



NBP Fullerton  
Asset Management Ltd.  
A Subsidiary of  
National Bank of Pakistan

## NAFA SAVINGS PLUS FUND

# ANNUAL REPORT 2014



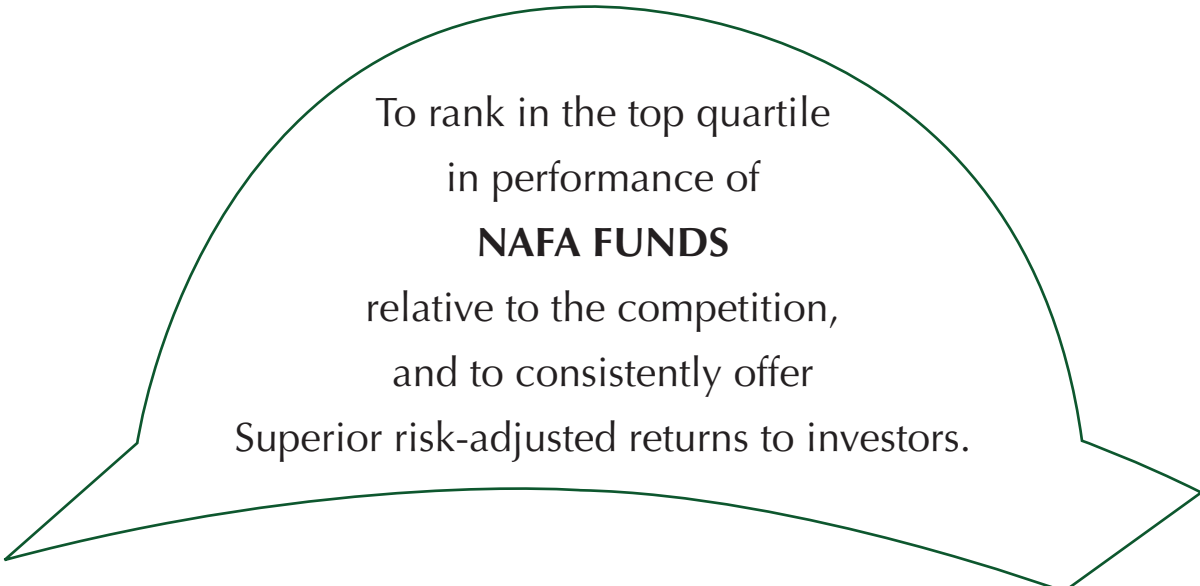
*Your investments & "NAFA" grow together*



**FULLERTON FUND  
MANAGEMENT**

*Joint - Venture Partners*

## 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. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	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 Sattar	Member

### Human Resource Committee

Mr. Nausherwan Adil	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 Shahra-e-Faisal, Karachi.

### Bankers to the Fund

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Samba Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
JS Bank Limited  
United Bank Limited  
NIB Bank Limited  
The Bank of Punjab  
Burj Bank Limited  
Summit Bank Limited  
Soneri Bank Limited  
National Bank of Pakistan  
Habib Bank Limited  
Barclays bank Limited  
Sindh Bank Limited  
Al-Baraka Islamic Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Meezan 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:**

7-Noon Avenue, Canal Bank,  
Muslim Town, Lahore.  
UAN: 042-111-111-632  
Fax: 92-42-35861095

## **Islamabad Office:**

Plot No. 395, 396  
Industrial Area, I-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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# Board of Directors



Mr. Nausherwan Adil  
Chairman



Dr. Amjad Waheed, CFA  
Chief Executive Officer



Mr. Kamal Amir Chinoy  
Director



Mr. Koh Boon San  
Director



Mr. Aamir Sattar  
Director



Mr. Shehryar Faruque  
Director



Mr. Wah Geok Sum  
Director



Mr. Abdul Hadi Palekar  
Director

# Senior Management



Dr. Amjad Waheed, CFA  
Chief Executive Officer



Mr. M. Murtaza Ali  
Chief Financial Officer  
& Company Secretary



Mr. Sajjad Anwar, CFA  
Chief Investment Officer



Mr. Zeeshan  
Chief – Strategy &  
Business Development



Mr. Samiuddin Ahmed  
Country Head Corporate  
Marketing & Sales



Mr. Ozair Khan  
Chief Technology Officer



Mr. Muhammad Ali, CFA, FRM  
Head of Fixed Income



Mr. Ahmad Nouman CFA, PRM  
Head of Risk Management



Syed Suleman Akhtar CFA  
Head of Research



Mr. Tahir Lateef  
Head of Internal Audit

# NAFA SAVINGS PLUS FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Fifth Annual Report of NAFA Savings Plus Fund for the year ended June 30, 2014.

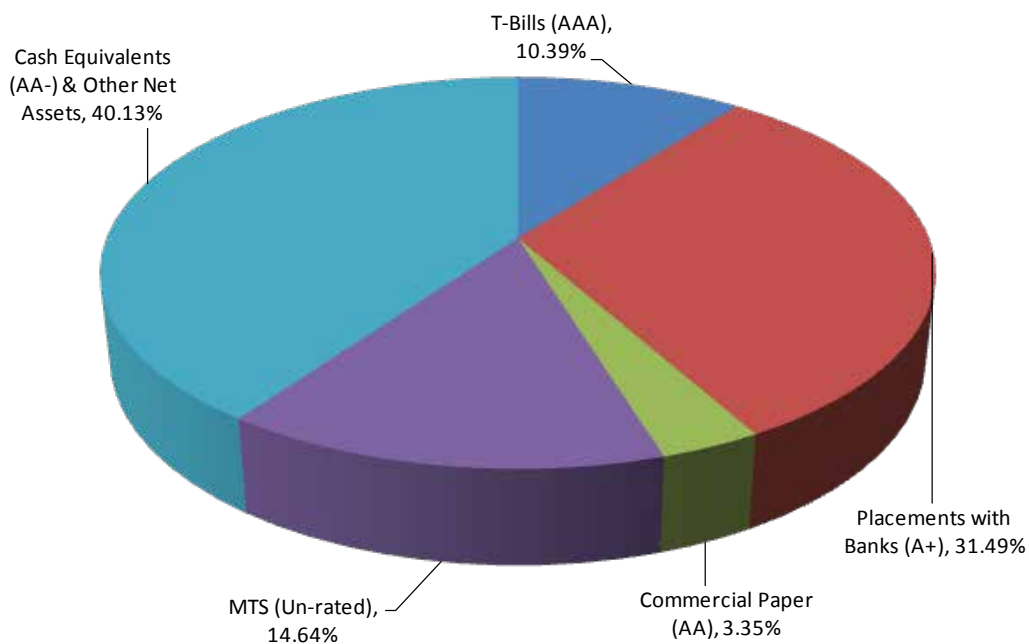
### Fund's Performance

The size of NAFA Savings Plus Fund has decreased from Rs. 3,053 million to Rs. 1,429 million during the period, i.e. a decline of 53.19%. During the said period, the unit price of the Fund has increased from Rs. 9.3119 (Ex-Div) on June 30, 2013 to Rs. 10.0487 on June 30, 2014, thus posting a return of 7.91% as compared to its Benchmark (Average 6-Month Deposit Rate of A and above rated banks) return of 7.08% for the same period. The return of the Fund is net of management fee and all other expenses.

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, nor can it invest in money market instruments below a credit rating 'AA' category. The Fund is allowed to invest in MTS. However, NAFA's internal guidelines permit financing in only fundamentally strong companies. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rate of return with no direct exposure to the stock market.

The State Bank of Pakistan increased the policy rate by 100bps to 10% during first half of FY14, citing downside risks to the external account, depleting FX reserves, and rising inflation expectations. However, since then positive developments were witnessed in the form of (i) a sharp recovery of Pak rupee against the US dollar, due to significant improvement in forex reserves bolstered by aid from Saudi Arabia, extremely successful Eurobond issue, auction of 3G and 4G licenses, two large SPOs and higher loan receipts; and (ii) Inflation as measured by CPI clocked in at 8.6%, significantly below initial projections of 11-12%, due to subdued commodity prices, lower money supply growth and strong rupee performance in the second half of the fiscal year.

The Fund has earned a total income of Rs.304.18 million during the year. After deducting total expenses of Rs.79.71 million, the net income is Rs.224.47 million. The asset allocation of NAFA Savings Plus Fund as on June 30, 2014 is as follows





# NAFA SAVINGS PLUS FUND

## Income Distribution

The Board of Directors of the Management Company has approved distribution of 7.61% of opening ex-NAV (7.65% of the par value) during the year.

## Taxation

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

## Auditors

The present auditors, Messrs A.F.Ferguson & Co., Chartered Accountants have retired and are not eligible for reappointment upon completion of five year audit the Fund. Therefore, in their place, Messrs KPMG Taseer Hadi & Co., Chartered Accountants have been appointed as the auditors of the Fund for the year ending June 30, 2015.

## 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 six meetings during the current financial year. The attendance of all directors is disclosed in the note 25 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 24 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 21 to these financial statements.

# NAFA SAVINGS PLUS FUND

## Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: September 16, 2014  
Place: Karachi.

# NAFA SAVINGS PLUS FUND

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

**Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Savings Plus Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2014 in accordance with the provisions of the following:

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

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

Karachi: October 10, 2014

# NAFA SAVINGS PLUS FUND

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE NAFA SAVINGS PLUS FUND FOR THE YEAR ENDED JUNE 30, 2014

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, 2014, the Board included:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque
Executive Directors	Dr. Amjad Waheed (Chief Executive Officer)
Non- Executive Directors	1. Mr. Nausherwan Adil (Chairman) 2. Mr. Aamir Sattar 3. Mr. Abdul Hadi Palekar 4. Mr. Wah Geok Sum 5. Mr. Koh Boon San

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

2. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
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 NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. One casual vacancy was occurred on the board on October 10, 2013 which was filled up on the same date.
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 the Code requires every listed company to conduct formal orientation for directors. As per the Code, by June 30, 2014 a minimum of two directors should have attended director training program. As at year end, one of the directors has attended 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 the next 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. There was no new appointment of the Chief Financial Officer (CFO) and Company Secretary during the year. However, the Head of Internal Audit left the Company on March 07, 2014 and in his place a new appointment was made on April 08, 2014 with the approval of audit and risk committee including remuneration and terms and conditions. The appointment of the Head of Internal Audit has been ratified by the Board in its meeting held on September 16, 2014, subsequent to the year end.
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 committee has formed the terms of reference 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.

# NAFA SAVINGS PLUS FUND

18. The Board has set up an effective internal audit function.
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. Since there is no practical implication of closed period on the announcement of interim and final results of open end Fund. Therefore, 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. While the Code of Corporate Governance requires that a mechanism shall be put in place for the annual evaluation of the Board's own performance by April 2014, the Management Company is in the process of preparing a framework for this purpose and eventual approval by the Board of Directors of the Management Company.

For and behalf of the board

Karachi  
September 16, 2014

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 fifth Annual report since the launch of the Fund on November 21, 2009. The Fund size decreased by 53.19% during the year and stands at Rs 1,429 million as on June 30, 2014. Since its inception, the Fund has generated an annualized return of 9.64% against the benchmark return of 7.80%. This translates into an out-performance of 1.84% p.a. The Fund's return during FY 2013-14 is 7.91% versus the benchmark return of 7.08%, thus registering an out-performance of 0.83% p.a. This out-performance is net of management fee and all other expenses. 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, nor can it invest in money market instruments below a credit rating 'AA' category. The Fund is allowed to invest in MTS. However, NAFA's internal guidelines permit financing in only fundamentally strong companies. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rate of return with no direct exposure to the stock market.

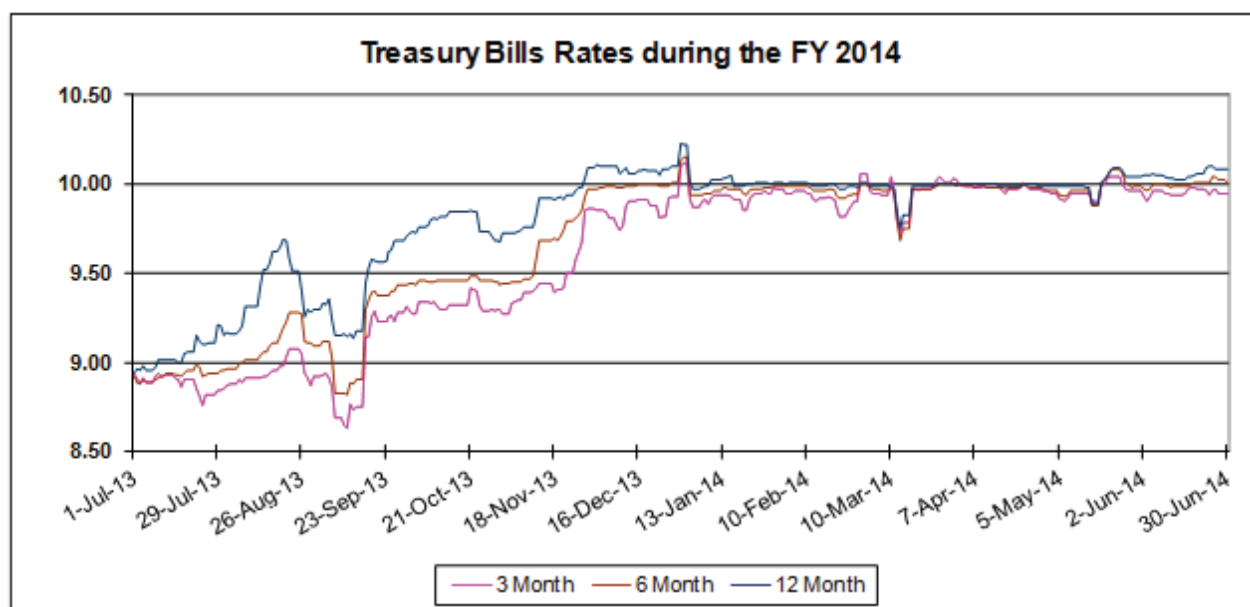
State Bank of Pakistan increased the policy rate to 10% from 9% during FY14 premised on rising inflation expectation, pressure on external account and reduction in FX reserves. However, in the second half of FY 14, significant improvement was observed in the external account mainly due to aid from Saudi Arabia, issuances of Eurobond, successful SPOs of UBL & PPL and auction of 3G & 4G licenses. This resulted in unexpected recovery of Pak rupee against the US dollar. Inflation also remained below initial projections due to lower money supply growth and depressed commodity prices. However, State Bank of Pakistan restrained from easing policy rate highlighting law and order situation and power shortages as the prime factors affecting investment in economy.

During the period under review Government has shifted its borrowing from short-term T-Bills to long-term PIBs thus reducing rollover or refinancing risk. However this shift in borrowing from short-term to long-term has come at a significant cost as PIBs are an expensive source of borrowing. This shift in borrowing is evident from below mentioned table

Source of Borrowing	Jun-13		Jun-14	
	Rs. In Bn	%	Rs. In Bn	%
PIBs	1,321.9	26.8%	3,223.5	59.4%
T-Bills	3,151.0	63.9%	1,878.9	34.6%
GOP Ijara Sukuk	459.2	9.3%	326.4	6.0%
<b>Total</b>	<b>4,932.1</b>	<b>100.0%</b>	<b>5,428.8</b>	<b>100.0%</b>

# NAFA SAVINGS PLUS FUND

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



Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-14	30-Jun-13
T-Bills	10.39%	2.65%
Placements with DFIs	-	4.09%
Placements with Banks	31.49%	-
Money Market Placements	3.35%	3.93%
Margin Trading System (MTS)	14.64%	16.40%
Cash Equivalents & Other Assets	40.13%	72.93%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Distribution for the Financial Year 2014

Month	Dividend as a % of Par Value (Rs.10)	Cumulative Div. Price / Unit	Ex- Div. Price
Jul-13	0.6030%	10.1038	10.0435
Aug-13	0.6530%	10.1066	10.0413
Sep-13	0.6230%	10.0975	10.0352
Oct-13	0.6130%	10.1000	10.0387
Nov-13	0.6230%	10.0998	10.0375
Dec-13	0.6230%	10.0971	10.0348
Jan-14	0.6630%	10.1089	10.0426
Feb-14	0.7030%	10.1076	10.0373
Mar-14	0.5830%	10.0937	10.0354
Apr-14	0.6830%	10.1080	10.0397
May-14	0.6530%	10.1021	10.0368
Jun-14	0.6230%	10.0998	10.0375



# NAFA SAVINGS PLUS FUND

Unit Holding Pattern of NAFA Savings Plus Fund as on 30th June 2014

Size of Unit Holding (Units)	# of Unit Holders
1-1000	299
1001-5000	205
5001-10000	91
10001-50000	312
50001-100000	116
100001-500000	130
500001-1000000	18
1000001-5000000	18
10000001-100000000	1
	<b>1190</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. 10,684,864. If the same were not made the NAV per unit/ FY 2014 return of scheme would be higher by Rs. 0.0751/0.81%. For details investors are advised to read note 16 of the Financial Statement of the Scheme for the year ended June 30, 2014.

# NAFA SAVINGS PLUS FUND

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of NBP Fullerton Asset Management Limited, the Management Company of **NAFA Savings Plus Fund** (the Fund) for the year ended June 30, 2014 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 (**NBP Fullerton Asset Management Limited**) of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of the Fund's 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price 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 as applicable to the Fund for the year ended June 30, 2014.

Further, we highlight below the instances of non-compliance with the requirements of the Code as reflected in paragraph references where these have been stated in the Statement of Compliance:

Paragraph reference	Description
9	Upto June 30, 2014, only one director has obtained the director's training program as against the requirement of at least two directors till June 30, 2014.
21	No closed period was determined prior to the announcement of interim / final results.
23	The Management Company has not set up a mechanism for the annual evaluation of the Board's own performance.

A.F. Ferguson & Co. Chartered Accountants  
Dated: September 16, 2014  
Karachi.

# 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** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2014, and the related income statement, 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 (**NBP Fullerton Asset Management Limited**) 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.

#### Auditors' 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 auditors' 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2014 and of its financial performance, cash flows and transactions for the year then ended in accordance with the 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, 2014  
Karachi

# NAFA SAVINGS PLUS FUND

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2014

	Note	2014 ------(Rupees in '000)-----	2013
<b>ASSETS</b>			
Cash and bank balances	4	2,586,718	729,867
Investments	5	196,314	325,997
Receivable against Margin Trading System		209,227	500,811
Profit receivable	6	15,173	9,867
Receivable against issuance of units		-	1,496,187
Deposits, prepayments and other receivables	7	1,188	1,160
Preliminary expenses and floatation costs	8	211	732
<b>Total assets</b>		<b>3,008,831</b>	<b>3,064,621</b>
<b>LIABILITIES</b>			
Payable to the Management Company	9	7,582	3,062
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	257	181
Payable to the Securities and Exchange Commission of Pakistan	11	2,215	1,018
Payable against redemption of units	18.1	1,557,837	71
Accrued expenses and other liabilities	12	11,838	7,016
<b>Total liabilities</b>		<b>1,579,729</b>	<b>11,348</b>
<b>NET ASSETS</b>		<b>1,429,102</b>	<b>3,053,273</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>1,429,102</b>	<b>3,053,273</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
		------(Number of units)-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>142,217,870</b>	<b>303,915,562</b>
		------(Rupees)-----	
<b>NET ASSET VALUE PER UNIT</b>	14	<b>10.0487</b>	<b>10.0465</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, 2014

	Note	2014 -----Rupees in '000-----	2013
<b>INCOME</b>			
Income from government securities		45,533	29,117
Income from term deposit receipts		18,342	1,757
Income from commercial paper		617	-
Profit on bank deposits		148,495	29,540
Income from money market placements		11,849	14,312
Income from sukuk		407	16,690
Income from margin trading system		79,277	57,598
Net (loss) / gain on sale of investments		(291)	932
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.3	(47)	3
<b>Total income</b>		<b>304,182</b>	<b>149,949</b>
<b>EXPENSES</b>			
Remuneration of the Management Company	9.1	44,294	20,367
Sindh Sales Tax on remuneration of the Management Company		8,252	3,259
Federal Excise Duty on Management Company's remuneration	9.2	7,087	193
Remuneration of the Central Depository Company of Pakistan Limited -Trustee	10.1	3,360	2,004
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	2,215	1,018
Amortisation of preliminary expenses and floatation costs	8	521	520
Securities transaction cost		110	37
Bank charges		602	705
Settlement charges		7,662	5,192
Annual listing fee		40	40
Rating fee		242	219
NCCPL fee		-	242
Printing charges		122	70
Auditors' remuneration	15	521	437
Legal and professional charges		101	40
<b>Total expenses</b>		<b>75,129</b>	<b>34,343</b>
<b>Net income from operating activities</b>		<b>229,053</b>	<b>115,606</b>
Provision for Workers' Welfare Fund	16	(4,581)	(2,312)
<b>Net income for the year before taxation</b>		<b>224,472</b>	<b>113,294</b>
Taxation	17	-	-
<b>Net income for the year after taxation</b>		<b>224,472</b>	<b>113,294</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, 2014

	2014	2013
	-----Rupees in '000-----	
Net income for the year after taxation	224,472	113,294
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>224,472</u>	<u>113,294</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, 2014

	2014	2013
	-----Rupees in '000-----	
<b>Undistributed income brought forward comprising:</b>		
- Realised income	4,407	2,487
- Unrealised gain / (loss)	3	(316)
	<u>4,410</u>	<u>2,171</u>
<b>Net Income for the year</b>	224,472	113,294
<b>Interim Distribution</b>		
- Re.0.0603 per unit declared on July 30, 2013 (2013 : Re.0.0823 per unit declared on July 29, 2012)		
- Cash Distribution	(9,166)	(247)
- Issue of bonus units	(9,348)	(10,913)
- Re.0.0653 per unit declared on August 29, 2013 (2013 : Re.0.0803 per unit declared on August 27, 2012)		
- Cash Distribution	(9,923)	(241)
- Issue of bonus units	(9,583)	(9,680)
- Re.0.0623 per unit declared on September 27, 2013 (2013 : Re.0.0803 per unit declared on September 27, 2012)		
- Cash Distribution	(9,467)	(241)
- Issue of bonus units	(10,100)	(9,324)
- Re.0.0613 per unit declared on October 29, 2013 (2013 : Re.0.0753 per unit declared on October 29, 2012)		
- Cash Distribution	(9,315)	(226)
- Issue of bonus units	(9,313)	(9,317)
- Re.0.0623 per unit declared on November 28, 2013 (2013 : Re.0.0703 per unit declared on November 27, 2012)		
- Cash Distribution	(9,467)	(211)
- Issue of bonus units	(9,421)	(8,856)
- Re.0.0623 per unit declared on December 27, 2013 (2013 : Re.0.0683 per unit declared on December 27, 2012)		
- Cash Distribution	-	(206)
- Issue of bonus units	(18,712)	(8,452)
- Re.0.0663 per unit declared on January 29, 2014 (2013 : Re.0.0703 per unit declared on January 29, 2013)		
- Cash Distribution	-	(211)
- Issue of bonus units	(19,595)	(8,785)
- Re.0.0703 per unit declared on February 28, 2014 (2013 : Re.0.0653 per unit declared on February 27, 2013)		
- Cash Distribution	-	(196)
- Issue of bonus units	(19,962)	(8,449)
- Re.0.0583 per unit declared on March 28, 2014 (2013 : Re.0.0582 per unit declared on March 28, 2013)		
- Cash Distribution	(1)	(175)
- Issue of bonus units	(16,481)	(8,431)
- Re.0.0683 per unit declared on April 29, 2014 (2013 : Re.0.0602 per unit declared on April 29, 2013)		
- Cash Distribution	(1)	(181)
- Issue of bonus units	(18,203)	(8,643)
- Re.0.0653 per unit declared on May 28, 2014 (2013 : Re.0.0622 per unit declared on May 29, 2013)		
- Cash Distribution	(1)	(187)
- Issue of bonus units	(17,179)	(9,154)
- Re.0.0623 per unit declared on June 26, 2014 (2013 : Re.0.0653 per unit declared on June 28, 2013)		
- Cash distribution	-	(196)
- Issue of bonus units	(16,220)	(9,844)
Net element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed	(2,678)	1,311
<b>Undistributed income carried forward</b>	<u>4,746</u>	<u>4,410</u>
Undistributed income carried forward comprising:		
- Realised income	4,793	4,407
- Unrealised (loss) / gain	(47)	3
	<u>4,746</u>	<u>4,410</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, 2014

	2014 -----Rupees in '000-----	2013
Net assets at the beginning of the year	3,053,273	1,337,141
Issue of units 178,661,537 (2013: 327,110,760 units) including 17,345,411 bonus units (2013: 10,945,427 units)	1,623,292	3,180,011
Redemption of 340,359,229 units (2013: 156,389,186 units)	(3,424,594)	(1,574,655)
	(1,801,302)	1,605,356
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed are transferred to distribution statement	2,678	(1,311)
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'-net	(47)	3
Net (loss) / gain on sale of investments	(291)	932
Other income (net of expenses) for the year	224,810	112,359
	224,472	113,294
<b>Less: Distributions made during the year</b>		
Interim Distribution	174,117	109,848
- Re.0.0603 per unit declared on July 30, 2013 (2013 : Re.0.0823 per unit declared on July 29, 2012)		
- Cash Distribution	(9,166)	(247)
- Issue of bonus units	(9,348)	(10,913)
- Re.0.0653 per unit declared on August 29, 2013 (2013 : Re.0.0803 per unit declared on August 27, 2012)		
- Cash Distribution	(9,923)	(241)
- Issue of bonus units	(9,583)	(9,680)
- Re.0.0623 per unit declared on September 27, 2013 (2013 : Re.0.0803 per unit declared on September 27, 2012)		
- Cash Distribution	(9,467)	(241)
- Issue of bonus units	(10,100)	(9,324)
- Re.0.0613 per unit declared on October 29, 2013 (2013 : Re.0.0753 per unit declared on October 29, 2012)		
- Cash Distribution	(9,315)	(226)
- Issue of bonus units	(9,313)	(9,317)
- Re.0.0623 per unit declared on November 28, 2013 (2013 : Re.0.0703 per unit declared on November 27, 2012)		
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- Re.0.0703 per unit declared on February 28, 2014 (2013 : Re.0.0653 per unit declared on February 27, 2013)		
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- Issue of bonus units	(19,962)	(8,449)
- Re.0.0583 per unit declared on March 28, 2014 (2013 : Re.0.0582 per unit declared on March 28, 2013)		
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- Issue of bonus units	(16,481)	(8,431)
- Re.0.0683 per unit declared on April 29, 2014 (2013 : Re.0.0602 per unit declared on April 29, 2013)		
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- Re.0.0653 per unit declared on May 28, 2014 (2013 : Re.0.0622 per unit declared on May 29, 2013)		
- Cash Distribution	(1)	(187)
- Issue of bonus units	(17,179)	(9,154)
- Re.0.0623 per unit declared on June 26, 2014 (2013 : Re.0.0653 per unit declared on June 28, 2013)		
- Cash distribution	-	(196)
- Issue of bonus units	(16,220)	(9,844)
	(221,458)	(112,366)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed are transferred to distribution statement	(2,678)	1,311
<b>Net assets at the end of the year</b>	<u>1,429,102</u>	<u>3,053,273</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, 2014

	Note	2014	2013
		-----Rupees in '000-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		224,472	113,294
<b>Adjustments:</b>			
Amortisation of preliminary expenses and floatation costs		521	520
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss - net		47	(3)
		<u>225,040</u>	<u>113,811</u>
<b>(Decrease) / increase in assets</b>			
Investments - net		129,636	497,497
Receivable against Margin Trading System		291,584	(140,227)
Profit receivable		(5,306)	(760)
Deposits, prepayments and other receivables		(28)	374
Receivable against issuance of units		1,496,187	(1,496,178)
		<u>1,912,073</u>	<u>(1,139,294)</u>
<b>Increase in liabilities</b>			
Payable to the Management Company		4,520	802
Payable to the Central Depository Company of Pakistan Limited - Trustee		76	11
Payable to the Securities and Exchange Commission of Pakistan		1,197	351
Accrued expenses and other liabilities		4,822	2,519
		<u>10,615</u>	<u>3,683</u>
<b>Net cash flow generated from / (used in) operating activities</b>		<u>2,147,728</u>	<u>(1,021,800)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Receipts from issue of units		1,623,292	3,180,011
Payments on redemption of units		(1,866,828)	(1,581,865)
Distributions paid		(47,341)	(2,518)
<b>Net cash flow (used in) / generated from financing activities</b>		<u>(290,877)</u>	<u>1,595,628</u>
<b>Net increase in cash and cash equivalents during the year</b>		<u>1,856,851</u>	<u>573,828</u>
Cash and cash equivalents at the beginning of the year		729,867	156,039
<b>Cash and cash equivalents at the end of the year</b>	4	<u>2,586,718</u>	<u>729,867</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, 2014

### 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 the 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) to the Fund.

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 directives issued by the 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 prevail.

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

There are certain new and amended standards and interpretations that are mandatory for accounting periods beginning 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.

#### 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 the accounting periods beginning on or after July 1, 2014 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

#### 2.4 Critical accounting estimates and judgments

The preparation of the 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 judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

#### 2.5 Accounting convention

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

# NAFA SAVINGS PLUS FUND

## 2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

### 3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances in savings accounts and other deposits with banks having original maturities of three months or less. Cash and cash equivalents are carried in the Statement of Assets and Liabilities at cost.

### 3.2 Financial assets

#### 3.2.1 Classification

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

Investments are classified as follows:

#### a) Financial assets at fair value through profit or loss

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

#### b) Loans and receivables

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

#### c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

#### 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

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

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

#### Basis of valuation of debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 1 of 2009 dated January 6, 2009, circular no.33 of 2012 dated October 24, 2012 and circular no. 35 of 2012 dated November 26, 2012. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

# NAFA SAVINGS PLUS FUND

## Basis of valuation of government securities

The investment of the Fund in government securities is subsequently stated at fair value which is determined on the basis of rates announced by the Financial Market Association of Pakistan in accordance with the requirements of the NBFC Regulations, 2008.

Net gains and losses arising from changes in 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 recognised as 'other comprehensive income' in the statement of comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in unit holders' fund is transferred to the income statement as capital gain / (loss).

## 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 carrying amounts of the Fund's assets are revalued at each reporting date to determine whether there is any indication of impairment in any asset or group of assets. If such indication exists, the recoverable amount of the assets is estimated and impairment losses are recognised immediately as an expense in the income statement. If any impairment evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income is reclassified from other comprehensive income and recognised in the income statement.

#### a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular no. 1 of 2009 dated January 6, 2009, circular no.33 of 2012 dated October 24, 2012 and circular no. 35 of 2012 dated November 26, 2012, issued by the SECP. Impairment losses recognised on debt securities can be reversed through the 'Income Statement'.

As allowed under circular no. 33 of 2012 dated October 24, 2012, issued by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circular, in accordance with a provisioning policy approved by the Board of Directors.

#### b) Loans and receivables

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. The amount of the provision is determined based on the provisioning criteria specified 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. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include payable to management company, payable to trustee and other liabilities.

## 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.

# NAFA SAVINGS PLUS FUND

## 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 provision of 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 of the Fund 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. The sales load is payable to the Management Company as processing fee. Issue of units is recorded on the date on which the investment application is received.

Units redeemed are recorded at the redemption price, as per the constitutive documents, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the previous day net asset value per unit as of the close of the business day less any back-end load, provision for transaction costs and any provision for duties and charges, if applicable.

## 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 Earnings per unit

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

## 3.11 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.

## 3.12 Securities under Margin Trading System (MTS)

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

## 3.13 Taxation

### Current

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.

# NAFA SAVINGS PLUS FUND

## Deffered

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.

### 3.14 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.

### 3.15 Expenses

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

	Note	2014	2013
-----Rupees in '000-----			
<b>4 BALANCES WITH BANKS</b>			
Current accounts	4.1	11,299	2,528
Savings accounts	4.1 & 4.2	2,020,314	727,339
Term deposit receipt	4.3	450,000	-
Payorder in hand		105,105	-
		<u>2,586,718</u>	<u>729,867</u>

4.1 Bank deposits include balances of National Bank of Pakistan and Summit Bank Limited amounting to Rs. 7.312 million (2013: 2.528 million) and Rs. 2.374 million (2013: 5.564 million) respectively being the related parties of the Fund.

4.2 These carry a rate of return ranging from 6.5% to 10.25% per anum (2013: 5% to 11% per annum).

4.3 Term Deposit Receipt carries a rate of return of 10.75% per anum (2013: Nil).

	Note	2014	2013
-----Rupees in '000-----			
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss - held for trading</b>			
Government securities - Market Treasury Bills	5.1	148,473	80,997
<b>Loans and Receivables</b>			
Commercial papers	5.2	47,841	-
Sukuk certificates		-	120,000
Certificates of investment		-	125,000
		<u>47,841</u>	<u>245,000</u>
		<u>196,314</u>	<u>325,997</u>

# NAFA SAVINGS PLUS FUND

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

Issue date	Tenor	Face value				Market Value	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2013	Purchased during the year	Disposed / matured during the year	As at June 30, 2014			

### Market Treasury Bills

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

24-Jan-13	6 Months	81,500	27,000	108,500	-	-	-	-
2-May-13	3 Months	-	1,594,500	1,594,500	-	-	-	-
6-Sep-12	12 Months	-	225,000	225,000	-	-	-	-
20-Sep-12	12 Months	-	150,000	150,000	-	-	-	-
7-Aug-13	3 Months	-	150,000	150,000	-	-	-	-
19-Sep-13	3 Months	-	400,000	400,000	-	-	-	-
28-Nov-13	3 Months	-	150,000	150,000	-	-	-	-
26-Dec-13	3 Months	-	460,000	460,000	-	-	-	-
23-Jan-14	3 Months	-	1,330,500	1,330,500	-	-	-	-
6-Feb-14	3 Months	-	80,250	80,250	-	-	-	-
20-Feb-14	3 Months	-	50,000	50,000	-	-	-	-
28-Feb-14	6 Months	-	60,000	60,000	-	-	-	-
6-Mar-14	3 Months	-	625,000	625,000	-	-	-	-
20-Mar-14	3 Months	-	48,000	48,000	-	-	-	-
20-Mar-14	6 Months	-	650,000	650,000	-	-	-	-
15-May-14	3 Months	-	500,000	350,000	150,000	148,473	10.39%	75.63%

### Total as at June 30, 2014

150,000	148,473	10.39%	75.63%
---------	---------	--------	--------

Carrying Value Before fair value adjustment as at June 30, 2014

148,520

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

(47)

Treasury bills amounting to Rs. 60 million has been pledged with NCCPL.

## 5.2 Investment in Commercial Paper

Name of Issuer	Maturity date	Purchase Price	As at June 30, 2014
----------------	---------------	----------------	---------------------

PAIR Investment Company Limited

18-Nov-14 47,224 47,841

This Commercial paper having a face value of Rs 50 million has been issued at discount and is being amortised over a period of 180 days.

## 5.3 Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net

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

2014

2013

Market value of investments	148,473	80,997
Less: Carrying value of investments	(148,520)	(80,994)
	(47)	3

## 6 PROFIT RECEIVABLE

Income accrued on savings deposits	2,094	3,413
Income accrued on term deposit receipts	10,868	-
Income accrued on certificates of investment	-	194
Income accrued on short term Sukuk	-	4,131
Income accrued on Margin Trading System	2,211	2,129
	15,173	9,867

## 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	135	110
Receivable from the Management Company	700	700
Others	3	-
	1,188	1,160

# NAFA SAVINGS PLUS FUND

	Note	2014	2013
-----Rupees in '000-----			
<b>8 PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
Balance as at the beginning of the year		732	1,252
Less: Amortisation for the year	8.1	<u>(521)</u>	<u>(520)</u>
Balance as at the end of the year		<u>211</u>	<u>732</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.

	Note	2014	2013
-----Rupees in '000-----			
<b>9 PAYABLE TO THE MANAGEMENT COMPANY</b>			
Management fee	9.1	584	1,960
Sind Sales Tax payable		108	314
Federal Excise Duty on Management Company's remuneration	9.2	6,458	193
Sales load and transfer load payable to Management Company		36	307
Sind Sales Tax payable on Front end Load		7	-
Federal Excise Duty payable on Front end Load		101	-
Other payable		<u>288</u>	<u>288</u>
		<u>7,582</u>	<u>3,062</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. Management remuneration has been charged at a rate of 1.5% of the average annual net assets of the fund during the year ended June 30, 2014.

**9.2** As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Fund is not making payments for FED. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED effective August 1, 2013 aggregating to Rs 6.458 million. Had the charge for the period from June 13, 2013 to June 30, 2014, amounting to Rs. 7.28 million, not been made the net asset value per unit of the Fund as at June 30, 2014 would have been higher by Re 0.0512 per unit.

	Note	2014	2013
-----Rupees in '000-----			
<b>10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee fee	10.1	<u>257</u>	<u>181</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:

<b>Amount of Funds Under Management Average Net Assets Value (NAV)</b>
--

<b>Tariff per annum</b>
-------------------------

Upto Rs 1,000 million  
Exceeding Rs 1,000 million and upto Rs 5,000 million  
On an amount exceeding Rs 5,000 million

0.17% p.a. of NAV  
Rs 1.7 million plus 0.085% p.a. of NAV exceeding Rs 1,000 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.



# NAFA SAVINGS PLUS FUND

	Note	2014	2013
		-----Rupees in '000-----	
<b>11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual Fee	11.1	<u>2,215</u>	<u>1,018</u>
<b>11.1</b>	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.		
<b>12 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	Note	2014	2013
		-----Rupees in '000-----	
Auditors' remuneration		347	299
Brokerage payable		1	62
Bank charges		69	54
Provision for Workers' Welfare Fund	16	10,685	6,104
Printing charges		128	100
Others		608	397
		<u>11,838</u>	<u>7,016</u>
<b>13 CONTINGENCIES AND COMMITMENTS</b>			
<b>13.1</b>	There were no contingencies outstanding as at June 30, 2014 or June 30, 2013.		
<b>13.2 Commitments</b>			
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, 2014		<u>-</u>	<u>91,918</u>
<b>14 NET ASSET VALUE PER UNIT</b>			
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.			
		2014	2013
		-----Rupees in '000-----	
<b>15 AUDITORS' REMUNERATION</b>			
Annual audit fee and other certification		338	288
Half yearly review fee		128	112
Out of pocket expenses		55	37
		<u>521</u>	<u>437</u>

## 16 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / 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.

# NAFA SAVINGS PLUS FUND

In March 2013, a three member bench of the Sindh High Court in its judgment 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 judgment 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 a recent judgment of May 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / pension schemes 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 10.685 million (2013: Rs.6.104 million) in these financial statements. Had the same not been made the net asset value per unit of the Fund as at June 30, 2014 would have been higher by Rs.0751 per unit.

## 17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a provision for taxation in respect of income relating to the current year as the Management Company has already distributed the required minimum percentage of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

	Note	2014	2013
-----Number of Units-----			
<b>18 NUMBER OF UNITS IN ISSUE</b>			
Total Units in issue at the beginning of the year		303,915,562	133,193,988
Add: Units issued during the year		161,316,126	316,165,333
Add: Bonus units issued during the year		17,345,411	10,945,427
Less: Units redeemed during the year	18.1	(340,359,229)	(156,389,186)
Total units in issue at the end of the year		<u>142,217,870</u>	<u>303,915,562</u>

**18.1** This includes 148,948,396 units redeemed by the National Bank of Pakistan (NBP), on June 30, 2014, based on their request for redemption. Amount of Rs. 1,496,737,748 in respect of this transaction is included in payable against redemption of units as on June 30, 2014.

## 19 EARNINGS PER UNIT

Earnings per unit (EPU) for the year ended June 30, 2014 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, 2014-----		
	Loans and receivables	Financial assets at fair value through profit or loss	Total
-----Rupees in '000-----			
<b>Financial assets</b>			
Cash and bank balances	2,586,718	-	2,586,718
Investments	47,841	148,473	196,314
Receivable against Margin Trading System	209,227	-	209,227
Profit receivable	15,173	-	15,173
Deposits and other receivables	1,053	-	1,053
	<u>2,860,012</u>	<u>148,473</u>	<u>3,008,485</u>

# NAFA SAVINGS PLUS FUND

-----As on June 30, 2014-----

	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total
-----Rupees in '000-----			
<b>Financial liabilities</b>			
Payable to the Management Company	-	7,582	7,582
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	257	257
Payable to Securities Exchange Commission of Pakistan	-	2,215	2,215
Payable against redemption of units	-	1,557,837	1,557,837
Accrued expenses and other liabilities	-	1,153	1,153
	<u>-</u>	<u>1,569,044</u>	<u>1,569,044</u>

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

	Loans and receivables	Financial assets at fair value through profit or loss	Total
-----Rupees in '000-----			
<b>Financial assets</b>			
Cash and bank balances	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-----

	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total
-----Rupees in '000-----			
<b>Financial liabilities</b>			
Payable to the Management Company	-	3,062	3,062
Payable to the Central Depository Company of Pakistan Limited - 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>

## 21 TRANSACTIONS WITH CONNECTED PERSONS

- 21.1** Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.
- 21.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 21.3** Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

# NAFA SAVINGS PLUS FUND

	2014	2013
	-----Rupees in '000-----	
<b>Transactions during the year:</b>		
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Management fee for the year	44,294	20,367
Sindh Sales Tax on remuneration of the Management Company	8,252	3,259
Federal Excise Duty on remuneration of the Management Company	7,087	193
Sindh Sales Tax on front end load	189	-
Federal Excise Duty on front end load	101	-
Front end load for the year	2,023	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the year	3,360	2,004
CDS charges	864	458
<b>National Bank of Pakistan - Sponsor</b>		
Cash dividend paid	47,332	2,516
Purchased Market treasury bills during the year	1,555,616	62,088
Sold Market treasury bills during the year	149,785	274,434
Placement of term deposit receipts during the year	500,000	-
Profit earned by the fund on term deposit receipt	7,474	-
Units issued during the year 35,427,704 units (2013: 148,948,396 units)	355,765	1,496,187
Units redeemed during the year 148,948,396 units (2013: Nil units)	1,496,738	-
Bonus units issued during the year 6,992,898 units (2013: Nil units)	-	-
<b>NBP Endowment Fund Student Loan Scheme</b>		
Bonus units issued during the year 901 units (2013: 89,637 units)	-	-
Units redeemed during the year Nil units (2013: 1,492,395 units)	-	15,000
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Bonus units issued during the year 71,801 units (2013: 228,898 units)	-	-
Units redeemed during the year 2,937,694 units (2013: Nil units)	29,586	-
<b>Employees of the Management Company</b>		
Bonus units issued during the year 22,500 units (2013: 6,870 units)	-	-
Units issued during the year 1,724,169 units (2013: 369,758 units)	17,359	3,722
Units redeemed during the year 1,779,254 units (2013: 479,116 units)	17,926	4,822
<b>NAFA Provident Fund Trust - Provident Fund</b>		
Bonus units issued during the year 26,543 units (2013: 34,956 units)	-	-
Units issued during the year 235,373 units (2013: 580,671 units)	2,374	5,848
Units redeemed during the year 734,819 units (2013: 704,319 units)	7,394	7,096
<b>International Steel Limited Employees Provident Fund</b>		
Bonus units issued during the year 32,952 units (2013: 45,148 units)	-	-
Units issued during the year 98,932 units (2013: Nil units)	998	-
Units redeemed during the year 223,574 units (2013: Nil units)	2,254	-
Sold Market treasury bills during the year	998	-
Purchased TFC during the year	-	6,250
<b>International Steel Limited Employees Gratuity Fund</b>		
Bonus units issued during the year 24,072 units (2013: 28,157 units)	-	-
Units issued during the year 64,589 units (2013: Nil units)	651	-
Units redeemed during the year 467,486 units (2013: Nil units)	4,705	-
Sold Market treasury bills during the year	798	-
<b>International Industries Limited Employees Gratuity Fund</b>		
Bonus units issued during the year 257,890 units (2013: 297,376 units)	-	-
Units issued during the year 564,208 units (2013: Nil units)	5,693	-
Units redeemed during the year 4,912,780 units (2013: Nil units)	49,435	-
Purchased Market treasury bills during the year	8,944	-
Sold Market treasury bills during the year	15,961	-
<b>International Industries Limited Employees Provident Fund</b>		
Bonus units issued during the year 182,872 units (2013: 182,707 units)	-	-
Units issued during the year 511,237 units (2013: Nil units)	5,158	-
Units redeemed during the year 1,287,150 units (2013: Nil units)	12,968	-
Purchased Market treasury bills during the year	3,975	-
Sold Market treasury bills during the year	13,467	-

# NAFA SAVINGS PLUS FUND

	2014	2013
	-----Rupees in '000-----	
<b>Muhammad Murtaza Ali - CFO &amp; Company Secretary</b>		
Bonus units issued during the year Nil units (2013: 245 units)	-	-
Units issued during the year Nil units (2013: 15,234 units)	-	153
Units redeemed during the year Nil units (2013: 15,479 units)	-	156
<b>NAFA Government Securities Liquid Fund</b>		
Sold Market treasury bills during the year	197,419	-
<b>Summit Bank Limited</b>		
Bank Profit	119	55
<b>CDC Trustee NAFA Asset Allocation Fund</b>		
Purchased Market treasury bills during the year	19,925	-
<b>CDC Trustee NAFA Financial Sector Income Fund</b>		
Purchased Market treasury bills during the year	63,637	-
<b>CDC Trustee NAFA Money Market Fund</b>		
Purchased Market treasury bills during the year	149,546	-
Sold Market treasury bills during the year	630,594	-
<b>Amounts/ Balances outstanding as at year end</b>		
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Receivable from the Management Company	700	700
Management fee payable	584	1,960
Sind sales tax payable	108	314
F.E.D on Management fee	6,458	193
Sales load and transfer load to management company	36	307
Sind Sales Tax payable on Sales Load	7	-
Federal Excise Duty on Sales Load	101	-
Other payable	288	288
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	257	181
CDS charges payable	-	81
Security deposit	100	100
<b>National Bank of Pakistan (NBP) - Sponsor</b>		
Investment held by the Sponsor in the Fund 45,420,602 units (2013: 151,948,396 units)	456,418	1,526,550
Balance in current account	7,313	2,528
Payable against redemption of units	1,496,738	-
<b>NBP Endowment Fund Student Loan Scheme</b>		
Investment held in the Fund 12,320 units (2013: 11,419 units)	124	115
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held by the Sponsor in the Fund Nil units (2013: 2,865,893 units)	-	28,792
<b>Employees of the Management Company</b>		
Investment held by the executives in the Fund 183,470 units (2013: 71,551 units)	1,844	719
<b>International Industries Limited Employees Provident Fund</b>		
Investment held in the Fund 1,818,192 units (2013: 2,411,232 units)	18,270	24,221
<b>International Industries Limited Employees Gratuity Fund</b>		
Investment held in the Fund 1,436,884 units (2013: 5,527,566 units)	14,439	55,524
<b>International Steel Limited Employees Provident Fund</b>		
Investment held in the Fund 365,739 units (2013: 457,429 units)	3,675	4,595
<b>International Steel Limited Employees Gratuity Fund</b>		
Investment held in the Fund 121,604 units (2013: 500,430 units)	1,222	5,027
<b>Summit Bank Limited</b>		
Bank Balances	2,374	5,564
<b>NAFA Provident Fund Trust - Provident Fund</b>		
Investment held in the Fund Nil units (2013: 472,903 units)	-	4,751

# NAFA SAVINGS PLUS FUND

## 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, 2014 -----

S. No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	MBA / Doctorate in Business Administration / CFA	26
2	Sajjad Anwar	CFA / MBA Finance	14
3	Muhammad Ali Bhabha*	CFA / FRM	19.5
4	Syed Suleman Akhtar	CFA	14

\* Muhammad Ali Bhabha is the Fund manager.

## 23 BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

2014

1	Invest & Finance Securities (Private) Limited	54.19%
2	KASB Securities Limited	20.34%
3	Next Capital Limited	7.34%
4	Invest One Markets Limited	4.88%
5	J.S. Global Capital Limited	4.72%
6	Vector Capital (Private) Limited	3.31%
7	Invest Capital Markets Limited	3.18%
8	BMA Capital Management Limited	1.22%
9	Global Securities Pakistan Limited	0.82%

2013

1	Summit Capital (Private) Limited (Formerly Atlas Capital Markets (Private) 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%

## 24 PATTERN OF UNIT HOLDING

----- As on June 30, 2014 -----

Category	Number of unit holders	Investment amount	Percentage of investment
Rupees in '000			
Individuals	1,149	729,259	51.03%
Associated companies / Directors	1	456,418	31.94%
Retirement funds*	16	165,446	11.58%
Public Limited companies	8	26,982	1.89%
Others*	16	50,997	3.56%
	1,190	1,429,102	100.00%

\* This includes 3,742,419 units amounting to Rs 37.730 million pertaining to related parties.

----- 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

## 25 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 42nd, 43rd, 44th, 45th, 46th and 47th Board meetings were held on July 11,2013, August 27,2013, October 30,2013, February 13,2014, April 30,2014 and June 26,2014 respectively. Information in respect of attendance by Directors in the meeting is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Mr.Wah Geok Sum	6	2	4	43rd, 44th, 46th & 47th
Mr Koh Boon San	6	6	-	
Mr.Kamal Chinoy	6	5	1	42nd
Mr.Shehryar Faruque	6	3	3	42nd, 44th, & 45th
Dr.Amjad Waheed	6	6	-	
Mr.Asif Hassan*	1	-	1	42nd
Mr.Amir Shehzad**	1	-	1	42nd
Mr.Aamir Sattar***	5	5	-	
Mr.Abdul Hadi Palekar****	5	4	1	45th
Mr.Nausherwan Adil*****	4	2	2	44th & 46th
Mr.Khalid Mahmood*****	2	2	-	

\* Mr.Asif Hasan retired in EOGM held on August 07,2013.

\*\* Mr.Aamir Shehzad retired in EOGM held on August 07,2013

\*\*\* Mr.Aamir Sattar elected in EOGM held on August 07,2013

\*\*\*\* Mr.Abdul Hadi Palekar elected in EOGM held on August 07,2013

\*\*\*\*\* Mr.Nausherwan Adil was co-opted on the Board with effect from October 10,2013

\*\*\*\*\* Mr.Khalid Mahmood retired from Board with effect from October 10,2013.

## 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.

#### 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, 2014, 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, 2014 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, 2014, with all other variables held constant, the net income for the year and net assets would be lower by Rs 152,848 (2013: Rs 52,893). 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 153,152 (2013: Rs 52,977).

# NAFA SAVINGS PLUS FUND

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, 2014 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, 2014-----

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

Cash and bank balances	2,586,718	2,470,314	-	-	116,404
Investments	196,314	148,473	-	-	47,841
Receivable against Margin Trading System	209,227	209,227	-	-	-
Profit receivable	15,173	-	-	-	15,173
Deposits and other receivables	1,053	-	-	-	1,053
	3,008,485	2,828,014	-	-	180,471

### Financial liabilities

Payable to the Management Company	7,582	-	-	-	7,582
Payable to the Central Depository Company of Pakistan Limited - Trustee	257	-	-	-	257
Payable to Securities Exchange Commission of Pakistan	2,215	-	-	-	2,215
Payable against redemption of units	1,557,837	-	-	-	1,557,837
Accrued expenses and other liabilities	1,153	-	-	-	1,153
	1,569,044	-	-	-	1,569,044

## On-balance sheet gap

	1,439,441	2,828,014	-	-	(1,388,573)
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## 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

	-	-	-	-	-
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## Off-balance sheet gap

	-	-	-	-	-
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# NAFA SAVINGS PLUS FUND

-----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

Cash and bank balances	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 the Central Depository Company of Pakistan Limited - Trustee	181	-	-	-	181
Payable against redemption of units	71	-	-	-	71
Accrued expenses and other liabilities	912	-	-	-	912
	4,226	-	-	-	4,226
<b>On-balance sheet gap</b>	<b>3,059,553</b>	<b>1,309,147</b>	<b>-</b>	<b>350</b>	<b>1,750,056</b>

## 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	-	-	-
<b>Off-balance sheet gap</b>	<b>91,918</b>	<b>91,918</b>	<b>-</b>	<b>-</b>	<b>-</b>

2014

2013

-----Percentage per annum-----

The rates of return on financial instruments are as follows:

Balances with banks in saving accounts	6.50% - 11.00%	5.00% - 11.00%
Term deposit receipts	8.80% - 10.75%	9.60% - 12.00%
Market treasury bills	8.55% - 10.45%	9.05% - 12.98%
Clean placements	9.00% - 10.55%	10.00% - 12.33%
Certificates of investment	10.40%	9.45% - 12.35%
Sukuk certificates	-	10.6% - 13.55%
Commercial paper	11.92%	-

### 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, 2014.

### 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		2014 Percentage
A1+ / A-1+		95.01%
A-3		0.11%
A1 / A-1		4.88%
		<u>100.00%</u>
		2013 Percentage
A1+		39.05%
A3		0.76%
A1		60.10%
A+		0.09%
		<u>100.00%</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2014 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.

-----As at June 30, 2014-----

Total	Upto three months	Over three months and upto one year	Over one year
-----Rupees in '000-----			
7,582	7,582	-	-
257	257	-	-
1,557,837	1,557,837	-	-
1,153	1,153	-	-
1,566,829	1,566,829	-	-

### Financial liabilities

Payable to the Management Company  
 Payable to the Central Depository Company  
 of Pakistan Limited - Trustee  
 Payable against redemption of units  
 Accrued expenses and other liabilities

# NAFA SAVINGS PLUS FUND

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

Total	Upto three months	Over three months and upto one year	Over one year
-------	-------------------	-------------------------------------	---------------

## Financial liabilities

Payable to the Management Company  
 Payable to the Central Depository Company of Pakistan Limited - Trustee  
 Payable on redemption of units  
 Accrued expenses and other liabilities

-----Rupees in '000-----			
3,062	3,062	-	-
181	181	-	-
71	71	-	-
912	912	-	-
4,226	4,226	-	-

## 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 restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

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 endeavors 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 tradable 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:

- 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.

# NAFA SAVINGS PLUS FUND

	----- As at June 30, 2014 -----			
	Level 1	Level 2	Level 3	Total
ASSETS	----- Rupees in '000 -----			
Investment in government securities - held for trading	-	148,473	-	148,473

	----- As at June 30, 2013 -----			
	Level 1	Level 2	Level 3	Total
ASSETS	----- Rupees in '000 -----			
Investment in government securities - held for trading	-	80,997	-	80,997

## 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 September 16, 2014.

## 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 June 30, 2014	For the year ended June 30, 2013	For the year ended June 30, 2012	For the year ended June 30, 2011	For the period from October 24, 2009 to June 30, 2010
Net assets at the year / period ended (Rs '000)	1,429,102	3,053,273	1,337,141	545,231	586,097
Net income for the year / period ended (Rs '000)	224,472	113,294	91,185	60,271	34,346
Net Asset Value per unit at the year / period ended (Rs)	10.0487	10.0465	10.0391	10.3042	10.3438
Offer Price per unit at year end	10.1163	10.0967	10.0391	10.3042	10.3438
Redemption Price per unit at year end	10.0487	10.0465	10.0391	10.3042	10.3438
Highest offer price per unit (Rs)	10.1163	10.0967	10.0391	10.3042	10.3438
Lowest offer price per unit (Rs)	9.3753	9.2860	8.8012	9.3153	9.7603
Highest redemption price per unit (Rs)	10.0487	10.0465	10.0391	10.3042	10.3438
Lowest redemption price per unit (Rs)	9.3126	9.2398	8.8012	9.3153	9.7603
Fiscal Year Opening EX Nav	9.3119	9.2373	9.0408	9.3130	9.7603
Total return of the fund	7.91%	8.76%	11.04%	10.64%	5.98%
Capital growth	-0.30%	-0.32%	-0.52%	-0.63%	0.34%
Income distribution as a % of ex nav	8.21%	9.08%	11.56%	11.27%	5.64%
Income distribution as a % of par value	7.65%	8.38%	10.45%	10.50%	5.50%
<b>Distribution</b>					
Interim distribution per unit	0.7646	0.8383	1.045	0.7734	0.2500
Final distribution per unit	-	-	-	0.2762	0.3000
<b>Distribution Dates</b>					
Interim	30-Jul-13	29-Jul-12	2-Aug-11	18-Oct-10	29-Apr-10
Interim	29-Aug-13	27-Aug-12	6-Sep-11	18-Feb-11	
Interim	27-Sep-13	27-Sep-12	3-Oct-11	19-Apr-11	
Interim	29-Oct-13	29-Oct-12	2-Nov-11		
Interim	28-Nov-13	27-Nov-12	2-Dec-11		
Interim	27-Dec-13	27-Dec-12	3-Jan-12		
Interim	29-Jan-14	29-Jan-13	30-Jan-12		
Interim	28-Feb-14	27-Feb-13	28-Feb-12		
Interim	28-Mar-14	28-Mar-13	29-Mar-12		
Interim	29-Apr-14	29-Apr-13	27-Apr-12		
Interim	28-May-14	29-May-13	30-May-12		
Interim	26-Jun-14	28-Jun-13	27-Jun-12		
Final		-	-	4-Jul-11	5-Jul-10
<b>Average annual return of the fund (launch date May 16, 2009)</b>					
(Since inception to June 30, 2014)	9.64%				
(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)					9.87%
(Since inception to June 30, 2009)					
Portfolio Composition ( Please see Fund Manager Report)					
Weighted average portfolio duration	11	7	27	45	50
Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up					



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of

National Bank of Pakistan

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