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

NAFA MULTI-ASSET FUND

ANNUAL REPORT 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

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. Nigel Poh Cheng	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 & 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. Nausherwan Adil	Chairman
Mr. Nigel Poh Cheng	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 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 Taraqiati Bank Limited

NAFA MULTI ASSET FUND

Auditors

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 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

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Board of Directors



Mr. Nausherwan Adil
Chairman



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Kamal Amir Chinoy
Director



Mr. Koh Boon San
Director



Mr. Aamir Sattar
Director



Mr. Shehryar Faruque
Director



Mr. Nigel Poh Cheng
Director



Mr. Abdul Hadi Palekar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Mr. M. Murtaza Ali
Chief Operating Officer
& Company Secretary



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Samiuddin Ahmed
Country Head Corporate
Marketing



Mr. Ozair Khan
Chief Technology Officer



Syed Suleman Akhtar CFA
Head of Research



Mr. Muhammad Ali, CFA, FRM
Head of Fixed Income



Mr. Asim Wahab Khan, CFA
Head of Equity



Mr. Salman Ahmed
Head of Risk Management



Mr. Raheel Rehman ACA, CICA
Senior Manager Compliance

NAFA MULTI ASSET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Tenth Annual Report of **NAFA Multi Asset Fund** for the year ended June 30, 2016.

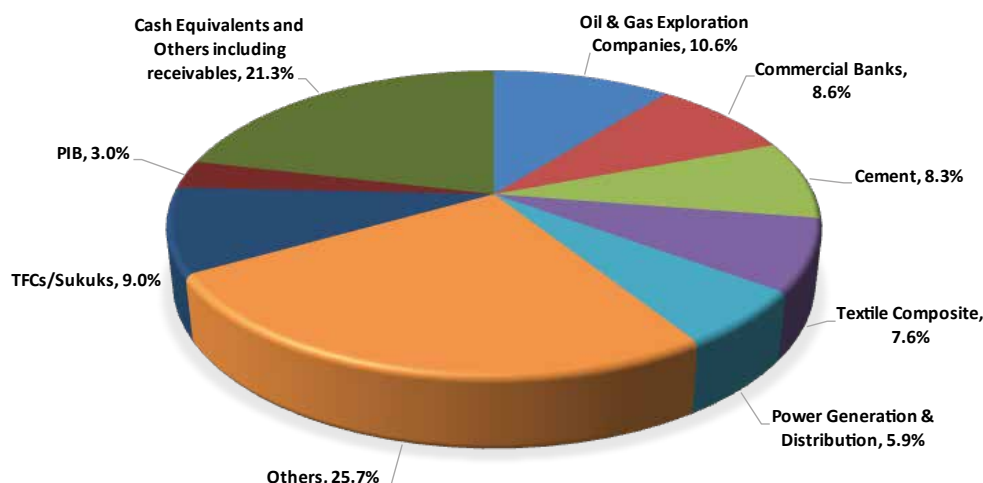
Fund's Performance

The stock market started FY2015-16 on a lackluster note in sync with the regional and global markets, driven by a rout in commodities and concerns on global growth led by China. But in the aftermath of a strong rally in the second half of the year, the local bourse closed the year with a 9.8% return. During the first half of the year, the market remained under pressure led by Oil & Gas Sector amid sharp decline in crude oil prices and unabated foreign selling. However, the market more than made up for the losses in the second half as recovery in crude oil prices led to strong returns from the large cap energy stocks, and news of Pakistan's re-entry in the MSCI EM Index from next year. NBFCs, Individuals, and Mutual Funds remained net buyers, absorbing majority of the foreign selling. After a volatile FY2015-16, Pakistan equities are well poised to post stronger returns this fiscal year due to inclusion in MSCI Emerging Markets Index, relatively reasonable valuations, and improving growth prospects driven by government focus on infrastructure spending coupled with implementation of CPEC projects.

On the corporate debt sphere, trading activity in TFCs/Sukuks remained skewed towards high quality issues with total trade value touching around Rs 8 billion. The trades were mainly concentrated in the Banking sector, making up 43% share. During the period under review (FY16), due to further abatement in inflationary pressures (average inflation of 2.9%), State Bank of Pakistan (SBP) reduced the policy rate by a cumulative 75 bps following a cumulative 300 bps reduction in FY15. SBP in its policy statement highlighted (i) improvement in the macroeconomic conditions, (ii) better law and order situation; and (iii) positive growth prospects underpinned by investment under China Pakistan Economic Corridor (CPEC). During the period under review, sovereign yields responded accordingly to policy rate cut of 75 bps. We see pickup in inflation to 6% by FY17 year-end due to partial recovery in commodity prices, measured PKR devaluation, and uptick in private sector borrowing.

During the fiscal year, the return on NAFA Multi Asset Fund was 8.69% versus the benchmark (50% KSE-100 Index, 50% 3-Month KIBOR) return of 8.37% translating into an out-performance of 0.32% during the year. The Fund remained overweight in equities throughout the year and which contributed to the outperformance. Moreover, the Fund was overweight in key stocks in Oil & Gas Exploration Companies, Engineering, and Textile Composite sectors that outperformed the market and underweight in key stocks in Commercial Banks and Fertilizer sectors that underperformed the market, thereby contributing to the outperformance. Since its launch (January 22, 2007), the Fund has risen by 295.93%, versus the benchmark (50% KSE-100 Index, 50% 3-Month KIBOR) return of 216.15%, thus to date out-performance is 79.79%. This outperformance is net of management fee and all other expenses.

The size of NAFA Multi Asset Fund as on June 30, 2016 is Rs.1,328 million. NAFA Multi Asset Fund has earned a total income of Rs.151.83 million during the year. After deducting total expenses of Rs.31.88 million, the net income is Rs.119.95 million. During the year, the unit price of NAFA Multi Asset Fund has increase from Rs.14.3873 (Ex-Div) on June 30, 2015 to Rs.15.6377 (Ex-Div) on June 30, 2016. The resultant per unit gain is Rs.1.2504 (8.69%). The asset allocation of NAFA Multi Asset Fund as on June 30, 2016 is as follows:



NAFA MULTI ASSET FUND

Income Distribution

The Board of Directors of the Management Company has approved cash dividend of 6.38% of opening ex-NAV (9.77% of the par value) during the year.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, Deloitte Yousuf Adil, Chartered Accountants, has completed their five year tenure in the capacity of Auditor of the Fund. As per the requirement of Regulation 38(i) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, their replacement would be required. The Board has approved the appointment of Messrs KPMG Taseer Hadi & Co. Chartered Accountants, for the year ending June 30, 2017.

Directors' Statement in Compliance with Code of Corporate Governance

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the current financial year. The attendance of all directors is disclosed in the note 24 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 23 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 20 to these financial statements.

NAFA MULTI ASSET 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: September 23, 2016
Place: Karachi.

NAFA MULTI ASSET FUND

ڈائریکٹرز رپورٹ

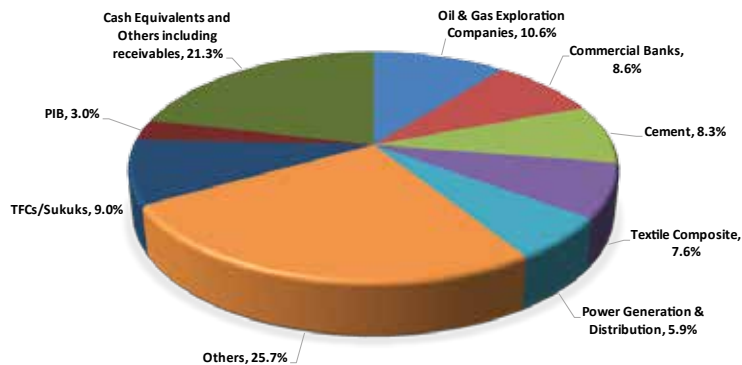
NBP فلٹرن ایسیٹ منیجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز صدمست 30 جون 2016ء کو ختم ہونے والے سال کے لیے NAFA ملٹی ایسیٹ فنڈ کی دسویں سالانہ رپورٹ پیش کرتا ہے۔

فنڈ کی پرفارمنس

اسٹاک مارکیٹ نے کموڈٹی میں زبردست مندی اور چین کی زیر قیادت عالمی نمو پر خدشات کے زیر اثر علاقائی اور عالمی مارکیٹس کے مطابق غیر متاثر کارکردگی سے مالی سال 2015-16 کا آغاز کیا۔ لیکن سال کے دوسرے نصف میں ایک زبردست بحالی کے نتیجے میں مقامی اسٹاک ایکسچینج سال کے آخر میں 9.8 فی صد منافع کے ساتھ بند ہوئے۔ سال کے پہلے نصف کے دوران مارکیٹ آئل اینڈ گیس سیکٹر میں خام تیل کی قیمتوں میں تیزی سے کمی اور غیر ملکی سرمایہ کاروں کی طرف سے بے روک ٹوک حصص کی فروخت کے نتیجے میں پر دباؤ میں رہی۔ تاہم مارکیٹ نے دوسرے نصف میں خساروں سے کہیں زیادہ منافع حاصل کر لیا، جیسا کہ خام تیل کی قیمتوں کی بحالی کا نتیجہ بھاری سرمائے والے انرجی اسٹاکس کی طرف سے زبردست منافع جات کی صورت میں برآمد ہوا اور پاکستان کی آئینہ سال سے MSCI EM انڈیکس میں دوبارہ شمولیت کی خبر سامنے آئی۔ NBFCs، انفرادی اور میوچل فنڈز خالصتاً خریدار رہے اور انہوں نے غیر ملکی سرمایہ کاروں کی طرف سے حصص کی فروخت کے بڑے حصے کو جذب کر لیا۔ اتار چڑھاؤ سے بھرپور مالی سال 2015-16 کے بعد MSCI ایمر جگ مارکیٹس انڈیکس میں شمولیت، قیمتوں کے معقول تعین اور حکومت کی طرف سے سی پیک پر ڈبکلیٹس کے نفاذ کے ساتھ انفراسٹرکچر پر خرچ پر توجہ مرکوز کرنے کی وجہ سے پاکستانی ایکویٹی زبردست منافع جات پیش کرنے کے لیے عمدہ پوزیشن میں ہیں۔ کاروباری قرض کے حلقے میں TFCs/صکوک میں تجارتی سرگرمیوں کے اعلیٰ کوالٹی اجرائی کارروائیوں کی طرف جھکاؤ کے ساتھ مجموعی تجارتی حجم تقریباً 8 ارب روپے کی سطح کو پہنچ گیا۔ لین دین کا اصل ارتکاز بینکاری کے شعبے میں رہا جس کا حصہ 43% بنتا ہے۔ زیر جائزہ مدت (مالی سال 2016) کے دوران، افراط زر کے دباؤ میں مزید کمی کے ساتھ (اوسط افراط زر 2.9%)، اسٹیٹ بینک آف پاکستان نے مالی سال 2015 میں پالیسی ریٹ میں 300 بنیادی پوائنٹس کی مجموعی کمی کے بعد 75 بنیادی پوائنٹ مجموعی طور پر مزید کم کر دیے۔ SBP نے اپنے پالیسی بیان میں درج ذیل کی نشان دہی کی ہے (i) مجموعی معاشی حالات میں بہتری (ii) امن و امان کی بہتر صورت حال اور (iii) چین پاکستان اقتصادی راہداری (CPEC) کے تحت سرمایہ کاری کی بدولت نمو کے مثبت امکانات۔ زیر جائزہ مدت کے دوران آزادانہ منافع جات نے پالیسی ریٹ میں 75 بنیادی پوائنٹس کی کمی کے مطابق ردعمل دکھایا۔ ہم مالی سال 2017 کے آخر تک ایشیائے صرف کی قیمتوں کی جزوی بحالی، پاکستانی روپے کی قدر میں محدود کمی اور نئی شعبے کے قرضوں میں اضافے کی وجہ سے افراط زر کو 6% تک بڑھتا دیکھ رہے ہیں۔

NAFA ملٹی ایسیٹ فنڈ نے مالی سال کے دوران 8.37% نیٹج مارک منافع (KSE-100 انڈیکس 50%، سہ ماہی KIBOR، 50%) کے مقابلے میں 8.69% سالانہ منافع پیش کیا جس کا مطلب سال کے دوران 0.32% بہتر کارکردگی ہے۔ فنڈ نے سال بھر ایکویٹی میں بھاری سرمایہ کاری برقرار رکھی جو اس اعلیٰ کارکردگی کا سبب بنی۔ مزید برآں فنڈ نے آئل اینڈ گیس ایکسپلوریشن کمپنیز، انجینئرنگ اور ٹیکسٹائل کے شعبوں میں کثرت سے اہم اسٹاکس رکھے جنہوں نے مارکیٹ سبقت برقرار رکھی، جب کہ کمرشل بینکنگ اور فریٹ لائزرز کے شعبوں میں سرمایہ کاری رکھی جنہوں نے ناقص کارکردگی کا مظاہرہ کیا، اور اس طرح فنڈ کی اعلیٰ کارکردگی میں حصے دار بنے۔ ابتداء (22 جنوری 2007) سے اب تک فنڈ کے ریٹرن میں 216.15% نیٹج مارک منافع (KSE-100 انڈیکس 50%، سہ ماہی KIBOR، 50%) کے مقابلے میں 295.93% اضافہ ہوا ہے، لہذا تا حال کارکردگی میں سبقت 79.78% ہے۔ یہ اضافی کارکردگی (outperformance) منیجمنٹ فیس اور تمام دیگر اخراجات کے بعد خالص ہے۔

NAFA ملٹی ایسیٹ فنڈ کا حجم، 30 جون 2016 کے مطابق 1,328 ملین روپے ہے۔ NAFA ملٹی ایسیٹ فنڈ نے سال کے دوران 139.86 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 31.88 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 107.98 ملین روپے ہے۔ اس سال کے دوران NAFA ملٹی ایسیٹ فنڈ کے یونٹ کی قیمت 30 جون 2015 کو 14.3873 روپے (Ex-Div) سے بڑھ کر 30 جون 2016 پر 15.6377 روپے (Ex-Div) ہو چکی ہے۔ جو کہ فی یونٹ 1.2504 روپے (8.69%) منافع کی شکل میں سامنے آیا ہے۔ NAFA ملٹی ایسیٹ فنڈ کی ایلیکشن 30 جون 2016 کو بمطابق ذیل ہے:



NAFA MULTI ASSET FUND

آمدنی کی تقسیم

منجنت کمپنی کے بورڈ آف ڈائریکٹرز نے سال کے دوران ابتدائی NAV-ex کا 6.38% (ویلیو کے مساوی 9.77%) کیش ڈیویڈنڈ منظور کیا ہے۔

ٹیکسیشن

جیسا کہ مندرجہ بالا کیش ڈیویڈنڈ، انویسٹمنٹس کے تصرف شدہ اور غیر تصرف شدہ (realized and unrealized) مالیاتی منافع جات کے علاوہ، انویسٹمنٹس پر سال کے دوران کمائی گئی آمدنی کے 90% سے زائد ہے، انکم ٹیکس آرڈیننس 2001 کے دوسرے سٹیڈول کے حصہ 1 کی شق 99 کے تحت فنڈ پر ٹیکس لاگو نہیں ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز Deloitte یوسف عادل، چارٹرڈ اکاؤنٹنٹس نے فنڈ کے آڈیٹرز کی حیثیت سے اپنی پانچ سالہ میعاد مکمل کر لی ہے اور۔ نان بینکنگ فنانس کمپنیز اینڈ ٹریڈنگ اینڈ اینڈریج ریکولیشنز 2008 کی ریگولیشن (i) 38 کے تقاضے کے مطابق ان کا متبادل درکار ہوگا۔ بورڈ نے 30 جون 2017 کو ختم ہونے والے سال کے لیے میسرز KPMG کا تھریڈ ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی منظوری دے دی ہے۔

کوڈ آف کارپوریٹ گورننس کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

1- منجنت کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوز اور یونٹ ہولڈرز فنڈ میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔

2- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔

3- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔

4- ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔

5- انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔

6- فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔

7- لسٹنگ ریگولیشنز میں تفصیلاً درج کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔

8- پرفارمنس ٹیبیل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہے۔

9- ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔

10- اس مدت کے دوران منجنت کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 24 میں ظاہر کی گئی ہے۔

11- یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 23 میں ظاہر کیا گیا ہے۔

12- ڈائریکٹرز، CEO، CFO، کمپنی سیکرٹری اور ان کی بیویوں اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 20 میں ظاہر کی گئی ہے۔

اعتراف

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 ایکسچینج 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 ٹرسٹی کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فلرٹن ایسیٹ منجنت لمیٹڈ

چیف ایگزیکٹو

بتاریخ

23 ستمبر 2016

مقام: کراچی

ڈائریکٹر

NAFA MULTI ASSET FUND

TRUSTEE REPORT TO THE UNIT HOLDERS NAFA MULTI ASSET FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Multi Asset 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 year ended June 30, 2016 in accordance with the provisions of the following:

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

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

Karachi: September 30, 2016

NAFA MULTI ASSET FUND

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

This statement is being presented by the Board of Directors (the Board) of NBP Fullerton Asset Management Limited (the Company), the Management Company of **NAFA Multi Asset Fund** (the Fund) to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of the Rule Book of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company, though an un-listed Public Limited Company complies with the CCG as the Fund under its management is listed on Pakistan Stock Exchange Limited.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2016, the Board included:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque
Executive Directors	Dr. Amjad Waheed (Chief Executive Officer)
Non- Executive Directors	1. Mr. Nausherwan Adil (Chairman) 2. Mr. Aamir Sattar 3. Mr. Abdul Hadi Palekar 4. Mr. Nigel Poh Cheng 5. Mr. Koh Boon San

The independent directors meets the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred during the year.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

NAFA MULTI ASSET FUND

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive have been taken by the Board. There is no other executive-director of the Company besides Chief Executive Officer (CEO).
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The directors are conversant of the relevant laws applicable to the Company, its policies and provisions of memorandum and articles of association and are aware of their duties and responsibilities. As of 30 June 2016, three directors of the Company had acquired the director's training certificate as required under the Code. The Company plans to arrange a Director's Training Program in future, for the remaining directors.
10. The Board has approved the appointment of Chief Financial Officer (CFO) of the Company with their remuneration and terms and conditions of employment. There has been no new appointment of the Company Secretary and Head of Internal Audit during the year.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the units of the Fund other than that disclosed in note 19 to the financial statements "Transactions with Connected Persons".
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the CCG. The committee has formed the terms of reference for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members. All the members are non-executive directors including an independent director and the chairman of the committee is non-executive director.

NAFA MULTI ASSET FUND

18. The Board has set up an effective internal audit function.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. Since there is no practical implication of closed period on the announcement of interim and final results of open end Fund. Therefore, there was no 'closed period' prior to the announcement of interim / final results.
22. Material / price sensitive information has been disseminated amongst all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with except the following:
 - As per the Code, the mechanism was required to put in place for an annual evaluation of the Board within two years of coming into effect of the Code i.e. April 2014. The mechanism is in place and the Company is in the process of completion of annual evaluation of the Board.

For and behalf of the Board

Karachi
September 23, 2016

Dr. Amjad Waheed
Chief Executive Officer

NAFA MULTI ASSET FUND

FUND MANAGER REPORT

NAFA Multi Asset Fund

NAFA Multi Asset Fund (NMF) is an Open-ended Balanced Fund.

Investment Objective of the Fund

Objective of NMF is to provide investors with a combination of capital growth and income. NMF 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, CFS etc.

Benchmark

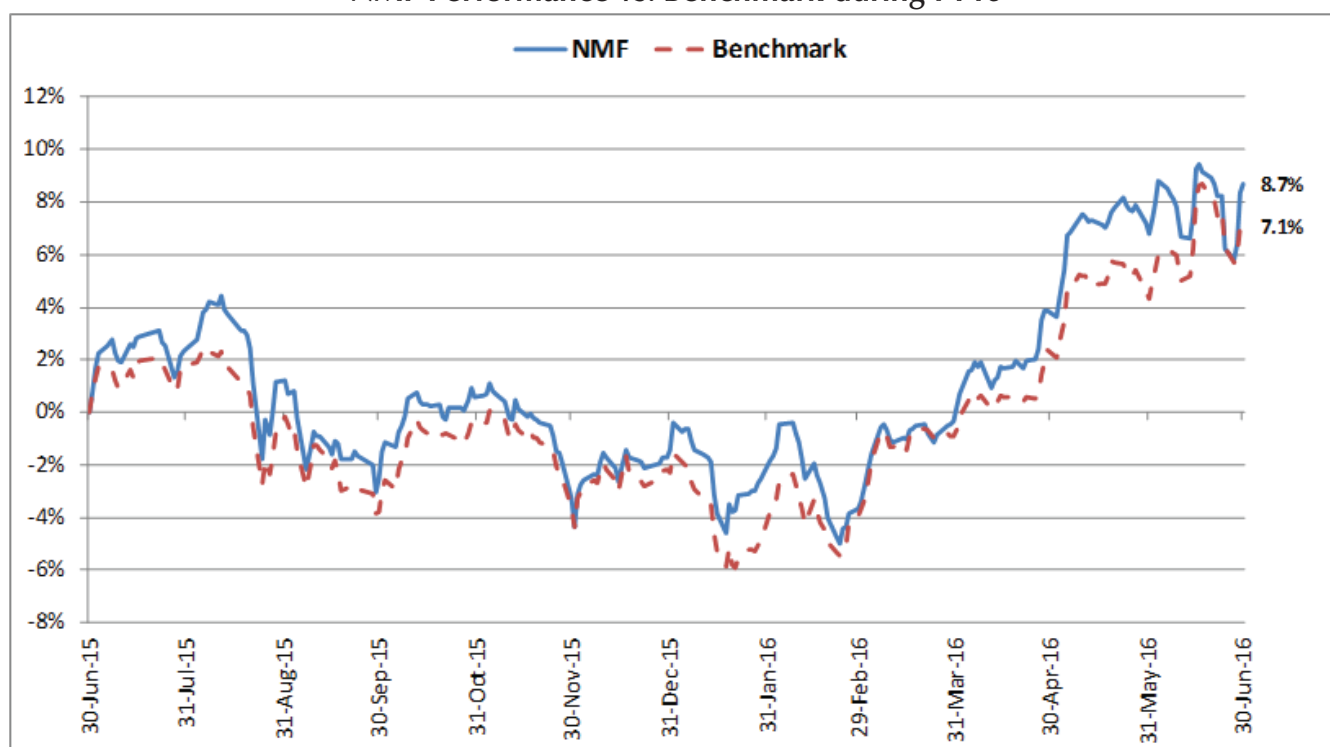
50% 3-Month KIBOR and 50% KSE-30 Total Return Index

Fund Performance Review

This is the tenth annual report of the Fund. During the fiscal year, the return on NAFA Multi Asset Fund was 8.69% versus the benchmark return of 7.10% translating into an outperformance of 1.59% during the year. Since its launch (January 22, 2007), the Fund has risen by 295.93%, versus the benchmark return of 133.45%, thus to date outperformance is 162.48%. The outperformance of the Fund is net of management fee and all other expenses. Thus, NMF has met its investment objective. During the year, the fund size of NMF decreased by 10.7% to Rs.1,328mn.

NMF outperformed during the year as its key holdings in the Oil & Gas Exploration Companies, Engineering, and Textile Composite sectors. Moreover, contribution to the Fund's performance also came from its underweight position in the selected companies of Commercial Banks and Fertilizer sectors that lagged the market. The chart below shows the performance of NMF against the Benchmark for the year.

NMF Performance vs. Benchmark during FY16



NAFA MULTI ASSET FUND

At the start of the year, NMF was around 64.0% invested in equities. During the year, we altered the allocation of the Fund based on the expected performance of different asset classes. Towards the end of the year, the allocation in equities was around 66.7%.

The stock market started FY2015-16 on a lackluster note in sync with the regional and global markets, driven by a rout in commodities and concerns on global growth led by China. But in the aftermath of a strong rally in the second half of the year, the local bourse closed the year with 9.8% return. During the first half of the year, the market remained under pressure led by Oil & Gas Sector amid sharp decline in crude oil prices and unabated foreign selling. However, the market more than made up for the losses in the second half as recovery in crude oil prices led to strong returns from the heavy eight energy stocks and Pakistan's re-entry in MSCI EM Index from next year boosted general investor sentiment. NBFCs, Individuals, and Mutual Funds remained net buyers, absorbing majority of the foreign selling. After a volatile FY2015-16, Pakistan equities are well poised to post stronger return this year as inclusion in MSCI Emerging Markets Index, relatively reasonable valuations, and improving growth prospects driven by government focus on infrastructure spending coupled with implementation of CPEC projects will keep local & foreign investors' interest strong in the market.

On the corporate debt sphere, trading activity in TFCs/Sukuks remained skewed towards high quality issues with total trade value touching around Rs 8 billion. The trades were mainly concentrated in the Banking sector, making up 43% share. Due to further abatement in inflationary pressures as captured in FY16 average inflation of 2.9%, State Bank of Pakistan (SBP) reduced the policy rate by a cumulative 75 bps in FY16 up on the heels of a cumulative 300 bps reduction in FY15. SBP in its policy statement highlighted (i) improvement in the macroeconomic conditions, (ii) better law and order situation; and (iii) positive growth prospects underpinned by investment under China Pakistan Economic Corridor (CPEC). During the period under review, sovereign yields responded accordingly to policy rate cut of 75 bps. We see pickup in inflation to 5.5% by year-end due to partial recovery in commodity prices, measured PKR devaluation, and uptick in private sector borrowing.

Asset Allocation of the Fund (% of NAV)

Particulars	30-Jun-16	30-Jun-15
Equities / Stocks	66.72%	63.96%
TFCs / Sukuks	9.03%	8.22%
PIBs	2.97%	2.71%
Cash Equivalents	26.41%	34.66%
Other Net Liabilities	-5.13%	-9.54%
Total	100.00%	100.00%

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
Saudi Pak Leasing	TFC	27,547,410	27,547,410	-	-	-
Eden Housing (Sukuk II)	SUKUK	9,843,750	9,843,750	-	-	-
New Allied Electronics (Sukuk I)	SUKUK	10,000,000	10,000,000	-	-	-
Total		47,391,160	47,391,160	-	-	-

Distribution for the Financial Year 2016

Interim	Dividend as a % of Par Value (Rs.10)	Cum Dividend Price Per Unit (Rs.)	Ex- Dividend Price Per Unit (Rs.)
Interim	9.77%	16.2829	15.3058

NAFA MULTI ASSET FUND

Unit Holding Pattern of NAFA MULTI ASSET FUND as on June 30, 2016

Size of Unit Holding (Units)		No. of Unit Holders
1	1,000	54
1,001	5,000	131
5,001	10,000	54
10,001	50,000	112
50,001	100,000	33
100,001	500,000	29
500,001	1,000,000	6
1,000,001	5,000,000	1
5,000,001	10,000,000	1
10,000,001	100,000,000	2
Total:		423

During the period under question:

- There have been no significant changes in the state of affairs of the Fund
- The Management Company or its delegates did not receive any soft commission (i.e. goods and services) from its broker(s)/dealer(s) by virtue of transactions conducted by the Fund.

Workers' Welfare Fund (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of 20.023 million. If the same were not made, the NAV per unit/last one year return of scheme would have been higher by Rs 0.23 / 1.62%. For details, investors are advised to read the Note 16 of the Financial Statements of the Scheme for the year ended June 30, 2016.

NAFA MULTI ASSET FUND

REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of the NBP Fullerton Asset Management Limited, the Management Company of **NAFA Multi Asset Fund** (the Fund) for the year ended June 30, 2016, to comply with the requirement of the Pakistan Stock Exchange Limited, where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of related party transactions of the Fund distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2016.

Further, we highlight below instances of non-compliances with the requirements of the Code as reflected in the paragraph references where these are stated in the Statement of Compliance:

- i) Paragraph 21 As per the Code, there should be announcement of 'close period' prior to the announcement of interim / final results, however there was no such 'close period' announced during the year ended June 30, 2016.
- ii) Paragraph 23 A mechanism for an evaluation of the Board's own performance is in place;; however, the Management Company is in process for completion of the annual evaluation of the Board.

Deloitte Yousuf Adil.
Chartered Accountants
Karachi
Date: September 30, 2016

NAFA MULTI ASSET FUND

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

Report on the Financial Statements

We have audited the accompanying financial statements of **NAFA Multi Asset Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2016, and the related income statement, statement of comprehensive income, cash flow statement, distribution statement and statement of movements in unit holders' funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Company's Responsibility for the Financial Statements

NBP Fullerton Asset Management Limited (the Management Company) is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at June 30, 2016, and of its financial performance, its cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non- Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non- Banking Finance Companies and Notified Entities Regulations, 2008.

Deloitte Yousuf Adil
Chartered Accountants
Engagement Partner: Naresh Kumar

Date: September 30, 2016
Place: Karachi

NAFA MULTI ASSET FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2016

	Note	2016 -----Rupees in '000-----	2015 -----Rupees in '000-----
ASSETS			
Balances with banks	4	350,744	390,010
Investments	5	1,045,319	1,113,773
Mark-up accrued and dividend receivable	6	3,898	9,059
Advances, deposits and other receivables	7	3,650	90,772
Total assets		1,403,611	1,603,614
LIABILITIES			
Payable to the NBP Fullerton Asset Management Limited - Management Company	8	16,031	11,650
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	226	267
Payable to the Securities and Exchange Commission of Pakistan	10	1,249	1,139
Dividend payable		33,441	2,128
Accrued expenses and other liabilities	11	24,822	101,131
Total liabilities		75,769	116,315
NET ASSETS		1,327,842	1,487,299
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,327,842	1,487,299
Contingencies and commitments	12		
		-----Number of units-----	
Number of units in issue	13	84,912,656	97,172,330
		-----Rupees-----	
Net asset value per unit	14	15.6377	15.3058

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 -----Rupees in '000-----	2015
INCOME			
Return / mark-up on;			
- bank balances		32,717	22,094
- term finance certificates and sukus		11,186	22,083
- government securities		4,230	5,145
Net gain on sale of investments		3,184	102,565
Dividend income		46,483	41,551
Net unrealised gain on re-measurement of investments at fair value through profit or loss - held for trading	5.9	64,465	155,927
Total income		<u>162,265</u>	<u>349,365</u>
EXPENSES			
Remuneration of the NBP Fullerton Asset Management Limited - Management Company	8.1	29,395	26,819
Sindh Sales Tax on remuneration of the Management Company	8.2	4,774	4,666
Federal Excise Duty on remuneration of the Management Company	8.3	4,703	4,291
Reimbursement of operational expenses to the Management Company	8.4	861	-
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	2,470	2,341
Sindh Sales Tax on remuneration of the Trustee		346	-
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	1,249	1,140
Securities transaction cost		1,062	1,631
Settlement and bank charges		423	441
Auditors' remuneration	15	583	531
Fund rating fee		187	170
Legal and professional charges		65	125
Annual listing fee		40	40
Printing charges		10	90
Reversal of impairment in respect of non-performing term finance certificates and sukus	5.13	(14,286)	(2,857)
Total expenses		<u>31,882</u>	<u>39,428</u>
Net income from operating activities		<u>130,383</u>	<u>309,937</u>
Net element of loss and capital losses included in prices of units issued less those in units redeemed		(10,436)	(14,292)
Provision for Workers' Welfare Fund	16	-	(5,913)
Net income for the year before taxation		<u>119,947</u>	<u>289,732</u>
Taxation	17	-	-
Net income for the year after taxation		<u>119,947</u>	<u>289,732</u>
Earnings per unit	18		

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	-----Rupees in '000-----	
Net income for the year after taxation	119,947	289,732
Other comprehensive income		
Items that may be reclassified subsequently to income statement:		
Net unrealised gain on the re-measurement of investments classified as 'available for sale'	-	11,964
Reclassification to income statement relating to gain realized on maturity / disposal of investment classified as 'available for sale'	(11,964)	(301)
Items that will not be reclassified subsequently to income statement	-	-
Total comprehensive income for the year	<u>107,983</u>	<u>301,395</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	-----Rupees in '000-----	
Undistributed income brought forward comprising of:		
- realised income	213,854	53,247
- unrealised income	167,891	58,201
	381,745	111,448
Net income for the year	119,947	289,732
Final distribution for the year ended June 30, 2016:		
- cash distribution @ Rs 0.9771 per unit declared on June 29, 2016 (2015: Rs 0.4168 per unit declared on June 29, 2015)	(79,690)	(39,525)
	(79,690)	(39,525)
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(182)	20,090
Undistributed income carried forward	<u>421,820</u>	<u>381,745</u>
Undistributed income carried forward comprising of:		
- realised income	357,355	213,854
- unrealised income	64,465	167,891
	<u>421,820</u>	<u>381,745</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	-----Rupees in '000-----	
Net assets at the beginning of the year	1,487,299	1,026,396
Issuance of 37,168,918 units (2015: 38,251,924 units)	582,794	544,209
Redemption of 49,240,876 units (2015: 23,825,869 units)	(780,980)	(359,468)
	(198,186)	184,741
Net element of loss and capital losses included in prices of units issued less those in units redeemed - transferred to income statement	10,436	14,292
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - transferred to distribution statement	182	(20,090)
Total comprehensive income for the year	107,983	301,395
Distributions made during the year		
Final distribution for the year ended June 30, 2016:		
- cash distribution @ Rs 0.9771 per unit declared on June 29, 2016 (2015: Rs 0.4168 per unit declared on June 29, 2015)	(79,690)	(39,525)
	(79,690)	(39,525)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing (loss) / income that forms part of the unit holders fund	(182)	20,090
Net assets at the end of the year	<u>1,327,842</u>	<u>1,487,299</u>
	-----Rupees in '000-----	
Net asset value per unit at the beginning of year	15.3058	12.4041
Net asset value per unit at the end of year	<u>15.6377</u>	<u>15.3058</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 -----Rupees in '000-----	2015
Cash flows from operating activities			
Net income for the year before taxation		119,947	289,732
Adjustments:			
Net unrealised gain on re-measurement of investments at fair value through profit or loss - held for trading		(64,465)	(155,927)
Net element of loss and capital losses included in prices of units issued less those in units redeemed		10,436	14,292
Reversal of impairment in respect of non-performing term finance certificates and sukuks		(14,286)	(2,857)
		(68,315)	(144,492)
		51,632	145,240
(Increase) / decrease in assets			
Investments - net		135,241	(96,091)
Mark-up accrued and dividend receivable		5,161	(5,098)
Advances, deposits and other receivables		(115)	4,767
		140,287	(96,422)
Increase / (decrease) in liabilities			
Payable to the Management Company		4,381	8,148
Payable to the Trustee		(41)	58
Payable to the Securities and Exchange Commission of Pakistan		110	390
Payable against purchase of investments		-	(39,398)
Accrued expenses and other liabilities		1,833	7,162
		6,283	(23,640)
Net cash generated from operating activities		198,202	25,178
Cash flows from investing activities			
Net cash generated from investing activities		-	-
Cash flows from financing activities			
Amounts received from issuance of units		670,031	456,316
Amounts paid on redemption of units		(859,122)	(281,315)
Distributions paid		(48,377)	(37,397)
Net cash (used in) / generated from financing activities		(237,468)	137,604
Net (decrease) / increase in cash and cash equivalents during the year		(39,266)	162,782
Cash and cash equivalents at the beginning of the year		390,010	227,228
Cash and cash equivalents at the end of the year	4	350,744	390,010

The annexed notes 1 to 30 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Multi Asset Fund (the Fund) was established under a Trust Deed executed between the NBP Fullerton Asset Management Limited, as Management Company and Central Depository Company of Pakistan Limited (CDC), as the 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 (the 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 No.4, Scheme No.5 Clifton Karachi. Due to the fire incident at the registered office of the Management Company, its office has been temporarily shifted to 2nd floor, Ex - NDFC Building, Tariq Road, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

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

The core objective of the Fund is to 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, long term and short term performance ranking of '4 star' and '3 star' respectively.

Title of the assets of the Fund is held in the name of CDC as a trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the 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, provisions of and directives issued under the Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). Whenever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

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

2.4 Adoption of new standards, amendments and interpretations to the published approved accounting standards:

2.4.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2016

The following standards, amendments and improvements are effective for the year ended June 30, 2016. These standards, improvements and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

NAFA MULTI ASSET FUND

IFRS 10 – Consolidated Financial Statements	Effective from accounting period beginning on or after January 01, 2015
IFRS 11 – Joint Arrangements	Effective from accounting period beginning on or after January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	Effective from accounting period beginning on or after January 01, 2015
IAS 27 (Revised 2011) – Separate Financial Statements	Effective from accounting period beginning on or after January 01, 2015
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	Effective from accounting period beginning on or after January 01, 2015

Certain annual improvements have also been made to a number of IFRSs.

IFRS 13 – Fair Value Measurement

In addition to the above standards, IFRS 13 'Fair Value Measurement' also became effective in the current year. IFRS 13 consolidates the guidance on how to measure fair value, which was spread across various IFRSs, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 did not have an impact on the financial statements of the Fund (refer note 28).

2.4.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and improvements are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, improvements and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	Effective from accounting period beginning on or after January 01, 2018
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective date is deferred indefinitely. Earlier adoption is permitted.
Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception	Effective from accounting period beginning on or after January 01, 2016
Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	Effective from accounting period beginning on or after January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	Effective from accounting period beginning on or after January 01, 2017
Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	Effective from accounting period beginning on or after January 01, 2016

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases

NAFA MULTI ASSET FUND

2.5 Critical accounting judgments and estimates

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying Fund's accounting policies. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

In the process of applying Fund's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- a) classification of financial assets (note 3.2.1)
- b) impairment of financial assets (note 3.2.5)
- c) provisions (note 3.9)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.2 Financial assets

3.2.1 Classification

The management of the Fund determines appropriate classification of investments at the time of purchase and classifies these investments at fair value through profit or loss - held for trading, loans and receivables or available for sale.

a) Investments at fair value through profit or loss - held for trading

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short term profit making exists.

b) Loans and receivables

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

c) Available for sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (i) loans and receivables, (ii) held to maturity investments or (iii) financial assets at fair value through profit and loss.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date i.e, the date on which the Fund commits to purchase or sell the investments. Purchases / sales of investments require delivery of securities within the time frame established by the stock exchange regulations.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the 'income statement'.

3.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss' and 'available for sale' are valued as follows:

a) Debt securities (other than government securities)

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

NAFA MULTI ASSET FUND

b) Government securities

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

c) Equity securities

The investment of the Fund in equity securities are valued on the basis of closing quoted market prices available at the stock exchange.

Investments of the Fund in unquoted equity securities are carried at lower of investment price or their break-up value as per the latest audited financial statements.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the 'income statement'.

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

d) Loans and receivables

Subsequent to initial recognition, financial assets classified as loans and receivables are carried at amortised cost using effective interest method. Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

3.2.5 Impairment of financial assets

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

a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular no. 33 of 2012 dated October 24, 2012 issued by the SECP. Impairment losses recognised on debt securities can be reversed through the 'income statement'.

As allowed under circular no. 13 of 2009 dated May 4, 2009 issued by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

b) Equity securities

For equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the security is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in 'income statement', is reclassified from other comprehensive income and recognized in the income statement. However, the decrease in impairment loss on equity securities are not reversed through the income statement.

c) Loans and receivables

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

3.2.6 Derecognition

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

3.2.7 Offsetting of financial assets and financial liabilities

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

3.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the 'income statement'.

NAFA MULTI ASSET FUND

3.4 Securities purchased under resale transactions

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the statement of assets and liabilities. Amount paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo transaction.

All reverse repo transactions are accounted for on the trade date.

3.5 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

3.6 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.7 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Sales load collected, if any, is payable to the Management Company.

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

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

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

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 and on unrealised gain / (loss) arising during an accounting year on available for sale securities. The element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed is apportioned between the income statement and the distribution statement in proportion of the relative change in net assets for the year of available for sale investments and other net assets.

3.9 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.1 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the 'income statement' on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss - held for trading' are included in the 'income statement' in the period in which they arise.
- Dividend income is recognised when the right to receive the dividend is established.
- Markup / return on government securities, term finance certificate, sukuks, commercial papers, clean placements, bank balances and term deposits are recognized on a time proportionate basis using the effective interest method.

3.11 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

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3.12 Proposed distributions

Distributions declared subsequent to the year end are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared.

3.13 Earnings per unit

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

	Note	2016	2015
-----Rupees in '000-----			
4 BALANCES WITH BANKS			
Current accounts			
Savings accounts	4.1	5,371 345,373	2,891 387,119
		<u>350,744</u>	<u>390,010</u>

4.1 These savings accounts carry markup at rates ranging from 4% to 7.45% per annum (2015: 4.50% to 10.10% per annum).

		2016	2015
-----Rupees in '000-----			
5 INVESTMENTS			
At fair value through profit or loss - held for trading			
Listed equity securities	5.1	885,979	951,278
Government securities	5.2	39,497	40,303
Term finance certificates	5.3	40,000	-
Sukuks	5.4	79,843	80,129
		<u>1,045,319</u>	<u>1,071,710</u>
Available for sale			
Term finance certificates	5.6	-	10,175
Sukuks	5.7	-	31,888
		<u>-</u>	<u>42,063</u>
		<u>1,045,319</u>	<u>1,113,773</u>

5.1 Listed equity securities

Name of the investee company	As at July 1, 2015	Purchases during the year	Bonus / Right shares	Sold during the year	As at June 30, 2016	Market value as at June 30, 2016	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee company
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Rupees in '000) ----- % -----

*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 K-Electric Limited which have a face value of Rs. 3.5 each.

OIL AND GAS

Attock Petroleum Limited	25,951	-	-	7,000	18,951	8,292	0.62	0.79	0.02
Attock Refinery Limited	-	134,500	-	60,900	73,600	20,618	1.55	1.97	0.09
Hascol Petroleum Limited (Refer 5.1.2)	471	-	94	-	565	110	0.01	0.01	0.0005
Mari Petroleum Limited	-	51,200	-	9,000	42,200	38,327	2.89	3.67	0.04
National Refinery Limited	18,300	-	-	18,300	-	-	-	-	-
Oil and Gas Development Company Limited	63,896	236,200	-	46,000	254,096	35,083	2.64	3.36	0.01
Pakistan Oilfields Limited	71,669	82,000	-	66,600	87,069	30,255	2.28	2.89	0.04
Pakistan Petroleum Limited	194,583	182,000	-	136,500	240,083	37,225	2.80	3.56	0.01
Pakistan State Oil Company Limited	89,552	43,900	-	37,300	96,152	36,101	2.72	3.45	0.04
Shell Pakistan Limited	37,400	-	-	37,400	-	-	-	-	-
							<u>15.51</u>	<u>19.70</u>	

CHEMICALS

Dawood Hercules Corporation Limited	9,000	-	-	-	9,000	1,340	0.10	0.13	0.002
Engro Corporation Limited	257,817	52,000	-	187,000	122,817	40,895	3.08	3.91	0.02
Engro Fertilizers Limited	319,500	438,500	-	519,500	238,500	15,379	1.16	1.47	0.02
Fauji Fertilizer Bin Qasim Limited	-	210,000	-	-	210,000	11,132	0.84	1.06	0.02
Fauji Fertilizer Company Limited	94,311	117,000	-	211,300	11	1	0.00	0.00	0.000001
							<u>5.18</u>	<u>6.57</u>	

CONSTRUCTION AND MATERIALS

Akzo Nobel Pakistan Limited	41,800	-	-	-	41,800	7,718	0.58	0.74	0.09
Attock Cement Pakistan Limited	-	105,300	-	-	105,300	25,136	1.89	2.40	0.09
Cherat Cement Company Limited	-	-	-	-	-	-	-	-	-
D.G. Khan Cement Pakistan Limited	513,500	50,000	-	423,000	140,500	26,764	2.02	2.56	0.03
Fauji Cement Company Limited	-	100,000	-	-	100,000	3,580	0.27	0.34	0.01
Fecto Cement Limited	-	11,000	-	11,000	-	-	-	-	-
Lucky Cement Limited	88,864	10,200	-	58,800	40,264	26,112	1.97	2.50	0.01
Maple Leaf Cement Cement Factory Limited	386,500	-	-	256,000	130,500	13,769	1.04	1.32	0.02
Pioneer Cement Limited	204,000	-	-	63,500	140,500	15,090	1.14	1.44	0.06
							<u>8.91</u>	<u>11.30</u>	

NAFA MULTI ASSET FUND

Name of the investee company	Number of shares					Market value as at June 30, 2016	Investment as a percentage of		
	As at July 1, 2015	Purchases during the year	Bonus / right Issue	Sales during the year	As at June 30, 2016		Net assets	Market value of total investment	Paid up capital of investee company
						Rupees in '000)	----- % -----		
*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 K-Electric Limited which have a face value of Rs. 3.5 each.									
GENERAL INDUSTRIALS									
Thal Limited	149,636	-	-	17,300	132,336	37,454	<u>2.82</u>	<u>3.58</u>	0.16
PERSONAL GOODS									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.43	0.54	14.61
Kohinoor Textile Mills Limited (Refer 5.1.2)	604,000	14,500	92,775	72,000	639,275	51,161	3.85	4.89	0.23
Nishat Mills Limited	188,100	331,100	-	109,500	409,700	44,207	<u>3.33</u>	<u>4.23</u>	0.12
							7.61	9.66	
TECHNOLOGY HARDWARE AND EQUIPMENT									
Avanceon Limited	-	31,000	-	-	31,000	892	<u>0.07</u>	<u>0.09</u>	0.03
							0.07	0.09	
INDUSTRIAL TRANSPORTATION									
Pakistan National Shipping Corporation	96,000	-	-	-	96,000	8,995	<u>0.68</u>	<u>0.86</u>	0.07
							0.68	0.86	
FIXED LINE TELECOMMUNICATION									
Pakistan Telecommunication Company Limited	-	336,500	-	336,500	-	-	-	-	-
INDUSTRIAL METALS AND MINING									
International Steels Limited	-	1,024,500	-	97,000	927,500	33,038	2.49	3.16	0.21
International Industries Limited	293,500	216,500	-	51,000	459,000	37,119	<u>2.80</u>	<u>3.55</u>	0.38
							5.29	6.71	
ENGINEERING									
Crescent Steel and Allied Products Limited	106,500	-	-	106,500	-	-	-	-	-
Mughal Iron and Steel Industries Limited	-	92,000	-	92,000	-	-	-	-	-
ELECTRICITY									
K-Electric Limited	5,000	-	-	5,000	-	-	-	-	-
Kot Addu Power Company Limited	604,500	-	-	173,000	431,500	38,511	2.90	3.68	0.02
Lalpir Power Limited	275,000	-	-	275,000	-	-	-	-	-
Pakgen Power Limited	-	134,000	-	134,000	-	-	-	-	-
Saif Power Limited	748,000	-	-	491,000	257,000	7,715	0.58	0.74	0.02
The Hub Power Company Limited	475,348	-	-	204,600	270,748	32,506	<u>2.45</u>	<u>3.11</u>	0.01
							5.93	7.53	0.05
CABLE AND ELECTRICAL GOODS									
Pakistan Elektron Limited	169,500	46,500	54,000	85,500	184,500	11,928	<u>0.90</u>	<u>1.14</u>	0.01
							0.90	1.14	
MULTI UTILITIES (GAS AND WATER)									
Sui Northern Gas Pipelines Limited	-	435,000	-	435,000	-	-	-	-	-
Sui Southern Gas Company Limited	-	633,000	-	633,000	-	-	-	-	-
GLASS AND CERAMICS									
Tariq Glass Industries Limited	350,000	74,000	-	-	424,000	31,355	<u>2.36</u>	<u>3.00</u>	0.20
							2.36	3.00	
BANKS									
Allied Bank Limited	299,900	-	-	36,000	263,900	23,740	1.79	2.27	0.01
Bank Al-falah Limited	429,000	255,000	-	197,500	486,500	12,440	0.94	1.19	0.01
Bank Al-Habib Limited	591,900	284,500	-	307,000	569,400	24,553	1.85	2.35	0.02
Faysal Bank Limited (Refer 5.1.2)	20,650	-	-	-	20,650	271	0.02	0.03	0.001
Habib Bank Limited	74,480	83,000	-	74,300	83,180	16,433	1.24	1.57	0.002
Habib Metropolitan Bank Limited	369,500	-	-	369,500	-	-	-	-	-
MCB Bank Limited	-	70,900	-	-	70,900	15,599	1.17	1.49	0.002
Meezan Bank Limited	158,117	128,500	-	286,000	617	26	0.00	0.00	0.00002
United Bank Limited	138,091	45,000	-	65,400	117,691	20,822	<u>1.57</u>	<u>1.99</u>	0.003
							8.58	10.89	
AUTOMOBILE AND PARTS									
Ghandhara Nissan Limited	35,500	-	-	35,500	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	63,400	-	-	63,400	-	-	-	-	-
Indus Motor Company Limited	41,500	6,800	-	14,780	33,520	31,493	2.37	3.01	0.01
Pak Suzuki Motor Company Limited	22,700	32,900	-	55,600	-	-	-	-	-
							2.37	3.01	
PHARMA AND BIOTECH									
Ferozsons Laboratories Limited	-	9,000	-	9,000	-	-	-	-	-
GlaxoSmithKline (Pakistan) Limited	-	34,500	-	-	34,500	7,145	0.54	0.68	0.004
							0.54	0.68	
						885,979	66.74	84.74	
Carrying value before mark to market as at June 30, 2016						820,421			

NAFA MULTI ASSET FUND

5.1.1 Investments include shares with market value of Rs. 39.02 million (2015: Rs. 41.02 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.

5.1.2 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of five percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) has withheld the shares equivalent to five percent of bonus announcement and not yet deposited in CDC account of department of Income Tax.

5.2 Government securities	Note	2016	2015
		-----Rupees in '000-----	
Pakistan Investment Bond	5.2.1	39,497	40,303
		<u>39,497</u>	<u>40,303</u>

5.2.1 Pakistan Investment Bond (PIBs)

Issue Date	Tenor	Face Value				Market Value as at June 30, 2016	Investment as a percentage of	
		As at July 1, 2015	Purchases during the year	Sales/ Matured during the year	As at June 30, 2016		Net assets	Market value of total investments
July 17, 2014	3 years	37,500	-	-	37,500	39,497	2.97	3.78

Carrying value before mark to market as at June 30, 2016

40,303

5.3 Term finance certificates

5.3.1 Term finance certificates - listed

Name of the investee company	Number of certificates				Market value as at June 30, 2016	Investment as a percentage of		
	As at July 1, 2015	Purchases during the year	Sales during the year	As at June 30, 2016		Net assets	Market value of total investment	Issue size

Rupees in '000) -----%-----

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

Saudi Pak Leasing Company Limited (note 5.3.1.1)	<u>10,000</u>	-	-	<u>10,000</u>	-	-	-	<u>6.67</u>
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27,547

Carrying value before mark to market as at June 30, 2016

Accumulated impairment

27,547

5.3.1.1 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.

5.3.2 Term finance certificates - unlisted

Name of the investee company	Number of certificates				Market value as at June 30, 2016	Investment as a percentage of		
	As at July 1, 2015	Purchases during the year	Sales during the year	As at June 30, 2016		Net assets	Market value of total investment	Issue size

Rupees in '000) -----%-----

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

Jehangir Siddiqui and Company Limited	-	<u>8,000</u>	-	<u>8,000</u>	<u>40,000</u>	<u>3.01</u>	<u>3.83</u>	<u>4</u>
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Carrying value as at June 30, 2016

40,000

NAFA MULTI ASSET FUND

5.4 Sukuks - listed

Name of the investee company	Number of certificates				Market value as at June 30, 2016	Investment as a percentage of		
	As at July 1, 2015	Purchases during the year	Sales during the year	As at June 30, 2016		Net assets	Market value of total investment	Issue size

Rupees in '000) -----%-----

All sukuks have a face value of Rs. 5,000 each unless stated otherwise.

K - Electric AZM Sukuk	16,000	-	-	16,000	79,843	6.01	7.64	2.13
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Carrying value before mark to market as at June 30, 2016

80,129

5.5 Other particulars of term finance certificates and sukuks outstanding as at June 30, 2016 are as follows:

Name of the investee company	Repayment frequency	Face value (unredeemed)	Profit rate per annum	Rating	Issue Date	Maturity Date
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Saudi Pak Leasing Company Limited	Monthly	2,755	6.87% fixed rate	Unrated	13-Mar-2008	13-Mar-2017
K-Electric AZM Sukuk	Quarterly	5,000	3 Month KIBOR offer rate plus 2.25%	A-	19-Mar-2014	19-Mar-2017
Jehangir Siddiqui and Company Limited	Semi Annually	5,000	6 Month KIBOR offer rate plus 1.65%	Unrated	16-May-2016	16-May-2021

5.6 Term finance certificates - unlisted

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

Name of the investee company	Number of certificates / bonds				Market value as at June 30, 2016	Investment as a percentage of		
	As at July 1, 2015	Purchases during the year	Sales during the year	As at June 30, 2016		Net assets	Market value of total investment	Issue size

Rupees in '000) -----%-----

Engro Fertilizer Limited	2,000	-	2,000	-	-	-	-	-
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5.6.1 The term finance certificates held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

5.7 Sukuks - unlisted

Name of the investee company	Number of certificates				Market value as at June 30, 2016	Investment as a percentage of		
	As at July 1, 2015	Purchases during the year	Sales during the year	As at June 30, 2016		Net assets	Market value of total investment	Issue size

Rupees in '000) -----%-----

All sukuks have a face value of Rs. 5,000 each.

Maple Leaf Cement Factory Limited	17,688	-	17,688	-	-	-	-	-
New Allied Electronics Industries (Private) Limited (note 5.7.1)	32,000	-	-	32,000	-	-	-	1.33
Pak Electron Limited	8,000	-	8,000	-	-	-	-	-
Eden Housing Limited (note 5.7.2)	10,000	-	-	10,000	-	-	-	6.85
	<u>67,688</u>	-	<u>25,688</u>	<u>42,000</u>	-	-	-	<u>8.18</u>

Carrying value as at June 30, 2016

19,844

Accumulated impairment

19,844

5.7.1 This represents investment in privately placed sukuks 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 non performing asset 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.

5.7.2 This represents investment in privately placed sukuk with a term of five years. The investee company has defaulted its scheduled principal and profit payment and accordingly has been classified as non performing asset by MUFAP since May 06, 2011. 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.

5.7.3 The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

NAFA MULTI ASSET FUND

5.8 Other particulars of sukuk outstanding as at June 30, 2016 are as follows:

Name of the investee company	Repayment frequency	Face value (unredeemed)	Profit rate per annum	Rating	Issue Date	Maturity Date
New Allied Electronics Industries (Private) Limited	Quarterly	313	3 Month KIBOR offer rate plus 2.6%	Unrated	27-Jul-2007	25-Jul-2016
Eden Housing Limited	Quarterly	984	3 Month KIBOR offer rate plus 3%	Unrated	31-Mar-2008	29-Sep-2016

2016
-----Rupees in '000-----

5.9 Net unrealised gain in fair value of investments at fair value through profit or loss - held for trading

	Note	2016	2015
Market value of investments	5.1, 5.2, 5.3 & 5.4	1,045,319	1,071,710
Less: Carrying value of investments	5.1, 5.2, 5.3 & 5.4	(1,008,401)	(943,330)
		<u>36,918</u>	<u>128,380</u>
Add: Provision against non-performing term finance certificates and sukuk	5.12	27,547	27,547
		<u>64,465</u>	<u>155,927</u>

5.10 Net unrealised gain in fair value of investments classified as available for sale

Market value of investments	5.6 & 5.7	-	42,063
Less: Carrying value of investments	5.6 & 5.7	(19,844)	64,229
		<u>(19,844)</u>	<u>(22,166)</u>
Add: Provision against non-performing term finance certificates and sukuk	5.13	19,844	34,130
		<u>-</u>	<u>11,964</u>

5.11 Details of provision against investments

Provision related to investments classified as at fair value through profit or loss - held for trading	5.12	27,547	27,547
Provision related to investments classified as available for sale	5.13	19,844	34,130
		<u>47,391</u>	<u>61,677</u>

2016
-----Rupees in '000-----

5.12 Movement in provision against investments classified as at fair value through profit or loss - held for trading

Opening balance	27,547	27,547
Charge for the year	-	-
Reversal of provision due to recovery	-	-
Closing balance	<u>27,547</u>	<u>27,547</u>

5.13 Movement in provision against investments classified as available for sale

Opening balance	34,130	36,987
Charge for the year	(14,286)	(2,857)
Reversal of provision due to recovery	(14,286)	(2,857)
Closing balance	<u>19,844</u>	<u>34,130</u>

6 MARK-UP ACCRUED AND DIVIDEND RECEIVABLE

Markup accrued on bank balances	43	181
Dividend receivable	1,295	4,082
Markup accrued on term finance certificates and sukuk	20,929	19,440
Markup accrued on Pakistan Investment Bond	1,935	1,907
Less: Income suspended over non-performing term finance certificates and sukuk	(20,304)	(16,551)
	<u>2,560</u>	<u>4,796</u>
	<u>3,898</u>	<u>9,059</u>

NAFA MULTI ASSET FUND

	2016	2015
	-----Rupees in '000-----	
7 ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
Receivable against transfer of units	656	87,893
Security deposits with:		
- National Clearing Company of Pakistan Limited	2,750	2,750
- Central Depository Company of Pakistan Limited	100	100
Advance tax	144	29
	<u>3,650</u>	<u>90,772</u>

7.1 This represents net amount receivable from other collective investment schemes being managed by the Management Company of the Fund. The amount is receivable in respect of units redeemed to various unit holders based on their request for transfer of units from other collective investment schemes from the Fund. The amount has been received from respective collective investment schemes subsequent to the year ended June 30, 2016.

	2016	2015
	-----Rupees in '000-----	
8 PAYABLE TO THE NBP FULLERTON MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Remuneration of the Management Company	2,284	2,566
Sindh Sales Tax on remuneration of the Management Company	371	447
Federal Excise Duty on remuneration of the Management Company	11,587	6,884
Operational expenses	861	-
Sales load	928	1,753
	<u>16,031</u>	<u>11,650</u>

8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulation), 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. On November 25, 2015, SECP has made certain amendments in the NBFC Regulations, 2008. As per the provision of amended NBFC Regulation 2008, the applicable rate has been changed to 2% of annual average net assets. As on January 22, 2012, the Fund has completed its five years and accordingly the Management Company has charged its remuneration at the rate of 2% of the average annual net assets of the Fund from that date, therefore above amendment has no impact on the Fund's net assets. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 14% (2015: 15%) on remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

8.3 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on management remuneration had been made applicable effective from June 13, 2013. In this regard, demand notices were received by some asset management companies, including the Management Company, for collection of FED on management remuneration. Mutual Fund Association of Pakistan (MUFAP) took up the matter collectively and filed a petition with the Honorable Sindh High Court and was granted stay in this regard.

That time, the Management Company took the view that since the remuneration was already subject to provincial sales tax, further levy of FED may result in double taxation, which did not appear to be the spirit of the law. Therefore, the Management Company also filed a petition against the demand notice in the Honorable Sindh High Court and were granted stay on the basis of the pending constitutional petition from MUFAP in the said court as referred above.

During the current year, the Honorable Sindh High Court, in its judgement dated June 30, 2016, on Constitutional Petition instituted by MUFAP declared that the provisions of Federal Excise Act, 2005, insofar as they relate to providing or rendering of services, are ultra vires to the 18th amendment of the Constitution with effect from July 1, 2011, the date on which Sindh Sales Tax on Services Act, 2011 came into force.

However, the Federal Board of Revenue (FBR) has right to challenge the decision in the Supreme Court of Pakistan within 90 days of the above decision of the Court, and the petition of the Management Company is still pending in the Court; therefore, as a matter of prudence, the Fund has recorded provision for the year amounting to Rs 4.703 million and maintained the accumulated provision against FED amounting to Rs. 11.587 million as of June 30, 2016.

8.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average annual net assets, being the lower amount, to the Fund with effect from November 25, 2015.

NAFA MULTI ASSET FUND

	Note	2016 -----Rupees in '000-----	2015
9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration of the trustee	9.1	199	267
Sindh Sales Tax on remuneration of the trustee	9.2	27	-
		<u>226</u>	<u>267</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is paid to the Trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2016 is as follows:

Net asset value	Tariff per annum
Up to Rs. 1,000 million	Rs. 0.7 million or 0.20% per annum of net asset value, whichever is higher
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% per annum of net asset value exceeding Rs. 1,000 million.

9.2 The Sindh Revenue Board through circular no. SRB-3-4/TP/01/2015/86554 dated June 13, 2015, amended definition of services of shares, securities and derivatives and included the custodianship services within purview of the Sindh Sales Tax. Accordingly Sindh Sales Tax of 14 % is applicable on remuneration of the trustee which is now covered under section 2(79A) of the Sindh Sales Tax on Services Act, 2011.

	Note	2016 -----Rupees in '000-----	2015
10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	10.1	<u>1,249</u>	<u>1,139</u>

10.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorized as 'balanced scheme' is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.085 percent of the average annual net assets of the Fund. The Fund has been categorized as a 'balanced scheme' by the Management Company.

	Note	2016 -----No of Units-----	2015
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		433	389
Brokerage charges		373	176
Settlement charges		54	40
Dividend payable to brokers		493	493
Provision for Workers' Welfare Fund	16	20,023	20,023
Legal and professional charges		5	125
Payable against redemption of units	11.1	11	78,153
Withholding tax		3,078	1,294
Others		352	438
		<u>24,822</u>	<u>101,131</u>

11.1 This includes amounts payable to other collective investment schemes being managed by the Management Company of the Fund. These amounts are payable in respect of units redeemed by various unit holders based on their request for transfer of units from the Fund to the other collective investment schemes. These amounts have been paid to the respective collective investment schemes subsequent to the year ended June 30, 2016.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2016 and June 30, 2015 except as disclosed elsewhere in these financial statements.

NAFA MULTI ASSET FUND

	2016	2015
	----- Rupees in '000 -----	
13 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	97,172,330	82,746,275
Add: units issued during the year	37,168,918	38,251,924
Less: units redeemed during the year	(49,428,592)	(23,825,869)
Total units in issue at the end of the year	<u>84,912,656</u>	<u>97,172,330</u>

14 NET ASSET VALUE PER UNIT

The net asset value per unit as disclosed in the 'statement of assets and liabilities' is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

	2016	2015
	----- Rupees in '000 -----	
15 AUDITORS' REMUNERATION		
Annual audit fee	326	326
Half yearly review fee	130	108
Out of pocket expenses	127	97
	<u>583</u>	<u>531</u>

16 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 (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequently, the Ministry of Labor and Manpower (the Ministry) vide its letter dated 15 July 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labor and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter 4 January 2011 has cancelled ab-initio clarificatory letter dated 6 October 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

Furthermore, in 2011 the Honorable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the Honorable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honorable High Court of Sindh.

During the year ended June 30, 2013, the Larger Bench of the Sindh High Court (SHC) issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

During the year ended June 30, 2014, the Honourable Peshawar High Court on a petition filed by certain aggrieved parties (other than the mutual funds) have adjudicated that the amendments introduced in the Workers Welfare Fund Ordinance, 1971 through the Finance Acts of 1996 and 2009 lacks the essential mandate to be introduced and passed through the money bill under the Constitution of Pakistan and hence have been declared as ultra vires the Constitution.

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.

NAFA MULTI ASSET FUND

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 till June 30, 2015 which aggregates to Rs. 20.023 million. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.0.236 per unit (2015: Rs. 0.206 per unit).

Further, Sindh Workers Welfare Fund (SWWF) Act 2014 enacted in June 2015 requires every Industrial Establishment located in the province of Sindh and having total income of Rs. 500,000 or more, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on the opinion obtained by MUFAP from its advisor who is of the view that Collective Investment Schemes (CIS) are not financial institutions, believes that SWWF is not applicable on the Fund.

17 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund intends has distributed such accounting income for the year ended June 30, 2016 to its unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

18 EARNINGS PER UNIT

Earnings per unit (EPU) for the year ended June 30, 2016 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

19 DETAILS OF NON-COMPLIANT INVESTMENTS

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 categorization 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:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	% of net assets	% of gross assets
-----Rupees in '000-----							
New Allied Electronic Industries (Private) Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates (19.1)	10,000	(10,000)	-	-	-
Saudi Pak Leasing Company	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates (19.1)	27,547	(27,547)	-	-	-
Eden Housing Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks (19.1)	9,844	(9,844)	-	-	-

19.1 At the time of purchase, these term finance certificates and sukuks bonds were in compliance with the aforementioned circular. However, they subsequently defaulted or were downgraded to non investment grade.

20 TRANSACTIONS WITH CONNECTED PERSONS

20.1 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 being the Parent of the Management Company and Alexandra Fund Management Pte. Limited being the sponsor. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company and its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes managed by the Management Company, directors and key management personnel of the Management Company.

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

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

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

NAFA MULTI ASSET FUND

	2016	2015
	-----Rupees in '000-----	
20.5 Details of transactions with connected persons are as follows:		
NBP Fullerton Asset Management Limited (Management Company)		
Remuneration of the Management Company	29,395	26,819
Sindh Sales Tax on remuneration of the Management Company	4,774	4,666
Federal Excise Duty on remuneration of the Management Company	4,703	4,291
Operational expense	861	-
Sales load	1,869	3,031
National Bank of Pakistan (Parent of the Management Company)		
Cash paid against distribution	2,128	-
Units redeemed / transferred out Nil units (2015: 5,106,088 units)	-	78,153
Shares purchased nil shares (2015: 22,000 shares)	-	1,303
Shares sold nil shares (2015: 799,071 shares)	-	49,114
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,470	2,341
Sindh Sales Tax on remuneration of the Trustee	346	-
CDS charges	54	98
NBP Employees Pension Fund (Pension Fund of the parent of the Management Company)		
Units Issued / Transferred in 1,491,778 units (2015: 634,310 units)	23,328	9,653
Employees of the Management Company		
Units redeemed / transferred out 78,702 units (2015: 61,110 units)	1,229	778
Units issued / transferred in 79,021 units (2015: 6,214 units)	1,232	89
NAFA Employee Provident Fund (Provident Fund of the Management Company)		
Units redeemed / transferred out 839,183 units (2015:188,582 units)	13,123	2,520
Units issued / transferred in 1,245,976 units (2015: 137,362 units)	19,484	1,737
Karachi Electric Provident Fund (Portfolio managed by the Management Company)		
Units issued / transferred in Nil units (2015: 912,350 units)	-	13,885
International Industries Limited (Common Directorship with the Management Company)		
Shares purchased 216,500 shares (2015: 293,500 shares)	29,938	21,454
Shares sold 51,000 shares (2015: nil shares)	3,997	-
International Steel Limited (Common Directorship with the Management Company)		
Shares purchased 1,024,500 shares (2015: nil shares)	14,218	-
Shares sold 97,000 shares (2015: nil shares)	3,977	-
Taurus Securities Limited (Subsidiary of Parent of the Management Company)		
Brokerage charges	618	111
Cherat Cement Pakistan Limited (Common Directorship with the Management Company)		
Shares purchased	-	-
Shares sold	-	4
Summit Bank Limited (Common Directorship with the Management Company)		
Markup on bank balance	2	3

NAFA MULTI ASSET FUND

	2016	2015
	-----Rupees in '000-----	
20.6 Details of amounts outstanding as at year end with connected persons are as follows:		
NBP Fullerton Asset Management Limited (Management Company)		
Remuneration of the Management Company	2,284	2,566
Sindh Sales Tax on remuneration of the Management Company	371	630
Federal Excise Duty on remuneration of the Management Company	11,587	7,413
Operational expenses	861	-
Sales load	928	1,041
National Bank of Pakistan (Parent of the Management Company)		
Dividend payable	-	2,128
Bank Balance	2,810	1,913
NBP Employees Pension Fund (Pension Fund of the parent of the Management Company)		
Investment held in the Fund: 2,528,649 units (2015: 23,797,707 units)	395,423	364,197
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the trustee	226	213
Sindh sales tax on remuneration of the trustee	27	-
CDS charges	54	54
Security deposit	100	100
NAFA Employee Provident Fund (Provident Fund of the Management Company)		
Investment held in the Fund: Nil units (2015: 406,793 units)	-	6,226
Karachi Electric Provident Fund (Portfolio managed by the Management Company)		
Investment held in the Fund: 34,224,720 units (2015: 34,224,720 units)	535,196	523,837
Employees of the Management Company		
Investment held in the Fund: nil units (2015: 13,449 units)	-	206
Summit Bank of Pakistan (Common Directorship with the Management Company)		
Bank balance	2,561	1,021
International Steel Limited (Common Directorship with the Management Company)		
Ordinary shares held 927,500 (2015: nil shares)	33,038	-
International Industries Limited (Common Directorship with the Management Company)		
Ordinary shares held 459,500 (2015: 293,500 shares)	37,119	19,706
Taurus Securities Limited (Subsidiary of parent of the Management Company)		
Brokerage payable	7	8
Net amount receivable / (payable) against transfer of units from:		
- NAFA Income Fund	-	65,000
- NAFA Asset Allocation Fund	(11)	9,457
- NAFA Financial Sector Income Fund	-	6,484
- NAFA Income Opportunity Fund	655	1,136
- NAFA Money Market Fund	-	5,551
- NAFA Government Securities Liquid Fund	1	-
- NAFA Saving Plus Fund	-	265

NAFA MULTI ASSET FUND

21 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S. No.	Name	Designation	Qualification	Experience in years
1	Dr. Amjad Waheed	Chief Executive	Doctorate in Business Administration, MBA & CFA	28
2	Sajjad Anwar	Chief Investment Officer	MBA & CFA	16
3	Syed Suleman Akhtar	Head of Research	MBA & CFA	16
4	Muhammad Ali Bhabha	Head of Fixed	CFA, FRM, MBA & MS(CS)	21
5	Asim Wahab Khan	Fund Manager	CFA	10
6	Muhammad Imran	Head of Portfolio Management	CFA & ACCA	10

21.1 Mr. Asim Wahab Khan is the manager of the Fund. Other funds being managed by the Fund manager are as follows:

- NAFA Islamic Asset Allocation Fund
- NAFA Stock Fund

22 TRANSACTIONS WITH TOP TEN BROKERS / DEALERS

List of top ten brokers by percentage of commission charged during the year ended June 30, 2016

S. No.	Particulars	Percentage
1	Arif Habib Securities Limited	8.54%
2	Taurus Securities Limited	6.99%
3	Al Habib Capital Markets (Private) Limited	5.34%
4	Topline Securities (Private) Limited	4.92%
5	Concordaia Securities (Private) Limited	4.58%
6	Aqeel Karim Dehdi Securities (Private) Limited	4.44%
7	KASB Securities Limited	4.10%
8	Alfalah Securities (Private) Limited	3.72%
9	Shajar Capital Pakistan (Private) Limited	3.64%
10	Foundation Securities (Private) Limited	3.57%

List of top ten brokers by percentage of commission charged during the year ended June 30, 2015

S. No.	Particulars	Percentage
1	Taurus Securities Limited	8.17%
2	J.S. Global Capital Limited	6.12%
3	Arif Habib Securities Limited	5.38%
4	Foundation Securities (Private) Limited	4.84%
5	Elixir Securities Pakistan (Private) Limited	4.81%
6	Shajar Capital Pakistan (Private) Limited	4.48%
7	Topline Securities (Private) Limited	4.16%
8	Habib Metropolitan Financial Services	3.87%
9	SC Securities (Private) Limited	3.86%
10	BMA Capital Management Limited	3.61%

NAFA MULTI ASSET FUND

23 PATTERN OF UNIT HOLDING

-----2016-----			
Category	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
Rupees in '000			
Individuals	402	333,792	25.14%
Associated companies and directors	1	395,423	29.78%
Insurance companies	1	153	0.01%
Retirement funds	6	552,579	41.61%
Public Limited companies	1	1,157	0.09%
Others	12	44,738	3.37%
	423	1,327,842	100%
-----2015-----			
Category	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
Rupees in '000			
Individuals	457	332,547	22.36%
Associated companies and directors	2	370,423	24.91%
Insurance companies	1	143	0.01%
Retirement funds	8	614,003	41.28%
Banks/DFIs	1	127,636	8.58%
Public limited companies	1	1,081	0.07%
Others	11	41,466	2.79%
	481	1,487,299	100%

24 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 54th, 55th, 56th, 57th, 58th & 59th Board meetings were held on July 14, 2015, September 30, 2015, October 21, 2015, February 26, 2016, April 29, 2016 and June 28, 2016 respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of Meetings			Meetings not attended
	Held	Attended	Leave granted	
Mr. Nausherwan Adil	6	5	1	54th meeting
Mr. Aamir Sattar	6	4	2	56th & 57th meeting
Mr. Abdul Hadi Palekar	6	5	1	58th meeting
Mr. Koh Boon San	6	4	2	54th & 57th meeting
Mr. Nigel Poh Cheng	6	3	3	56th, 58th & 59th meeting
Mr. Kamal Amir Chinoy	6	5	1	57th meeting
Mr. Shehryar Faruque	6	4	2	54th & 59th meeting
Dr. Amjad Waheed	6	6	-	-

25 FINANCIAL INSTRUMENTS BY CATEGORY

-----As at June 30, 2016-----				
	Loans and receivables	At fair value through profit or loss	Available for Sale	Total
------(Rupees in '000)-----				
Financial Assets				
Balances with banks	350,744	-	-	350,744
Investments	-	1,045,319	-	1,045,319
Mark-up accrued and dividend receivable	3,898	-	-	3,898
Advances, deposits and other receivables	3,506	-	-	3,506
	358,148	1,045,319	-	1,403,467

NAFA MULTI ASSET FUND

-----As at June 30, 2016-----

At fair value through profit or loss	Amortised Cost	Total
--------------------------------------	----------------	-------

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

Financial Liabilities

Payable to the Management Company	-	16,031	16,031
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	226	226
Accrued expenses and other liabilities	-	1,721	1,721
Net assets attributable to redeemable units	-	1,327,842	1,327,842
	<u>-</u>	<u>1,345,820</u>	<u>1,345,820</u>

-----As at June 30, 2015-----

Loans and receivables	At fair value through profit or loss	Available for Sale	Total
-----------------------	--------------------------------------	--------------------	-------

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

Financial Assets

Balances with banks	390,010	-	-	390,010
Investments	-	1,071,710	42,063	1,113,773
Mark-up accrued and dividend receivable	9,059	-	-	9,059
Advances and deposits	90,643	-	-	90,643
	<u>489,712</u>	<u>1,071,710</u>	<u>42,063</u>	<u>1,603,485</u>

-----As at June 30, 2015-----

At fair value through profit or loss	Amortised Cost	Total
--------------------------------------	----------------	-------

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

Financial Liabilities

Payable to the Management Company	-	11,650	11,650
Payable to the Trustee	-	267	267
Accrued expenses and other liabilities	-	79,789	79,789
Net assets attributable to redeemable units	-	1,487,299	1,487,299
	<u>-</u>	<u>1,579,005</u>	<u>1,579,005</u>

26 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

26.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

26.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistani Rupees.

26.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

NAFA MULTI ASSET FUND

a) Sensitivity analysis for variable rate instruments

As at June 30, 2016, the Fund holds KIBOR based interest bearing term finance certificates and sukuk bonds exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / (decrease) in KIBOR on June 30, 2016 with all other variables held constant, the net assets of the Fund and net assets for the year would have been higher / (lower) by Rs. 1.16 / (1.16) million (net of WWF) (2015: Rs. 1.694 million).

b) Sensitivity analysis for fixed rate instruments

Investments in Pakistan Investment Bonds are not subject to cash flow interest rate risk.

As at June 30, 2016 the Fund holds Pakistan Investment Bonds which are classified as financial assets at 'fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis point increase in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2016, with all other variables held constant, the net income and the net assets would be higher / (lower) by Rs. 0.386 / (Rs 0.395) million (net of WWF) (2015: Rs. 0.732 / 0.711 million).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2016 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments based on the earlier of contractual repricing or maturity date and for off balance sheet instruments based on settlement date is as follows:

----- As at June 30, 2016 -----

Yield / Interest rate	Total	Exposed to yield/interest rate risk			Not exposed to Yield / Interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
%					

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

On-balance sheet financial instruments

Financial assets

Balances with banks	4.00 - 7.45	350,744	345,373	-	-	5,371
Investments	6.09 - 8.24	1,045,319	-	119,843	-	925,476
Mark-up accrued and dividend receivable		3,898	-	-	-	3,898
Advances, deposits and other receivables		3,506	-	-	-	3,506
		1,403,467	345,373	119,843	-	938,251

Financial liabilities

Payable to the Management Company	16,031	-	-	-	-	16,031
Payable to the Central Depository Company of Pakistan Limited - Trustee	199	-	-	-	-	199
Accrued expenses and other liabilities	1,721	-	-	-	-	1,721
	17,951	-	-	-	-	17,951

On-balance sheet gap		1,385,516	345,373	119,843	-	920,300
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Off-balance sheet financial instruments		-	-	-	-	-
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Off-balance sheet gap		-	-	-	-	-
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NAFA MULTI ASSET FUND

----- As at June 30, 2015 -----

Yield / Interest rate	Total	Exposed to yield/interest rate risk			Not exposed to Yield / Interest rate risk
		Upto three months	More than three months and upto one year	More than one year	

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

On-balance sheet financial instruments

Financial assets

Balances with banks	4.50 - 10.10	390,010	387,119	-	-	2,891
Investments	7.73 - 13.18	1,113,773	120,432	-	42,063	951,278
Mark-up accrued and dividend receivable		9,059	-	-	-	9,059
Advances, deposits and other receivables		90,672	-	-	-	90,672

1,603,514 507,551 - 42,063 1,053,900

Financial liabilities

Payable to the Management Company		11,650	-	-	-	11,650
Payable to the Central Depository Company of Pakistan Limited - Trustee		267	-	-	-	267
Payable against purchase of investments		-	-	-	-	-
Accrued expenses and other liabilities		79,789	-	-	-	79,789

91,706 - - - 91,706

On-balance sheet gap

1,511,808 507,551 - 42,063 962,194

Off-balance sheet financial instruments

- - - - -

Off-balance sheet gap

- - - - -

26.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of the investments held by the Fund and classified in the 'statement of assets and liabilities' as financial asset 'at fair value through profit or loss'. The Fund manages price risk by limiting individual equity securities to not more than ten percent of net assets attributable to holders of the Fund's assets. Moreover, the sector limits have also been restricted to twenty five percent. The equity investments either classified as 'available for sale' or at 'fair value through profit or loss - held for trading' are listed in the Pakistan Stock Exchange. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Manager and is reviewed on a regular basis by the investment committee as well as the Board of Directors.

In case of 5% increase / decrease in fair value on June 30, 2016, the net income for the year would increase / decrease by Rs. 44.29 million (net of WWF) (2015: Rs 46.61 million) and net assets of the Fund would increase / decrease by the same amount. The sensitivity analysis is based on the Fund's equity security as at the statements of assets and liabilities date with all other variables held constant.

26.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted. Credit risk arises from investment in debt securities, balances with banks and financial institutions, credit exposure arising as a result of dividends receivable on equity securities, receivable against sale of investments and accrued mark-up on bank balances and advances, deposits and other receivables. Credit risk on dividend receivable is minimal due to statutory protection. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings. Credit risk also arises from the inability of the relevant brokerage house or the counter party to fulfill their obligations. There is a possibility of default by participants or failure of the financial markets / stock exchanges, the depositories, the settlements or clearing system, etc. The settlement risk of default on equity securities is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets. The Fund does not face any credit risk with respect to investment in government securities as these represent the interest of Government of Pakistan.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarizes the credit quality of the Fund's financial assets:

NAFA MULTI ASSET FUND

Bank balances by rating category

AAA	2.9%
AA+	12.3%
AA-	1.9%
AA	82.1%
A-	0.8%

Term finance certificates and sukuks by rating category

AA,	39.07%
Un-rated	60.92%

The maximum exposure to credit risk before any credit enhancement as at June 30, 2016 is as follows :

	June 30, 2016		June 30, 2015	
	Amount of financial assets	Maximum exposure	Amount of financial assets	Maximum exposure
Balances with banks	350,744	350,744	390,010	390,010
Investments	1,045,319	1,005,822	1,113,773	1,073,470
Mark-up accrued and dividend receivable	3,898	1,963	9,059	7,152
Advances, deposits and other receivables	3,506	3,506	90,743	90,743
	1,403,467	1,362,035	1,603,585	1,561,375

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk.

26.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realizable.

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

----- June 30, 2016-----			
Total	Upto three months	Over three months and upto one year	Over one year
----- (Rupees in '000)-----			

Financial liabilities

Payable to the Management Company	16,031	16,031	-	-
Payable to the Trustee	226	226	-	-
Accrued expenses and other liabilities	1,721	1,721	-	-
Net assets attributable to redeemable units	1,327,842	1,327,842	-	-
	1,345,820	1,345,820	-	-

NAFA MULTI ASSET FUND

----- June 30, 2015-----

Total	Upto three months	Over three months and upto one year	Over one year
------(Rupees in '000)-----			
Payable to the Management Company	11,650	11,650	-
Payable to the Trustee	267	267	-
Payable against purchase of investments	-	-	-
Accrued expenses and other liabilities	79,789	79,789	-
Net assets attributable to redeemable units	1,487,299	1,487,299	-
	<u>1,579,005</u>	<u>1,579,005</u>	<u>-</u>

Financial liabilities

27 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'statement of movement in unit holders' fund'.

The Fund has no restriction or specific capital requirement on the subscription and redemption of units.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies stated in note 26, the Fund endeavors to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

- **Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- **Level 3** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

-----As at June 30, 2016-----

	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
ASSETS				
IAt fair value through profit or loss				
- held for trading				
Listed equity securities	885,979	-	-	885,979
Government securities	-	39,497	-	39,497
Term finance certificates and sukuku	-	79,843	-	79,843

-----As at June 30, 2015-----

	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
ASSETS				
IAt fair value through profit or loss				
- held for trading				
Listed equity securities	951,278	-	-	951,278
Government securities	-	40,303	-	40,303
Term finance certificates and sukuku	-	80,129	-	80,129

There were no transfers between Level 1 and 2 during the year

NAFA MULTI ASSET FUND

Underlying the definition of fair value is the presumption that the fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The carrying values of all financial instruments reflected in the financial statements approximate their fair values .

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on September 23, 2016

30 GENERAL

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

30.2 Corresponding figures have been rearranged and reclassified, wherever necessary.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

PERFORMANCE TABLE

Particulars	For the Year Ended June 30, 2016	For the Year Ended June 30, 2015	For the Year Ended June 30, 2014	For the Year Ended June 30, 2013	For the Year Ended June 30, 2012	For the Year Ended June 30, 2011
Net assets (Rs. '000')	1,327,842	1,487,299	1,026,396	800,275	624,739	705,988
Net Income (Rs. '000')	119,947	289,732	217,190	205,411	41,630	142,237
Net Asset Value per units (Rs.)	15.6377	15.3058	12.4041	13.4834	10.7183	10.7166
Selling price per unit	16.2581	15.9183	12.9048	13.8879	11.0398	9.5552
Redemption price per unit	15.6377	15.3058	12.4041	13.4834	10.7183	9.2769
Highest offer price per unit (Rs.)	16.3672	16.0929	12.9048	14.1490	11.4499	11.3452
Lowest offer price per unit (Rs.)	14.2142	12.1036	10.3262	10.4843	9.9230	8.7633
Highest redemption price per unit (Rs.)	15.7427	15.4737	12.4041	13.7369	11.1164	11.0148
Lowest redemption price per unit (Rs.)	13.6718	11.6339	9.9255	10.1789	9.634	8.5081
Fiscal Year Opening Nav	14.3873	12.0708	9.8904	10.0533	9.2769	8.5526
Total return of the fund	8.69%	26.80%	25.42%	34.12%	15.54%	25.30%
Capital growth	2.31%	23.35%	6.15%	8.69%	12.04%	2.15%
Income distribution as % of Ex-NAV	6.38%	3.45%	19.27%	25.43%	3.50%	23.15%
Income distribution as % of Par Value	9.77%	4.17%	19.05%	25.57%	3.25%	19.80%
Distribution						
Interim Distribution per unit	-	0.4168	1.9054	0.4158	-	0.5400
Final distribution per unit	0.9771	-	-	2.1411	0.3247	1.4397
Distribution dates						
Interim		29-Jun-15	13-Feb-14	26-Feb-13	Nil	Feb 18, 2011
Interim			30-Apr-14	26-Apr-13	Nil	April 19, 2011
Interim			26-Jun-14	Nil	Nil	Nil
Final	29-Jun-16	Nil	Nil	11-Jul-13	9-Jul-12	4-Jul-11
Average annual return (launch date January 19, 2007)						
(Since inception to June 30, 2016)	15.67%					
(Since inception to June 30, 2015)		16.50%				
(Since inception to June 30, 2014)			15.22%			
(Since inception to June 30, 2013)				13.71%		
(Since inception to June 30, 2012)					10.32%	
(Since inception to June 30, 2011)						9.19%

Portfolio Composition (see Fund Manager report)

Statement of past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

NAFA MULTI ASSET FUND

PROXY ISSUED BY THE FUND

The proxy voting policy of **NAFA Multi Asset Fund**, duly approved by its Board of Directors of the Management Company, is available on the website of NBP Fullerton Asset Management Limited i.e. www.nafafunds.com. A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:








	Resolutions	For	Against	Abstain
Number	4	4	-	-
(%ages)	100%	100%	-	-



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