

NAFA SAVINGS PLUS FUND  
**HALF YEARLY REPORT  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2009  
(UN-AUDITED)**

# Contents

DIRECTORS'REPORT	147
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	149
AUDITORS'REVIEW REPORT TO THE UNITHOLDERS	150
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	151
CONDENSED INTERIM INCOME STATEMENT	152
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	153
CONDENSED INTERIM DISTRIBUTION STATEMENT	154
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS	155
CONDENSED INTERIM CASH FLOW STATEMENT	156
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	157

# NAFA SAVINGS PLUS FUND

## **DIRECTORS' REPORT**

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the first unaudited financial statements of NAFASavings Plus Fund for the period from October 24, 2009 to December 31, 2009.

### **Fund's Performance**

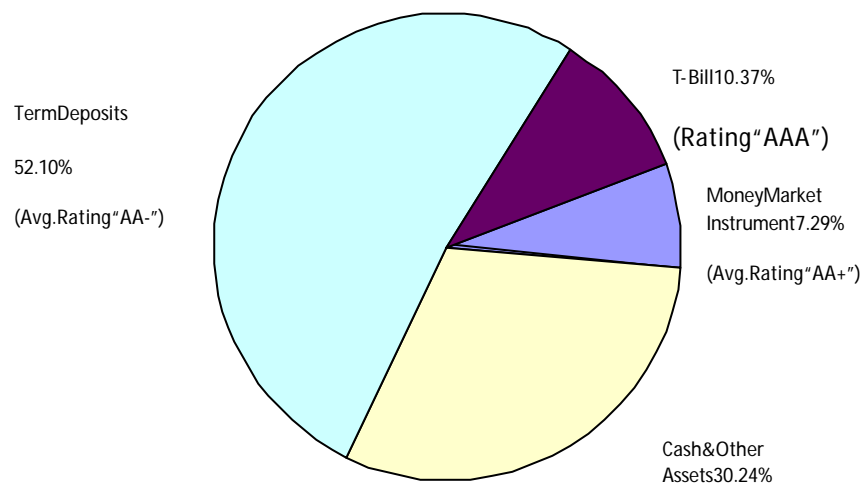
NAFASavings Plus Fund commenced its investment activities on November 23, 2009 with an initial fund size of Rs. 407 Million. The size of NAFASavings Plus Fund has increased to Rs. 480 Million as at December 31, 2009, i.e., a growth of 17.94%. During the said period, the unit price of NAFASavings Plus Fund has increased from Rs. 10 to Rs. 10.1179 on December 31, 2009, thus showing an annualized return of 11.29% as compared to its Benchmark (6-Month Deposit Rate of A and above rated banks) of 8.88% for the same period.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a stability rating of AA-(f) to NAFASavings Plus Fund.

NAFASavings Plus Fund has earned a total income of Rs. 7.00 million during the period. After deducting expenses of Rs. 1.41 million, the net income is Rs. 5.59 million, translating into an earning per unit of Rs. 0.1179.

The asset allocation of the Fund as on December 31, 2009 is as follows:

**Asset Allocation as on December 31, 2009**



## 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 commitments shown by the staff and the Trustee.

On behalf of the Board of  
National Fullerton Asset Management Limited

Chief Executive

Chairman

Date: February 17, 2010  
Place: Karachi.

## NAFA SAVINGS PLUS FUND

### TRUSTEEREPOR TTOTHEUNITHOLDERS

#### **ReportoftheTrustee pursuanttoRegulation41(h)oftheNon-BankingFinanceCompaniesandNotified EntitiesRegulations,2008**

NAFASavingsPlusFund(theFund),anopen-endschemewasestablishedunderatrustdeeddatedOctober09, 2009,executedbetweenNationalFullertonAssetManagementLimited,asthemanagementcompanyandCentral DepositoryCompanyofPakistanLimited,asthetrustee.

Inouropinion, theManagementCompanyhasinallmaterialrespectsmanagedtheFundduringtheperiodfrom October24,2009toDecember31,2009inaccordancewiththeprovisionsofthefollowing:

- (i) Limitationsimposedontheinvestmentpowersofthemanagementcompanyundertheconstitutive documentsoftheFund;
- (ii) Thepricing,issuanceandredemptionofunitsarecarriedoutinaccordancewiththerequirementsofthe constitutivedocumentsoftheFund;and
- (iii) TheNon-BankingFinanceCompanies(EstablishmentandRegulations)Rules,2003,theNon-Banking FinanceCompaniesandNotifiedEntitiesRegulations,2008andtheconstitutedocumentsoftheFund.

**MuhammadHanifJakhura**  
ChiefExecutiveOfficer  
CentralDepositoryCompanyofPakistanLimited

Karachi,February24,2010

## NAFA SAVINGS PLUS FUND

### AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

#### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Savings Plus Fund** as at December 31, 2009, 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' funds and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the period from October 24, 2009 to December 31, 2009. The Management Company (National Fullerton Asset Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

#### *Scope of Review*

We conducted our review in accordance with the 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 Standard 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 as of December 31, 2009 and for the period from October 24, 2009 to December 31, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

A.F. Ferguson & Co.  
Chartered Accountants.

Date: February 24, 2010

Karachi

## NAFA SAVINGS PLUS FUND

### CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) AS AT DECEMBER 31, 2009

	Note	Unaudited December 31, 2009 Rupees in '000
<b>ASSETS</b>		
Balances with banks		352,421
Investments	4	49,770
Loans and receivables		70,000
Profit receivable	5	3,106
Prepayments and other receivables		6,389
Preliminary expenses and floatation costs		2,554
<b>Total assets</b>		<b>484,240</b>
<b>LIABILITIES</b>		
Payable to National Fullerton Asset Management Limited- Management Company		3,635
Payable to Central Depository Company of Pakistan Limited-Trustee		79
Payable to Securities and Exchange Commission of Pakistan		38
Payable on redemption of units		444
Accrued expenses and other liabilities	6	133
<b>Total liabilities</b>		<b>4,329</b>
<b>NET ASSETS</b>		<b>479,911</b>
<b>Unit Holders' Funds (as per statement attached)</b>		<b>479,911</b>
Contingencies and Commitments	7	-
<b>Number of units in issue</b>		<b>47,432,087</b>
<b>Net asset value per unit</b>		<b>10.1179</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chairman

## NAFA SAVINGS PLUS FUND

### CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO DECEMBER 31, 2009

	Note	For the Period from October 24, 2009 to December 31, 2009 Rupees in '000
<b>INCOME</b>		
Income from treasury bills		1,299
Income from term deposit receipts		2,370
Income from money market placements		456
Profit on bank deposits		2,609
Gain on sale of investment		3
Unrealised loss on investments at fair value through profit or loss - net		(15)
<b>Total Income</b>		<b>6,722</b>
<b>EXPENSES</b>		
Remuneration of National Fullerton Asset Management Limited - Management Company		1,008
Remuneration of Central Depository Company of Pakistan Limited - Trustee		101
Annual fee - Securities and Exchange Commission of Pakistan		38
Securities transaction cost		33
Bank charges		41
Annual listing fee		4
Rating fee		22
Auditors remuneration		76
Amortisation of preliminary expenses and floatation costs		57
Printing charges		25
<b>Total Expenses</b>		<b>1,405</b>
<b>Net income from operating activities</b>		<b>5,317</b>
Element of income and capital gains included in prices of units issued less those in units redeemed		274
<b>Net income for the period before taxation</b>		<b>5,591</b>
<b>Taxation</b>	8	-
<b>Net income for the period after taxation</b>		<b>5,591</b>
<b>Earnings per unit</b>	9	

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chairman



## NAFA SAVINGS PLUS FUND

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO DECEMBER 31, 2009

	For the Period from October 24, 2009 to December 31, 2009 Rupees in '000
Net income for the period after taxation	5,591
Other comprehensive income	-
Total comprehensive income for the period	<u>5,591</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chairman

## NAFA SAVINGS PLUS FUND

### CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO DECEMBER 31, 2009

	For the Period from October 24, 2009 to December 31, 2009 Rupees in '000
Net income for the period	5,591
Undistributed income carried forward	<u>5,591</u>
<b>Undistributed income comprising:</b>	
Realised income	5,606
Unrealised income/(loss)	(15)
	<u>5,591</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chairman

## NAFA SAVINGS PLUS FUND

### CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO DECEMBER 31, 2009

	<b>For the Period from October 24, 2009 to December 31, 2009 Rupees in '000</b>
Issue of 64,722,209 units	648,912
Redemption of 17,290,122 units	(174,318)
	474,594
Net element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed	(274)
Unrealised loss on investments at fair value through profit or loss - net	(15)
Other income (net of expenses)	5,606
<b>Net income for the period</b>	<b>5,591</b>
<b>Net assets at the end of the period</b>	<b>479,911</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chairman

# NAFA SAVINGS PLUS FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO DECEMBER 31, 2009

	For the Period from October 24, 2009 to December 31, 2009 Rupees in '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net income for the period before taxation	5,591
<b>Adjustments</b>	
Unrealised loss on investments at fair value through profit or loss - net	15
Amortisation of preliminary expenses and floatation costs	57
Gain on sale of investment	(3)
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed	(274)
	5,386
<b>(increase)/decrease in assets</b>	
Investments	(49,782)
Loans and receivables	(70,000)
Profit receivable	(3,106)
Prepayments and other receivables	(6,389)
Preliminary expenses and floatation costs	(2,611)
	(131,888)
<b>Increase/(decrease) in liabilities</b>	
Payable to National Fullerton Asset Management Limited - Management Company	3,635
Payable to Central Depository Company of Pakistan Limited - Trustee	79
Payable to Securities and Exchange Commission of Pakistan	38
Payable on redemption of units	444
Accrued expenses and other liabilities	133
	4,329
<b>Net cash outflow on operating activities</b>	(122,173)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Receipts from issue of units	648,912
Payments on redemption of units	(174,318)
<b>Net cash inflow from financing activities</b>	474,594
<b>Cash and cash equivalents as at December 31, 2009</b>	352,421

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chairman

# NAFA SAVINGS PLUS FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD FROM OCTOBER 24, 2009 TO DECEMBER 31, 2009

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Savings Plus Fund (NSPF) was established under a Trust Deed executed between National Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on October 09, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

NSPF is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering to the Fund. The units of the Fund were initially offered for public subscription at par from November 16, 2009 to November 21, 2009.

The objective of the Fund is to provide an open-end income scheme, seeking to minimize risk, preserve capital and generate a reasonable return along with a high degree of liquidity from a portfolio primarily constituted of bank deposits and money market instruments.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company. The fund has been assigned stability rating 'AA-(f)'.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprises of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Regulations or the directives issued by the SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting.

2.2 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance.

#### 2.3 Critical accounting estimates and judgments

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

- i) Classification and valuation of financial assets (note 3.2 and 4)
- ii) Amortisation of preliminary expenses and floatation cost (note 3.4)

## NAFA SAVINGS PLUS FUND

### 2.4 Accounting Convention

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

### 2.5 Functional and Presentation Currency

These financial statements are represented in Pak Rupees which is the Fund's functional and presentation currency.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 3.1 Cash and cash equivalents

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

### 3.2 Financial assets

#### 3.2.1 Classification

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

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

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

##### b) Available for sale

Available for sale financial assets are those non-derivative financial assets that are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices.

##### c) Loans and receivables

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

#### 3.2.2 Regular way contracts

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

#### 3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset 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 expensed in the income statement.

### 3.2.4 Subsequent measurement

3.2.4.1 Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss are revalued as follows:

#### Basis of valuation of Government Securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Market Association.

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

### 3.2.5 Impairment

The carrying value of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

### 3.2.6 Derecognition

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

### 3.2.7 Offsetting of financial assets and liabilities

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

### 3.3 Financial liabilities

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

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

### 3.4 Preliminary expenses and floatation costs

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

### 3.5 Issue and redemption of units

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

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the Net Asset Value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

## NAFA SAVINGS PLUS FUND

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

Anequalisationaccountcalledthe'elementofincome/(loss)andcapitalgains/(losses)includedinpricesofunitsissuedlessthoseinunitsredeemed'iscreated,inordertopreventthedilutionofperunitincomeanddistributionofincomealreadypaidoutonredemption.

TheFundrecordsthatportionofthetotelementofincome/(loss)andcapitalgains/(losses)relatingto unitsissuedandredeemedduringanaccountingperiodwhichpertainstounrealisedgains/(losses)that formpartoftheUnitHolders'Fundsina separate reserve accountandany amountremaininginthis reserve accountattheendofanaccountingperiod(whetherthegainorloss)isincludedintheamount availablefordistributiontotheunitholders/othercomprehensiveincome.The remainingportionofthetotelementofincome/(loss)andcapitalgains/(losses)relatingto unitsissuedandredeemedduringan accountingperiodisrecognisedintheincome statement.

### **3.7 Provisions**

ProvisionsarerecognisedwhentheFundhasapresent,legalorconstructiveobligationasaresultofpast events,itisprobablethatanoutflowofresourcesembodyingeconomicbenefitswillberequiredtosettle theobligationandareliableestimateoftheobligationcanbemade.Provisionsareregularlyreviewedand adjustedtoreflectthecurrentbestestimate.

### **3.8 Taxation**

Provisionfor current taxation is based on the taxable income at the current rates of taxation after taking into account tax credits, rebates and exemptions, if any, and is made in accordance with the provisions of the Income Tax Ordinance, 2001.

TheFundprovidesfordeferredtaxationusingthebalancesheetliabilitymethodonallmajor 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 condensed interim 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 unitholder every year.

### **3.9 Proposed distributions**

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

### **3.10 Revenue recognition**

- Capital gains/(losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Income from clean placements and Certificates of Investment is recognised on an accrual basis.
- Unrealised gains/(losses) arising on revaluation of investments classified as financial assets' at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit on bank deposits is recognised on an accrual basis.

### **3.11 Net asset value per unit**

The Net Asset Value per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.



## NAFA SAVINGS PLUS FUND

Un-audited  
December 31,  
2009

Rupees in '000

**4 INVESTMENTS**

**At fair value through profit or loss - held for trading**  
Government securities - Market Treasury Bills

4.1 49,770  
49,770

**4.1 Investing government securities - 'At fair value through profit or loss'**

Issued date	Tenor	----- Face value -----				Market Value	Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2009	Purchases during the period	Sales/ matured during the period	As at December 31, 2009			
Rupees in '000'								
<b>Treasury Bills</b>								
January 15, 2009	12 Month	-	50,000	-	50,000	<u>49,770</u> <u>49,770</u>	10.37	100.00
Carrying value before fair value adjustment as at December 31, 2009						<u>49,785</u>		

Un-audited  
December 31,  
2009

Rupees in '000

**5 PROFIT RECEIVABLE**

Profit on savings deposits  
Profit on money market placements  
Profit on term deposit receipts

401  
455  
2,250  
3,106

**6 ACCRUED EXPENSES AND OTHER LIABILITIES**

Auditors' remuneration  
Payable to brokers  
Others

76  
21  
36  
133

## NAFA SAVINGS PLUS FUND

### 7 CONTINGENCIES AND COMMITMENTS

7.1 The Finance Act 2008 introduced an amendment to the Workers Welfare Fund Ordinance, 1971 (WWF Ordinance) whereby the definition of "Industrial Establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, it can be construed that all Collective Investment Schemes (CIS) whose income exceeds Rs0.5 million in a tax year are brought within the purview and scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of 2 percent of their accounting or taxable income, whichever is higher. In case of the Fund, such contribution works out to Rs112 thousand approximately as at December 31, 2009. However, the final contribution amount will be based on the income earned by the Fund for the year ending June 30, 2010.

To avoid any claim in this regard by the relevant authorities, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the ground that CIS do not have any workers or employees. The legal proceedings in respect of the aforementioned petition are currently in progress and the outcome cannot be reasonably ascertained.

The Management Company, based on the advice of the MUFAP's legal counsel, is confident of a favorable decision and accordingly no provision for any liability that may arise in this respect has been made in these condensed interim financial statements.

7.2 There are no other contingencies and commitments outstanding as at December 31, 2009.

### 8 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intend to distribute such accounting income, if any, for the period from October 24, 2009 to June 30, 2010 to its unit holders. Accordingly, no tax liability has been recorded in the current period.

### 9 EARNINGS PER UNIT

Earnings per unit (EPU) for the period from October 24, 2009 to December 31, 2009 has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

### 10 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, NIB Bank Limited 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.

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

## NAFA SAVINGS PLUS FUND

### 10.1 Details of the transactions with connected persons are as follows:

	Un-audited For the Period from October 24, 2009 to December 31, 2009 Rupees in '000
<b>National Fullerton Asset Management Limited-Management Company</b> Management fee expense for the period	1,008
<b>Central Depository Company of Pakistan Limited-Trustee</b> Remuneration	101
<b>National Bank of Pakistan-Sponsor</b> Units issued (3,000,000 units) Pre-IPO profit paid	30,000 187
<b>NIB Bank Limited-Sponsor</b> Units issued (3,000,000 units) Profit on bank deposit Treasury bills purchased Investment in term deposit receipts Pre-IPO profit paid	30,000 1,925 96,961 50,000 197
<b>Alexandra Fund Management Pte. Limited-Sponsor</b> Units issued (4,000,000 units) Pre-IPO profit paid	40,000 302
<b>Employees of the Management Company</b> Units issued (1,020,960 units) Units redeemed (806,629 units)	10,230 8,110

### 10.2 Amounts outstanding as at period end

	Un-audited December 31, 2009 Rupees in '000
<b>National Fullerton Asset Management Limited-Management Company</b> Management fee payable Others	794 2,841
<b>Central Depository Company of Pakistan Limited-Trustee</b> Remuneration payable	79
<b>National Bank of Pakistan-Sponsor</b> Investment held by the Sponsor in the Fund (3,000,000 units) Balance in current account	30,354 -
<b>NIB Bank Limited-Sponsor</b> Investment held by the Sponsor in the Fund (3,000,000 units) Balance in saving account Profit receivable on bank deposits	30,354 56,894 9
<b>Alexandra Fund Management Pte. Limited-Sponsor</b> Investment held by the Sponsor in the Fund (4,000,000 units)	40,472
<b>Employees of the Management Company</b> Investment held by the executives in the Fund (214,331 units)	2,169

## NAFA SAVINGS PLUS FUND

**11 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 17, 2010.

**12 GENERAL**

**12.1** Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Chairman