



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

## NAFA SAVINGS PLUS FUND

# HALF YEARLY REPORT DECEMBER 31

# 2014



*Your investments & "NAFA" grow together*




**NBP**

National Bank of Pakistan

**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 Shakra-e-Faisal, Karachi.

### Bankers to the Fund

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Samba Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
JS Bank Limited  
United Bank Limited  
NIB Bank Limited  
The Bank of Punjab  
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

## **Auditors**

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No.02  
Beaumont Road,  
Karachi - 75530, Pakistan.

## **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

## **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

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# NAFA SAVINGS PLUS FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the reviewed financial statements of NAFA Savings Plus Fund (NSPF) for the half year ended December 31, 2014.

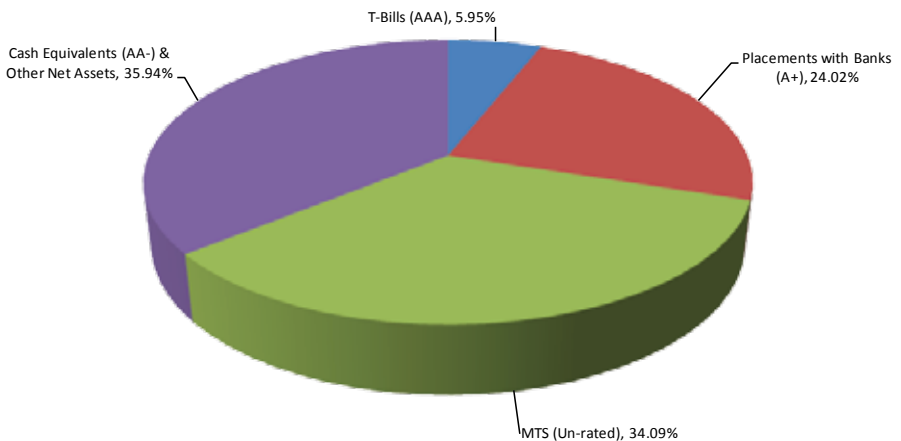
### Fund's Performance

The size of NAFA Savings Plus Fund has declined from Rs. 1,429 million to Rs. 1,249 million during the period, i.e. a decline of 12.6%. During the period, the unit price of the Fund has increased from Rs. 10.0487 on June 30, 2014 to Rs. 10.4918 on December 31, 2014, thus showing an annualized return of 8.75% as compared to its Benchmark (Average 6-Month Deposit Rate of A and above rated banks) annualized return of 7.36% for the same period. The performance of the Fund is net of management fee and 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 is one of the highest rated income funds in the market due to its restrictive investment guidelines. The Fund can invest in Government Securities up to a maximum maturity of 3 years and also in debt securities with rating of A and above with a maximum remaining maturity of 1 year. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances liquidity profile of the Fund. 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.

During the period under review, the State Bank of Pakistan reduced the policy rate by 50bps to 9.5% mainly due to sharp decline in inflation and improved external account position. Sovereign securities responded to the loose monetary policy stance with yields on the PIBs and T-bills declining sharply. Going forward, we view that declining trend in inflation along with mitigation of risk to external account could further repress the interest rates.

The Fund has earned total income of Rs.76.46 million during the period. After deducting expenses of Rs.19.76 million, the net income is Rs.56.70 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NSPF.



# 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: February 17, 2015  
Place: Karachi.

## TRUSTEE REPORT TO THE UNIT HOLDERS NAFA SAVINGS PLUS 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 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 six months period ended December 31, 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.

**Aftab Ahmed Diwan**  
Officiating Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2015



# NAFA SAVINGS PLUS 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 Savings Plus Fund** ("the Fund") as at 31 December 2014 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 matters*

The figures for the three months period ended 31 December 2014 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The interim financial information of the Fund for the six months period ended 31 December 2013 and financial statements for the year ended 30 June 2014 were reviewed and audited by another firm of auditors whose reports dated 26 February 2014 and 18 September 2014 expressed an unmodified conclusion and opinion thereon respectively.

Date: February 17, 2015

Karachi

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KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Nadeem

# NAFA SAVINGS PLUS FUND

## Condensed Interim Statement of Assets and Liabilities As at 31 December 2014

	Note	Un-Audited December 31, 2014	Audited June 30, 2014
------(Rupees in '000)-----			
<b>Assets</b>			
Bank balances	6	764,155	2,586,718
Investments	7	74,271	196,314
Receivable against Marginal Trading System Profit and other receivables	8	425,757	209,227
Deposits, prepayment and other receivable		7,454	15,173
Receivable against sale of units		1,069	1,188
Preliminary expenses and floatation costs		2,051	-
<b>Total assets</b>		<b>1,274,757</b>	<b>3,008,831</b>
<b>Liabilities</b>			
Payable to NBP Fullerton Asset Management Limited - Management Company	9	10,636	7,582
Payable to the Central Depository Company of Pakistan Limited - Trustee		161	257
Payable to the Securities and Exchange Commission of Pakistan		497	2,215
Payable against redemption of units		1,943	1,557,837
Accrued expenses and other liabilities	10	12,737	11,838
<b>Total liabilities</b>		<b>25,974</b>	<b>1,579,729</b>
<b>Net Assets</b>		<b>1,248,783</b>	<b>1,429,102</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,248,783</b>	<b>1,429,102</b>
<b>Contingencies and commitments</b>	11	(Number of units)	
<b>Number of units in issue</b>		<b>119,024,304</b>	<b>142,217,870</b>
<b>Net assets value per unit</b>		<b>10.4918</b>	<b>10.0487</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## Condensed Interim Income Statement (Unaudited) For the six and three months period ended 31 December 2014

Note	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
----- Rupees in '000 -----				
<b>Income</b>				
Capital gain on sale of investments - net	276	27	258	4
Income from government securities	4,884	12,189	2,829	3,979
Income from term deposit receipts	16,751	7,474	8,313	-
Income from certificates of investment	-	2,783	-	(148)
Income from clean placements	-	148	-	148
Income from sukuk bonds and commercial paper	2,159	407	740	-
Profit on bank deposits	21,641	89,980	9,783	60,485
Income from Marginal Trading System	30,760	42,684	15,552	13,787
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	7.2 (11)	(100)	22	(63)
<b>Total income</b>	<b>76,460</b>	<b>155,592</b>	<b>37,497</b>	<b>78,192</b>
<b>Expenses</b>				
Remuneration of NBP Fullerton Asset Management Limited - Management Company	9.1 9,947	23,304	4,856	11,631
Sindh Sales Tax on remuneration of the Management Company	9.1 1,731	4,356	786	2,488
Federal Excise Duty on remuneration of the Management Company	9.2 1,592	3,729	777	1,861
Remuneration of Central Depository Company of Pakistan Limited - Trustee	992	1,749	489	873
Annual fee - Securities and Exchange Commission of Pakistan	497	1,165	242	581
Amortisation of preliminary expenses and floatation costs	211	263	80	132
Securities transaction costs	48	23	6	6
Auditors' remuneration	445	321	307	194
Settlement and bank charges	2,901	4,302	1,513	1,920
Annual listing fee	20	20	10	10
Fund rating fee	134	110	67	55
Legal and professional charges	25	27	12	27
Printing charges	55	44	55	44
<b>Total expenses</b>	<b>18,598</b>	<b>39,413</b>	<b>9,200</b>	<b>19,822</b>
<b>Net income from operating activities</b>	<b>57,862</b>	<b>116,179</b>	<b>28,297</b>	<b>58,370</b>
Provision for Workers' Welfare Fund	10.1 (1,157)	(2,324)	(566)	(1,168)
<b>Net income for the period before taxation</b>	<b>56,705</b>	<b>113,855</b>	<b>27,731</b>	<b>57,202</b>
Taxation	12 -	-	-	-
<b>Net income for the period after taxation</b>	<b>56,705</b>	<b>113,855</b>	<b>27,731</b>	<b>57,202</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## Condensed Interim Statement of Comprehensive Income (Unaudited) For the six and three months period ended 31 December 2014

	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	----- Rupees in '000 -----			
Net income for the period after taxation	56,705	113,855	27,731	57,202
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>56,705</u>	<u>113,855</u>	<u>27,731</u>	<u>57,202</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## Condensed Interim Distribution Statement (Unaudited) For the six and three months period ended 31 December 2014

	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	----- Rupees in '000 -----			
<b>Undistributed income brought forward</b>				
-Realised income	4,793	4,407	33,297	3,532
-Unrealised (loss) / income	(47)	3	(33)	(37)
	<u>4,746</u>	<u>4,410</u>	<u>33,264</u>	<u>3,495</u>
<b>Interim distributions during the period</b>				
Nil Distribution (Re 0.0603 per unit 'declared on 30 July 2013)				
- Cash distribution	-	(9,166)	-	-
- Bonus distribution (2013: 930,708 units)	-	(9,348)	-	-
Nil Distribution (Re 0.0653 per unit declared on 29 August 2013)				
- Cash distribution	-	(9,923)	-	-
- Bonus distribution (2013: 954,350 units)	-	(9,583)	-	-
Nil Distribution (Re 0.0623 per unit declared on 27 September 2013)				
- Cash distribution	-	(9,467)	-	-
- Bonus distribution (2013: 1,006,459 units)	-	(10,100)	-	-
Nil Distribution (Re 0.0613 per unit declared on 29 October 2013)				
- Cash distribution	-	(9,315)	-	(9,315)
- Bonus distribution (2013: 927,734 units)	-	(9,313)	-	(9,313)
Nil Distribution (Re 0.0623 per unit declared on 28 November 2013)				
- Cash distribution	-	(9,466)	-	(9,466)
- Bonus distribution (2013: 938,568 units)	-	(9,421)	-	(9,421)
Nil Distribution (Re 0.0623 per unit declared on 27 December 2013)				
- Cash distribution	-	-	-	-
- Bonus distribution (2013: 1,865,462 units)	-	(18,719)	-	(18,719)
	-	(113,821)	-	(56,234)
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed-net	(3,960)	(519)	(3,504)	(538)
Net income for the period after taxation	56,705	113,855	27,731	57,202
<b>Undistributed income carried forward</b>	<u>57,491</u>	<u>3,925</u>	<u>57,491</u>	<u>3,925</u>
<b>Undistributed income carried forward comprising:</b>				
-Realised income	57,502	4,025	57,469	4,025
-Unrealised income / (loss)	(11)	(100)	22	(100)
	<u>57,491</u>	<u>3,925</u>	<u>57,491</u>	<u>3,925</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited) For the six and three months period ended 31 December 2014

	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	----- Rupees in '000 -----			
<b>Net assets at beginning of the period</b> [Rs. 10.0487 per unit (2013: Rs. 10.0465 per unit)]	1,429,102	3,053,273	1,339,254	3,179,113
Issue of 27,172,918 units (31 December 2013: 98,564,328 units)	279,349	925,617	138,457	305,403
Redemption of 50,347,502 units (31 December 2013: 99,032,319 units)	(516,373)	(997,332)	(256,659)	(474,861)
Issue of bonus units: Nil (2013: 6,623,281 bonus units)	-	66,484	-	37,453
	(237,024)	(5,231)	(118,202)	(132,005)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed net -	3,960	519	3,504	538
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	(11)	(100)	22	(63)
Capital gain on sale of investments - net	276	27	258	4
Other income for period	56,440	113,928	27,451	57,261
<b>Total comprehensive income for the period</b>	56,705	113,855	27,731	57,202
<b>Interim distributions during the period</b>				
Nil Distribution (Re 0.0603 per unit 'declared on 30 July 2013)	-	(9,166)	-	-
- Cash distribution	-	(9,348)	-	-
- Bonus distribution (2013: 930,708 units)	-	-	-	-
Nil Distribution (Re 0.0653 per unit declared on 29 August 2013)	-	(9,923)	-	-
- Cash distribution	-	(9,583)	-	-
- Bonus distribution (2013: 954,350 units)	-	-	-	-
Nil Distribution (Re 0.0623 per unit declared on 27 September 2013)	-	(9,467)	-	-
- Cash distribution	-	(10,100)	-	-
- Bonus distribution (2013: 1,006,459 units)	-	-	-	-
Nil Distribution (Re 0.0613 per unit declared on 29 October 2013)	-	(9,315)	-	(9,315)
- Cash distribution	-	(9,313)	-	(9,313)
- Bonus distribution (2013: 927,734 units)	-	-	-	-
Nil Distribution (Re 0.0623 per unit declared on 28 November 2013)	-	(9,466)	-	(9,466)
- Cash distribution	-	(9,421)	-	(9,421)
- Bonus distribution (2013: 938,568 units)	-	-	-	-
Nil Distribution (Re 0.0623 per unit declared on 27 December 2013)	-	-	-	-
- Cash distribution	-	(18,719)	-	(18,719)
- Bonus distribution (2013: 1,865,462 units)	-	(113,821)	-	(56,234)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed-net	(3,960)	(519)	(3,504)	(538)
<b>Net assets at end of the period</b> [Rs.10.4918 per unit (2013: Rs. 10.0448 per unit)]	<u>1,248,783</u>	<u>3,048,076</u>	<u>1,248,783</u>	<u>3,048,076</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA SAVINGS PLUS FUND

## Condensed Interim Cash Flow Statement (Unaudited) For the six and three months period ended 31 December 2014

	Note	Six months ended		Three months ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
----- Rupees in '000 -----					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income for the period before taxation		56,705	113,855	27,731	57,202
<b>Adjustments:</b>					
Net unrealised diminution / (appreciation) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		11	100	(22)	63
Amortisation of preliminary expenses and floatation costs		211	263	80	132
Capital gain on sale of investments - net		(276)	(27)	(258)	(4)
		56,651	114,191	27,531	57,393
<b>(Increase) / decrease in assets</b>					
Investments - net		122,308	178,023	49,935	886
Receivable against Margin Trading System		(216,530)	(605,191)	66,717	(388,689)
Profit and other receivables		7,719	6,806	1,014	804
Deposits, prepayment and other receivable		(1,932)	90	(1,366)	65
		(88,435)	(420,272)	116,300	(386,934)
<b>(Decrease) / Increase in liabilities</b>					
Payable to NBP Fullerton Asset Management Limited - Management Company		3,054	5,949	911	1,820
Payable to Central Depository Company of Pakistan Limited - Trustee		(96)	112	(2)	4
Payable to the Securities and Exchange Commission of Pakistan		(1,718)	147	242	581
Accrued expenses and other liabilities		899	2,295	491	641
		2,139	8,503	1,642	3,046
Net cash (used in) / from operating activities		(29,645)	(297,578)	145,473	(326,495)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net receipts from issuance of units		279,349	2,421,804	138,457	314,350
Net payments on redemption of units		(2,072,267)	(996,943)	(255,439)	(481,278)
Distributions paid during the period		-	(47,337)	-	(18,781)
Net cash (used in) / from financing activities		(1,792,918)	1,377,524	(116,982)	(185,709)
Net (decrease) / increase in cash and cash equivalents during the period		(1,822,563)	1,079,946	28,491	(512,204)
Cash and cash equivalents at beginning of the period		2,586,718	729,867	735,664	2,322,017
Cash and cash equivalents at the end of the period	4	764,155	1,809,813	764,155	1,809,813

The annexed notes 1 to 14 form an integral part of this 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 (Unaudited) For the six and three months period ended 31 December 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 09 October 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 the 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 also the member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund, categorised as an income scheme as per the criteria for categorisation of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters, 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-(i)' 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.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

This condensed interim financial information of the Fund for the six months period ended 31 December 2014 has been prepared in accordance with the requirements of the international Accounting Standard 34- Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). In case where requirements differ, the provision of or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund as at and for the year ended 30 June 2014.

2.3 This condensed interim financial information is 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).

#### 2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest thousand of rupees except otherwise stated.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2014.

### 4 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2014.



# NAFA SAVINGS PLUS FUND

## 5 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2014.

	Note	Un-audited December 31, 2014	Audited June 30, 2014
(Rupees in '000)			
<b>BALANCES WITH BANKS</b>			
6			
In current accounts		1,346	11,299
In saving accounts	6.1	462,809	2,125,419
Term deposit receipt	6.2	300,000	450,000
		<u>764,155</u>	<u>2,586,718</u>

6.1 These carry rate of return ranging from 6.5% to 10.75% (30 June 2014: 5% to 10.25%) per annum.

6.2 This carries profit at the rate of 11% (30 June 2014: 10.75%) per annum and has maturity upto 3 months.

	Note	Un-audited December 31, 2014	Audited June 30, 2014
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss - held for trading</b>			
Government securities - Market Treasury Bills	7.1	74,271	148,473
<b>Loans and receivables</b>			
Commercial papers	7.3	-	47,841
		<u>74,271</u>	<u>196,314</u>

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

Issue date	Tenor	Face Value			Balance as at 31 December 2014			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2014	Purchases during the period	Sales / matured during the period	As at December 31, 2014	Carrying value	Market value		
-----Rupees in '000-----									
<b>Market Treasury Bills</b>									
15 May 2014	3 Months	150,000	-	150,000	-	-	-	-	-
24 July 2014	3 Months	-	75,000	75,000	-	-	-	-	-
4 September 2014	3 Months	-	70,000	70,000	-	-	-	-	-
13 November 2014	3 Months	-	335,000	260,000	75,000	74,282	74,271	(11)	5.95
<b>Total</b>		<b>150,000</b>	<b>480,000</b>	<b>555,000</b>	<b>75,000</b>	<b>74,282</b>	<b>74,271</b>	<b>(11)</b>	<b>5.95</b>

Investments include market treasury bills with market value of Rs 74.271 million (30 June 2014: Rs 59.389 million) which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

	Un-audited December 31, 2014	Un-audited December 31, 2013
(Rupees in '000)		
<b>7.2 Net unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss'</b>		
Market value of investments	74,271	147,901
Less: Carrying value of investments	<u>74,282</u>	<u>148,001</u>
	<u>(11)</u>	<u>(100)</u>

7.3 This represents commercial paper of Pair Investment Company carrying markup rate of 11.92% and are matured on 18 November 2014.

# NAFA SAVINGS PLUS FUND

	Note	Un-audited December 31, 2014	Audited June 30, 2014
(Rupees in '000)			
<b>8 PROFIT RECEIVABLES</b>			
Savings and term deposits		4,027	12,962
Marginal Trading System		3,427	2,211
		<u>7,454</u>	<u>15,173</u>
<b>9 PAYABLE TO THE MANAGEMENT COMPANY</b>			
Management Remuneration	9.1	1,584	584
Sindh Sales Tax	9.1	276	108
Federal Excise Duty	9.2	8,050	6,458
Front end Load		245	36
Sales Tax on Sales Load		44	7
Federal Excise Duty on Front end Load		149	101
Others		288	288
		<u>10,636</u>	<u>7,582</u>

9.1 Under the provisions of the NBFC Regulations, 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. Currently, Management fee is being charged at the rate of one and a half percent per annum of the average annual net assets of the Fund. The Sindh Provincial Government levied Sindh Sales Tax at the rate of 16% on the remuneration of the Management Company and sales through Sindh Sales Tax on Services Act, 2011, which had been charged upto 30 June 2014. However, the rate has been changed to 15% effective from 1 July 2014.

9.2 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to 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 taken up collectively by the Mutual Fund Association of Pakistan where various options are being considered. The High Court of Sindh in its order dated 09 September 2013 granted stay to the various funds for the recovery of FED. As a matter of abundant caution, the Management Company has made a provision with effect from 13 June 2013, aggregating to Rs. 8.872 million out of which Rs. 822 million have been paid to the Management Company. Had the provision not been made, the net assets value (NAV) per unit of the fund as at 31 December 2014 would have been higher by Rs. 0.0745 per unit.

	Note	Un-audited December 31, 2014	Audited June 30, 2014
(Rupees in '000)			
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Worker's Welfare Fund	10.1	11,842	10,685
Auditors' remunerable		400	347
Printing charges		50	128
Brokerage		59	1
Bank Charges		11	69
Settlement charges		242	118
Withholding tax		50	210
Legal and professional charges		75	50
Others		8	230
		<u>12,737</u>	<u>11,838</u>

# NAFA SAVINGS PLUS FUND

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

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the year ended 30 June 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Sindh High Court (SHC) in various Constitutional Petitions declared that amendments introduced in the WWF Ordinance, 1971 through Finance Act 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the court. The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. However, the Management Company, as a matter of abundant caution has decided to as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 11.842 million ( including Rs.1.157 million for the current period). Had the same not been made the net assets value per unit of the Fund would have been higher by Rs. 0.0995.

## 11 CONTINGENCIES AND COMMITMENTS

- 11.1 There were no contingencies outstanding as at 31 December 2014.

	Un-audited December 31, 2014	Audited June 30, 2014
	------(Rupees in '000)-----	
8.2 Commitments		
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the purchase transactions have not been settled as at 31 December 2014	68,623	-

## 12 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to 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. Provided that for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account. 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 Fund has not recorded any tax liability in respect of income relating to the current period as the management company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2015 as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 13 TRANSACTIONS WITH CONNECTED PERSONS

- 13.1 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, NAFA provident Trust Fund being the employee contribution plan of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and officers of the Management Company and the Trustee and unit holders holding 10 percent or more units of the Fund.
- 13.2 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

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

13.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

13.5 Details of the transactions with connected persons are as follows:

	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
----- Rupees in '000 -----				
<b>NBP Fullerton Asset Management Limited - Management Company</b>				
Management remuneration	9,947	23,304	4,856	11,631
Sindh Sales Tax on remuneration of Management Company	1,731	4,356	786	2,488
Federal Excise Duty on remuneration of Management Company	1,592	3,729	777	1,861
Front end load	402	1,353	259	1,353
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration of the Trustee	992	1,749	489	873
<b>National Bank of Pakistan - Sponsor</b>				
Bonus units issued: Nil (31 December 2013: 943,356 units)	-	-	-	-
Cash distribution paid	-	47,332	-	18,781
Purchase of Market Treasury Bills	-	1,496,176	-	-
Sale of Market Treasury Bills	-	149,785	-	-
Placement of Term Deposit receipt	-	500,000	-	-
Profit on TDR	-	7,474	-	7,474
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>				
Bonus units issued: Nil (31 December 2013: 71,801 units)	-	-	-	-
Units redeemed: Nil (31 December 2013: 2,937,694 units)	-	29,586	-	29,586
<b>KAPCO Employees Pension Fund</b>				
Purchase of Market Treasury Bills	-	4,981	-	-
<b>KAPCO Employees Provident Fund</b>				
Purchase of Market Treasury Bills	-	1,993	-	-
<b>CDC Trustee NAFA Money Market Fund</b>				
Purchase of Market Treasury Bills	-	89,646	-	-
<b>CDC Trustee NAFA Asset Allocation Fund</b>				
Purchase of Market Treasury Bills	-	19,925	-	-
<b>NAFA Provident Fund Trust - Provident Fund</b>				
Units issued: Nil (31 December 2013: 59,343 units)	-	598	-	-
Units redeemed: Nil (31 December 2013: 29,049 units)	-	292	-	-
Bonus units issued: Nil (31 December 2013: 18,267 units)	-	-	-	-
<b>Employees of the Management Company</b>				
230,022 units issued (31 December 2013: 1,270,276 units)	2,368	12,790	1,239	6,152
298,738 units redeemed (31 December 2013: 1,166,594 units)	3,074	11,757	2,071	7,362
Bonus units issued: Nil (31 December 2013: 13,536 units)	-	-	-	-
<b>NBP Endowment Fund Student Loan Scheme</b>				
Bonus units issued: Nil (31 December 2013: 432 units)	-	-	-	-
<b>International Industries Limited Employees Provident Fund</b>				
312,965 units issued (31 December 2013: 185,152 units)	3,179	1,869	392	-
2,131,156 units redeemed (31 December 2013: Nil)	22,105	-	20,782	-
Bonus units issued: Nil (31 December 2013: 95,812 units)	-	-	-	-
Sale of Market Treasury Bills	-	13,467	-	-

# NAFA SAVINGS PLUS FUND

	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
----- Rupees in '000 -----				
<b>International Industries Limited Employees Gratuity Fund</b>				
1,116,138 units issued (31 December 2013: 253,855 units)	11,447	2,562	5,534	-
746,808 units redeemed (31 December 2013: 1,823,530 units)	7,632	18,329	2,769	-
Bonus units issued: Nil (31 December 2013: 146,420 units)	-	-	-	-
Sale of Market Treasury Bills	-	15,961	-	-
<b>International Steels Limited Employees Gratuity Fund</b>				
62,962 units issued (31 December 2013: 20,802 units)	642	209	213	-
184,566 units redeemed (31 December 2013: 147,296 units)	1,910	1,482	1,549	-
Bonus units issued: Nil (31 December 2013; 13,874 units)	-	-	-	-
Sale of Market Treasury Bills	-	798	-	-
<b>International Steels Limited Employees Provident Fund</b>				
77,231 units issued (31 December 2013: 31,383 units)	784	317	65	-
442,970 units redeemed (31 December 2013: 47,008 units)	4,595	474	4,279	-
Bonus units issued: Nil (31 December 2013; 16,910 units)	-	-	-	-
Sale of Market Treasury Bills	-	998	-	-
<b>Summit Bank Limited</b>				
Profit on bank deposits	5	-	-	-

Un-audited  
December 31,  
2014

Audited  
June 30,  
2014

(Rupees in '000)

## 13.6 Amounts outstanding as at period / year end:

### NBP Fullerton Asset Management Limited - Management Company

Receivable from the Management Company	700	700
Management fee payable	1,584	584
Sindh Sales Tax payable on remuneration of the Management Company	276	108
Federal Excise Duty on remuneration of Management Fee payable	8,050	6,458
Front end load payable	245	36
Other payable	288	288
Sindh Sales Tax payable on sales load	44	7
Federal Excise Duty on sales load	149	101

### Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable	161	257
Security deposit	100	100

### National Bank of Pakistan - Sponsor

45,420,602 units held (30 June 2014: 45,420,602 units)	476,544	456,418
Bank Balances	225	7,313
Payable against redemption of units	-	1,496,738

### NBP Endowment Fund Student Loan Scheme

12,320 units held (30 June 2014: 12,320 units)	129	124
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### Employees of the Management Company

114,754 units held (30 June 2014: 183,470 units)	1,204	1,844
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### Summit Bank Limited

Bank Balances	2,719	2,374
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# NAFA SAVINGS PLUS FUND

	Un-audited December 31, 2014	Audited June 30, 2014
	(Rupees in '000)	
<b>International Industries Limited Employees Gratuity Fund</b> 1,806,213 units held (30 June 2014: 1,436,884)	18,950	14,439
<b>International Industries Limited Employees Provident Fund</b> Nil units held (30 June 2014: 1,818,192)	-	18,270
<b>International Steels Limited Employees Gratuity Fund</b> Nil units held (30 June 2014: 121,604)	-	1,222
<b>International Steels Limited Employees Provident Fund</b> Nil units held (30 June 2014: 365,739)	-	3,675

## 14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 17, 2015.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

## Head Office

7th Floor, Clifton Diamond Building, Block No.4,  
Scheme No.5, Clifton, Karachi.

**UAN:** 021-111-111-632

**Toll Free:** 0800-20001

**Sms:** NAFA INVEST to 8080

**Fax:** 021-35825335

**Email:** [info@nafafunds.com](mailto:info@nafafunds.com)

**Website:** [www.nafafunds.com](http://www.nafafunds.com)