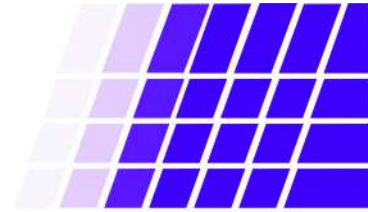
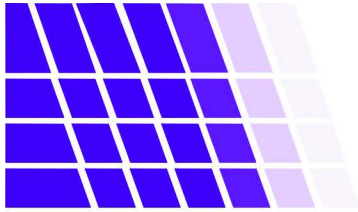


NAFA ISLAMIC MULTI ASSET FUND



NAFA ISLAMIC MULTI ASSET FUND

**QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2008
(UN-AUDITED)**

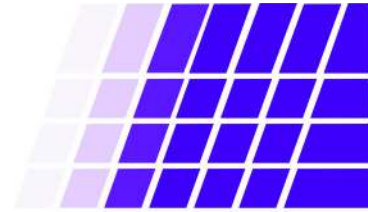


NAFA ISLAMIC MULTI ASSET FUND

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NAFA ISLAMIC MULTI ASSET FUND



DIRECTORS' REPORT

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Islamic Multi Asset Fund for the quarter ended September 30, 2008.

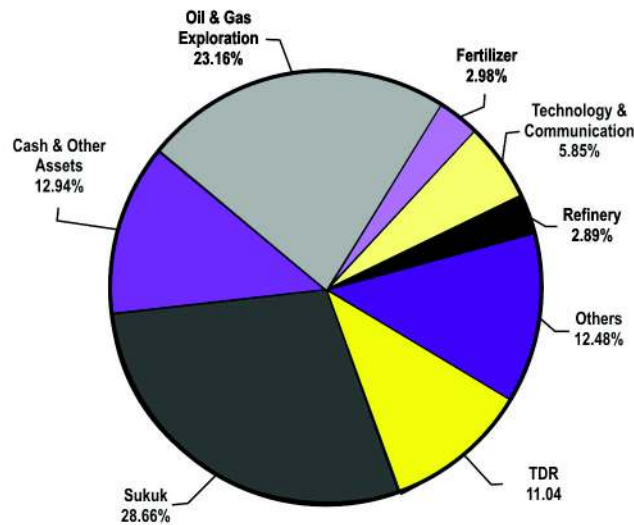
Fund's Performance

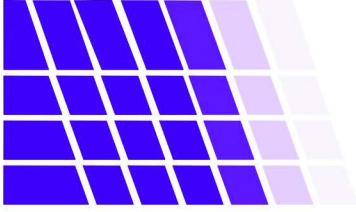
Assets under management of NAFA Islamic Multi Asset Fund have reduced from Rs.698 million to Rs.543 million during the period, i.e. a decline of 22.21%. During this period, Unit Price of your Fund has reduced from Rs.9.5360 on June 30, 2008 to Rs.8.5224 on September 30, 2008, thus showing a decline of 10.63%. While, the benchmark has recorded a decline by 12.56%, during the period. Thus the Fund has outperformed its benchmark by 1.93%.

NAFA Islamic Multi Asset Fund has incurred total loss of Rs.58.58 million during the period. After deducting expenses of Rs.6.12 million, the net loss is Rs.64.70 million, translating into loss per unit of Rs.1.0136.

The asset allocation of the Fund as on September 30, 2008 is as follows:

Asset Allocation as on September 30, 2008





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 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, Trustee and the Shariah and Technical Advisors.

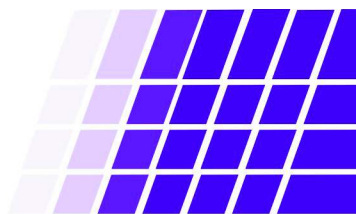
On behalf of the Board of
National Fullerton Asset Management Limited

Masood Karim Shaikh, FCA
Chairman

Dr. Amjad Waheed, CFA
Chief Executive

Date: October 16, 2008
Place: Karachi.

NAFA ISLAMIC MULTI ASSET FUND



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2008 (UN-AUDITED)

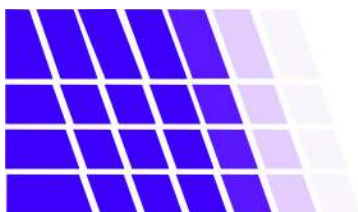
	September 30, 2008	June 30, 2008
Note	(Rupees in '000')	
ASSETS		
Balances with banks	4 11,790	61,336
Receivable against sale of investments	46,700	78,638
Investments	5 413,136	486,194
Loans and receivables	60,000	60,000
Dividend & profit receivable	6 10,859	11,506
Deposits and prepayments	2,622	2,630
Preliminary expenses and floatation costs	2,034	2,160
Total Assets	547,141	702,464
LIABILITIES		
Payable to National Fullerton Asset Management Limited - Management Company	1,581	3,590
Payable to Central Depository Company of Pakistan Limited - Trustee	111	136
Payable to Securities and Exchange Commission of Pakistan	708	549
Payable on redemption of units	769	19
Accrued expenses and other liabilities	7 524	584
Total Liabilities	3,693	4,878
Net Assets	543,448	697,586
Unit Holders' Funds (as per statement attached)	543,448	697,586
Number of units in issue	63,766,651	73,153,134
Net asset value per unit	8.5224	9.5360

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

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

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman



NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2008 (UN-AUDITED)

Quarter Ended
September 30,
2008

Note (Rupees in '000')

Income

Loss on sale of investments	(28,699)
Income from sukuk bonds	6,116
Income from spread transactions	165
Income from term deposit musharika certificates	1,437
Profit on bank deposits	915
Dividend income	2,195
Unrealised loss on investments at fair value through profit or loss	(48,635)
Total Income	(66,506)

Expenses

Remuneration of National Fullerton Asset Management Limited Management Company	4,770
Remuneration of Central Depository Company of Pakistan Limited - Trustee	318
Annual fee - Securities and Exchange Commission of Pakistan	159
Securities transaction cost	452
Settlement and bank charges	71
Annual listing fee	8
Auditors' remuneration	99
Others	113
Amortization of preliminary expenses and floatation costs	126
Total Expenses	6,116

Net loss from operating activities (72,622)

Element of income and capital gains included in prices
of units issued less those in units redeemed 7,923

Net loss for the period (64,699)

Loss per unit 9 -

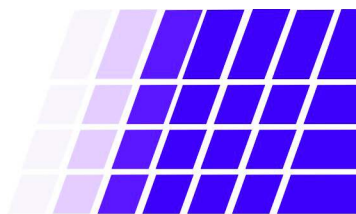
The annexed notes form an integral part of these condensed interim financial statements.

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

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman

NAFA ISLAMIC MULTI ASSET FUND



CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2008 (UN-AUDITED)

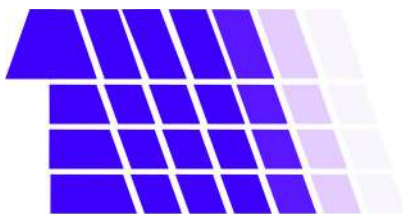
	Quarter Ended September 30, 2008 (Rupees in '000')
Loss brought forward	(34,292)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing income / (losses) that form part of the unit holders' funds	4,355
Net loss for the period	(64,699)
Loss carried forward	<u><u>(94,636)</u></u>

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

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman



NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE QUARTER ENDED SEPTEMBER 30, 2008 (UN-AUDITED)

	Quarter Ended September 30, 2008 (Rupees in '000')
Net assets at the beginning of the period	697,586
Issue of 1,043,690 units	9,546
Redemption of 10,430,173 units	(91,186)
	(81,640)
Element of income and capital gains included in prices of units issued less those in units redeemed	
- amount representing accrued (income) / loss and capital (gains) / losses - transferred to Income Statement	(7,923)
- amount representing (income) / losses that form part of the unit holders' funds - transferred to Distribution Statement	(4,355)
	(12,278)
Net unrealised appreciation in the market value of investments classified as 'available for sale'	124
Net unrealized appreciation in the value of investments classified as 'financial assets at fair value through profit or loss'	(48,635)
Loss on sale of investment	(28,699)
Other income (net of expenses)	12,635
Net income for the period	(64,699)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing income / (losses) that form part of the unit holders' funds	4,355
Net assets as at the end of the period	543,448

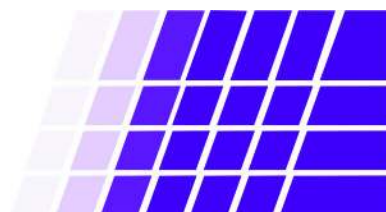
The annexed notes form an integral part of these condensed interim financial statements.

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

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman

NAFA ISLAMIC MULTI ASSET FUND



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2008 (UN-AUDITED)

Quarter Ended
September 30'
2008
(Rupees in '000')

CASH FLOW FROM OPERATING ACTIVITIES

Net loss for the period

(64,699)

Adjustments

Unrealised loss on investments at fair value through profit or loss

48,635

Loss on sale of investments

28,699

Amortization of preliminary expenses and floatation costs

126

Element of income and capital gains included in
of units issued less those in units redeemed

(7,923)

69,537

(Increase) / decrease in assets

Receivable against sale of investments

31,938

Investments

(4,152)

Dividend & profit receivable

647

Deposits and prepayments

8

28,441

Increase / (decrease) in liabilities

Payable to National Fullerton Asset Management Limited - Management Company

(2,009)

Payable to Central Depository Company of Pakistan Limited - Trustee

(25)

Payable to Securities and Exchange Commission of Pakistan - Annual fee

159

Payable on redemption of units

750

Accrued expenses and other liabilities

(60)

(1,185)

Net cash outflow on operating activities

32,094

CASH FLOW FROM FINANCING ACTIVITIES

Receipts from issue of units

9,546

Payments on redemption of units

(91,186)

(81,640)

Net increase in cash and cash equivalents during the period

(49,546)

Opening balance of cash and cash equivalents

61,336

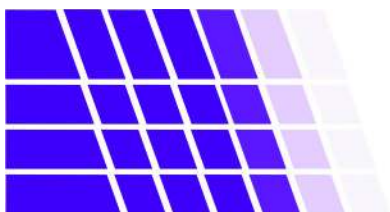
Cash and cash equivalents as at September 30, 2008

11,790

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

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman



NAFA ISLAMIC MULTI ASSET FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2008 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Multi Asset Fund (NIMF) 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 03, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

NIMF is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering to the Fund. 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 a 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, musharikah, 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.

JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned an asset manager rating of AM2 to the Management Company. The Management Company has initiated the process of obtaining the rating of the Fund. Pending completion of this process, the rating of the Fund has not been disclosed in these financial statements.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of International Accounting Standards-34 (IAS-34) "Interim Financial Reporting", NBFC Rules, 2003 and directives issued by the SECP. These financial statements are un-audited.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the financial statements for the quarter ended September 30, 2008 are same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2008.

4. BALANCES WITH BANKS

	September 30, 2008 (Un-audited)	June 30, 2008 (Audited)
	(Rupees in '000')	
Current accounts	4,052	8,494
Savings accounts	7,738	52,842
	<u>11,790</u>	<u>61,336</u>

5. INVESTMENTS

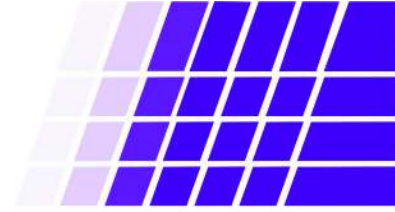
At fair value through profit or loss - held for trading

Equity securities - listed	5.1	257,393	224,893
Units of open end mutual funds	5.2	-	75,587

Available for sale

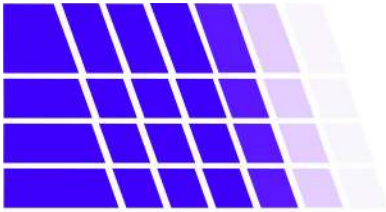
Equity securities purchased under futures sale contracts	5.3	-	11,552
Sukuk bonds	5.4	155,743	174,162
		<u>413,136</u>	<u>486,194</u>

NAFA ISLAMIC MULTI ASSET FUND



5.1 Equity securities - listed

Name of the investee company	Number of Shares					Market value as at September 30, 2008	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Bonus/ right issue	Sales during the period	As at September 30, 2008			
Rupees in '000								
Commercial Banks								
Bank Islami Pakistan Limited	186,624	696,000	-	100,000	782,624	8,382	1.54	3.26
Meezan Bank Limited	100	-	-	-	100	3	0.00	0.00
Textile Composite								
Nishat Mills Limited	-	300,000	-	25,000	275,000	12,845	2.36	4.99
Cement								
Attock Cement Pakistan Limited	3,700	-	-	-	3,700	168	0.03	0.07
D.G. Khan Cement Company Limited	-	304,000	-	-	304,000	11,941	2.20	4.64
Refinery								
Attock Refinery Limited	-	20,000	-	-	20,000	2,818	0.52	1.09
Bosicor Pakistan Limited	-	100,000	-	-	100,000	870	0.16	0.34
National Refinery Limited	-	50,000	-	15,000	35,000	6,861	1.26	2.67
Pakistan Refinery Limited	31,100	78,700	-	59,800	50,000	5,179	0.95	2.01
Power Generation & Distribution								
Hub Power Company Limited	350,000	392,000	-	192,000	550,000	11,803	2.17	4.59
Kohinoor Energy Limited	15,500	-	-	11,000	4,500	102	0.02	0.04
Kot Addu Power Company Limited	-	6,200	-	6,200	-	-	0.00	0.00
Oil and Gas Marketing Companies								
Pakistan State Oil Company Limited	30,000	100,000	-	90,000	40,000	11,200	2.06	4.35
Shell Pakistan Limited	-	10,000	-	10,000	-	-	0.00	0.00
Oil and Gas Exploration Companies								
Mari Gas Company Limited	11,000	-	-	11,000	-	-	0.00	0.00
Oil and Gas Development Company Limited	240,000	560,700	-	390,700	410,000	38,716	7.12	15.04
Pakistan Oilfields Limited	90,000	260,000	-	90,000	260,000	63,310	11.65	24.60
Pakistan Petroleum Limited	280,700	120,600	23,100	301,300	123,100	23,838	4.39	9.26
Engineering								
Huffaz Seamless Pipe Limited	69,920	-	-	-	69,920	3,587	0.66	1.39
K.S.B Pumps Limited	21,400	-	-	-	21,400	4,943	0.91	1.92
Automobile Assemblers								
Indus Motor Company Limited	-	60,000	-	60,000	-	-	0.00	0.00
Pak Suzuki Motors Company Limited	-	10,000	-	6,000	4,000	335	0.06	0.13
Technology and Communication								
Pakistan Telecommunication Company Limited	150,000	1,101,000	-	241,600	1,009,400	31,796	5.85	12.35
Fertilizer								
Engro Chemical Pakistan Limited	109,000	243,400	-	338,400	14,000	2,526	0.46	0.98
Fauji Fertilizer Bin Qasim Limited	300,000	525,500	-	225,500	600,000	13,668	2.52	5.31
Paper and Board								
Cherat Papersack Limited	8,900	-	-	-	8,900	707	0.13	0.27
Packages Limited	-	20,000	-	20,000	-	-	0.00	0.00
Glass and Ceramics								
Ghani Glass Limited	20,000	-	-	-	20,000	1,795	0.33	0.70
Miscellaneous								
Tri Pack Films Limited	-	600	-	600	-	-	0.00	0.00
						<u>257,393</u>	<u>47.36</u>	
Cost of investments as at September 30, 2008						<u>306,027</u>		



NAFA ISLAMIC MULTI ASSET FUND

5.2 Units of open end mutual funds

Name of the investee company	Number of Units					Market value as at September 30, 2008	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Bonus/ right issue	Sales during the period	As at September 30, 2008			
NAFA Islamic Income Fund	7,300,826	-	188,069	7,488,895	-	-	-	
Cost of investments as at September 30, 2008						-	-	

Rupees in '000

5.3 Equity securities purchased under futures sale contracts

These securities are held under Ready - Future transactions. These securities are purchased in the ready "T+2" market and simultaneously sold in the futures market. The details are as follows:

Name of the investee company	Number of Shares					Market value as at September 30, 2008	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Bonus/ right issue	Sales during the period	As at September 30, 2008			
Oil and Gas Marketing Companies								
Pakistan State Oil Company Limited	10,000	-	-	10,000	-	-	-	
Oil and Gas Exploration Companies								
Pakistan Petroleum Limited	30,000	-	-	30,000	-	-	-	
Cost of investments as at September 30, 2008						-	-	

Rupees in '000

5.4 Sukuk bonds

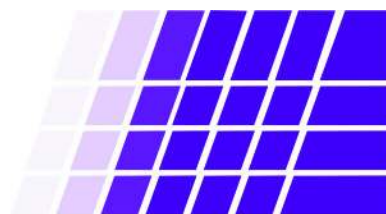
Name of investee company	Number of Bonds				Market value as at June 30, 2008	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Sales during the period	As at September 30, 2008			
Eden Housing Limited	5,000	-	-	5,000	25,208	4.64	16.19
Eden Builders Limited	-	1,325	-	1,325	6,625	1.22	4.25
Kohat Cement Company Limited	10,000	-	-	10,000	48,430	8.91	31.10
Maple Leaf Cement Factory Limited	10,000	-	-	10,000	50,215	9.24	32.24
New Allied Electronics Industries (Private) Limited	5,000	-	5,000	-	-	0.00	0.00
Pakistan Electron Limited	5,000	-	-	5,000	25,265	4.65	16.22
					155,743	22.33	
Cost of investments as at September 30, 2008					155,619		

(Rupees in '000)

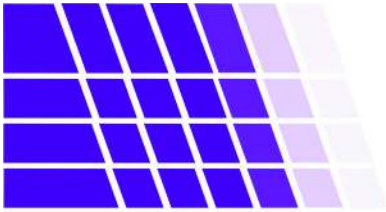
5.4.1 All sukuk bonds have a face value of Rs 5,000 each.

5.4.2 Fair value of sukuk bonds classified as available for sale is determined using rates notified by the Mutual Funds Association of Pakistan.

NAFA ISLAMIC MULTI ASSET FUND



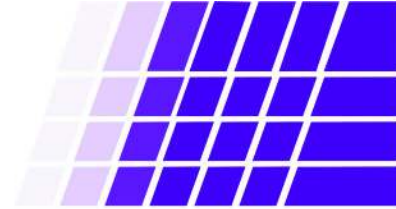
	September 30, 2008	June 30, 2008
	(Rupees in '000')	
6. DIVIDEND AND PROFIT RECEIVABLE		
Dividend receivable on equity securities	2,057	4,158
Profit on savings deposits	938	843
Income accrued on sukuk bonds	7,294	2,663
Income accrued on term deposit musharika certificates	570	3,842
	<u>10,859</u>	<u>11,506</u>
7. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	90	183
Payable to brokers	-	83
Bank charges payable	13	30
Withholding tax payable	42	42
Unrealised loss on revaluation of future sale contracts	-	19
Others payable	113	-
Charity payable	266	227
	<u>524</u>	<u>584</u>
8. TRANSACTIONS WITH CONNECTED PERSONS		
8.1	Connected persons include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being Trustee, National Bank of Pakistan, NIB Bank Limited and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.	
8.2	The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.	
		Quarter Ended September 30, 2008 (Rupees in '000)
8.3	Details of the transactions with connected persons are as follows:	
	National Fullerton Asset Management Limited - Management Company	
	Management fee expense for the period	4,770
	Front end load for the period	80



NAFA ISLAMIC MULTI ASSET FUND

	Central Depository Company of Pakistan Limited - Trustee	
	Remuneration	318
	CDS charges for the period	43
	NAFA Islamic Income Fund	
	Units redeemed (7,488,895 units)	76,622
	Bonus units issued (188,069)	1,898
	NAFA Cash Fund	
	Payment received for the sale of sukuk bonds	25,892
	Executives of the Management Company	
	Units issued (4,251)	38
		September 30,
		2008
		(Rupees in '000)
8.4	Amounts outstanding as at period end	
	National Fullerton Asset Management Limited - Management Company	
	Management fee payable	1,454
	Front end load payable	126
	National Bank of Pakistan - Sponsor	
	Investment held by the Sponsor in the Fund (7,500,000 units)	63,918
	Balance in current account	1,267
	NIB Bank Limited - Sponsor	
	Investment held by the Sponsor in the Fund (7,500,000 units)	63,918
	Balance in current account	339
	Alexandra Fund Management Pte. Limited	
	Investment held by the Sponsor in the Fund (10,000,000 units)	85,224
	Central Depository Company of Pakistan Limited - Trustee	
	Trustee fee payable	97
	CDS charges payable	14
	Security deposit	100
	Executives of the Management Company	
	Units held in the Fund (5,668)	48

NAFA ISLAMIC MULTI ASSET FUND



9. LOSS PER UNIT

Loss per unit (LPU) for the three months ended September 30, 2008 has not been disclosed as in the opinion of the management determination of weighted average units for calculating LPU is not practicable.

10. DATE OF AUTHORIZATION FOR ISSUE

These financials statements were authorized for issue on October 16, 2008 by the Board of Directors of the Management Company.

11. GENERAL

11.1 Figures have been rounded off to the nearest rupee.

11.2 Since the Fund commenced its operation on October 29, 2007, the comparative figures for corresponding quarter of last year are not available in respect of Income Statement, Statement of Movement in Unit Holders' Fund and Cash Flow Statement.

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

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman