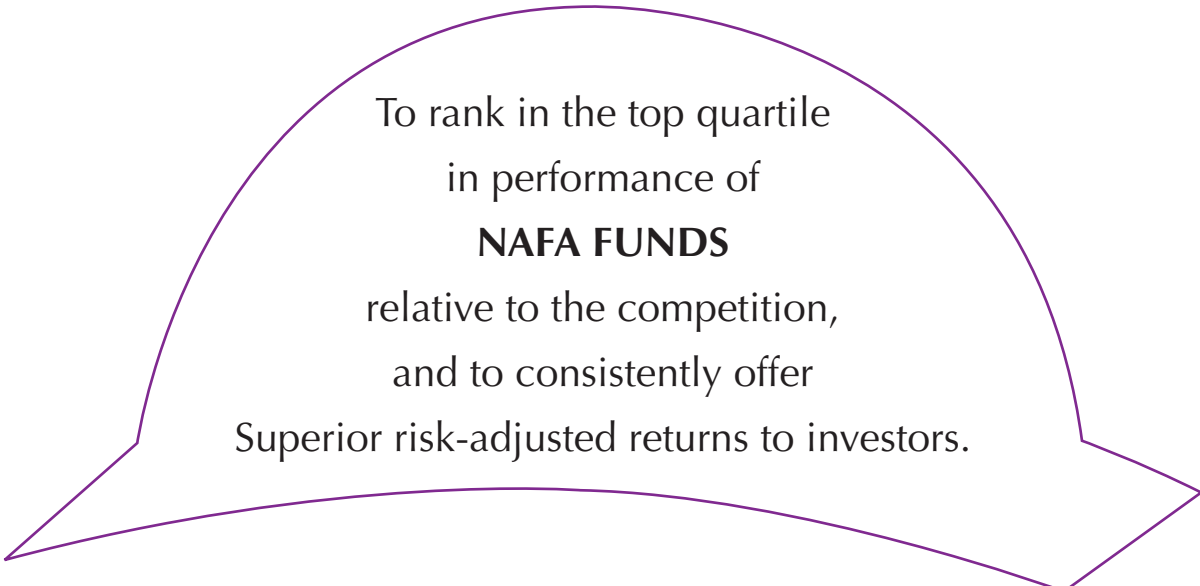


## MISSION STATEMENT



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

## FUND'S INFORMATION

### Management Company

NBP Fullerton Asset Management Limited – Management Company

### Board of Directors of the Management Company

|                       |                         |
|-----------------------|-------------------------|
| Mr. Asif Hassan       | Chairman                |
| Dr. Amjad Waheed      | Chief Executive Officer |
| Mr. Khalid Mahmood    | Director                |
| Mr. Aamir Shehzad     | Director                |
| Mr. Wah Geok Sum      | Director                |
| Mr. Koh Boon San      | Director                |
| Mr. Shehryar Faruque  | Director                |
| Mr. Kamal Amir Chinoy | Director                |

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

|                      |          |
|----------------------|----------|
| Mr. Shehryar Faruque | Chairman |
| Mr. Koh Boon San     | Member   |
| Mr. Aamir Shehzad    | Member   |

### Human Resource Committee

|                       |          |
|-----------------------|----------|
| Mr. Khalid Mahmood    | Chairman |
| Mr. Wah Geok Sum      | Member   |
| Mr. Kamal Amir Chinoy | Member   |

### Trustee

Central Depository Company of Pakistan Limited (CDC)  
CDC House, 99-B, Block "B" S.M.C.H.S.,  
Main Shakra-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  
Sindh 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:**

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 111-111NFA (111-111-632),  
(Toll Free): 0800-20001,  
Fax: (021) 35825329  
Website: [www.nafafunds.com](http://www.nafafunds.com)

## **Lahore Office:**

House # 10 - A, Block -S, Gulberg - II, Lahore.  
UAN: (+92-42) 111-111-NFA (632)  
Fax No: (+92-42) 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.  
Phone No: 061-4502204  
Fax No: 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 Fourth Annual Report of NAFA Savings Plus Fund (NSPF) for the year ended June 30, 2013.

### Fund's Performance

The size of NAFA Savings Plus Fund has increased from Rs. 1,337 million to Rs. 3,053 million during the period, i.e. a growth of 128.35%. During the said period, the unit price of the Fund has increased from Rs. 9.2373 (Ex-Div) on June 30, 2012 to Rs. 10.0465 on June 30, 2013, thus posting a return of 8.76% as compared to its Benchmark (Average 6-Month Deposit Rate of A and above rated banks) return of 7.29% for the same period.

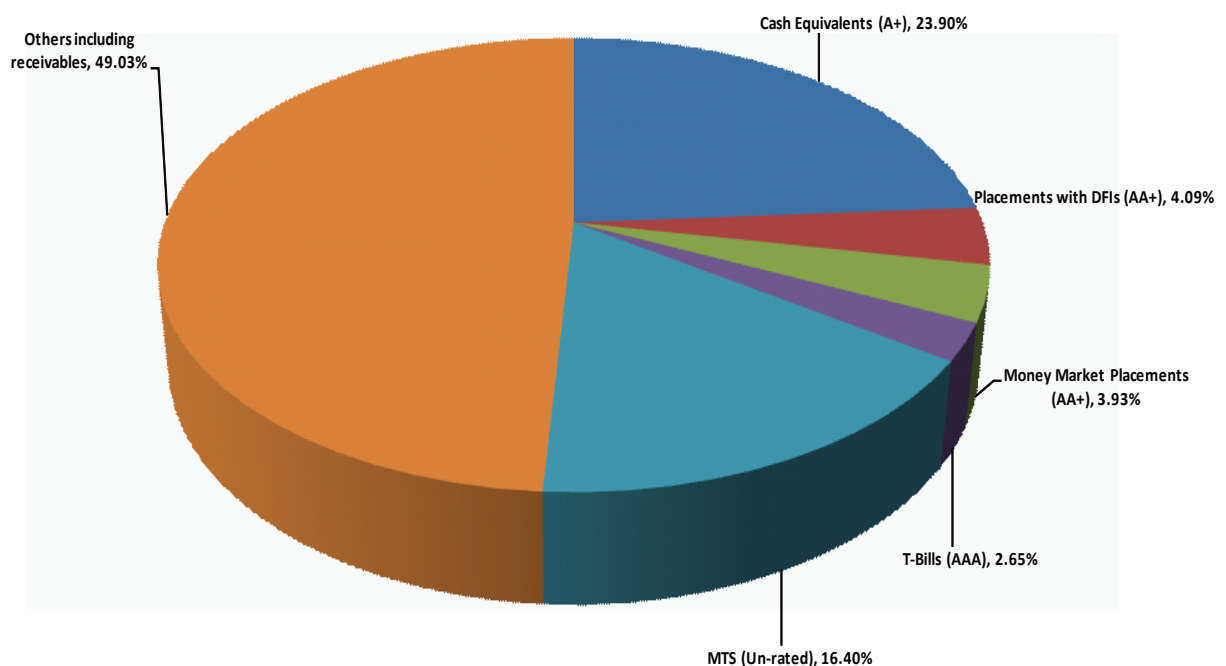
NSPF cannot invest in any avenue which has more than six months maturity, nor can it invest in the debt securities and Equities. Moreover, it cannot invest in money market instruments below a credit rating of 'AA-'. The investment value of the Fund has not declined on any day since its launch in November 2009. The Fund has been awarded stability rating of AA-(f) by PACRA. The Fund is categorized as an Income Scheme.

With letup in inflationary pressures and manageable external account position, SBP followed an accommodative monetary policy stance and slashed the Policy Rate during FY13 by 300 bps to 9%. As the yields on the short term government securities track the policy rate, we have witnessed declining trend in the T-bills yields.

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.149.95 million during the year. After deducting total expenses of Rs.36.66 million, the net income is Rs.113.29 million.

The asset allocation of NAFA Savings Plus Fund as on June 30, 2013 is as follows:



# NAFA SAVINGS PLUS FUND

## Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 8.35% of opening ex-NAV (8.383% 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, Messers A.F.Ferguson & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2014.

## 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: August 27, 2013

Place: Karachi.

# NAFA SAVINGS PLUS FUND

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

Report of Trustee pursuant to Regulation 41(h) and Clause 9 schedule V of the Non-Banking Finance Companies and Notified Entities Regulation, 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, 2013 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 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 18, 2013



# NAFA SAVINGS PLUS FUND

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE NAFA SAVINGS PLUS FUND FOR THE YEAR ENDED JUNE 30, 2013

This statement is being presented by the Board of Directors of NBP Fullerton Asset Management Limited (Company), the Management Company of NAFA Savings Plus 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. As at June 30, 2013, the Board included:

| Category                 | Names   |
|--------------------------|---|
| Independent Directors    | 1. Mr. Kamal Amir Chinoy<br>2. Mr. Shehryar Faruque   |
| Executive Directors      | Dr. Amjad Waheed (Chief Executive Officer)  |
| Non- Executive Directors | 1. Mr. Asif Hassan (Chairman)<br>2. Mr. Khalid Mahmood<br>3. Mr. Amir Shehzad<br>4. Mr. Wah Geok Sum<br>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 of more than seven 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 election 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 were occurred on the board on February 26, 2013 and on May 20, 2013 during the year which were filled up by the directors on April 11, 2013 and May 20, 2013 respectively.
5. 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. Up to 30 June 2013, one of the directors has obtained the director's training program offered by Pakistan Institute of Corporate Governance. The Company has started the process for training of other directors and it is expected that some of other directors may also obtain certification of the director's training program in upcoming year. However, 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 an 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 a Human Resource and Remuneration Committee. It comprises of three members. All the members 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  
August 27, 2013

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 Fund (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

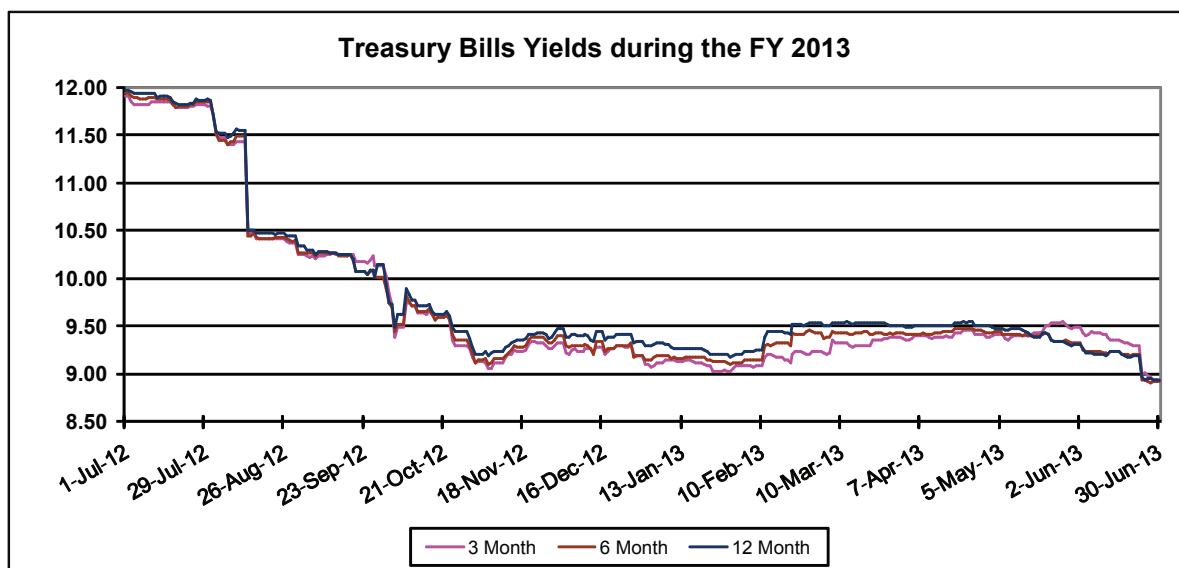
This is the fourth Annual report since the launch of the Fund on November 21, 2009. The Fund size increased by 128.34% during the year and stands at Rs 3,053 million as on June 30, 2013. Since its inception, the Fund has generated an annualized return of 10.12% against the benchmark return of 8.01%. This translates into an out-performance of 2.11% p.a. The Fund's annualized return during FY 2012-13 is 8.76% versus the benchmark return of 7.29%, thus registering an out-performance of 1.47% p.a. 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 of 'AA-' category. The Fund is allowed to invest in Margin Trading System (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.

Inflation as measured by CPI inflation clocked in at 7.4% for FY13, Pakistan's first year of single-digit inflation after FY07 as against 11% during the preceding year. Amid soft inflation, manageable external account position and to spur private sector investment, SBP reduced the Discount Rate from 12% to 9%. Correspondingly, 3-Month T-Bill yield declined to 8.94% from 11.95% during the year.

T-Bills yields during the year are shown in below graph:

# NAFA SAVINGS PLUS FUND



## Asset Allocation of Fund (% of NAV)

| Particulars                     | 30-Jun-13      | 30-Jun-12      |
|---------------------------------|----------------|----------------|
| T-Bills                         | 2.65%          | 39.32%         |
| Placements with DFIs            | 4.09%          | 15.71%         |
| Placements with Banks           | -              | 7.48%          |
| Money Market Placements         | 3.93%          | 6.56%          |
| Margin Trading System (MTS)     | 16.40%         | 26.97%         |
| Cash Equivalents & Other Assets | 72.93%         | 3.96%          |
| <b>Total</b>                    | <b>100.00%</b> | <b>100.00%</b> |

## Distribution for the Financial Year 2013

| Month  | Dividend as a % of Par Value (Rs.10) | Cumulative Div. Price / Unit | Ex- Div. Price |
|--------|--------------------------------------|------------------------------|----------------|
| Jul-12 | 0.8230%                              | 10.1162                      | 10.0339        |
| Aug-12 | 0.8030%                              | 10.1192                      | 10.0389        |
| Sep-12 | 0.8030%                              | 10.1147                      | 10.0344        |
| Oct-12 | 0.7530%                              | 10.1162                      | 10.0409        |
| Nov-12 | 0.7030%                              | 10.1034                      | 10.0331        |
| Dec-12 | 0.6830%                              | 10.0995                      | 10.0312        |
| Jan-13 | 0.7030%                              | 10.1035                      | 10.0332        |
| Feb-13 | 0.6530%                              | 10.0929                      | 10.0276        |
| Mar-13 | 0.5820%                              | 10.0881                      | 10.0299        |
| Apr-13 | 0.6020%                              | 10.1012                      | 10.0410        |
| May-13 | 0.6220%                              | 10.1025                      | 10.0403        |
| Jun-13 | 0.6530%                              | 10.1074                      | 10.0421        |

# NAFA SAVINGS PLUS FUND

Unit Holding Pattern of NAFA Savings Plus Fund as on 30th June 2013

| Size of Unit Holding (Units) | # of Unit Holders |
|------------------------------|-------------------|
| 1-1000                       | 190               |
| 1001-5000                    | 209               |
| 5001-10000                   | 98                |
| 10001-50000                  | 376               |
| 50001-100000                 | 157               |
| 100001-500000                | 170               |
| 500001-1000000               | 25                |
| 1000001-5000000              | 22                |
| 5000001-10000000             | 1                 |
| 10000001-100000000           | 2                 |
| 100000001-1000000000         | 1                 |
|                              | <b>1253</b>       |

**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. 6,104,286/-. If the same were not made the NAV per unit/ FY 2013 return of scheme would be higher by Rs. 0.0201/ 0.22%. For details investors are advised to read note 16 of the Financial Statement of the Scheme for the year ended June 30, 2013.

# 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.

Sub-Regulation (x) of the Listing Regulations No. 35 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, 2013.

A.F. Ferguson & Co.  
Chartered Accountants  
Karachi  
Dated: September 18, 2013

# 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, 2013, 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, 2013, 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 18, 2013  
Karachi



# NAFA SAVINGS PLUS FUND

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2013

|   | Note | 2013<br>------(Rupees in '000)----- | 2012             |
|---|------|-------------------------------------|------------------|
| <b>ASSETS</b>   |      |                                     |                  |
| Balances with banks   | 4    | 729,867                             | 156,039          |
| Investments   | 5    | 325,997                             | 823,491          |
| Receivable against Margin Trading System                      |      | 500,811                             | 360,584          |
| Profit receivable   | 6    | 9,867                               | 9,107            |
| Receivable against issuance of units                          | 17.1 | 1,496,187                           | 9                |
| Deposits, prepayments and other receivables                   | 7    | 1,160                               | 1,534            |
| Preliminary expenses and floatation costs                     | 8    | 732                                 | 1,252            |
| <b>Total assets</b>   |      | <b>3,064,621</b>                    | <b>1,352,016</b> |
| <b>LIABILITIES</b>  |      |                                     |                  |
| Payable to the Management Company                             | 9    | 3,062                               | 2,260            |
| Payable to the Trustee  | 10   | 181                                 | 170              |
| Payable to the Securities and Exchange Commission of Pakistan | 11   | 1,018                               | 667              |
| Payable against redemption of units                           |      | 71                                  | 7,281            |
| Accrued expenses and other liabilities                        | 12   | 7,016                               | 4,497            |
| <b>Total liabilities</b>                                      |      | <b>11,348</b>                       | <b>14,875</b>    |
| <b>NET ASSETS</b>   |      | <b>3,053,273</b>                    | <b>1,337,141</b> |
| <b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>        |      | <b>3,053,273</b>                    | <b>1,337,141</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>                          | 13   |                                     |                  |
|   |      | ------(Number of units)-----        |                  |
| Number of units in issue                                      |      | 303,915,562                         | 133,193,988      |
|   |      | ------(Rupees)-----                 |                  |
| <b>NET ASSET VALUE PER UNIT</b>                               | 14   | <b>10.0465</b>                      | <b>10.0391</b>   |

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, 2013

|   | Note | 2013<br>-----Rupees in '000----- | 2012           |
|---|------|----------------------------------|----------------|
| <b>INCOME</b>   |      |                                  |                |
| Income from government securities   |      | 29,117                           | 44,618         |
| Income from term deposit receipts   |      | 1,757                            | 6,380          |
| Profit on bank deposits   |      | 29,540                           | 6,071          |
| Income from money market placements   |      | 14,312                           | 17,403         |
| Income from Sukuk   |      | 16,690                           | 9,286          |
| Income from Margin Trading System   |      | 57,598                           | 29,948         |
| Net gain / (loss) on sale of investments  |      | 932                              | (133)          |
| Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss | 5.4  | 3                                | (316)          |
| <b>Total income</b>   |      | <b>149,949</b>                   | <b>113,257</b> |
| <b>EXPENSES</b>   |      |                                  |                |
| Remuneration of the Management Company  |      | 20,367                           | 12,128         |
| Sindh Sales Tax on remuneration of the Management Company   |      | 3,259                            | 1,941          |
| Federal Excise Duty on Management Company's remuneration  |      | 193                              | -              |
| Remuneration of the Trustee   |      | 2,004                            | 1,420          |
| Annual fee - Securities and Exchange Commission of Pakistan   |      | 1,018                            | 667            |
| Amortisation of preliminary expenses and floatation costs   | 8    | 520                              | 523            |
| Securities transaction cost   |      | 37                               | 209            |
| Bank charges  |      | 705                              | 293            |
| Settlement charges  |      | 5,192                            | 2,128          |
| Annual listing fee  |      | 40                               | 40             |
| Rating fee  |      | 219                              | 212            |
| NCCPL fee   |      | 242                              | 222            |
| Printing charges  |      | 70                               | -              |
| Auditors' remuneration  | 15   | 437                              | 388            |
| Legal and professional charges  |      | 40                               | 40             |
| <b>Total expenses</b>   |      | <b>34,343</b>                    | <b>20,211</b>  |
| <b>Net income from operating activities</b>   |      | <b>115,606</b>                   | <b>93,046</b>  |
| Provision for Workers' Welfare Fund   | 16   | (2,312)                          | (1,861)        |
| <b>Net income for the year before taxation</b>  |      | <b>113,294</b>                   | <b>91,185</b>  |
| Taxation  | 3.12 | -                                | -              |
| <b>Net income for the year after taxation</b>   |      | <b>113,294</b>                   | <b>91,185</b>  |
| <b>Earnings per unit</b>  | 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, 2013

|  | 2013                     | 2012          |
|--|--------------------------|---------------|
|  | -----Rupees in '000----- |               |
| Net income for the year after taxation         | 113,294                  | 91,185        |
| Other comprehensive income for the year        | -                        | -             |
| <b>Total comprehensive income for the year</b> | <u>113,294</u>           | <u>91,185</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, 2013

|   | Note | 2013<br>-----Rupees in '000----- | 2012          |
|---|------|----------------------------------|---------------|
| Undistributed income brought forward comprising:  |      |                                  |               |
| - Realised income   |      | 2,487                            | 15,502        |
| - Unrealised loss   |      | (316)                            | (185)         |
|   |      | <u>2,171</u>                     | <u>15,317</u> |
| Net income for the year   |      | 113,294                          | 91,185        |
| Final distribution for the year ended June 30, 2013: Nil<br>(2012: 0.275 per unit declared on July 4, 2011) |      |                                  |               |
| - Cash distribution   |      | -                                | (1,245)       |
| - Bonus units   |      | -                                | (13,370)      |
| Interim distribution for the period from July 1, 2012 to June 30, 2013                                      |      |                                  |               |
| - Cash distribution   | 18   | (2,518)                          | (3,807)       |
| - Bonus units   | 18   | (109,848)                        | (90,849)      |
| Element of income and capital gains included in prices of units issued<br>less those in units redeemed      |      | 1,311                            | 4,940         |
| Undistributed income carried forward  |      | <u>4,410</u>                     | <u>2,171</u>  |
| Undistributed income carried forward comprising:  |      |                                  |               |
| - Realised income   |      | 4,407                            | 2,487         |
| - Unrealised gain / (loss)  |      | 3                                | (316)         |
|   |      | <u>4,410</u>                     | <u>2,171</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, 2013

|  | Note | 2013<br>-----Rupees in '000----- | 2012             |
|--|------|----------------------------------|------------------|
| Net assets at the beginning of the year  |      | 1,337,141                        | 545,231          |
| Issue of 327,110,760 units (2012: 190,210,871 units) including<br>10,945,427 bonus units (2012: 9,051,523 units)                                     |      | 3,180,011                        | 1,813,356        |
| Redemption of 156,389,186 units (2012: 109,930,516 units)  |      | (1,574,655)                      | (1,107,579)      |
|  |      | 1,605,356                        | 705,777          |
| Final distribution (bonus) for the year ended June 30, 2013: Nil<br>(2012: 0.275 per unit declared on July 4, 2011)                                  |      | -                                | 13,370           |
| Element of income and capital gains included in prices of units issued<br>less those in units redeemed are transferred to distribution statement     |      | (1,311)                          | (4,940)          |
| Net unrealised appreciation / (diminution) on re-measurement of investments<br>classified as financial assets 'at fair value through profit or loss' |      | 3                                | (316)            |
| Net gain / (loss) on sale of investments   |      | 932                              | (133)            |
| Other income (net of expenses) for the year  |      | 112,359                          | 91,634           |
|  |      | 113,294                          | 91,185           |
| <b>Less: Distributions made during the year</b>  |      |                                  |                  |
| Final distribution (bonus) for the year ended June 30, 2013: Nil<br>(2012: 0.275 per unit declared on July 4, 2011 )                                 |      | -                                | (1,245)          |
| - Cash distribution  |      | -                                | (13,370)         |
| - Bonus units  |      |                                  |                  |
| Interim distribution for the period from July 1, 2012 to June 30, 2013   |      |                                  |                  |
| - Cash distribution  | 18   | (2,518)                          | (3,807)          |
| - Bonus units  | 18   | (109,848)                        | (90,849)         |
|  |      | (112,366)                        | (109,271)        |
| Interim distributions: Issue of bonus units  |      | 109,848                          | 90,849           |
| Element of income and capital gains included in prices of units issued<br>less those in units redeemed are transferred to distribution statement     |      | 1,311                            | 4,940            |
| <b>Net assets at the end of the year</b>   |      | <u>3,053,273</u>                 | <u>1,337,141</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, 2013

|   | Note | 2013<br>-----Rupees in '000----- | 2012<br>-----Rupees in '000----- |
|---|------|----------------------------------|----------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |      |                                  |                                  |
| Net income for the year before taxation   |      | 113,294                          | 91,185                           |
| <b>Adjustments:</b>   |      |                                  |                                  |
| Amortisation of preliminary expenses and flotation costs  |      | 520                              | 523                              |
| Net unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss |      | (3)                              | 316                              |
|   |      | <u>113,811</u>                   | <u>92,024</u>                    |
| <b>(Increase) / decrease in assets</b>  |      |                                  |                                  |
| Investments - net   |      | 497,497                          | (478,584)                        |
| Receivable against Margin Trading System  |      | (140,227)                        | (301,221)                        |
| Profit receivable   |      | (760)                            | (6,543)                          |
| Deposits, prepayments and other receivables   |      | 374                              | 7,894                            |
| Receivable against issuance of units  |      | (1,496,178)                      | -                                |
|   |      | <u>(1,139,294)</u>               | <u>(778,454)</u>                 |
| <b>Increase / (decrease) in liabilities</b>   |      |                                  |                                  |
| Payable to the Management Company   |      | 802                              | 1,380                            |
| Payable to the Trustee  |      | 11                               | 94                               |
| Payable to the Securities and Exchange Commission of Pakistan   |      | 351                              | 207                              |
| Accrued expenses and other liabilities  |      | 2,519                            | 2,045                            |
|   |      | <u>3,683</u>                     | <u>3,726</u>                     |
| <b>Net cash outflow from operating activities</b>   |      | <u>(1,021,800)</u>               | <u>(682,704)</u>                 |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |      |                                  |                                  |
| Receipts from issue of units  |      | 3,180,011                        | 1,813,356                        |
| Payments on redemption of units   |      | (1,581,865)                      | (1,102,531)                      |
| Distributions paid  |      | (2,518)                          | (5,052)                          |
| <b>Net cash inflow from financing activities</b>  |      | <u>1,595,628</u>                 | <u>705,773</u>                   |
| <b>Net increase in cash and cash equivalents during the year</b>  |      | <u>573,828</u>                   | <u>23,069</u>                    |
| Cash and cash equivalents at the beginning of the year  |      | 156,039                          | 132,970                          |
| <b>Cash and cash equivalents at the end of the year</b>   | 4    | <u><u>729,867</u></u>            | <u><u>156,039</u></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, 2013

### 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 7th floor, Clifton Diamond Building, Block 4, Scheme no. 5, Clifton, 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 and a stability rating of AA-(f).

Title of the assets of the Fund is held in the name of CDC 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 amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2012:

- a) IAS 1, 'Financial statement presentation'. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis whether they are potentially reclassifiable to profit / loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendments do not have any effect 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.

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

There are certain new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 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.

# NAFA SAVINGS PLUS FUND

## 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 investments (notes 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 Rupee 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.

##### 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.



# NAFA SAVINGS PLUS FUND

## 3.2.2 Regular way contracts

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

## 3.2.3 Initial recognition and measurement

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

## 3.2.4 Subsequent measurement

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

### (a) 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.

### (b) Loans and receivables

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.

## 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.

# NAFA SAVINGS PLUS FUND

## 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.

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.

## 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.

## 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.

# NAFA SAVINGS PLUS FUND

## 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 an 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   | 2013           | 2012           |
|--------------------------|--|----------------|----------------|
| -----Rupees in '000----- |  |                |                |
| <b>4</b>                 | <b>BALANCES WITH BANKS</b>   |                |                |
|                          |  |                |                |
|                          |  | 2,528          | 7,028          |
|                          | 4.1  | 727,339        | 49,011         |
|                          |  | -              | 100,000        |
|                          |  | <u>729,867</u> | <u>156,039</u> |
| 4.1                      | These carry a rate of return ranging from 5% to 11% (2012: 6.00% to 12.25% per annum). |                |                |
|                          | Note   | 2013           | 2012           |
| -----Rupees in '000----- |  |                |                |
| <b>5</b>                 | <b>INVESTMENTS</b>   |                |                |
|                          |  |                |                |
|                          | <b>At fair value through profit or loss - held for trading</b>                         |                |                |
|                          | Government securities - Market Treasury Bills  | 80,997         | 525,771        |
|                          | <b>Loans and Receivables</b>   |                |                |
|                          | Sukuk certificates   | 120,000        | 87,720         |
|                          | Certificates of investment   | 125,000        | 210,000        |
|                          |  | 245,000        | 297,720        |
|                          |  | <u>325,997</u> | <u>823,491</u> |

# NAFA SAVINGS PLUS FUND

## 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, 2013 | Purchased during the year | Disposed / matured during the year | As at June 30, 2013 |              |  |   |

### Market Treasury Bills

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

|           |           |         |         |         |        |        |       |        |
|-----------|-----------|---------|---------|---------|--------|--------|-------|--------|
| 26-Jan-12 | 6 Months  | 112,500 | -       | 112,500 | -      | -      | -     | -      |
| 19-Apr-12 | 3 Months  | 32,500  | -       | 32,500  | -      | -      | -     | -      |
| 3-May-12  | 3 Months  | 90,000  | -       | 90,000  | -      | -      | -     | -      |
| 17-May-12 | 3 Months  | 192,500 | 33,000  | 225,500 | -      | -      | -     | -      |
| 31-May-12 | 3 Months  | -       | 11,000  | 11,000  | -      | -      | -     | -      |
| 14-Jun-12 | 3 Months  | 75,000  | -       | 75,000  | -      | -      | -     | -      |
| 28-Jun-12 | 3 Months  | 30,000  | 30,000  | 60,000  | -      | -      | -     | -      |
| 12-Jul-12 | 3 Months  | -       | 125,000 | 125,000 | -      | -      | -     | -      |
| 12-Jul-12 | 6 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 26-Jul-12 | 3 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 26-Jul-12 | 6 Months  | -       | 75,000  | 75,000  | -      | -      | -     | -      |
| 9-Aug-12  | 3 Months  | -       | 250,500 | 250,500 | -      | -      | -     | -      |
| 23-Aug-12 | 3 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 6-Sep-12  | 3 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 6-Sep-12  | 6 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 20-Sep-12 | 3 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 20-Sep-12 | 6 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 4-Oct-12  | 3 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 4-Oct-12  | 6 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 6-Oct-12  | 12 Months | -       | 7,100   | 7,100   | -      | -      | -     | -      |
| 18-Oct-12 | 3 Months  | -       | 35,000  | 35,000  | -      | -      | -     | -      |
| 18-Oct-12 | 6 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 1-Nov-12  | 3 Months  | -       | 110,000 | 110,000 | -      | -      | -     | -      |
| 1-Nov-12  | 6 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 15-Nov-12 | 3 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 29-Nov-12 | 3 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 13-Dec-12 | 3 Months  | -       | 187,500 | 187,500 | -      | -      | -     | -      |
| 13-Dec-12 | 6 Months  | -       | 50,000  | 50,000  | -      | -      | -     | -      |
| 10-Jan-13 | 3 Months  | -       | 325,000 | 325,000 | -      | -      | -     | -      |
| 10-Jan-13 | 6 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 24-Jan-13 | 3 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 24-Jan-13 | 6 Months  | -       | 331,500 | 250,000 | 81,500 | 80,997 | 2.65% | 24.85% |
| 21-Feb-13 | 3 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 21-Feb-13 | 6 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 21-Mar-13 | 3 Months  | -       | 325,000 | 325,000 | -      | -      | -     | -      |
| 4-Apr-13  | 3 Months  | -       | 200,000 | 200,000 | -      | -      | -     | -      |
| 16-May-13 | 6 Months  | -       | 65,000  | 65,000  | -      | -      | -     | -      |
| 30-May-13 | 6 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |
| 13-Jun-13 | 6 Months  | -       | 250,000 | 250,000 | -      | -      | -     | -      |

### Total as at June 30, 2013

|        |        |       |        |
|--------|--------|-------|--------|
| 81,500 | 80,997 | 2.65% | 24.85% |
|--------|--------|-------|--------|

Carrying Value Before fair value adjustment as at June 30, 2013

80,994

Net unrealised diminution on re-measurement of investments classified ss 'financial assets at fair value through profit or loss'

3

## 5.2 Investment in Sukuk certificates

| Name of Issuer                 | Maturity date | Rate   | As at June 30, 2013 |
|--------------------------------|---------------|--------|---------------------|
| HUBCO Short Term Islamic Sukuk | 12-Sep-13     | 10.80% | 90,000              |
| HUBCO Short Term Islamic Sukuk | 14-Aug-13     | 10.70% | 30,000              |
|                                |               |        | <u>120,000</u>      |

# NAFA SAVINGS PLUS FUND

5.2.1 These Islamic Commercial Papers were issued under the Shariah Compliant structure described as 'Sukuk'. Under the 'Sukuk' structure, instruments can be of short-term as well as of long-term nature. Short-term Sukuks are equivalent to money market instruments while long-term Sukuks are equivalent to TFCs / corporate bonds. These Sukuks were issued in six months maturity, and hence were deemed to be mere money market instruments.

The management is of the view that the restriction on taking exposure in Sukuks as mentioned in the Offering Documents refers to long-term Sukuks which are equivalent to TFCs / corporate bonds. Therefore, the short-term money market placements issued within the Islamic structure are compliant with the Offering Document.

## 5.3 Investment in Certificates of Investment

| Name of Issuer                        | Maturity date | Rate  | As at June 30, 2013 |
|---------------------------------------|---------------|-------|---------------------|
| Pak Brunei Investment Company Limited | 25-Sep-13     | 9.45% | 125,000             |

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

5.4 Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

|                                     |          |              |
|-------------------------------------|----------|--------------|
| Market value of investments         | 80,997   | 525,771      |
| Less: Carrying value of investments | (80,994) | (526,087)    |
|                                     | <u>3</u> | <u>(316)</u> |

## 6 PROFIT RECEIVABLE

|  |              |              |
|--|--------------|--------------|
| Income accrued on savings deposits           | 3,413        | 563          |
| Income accrued on term deposit receipts      | -            | 67           |
| Income accrued on certificates of investment | 194          | 2,831        |
| Income accrued on short term Sukuk           | 4,131        | 4,325        |
| Income accrued on Margin Trading System      | 2,129        | 1,321        |
|  | <u>9,867</u> | <u>9,107</u> |

## 7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

|  |              |              |
|--|--------------|--------------|
| Security deposits with:                          |              |              |
| - Central Depository Company of Pakistan Limited | 100          | 100          |
| - National Clearing Company of Pakistan Limited  | 250          | 250          |
| Prepaid rating fee                               | 110          | 87           |
| Prepaid NCCPL fee                                | -            | 199          |
| Receivable from the Management Company           | 700          | 700          |
| Receivable against exposure margin               | -            | 198          |
|  | <u>1,160</u> | <u>1,534</u> |

## 8 PRELIMINARY EXPENSES AND FLOATATION COSTS

|   |     |            |              |
|---|-----|------------|--------------|
| Balance as at the beginning of the year |     | 1,252      | 1,775        |
| Less: Amortisation during the year      | 8.1 | (520)      | (523)        |
| Balance as at the end of the year       |     | <u>732</u> | <u>1,252</u> |

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 | 2013                     | 2012         |
|--|------|--------------------------|--------------|
|  |      | -----Rupees in '000----- |              |
| Management fee   | 9.1  | 1,960                    | 1,700        |
| Sind Sales Tax payable                                     |      | 314                      | 272          |
| Federal Excise Duty on Management Company's remuneration   | 9.2  | 193                      | -            |
| Sales load and transfer load payable to Management Company |      | 307                      | -            |
| Other payable  |      | 288                      | 288          |
|  |      | <u>3,062</u>             | <u>2,260</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. The remuneration is paid to the Management Company monthly in arrears.

**9.2** During the year, the Federal Government levied Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company through the Finance Act, 2013, effective from June 13, 2013.

| 10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2013                     | 2012       |
|--|------|--------------------------|------------|
|  |      | -----Rupees in '000----- |            |
| Trustee fee  | 10.1 | 181                      | 166        |
| CDC settlement charges   |      | -                        | 4          |
|  |      | <u>181</u>               | <u>170</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<br>Average Net Assets Value (NAV) | Tariff per annum  |   |
|--|---|---|
|  | July 1, 2012 to March 31, 2013                                    | April 1, 2013 onwards   |
| Upto Rs 1,000 million  | Rs 0.6 million or 0.17% p.a. of NAV, whichever is higher          | 0.17% p.a. of NAV   |
| 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 | 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  | 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 | 2013                     | 2012       |
|--|------|--------------------------|------------|
|  |      | -----Rupees in '000----- |            |
| Annual Fee   | 11.1 | <u>1,018</u>             | <u>667</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.

# NAFA SAVINGS PLUS FUND

| 12 ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2013                     | 2012         |
|---|------|--------------------------|--------------|
|   |      | -----Rupees in '000----- |              |
| Auditors' remuneration                    |      | 299                      | 279          |
| Brokerage and settlement charges          |      | 62                       | 11           |
| Bank charges                              |      | 54                       | 2            |
| Provision for Workers' Welfare Fund       | 16   | 6,104                    | 3,792        |
| Printing charges                          |      | 100                      | 105          |
| Others                                    |      | 397                      | 308          |
|   |      | <u>7,016</u>             | <u>4,497</u> |

## 13 CONTINGENCIES AND COMMITMENTS

13.1 There were no contingencies outstanding as at June 30, 2013 or June 30, 2012.

### 13.2 Commitments

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, 2013

|               |               |
|---------------|---------------|
| <u>91,918</u> | <u>14,193</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 | 2013       | 2012                     |
|---------------------------|------------|--------------------------|
|                           |            | -----Rupees in '000----- |
| Annual audit fee          | 288        | 254                      |
| Half yearly review fee    | 112        | 102                      |
| Out of pocket expenses    | 37         | 32                       |
|                           | <u>437</u> | <u>388</u>               |

16 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) / Pension Funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on July 8, 2010 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 same. This response was contradictory to the earlier clarification issued by the Ministry. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several mutual funds (CISs) / pension funds for the collection of WWF. In respect of such show cause notices, certain mutual funds (CISs) / pension funds have been granted stay by the Honorable SHC on the basis of the pending Constitutional Petition as referred to above.

In March 2013, a three member bench of the Sindh High Court in its judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through the Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and pension funds, the issue of chargeability or otherwise of WWF levy to the CISs / pension funds is currently pending before the Honorable SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has continued to maintain the provision for WWF amounting to Rs. 6.104 million (2012: Rs.3,792 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 .0201 per unit.

# NAFA SAVINGS PLUS FUND

2013  
-----Rupees in '000-----  
2012

## 17 NUMBER OF UNITS IN ISSUE

|   |                      |                      |
|---|----------------------|----------------------|
| Total units in issue at the beginning of the year | 133,193,988          | 52,913,633           |
| Add: units issued during the year                 | 316,165,333          | 179,826,062          |
| Add: bonus units issued during the year           | 10,945,427           | 10,384,809           |
| Less: units redeemed during the year              | <u>(156,389,186)</u> | <u>(109,930,516)</u> |
| Total units in issue at the end of the year       | <u>303,915,562</u>   | <u>133,193,988</u>   |

17.1 This includes 148,948,396 units issued to the National Bank of Pakistan (NBP) on June 29, 2013 based on their request for transfer of units from NAFA Money Market Fund (NMMF). Amount of Rs 1,496.187 million in respect of this transaction was received from NMMF on July 2, 2013.

## 18 INTERIM DISTRIBUTIONS

The Fund makes distribution on a monthly basis and has made the following distributions during the year ended June 30, 2013:

| Date of distribution         | Rate Per Unit | Units             | Bonus<br>Amount | Cash Distribution<br>Distribution | Total          |
|------------------------------|---------------|-------------------|-----------------|-----------------------------------|----------------|
| ----- (Rupees in '000) ----- |               |                   |                 |                                   |                |
| July 29, 2012                | Rs. 0.0823    | 1,087,163         | 10,913          | 247                               | 11,160         |
| August 27, 2012              | Rs. 0.0803    | 964,296           | 9,680           | 241                               | 9,921          |
| September 27, 2012           | Rs. 0.0803    | 929,252           | 9,324           | 241                               | 9,565          |
| October 29, 2012             | Rs. 0.0753    | 927,916           | 9,317           | 226                               | 9,543          |
| November 27, 2012            | Rs. 0.0703    | 882,712           | 8,856           | 211                               | 9,067          |
| December 27, 2012            | Rs. 0.0683    | 840,951           | 8,452           | 206                               | 8,658          |
| January 29, 2013             | Rs. 0.0703    | 877,502           | 8,785           | 211                               | 8,996          |
| February 27, 2013            | Rs. 0.0653    | 842,549           | 8,449           | 196                               | 8,645          |
| March 28, 2013               | Rs. 0.0582    | 840,212           | 8,431           | 175                               | 8,606          |
| April 29, 2013               | Rs. 0.0602    | 860,814           | 8,643           | 181                               | 8,824          |
| May 29, 2013                 | Rs. 0.0622    | 911,744           | 9,154           | 187                               | 9,341          |
| June 28, 2013                | Rs. 0.0653    | 980,316           | 9,844           | 196                               | 10,040         |
|                              |               | <u>10,945,427</u> | <u>109,848</u>  | <u>2,518</u>                      | <u>112,366</u> |

The following distributions were made during the year ended June 30, 2012:

| Date of distribution         | Rate Per Unit | Units            | Bonus<br>Amount | Cash Distribution<br>Distribution | Total         |
|------------------------------|---------------|------------------|-----------------|-----------------------------------|---------------|
| ----- (Rupees in '000) ----- |               |                  |                 |                                   |               |
| 2-Aug-11                     | Rs. 0.0829    | 460,038          | 4,616           | 402                               | 5,018         |
| 6-Sep-11                     | Rs. 0.0913    | 477,217          | 4,796           | 411                               | 5,207         |
| 3-Oct-11                     | Rs. 0.0832    | 499,943          | 5,023           | 375                               | 5,398         |
| 2-Nov-11                     | Rs. 0.0913    | 545,702          | 5,486           | 411                               | 5,897         |
| 2-Dec-11                     | Rs. 0.0903    | 574,040          | 5,770           | 407                               | 6,177         |
| 3-Jan-12                     | Rs. 0.0923    | 519,597          | 5,223           | 277                               | 5,500         |
| 30-Jan-12                    | Rs. 0.0923    | 794,651          | 7,979           | 277                               | 8,256         |
| 28-Feb-12                    | Rs. 0.0903    | 1,002,590        | 10,056          | 271                               | 10,327        |
| 29-Mar-12                    | Rs. 0.0822    | 999,998          | 10,030          | 247                               | 10,277        |
| 27-Apr-12                    | Rs. 0.0822    | 1,052,820        | 10,557          | 247                               | 10,804        |
| 31-May-12                    | Rs. 0.0822    | 1,087,705        | 10,914          | 247                               | 11,161        |
| 27-Jun-12                    | Rs. 0.0782    | 1,037,221        | 10,399          | 235                               | 10,634        |
|                              |               | <u>9,051,522</u> | <u>90,849</u>   | <u>3,807</u>                      | <u>94,656</u> |

As per clause 11 of the Trust Deed and clause 5 of the Offering Document, the Management Company on behalf of the Fund on a monthly basis (except June) distributes cash dividend, bonus, partially cash / bonus or in any other form acceptable to the Commission (such as bonus units) that may qualify under the tax laws. Net income (after deducting all the expenses of the Fund) earned upto 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.



# NAFA SAVINGS PLUS FUND

## 19 EARNINGS PER UNIT

Earnings per unit (EPU) for the year ended June 30, 2013 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 on June 30, 2013-----

|  | Loans and<br>receivables | Financial<br>assets at fair<br>value through<br>profit or loss | Total            |
|--|--------------------------|--|------------------|
| -----Rupees in '000-----                 |                          |  |                  |
| <b>Assets</b>                            |                          |  |                  |
| Balances with banks                      | 729,867                  | -  | 729,867          |
| Investments                              | 245,000                  | 80,997   | 325,997          |
| Receivable against Margin Trading System | 500,811                  | -  | 500,811          |
| Receivable against issuance of units     | 1,496,187                | -  | 1,496,187        |
| Profit receivable                        | 9,867                    | -  | 9,867            |
| Deposits and other receivables           | 1,050                    | -  | 1,050            |
|  | <u>2,982,782</u>         | <u>80,997</u>  | <u>3,063,779</u> |

-----As on June 30, 2013-----

|  | At fair value<br>through profit<br>or loss | Other financial<br>liabilities | Total        |
|--|--|--------------------------------|--------------|
| -----Rupees in '000-----               |  |                                |              |
| <b>Liabilities</b>                     |  |                                |              |
| Payable to the Management Company      | -  | 3,062                          | 3,062        |
| Payable to the Trustee                 | -  | 181                            | 181          |
| Payable against redemption of units    | -  | 71                             | 71           |
| Accrued expenses and other liabilities | -  | 912                            | 912          |
|  | <u>-</u>                                   | <u>4,226</u>                   | <u>4,226</u> |

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

|  | Loans and<br>receivables | Financial<br>assets at fair<br>value through<br>profit or loss | Total            |
|--|--------------------------|--|------------------|
| -----Rupees in '000-----                 |                          |  |                  |
| <b>Assets</b>                            |                          |  |                  |
| Balances with banks                      | 156,039                  | -  | 156,039          |
| Investments                              | 297,720                  | 525,771  | 823,491          |
| Receivable against Margin Trading System | 360,584                  | -  | 360,584          |
| Receivable against issuance of units     | 9                        | -  | 9                |
| Profit receivable                        | 9,107                    | -  | 9,107            |
| Deposits and other receivables           | 1,257                    | -  | 1,257            |
|  | <u>824,716</u>           | <u>525,771</u>   | <u>1,350,487</u> |

# NAFA SAVINGS PLUS FUND

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

|  | At fair value<br>through profit<br>or loss | Other financial<br>liabilities | Total         |
|--|--|--------------------------------|---------------|
|  | -----Rupees in '000-----                   |                                |               |
| <b>Liabilities</b>                     |  |                                |               |
| Payable to the Management Company      | -  | 2,260                          | 2,260         |
| Payable to the 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> |

## 21 TRANSACTIONS WITH CONNECTED PERSONS

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

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

The details of significant transactions carried out by the Fund with connected persons and balances with them, as at the year end are as follows:

2013  
-----Rupees in '000-----  
2012

### Transactions during the year:

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

|   |        |        |
|---|--------|--------|
| Management fee for the year                               | 20,367 | 12,128 |
| Sindh Sales Tax on remuneration of the Management Company | 3,259  | 1,941  |
| FED on remuneration of the Management Company             | 193    |        |

#### Central Depository Company of Pakistan Limited - Trustee

|                           |       |       |
|---------------------------|-------|-------|
| Remuneration for the year | 2,004 | 1,420 |
| CDS charges               | 458   | 213   |

#### National Bank of Pakistan - Sponsor

|  |           |       |
|--|-----------|-------|
| Cash dividend paid   | 2,516     | 3,964 |
| Purchased T-Bill   | 62,088    | -     |
| Sold T-Bill  | 274,434   | -     |
| Units issued during the year 148,948,396 units (2012: Nil units) | 1,496,187 | -     |

#### NBP Endowment Fund Student Loan Scheme

|   |        |         |
|---|--------|---------|
| Bonus units issued during the year 89,637 units (2012: 1,183,373 units) | -      | -       |
| Units redeemed during the year 1,492,395 unit (2012: 10,435,450 units)  | 15,000 | 105,000 |

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

|  |   |   |
|--|---|---|
| Bonus units issued during the year 228,898 units (2012: 323,322 units) | - | - |
|--|---|---|

#### Employees of the Management Company

|   |       |        |
|---|-------|--------|
| Units issued during the year 369,758 units (2012: 1,072,604 units)  | 3,722 | 10,816 |
| Bonus units issued during the year 6,870 units (2012: 22,181 units) | -     | -      |
| Units redeemed during the year 479,116 units (2012: 962,188 units)  | 4,822 | 9,699  |

#### NAFA Provident Fund Trust - Provident Fund

|  |       |        |
|--|-------|--------|
| Units issued during the year 580,671 units (2012:1,904,122 units)    | 5,848 | 19,183 |
| Bonus units issued during the year 34,956 units (2012: 51,114 units) | -     | -      |
| Units redeemed during the year 704,319 units (2012: 1,801,603 units) | 7,096 | 18,154 |

# NAFA SAVINGS PLUS FUND

|   | 2013                                     | 2012                                 |
|---|--|--------------------------------------|
|   | -----Rupees in '000-----                 |                                      |
| <b>International Industries Limited Employees Provident Fund</b><br>Bonus units issued during the year 182,707 units  | -  | -                                    |
| <b>International Industries Limited Employees Gratuity Fund</b><br>Bonus units issued during the year 297,376 units   | -  | -                                    |
| <b>International Steel Limited Employees Provident Fund</b><br>Purchased TFC<br>Bonus units issued during the year 45,148 units   | 6,250<br>-                               | -                                    |
| <b>International Steel Limited Employees Gratuity Fund</b><br>Bonus units issued during the year 28,157 units   | -  | -                                    |
| <b>Muhammad Murtaza Ali - CFO &amp; Company Secretary</b><br>Units issued during the year 15,234 units (2012: Nil units)<br>Bonus units issued during the year 245 units (2012 Nil units)<br>Units redeemed during the year 15,479 units (2012: Nil units)        | 153<br>-<br>156                          | -<br>-<br>-                          |
| <b>Telenor Pakistan Ltd. Employees Provident Fund</b><br>Sold T-Bill<br>Purchased short term Islamic Sukuk<br>Purchased T-Bill  | 20,000<br>13,000<br>-                    | -<br>-<br>1,444                      |
| <b>Hub Power Company Limited</b><br>Purchased short term Islamic Sukuk<br>Sold short term Islamic Sukuk   | 333,250<br>213,250                       | -<br>-                               |
| <b>NAFA Government Securities Liquid Fund</b><br>Sold T-Bill  | -  | 14,921                               |
| <b>Summit Bank Limited</b><br>Bank Profit   | 55                                       | -                                    |
| <b>Amounts outstanding as at year end</b>   |  |                                      |
| <b>NBP Fullerton Asset Management Limited - Management Company</b><br>Receivable from the Management Company<br>Management fee payable<br>Sind sales tax payable<br>F.E.D on Management fee<br>Sales load and transfer load to mangement company<br>Other payable | 700<br>1,960<br>314<br>193<br>307<br>288 | 700<br>1,700<br>272<br>-<br>-<br>288 |
| <b>Central Depository Company of Pakistan Limited - Trustee</b><br>Remuneration payable<br>CDS charges payable<br>Security deposit  | 181<br>81<br>100                         | 166<br>4<br>100                      |
|   | <b>June 30,</b><br><b>2013</b>           | <b>June 30,</b><br><b>2012</b>       |
|   | -----Rupees in '000-----                 |                                      |
| <b>National Bank of Pakistan (NBP) - Sponsor</b><br>Investment held by the Sponsor in the Fund 151,948,396 units (2012: 3,000,000 units)<br>Balance in current account  | 1,526,550<br>2,528                       | 30,117<br>7,028                      |
| <b>NBP Endowment Fund Student Loan Scheme</b><br>Investment held in the Fund 11,419 units (2012: 1,414,178 units)   | 115                                      | 14,197                               |
| <b>Alexandra Fund Management Pte. Limited - Sponsor</b><br>Investment held by the Sponsor in the Fund 2,865,893 units (2012: 2,636,995 units)   | 28,792                                   | 26,473                               |
| <b>Employees of the Management Company</b><br>Investment held by the executives in the Fund 71,551 units (2012: 177,360 units)  | 719                                      | 1,781                                |
| <b>International Industries Limited Employees Provident Fund</b><br>Investment held by the executives in the Fund 2,411,232 units   | 24,221                                   | -                                    |
| <b>International Industries Limited Employees Gratuity Fund</b><br>Investment held by the executives in the Fund 5,527,566 units  | 55,524                                   | -                                    |
| <b>International Steel Limited Employees Provident Fund</b><br>Investment held by the executives in the Fund 457,429 units  | 4,595                                    | -                                    |
| <b>International Steel Limited Employees Gratuity Fund</b><br>Investment held by the executives in the Fund 500,430 units   | 5,027                                    | -                                    |

# NAFA SAVINGS PLUS FUND

|  | June 30,<br>2013         | June 30,<br>2012 |
|--|--------------------------|------------------|
|  | -----Rupees in '000----- |                  |
| <b>Summit Bank Limited</b><br>Bank Balances  | 5,564                    | -                |
| <b>Hub Power Company Limited</b><br>Short term Islamic Sukuk held  | 120,000                  | -                |
| <b>NAFA Provident Fund Trust - Provident Fund</b><br>Investment held in the Fund 472,903 units (2012: 561,595 units) | 4,751                    | 5,638            |
| <b>NAFA Money Market Fund</b><br>Amount receivable due to transfer of units on behalf of NBP - note 17.1             | -                        | -                |

## 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, 2013 -----

| S. No. | Name                 | Qualification                                    | Experience in years |
|--------|----------------------|--|---------------------|
| 1      | Dr. Amjad Waheed     | MBA / Doctorate in Business Administration / CFA | 25                  |
| 2      | Sajjad Anwar         | CFA / MBA Finance                                | 13                  |
| 3      | Muhammad Ali Bhabha* | CFA / FRM  | 18.5                |
| 4      | Syed Suleman Akhtar  | CFA  | 13                  |
| 5      | Asim Wahab Khan      | MBA / CFA  | 7                   |

\* Mohammad Ali Bhabha is the Fund manager.

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

|    |   | 2013   |
|----|---|--------|
| 1  | Summit Capital (Private) Limited (Formerly Atlas Capital Markets (Pvt) Limited) | 36.36% |
| 2  | Vector Capital (Private) Limited  | 6.43%  |
| 3  | Invest One Markets Limited  | 1.63%  |
| 4  | BMA Capital Management Limited  | 22.38% |
| 5  | Invest Capital Markets Limited  | 25.62% |
| 6  | Global Securities Pakistan Limited  | 1.63%  |
| 7  | Icon Securities (Private) Limited   | 5.95%  |
|    |   | 2012   |
| 1  | JS Global Capital Limited   | 25.72% |
| 2  | BMA Capital Management Limited  | 18.13% |
| 3  | Invest Capital Management 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%  |

## 24 PATTERN OF UNIT HOLDING

----- As on June 30, 2013 -----

| Category                         | Number of unit holders | Investment amount | Percentage of investment |
|----------------------------------|------------------------|-------------------|--------------------------|
| Rupees in '000                   |                        |                   |                          |
| Individuals                      | 1,207                  | 900,067           | 29.48%                   |
| Associated companies / Directors | 4                      | 1,560,208         | 51.10%                   |
| Retirement funds                 | 15                     | 310,302           | 10.16%                   |
| Public Limited companies         | 4                      | 155,007           | 5.08%                    |
| Others                           | 23                     | 127,689           | 4.18%                    |
|                                  | 1,253                  | 3,053,273         | 100.00%                  |

# NAFA SAVINGS PLUS FUND

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

| Category                         | Number of unit holders | Investment amount | Percentage of investment |
|----------------------------------|------------------------|-------------------|--------------------------|
|                                  |                        | Rupees in '000    |                          |
| Individuals                      | 999                    | 790,614           | 59.13%                   |
| 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%                  |

## 25 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 37th, 38th, 39th, 40th and 41st Board meetings were held on July 09, 2012, September 11, 2012, October 23, 2012, February 26, 2013 and April 26, 2013 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                  | 5        | 0             |                                 |
| Dr. Asif A. Brohi*       | 5                  | 1        | 4             | 37th, 38th, 40th & 41st meeting |
| Mr. Khalid Mahmood*      | 1                  | 0        | 1             | 41st meeting                    |
| Mr. Wah Geok Sum         | 5                  | 4        | 1             | 41st meeting                    |
| Mr. Koh Boon San         | 5                  | 5        | 0             |                                 |
| Mr. Shehryar Faruque     | 5                  | 4        | 1             | 37th meeting                    |
| Mr. Kamal Amir Chinoy    | 5                  | 2        | 3             | 37th, 39th & 41st meeting       |
| Mr. Amir Shehzad         | 5                  | 3        | 2             | 37th & 39th meeting             |
| Mr. Asif Hassan****      | 0                  | 0        | 0             |                                 |
| Dr Amjad Waheed          | 5                  | 5        | 0             |                                 |

\* Dr. Asif A. Brohi retried from Board with effect from February 26, 2013

\*\* Mr.Khalid Mahmood was co-opted on the Board with effect from April 11, 2013

\*\*\* Mr. Shahid Anwar Khan retried from Board with effect from May 20, 2013

\*\*\*\* Mr.Asif Hasan was co-opted on the Board with effect from May 20, 2013

26

## FINANCIAL RISK MANAGEMENT

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

### 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.

# NAFA SAVINGS PLUS FUND

## 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, 2013, the Fund did not hold any variable rate instruments and was not exposed to cash flow interest rate risk.

### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2013 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, 2013, with all other variables held constant, the net income for the year and net assets would be lower by Rs 52,893 (2012: Rs 549,000). In case of 100 basis points decrease in rates announced by the Financial Market Association on June 30, 2013, with all other variables held constant, the net income for the year and net assets would be higher by Rs 52,977 (2012: Rs 550,000).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2013 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, 2013-----

| 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                      | 729,867   | 727,339   | - | -   | 2,528     |
| Investments                              | 325,997   | 80,997    | - | -   | 245,000   |
| Receivable against Margin Trading System | 500,811   | 500,811   | - | -   | -         |
| Receivable against issuance of units     | 1,496,187 | -         | - | -   | 1,496,187 |
| Profit receivable                        | 9,867     | -         | - | -   | 9,867     |
| Deposits and other receivables           | 1,050     | -         | - | 350 | 700       |
|  | 3,063,779 | 1,309,147 | - | 350 | 1,754,282 |

#### Financial liabilities

|  |       |   |   |   |       |
|--|-------|---|---|---|-------|
| Payable to the Management Company      | 3,062 | - | - | - | 3,062 |
| Payable to Trustee                     | 181   | - | - | - | 181   |
| Payable against redemption of units    | 71    | - | - | - | 71    |
| Accrued expenses and other liabilities | 912   | - | - | - | 912   |
|  | 4,226 | - | - | - | 4,226 |

### On-balance sheet gap

|  |           |           |   |     |           |
|--|-----------|-----------|---|-----|-----------|
|  | 3,059,553 | 1,309,147 | - | 350 | 1,750,056 |
|--|-----------|-----------|---|-----|-----------|

### 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

|  |        |        |   |   |   |
|--|--------|--------|---|---|---|
|  | 91,918 | 91,918 | - | - | - |
|--|--------|--------|---|---|---|

### Off-balance sheet gap

|  |        |        |   |   |   |
|--|--------|--------|---|---|---|
|  | 91,918 | 91,918 | - | - | - |
|--|--------|--------|---|---|---|

# NAFA SAVINGS PLUS FUND

-----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 |  |

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

## On-balance sheet financial instruments

### Financial assets

|  |                  |                  |          |            |                |
|--|------------------|------------------|----------|------------|----------------|
| 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          | -        | -          | -              |
| Receivable against issuance of units     | 9                | -                | -        | -          | 9              |
| Profit receivable                        | 9,107            | -                | -        | -          | 9,107          |
| Deposits and other receivables           | 1,257            | -                | -        | 350        | 907            |
|  | <u>1,350,487</u> | <u>1,035,366</u> | <u>-</u> | <u>350</u> | <u>314,771</u> |

### Financial liabilities

|  |                  |                  |          |            |                |
|--|------------------|------------------|----------|------------|----------------|
| Payable to the Management Company      | 2,260            | -                | -        | -          | 2,260          |
| Payable to the Trustee                 | 170              | -                | -        | -          | 170            |
| Payable against redemption of units    | 7,281            | -                | -        | -          | 7,281          |
| Accrued expenses and other liabilities | 705              | -                | -        | -          | 705            |
|  | <u>10,416</u>    | <u>-</u>         | <u>-</u> | <u>-</u>   | <u>10,416</u>  |
|  | <u>1,340,071</u> | <u>1,035,366</u> | <u>-</u> | <u>350</u> | <u>304,355</u> |

## On-balance sheet gap

## 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 | - | - | - |
|--|--------|--------|---|---|---|

## Off-balance sheet gap

|  |               |               |          |          |          |
|--|---------------|---------------|----------|----------|----------|
|  | <u>14,193</u> | <u>14,193</u> | <u>-</u> | <u>-</u> | <u>-</u> |
|--|---------------|---------------|----------|----------|----------|

|  | 2013                           | 2012 |
|--|--------------------------------|------|
|  | -----Percentage per annum----- |      |

The rates of return on financial instruments are as follows:

|  |                 |                 |
|--|-----------------|-----------------|
| Balances with banks in saving accounts | 5.0% - 11%      | 5.00% - 12.00%  |
| Term deposit receipts                  | 9.6% - 12%      | 12.30% - 13.70% |
| Market treasury bills                  | 9.05% - 12.98%  | 12.05% - 13.56% |
| Clean placements                       | 10.00% - 12.33% | 12.20% - 13.50% |
| Certificates of investment             | 9.45% - 12.35%  | 12.05% - 13.70% |
| Sukuk certificates                     | 10.6% - 13.55%  | 12.94% - 13.55% |

## 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 yield / interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Presently, the Fund is not exposed to any price risk as no equity securities are held by the Fund as on June 30, 2013.

## 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.

# NAFA SAVINGS PLUS FUND

The analysis below summarises the credit quality of the Fund's bank balances:

| Bank balances by rating category | 2012<br>Percentage |
|----------------------------------|--------------------|
| A1+                              | 39.05%             |
| A3                               | 0.76%              |
| A1                               | 60.10%             |
| A+                               | 0.09%              |
|                                  | <b>100.00%</b>     |

|     | 2011<br>Percentage |
|-----|--------------------|
| A1+ | 99.20%             |
| A1  | 0.45%              |
| A-  | 0.34%              |
| A3  | 0.01%              |
|     | <b>100.00%</b>     |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2013 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 the relation to the Fund's total credit exposure. The Fund's portfolio mainly comprises of government securities and remaining transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk to counterparties other than government.

## 26.3 Liquidity risk

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

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

The Fund has the ability to borrow in the short-term to ensure settlement. 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. However, during the current year, no borrowing was obtained by the Fund

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

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



# NAFA SAVINGS PLUS FUND

## Liabilities

Payable to the Management Company  
Payable to the Trustee  
Payable against redemption of units  
Accrued expenses and other liabilities

-----As at June 30, 2013-----

| Total | Upto three months | Over three months and upto one year | Over one year |
|-------|-------------------|-------------------------------------|---------------|
| 3,062 | 3,062             | -                                   | -             |
| 181   | 181               | -                                   | -             |
| 71    | 71                | -                                   | -             |
| 912   | 912               | -                                   | -             |
| 4,226 | 4,226             | -                                   | -             |

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

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

| Total  | Upto three months | Over three months and upto one year | Over one year |
|--------|-------------------|-------------------------------------|---------------|
| 2,260  | -                 | -                                   | 2,260         |
| 170    | -                 | -                                   | 170           |
| 7,281  | -                 | -                                   | 7,281         |
| 705    | -                 | -                                   | 705           |
| 10,416 | -                 | -                                   | 10,416        |

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

## 27 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restriction on the subscription 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 to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 26, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, which would be 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 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 (IFRS) 7, "Financial Instruments: Disclosures" requires the Fund to 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:

# NAFA SAVINGS PLUS FUND

- 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, 2013 -----                        |         |         |         |         |
|--|---------|---------|---------|---------|
|  | Level 1 | Level 2 | Level 3 | Total   |
| ----- Rupees in '000 -----                             |         |         |         |         |
| <b>ASSETS</b>  |         |         |         |         |
| Investment in government securities - held for trading | 80,997  | 245,000 | -       | 325,997 |
| ----- As on June 30, 2012 -----                        |         |         |         |         |
|  | Level 1 | Level 2 | Level 3 | Total   |
| ----- Rupees in '000 -----                             |         |         |         |         |
| <b>ASSETS</b>  |         |         |         |         |
| Investment in government securities - held for trading | -       | 525,771 | -       | 525,771 |

## 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 reclassification were made during the current year.

## 30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 27 August, 2013.

## 31 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## PERFORMANCE TABLE

| Particulars  | For the year ended<br>June 30, 2013 | For the year ended<br>June 30, 2012 | For the year ended<br>June 30, 2011 | For the period from October<br>24, 2009 to June 30, 2010 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--|
| Net assets (Rs. '000')                                 | 3,053,273                           | 1,337,141                           | 545,231                             | 586,097  |
| Net Income (Rs. '000')                                 | 113,294                             | 91,185                              | 60,271                              | 34,346   |
| Net Asset Value per units (Rs.)                        | 10.0465                             | 10.0391                             | 10.0280                             | 10.0438  |
| Offer price per unit                                   | 10.0967                             | 10.0391                             | 10.0280                             | 10.0438  |
| Redemption price per unit                              | 10.0465                             | 10.0391                             | 10.0280                             | 10.0438  |
| Highest offer price per unit (Rs.)                     | 10.0967                             | 10.0391                             | 9.6393                              | 10.0438  |
| Lowest offer price per unit (Rs.)                      | 9.2860                              | 9.0436                              | 9.0751                              | 9.4773   |
| Highest redemption price per unit (Rs.)                | 10.0465                             | 10.0391                             | 9.6393                              | 10.0438  |
| Lowest redemption price per unit (Rs.)                 | 9.2398                              | 9.0436                              | 9.0751                              | 9.4773   |
| Total return of the fund                               | 8.76%                               | 11.01%                              | 10.64%                              | 10.06%   |
| Capital growth   | 0.38%                               | 0.56%                               | 0.14%                               | 4.56%  |
| Income distribution                                    | 8.38%                               | 10.45%                              | 10.50%                              | 5.50%  |
| Interim distribution per unit                          | 0.8383                              | 1.045                               | 0.7734                              | 0.2500   |
| Final distribution per unit                            | -                                   | -                                   | 0.2762                              | 0.3000   |
| Distribution dates                                     |                                     |                                     |                                     |  |
| Interim  | 29-Jul-12                           | 2-Aug-11                            | 18-Oct-10                           | 29-Apr-10  |
| Interim  | 27-Aug-12                           | 6-Sep-11                            | 18-Feb-11                           |  |
| Interim  | 27-Sep-12                           | 3-Oct-11                            | 19-Apr-11                           |  |
| Interim  | 29-Oct-12                           | 2-Nov-11                            |                                     |  |
| Interim  | 27-Nov-12                           | 2-Dec-11                            |                                     |  |
| Interim  | 27-Dec-12                           | 3-Jan-12                            |                                     |  |
| Interim  | 29-Jan-13                           | 30-Jan-12                           |                                     |  |
| Interim  | 27-Feb-13                           | 28-Feb-12                           |                                     |  |
| Interim  | 28-Mar-13                           | 29-Mar-12                           |                                     |  |
| Interim  | 29-Apr-13                           | 27-Apr-12                           |                                     |  |
| Interim  | 29-May-13                           | 30-May-12                           |                                     |  |
| Interim  | 28-Jun-13                           | 27-Jun-12                           |                                     |  |
| Final  | -                                   | -                                   | 4-Jul-11                            | 5-Jul-10   |
| Average annual return (launch date 21-11-09)           |                                     |                                     |                                     |  |
| (Since inception to June 30, 2013)                     | 10.12%                              |                                     |                                     |  |
| (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                    | 17 Days                             | 44 Days                             | 48 Days                             | 51 Days  |

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