


## 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 RIBA FREE SAVINGS FUND

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# NAFA RIBA FREE SAVINGS 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. Koh Boon San	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. Koh Boon San	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 Shahra-e-Faisal, Karachi.

### Bankers to the Fund

Al-Baraka Islamic Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Dawood Islamic Bank Limited  
Dubai Islamic Bank Limited  
Emirates Global Islamic Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Soneri Bank Limited  
United Bank Limited

# NAFA RIBA FREE SAVINGS FUND

## **Auditors**

A.F. Ferguson & Co. Chartered Accountants  
State Life Building No. 1-C  
I.I. Chundrigar Road,  
P.O.Box 4716  
Karachi.

## **Legal Advisor**

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

## **Head Office:**

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

# NAFA RIBA FREE SAVINGS FUND

## DIRECTORS' REPORT

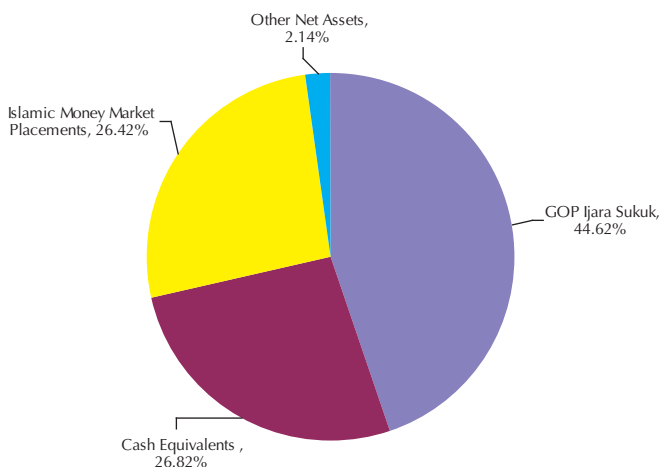
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Riba Free Savings Fund (NRFSF) for the period ended March 31, 2012.

### **Fund's Performance**

The size of NAFA Riba Free Savings Fund has increased from Rs. 377 million to Rs. 802 million during the first nine months of FY 2012, i.e. a growth of 112.73%. During the period, the unit price of the Fund has increased from Rs. 9.3543 (Ex - Div) on June 30, 2011 to Rs. 10.1454 on March 31, 2012, thus showing an annualized return of 11.38% as compared to its Benchmark (Average 6-Month Deposit Rate of A- and above rated Islamic banks) annualized return of 8.32% for the same period. During the third quarter the size of the Fund increased by 26.10%. During the quarter, the unit price of the Fund has increased from Rs. 9.9034 (Ex - Div) on December 31, 2011 to Rs. 10.1454 on March 31, 2012, thus showing an annualized return of 10.17% as compared to its Benchmark (Average 6-Month Deposit Rate of A- and above rated Islamic banks) annualized return of 8.17% for the same period.

NRFSF is an Islamic Income Scheme that invests only in Shariah compliant avenues. The Fund has been awarded a stability rating of AA-(f) by PACRA which denotes a very strong capacity to manage risk and generate relatively stable return. The Fund is not authorized to invest in corporate debt securities and the Stock Market. The Fund's major asset class is Government of Pakistan (GoP) Ijara Sukuks. GoP Ijara Sukuks are floating rate Shariah compliant securities with three years life at the time of issuance and six monthly coupon resets, hence an average duration of three months. This minimizes the pricing risk. Other than Ijara Sukuks, no investment can be of more than six months maturity. The management is announcing monthly dividends since July 2011 and intends to continue this policy in the future as well.

The Fund has earned total income of Rs.53.41 million during the period. After deducting expenses of Rs.7.92 million, the net income is Rs.45.49 million. The asset allocation of the Fund as on March 31, 2012 is as follows:



# NAFA RIBA FREE SAVINGS FUND

## Income Distribution

The Board of Directors of the Management Company has ratified interim monthly distribution of 7.52% of opening ex-NAV (7.58% of par value) for the period.

## 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: April 17, 2012  
Place: Karachi.

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2012

	Note	Un-Audited MARCH 31, 2012	Audited June 30, 2011
----- Rupees in '000 -----			
<b>ASSETS</b>			
Balances with banks		218,132	103,591
Investments	4	569,875	265,538
Prepayment		40	-
Profit receivable		20,408	9,824
Preliminary expenses and floatation costs		682	833
<b>Total assets</b>		809,137	379,786
<b>LIABILITIES</b>			
Payable to the Management Company		801	1,535
Payable to the Trustee		116	51
Payable to Securities and Exchange Commission of Pakistan		322	158
Payable against redemption of units		2,338	321
Accrued expenses and other liabilities		3,374	943
<b>Total liabilities</b>		6,951	3,008
<b>NET ASSETS</b>		802,186	376,778
<b>Unit holders' fund (As per statement attached)</b>		802,186	376,778
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
-----Number of units-----			
Number of units in issue		79,068,968	36,305,724
-----Rupees-----			
Net asset value per unit	3.4	10.1454	10.3779

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	Nine months ended		Quarter ended	
Note	31-Mar-12	For the period from July 30, 2010 to March 31, 2011	31-Mar-12	31-Mar-11
----- Rupees in '000 -----				
<b>INCOME</b>				
Profit on bank deposits	15,957	13,659	6,411	6,240
Capital gain on sale of investments - net	2,393	-	(105)	-
Income on GOP Ijara Sukuks	35,005	1,569	15,497	1,569
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	59	104	(195)	104
<b>Total income</b>	<b>53,414</b>	<b>15,332</b>	<b>21,608</b>	<b>7,913</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	4,408	1,518	2,000	838
Sindh sales tax on remuneration of the Management Company	705	-	319	-
Remuneration of the Trustee	730	403	321	148
Annual fee - Securities and Exchange Commission of Pakistan	322	96	141	48
Annual listing fee	22	14	7	5
Securities transaction cost	94	27	48	27
Bank charges	116	117	14	41
Auditors' remuneration	320	283	70	65
Fund rating fee	133	142	50	57
Printing and related costs	64	156	1	-
Amortisation of preliminary expenses and floatation costs	151	123	50	50
Other expenses	8	-	7	-
<b>Total expenses</b>	<b>7,073</b>	<b>2,879</b>	<b>3,028</b>	<b>1,279</b>
<b>Net income from operating activities</b>	<b>46,341</b>	<b>12,453</b>	<b>18,580</b>	<b>6,634</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	2,765	-	406
Provision for workers' welfare fund	(849)	(304)	(294)	(140)
<b>Net income for the period before taxation</b>	<b>45,492</b>	<b>14,914</b>	<b>18,286</b>	<b>6,900</b>
Taxation	-	-	-	-
<b>Net income for the period after taxation</b>	<b>45,492</b>	<b>14,914</b>	<b>18,286</b>	<b>6,900</b>
<b>Earnings per unit</b>	<b>3.5</b>			

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	Nine months ended	Quarter ended		
	31-Mar-12	For the period from July 30, 2010 to March 31, 2011	31-Mar-12	31-Mar-11
	----- Rupees in '000 -----			
Net income for the period after taxation	45,492	14,914	18,286	6,900
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>45,492</u>	<u>14,914</u>	<u>18,286</u>	<u>6,900</u>

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	Nine months ended		Quarter ended	
Note	31-Mar-12	For the period from July 30, 2010 to March 31, 2011	31-Mar-12	31-Mar-11
	----- Rupees in '000 -----			
Undistributed income brought forward	13,491	-	11,800	8,014
Final distribution for the period from July 30, 2010 to ended June 30, 2011: 3.00% (Date of distribution: July 04, 2011)				
- Bonus units	(10,877)	(6,177)	-	(6,177)
Net income for the period after taxation	45,492	14,914	18,286	6,900
Interim distributions during the nine months and quarter ended March 31, 2012				
- Bonus units	9 (42,585)		9 (22,385)	
- Cash Distribution	9 (1,278)		9 (1,278)	
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	3,691	-	1,511	-
<b>Undistributed income carried forward</b>	<u>7,934</u>	<u>8,737</u>	<u>7,934</u>	<u>8,737</u>

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	Nine months ended		Quarter ended	
Note	31-Mar-12	For the period from July 30, 2010 to March 31, 2011	31-Mar-12	31-Mar-11
----- Rupees in '000 -----				
<b>Net assets at the beginning of the period</b>	376,778	-	635,555	251,032
Issue of 69,171,526 units including 5,276,226 bonus units (2011: 29,647,152 units including 604,764 bonus units )	649,897	294,738	251,601	35,971
Redemption of 26,408,282 units (2011:3,659,745 units)	(268,703)	(38,147)	(101,978)	(24,757)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	381,194	256,591	149,623	11,214
- amount representing accrued (income) / losses and capital (gains) / losses transferred to Income Statement	-	(2,765)	-	(406)
- amount representing (income) / losses that form part of the unit holders' fund transferred to Distribution Statement	(3,691)	(2,765)	(1,511)	(406)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	59	-	(195)	-
Capital gain on sale of investments	2,393	-	(105)	-
Other operating income	43,040	14,914	18,586	6,900
<b>Net income for the period</b>	45,492	14,914	18,286	6,900
<b>Final distribution</b>				
Issue of bonus units for the period ended July 30, 2010 to June 30, 2011	10,877	-	-	-
<b>Interim distributions</b>				
Issue of bonus units during the nine months and quarter ended March 31,2012	9 42,585	6,177	22,385	6,177
<b>Less: Distributions made during the period</b>				
Final distribution for the year ended June 30, 2011: 3.00% - Bonus distribution (Date of distribution : July 04, 2011)	(10,877)	-	-	-
Interim distributions during the nine months and quarter ended March 31,2012				
-Bonus units	9 (42,585)	(6,177)	(22,385)	(6,177)
-Cash Distribution	(1,278)	-	(1,278)	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	3,691	-	1,511	-
<b>Net assets as at the end of the period</b>	<u>802,186</u>	<u>268,740</u>	<u>802,186</u>	<u>268,740</u>

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA RIBA FREE SAVINGS FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	Nine months ended		Quarter ended	
	31-Mar-12	For the period from July 30, 2010 to March 31, 2011	31-Mar-12	31-Mar-11
	----- Rupees in '000 -----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	45,492	14,914	18,286	6,900
<b>Adjustments</b>				
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(59)	-	195	-
Gain on sale of investments - net	(2,393)	-	105	-
Amortisation of preliminary expenses and floatation costs	151	123	50	50
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	-	(2,765)	-	(406)
	43,191	12,272	18,636	6,544
<b>(Increase) / decrease in assets</b>				
Investments - net	(301,885)	(185,275)	(179,658)	(185,275)
Advances, deposits, prepayments and other receivables	(40)	-	(25)	-
Preliminary expenses and floatation costs	-	(1,006)	-	-
Profit receivable	(10,584)	(5,363)	(11,803)	531
	(312,509)	(191,644)	(191,486)	(184,744)
<b>Increase / (decrease) in liabilities</b>				
Payable to the Management Company	(734)	1,329	(993)	203
Payable to the Trustee	65	51	33	(9)
Payable to Securities and Exchange Commission of Pakistan	164	96	141	48
Accrued expenses and other liabilities	2,431	872	1,871	211
	1,926	2,348	1,052	453
<b>Net cash generated from / (used in) from operating activities</b>	(267,392)	(177,024)	(171,798)	(177,747)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	649,897	294,738	251,601	35,971
Payment on redemption of units	(266,686)	(38,147)	(99,640)	(24,757)
Distribution paid	(1,278)	-	(1,278)	-
<b>Net cash (used in) / generated from financing activities</b>	381,933	256,591	150,683	11,214
<b>Net increase in cash and cash equivalents during the period</b>	114,541	79,567	(21,115)	(166,533)
Cash and cash equivalents at the beginning of the period	103,591	-	239,247	246,100
<b>Cash and cash equivalents at end of the period</b>	218,132	79,567	218,132	79,567

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA RIBA FREE SAVINGS FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Riba Free Savings Fund (NRFSS / the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 14, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

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. The Management Company is a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund 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 of the Fund can be transferred to / from the Funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The units are listed on the Lahore Stock Exchange. The Fund is categorized as an Open-End Islamic "Income Scheme" as per the criteria laid down by Securities and Exchange Commission of Pakistan for categorization of Collective Investment Schemes (CIS).

The objective of the Fund is to provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / debt securities.

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

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

### 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. Approved accounting standards comprise of International Accounting Standard (IAS) 34: 'Interim Financial Reporting', the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IAS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2011.

2.3 These condensed interim financial information are unaudited. Accordingly, the Board of Directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund.

#### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2011.

#### 3.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of the revised standard did not have any impact on the Fund's condensed interim financial information.

# NAFA RIBA FREE SAVINGS FUND

IFRS 7 (amendment) 'Financial instruments: Disclosures'. This amendment was a part of the IASB's annual improvement project published in May 2010. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The management is in the process of assessing the impact of this amendment on the Fund's condensed interim financial information.

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

### 3.2 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

### 3.3 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 on unrealised appreciation / (diminution) arising during the period on available for sale securities. The amount so determined is taken directly to the distribution statement. Previously, the element was calculated 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 which related to income earned during the period was recognised in the income statement while the remaining amount was recognised in 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:

- Income for the period would have been higher by Rs 3.403 million.
- amount taken to distribution statement would have been higher by Rs 2.920 million

### 3.4 Net Asset Value per unit

The net asset value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

### 3.5 Earnings / (loss) per unit

Earnings / (loss) per unit has not been disclosed as, in the opinion of the management, determination of cumulative weighted average number of outstanding units for calculating earnings / (loss) per unit is not practicable.

	Note	(Un-Audited)	(Audited)
		March 31, 2012	June 30, 2011
Rupees in '000			
<b>4 INVESTMENTS</b>			
At fair value through profit or loss - held for trading			
Government of Pakistan Ijara Sukuks	4.1	357,955	265,538
Sukuks	4.2	211,920	-
		569,875	265,538

# NAFA RIBA FREE SAVINGS FUND

## 4.1 Government of Pakistan Ijara Sukuks - at fair value through profit or loss

All certificates have a face value of Rs.100,000 each

Name of the investee company	Issue Date	Number of certificates				Market value as at March 31, 2012	Investment as a percentage of		
		As at July 01, 2011	Purchases during the period	Sales during the period	As at March 31, 2012		Net assets	Market value of total investments	Issue size
						Rupees in '000	-----%-----		
GOP Ijara Sukuk V	November 15, 2010	350	500	-	850	85,465	10.65%	15.00%	0.16%
GOP Ijara Sukuk VI	December 20, 2010	330	-	-	330	33,415	4.17%	5.86%	0.06%
GOP Ijara Sukuk VII	March 07, 2011	1,230	-	1,050	180	18,222	2.27%	3.20%	0.03%
GOP Ijara Sukuk VIII	May 16, 2011	740	810	300	1,250	125,853	15.69%	22.08%	0.24%
GOP Ijara Sukuk IX	December 26, 2011	-	1,950	1,000	950	95,000	11.84%	16.67%	0.18%
						<u>357,955</u>			
Carrying Value as at March 31, 2012						<u>357,896</u>			
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'									
						<u>59</u>			

## 4.2 Unlisted Sukuks - at fair value through profit or loss \*

Name of the investee company	Issue Date	Number of certificates				Market value as at March 31, 2012	Investment as a percentage of		
		As at July 01, 2011	Purchases during the period	Sales during the period	As at March 31, 2012		Net assets	Market value of total investments	Issue size
						Rupees in '000	-----%-----		
HUBCO - Sukuk	August 04, 2011	-	7,500	7,500	-	-	0.00%	0.00%	
HUBCO - Sukuk	February 03, 2012	-	20,000	-	20,000	100,000	12.47%	17.55%	
KAPCO - sukuk	December 27, 2011	-	8,000	-	8,000	40,000	4.99%	7.02%	
ENGRO - sukuk	March 22, 2012	-	14,384	-	14,384	71,920	8.97%	12.62%	
						<u>211,920</u>			
Carrying Value as at March 31, 2012						<u>211,920</u>			

\*All Sukuks have a face value of Rs 5,000 each

## 5 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) 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 applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2011.

Subsequent to the year ended June 30, 2010, 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. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

Subsequent to the year ended June 30, 2011, the Honorable 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, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. Accordingly, the Management Company has stopped making accrual of this provision with effect from March 14, 2012. However, as a matter of abundant caution, the Management Company has decided to maintain the provision for WWF made till this date amounting to Rs. 1.393 million in this financial information.

# NAFA RIBA FREE SAVINGS FUND

6 There were no contingencies and commitments outstanding as at June 30, 2011 and March 31, 2012.

## 7 SINDH SALES TAX ON REMUNERATION OF THE MANAGEMENT COMPANY

During the current period the provincial government has levied General Sales Tax at the rate of 16% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act 2011 effective from July 1, 2011.

## 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 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the Management Company, on behalf of the Scheme, intends to distribute at least 90 percent of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 9 INTERIM DISTRIBUTIONS

The Fund makes distribution on a monthly basis and has made following distributions during the period.

Name of the investee company	Rate Per Unit	Bonus		Cash Distribution	Total
		Units	Amount		
Rupees in '000					
August 02, 2011	Re. 0.0877	338,651	3,422	-	3,422
September 06, 2011	Re. 0.0907	372,318	3,767	-	3,767
October 03, 2011	Re. 0.0796	381,109	3,857	-	3,857
November 02, 2011	Re. 0.0927	467,474	4,728	-	4,728
December 02, 2011	Re. 0.0806	437,112	4,426	-	4,426
January 03, 2012	Re. 0.0806	462,442	4,694	315	5,009
January 30, 2012	Re. 0.0806	547,497	5,551	315	5,866
February 28, 2012	Re. 0.0826	593,074	6,013	323	6,336
March 29, 2012	Re. 0.0826	604,382	6,127	325	6,452
		<u>4,204,059</u>	<u>42,585</u>	<u>1,278</u>	<u>43,863</u>

## 10 TRANSACTIONS WITH CONNECTED PERSONS

10.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

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

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

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



# NAFA RIBA FREE SAVINGS FUND

----- (Un-Audited) -----			
Nine months ended		Quarter ended	
31-Mar-12	For the period from July 30, 2010 to March 31, 2011	31-Mar-12	31-Mar-11
----- Rupees in '000 -----			

## 10.5 Transactions during the period

### NBP Fullerton Asset Management Limited - Management Company

Management fee expense for the period	4,408	1,518	2,000	838
Sindh sales tax on remuneration of the Management Company	705	-	319	-
Bonus units issued - (556,855 units; 2011: 122,621 units)	-	-	-	-
Units issued / transferred in -(Nil units; 2011:5,009,988 units)	-	50,100	-	-
Units Redeemed / Transferred Out (470,807 units; 2011: Nil units)	4,800	-	2,000	-

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

Bonus units issued (1,228,868 units; 2011: 314,568 units)	-	-	-	-
Units issued / transferred in -(Nil units; 2011: 12,852,511 units)	-	129,849	-	-
Units Redeemed / Transferred Out (4,916,082 units; 2011: Nil units)	50,000	-	-	-
Pre-IPO Profit paid	-	156	-	-

### Central Depository Company of Pakistan Limited - Trustee

Remuneration	730	403	321	148
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### Employees of Management Company

Bonus units issued (9,090 units; 2011: 2,608 units)	-	-	-	-
Units issued / transferred in -(371,599 units; 2011: 143,688 units)	3,781	1,460	802	405
Units Redeemed / Transferred Out (315,728 units; 2011: 56,673 units)	3,211	586	873	586

### CDC Trustee NAFA Islamic Multi Asset Fund

Purchase of Sukuk	15,000	-	15,000	-
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### CDC Trustee NAFA Multi Asset Fund

Purchase of Sukuk	35,000	-	35,000	-
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(Un-Audited)	(Audited)
March	June 30,
31, 2012	2011
----- Rupees in '000 -----	

## 10.6 Balances outstanding as at period / year end

### NBP Fullerton Asset Management Limited - Management Company

Management fee payable	801	299
Sindh sales tax payable on remuneration of the Management Company	128	-
Preliminary expenses and floatation costs	-	1,006
Listing fee	-	20
Rating fee	-	200
Others	-	10
Investment held in the Fund (5,345,129 units June 30, 2011 : 5,259,081 units)	54,228	54,578

# NAFA RIBA FREE SAVINGS FUND

	(Un-Audited) March 31, 2012	(Audited) June 30, 2011
	----- Rupees in '000 -----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	116	51
<b>National Bank of Pakistan - Sponsor</b>		
Balance in current account	2,751	1,050
<b>Alexandra Fund Management Pte. Ltd. - Sponsor</b>		
Investment held in the Fund (9,804,314 units; June 30, 2011: 13,491,529 units)	99,469	140,014
<b>Employees of Management Company</b>		
Investment held in the Fund (98,775 units; June 30, 2011: 51,392)	1,002	533

## 11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on April 17, 2012.

## 12 GENERAL

12.1 Figures have been rounded off to the nearest thousand Rupees.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director