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

NAFA MULTI ASSET FUND

**QUARTERLY
REPORT**
**September
30 2016**




Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

MISSION STATEMENT



To rank in the top quartile
in performance of
NAFA FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.

NAFA MULTI ASSET FUND

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NAFA MULTI ASSET 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. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director
Mr. Koh Boon San	Director
Mr. Lui Mang Yin (Martin Lui)	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Saiyed Hashim Ishaque	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Aamir Sattar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Lui Mang Yin (Martin Lui)	Member
Mr. Abdul Hadi Palekar	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
Sindh Bank Limited
Zarai Taraqati Bank Limited

NAFA MULTI ASSET FUND

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:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632 (nfa)
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-a-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NAFA MULTI ASSET FUND

DIRECTORS' REPORT

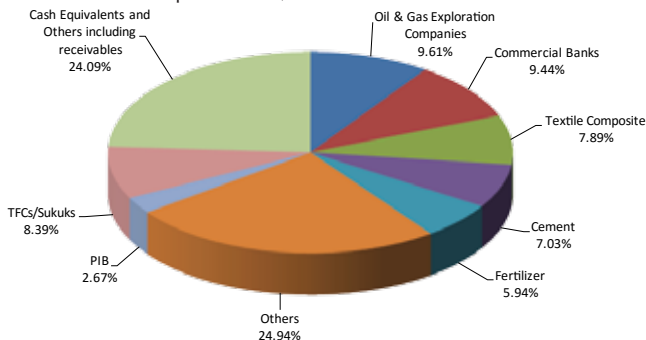
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Multi Asset Fund** (NMF) for the quarter ended September 30, 2016.

Fund's Performance

The Fund size of NAFA Multi Asset Fund (NMF) at the end of the period stood at Rs.1,460 million, 10% higher compared to the previous quarter. During the first quarter, the unit price of NMF has increased from Rs.15.6377 on June 30, 2016 to Rs.17.1786 on September 30, 2016, thus showing an increase of 9.85%. The Benchmark, daily weighted return of KSE-30 Total Return Index & 6-month KIBOR based on Fund's actual allocation, increased by 3.2%. Thus, the Fund has outperformed its Benchmark by 6.65% during the period under review. Since inception (January 19, 2007), the unit price of the Fund has shown a growth of 334.95% as compared to 140.92% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 194.03%. This performance is net of management fee and all other expenses.

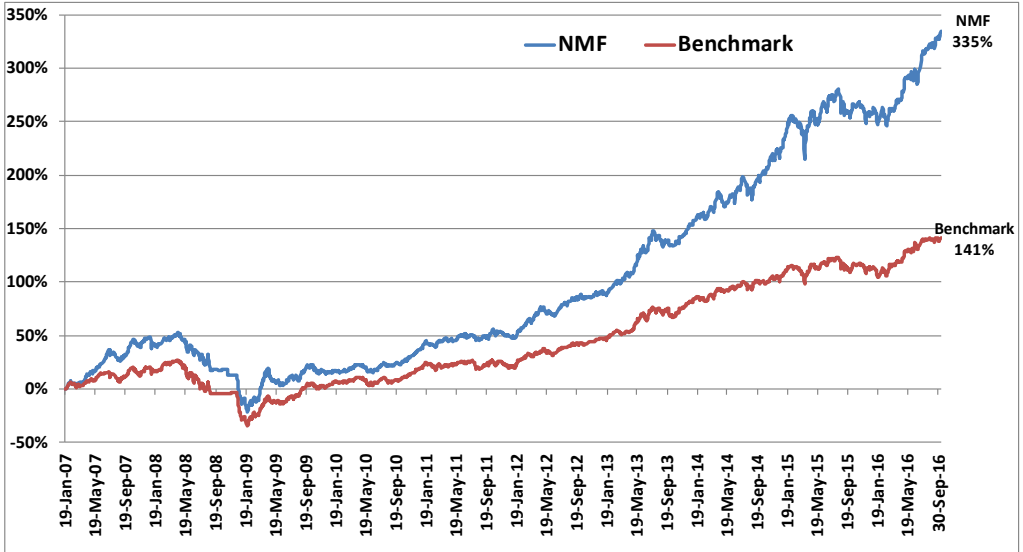
During Q1FY17, the stock market extended the rally that started from the lows hit at the end of February 2016, delivering a return of about 7.3%. Positives like improving economic prospects as captured in an all-time high foreign exchange reserves of US\$23.6bn, multi-year low inflation & interest rates, and pick-up in economic growth, albeit from low levels; attractive stock market valuations; and tepid returns on alternate investment avenues buoyed local investors' interest in the market. Better than expected corporate results announcements for the period ending June 30, 2016 provided the much needed confidence to the market participants. However, foreign investors remained sellers with outflows of US\$ 39.7 million recorded during the quarter. Automobile Assembler, Automobile Parts & Accessories, Engineering, and Textile Composite sectors performed better than the market whereas Cement and Fertilizer sectors lagged behind.

On the corporate debt sphere, trading activity in TFCs/Sukuku remained skewed towards high quality issues with total traded value recorded at around Rs 1.5 billion during the quarter. The trades were mainly concentrated in the Banking sector, making up 64% share. State Bank of Pakistan (SBP) in its bi-monthly monetary policy announcements in July and September 2016 maintained the policy rate at 5.75% citing positives such as comfortable liquidity conditions coupled with record-high foreign exchange reserves and CPEC related projects gathering momentum being balanced against uncertain global oil prices, challenged exports outlook, and heavy scheduled foreign loan payments during FY17, and beyond. We see modest pickup in inflation to 5.0% by the year-end due to partial recovery in commodity prices, expected devaluation, and uptick in private sector borrowing. The Fund has earned total income of Rs.140.60 million during the period. After accounting for expenses of Rs.10.00 million, the net income is Rs.130.60 million. The asset allocation of the Fund as on September 30, 2016 is as follows:



NAFA MULTI ASSET FUND

NMF Performance versus Benchmark (Since Inception)



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: October 28, 2016
Place: Karachi.

NAFA MULTI ASSET FUND

ڈائریکٹرز رپورٹ

NBP فلٹرن ایسیٹ منیجمنٹ لمیٹڈ، بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2016ء کو ختم ہونے والی سہ ماہی کے لیے NAFA ملٹی ایسیٹ فنڈ (NMF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتا ہے۔

فنڈ کی کارکردگی

NAFA ملٹی ایسیٹ فنڈ (NMF) فنڈ سائز اس مدت کے اختتام پر 1,460 ملین روپے ہے جو گزشتہ سہ ماہی کے مقابلے میں 10% زیادہ ہے۔ پہلی سہ ماہی کے دوران NMF کے یونٹ کی قیمت 30 جون 2016 کو 15.6377 روپے سے بڑھ کر 30 ستمبر 2016 پر 17.1786 روپے پہنچ چکی ہے۔ لہذا 9.85% اضافہ ہوا ہے۔ اسی مدت کے دوران بیچ مارک KSE-30 ٹوٹل ریٹرن انڈیکس کے میزان شدہ یومیہ منافع اور فنڈ کی اصل ایلویشن کی بنیاد پر 6% KIBOR میں 3.2% اضافہ ہوا ہے۔ لہذا فنڈ کی زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 6.65% سے بہتر کارکردگی رہی۔

اپنے قیام (9 جنوری 2007) سے اب تک فنڈ کے یونٹ کی قیمت نے اپنے بیچ مارک میں 140.92% اضافے کے مقابلے میں 334.95% نمو ہوا ہے۔ اس طرح فنڈ کی کارکردگی اپنے بیچ مارک کے مقابلے میں 194.03% بہتر رہی۔ یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد حاصل ہے۔

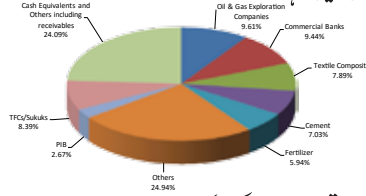
مالی سال 2017 کی پہلی سہ ماہی کے دوران اسٹاک مارکیٹ نے تیزی کا وہ رجحان آگے بڑھا جس کا آغاز فروری 2016 کے اختتام پر پست سطح سے ہوا تھا اور 7.3% منافع پیش کیا۔ مثبت عوامل مثلاً بہتر ہوتے اقتصادی امکانات، جن کی نشاندہی 23.6 ارب امریکی ڈالر پر مشتمل ملکی تاریخ کے سب سے بلند زرمبادلہ کے ذخائر سے ہوتی ہے، کئی سال پر محیط کم تر افراط زر اور شرح سود، اور معاشی نمو میں تیزی، اسٹاک مارکیٹ میں پُرکشش آمدن اور سرمایہ کاری کے متبادل ذرائع سے بہتر نتائج کے باعث مقامی سرمایہ کاروں کی طرف سے اسٹاک مارکیٹ میں دل چسپی میں اضافہ ہوا۔ 30 جون 2016 کو ختم ہونے والی مدت کے لیے توقع سے بہتر کاروباری نتائج کے اعلانات نے مارکیٹ کے شرکاء کو روکار انتہائی ضروری اعتماد فراہم کیا۔ تاہم غیر ملکی سرمایہ کاروں کی طرف سے فروخت کا سلسلہ جاری رہا جس کے نتیجے میں سہ ماہی کے دوران 39.7 ملین ڈالر کا اخراج ریکارڈ کیا گیا۔ آٹوموبیل اسمبلر، آٹوموبیل اور ایسیریز، انجنیئرنگ اور نیکیسٹائل کمپوزٹ سیکٹرز نے مارکیٹ کے مقابلے میں بہتر کارکردگی کا مظاہرہ کیا جب کہ سینٹ اوفریٹیا نازریکٹرز پیماندگی کا شکار رہے۔

کاروباری قرض کے حلقے میں TFCs/سکوک میں تجارتی سرگرمیوں کا اعلیٰ کوالٹی اجرائی کارروائیوں کی طرف جھکاؤ رہا، جن کے لین دین کی مجموعی مالیت اس سہ ماہی کے دوران 1.5 ارب روپے ریکارڈ کی گئی۔ لین دین کا اصل ارتکاز بینکار کے شعبے میں رہا جس کا حصہ 64% بنتا ہے۔ اسٹیٹ بینک آف پاکستان نے اپنے جولائی اور ستمبر 2016 کے دو ماہ کی مالیاتی پالیسی اعلان میں پالیسی ریٹ 5.75% برقرار رکھا، لیکویڈیٹی کی باسہولت صورت حال کے ساتھ زرمبادلہ کے ریکارڈ بلند ذخائر اور (CPEC) سی پیک سے متعلق منصوبوں کی رفتار میں اضافے کے مثبت پہلوؤں کی بدولت تیل کی غیر یقینی عالمی قیمتوں، برآمدات سے متعلق چیلنج آمیز امکانات اور مالی سال 2017 میں اور اس کے بعد شیڈ بول غیر ملکی قرضوں کی بھاری واپسی کے اثرات بیلنس میں رہنے کی توقع ہے۔ ہم ایشیاء صرف کی قیمتوں میں جزوی بحالی، روپے کی قدر میں نیچے مٹی متوقع کمی اور نجی شعبے کی طرف سے قرضوں میں اضافے کی وجہ

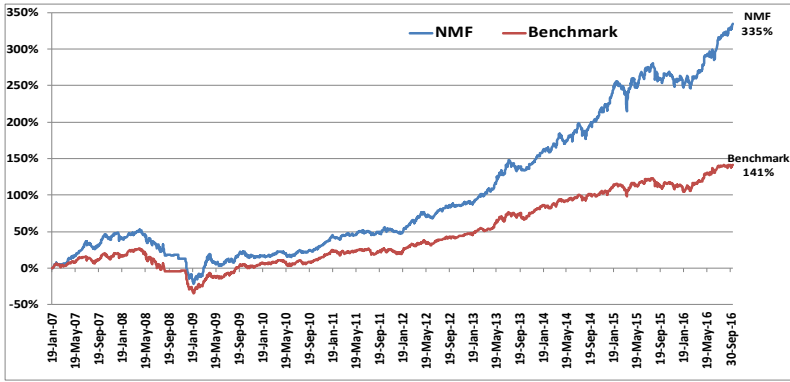
NAFA MULTI ASSET FUND

سے سال کے اختتام تک افراط زر میں 5% تک معتدل اضافہ دیکھ رہے ہیں۔ اس مدت کے دوران فنڈ نے 140.60 ملین روپے کی مجموعی آمدنی کمائی۔
 اخراجات کی مد میں 10.00 ملین روپے منہا کرنے کے بعد خالص آمدنی 130.60 ملین روپے ہے۔

فنڈ کی ایسیٹ ایلوکیشن 30 ستمبر 2016 کو بمطابق ذیل ہے:



بچ مارک کے مقابلے میں NMF کی کارکردگی (اپنے قیام سے اب تک)



اظہار تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجنت کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایجوکیٹیشن کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہار تشکر کرتا ہے۔
 بورڈ اپنے اسٹاف اور آرٹسٹ کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فلٹرن ایسیٹ منجنت لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

28 اکتوبر 2016

مقام: کراچی

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016

	Note	Un-Audited September 30, 2016	Audited June 30, 2016
(Rupees in '000)			
ASSETS			
Balances with banks		371,978	350,744
Investments	4	1,108,301	1,045,319
Dividend and profit receivable	5	14,064	3,898
Advances, deposits, prepayments and other receivables		6,527	3,650
Total assets		1,500,870	1,403,611
LIABILITIES			
Payable to the Management Company		16,496	16,031
Payable to the Trustee		228	226
Payable to Securities and Exchange Commission of Pakistan		1,549	1,249
Dividend payable to National Bank of Pakistan		-	33,441
Accrued expenses and other liabilities	6	22,594	24,822
Total liabilities		40,867	75,769
NET ASSETS		1,460,003	1,327,842
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,460,003	1,327,842
CONTINGENCIES AND COMMITMENTS	13	-	-
-----Number of units-----			
Number of units in issue		84,989,715	84,912,656
-----Rupees-----			
NET ASSET VALUE PER UNIT		17.1786	15.6377

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	Note	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
(Rupees in '000)			
INCOME			
Capital gain / (loss) on sale of investments - net		20,562	(720)
Income from term finance certificates and sukuk bonds		2,687	3,239
Income from government securities		1,063	1,063
Dividend income		10,506	11,885
Profit on bank deposits		5,255	8,348
Unrealised appreciation / (diminution) in the value of investments 'at fair value through profit or loss' - net		100,525	(54,348)
Total Income		140,598	(30,533)
EXPENSES			
Remuneration of the Management Company		7,054	7,721
Sales tax on Remuneration of the Management Company		917	1,253
Federal Excise Duty on remuneration of the Management Company		-	1,235
Accounting and operational charges to the Management Company		353	-
Remuneration of the Trustee		605	637
Sales tax on Remuneration of the Trustee		79	89
Annual fee - Securities and Exchange Commission of Pakistan		300	328
Securities transaction cost		204	358
Settlement and bank charges		292	133
Annual listing fee		10	10
Auditors' remuneration		138	130
Fund's rating fee		47	47
(Reversal) of impairment on investments classified as available for sale		-	(2,857)
Total Expenses		9,999	9,084
		130,599	(39,617)
Net income / (loss) from operating activities			
Element of Income and capital income included in prices of Units issued less those in Units redeemed		358	1,272
	7	-	-
Provision for Workers' Welfare Fund		130,957	(38,345)
Net income / (loss) for the period before taxation		130,957	(38,345)
Taxation	8	-	-
Net income / (loss) for the period after taxation		130,957	(38,345)
Earnings per unit	9		

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Net income / (loss) for the period after taxation	130,957	(38,345)
Other comprehensive income :		
Net unrealised appreciation in the market value of investments classified as 'available for sale'	-	1,144
Total comprehensive income / (loss) for the period	<u>130,957</u>	<u>(37,201)</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Accumulated income brought forward	421,820	381,745
Net income / (loss) for the period	130,957	(38,345)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (loss) that forms part of the unit holders' fund	-	(12)
Undistributed income carried forward	<u>552,777</u>	<u>343,388</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Net assets at the beginning of the period	1,327,842	1,487,299
Issue of 1,488,924 units (2015:30,446,693 units)	24,705	468,597
Redemption of 1,411,865 units (2015: 31,183,192 units)	(23,143) 1,562	(478,535) (9,938)
Net element of (income) and capital (gains) included in prices of units issued less those in units redeemed - transferred to distribution statement	-	12
Net element of loss and capital losses included in prices of units issued less those in units redeemed - transferred to Income statement	(358)	(1,272)
Net unrealised appreciation in the market value of investments classified as 'available for sale'	-	1,144
Capital (loss) on sale of investments-net	20,562	(720)
Unrealised (diminution) / appreciation in the value of investments 'at fair value through profit or loss' - net	100,525	(54,348)
Other net income/(loss) for the period	9,870 130,957	16,723 (38,345)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	(12)
Net assets at the end of the period	1,460,003	1,438,888

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	130,957	(38,345)
Adjustments		
Unrealised diminution / (appreciation) in the value of investments 'at fair value through profit or loss' - net	(100,525)	54,348
Capital loss / (gain) on sale of investments - net	(20,562)	720
Element of Income and capital losses included in prices of Units issued less those in Units redeemed	(358)	(1,272)
Reversal of impairment on investments classified as available for sale	-	2,857
	(121,445)	56,653
	9,512	18,308
Decrease / (increase) in assets		
Investments	58,105	159,087
Dividend and profit receivable	(10,166)	(4,380)
Advances, deposits, prepayments and other receivables	(2,877)	87,749
	45,062	242,456
Increase / (Decrease) in liabilities		
Payable to the Management Company	465	448
Payable to the Trustee	2	(34)
Payable to Securities and Exchange Commission of Pakistan	300	(811)
Payable against purchase of investment	-	-
Accrued expenses and other liabilities	(2,228)	(78,730)
	(1,461)	(79,127)
Net cash inflow / (outflow) from operating activities	53,113	181,637
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	24,705	468,597
Payments on redemption of units	(23,143)	(478,535)
Distributions paid	(33,441)	(2,128)
Net cash (outflow) / inflow from financing activities	(31,879)	(12,066)
Net (decrease) in cash and cash equivalents during the period	21,234	169,571
Cash and cash equivalents at the beginning of the period	350,744	390,010
Cash and cash equivalents at the end of the period	371,978	559,581

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Multi Asset Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited, a company incorporated under the Companies Ordinance, 1984, as Management Company and Central Depository Company of Pakistan Limited (CDC), also incorporated under the Companies Ordinance, 1984, as Trustee. The Trust Deed was executed on December 6, 2006 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006 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 was situated at 9th Floor, Adamjee House, I.I. Chundrigar Road, Karachi. From 4 February 2013, the registered office of the Management Company is shifted to 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of MUFAP.

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

The core objective of the Fund is to provide its investors with a combination of capital growth and income. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments etc.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2++' to the Management Company.

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 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulation or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by 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'.

The directors of the asset management company declare that condensed interim financial statements give a true and fair view of the fund.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed financial statements for the quarter ended September 30, 2016 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2016.

NAFA MULTI ASSET FUND

4 INVESTMENTS

Note (Un-audited) (Audited)
September 30, June 30,
2016 2016
(Rupees in '000)

At fair value through profit or loss - held for trading

Equity securities - listed	4.1	946,786	885,979
Government securities	4.2	39,025	39,497
Term Finance certificate - listed	4.3.1	-	40,000
Term Finance certificate - un listed	4.3.2	41,325	-
Sukuk bonds	4.3.3	81,165	79,843
		1,108,301	1,045,319

Available for sale

Term finance certificates - unlisted	4.4	-	-
Sukuk bonds	4.4	-	-
		-	-
		1,108,301	1,045,319

4.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at September 30, 2016	Investment as a percentage of		
	As at July 01, 2016	Purchases during the period	Bonus / Right Issue	Sales during the period	As at September 30, 2016		Net assets	Market value of total investments	Paid up capital of the investee company
Rupees in '000									
Oil & Gas									
Attock Petroleum Limited	18,951	-	-	-	18,951	9,855	0.67	0.89	0.01
Attock Refinery Limited	73,600	-	-	30,500	43,100	14,045	0.96	1.27	0.02
Hascol Petroleum Limited (Refer 5.1.2)	565	-	-	-	565	125	0.01	0.01	0.00
Mari Petroleum Limited	42,200	-	-	-	42,200	40,281	2.76	3.63	0.00
Oil and Gas Development Company Limited	254,096	-	-	25,500	228,596	32,285	2.21	2.91	0.00
Pakistan Oilfields Limited	87,069	-	-	4,000	83,069	33,336	2.28	3.01	0.01
Pakistan Petroleum Limited	240,083	-	-	30,000	210,083	34,385	2.36	3.10	0.00
Pakistan State Oil Company Limited	96,152	-	-	17,000	79,152	32,780	2.25	2.96	0.01
Shell Pakistan Limited	-	58,600	-	-	58,600	24,030	1.65	2.17	0.02
Chemicals									
Dawood Hercules Corporation Limited	9,000	-	-	-	9,000	1,197	0.08	0.11	0.00
Engro Corporation Limited	122,817	46,100	-	-	168,917	49,197	3.37	4.44	0.01
Engro Fertilizers Limited	238,500	175,500	-	-	414,000	25,527	1.75	2.30	0.00
Fauji Fertilizer Bin Qasim Limited	210,000	-	-	-	210,000	10,790	0.74	0.97	0.00
Fauji Fertilizer Company Limited	11	-	-	-	11	1	0.00	0.00	0.00
Construction and Materials									
Akzo Nobel Pakistan Limited	41,800	-	-	14,000	27,800	6,917	0.47	0.62	0.01
Attock Cement Pakistan Limited	105,300	-	-	-	105,300	26,444	1.81	2.39	0.02
Cherat Cement Company Limited	-	-	-	-	-	-	-	-	-
D.G. Khan Cement Pakistan Limited	140,500	-	-	18,000	122,500	22,770	1.56	2.05	0.01
Fauji Cement Company Limited	100,000	-	-	-	100,000	3,527	0.24	0.32	0.00
Lucky Cement Limited	40,264	-	-	7,000	33,264	22,528	1.54	2.03	0.01
Maple Leaf Cement Cement Factory Limited	130,500	-	-	-	130,500	12,502	0.86	1.13	0.00
Pioneer Cement Limited	140,500	-	-	-	140,500	14,849	1.02	1.34	0.01
General Industrials									
Thal Limited	132,336	-	-	48,200	84,136	34,130	2.34	3.08	0.08
Personal Goods									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.39	0.51	0.10
Kohinoor Textile Mills Limited (Refer 5.1.2)	639,275	-	-	79,000	560,275	47,623	3.26	4.30	0.23
Nishat Mills Limited	409,700	58,000	-	28,000	439,700	61,954	4.24	5.59	0.02
TECHNOLOGY HARDWARE AND EQUIPMENT									
Avanceon Limited	31,000	-	-	-	31,000	1,008	0.07	0.09	0.00
INDUSTRIAL TRANSPORTATION									
Pakistan National Shipping Corporation	96,000	-	-	-	96,000	10,815	0.74	0.98	0.01

NAFA MULTI ASSET FUND

Name of the investee company	Number of shares					Market value as at September 30, 2016	Investment as a percentage of		
	As at July 01, 2016	Purchases during the period	Bonus / Right Issue	Sales during the period	As at September 30, 2016		Net assets	Market value of total investments	Paid up capital of the investee company
Rupees in '000									
INDUSTRIAL METALS AND MINING									
International Steels Limited	927,500	-	-	538,500	389,000	23,632	1.62	2.13	0.01
International Industries Limited	459,000	-	-	254,500	204,500	27,563	1.89	2.49	0.02
ELECTRICITY									
Kot Addu Power Company Limited	431,500	-	-	40,000	391,500	32,765	2.24	2.96	0.00
Saif Power Limited	257,000	-	-	-	257,000	7,970	0.55	0.72	0.00
The Hub Power Company Limited	270,748	-	-	106,000	164,748	19,633	1.34	1.77	0.00
CABLE AND ELECTRICAL GOODS									
Pakistan Elektron Limited	184,500	-	-	19,000	165,500	11,712	0.80	1.06	0.00
GLASS AND CERAMICS									
Tariq Glass Industries Limited	424,000	-	-	67,500	356,500	34,142	2.34	3.08	0.05
BANKS									
Allied Bank Limited	263,900	36,000	-	-	299,900	29,441	2.02	2.66	0.00
Bank Al-falah Limited	486,500	-	-	-	486,500	13,977	0.96	1.26	0.00
Bank Al-Habib Limited	569,400	-	-	-	569,400	25,612	1.75	2.31	0.00
Faysal Bank Limited (Refer 5.1.2)	20,650	-	-	-	20,650	327	0.02	0.03	0.00
Habib Bank Limited	83,180	-	-	-	83,180	18,367	1.26	1.66	0.00
MCB Bank Limited	70,900	66,000	-	-	136,900	30,228	2.07	2.73	0.00
Meezan Bank Limited	617	-	-	-	617	34	0.00	0.00	0.00
United Bank Limited	117,691	-	-	18,000	99,691	19,817	1.36	1.79	0.00
AUTOMOBILE AND PARTS									
Indus Motor Company Limited	33,520	-	-	-	33,520	50,293	3.44	4.54	0.04
Millat Tractors Ltd	-	22,500	-	-	22,500	15,277	1.05	1.38	0.03
PHARMA AND BIOTECH									
GlaxoSmithKline (Pakistan) Limited	34,500	-	-	-	34,500	7,449	0.51	0.67	0.00
						<u>946,786</u>	<u>64.85</u>	<u>85.43</u>	
Carrying value as at Sep 30, 2016						<u>848,437</u>			

4.1.1 All shares have a nominal face value of Rs. 10 each except for shares of Thal Limited which have a face value of Rs. 5 each and K-Electric which have a face value of Rs. 3.5 each.

4.1.2 Investments include shares with market value of Rs. 42.76 million (June 30, 2016: Rs. 39.02 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no.11 dated October 23, 2007 issued by the SECP.

4.2 Pakistan Investment Bond (PIBs)

Issue date	Tenor	Face Value				Market value as at September 30, 2016	Investment as a percentage of	
		As at July 01, 2016	Purchases during the period	Sales/ matured during the period	As at September 30, 2016		Net assets	Market value of total investments
July 17, 2014	3 Years	37,500	-	-	37,500	39,025	2.67	3.52
					37,500	39,025	2.67	3.52
Carrying value before mark to market as at september 30, 2016						<u>39,497</u>		

NAFA MULTI ASSET FUND

4.3 Term finance certificates - at fair value through profit or loss - held for trading

4.3.1 Term finance certificates - listed

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

Name of the investee company	Number of certificates / bonds				Market value as at September 30, 2016	Investment as a percentage of		
	As at July 01, 2016	Purchases during the period	Sales/ matured during the period	As at September 30, 2016		Net assets	Market value of total investments	Issue size
Saudi Pak Leasing Company Limited (note 4.3.1.1)	10,000	-	-	10,000	-	-	-	6.67
	10,000	-	-	10,000	-	-	-	
Carrying value as at September 30, 2016					27,547			
Provision for impairment loss as at September 30, 2016					27,547			

4.3.1.1 This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as Non-performing since April 30, 2014. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

4.3.2 Term finance certificates - un-listed

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

Name of the investee company	Number of certificates / bonds				Market value as at September 30, 2016	Investment as a percentage of		
	As at July 01, 2016	Purchases during the period	Sales/ matured during the period	As at September 30, 2016		Net assets	Market value of total investments	Issue size
Jehangir Siddiqui and Company Limited	8,000	-	-	8,000	41,325	2.83	3.73	5.33
	8,000	-	-	8,000	41,325	3	4	
Carrying value as at September 30, 2016					40,000			

4.3.3 Sukuks - at fair value through profit or loss - held for trading

Name of the investee company	Number of certificates / bonds				Market value as at September 30, 2016	Investment as a percentage of		
	As at July 01, 2016	Purchases during the period	Sales/ matured during the period	As at September 30, 2016		Net assets	Market value of total investments	Issue size
K - Electric AZM Sukuk	16,000	-	-	16,000	81,165	5.56	7.32	2.13
	16,000	-	-	16,000	81,165	5.56	7.32	2.13
Carrying value as at Sep 30, 2016					79,842			

NAFA MULTI ASSET FUND

4.4 Term finance certificates and Sukuk bonds - available for sale

Name of the investee company	Number of certificates / bonds				Market value as at September 30, 2016	Investment as a percentage of		
	As at July 01, 2016	Purchases during the period	Sales/ matured during the period	As at September 30, 2016		Net assets	Market value of total investments	Issue size
					Rupees in '000	-----%-----		
Term finance certificate - unlisted								
Sukuk bonds								
New Allied Electronics Industries (Private) Limited (note 4.5.1)	32,000	-	-	32,000	-	-	-	1.33
Eden Housing Limited (note 4.5.3)	10,000	-	-	10,000	-	-	-	6.85
	42,000	-	-	42,000	-	-	(0.01)	8.17
Carrying value as at September 30, 2016					<u>19,844</u>			
Provision for impairment loss as at September 30, 2015					<u>31,272</u>			

4.5 All term finance certificates have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics Industries (Private) Limited which have a face value of Rs 312.50 each.

4.5.1 This represents investment in privately placed sukuk with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since January 9, 2009. The amount of provision as per circular 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

4.5.2 This represents investment in privately placed sukuk bonds with a term of seven years. The issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was classified as NPA by MUFAP. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

4.5.3 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was classified as NPA by MUFAP. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

	(Un-audited) September 30, 2016	(Audited) June 30, 2016
(Rupees in '000)		
5 DIVIDEND AND PROFIT RECEIVABLE		
Dividend receivable on equity shares	10,045	1,295
Profit on savings and term deposits	46	43
Profit on Pakistan Investment bond	890	1,935
Income accrued on term finance certificates and sukuk bonds	12,271	20,929
Less: Income suspended over non-performing debt securities	(9,188)	(20,304)
	<u>3,083</u>	<u>625</u>
6 ACCRUED EXPENSES AND OTHER LIABILITIES	<u>14,064</u>	<u>3,898</u>
Auditors' remuneration	571	433
Settlement charges payable	170	54
Payable to brokers	-	373
Dividend payable to brokers	493	493
Provision for Workers' Welfare Fund	20,023	20,023
Legal and professional charges payable	5	5
Payable against redemption of units	1	11
Withholding tax	841	3,078
Others	490	352
	<u>22,594</u>	<u>24,822</u>

NAFA MULTI ASSET FUND

7 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015. Accordingly no further provision for WWF has recorded subsequent to June 30, 2015.

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements for the quarter ended September 30, 2016 which aggregates to Rs. 20.023 million. Had the same not been made the net asset value per unit / return of the Fund would have been higher by 0.2355 per unit respectively.

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 / period, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as subsequent to the year end the Management Company has decided to distribute the required minimum percentage of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its unit holders.

9 EARNINGS PER UNIT

Earnings per unit (EPU) for the period ended September 30, 2014 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

10 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 2.79% p.a. including 0.37% representing government levies on collective Investment scheme such as Sales tax, Worker's Welfare Fund and Securities & Exchange Commission of Pakistan fee for the period.

11 NON - COMPLIANCE WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non - compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non - compliant investments:

Type of Investment	Name of non-compliant investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
					Rupees in '000	-----%-----
Term finance certificates	New Allied Electronic Industries (Private) Limited	10,000	(10,000)	-	-	-
Sukuk Bonds	Eden Housing Limited	9,844	(9,844)	-	-	-
Term finance certificates	Saudi Pak Leasing Company	27,547	(27,547)	-	-	-

12 TRANSACTIONS WITH CONNECTED PERSONS

12.1 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 (NBP) and Alexandra Fund Management Pte. Limited, being the sponsors of the Fund / Management Company, other collective investment schemes managed by the Management Company, directors and officers of the Management Company and employee benefit funds of the Management Company.

NAFA MULTI ASSET FUND

- 12.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 12.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 12.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Un-audited Quarter ended September 30, 2016	Un-audited Quarter ended September 30, 2015
--	--

------(Rupees in '000)-----

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

NBP Fullerton Asset Management Limited - Management Company

Management fee expense for the year	7,054	7,721
Sales Tax on remuneration of the management company	917	1,253
FED on remuneration to the Management Company	-	1,235
Front end load	95	1,346

Central Depository Company of Pakistan Limited - Trustee

Remuneration	605	637
Sales tax on Remuneration of the Trustee	79	89
CDS charges	13	20

Employees of Management Company

Units Issued / Transferred in Nil units (2015: 70,753 units)	-	1,108
Units Redeemed / Transferred out Nil units (2015: 66,863 units)	-	1,046

Taurus Securities Limited

Brokerage paid	14	5
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Summit Bank Limited

Bank Profit	-	1
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Un-audited September 30, 2016	Audited June 30, 2016
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------(Rupees in '000)-----

12.6 Amounts outstanding as at period end are as follows:

Management fee payable	2,353	2,284
Sales tax payable	306	371
FED payable on management remuneration	11,587	11,587
Operational expenses	1,214	861
Sale load	1,036	928

National Bank of Pakistan - Sponsor

Balance in current account	2,911	2,810
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NBP Employees Pension Fund

Investment held in the Fund: 25,286,485 units (june 30, 2016: 23,794,707 units)	434,386	395,423
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NAFA MULTI ASSET FUND

	Un-audited September 30, 2016	Un-audited September 30, 2015
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	202	226
Sindh sales tax on remuneration of the trustee	26	27
CDS charges	170	54
Security deposit	100	100
The Trustees- Karachi Electric Provident Fund		
Investment held in the Fund: Nil units (June 30, 2016: 34,224,720 units)	-	535,196
Employees of Management Company		
Investment held in the Fund: 13,130 units (June 30, 2016: Nil units)	226	-
Summit Bank of Pakistan		
Bank balance	2,472	2,561
International Industries Limited (Common Directorship with the Management Company)		
Ordinary shares held 204,500 (2016: 459,500 shares)	27,563	37,119
International Steel Industries Limited		
Ordinary shares held 389,000 (June 30, 2016: 927,500)	23,632	33,038
Taurus Securities Limited		
Brokerage Payable	-	7
Net amount receivable / (payable) against transfer of units from:		
- NAFA Asset Allocation Fund	-	(11)
- NAFA Income Opportunity Fund	-	655
- NAFA Government Securities Liquid Fund	-	1

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on September 30, 2016 and June 30, 2016

14 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 28 October, 2016

15 GENERAL

15.1 Figures have been rounded off to the nearest thousand rupees.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



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

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