

**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 Funds

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FUNDS' INFORMATION

Management Company

National Fullerton Asset Management Limited.

Board of Directors of the Management Company

Mr. Masood Karim Shaikh	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Gerard Lee How Cheng	Director
Khawaja Iqbal Hassan	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shahid Anwar Khan	Director
Mr. Masroor Ahmed Qureshi	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Gerard Lee How Cheng	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Masroor Ahmed Qureshi	Member

Trustee

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

Bankers to the Fund

NAFA ISLAMIC MULTI ASSET FUND

Al-Baraka Islamic Bank Askari
Commercial Bank Ltd.
Bank Alfalah Limited
BankIslami Pakistan Limited
Dawood Islamic Bank
Emirates Global Islamic Bank Ltd.
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Habib Metropolitan Bank Ltd.
Standard Chartered Bank Ltd.
The Bank of Khyber
United Bank Limited

Auditors

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

Legal Advisor

Aly Shah & Co. Advocates and Legal Consultants
Suite 502, 5th Floor
Marine Pride, BC-2, Block-7,
Khayaban-e-Iqbal
Clifton, Karachi.

Head Office

9th Floor, Adamjee House
I.I. Chundrigar Road
Karachi.

Lahore Office

83-A-E/1, Main Boulevard
Gulberg III
Lahore.

Islamabad Office

4th Floor, Ali Plaza
1-E, Blue Area
Islamabad.

NAFA ISLAMIC MULTI ASSET FUND

NAFA Islamic Multi Asset Fund

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DIRECTORS' REPORT

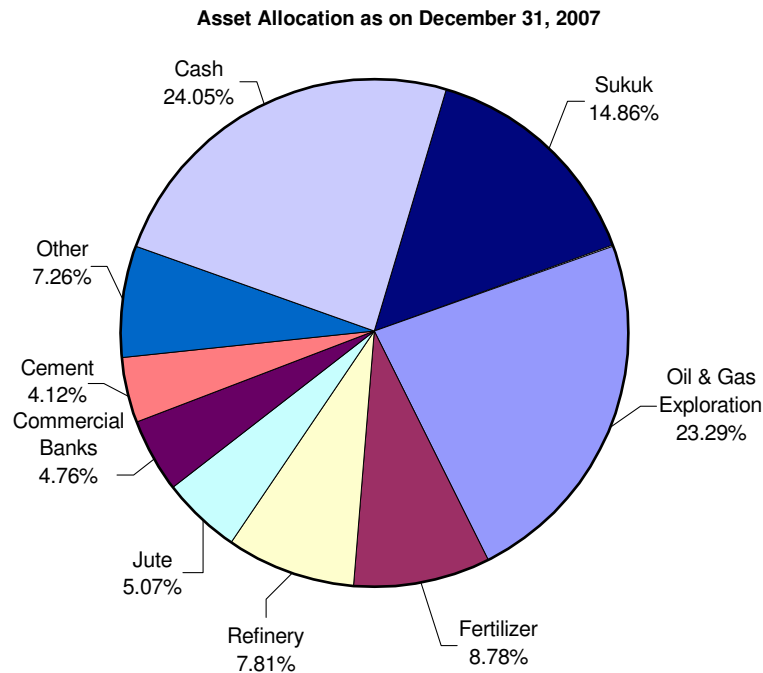
The Board of Directors of National Fullerton Asset Management Limited is pleased to present the un-audited financial statements of **NAFA Islamic Multi Asset Fund** for the period from September 17, 2007 to December 31, 2007.

Fund's Performance

NAFA Islamic Multi Asset Fund commenced its operations on October 29, 2007. Since launch its net assets have grown to Rs.826.74 million, with 84.91 million units outstanding as at December 31, 2007. The Fund typically invests 50% of its assets in "Sharia-Compliant" shares listed on the stock exchange. Following the launch, the stock market was declined due to increased political uncertainty. During the period under review, NAFA Islamic Multi Asset Fund incurred a loss of Rs.15.05 million including unrealized loss of Rs.20.25. After taking total expenses of Rs.7.35 million, the net loss is Rs.22.40 million, which translates into per unit loss of Rs.0.2638.

The performance of the Fund is compared against that of a benchmark (50% Dow Jones Islamic Pakistan Index and 50% average 1-month deposit rate of Four Islamic Banks in Pakistan). During the said period the Benchmark recorded a decline of 1.60%. As against this decline, the Fund recorded a decline of 2.64% in Unit Price over the same period, thus registering an under-performance of 1.04%.

The asset allocation of the Fund as at December 31, 2007 is as follows:



NAFA Islamic Multi Asset Fund

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the management, and providing us with 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 for their continued support and cooperation.

On behalf of the Board of
National Fullerton Asset Management Limited

Masood Karim Shaikh, FCA
Chairman

Dr. Amjad Waheed, CFA
Chief Executive

Date: February 15, 2008
Place: Karachi.

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

Report of the Trustee Pursuant to Regulation 58(f) of the Non-Banking Finance Companies and Notified Entities Regulation, 2007

NAFA Islamic Multi Asset Fund (Fund), an open-end fund established under a trust deed executed between National Fullerton Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as Trustee on August 20, 2007. The Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on September 03, 2007.

In our opinion, the Management Company has in all material respects managed the Fund for the period from September 17, 2007 to December 31, 2007 in accordance with the provisions of the constitutive documents of the Fund (and the modifications authorized by the SECP from time to time) and the Non-Banking Finance Companies and Notified Entities Regulation, 2007.

Mohammad Hanif
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, Dated: February 27, 2008

NAFA Islamic Multi Asset Fund

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Islamic Multi Asset Fund** as at December 31, 2007, and the related condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the period from September 17, 2007 to December 31, 2007. The Management Company (National Fullerton Asset Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of December 31, 2007 and for the period from September 17, 2007 to December 31, 2007 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Date: February 26, 2008.
Karachi.

A . F. Ferguson & Co.
Chartered Accountants

NAFA Islamic Multi Asset Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) AS AT DECEMBER 31, 2007

	Note	December 31, 2007 (Rupees in '000')
Assets		
Bank balances	4	129,328
Investments	5	642,258
Loans and receivables	6	60,000
Dividend and profit receivable	7	6,970
Receivable against sale of Investments		18,367
Advances, deposits, prepayments and other receivables		6,653
Preliminary expenses and floatation costs		2,410
Total assets		<u>865,986</u>
Liabilities		
Payable to National Fullerton Asset Management Limited - Management Company		6,124
Payable to Central Depository Company of Pakistan Limited - Trustee		150
Payable to Securities and Exchange Commission of Pakistan		157
Payable on redemption of units		31,230
Accrued expenses and other liabilities	8	1,587
Total liabilities		<u>39,248</u>
Net assets		<u>826,738</u>
Unit holders' funds (as per statement attached)		<u>826,738</u>
		(Number of units)
Number of units in issue		<u>84,913,442</u>
		Rupees
Net asset value per unit		<u>9.7362</u>

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

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

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Islamic Multi Asset Fund

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE PERIOD FROM SEPTEMBER 17, 2007 TO DECEMBER 31, 2007

For the Period
from
September 17,
2007 to
December 31,
2007
(Rupees in '000')

Income	
Profit on bank deposits	6,029
Loss on sale of investments - net	(2,989)
Income from spread transactions	352
Unrealised diminution in fair value of investments - at fair value through profit or loss	(20,245)
Income from Sukuk bonds	1,009
	<u>(15,844)</u>
Expenses	
Remuneration of National Fullerton Asset Management Limited - Management Company	4,700
Remuneration of Central Depository Company of Pakistan Limited - Trustee	313
Annual fee - Securities and Exchange Commission of Pakistan	157
Brokerage and other transaction costs	1,912
Settlement and bank charges	50
Auditors' remuneration	117
Amortisation of preliminary expenses and floatation costs	90
Listing fee	8
Total operating expenses	<u>7,347</u>
Net loss from operating activities	<u>(23,191)</u>
Net element of accrued income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	795
Net loss for the period	<u><u>(22,396)</u></u>

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

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Islamic Multi Asset Fund

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 17, 2007 TO DECEMBER 31, 2007**

	For the Period from September 17, 2007 to December 31, 2007 (Rupees in '000')
Net loss for the period	(22,396)
Undistributed loss carried forward	<u>(22,396)</u>

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

Dr. Amjad Waheed
Chief Executive

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

Masood Karim Shaikh
Chairman

NAFA Islamic Multi Asset Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE PERIOD FROM SEPTEMBER 17, 2007 TO DECEMBER 31, 2007

	For the Period from September 17, 2007 to December 31, 2007 (Rupees in '000')
Issue of 91,899,836 units	918,607
Redemption of 6,986,394 units	<u>(68,678)</u>
	849,929
Net element of accrued (income) / loss and (capital gains) / losses included in prices of units issued less those in units redeemed - transferred to Income Statement	(795)
Capital loss on sale of investments- net	(2,989)
Unrealised diminution in fair value of investments - at fair value through profit or loss	(20,245)
Other net gain for the period	838
Net loss for the period	<u>(22,396)</u>
Net assets as at the end of the period	<u><u>826,738</u></u>

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

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

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Islamic Multi Asset Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD FROM SEPTEMBER 17, 2007 TO DECEMBER 31, 2007

	For the Period from September 17, 2007 to December 31, 2007 (Rupees in '000')
CASH FLOW FROM OPERATING ACTIVITIES	
Net loss for the period	(22,396)
Adjustments	
Amortisation of preliminary expenses and floatation costs	90
Unrealised diminution in fair value of investments	-
- at fair value through profit or loss	20,245
Loss on sale of investments- net	2,989
Net element of accrued (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(795)
Remuneration of National Fullerton Asset Management Limited - Management Company	4,700
Remuneration of Central Depository Company of Pakistan Limited - Trustee	313
	<u>5,146</u>
Increase in assets	
Investments - net	(683,859)
Loans and receivables	(60,000)
Dividend and profit receivable	(6,970)
Preliminary expenses and floatation costs	(2,500)
Advances, deposits, prepayments and other receivables	(6,653)
	<u>(759,982)</u>
Increase in liabilities	
Accrued expenses and other liabilities	1,587
Payable to National Fullerton Asset Management Limited - Management Company	3,883
Payable to Securities and Exchange Commission of Pakistan	157
	<u>5,627</u>
Remuneration paid to National Fullerton Asset Management Limited - Management Company	(2,459)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee	(163)
	<u>(751,831)</u>
Net cash outflow on operating activities	(751,831)
CASH FLOW FROM FINANCING ACTIVITIES	
Net receipts / (payments) made against issue / (redemption) of units	881,159
Cash and cash equivalents at the end of the period	<u>129,328</u>
The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.	
For National Fullerton Asset Management Limited (Management Company)	

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD FROM SEPTEMBER 17, 2007 TO DECEMBER 31, 2007

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Multi Asset Fund (the Fund) was established under a Trust Deed executed between National Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on August 20, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 3, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering to the Fund. The Fund is listed on the Lahore Stock Exchange. The units of the Fund were initially offered for public subscription at par from October 22, 2007 to October 26, 2007.

The core objective of the Fund is to provide investors with the combination of capital growth and income by investing in Shariah compliant investments. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of Shariah Compliant securities, instruments and avenues such as equities, musharakah, murabahah, ijarah etc.

In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Trust Property was first paid or transferred to the Trustee.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

These condensed interim financial statements are unaudited. However, limited scope review has been performed by the statutory auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and these condensed interim financial statements are being circulated to the unit holders as required under the NBFC Regulations.

2.2 Accounting Convention

These condensed interim financial statements have been prepared under the historical cost convention except that certain investments are carried at fair value in accordance with the criteria laid down in International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement'.

2.3 Critical accounting estimates and judgements

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

- i) Classification and valuation of investments, and
- ii) Amortisation of preliminary expenses and floatation costs

These condensed interim financial statements have been prepared in Pak Rupees, which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances.

3.2 Investments

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell the assets.

The management determines the appropriate classification of the investments made by the Fund in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement', at the time of purchase and re-evaluates this classification on a regular basis. Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'Financial assets at fair value through profit or loss'. These investments are marked to market using the closing market rates at the end of each day and are

carried on the Statement of Assets and Liabilities at fair value. Net gains and losses arising on changes in fair values of these investments are taken to the Income Statement.

b) Held to maturity financial assets

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Fund has the positive intention and ability to hold to maturity.

Held to maturity investments are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition these investments are carried at amortised cost.

c) Available for sale

Investments intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices, are classified as 'available for sale'.

Investments categorised as available for sale are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition, 'available for sale' investments are measured at fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity until the available for sale investment is derecognised. At this time, the cumulative gain or loss previously recognised directly in equity is transferred to the income statement.

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset classified as available for sale is impaired. If evidence of impairment exists, the cumulative loss recognised in equity is removed from equity and recognised in the income statement.

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

d) Loans and receivables

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

Loans and receivables are initially recognised at fair value plus transaction costs. Subsequent to initial recognition these are carried at amortised cost.

3.3 Spread transactions

The Fund enters into certain transactions involving purchase of a security in the ready market and simultaneous sale of the same security in the futures market. Securities purchased by the Fund in the ready market are carried on the Statement of Assets and Liabilities till their eventual disposal, and the forward sale of securities in the futures market is accounted for separately as a 'derivative' in accordance with the requirements of International Accounting Standard 39: "Financial Instruments: Recognition and Measurement".

3.4 Impairment

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognised immediately in the financial statements.

3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the Net Asset Value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Currently the Fund is charging sales load at the rate of 3%.

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. Currently the Fund is not charging any back-end load or duties or charges.

3.6 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.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to income / (losses) that form part of the Unit Holders' Funds in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

3.7 Net Asset Value per unit

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

3.8 Revenue recognition

- Gains/ (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income is recognised on the date of book closure of the investee company / institution

declaring the dividend.

- Profit on deposit with banks is recognized on accrual basis.
- Unrealised gains / losses arising on revaluation of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

3.9 Preliminary expenses and floatation costs

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

3.10 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.

3.11 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company has the intention to distribute at least 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that these will be available for set off against future taxable profits. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Fund has not recognised any amount of deferred tax in these condensed interim financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least 90 percent of its accounting income for the year as reduced by capital gains, whether realized or unrealised to its unit holders every year.

3.12 Financial assets and financial liabilities

Financial assets carried on the Statement of Assets and Liabilities include balances with banks, receivable against investments, loans and receivables, income receivable and certain other receivables.

Financial liabilities carried on the Statement of Assets and Liabilities include payable to National Fullerton Asset Management Limited – Management Company, payable to Central Depository Company of

NAFA Islamic Multi Asset Fund

Pakistan Limited – Trustee, payable to Securities and Exchange Commission of Pakistan - Annual fee and accrued expenses and other liabilities.

3.13 Off-setting of financial instruments

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.

**December 31,
2007**
Note (Rupees in '000')

4 BANK BALANCES

Saving accounts	81,068
Current accounts	48,260
	129,328

5 INVESTMENTS

At fair value through profit or loss		
- Equity securities	5.1	517,258
Available for sale		
- Sukuk bonds	5.2	125,000
		642,258

5.1 AT FAIR VALUE THROUGH PROFIT OR LOSS - Equity securities

Name of the investee company	Number of shares			As at December 31, 2007	Market value at December 31, 2007 (Rs. in "000")	Market value as a Percentage of Net assets
	Purchases during the period	Bonus Rights / Issue	Sales during the period			
Commercial Banks						
Bank Islami Pakistan Limited	1,700,000	375,000	720,000	1,355,000	21,951	2.66%
Bank Islami Pakistan Limited (Right Letters)	220,000	-	-	220,000	1,639	0.20%
Meezan Bank Limited	515,000	-	3,000	512,000	19,712	2.38%
Jute						
Thal Limited	150,000	-	-	150,000	42,660	5.16%
Cement						
Attock Cement Pakistan Limited	150,000	-	-	150,000	14,955	1.81%
Fauji Cement Company Limited	1,500,000	-	250,000	1,250,000	18,625	2.25%
Fauji Cement Company Limited (Right letters)	870,000	-	-	870,000	1,053	0.13%
Refinery						
Attock Refinery Limited	150,000	-	50,000	100,000	25,130	3.04%
Bosicor Pakistan Limited	300,000	-	100,000	200,000	4,270	0.52%
National Refinery Limited	115,000	-	14,400	100,600	36,317	4.39%

NAFA Islamic Multi Asset Fund

Name of the investee company	Number of shares				Market value at December 31, 2007 (Rs. in "000")	Market value as a Percentage of Net assets
	Purchases during the period	Bonus the Rights / Issue	Sales during the period	As at December 31, 2007		
Power Generation & Distribution						
Hub Power Company Limited	1,050,000	-	710,500	339,500	10,355	1.25%
Kot Addu Power Company Limited	372,400	-	336,900	35,500	1,720	0.21%
Kohinoor Energy Limited	47,500	-	-	47,500	1,511	0.18%
Oil and Gas Exploration Companies						
Oil and Gas Development Company Limited	985,800	-	380,500	605,300	72,303	8.75%
Pakistan Oilfields Limited	275,000	-	125,000	150,000	50,160	6.07%
Pakistan Petroleum Limited	375,000	-	75,000	300,000	73,515	8.89%
Automobile Assemblers						
Indus Motor Company Limited	50,000	-	10,000	40,000	12,768	1.54%
Automobile Parts & Accessories						
Agriaautos Industries Limited	100,900	-	-	100,900	10,922	1.32%
Fertilizers						
Engro Chemical Pakistan Limited	260,000	-	84,000	176,000	46,772	5.66%
Fauji Fertilizer Bin Qasim Limited	900,000	-	270,000	630,000	26,492	3.20%
Fauji Fertilizer Company Limited	175,000	-	170,000	5,000	594	0.07%
Pharmaceuticals						
Abbot Laboratories	20,500	-	-	20,500	4,343	0.53%
Chemicals						
Pakistan PTA	757,000	-	500,000	257,000	1,298	0.16%
Paper and Boards						
Packages Limited	25,000	-	-	25,000	9,095	1.10%
Glass and Ceramics						
Ghani Glass Limited	71,100	-	21,100	50,000	4,015	0.49%
Miscellaneous						
Tri Pack Films Limited	25,000	-	-	25,000	5,083	0.61%
					<u>517,258</u>	

5.2 AVAILABLE FOR SALE - Sukuk bonds

Name of the investee company	Number of Units			Balance as at December 31, 2007		Appreciation / (Diminution)
	Purchases during the period	Sales during the period	As at December 31, 2007	Cost	Market value	
------(Rs. in "000")-----						
Privately Placed Sukuk bonds - unlisted						
Maple Leaf Cement Factory Limited	10,000	-	10,000	50,000	-	-
Kohat Cement Company Limited.	100,000	-	100,000	50,000	-	-
New Allied Electronics Industries (Private) Limited	5,000	-	5,000	25,000	-	-
					<u>125,000</u>	<u>-</u>

December 31,
2007
(Rupees in '000')

6 LOANS AND RECEIVABLES

Term Deposit Receipts	60,000
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7 DIVIDEND AND PROFIT RECEIVABLE

- Dividend Receivable	1,643
- Accrued Return on Bank Deposits	3,340
- Accrued Return on Sukuk Bonds	1,009
- Accrued Return on TDR	978
	<u>6,970</u>

8 ACCRUED EXPENSES AND OTHER LIABILITIES

Audit fee payable	117
Brokerage payable	396
Others	1,074
	<u>1,587</u>

9 EARNINGS PER UNIT

Earnings per unit (EPU) for the period from September 17, 2007 to December 31, 2007 has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include National Fullerton Asset Management Limited being the Management Company, National Bank of Pakistan, NIB Bank Limited, Alexandra Fund Management Pte. Limited being the Sponsors and Global Securities (Private) Limited being connected broker.

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

For the Period
from September
17, 2007 to
December 31,
2007
(Rupees in '000')

10.1 Transactions during the period

National Fullerton Asset Management Limited - Management Company	
Management fee	4,700

**For the Period
from September
17, 2007 to
December 31,
2007
(Rupees in '000')**

National Bank of Pakistan - Sponsor

Investment made by the Sponsor in the Fund (7,500,000 units)	75,000
Profit accrued by the Fund on pre-IPO investment	417

NIB Bank Limited - Sponsor

Investment made by the Sponsor in the Fund (7,500,000 units)	7,500
Profit accrued by the Fund on pre-IPO investment	417

Alexandra Fund Management Pte. Limited - Sponsor

Investment made by the Sponsor in the Fund (10,000,000 units)	100,000
Profit accrued by the Fund on pre-IPO investment	556

Executive Staff

Units Issued (40,000 units)	400
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Global Securities (Private) Limited - Connected broker

Brokerage fee	36
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10.2 Balance at period end

National Fullerton Asset Management Limited - Management Company

Management fee payable as at December 31, 2007	2,241
Other payable	3,883

National Bank of Pakistan - Sponsor

Investment made by the sponsor in the Fund	73,022
Profit payable by the Fund on pre-IPO investment	417

NIB Bank Limited - Sponsor

Investment made by the sponsor in the Fund	73,022
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Alexandra Fund Management Pte. Limited - Sponsor

Investment made by the sponsor in the Fund	97,362
Profit payable by the Fund on pre-IPO investment	556

Executive Staff

Investment held by the Executive Staff	389
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11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 15, 2008 by the Board of Directors of the Management Company.

12 GENERAL

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

Dr. Amjad Waheed
Chief Executive

For National Fullerton Asset Management Limited
(Management Company)

Masood Karim Shaikh
Chairman

