

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 INCOME OPPORTUNITY FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Shahid Anwar Khan	Chairman
Mr. Amir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Asif A. Brohi	Director
Dr. Amjad Waheed	Chief Executive Officer

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Patrick Pang Chin Hwang	Chairman
Mr. Shehryar Faruque	Member
Mr. Amir Shehzad	Member

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

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

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants
Sheikh Sultan Trust Building No. 2,
Beaumont Road,
Karachi, 75530 Pakistan.

Legal Advisor

M/s Jooma Law Associates
205, E.I. Lines, Dr. Daudpota Road,
Karachi.

Head Office:

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

Lahore Office:

House # 10 - A, Block -S, Gulberg - II, Lahore.
UAN: (+92-42) 111-111-NFA (632)
Fax No: (+92-42) 35760373

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

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NAFA INCOME OPPORTUNITY FUND

DIRECTORS' REPORT

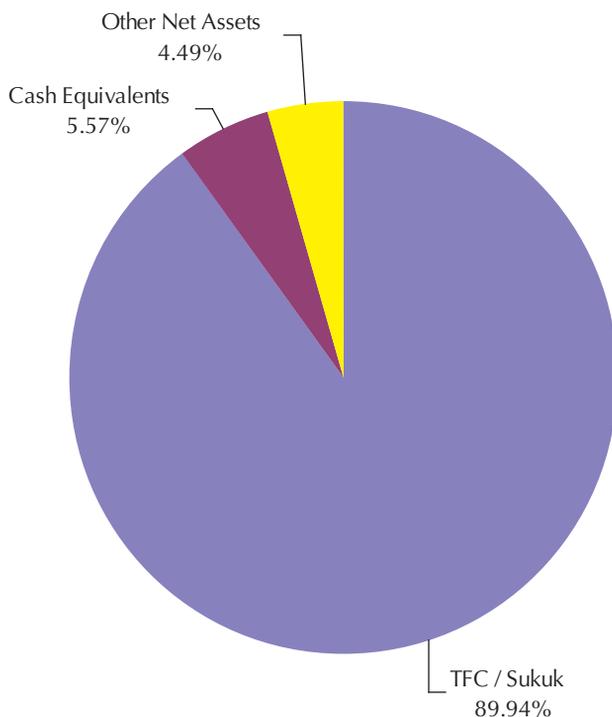
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited (reviewed) financial statements of NAFA Income Opportunity Fund for the half year ended December 31, 2011.

Fund's Performance

The size of NAFA Income Opportunity fund has reduced from Rs. 2,505 million to Rs. 2,083 million during the period, i.e. a decline of 16.85%. During the said period, the unit price of the Fund has decreased from Rs. 9.7139 (Ex – Div) on June 30, 2011 to Rs. 9.5780 on December 31, 2011, thus showing an annualized return of -2.76% as compared to its Benchmark (6-Month KIBOR) annualized return of 12.78% for the same period. The decline is due to provisioning in some TFCs/ Sukuks.

The coupon rates of all TFCs in the Fund are floating and linked to KIBOR, which depicted a falling trend during the half year. Many TFC's have been fully or partially provided and recoveries may be possible in future.

The Fund has earned total income of Rs.150.25 million during the period. After deducting expenses of Rs.347.84 million, the net loss is Rs.197.59 million. The asset allocation of the Fund as on December 31, 2011 is as follows:



NAFA INCOME OPPORTUNITY 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: February 17, 2012
Place: Karachi.

NAFA INCOME OPPORTUNITY FUND

TRUSTEE REPORT TO THE UNIT HOLDERS

NAFA INCOME OPPORTUNITY FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Income Opportunity 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 six months period ended December 31, 2011 in accordance with the provisions of the following:

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

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

Karachi: February 28, 2012

NAFA INCOME OPPORTUNITY FUND

Report on review of Condensed Interim Financial Information to the Unit Holders

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Income Opportunity Fund** ("the Fund") as at 31 December 2011 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matter

The figures for the quarter ended 31 December 2011 and 31 December 2010 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Date: February 17, 2012

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Mohammad Nadeem

NAFA INCOME OPPORTUNITY FUND

Condensed Interim Statement of Assets and Liabilities As at 31 December 2011

	Note	31 December 2011 (Un-audited)	30 June 2011 (Audited)
(Rupees in '000)			
Assets			
Bank balances	5	115,929	31,179
Investments	6	1,873,048	2,309,639
Profit receivable	7	107,615	179,347
Deposits, prepayments and other receivables	8	466,504	467,346
Total assets		2,563,096	2,987,511
Liabilities			
Payable to NBP Fullerton Asset Management Limited - Management Company		2,687	3,312
Payable to Central Depository Company of Pakistan Limited - Trustee		224	256
Payable to Securities and Exchange Commission of Pakistan		859	2,461
Payable against redemption of units		440,064	440,072
Accrued expenses and other liabilities	9	36,723	36,246
Total liabilities		480,557	482,347
Net assets		2,082,539	2,505,164
Unit holders' funds (as per statement attached)		2,082,539	2,505,164
Contingencies and commitments	10		
Number of units			
Number of units in issue		217,430,363	250,266,672
Rupees			
Net asset value per unit		9.5780	10.0100

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA INCOME OPPORTUNITY FUND

Condensed Interim Income Statement (Un-audited) For the six months period ended 31 December 2011

	Note	Six months period ended		Quarter ended	
		31 December 2011	31 December 2010	31 December 2011	31 December 2010
----- (Rupees in '000) -----					
Income					
Capital Gain on sale of investments - net		2,121	2,799	-	2,877
Profit on bank deposits		2,918	30,757	1,454	16,076
Income from term finance certificates and sukuk bonds		147,587	229,121	128,702	104,417
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(2,375)	(2,276)	(49,893)	53,372
Total income		<u>150,251</u>	<u>260,401</u>	<u>80,263</u>	<u>176,742</u>
Expenses					
Remuneration of NBP Fullerton Asset Management Limited - Management Company		17,188	27,713	8,191	13,211
Sindh sales tax on management fee		2,750	-	1,310	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,401	2,352	677	1,133
Annual fee to Securities and Exchange Commission of Pakistan		859	1,386	409	661
Annual listing fee		20	20	10	11
Settlement and bank charges		158	320	51	182
Auditors' remuneration		315	286	160	157
Impairment loss on investments classified as 'available for sale and held for trading'		262,118	92,879	6,921	120,805
Reversal of impairment loss on investments classified as available for sale		-	(113,040)	-	(113,040)
Provision against accrued income from term finance certificates and sukuk bonds		61,520	-	61,520	-
Stability rating fee		100	100	45	49
Legal and professional charges		1,413	25	1,413	10
Amortisation of preliminary expenses and floatation costs		-	250	-	125
Other expenses		-	(232)	(47)	(301)
Total expenses		<u>347,842</u>	<u>12,059</u>	<u>80,660</u>	<u>23,003</u>
Net (loss) / income from operating activities		<u>(197,591)</u>	<u>248,342</u>	<u>(397)</u>	<u>153,739</u>
Element of loss and capital losses included in prices of units issued less those in units redeemed- net	4	-	(19,080)	-	(15,655)
Provision for Workers' Welfare Fund	11	-	(4,585)	-	(2,761)
Net (loss) / income for the period before taxation		<u>(197,591)</u>	<u>224,677</u>	<u>(397)</u>	<u>135,323</u>
Taxation	12	-	-	-	-
Net (loss) / income for the period after taxation		<u>(197,591)</u>	<u>224,677</u>	<u>(397)</u>	<u>135,323</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA INCOME OPPORTUNITY FUND

Condensed Interim Statement of Comprehensive Income (Un-audited) For the six months period ended 31 December 2011

	Six months period ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(197,591)	224,677	(397)	135,323
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'	18,059	(143,391)	(137,747)	(30,769)
Reversal of unrealised diminution in the value of investments pertaining to impairment of non-performing assets	<u>148,952</u>	<u>10,015</u>	<u>148,952</u>	<u>(22,355)</u>
Total comprehensive income for the period	<u>(30,580)</u>	<u>91,301</u>	<u>10,808</u>	<u>82,199</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA INCOME OPPORTUNITY FUND

Condensed Interim Distribution Statement (Un-audited) For the six months period ended 31 December 2011

	Six months period ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	----- (Rupees in '000) -----			
Undistributed income brought forward	327,285	198,814	54,861	293,372
Final distribution for the year ended 30 June 2011: 2.961% (2010: Nil)				
- Bonus distribution	(28,889)	-	-	-
- Cash distribution	(45,214)	-	-	-
Element of income and capital gains included in prices of units issued less those in units redeemed- amount representing income that form part of the unit holders' funds	4	1,029	24,651	19,447
Net (loss) / income for the period after taxation	(197,591)	224,677	(397)	135,323
Undistributed income carried forward	<u>56,620</u>	<u>448,142</u>	<u>56,620</u>	<u>448,142</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA INCOME OPPORTUNITY FUND

Condensed Interim Statement of Movement in Unit Holder's Fund (Un-audited) For the six months period ended 31 December 2011

	Six months period ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	----- (Rupees in '000) -----			
Net assets at beginning of the period	2,505,164	3,914,906	2,242,704	3,692,419
Issue of 3,116,879 units including bonus units 2,974,034 (2010: 343,487 units)	1,389	3,392	597	2,025
Redemption of 35,953,188 units (2010: 54,800,600 units)	(348,220) (346,831)	(542,392) (539,000)	(171,570) (170,973)	(306,011) (303,986)
Issue of bonus units in respect of final distribution for the year ended 30 June 2011: 2.961% (2010: Nil)	28,889	-	-	-
Net element of (income) and capital (gains) included in prices of units issued less those in units redeemed				
- amount representing loss and capital losses - transferred to income statement	-	19,080	-	15,655
- amount representing (income) - that form part of the unit holders' funds	(1,029) (1,029)	(24,651) (5,571)	(2,156) (2,156)	(19,447) (3,792)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'	18,059	(143,391)	11,205	(30,769)
Reversal of unrealised diminution in the value of investments pertaining to impairment of non-performing assets	148,952	10,015	-	(22,355)
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(2,375)	(2,276)	(49,893)	53,372
Other operating (loss) / income	(195,216)	226,953	49,496	81,951
Net (loss) / income for the period after taxation	(197,591)	224,677	(397)	135,323
Distributions:				
Final distribution for the year ended 30 June 2011: 2.961% (2010: Nil)				
- Bonus distribution	(28,889)	-	-	-
- Cash distribution	(45,214)	-	-	-
	(74,103)	-	-	-
Element of income and capital gains included in prices of units issued less those in units redeemed - net	1,029	24,651	2,156	19,447
Net assets as at end of the period	2,082,539	3,486,287	2,082,539	3,486,287

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA INCOME OPPORTUNITY FUND

Condensed Interim Cash Flow Statement (Un-audited) For the six months period ended 31 December 2011

	Six months period ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
----- (Rupees in '000) -----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net (loss) / income for the period before taxation	(197,591)	224,677	(397)	135,323
Adjustments:				
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	2,375	(13,028)	49,893	(53,372)
Amortisation of preliminary expenses and floatation costs	-	250	-	125
Gain on sale of investments	(2,121)	(2,799)	-	(2,877)
Impairment loss on investments classified as 'available for sale'	262,118	(4,857)	6,921	7,765
Element of loss and capital losses included in prices of units issued less those in units redeemed- net	-	19,080	-	15,655
	<u>64,781</u>	<u>223,323</u>	<u>56,417</u>	<u>102,619</u>
Decrease / (increase) in assets				
Investments - net	341,230	425,459	162,923	288,430
Deposits, prepayments and other receivables	842	980	853	1,011
Profit receivable	71,732	(60,390)	30,635	(14,086)
	<u>413,804</u>	<u>366,049</u>	<u>194,411</u>	<u>275,355</u>
Increase / (decrease) in liabilities				
Payable to NBP Fullerton Asset Management Limited - Management Company	(625)	(434)	(160)	(208)
Payable to Central Depository Company of Pakistan Limited - Trustee	(32)	(27)	(7)	(12)
Payable to Securities and Exchange Commission of Pakistan	(1,602)	(2,810)	409	661
Accrued expenses and other liabilities	477	4,453	(317)	2,170
	<u>(1,782)</u>	<u>1,182</u>	<u>(75)</u>	<u>2,611</u>
Net cash inflow from operating activities	<u>476,803</u>	<u>590,554</u>	<u>250,753</u>	<u>380,585</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Net receipts against issue of units	1,389	3,392	597	2,025
Net payments against redemption of units	(348,228)	(543,070)	(171,933)	(306,349)
Distributions paid during the period	(45,214)	-	-	-
Net cash outflow from financing activities	<u>(392,053)</u>	<u>(539,678)</u>	<u>(171,336)</u>	<u>(304,324)</u>
Net increase in cash and cash equivalents during the period	<u>84,750</u>	<u>50,876</u>	<u>79,417</u>	<u>76,261</u>
Cash and cash equivalents at beginning of the period	31,179	707,537	36,512	682,152
Cash and cash equivalents at end of the period	<u><u>115,929</u></u>	<u><u>758,413</u></u>	<u><u>115,929</u></u>	<u><u>758,413</u></u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

Notes to and forming part of the Condensed Interim Financial information (Un-audited) For the six months period ended 31 December 2011

1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Income Opportunity Fund was established under a Trust Deed executed between National Fullerton Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 11 February 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 30 January 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). During the six months period ended, the Trust Deed amended through first supplemental trust deed executed between NBP Fullerton Asset management Limited (NAFA) as Management Company and CDC as a Trustee for the change of name and categorisation of the Fund as an Income Scheme as per the criteria for categorisation of open end collective investment scheme as specified by SECP and other allied matters.

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

NIOF is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing primarily in money market and debt securities having a good credit rating and liquidity.

The Pakistan Credit Rating Agency Limited has assigned an asset manager rating of AM2- to the Management Company and a stability rating of A+(f) to the Fund.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the trustee of the Fund. The name of the Fund has been changed from NAFA Cash Fund to NAFA Income Opportunity Fund with effect from 21 December 2010.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2011.

These condensed interim financial information comprise of condensed interim statement of assets and liabilities as at 31 December 2011 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement, and notes thereto, for the six months period ended 31 December 2011.

These condensed interim financial information are being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

2.2 Functional and presentation currency

These condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees, except otherwise stated.

2.3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the annual financial statements for the preceding year ended 30 June 2011.

NAFA INCOME OPPORTUNITY FUND

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June 2011, except for change in methodology of calculation and classification of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in the units redeemed ("element").

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

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

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

- loss for the year would have been lower by 15.478 million.
- amount taken to distribution statement would have been higher by 10.245 million.

5 BALANCES WITH BANKS - local currency

This represents balance in deposit accounts with banks and carry profit rates ranging from 5% to 12% per annum (June 2011: 5% to 12% per annum).

6 INVESTMENTS

		31 December 2011 (Un-audited)	30 June 2011 (Audited)
(Rupees in '000)			
Financial assets 'at fair value through profit or loss' - held for trading			
Equity securities - listed	6.1	-	-
Term finance certificates	6.2	199,514	257,961
		<u>199,514</u>	<u>257,961</u>
Available for sale			
Term finance certificates - listed	6.3	549,031	579,835
Term finance certificates - unlisted	6.3	634,885	810,224
Sukuk bonds	6.3	489,618	661,619
		<u>1,673,534</u>	<u>2,051,678</u>
		<u>1,873,048</u>	<u>2,309,639</u>

NAFA INCOME OPPORTUNITY FUND

6.1 Equity securities - listed

Name of the investee company	Number of shares				Market value / Carrying value as at 31 December 2011 (Rupees in '000)	Investment as a %age of		
	As at 1 July 2011	Purchases during the period	Sales during the period	As at 31 December 2011		Market value of net assets	Market value of total investment	Paid up capital of investee company
Fully paid ordinary shares of Rs 10 each								
Textile composite								
Azgard Nine Limited - Non-voting	308	-	-	308	-	-	-	-
Cost of investment before fair value adjustment as at 31 December 2011					<u>13</u>			
Impairment loss					<u>13</u>			

6.2 Term finance certificates - At fair value through profit or loss - held for trading

6.2.1 All term finance certificates have a face value of Rs 5,000 each except otherwise stated .

Name of the investee company	Number of certificates				Market value / Carrying value as at 31 December 2011 (Rupees in '000)	Investment as a %age of		
	As at 1 July 2011	Purchases during the period	Sales during the period	As at 31 December 2011		Market value of net assets	Market value of total investment	Issue size
Bank Alfalah Limited - II	128	-	-	128	425	0.02%	0.02%	0.05
Escort Investment Bank Limited	10,000	-	-	10,000	11,051	0.53%	0.59%	10.00
Jahangir Siddiqui & Company Limited	18,000	-	-	18,000	45,199	-	-	6.25
Orix Leasing Pakistan Limited	10,000	-	-	10,000	8,061	2.17%	2.41%	9.00
Gharibwal Cement Limited (note 6.2.3)	5,000	-	-	5,000	-	0.39%	0.43%	4.60
Pace (Pakistan) Limited (note: 6.2.4)	30,000	-	-	30,000	100,756	4.84%	5.38%	10.00
Saudi Pak Leasing Company Limited (note 6.2.5)	15,000	-	-	15,000	34,022	1.63%	1.82%	10.00
				<u>88,128</u>	<u>199,514</u>			
Carrying value as at 31 December 2011					<u>201,889</u>			

6.2.2 Fair value of performing listed term finance certificates classified as investments at fair value through profit or loss is determined using rates notified by the Mutual Funds Association of Pakistan (MUFAP).

6.2.3 This represents investment in privately placed term finance certificates. On 18 July 2009, the scheduled redemption date, principal redemption of Rs. 5 thousand and profit redemption of Rs. 2.291 million were not received by the Fund. The management company has recognized an impairment loss of Rs.24.356 million till 31 December 2011 as required by SECP circular no. 01 of 2009. The income suspended on these term finance certificates amounted to Rs.10.575 million. Therefore, these are stated at cost less provision.

6.2.4 This represents investment in listed term finance certificates with a term of five years. On 15 August 2011, the scheduled profit payment date, principal redemption of Rs.9.371 million and profit redemption of Rs.3.916 million were not received by the Fund. The management has recognised an impairment loss of Rs 49.064 million till 31 December 2011 as required by SECP circular no.01 of 2009 and circular no.03 of 2010. The income suspended on these term finance certificates amounted to Rs.20.509 million. Therefore, these are stated at cost less provision.

6.2.5 This represents investment in listed term finance certificates. On 13 October 2011, the scheduled principal payment date, principal redemption of Rs 0.78 million and profit redemption of Rs. 2.19 million were not received by the Fund. The management has recognised an impairment loss of Rs 17.507 million till 31 December 2011 as required by SECP circular no.01 of 2009 and circular no.03 of 2010. The income suspended on these term finance certificates amounted to Rs.1.638 million. Therefore, these are stated at cost less provision.

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6.3 Term finance certificates and sukuk bonds - Available for sale

Name of the investee company	Number of certificates				Market value / Carrying value as at 31 December 2011 (Rupees in '000)	Investment as a %age of		
	As at 1 July 2011	Purchases during the period	Sales during the period	As at 31 December 2011		Market value of net assets	Market value of total investment	Issue Size
Term finance certificate - listed								
Pakistan Mobile Communications (Private) Limited	78,000	-	2,000	76,000	373,756	17.95%	19.95%	9.18
World Telecom Limited	45,000	-	-	45,000	111,788	5.37%	5.97%	5.63
Allied Bank Limited	13,400	-	-	13,400	63,487	3.05%	3.39%	4.00
				134,400	549,031			
Term finance certificate - unlisted								
Avari Hotels International	35,040	-	-	35,040	141,980	6.82%	7.58%	5.57
Azgard Nine Limited (note 6.3.2)	50,000	-	-	50,000	-	-	-	10.00
Dewan Cement Limited (note 6.3.3)	30,000	-	-	30,000	-	-	-	3.00
Engro Chemical Pakistan Limited	62,000	-	-	62,000	296,788	14.25%	15.85%	7.75
New Allied Electronics Industries (Private) Limited (note 6.3.4)	15,000	-	-	15,000	-	-	-	8.33
Orix Leasing Pakistan Limited	3,900	-	-	3,900	196,117	9.42%	10.47%	0.44
AgriTech Ltd. (Pak American Fertilizer) (note 6.3.5)	30,000	-	-	30,000	-	-	-	10.00
				225,940	634,885			
Sukuk bonds								
BRR Guardian Modaraba	10,000	-	-	10,000	36,914	1.77%	1.97%	6.25
Century Paper and Board Mills Limited	28,200	-	28,200	-	-	-	-	4.03
Eden Builders Limited	7,956	-	-	7,956	22,043	1.06%	1.18%	1.59
Eden Housing Limited (note 6.3.6)	9,200	-	-	9,200	20,226	0.97%	1.08%	0.63
Kohat Cement Company Limited	50,000	-	-	50,000	117,906	5.66%	6.29%	10.00
Maple Leaf Cement Factory Limited (note 6.3.7)	80,000	-	-	80,000	236,922	11.38%	12.65%	5.00
Maple Leaf Cement Factory Limited-II (note 6.3.8)	3,000	-	-	3,000	-	-	-	-
New Allied Electronics Industries (Private) Limited (note 6.3.9)	9,000	-	-	9,000	-	-	-	6.00
Orix Leasing Pakistan Limited	10,000	-	-	10,000	8,350	0.40%	0.45%	9.52
Pak Elektron Limited (note 6.3.10)	24,000	-	-	24,000	47,257	2.27%	2.52%	10.00
				203,156	489,618			
					1,673,534			
Carrying value as at 31 December 2011					1,655,475			
Provision for impairment losses as at 31 December 2011					813,738			

6.3.1 All term finance certificates (TFCs) and sukuk certificates have a face value of Rs. 5,000 each except unlisted Term Finance Certificates issues by Orix Leasing Pakistan Limited on 15 January 2008 which has a face value of Rs. 100,000.

6.3.2 This represents investment in privately placed term finance certificates. On 04 June 2010, the scheduled redemption date, principal redemption of Rs 24.980 million and profit redemption of Rs.18.260 million were not received by the Fund. The management has recognized an impairment loss of Rs.249.80 million till 31 December 2011 as required by SECP circular no. 01 of 2009. The income suspended on these term finance certificates amounted to Rs.74.110 million. Therefore, these are stated at cost less provision.

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- 6.3.3 The Fund had advanced an amount of Rs 150 million in respect of Pre-IPO placement of Dewan Cement Limited (DCL) under an agreement, which required public offering to be completed within 270 days of the date of agreement (which was 9 January 2008). DCL failed to complete the public offering within the said time period and has also defaulted in payment of principal and profit. The management has recognised an impairment loss amounting to Rs.150 million till 31 December 2011 as required by SECP circular no. 01 of 2009. The income suspended on these term finance certificates amounted to Rs.89.060 million. Therefore, these are stated at cost less provision.
- 6.3.4 This represents investment in privately placed term finance certificates. On 15 November 2008, the scheduled redemption date, principal redemption of Rs.6.250 million and profit redemption of Rs.2.774 million were not received by the Fund. The management has recognised an impairment loss of Rs.31.707 million till 31 December 2011 as required by SECP circular no. 01 of 2009. The income suspended on these term finance certificates amounted to Rs.19.618 million. Therefore, these are stated at cost less provision.
- 6.3.5 This represents investment in privately placed term finance certificates. On 30 May 2010, the scheduled redemption date, principal redemption of Rs.14.988 million and profit redemption of Rs.10.524 million were not received by the Fund. The management has recognised an impairment loss of Rs.149.860 million till 31 December 2011 as required by SECP circular no. 01 of 2009. The income suspended on these term finance certificates amounted to Rs.45.819 million. Therefore, these are stated at cost less provision.
- 6.3.6 This represents investment in privately placed sukuk bonds issue with a term of five years. On 31 March 2011 and 29 June 2011 i.e. the scheduled redemption date, principal redemption of Rs.1.725 million were not received by the Fund. The management has recognized an impairment loss amounting to Rs.10.824 million till 31 December 2011 as required by SECP circular no. 01 of 2009. The income suspended on these sukuk bonds amounted to Rs.1.244 million. Therefore, these are stated at cost less provision.
- 6.3.7 This represent investment in privately placed Sukuk Certificates issued with a term of six years. During the six months period ended ,the status of these Sukuk Certificates again has been changed from performing to non-performing (performing as at 30 June 2011). The coupon payment on Maple Leaf Sukuk I was due on 03 September 2011 which was not received by the Fund. The minimum amount of provision required as per SECP circular no. 01 of 2009 and circular no.03 of 2010 amounts to Rs.148.952 million. However as a matter of prudence, the management has recognised an impairment loss amounting to Rs.162.398 million till 31 December 2011 in income statement including unrealised loss of Rs.148.952 million previously included in other comprehensive income as at 30 June 2011 which management considered adequate and appropriate in the present circumstances. The income suspended on these bonds amounted to Rs. 55.701 million. Therefore, these are stated at cost less provision.
- 6.3.8 This represent investment in Maple Leaf privately placed sukuk bonds II. The coupon payment on Maple Leaf Sukuk II was due on 29 June 2010 which was not received by the Fund. Therefore as a matter of prudence, the management has recognised an impairment loss amounting to Rs. 15 million till 31 December 2011 as required by SECP circular no. 01 of 2009. The income suspended on these bonds amounted to Rs. 0.544 million. Therefore, these are stated at cost less provision.
- 6.3.9 This represents investment in privately placed sukuk bonds. On 03 December 2008, the scheduled redemption date, profit redemption of Rs. 3.415 million was not received by the Fund. The management has recognized an impairment loss amounting to Rs. 44.149 million till 31 December 2011 as required by SECP circular no. 01 of 2009. The income suspended on these term finance certificates amounted to Rs.22.369 million. Therefore, these are stated at cost less provision.
- 6.3.10 This represents investment in privately placed sukuk bonds. On 27 December 2011 i.e. the scheduled redemption date, profit redemption of Rs. 1.93 million was not received by the Fund.

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The circular no. 1 of 2009 dated 6 January 2009 requires that all non performing debt securities whether secured or unsecured shall be provided for in accordance with the criteria specified in Annexure - II of the said circular from the day of classification as non-performing. On 12 January 2012, the sukuk issued by Pak Elektron Limited has been classified as non-performing due to default made by it on repayment of installment during December 2011. However, the Management Company considers that provision and reclassification are required to be made on the day when it has been classified as non-performing by MUFAP i.e 12 January 2012. As a result, the effect of such subsequent reclassification of non performing has not been recorded / reflected in these condensed interim financial information for the half year ended 31 December 2011.

7 PROFIT RECEIVABLE

31 December 2011 (Un-audited)	30 June 2011 (Audited)
(Rupees in '000)	
Profit receivable on savings and term deposits	34,386
Income accrued on term finance certificates and sukuk bonds - net	73,229
107,615	179,347

8 This includes receivable of Rs. 463.225 million on account of deposit account maintained with KASB Bank ("the Bank").

The Fund claims profit at the rate 13 percent on its Mahana Khazan account maintained with the Bank, since 23 June 2008 to 10 February 2011 (the date at which the Bank settled the transaction). Whereas, the Bank did not credit/ pay the due mark up at agreed rate, as the Bank did not get expected profit on in its investment in units of the Fund for the same period. Based on said presumption, the bank credited profit at the rate of 5 percent per annum, whereas, no guarantee/ commitment was given to the Bank by the Fund in respect of rate of return. In view of above dispute, the Fund, on a prudent basis, accrued the mark up for the said period at 8 percent per annum, a minimum rate which the Bank offered to all its corporate customers via its website . Subsequent to falling the matter into a dispute, the management has been engaged in continuous efforts for recovery of profit at the rate of 13 percent and had several meeting with the official of the Bank.

On 10 February 2011, the Fund requested to the Bank to withdraw its entire deposit. The bank has also on the same date filed for the redemption of their entire investment in the Fund. The Bank declined to honour the Fund's withdrawal request linking it with paying their redemption amount before releasing the Fund's deposit. On 01 April 2011, the Bank unilaterally set off the redemption value of the Bank's investment in the Fund with the Fund's deposit with the Bank and credited the amount of Rs 187.008 million (principal plus profit of Rs. 24.64 million at the rate of around 5 percent) after making an adjustment of Rs 463.225 million on account of redemption of its units. The Fund accepted the amount under protest, being part payment of total amount receivable and referred this case to the Banking Mohtasib for resolution while claiming profit at the rate of 13 percent. The management, at parallel, continued its negotiation with the Bank through the Trustee. The Trustee, vide its letter CDC/T&C-U1/DH/0105/2011 dated 7 April 2011 informed to the Fund that the Bank offered the rate of 7 percent from retrospective affect to settle the transaction. The Trustee advised to the management to meet with the Bank officials once again on this issue and try to recover the profit at better rate. In the absence of any positive gesture from the Bank, the management requested to Banking Mohtasib for early resolution. As at 30 June 2011, the profit on savings account includes profit receivable from the Bank at the rate of 8 percent on saving account amounting to Rs.50.871 million representing the difference of 8 percent and 5 percent. The Management Company is making every efforts for recovery of profit at the rate higher than 7 percent. In this regard, the management has filed a recovery

In this regard, the management has filed a recovery suit against the Bank with the Sindh High Court. The Securities and Exchange Commission of Pakistan (SECP) vide its Order SCD-SD (Enf.) / KHI/ NFAML/ 2011/182 dated 12 August 2011 under section 282j (1) and 282j (2) of the Companies Ordinance, 1984 ("the Ordinance) for violation of Regulation 38 (a) and 38(b) of the NBFC Regulations of 2008 requires the Management Company to make the loss of Rs.19 million good to the Fund's unit holders by way of submitting a detailed plan within 21 days from the date of the issuance of this order. SECP also imposed a penalty amounting to Rs. 1 million on the Management Company.

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Unexpectedly, the Management Company received above order while the management is pursuing this case with the Banking Mohtasib and the High Court for the benefits of the unit holders. Therefore, the management Company is unable to understand as to how SECP without having final discussion with the Management, issued such an order, which required compensation to the Fund and penalized the Management Company. Moreover, the Management is of the view that the regulators' second-guessing of decisions of the management based on the hindsight information would be detrimental to the business.

The Management Company filed an appeal with the Appellate Bench of SECP on 26 August 2011. The Appellate Bench conducted the hearing on 5 September 2011. The Appellate Bench has suspended the said order till final order is issued.

However, no progress in this respect has yet been made. During six month period ended the Management Company has filed petition before the Honourable High Court of Sindh for resolution of dispute with the Bank. The hearing of the case is pending to date. However, the Management Company is confident that the matter would be resolved in its favour.

	31 December 2011 (Un-audited)	30 June 2011 (Audited)
	(Rupees in '000)	
9 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	312	315
Settlement charges payable	51	42
Brokerage expense payable	-	-
Printing charges payable	115	194
Provision for Workers' Welfare Fund	11 12,230	12,230
Contingent load	23,161	23,161
Others	854	304
	<u>36,723</u>	<u>36,246</u>

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2011 and as at 31 December 2011.

11 WORKERS' WELFARE FUND

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. The Central Depository Company of Pakistan on behalf of funds under its trusteeship along with a few Collective Investment Schemes (CISs) filed a petition before the Honourable High Court of Sindh on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 8 July 2010 issued advice and clarifications which stated that WWF Ordinance 1971 does Establishment Ordinance, 1969 is not applicable to any public listed company and any organized financial institutions including Mutual Funds because they are ruled and governed by separate laws. Further, in a subsequent letter dated 15 July 2010 the Ministry clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

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Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office for two mutual funds for payment of levy under WWF has been withdrawn. However, there have been instances whereby show cause notices under section 221 of the Income Tax Ordinance, 2001 have been issued to a number of mutual funds and that MUFAP has requested Member Policy Direct Taxes for withdrawal of such show cause notices issued to such mutual funds. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter 4 January 2011 has cancelled *ab-initio* clarificatory letter dated 6 October 2010 on applicability of WWF on mutual funds. On 14 December 2010, the Ministry filed its response to the constitutional petition pending in the Court. As per the legal counsel who is handling the case, there is contradiction between the above earlier letter and clarification of the Ministry and the response filed by the Ministry before Honourable High Court of Sindh. During the period, the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in the WWF Ordinance through the Finance Act, 2006, and the Finance Act 2008 has declared the said amendments as unlawful and unconstitutional. While, the Constitutional Petition filed in the Honourable High Court of Sindh is still pending.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF.

12 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The management company intends to distribute not less than 90% of the annual accounting income to comply with the above stated clause and regulation. Accordingly, no tax provision has been made in this condensed interim financial information for the six months period ended 31 December 2011.

13 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated 6 March 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the Fund as 'Income Fund'.

In accordance with clause (iii) of the investment criteria laid down for 'Income Schemes', the Fund is required to invest at least 25% of the net assets in cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills not exceeding 90 days maturity. Clause (v) of the categorization criteria requires that the ratings of any security in the portfolio of the Fund shall not be lower than investment grade. However, as at 31 December 2011, the Fund is in non-compliance with the above-mentioned requirement in respect of the following:

NAFA INCOME OPPORTUNITY FUND

Type of Investment	Name of Non-Compliant Investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net asset	Percentage of gross asset
----- (Rupees in '000) -----						
Cash and near cash instruments	N/A	115,929		115,929	5.57%	4.52%
Investment in Debt securities and Sukuks**	Azgard Nine Limited	249,800	249,800	-	0.00%	0.00%
	Agritech Limited	149,860	149,860	-	0.00%	0.00%
	Saudi Pak Leasing Company Limited	51,530	17,508	34,022	1.63%	1.33%
	Maple Leaf Cement Factory Limited Sukuk	399,320	162,398	236,922	11.38%	9.24%
	New Allied Electronics Industries (Private) Limited - TFC	31,707	31,707	-	-	-
	New Allied Electronics Industries (Private) Limited - Sukuk	44,149	44,149	-	-	-
	Dewan Cement Limited - TFC	150,000	150,000	-	-	-
	Gharibwal Cement Limited - TFC	24,356	24,356	-	-	-
	Maple Leaf Cement Factory Limited - Sukuk II	15,000	15,000	-	-	-
	Pace Pakistan Limited	149,820	49,064	100,756	0.05	0.04
	Eden Housing - Sukuk II	31,050	10,824	20,226	0.97%	0.79%
	Kohat Cement Company Limited - Sukuk ***	176,500	-	117,906	5.66%	4.60%
	Escort Investment Bank Limited ***	14,988	-	11,051	0.53%	0.43%
	BRR Guardian Modaraba - Sukuk ***	49,219	-	36,914	1.77%	1.44%
	Pak Elektron Limited ***	51,429	-	47,257	2.27%	1.84%

** At the time of purchase, the TFCs and Sukuks were in compliance with the aforementioned circular.

However, they subsequently defaulted or were downgraded to non investment grade.

*** Performing but below investment grade.

14 TRANSACTIONS WITH CONNECTED PERSONS

- 14.1 Connected persons include NBP Fullerton Asset Management Limited (Formerly National 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.
- 14.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 14.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 14.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

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14.5 Transactions during the period

	(Un-audited)			
	Six months period ended		Three months period ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	----- (Rupees in '000) -----			
NBP Fullerton Asset Management Ltd.				
Remuneration expense for the period	17,188	27,713	8,191	13,211
National Bank of Pakistan - Sponsor				
Cash dividend	1,066	-	-	-
Alexandra Fund Management Pte. Limited - Sponsor				
Bonus units issued: 23,727 units (2010: Nil units)	230	-	230	-
Units redeemed / transferred out: 802,116 units (2010: 4,741,247 units)	7,685	47,000	7,685	40,000
Executives of the Management Company				
Units redeemed / transferred out: Nil units (2010: 2,057 units)	-	20	-	20
Central Depository Company of Pakistan Limited				
Remuneration expense for the period	1,401	2,352	677	1,133
CDS Charges	3	3	1	1
Mr. Shahid Anwar Khan - Director				
Bonus units issued: 2,891 units (2010: Nil units)	28	-	28	-
NBP Employees Pension Fund				
Bonus units issued: 1,656,399 units (2010: Nil units)	16,090	-	16,090	-
NBP Endowment Fund Student Loan Scheme				
Bonus units issued: 535,045 units (2010: Nil units)	5,197	-	5,197	-
Units redeemed / transferred out: 4,114,247 units (2010: Nil units)	40,000	-	15,000	-
NBP Employees Benevolent Fund Trust				
Bonus units issued: 57 units (2010: Nil units)	554	-	554	-

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14.6 Balances outstanding as at period / year end

	31 December 2011 (Un-audited)	30 June 2011 (Audited)
	(Rupees in '000)	
NBP Fullerton Asset Management Limited. (Formerly; National Fullerton Asset Management Limited - Management Company)		
Remuneration payable to management company	2,687	3,282
Legal Charges Payable	-	30
National Bank of Pakistan - Sponsor		
Investment held by the Sponsor in the Fund: 3,601,691 units (30 June 2011: 3,601,691 units)	34,497	36,053
Balances in current account	386	521
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund Nil units (30 June 2011: 778,389 units)	-	7,792
Executives of the Management Company		
Investment held in the Fund: 4 units (30 June 2011: 4 units)	-	-
Central Depository Company of Pakistan Limited		
Remuneration payable	224	256
Security deposit	100	100
Mr. Shahid Anwar Khan - Director		
Investment held in the Fund: 97,742 units (30 June 2011: 94,851 units)	936	949
NBP Employees Pension Fund		
Investment held in the Fund: 55,996,457 units (30 June 2011: 54,340,058 units)	536,334	543,944
NBP Endowment Fund Student Loan Scheme		
Investment held in the Fund: 13,973,560 units (30 June 2011: 17,552,762 units)	133,839	175,703
NBP Employees Benevolent Fund Trust		
Investment held in the Fund: 1,929 units (30 June 2011: 1,872 units)	18	19

15 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 17, 2012 by the Board of directors of the Management Company.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director