV)		Tariff per annum	
	Upto Rs 1,000 million		Rs 0.6 million or 0.17% p.a. of NAV, whichever is higher	
	Exceeding Rs 1,000 million and upto Rs 5,000 million		Rs 1.7 million plus 0.085% p.a. of NAV exceeding Rs 1,000 million	
	On an amount exceeding Rs 5,000 million		Rs 5.1 million plus 0.07% p.a. of NAV exceeding Rs 5,000 million	
	The remuneration is paid to the trustee monthly in arrears.			
11	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2012	2011
		-----Rupees in '000-----		
	Annual Fee	11.1	<u>667</u>	<u>460</u>
11.1	Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), a collective investment scheme categorised as an income scheme is required to pay as annual fee to the Securities and Exchange of Commission of Pakistan, an amount equal to 0.075 percent of the average annual net assets of the fund. The Fund has been categorised as an Income Scheme by the Management Company.			
12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2012	2011
		-----Rupees in '000-----		
	Auditors' remuneration		279	260
	Brokerage and settlement charges		11	38
	Bank charges		2	39
	Provision for Workers' Welfare Fund	16	3,792	1931
	Printing charges		105	167
	Others		308	17
			<u>4,497</u>	<u>2,452</u>

NAFA SAVINGS PLUS FUND

13 CONTINGENCIES AND COMMITMENTS

13.1 There were no contingencies outstanding as at June 30, 2012 and June 30, 2011.

13.2 Commitments	2012	2011
	-----Rupees in '000-----	
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the purchase transactions have not been settled as at June 30, 2012	<u>14,193</u>	<u>11,476</u>

14 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 issue at the year end.

15 AUDITORS' REMUNERATION	2012	2011
	-----Rupees in '000-----	
Annual audit fee	254	231
Half yearly review fee	102	92
Out of pocket expenses	<u>32</u>	<u>34</u>
	<u>388</u>	<u>357</u>

16 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, 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 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 Court.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs. 3.792 million (including Rs. 1.861 million for the current year) (2011: Rs.1.931 million) in these financial statements. Had the same not been made the net asset value per unit / return of the Fund would have been higher by Rs 0.0285 / 0.31% per unit.

17 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, 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 year as the Management company has distributed the required minimum percentage of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

18 NUMBER OF UNITS IN ISSUE	2012	2011
	-----Rupees in '000-----	
Total units in issue at the beginning of the year	52,913,633	56,661,450
Add: units issued during the year	179,826,062	73,031,568
Add: bonus units issued during the year	10,384,809	5,839,010
Less: units redeemed during the year	<u>109,930,516</u>	<u>82,618,395</u>
Total units in issue at the end of the year	<u>133,193,988</u>	<u>52,913,633</u>

NAFA SAVINGS PLUS FUND

As per clause 11 of the Trust Deed and clause 5 of the Offering Document, the Management Company, on behalf of the Fund, on a monthly basis distributes cash dividend, bonus, partially cash / bonus or in any other form acceptable to the Commission (such as bonus units) that may qualify under the tax laws. Net income (after deducting all the expenses of the Fund) earned upto 25th of each month may be distributed by the Management Company. The Board of Directors on April 19, 2011 have passed a resolution providing standing authorisation to the Chief Executive Officer to approve and declare interim dividends out of profits earned by the Fund upto the 30th of each month.

19 EARNINGS PER UNIT

Earnings per unit (EPU) for the year ended June 30, 2012 has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2012, all the financial assets carried on the statement of assets and liabilities are categorised either as 'loans and receivables' or financial assets 'at fair value through profit or loss'. All the financial liabilities carried on the statement of assets and liabilities are categorised either as other financial liabilities i.e liabilities other than 'at fair value through profit or loss'.

20 FINANCIAL INSTRUMENTS BY CATEGORY

-----As on June 30, 2012-----			
	Loans and receivables	Financial assets at fair value through profit or loss	Total
-----Rupees in '000-----			
Assets			
Balances with banks	156,039	-	156,039
Investments	297,720	525,771	823,491
Receivable against Margin Trading System	360,584	-	360,584
Profit receivable	9,107	-	9,107
Deposits and other receivables	1,257	-	1,257
	<u>824,707</u>	<u>525,771</u>	<u>1,350,478</u>
-----As on June 30, 2012-----			
	At fair value through profit or loss	Other financial liabilities	Total
-----Rupees in '000-----			
Liabilities			
Payable to the Management Company	-	2,260	2,260
Payable to Central Depository Company of Pakistan Limited - Trustee	-	170	170
Payable against redemption of units	-	7,281	7,281
Accrued expenses and other liabilities	-	705	705
	<u>-</u>	<u>10,416</u>	<u>10,416</u>

NAFA SAVINGS PLUS FUND

-----As on June 30, 2011-----

	Loans and receivables	Financial assets at fair value through profit or loss	Total
-----Rupees in '000-----			
Assets			
Balances with banks	132,970	-	132,970
Investments	-	295,223	295,223
Loans and receivables	50,000	-	50,000
Receivable against Margin Trading System	59,363	-	59,363
Profit receivable	2,564	-	2,564
Deposits and other receivables	9,186	-	9,186
	<u>254,083</u>	<u>295,223</u>	<u>549,306</u>

-----As on June 30, 2011-----

	At fair value through profit or loss	Other financial liabilities	Total
-----Rupees in '000-----			
Liabilities			
Payable to the Management Company	-	880	880
Payable to Central Depository Company of Pakistan Limited - Trustee	-	76	76
Payable against redemption of units	-	2,233	2,233
Accrued expenses and other liabilities	-	508	508
	<u>-</u>	<u>3,697</u>	<u>3,697</u>

21 TRANSACTIONS WITH CONNECTED PERSONS

- 21.1** Connected persons include NBP Fullerton Asset Management Limited being the Management Company (NAFA), Central Depository Company of Pakistan Limited being the 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, NBP Endowment Fund Student Loan Scheme being a student loan scheme managed by the sponsor, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.
- 21.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 21.3** Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 21.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 21.5** The details of significant transactions carried out by the Fund with connected persons and balances with them, as at year end, are as follows:

NAFA SAVINGS PLUS FUND

	2012	2011
	-----Rupees in '000-----	
Transactions during the year:		
NBP Fullerton Asset Management Limited - Management Company		
Management remuneration for the year	12,128	10,834
Sindh sales tax on remuneration of the Management Company	1,941	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the year	1,420	1,138
CDS charges	213	19
National Bank of Pakistan - Sponsor		
Cash dividend paid	3,964	3,220
NBP Endowment Fund Student Loan Scheme		
Units issued during the year: Nil units (2011: 4,380,159 units)	-	45,000
Bonus units issued during the year: 1,183,373 units (2011: 935,912 units)	-	-
Units redeemed during the year 10,435,450 units (2011: Nil units)	105,000	-
Alexandra Fund Management Pte. Limited - Sponsor		
Bonus units issued during the year: 323,322 units (2011: 290,760 units)	-	-
Units redeemed during the year: Nil units (2011: 2,075,304 units)	-	21,000
Employees of the Management Company		
Units issued during the year 1,072,604 units (2011: 51,825 units)	10,816	530
Bonus units issued during the year: 22,181 units (2011: 6,472 units)	-	-
Units redeemed during the year: 962,188 units (2011: 41,010 units)	9,699	419
NAFA Provident Fund Trust - Provident Fund		
Units issued during the year: 1,904,122 units (2011: 1,841,719 units)	19,183	18,867
Bonus units issued during the year: 51,114 units (2011: 46,615 units)	-	-
Units redeemed during the year: 1,801,603 units (2011: 1,892,436 units)	18,154	19,354
NAFA Government Securities Liquid Fund		
Sale of Market Treasury bills	14,921	-
Telenor Pakistan (Private) Limited Employees Provident Fund		
Purchase of Market Treasury bills	1,444	-
Amounts outstanding as at year end		
NBP Fullerton Asset Management Limited - Management Company		
Receivable from the Management Company	700	700
Management remuneration payable	1,700	562
Sindh sales tax payable	272	-
Other payable	288	318
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	166	76
CDS charges payable	4	9
Security deposit	100	100
National Bank of Pakistan - Sponsor		
Units held: 3,000,000 units (2011: 3,000,000 units)	30,117	30,913
Bank balance	7,028	451
NBP Endowment Fund Student Loan Scheme		
Units held: 1,414,178 units (2011: 10,666,255 units)	14,197	109,907

NAFA SAVINGS PLUS FUND

	2012	2011
	-----Rupees in '000-----	
Alexandra Fund Management Pte. Limited - Sponsor Units held: 2,636,995 units (2011: 2,313,673 units)	26,473	23,841
Employees of the Management Company Units held: 177,360 units (2011: 74,893 units)	1,781	772
NAFA Provident Fund Trust - Provident Fund Units held: 561,595 units (2011: 407,962 units)	5,638	4,204
NAFA Asset Allocation Fund Payable against redemption of units	-	144

22 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

----- As on June 30, 2012 -----

S. No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	MBA / Doctorate in Business Administration / CFA	24
2	Sajjad Anwar	CFA / MBA Finance	12
3	Tanvir Abid	CFA / MBA / FRM	13
4	Ahmed Nouman*	CFA / EMBA	16

*Mr. Ahmed Nouman is the Fund Manager. He is also the fund manager of NAFA Government Securities Liquid Fund and NAFA Income Fund.

23 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

	2012
1 JS Global Capital Limited	25.72%
2 BMA Capital Management Limited	18.13%
3 Invest Capital Markets Limited	17.06%
4 KASB Securities Limited	6.56%
5 Al Falah Securities Limited	5.67%
6 Optimus Capital Management Limited	5.20%
7 Icon Securities (Private) Limited	4.57%
8 Vector Capital Private Limited	4.19%
9 Global Securities Pakistan Limited	4.13%
10 Invest & Finance Securities (Private) Limited	2.07%
	2011
1 BMA Capital Management Limited	29.11%
2 JS Global Capital Limited	21.45%
3 Al Falah Securities Limited	8.71%
4 Atlas Capital Market (Private) Limited	7.79%
5 Elixir Securities Pakistan (Private) Limited	7.68%
6 Global Securities Pakistan Limited	7.43%
7 Icon Securities (Private) Limited	5.85%
8 Invest & Finance Securities (Private) Limited	5.14%
9 Invisor Securities (Private) Limited	2.27%
10 KASB Securities Limited	1.78%

NAFA SAVINGS PLUS FUND

24 PATTERN OF UNIT HOLDING

----- As on June 30, 2012 -----

Category	Number of unit holders	Investment amount	Percentage of investment
Rupees in '000			
Individuals	999	790,614	59.12%
Associated companies / Directors	2	56,590	4.23%
Retirement funds	16	178,886	13.38%
Public Limited companies	4	143,811	10.76%
Others	26	167,240	12.51%
	1,047	1,337,141	100.00%

----- As on June 30, 2011 -----

Category	Number of unit holders	Investment amount	Percentage of investment
Rupees in '000			
Individuals	471	226,591	41.56%
Associated companies / Directors	3	70,209	12.88%
Retirement funds	11	101,453	18.61%
Public Limited companies	5	8,738	1.60%
Others	9	138,240	25.35%
	499	545,231	100.00%

25 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 32nd , 33rd, 34th, 35th and 36th Board meetings were held on July 04, 2011, September 29, 2011, October 27, 2011, February 17, 2012 and April 17, 2012 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. Shahid Anwar Khan	5	3	2	34th, 35th meeting
Dr. Asif A. Brohi	5	2	3	33rd, 34th, 35th meeting
Mr. Wah Geok Sum	5	2	3	33rd, 34th, 36th meeting
Mr. Patrick Pang Chin Hwang***	4	4	-	
Mr. Shehryar Faruque	5	3	2	32nd, 36th meeting
Mr. Kamal Amir Chinoy	5	3	2	34th, 35th meeting
Syed Iqbal Ashraf*	1	0	1	32nd meeting
Dr Amjad Waheed	5	5	-	
Mr. Amir Shehzad**	3	3	-	
Mr. Koh Boon San****	1	1	-	

* Syed Iqbal Ashraf retired from the Board with effect from August 27, 2011

** Mr. Amir Shehzad was co-opted on the Board with effect from September 29, 2011

*** Mr. Patrick Pang Chin Hwang retired from the Board with effect from March 31, 2012

**** Mr.Kow Boon San was co-opted on the Board with effect from February 17, 2012

26 FINANCIAL RISK MANAGEMENT

The Fund is an Income Fund which primarily invests in government securities, sukuk certificates, certificates of investment and margin trading transactions. The risks emanate from various factors that include, but are not limited to:

- market risk
- credit risk
- liquidity risk

NAFA SAVINGS PLUS FUND

26.1 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.

26.1.1 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 all transactions are carried out in Pak Rupees.

26.1.2 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, 2011, 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, 2011 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, 2012, with all other variables held constant, the net income for the year and net assets would be lower by Rs 0.549 million (2011: Rs 0.422 million). In case of 100 basis points decrease in rates announced by the Financial Market Association on June 30, 2011, with all other variables held constant, the net income for the year and net assets would be higher by Rs 0.55 million (2011: Rs 0.636 million).

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2012 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.

-----As at June 30, 2012-----

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

On-balance sheet financial instruments

Financial assets

	-----Rupees in '000-----			
Balances with banks	156,039	149,011	-	7,028
Investments	823,491	525,771	-	297,720
Receivable against Margin Trading System	360,584	360,584	-	-
Profit receivable	9,107	-	-	9,107
Deposits and other receivables	1,257	-	350	907
	1,350,478	1,035,366	-	314,762

Financial liabilities

Payable to the Management Company	2,260	-	-	2,260
Payable to Central Depository Company of Pakistan Limited - Trustee	170	-	-	170
Payable against redemption of units	7,281	-	-	7,281
Accrued expenses and other liabilities	705	-	-	705
	10,416	-	-	10,416
On-balance sheet gap	1,340,062	1,035,366	-	304,346

Off-balance sheet financial instruments

Margin Trading System (MTS) transactions entered into by the Fund in respect of which the sale transactions have not been settled

	14,193	14,193	-	-
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Off-balance sheet gap

	14,193	14,193	-	-
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NAFA SAVINGS PLUS FUND

-----As at June 30, 2011-----

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

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

On-balance sheet financial instruments

Financial assets

Balances with banks	132,970	132,519	-	-	451
Investments	295,223	295,223	-	-	-
Loans and receivables	50,000	50,000	-	-	-
Receivable against Margin Trading System	59,363	59,363	-	-	-
Profit receivable	2,564	-	-	-	2,564
Deposits and other receivables	9,186	-	-	8,350	836
	549,306	537,105	-	8,350	3,851

Financial liabilities

Payable to the Management Company	880	-	-	-	880
Payable to Central Depository Company of Pakistan Limited - Trustee	76	-	-	-	76
Payable against redemption of units	2,233	-	-	-	2,233
Accrued expenses and other liabilities	508	-	-	-	508
	3,697	-	-	-	3,697
On-balance sheet gap	545,609	537,105	-	8,350	154

Off-balance sheet financial instruments

Margin Trading System (MTS) transactions entered into by the Fund in respect of which the sale transactions have not been settled	11,476	11,476	-	-	-
Off-balance sheet gap	11,476	11,476	-	-	-

26.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from 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, 2012.

26.2 Credit risk and management of credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in debt securities, loans and receivables and balances with banks. Risks attributable to investments in Market Treasury Bills is limited as these are guaranteed by the Federal Government while bank balances are maintained with banks with a reasonably high credit rating. 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:

Bank balances by rating category	2012 Percentage
A1+	99.20%
A1	0.45%
A-	0.34%
A3	0.01%
	100.00%
	2011
	Percentage
A1+	98.96%
A1	0.52%
A2	0.52%
	100.00%

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The maximum exposure to credit risk before any credit enhancement as at June 30, 2012 is the carrying amount of the financial assets. None of these assets are 'impaired' or 'past due but not impaired'

26.2.1 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 of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

26.3 Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

26.4 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations 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 investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short-term to ensure settlement. 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 table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

-----As at June 30, 2012-----				
	Upto three months	More than three months and upto one year	More than one year	Total
-----Rupees in '000-----				
Liabilities				
Payable to the Management Company	2,260	-	-	2,260
Payable to Central Depository Company of Pakistan Limited - Trustee	170	-	-	170
Payable against redemption of units	7,281	-	-	7,281
Accrued expenses and other liabilities	705	-	-	705
	10,416	-	-	10,416
-----As at June 30, 2011-----				
	Upto three months	More than three months and upto one year	More than one year	Total
-----Rupees in '000-----				
Liabilities				
Payable to the Management Company	880	-	-	880
Payable to Central Depository Company of Pakistan Limited - Trustee	76	-	-	76
Payable against redemption of units	2,233	-	-	2,233
Accrued expenses and other liabilities	508	-	-	508
	3,697	-	-	3,697

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27 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units. They 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 Fund has no restriction on the offering and redemption of units. There is no specific capital requirement which is applicable to the Fund.

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 for unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

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

28 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 the 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 at the close of trading on the reporting date. Investments of the Fund in government securities are revalued on the basis of rates announced by the Financial Market Association of Pakistan. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short-term in nature or are 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 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.

	----- As on June 30, 2012 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
ASSETS				
Investments - net	-	525,771	-	525,771
	----- As on June 30, 2011 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
ASSETS				
Investments - net	-	295,223	-	295,223

29 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant re-arrangement or re-classifications were made in these financial statements except that:

- 'Receivable from the Management Company' has been disclosed under 'Deposits, prepayments and other receivables' and is not set-off against 'Payable to the Management Company'.

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30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 11, 2012 by the Board of Directors of the Management Company.

31 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

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PERFORMANCE TABLE

Particulars	For the year ended June 30, 2012	For the year ended June 30, 2011	For the period from October 24, 2009 to June 30, 2010
Net assets (Rs. '000')	1,337,141	545,231	586,097
Net Income (Rs. '000')	91,185	60,271	34,346
Net Asset Value per units (Rs.)	10.0391	10.0280	10.0438
Offer price per unit	10.0391	10.0280	10.0438
Redemption price per unit	10.0391	10.0280	10.0438
Highest offer price per unit (Rs.)	10.0391	9.6393	10.0438
Lowest offer price per unit (Rs.)	9.0436	9.0751	9.4773
Highest redemption price per unit (Rs.)	10.0391	9.6393	10.0438
Lowest redemption price per unit (Rs.)	9.0436	9.0751	9.4773
Total return of the fund	11.01%	10.64%	10.06%
Capital growth	0.56%	0.14%	4.56%
Income distribution	10.45%	10.50%	5.50%
Interim distribution per unit	1.045	0.7734	0.2500
Final distribution per unit	-	0.2762	0.3000
Distribution dates			
Interim	2-Aug-11	18-Oct-10	29-Apr-10
Interim	6-Sep-11	18-Feb-11	
Interim	3-Oct-11	19-Apr-11	
Interim	2-Nov-11		
Interim	2-Dec-11		
Interim	3-Jan-12		
Interim	30-Jan-12		
Interim	28-Feb-12		
Interim	29-Mar-12		
Interim	27-Apr-12		
Interim	30-May-12		
Interim	27-Jun-12		
Final	-	4-Jul-11	5-Jul-10
Average annual return (launch date 21-11-09)			
(Since inception to June 30, 2012)	10.65%		
(Since inception to June 30, 2011)		10.42%	
(Since inception to June 30, 2010)			10.06%
Portfolio Composition (Please see Fund Manager Report)			
Weighted average portfolio duration	44 Days	48 Days	51 Days

"Past performance is not necessarily indicative of future performance and that unit prices and investment return returns may go down, as well as up."

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