

NAFA ISLAMIC MULTI ASSET FUND

NAFA ISLAMIC MULTI ASSET FUND

**HALF YEARLY REPORT
FOR THE HALF YEAR ENDED
DECEMBER 31, 2009
(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 NAF Islamic Multi Asset Fund for the half year ended December 31, 2009.

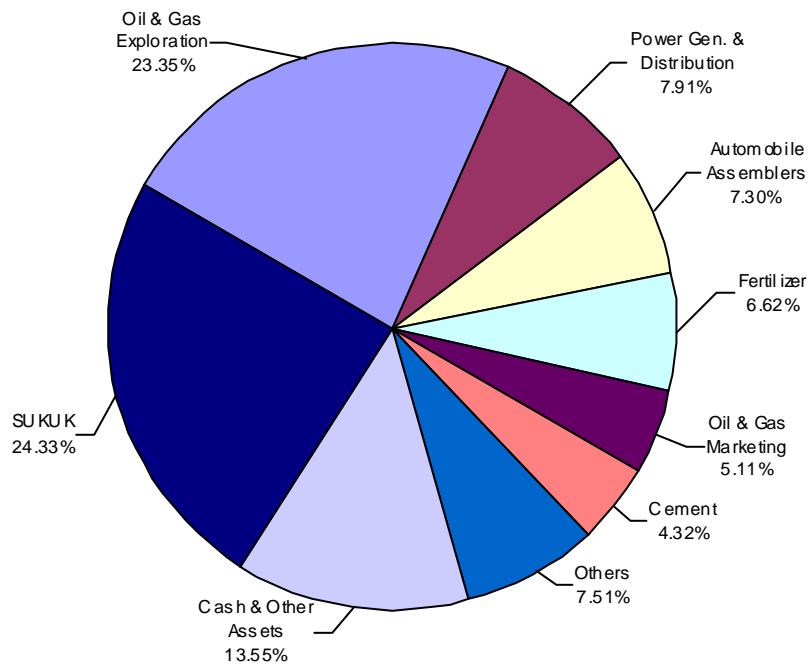
Fund's Performance

The size of NAF Islamic Multi Asset Fund has decreased from Rs. 535 million to Rs. 502 million during the period, i.e. a decline of 6.17%. During the said period, the unit price of NAF Islamic Multi Asset Fund has increased from Rs. 8.5736 on June 30, 2009 to Rs. 9.3246 on December 31, 2009, thus showing a growth of 8.76%, as compared to its Benchmark (50% KMI-30 Index & 50% average 1-month profit rate of Islamic Banks) return 15.92% for the same period. Thus, the Fund has underperformed its Benchmark by 7.16%.

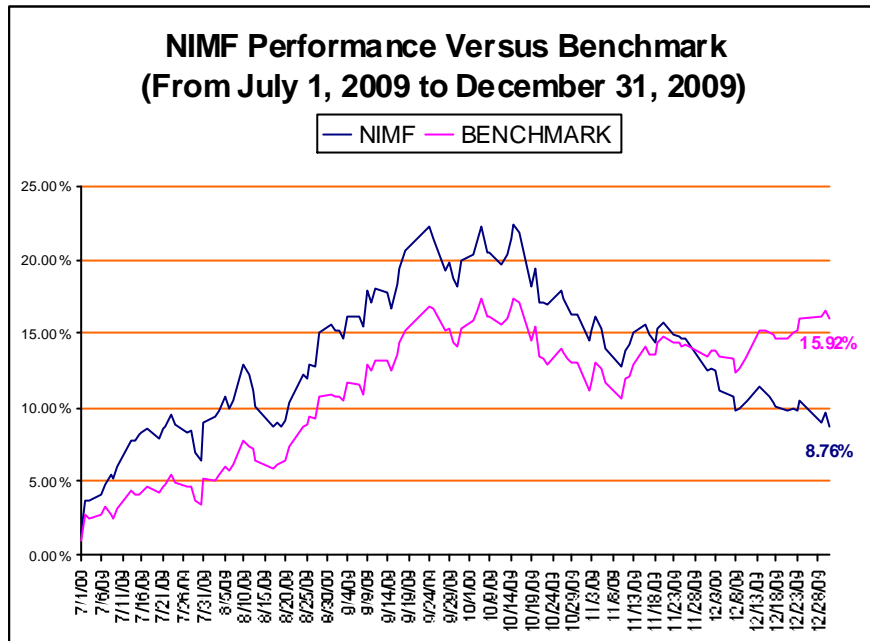
NAF Islamic Multi Asset Fund has earned total income of Rs. 84.48 million during the period. After deducting expenses of Rs. 44.13 million, the net income is Rs. 40.35 million, translating into an earning per unit of Rs. 0.751.

The asset allocation of the Fund as on December 31, 2009, and its performance against the benchmark are as follows:

Asset Allocation as on December 31, 2009



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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 commitments shown by the staff and the Trustee.

On behalf of the Board of
National Fullerton Asset Management Limited

Chief Executive

Chairman

Date: February 17, 2010
Place: Karachi.

NAFA ISLAMIC MULTI ASSET FUND

TRUSTEEREPOR TTOTHEUNITHOLDERS

ReportoftheTrusteepursuanttoRegulation41(h)oftheNon-BankingFinanceCompaniesandNotified EntitiesRegulations,2008

NAFAIslamicMultiAssetFund(theFund),anopen-endschemewasestablishedunderatrustdeeddatedAugust20, 2007,executedbetweenNationalFullertonAssetManagementLimited,asthemanagementcompanyandCentral DepositoryCompanyofPakistanLimited,asthetrustee.

Inouropinion,themanagementcompanyhasinallmaterialrespectsmanagedtheFundduringtheperiodfromJuly 01,2009toDecember31,2009inaccordancewiththeprovisionsofthefollowing:

- (i) Limitationsimposedontheinvestmentpowersofthemanagementcompanyundertheconstitutive documentsoftheFund;
- (ii) Thepricing,issuanceandredemptionofunitsarecarriedoutinaccordancewiththerequirementsofthe constitutivedocumentsoftheFund;and
- (iii) TheNon-BankingFinanceCompanies(EstablishmentandRegulations)Rules,2003,theNon-Banking FinanceCompaniesandNotifiedEntitiesRegulations,2008andtheconstitutedocumentsoftheFund.

MuhammadHanifJakhura
ChiefExecutiveOfficer
CentralDepositoryCompanyofPakistanLimited

Karachi,February24,2010

NAFA ISLAMIC MULTI ASSET FUND

AUDITORS' REPORT TO THE UNITHOLDERS 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, 2009, and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unitholders' funds together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2009. 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. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unitholders' funds for the quarters ended December 31, 2009 and 2008 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2009.

Scope of Review

We conducted our review in accordance with the 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 Standard 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 and for the half year ended December 31, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

A.F. Ferguson & Co.
Chartered Accountants.

Date: February 24, 2010
Karachi

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2009

	Note	Unaudited December 31, 2009	Audited June 30, 2009
-----Rupees in '000-----			
Assets			
Balances with banks	4	67,348	30,654
Receivable against sale of investments		-	4,695
Investments	5	430,697	493,372
Dividend and profit receivable	6	4,800	5,468
Advances, deposits, prepayments and other receivables		6,305	2,697
Preliminary expenses and floatation costs		1,408	1,660
Total Assets		<u>510,558</u>	<u>538,546</u>
Liabilities			
Payable to National Fullerton Asset Management Limited-Management Company		1,326	1,413
Payable to Central Depository Company of Pakistan Limited-Trustee		94	88
Payable to Securities and Exchange Commission of Pakistan		253	485
Payable on redemption of units		5,281	-
Accrued expenses and other liabilities	7	1,285	1,176
Total liabilities		<u>8,239</u>	<u>3,162</u>
Net Assets		<u>502,319</u>	<u>535,384</u>
Unit Holders' Funds (as per statement attached)		<u>502,319</u>	<u>535,384</u>
Contingencies and commitments	11		
Number of units			
Number of units in issue		<u>53,870,479</u>	<u>62,445,372</u>
Rupees			
Net asset value per unit		<u>9.3246</u>	<u>8.5736</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Chairman

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

	Note	Half year ended		Quarter ended	
		December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
		-----Rupees in '000-----		-----Rupees in '000-----	
INCOME					
Gain/(loss) on sale of investments-net		59,110	(28,945)	8,716	(246)
Income from sukuk bonds		4,304	12,281	(1,105)	6,165
Income from Term Deposit Musharika Certificates		-	1,858	-	421
Income from spread transactions		-	165	-	-
Profit on bank deposits		2,518	2,341	1,814	1,426
Dividend income		9,793	9,740	5,692	7,545
Unrealised gain/(loss) on investments at fair value through profit or loss-net		16,415	(170,256)	(23,940)	(121,621)
		92,140	(172,816)	(8,823)	(106,310)
EXPENSES					
Remuneration of National Fullerton Asset Management Limited - Management Company		8,935	8,632	4,361	3,862
Remuneration of Central Depository Company of Pakistan Limited-Trustee		596	575	291	257
Annual fee- Securities and Exchange Commission of Pakistan		253	280	123	121
Securities transaction cost		2,494	484	1,294	32
Settlement and bank charges		150	99	91	28
Annual listing fee		23	15	15	7
Auditors' remuneration		247	272	143	173
Impairment loss on investments classified as 'available for sale'		31,078	14,601	38,465	14,601
Rating fee		21	-	21	-
Legal and professional charges		40	-	40	-
Printing charges		36	333	16	220
Amortisation of preliminary expenses and floatation costs		252	252	126	126
Total Expenses		44,125	25,543	44,986	19,427
Net income/(loss) from operating activities		48,015	(198,359)	(53,809)	(125,737)
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed		(7,669)	7,870	(1,260)	(53)
Net income/(loss) for the period before taxation		40,346	(190,489)	(55,069)	(125,790)
Taxation	10	-	-	-	-
Net income/(loss) for the period after taxation		40,346	(190,489)	(55,069)	(125,790)
Earnings/(loss) per unit	9				

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Chairman

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

	Half year ended		Quarter ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	-----Rupees in '000-----		-----Rupees in '000-----	
Net income/(loss) for the period after taxation	40,346	(190,489)	(55,069)	(125,790)
Other comprehensive income				
Net unrealised appreciation/(diminution) during the period in the market value of investments classified as 'available for sale'	5,189	(19,867)	4,729	(19,991)
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	7,149	4,355	3,516	-
Total comprehensive income/(loss) for the period	<u>52,684</u>	<u>(206,001)</u>	<u>(46,824)</u>	<u>(145,781)</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chairman

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

	Half year ended		Quarter ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	-----Rupees in '000-----		-----Rupees in '000-----	
(Accumulated loss)/undistributed income brought forward	(82,519)	(34,292)	16,529	(94,636)
Net income/(loss) for the period	40,346	(190,489)	(55,069)	(125,790)
Other comprehensive income				
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	7,149	4,355	3,516	-
Accumulated loss carried forward	<u>(35,024)</u>	<u>(220,426)</u>	<u>(35,024)</u>	<u>(220,426)</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Chairman

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

	Half year ended		Quarter ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	-----Rupees in '000-----		-----Rupees in '000-----	
Net assets at the beginning of the period	535,384	697,586	601,278	543,448
Issue of 17,473,234 units (December 31, 2008: 1,043,690 units)	174,646	9,546	80,304	-
Redemption of 26,048,127 units (December 31, 2008: 10,430,173 units)	(260,915)	(91,186)	(130,183)	-
Net element of income and capital gains included in prices of units issued less those in units redeemed	(86,269)	(81,640)	(49,879)	-
- amount representing (income)/loss and capital (gains)/losses transferred to income statement	7,669	(7,870)	1,260	53
- amount representing (income)/loss and capital gains/(losses) that form part of the unit holders' fund - transferred to statement of comprehensive income	(7,149)	(4,355)	(3,516)	-
Net unrealised appreciation/(diminution) during the period in the market value of investments classified as 'available for sale'	520	(12,225)	(2,256)	53
Net income/(loss) for the period	5,189	(19,867)	4,729	(19,991)
Net income/(loss) for the period	40,346	(190,489)	(55,069)	(125,790)
Other comprehensive income				
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	7,149	4,355	3,516	-
Net assets at the end of the period	<u>502,319</u>	<u>397,720</u>	<u>502,319</u>	<u>397,720</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Chairman

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

Note	Half year ended		Quarter ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	-----Rupees in '000-----		-----Rupees in '000-----	
CASH FLOW FROM OPERATING ACTIVITIES				
Net income/(loss) for the period before taxation	40,346	(190,489)	(55,069)	(125,790)
Adjustments				
Unrealised (gain)/loss on investments at fair value through profit or loss-net	(16,415)	170,256	23,940	121,621
(Gain)/loss on sale of investments	(59,110)	28,945	(8,716)	246
Impairment loss on investments classified as 'available for sale'	31,078	14,601	38,465	14,601
Amortisation of preliminary expenses and floatation costs	252	252	126	126
Element of (income)/loss and capital gains/(losses) included in prices of units issued less those in units redeemed	7,669	(7,870)	1,260	53
	3,820	15,695	6	10,857
(Increase)/decrease in assets				
Receivable against sale of investments	4,695	78,638	20,946	46,700
Investments	112,311	(93,732)	23,114	(89,580)
Loans and receivables	-	60,000	-	60,000
Dividend and profit receivable	668	1,679	5,635	1,032
Advances, deposits, prepayments and other receivables	(3,608)	(68)	(3,162)	(76)
	114,066	46,517	46,533	18,076
Increase/(decrease) in liabilities				
Payable to National Fullerton Asset Management Limited-Management Company	(87)	(2,389)	(660)	(380)
Payable to Central Depository Company of Pakistan Limited-Trustee	6	(35)	(25)	(10)
Payable to Securities and Exchange Commission of Pakistan	(232)	(269)	123	(428)
Payable against purchase of investments	-	2,283	-	2,283
Payable on redemption of units	5,281	(19)	5,029	(769)
Accrued expenses and other liabilities	109	396	(628)	456
	5,077	(33)	3,839	1,152
Net cash inflow from operating activities	122,963	62,179	50,378	30,085
CASH FLOW FROM FINANCING ACTIVITIES				
Receipts from issue of units	174,646	9,546	80,304	-
Payments on redemption of units	(260,915)	(91,186)	(130,183)	-
Net cash outflow from financing activities	(86,269)	(81,640)	(49,879)	-
Net increase/(decrease) in cash and cash equivalents during the period	36,694	(19,461)	499	30,085
Cash and cash equivalents at the beginning of the period	30,654	61,336	66,849	11,790
Cash and cash equivalents at the end of the period	67,348	41,875	67,348	41,875

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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

Chief Executive

Chairman

NAFA ISLAMIC MULTI ASSET FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

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, musharikhah, murabahah, ijarah, etc.

The Pakistan Credit Rating Agency Limited has assigned an asset manager rating of AM2 to the Management Company. Based on the performance of the Fund for the period ended June 30, 2009, it has assigned a performance ranking of "Five Star" for short term (tailoring 12 months) to the Fund.

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 and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, 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'.

2.2 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of the Code of Corporate Governance.

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30, 2009 except for the change mentioned below:

IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement of financial position (referred to as the statement of assets and liabilities in these condensed interim financial statements) as at the beginning of the comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period.

NAFA ISLAMIC MULTI ASSET FUND

The Fund has applied IAS 1 (revised) from July 1, 2009, and has selected to present two performance statements. As a result non-owner changes in equity which were previously credited directly in the statement of movement in unit holders' fund and the distribution statement are now shown as other comprehensive income in the performance statement (referred to as statement of comprehensive income in these condensed interim financial statements). The change in presentation has not affected the values of the net assets of the Fund for either the current or any of the prior periods and hence restated statement of assets and liabilities has not been presented.

- 3.2** The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2009:

IAS 39 (amendment), 'Financial Instruments: Recognition and measurement'. The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The adoption of the amendment did not have a significant impact on the Fund's financial statements.

IFRS 7 (amendment) 'Financial Instruments: Disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of fair value measurement hierarchy. The adoption of the amendment results in additional disclosures, which would be detailed in the financial statements for the year ending June 30, 2010, but does not have an impact on the Fund's financial position or performance.

IAS 32 (amendment), 'Financial Instruments: Presentation', and IAS 1 (amendment), 'Presentation of financial statements - Puttable financial instruments and obligations arising on liquidation'. The amended standards require entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a prorata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. One of the particular features is that apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity. In this connection, Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 mandate the payment of 90% of the Fund's profits for the year as dividends, therefore the amendment has not changed the classification of units.

- 3.3** There are other standards, amendments and interpretations that were mandatory for accounting periods beginning on or after July 1, 2009 but were considered not to be relevant or did not have any significant effect on the Fund's operations.

	Note	Un-audited December 31, 2009	Audited June 30, 2009
-----Rupees in '000-----			
4	BALANCES WITH BANKS		
	Current accounts	6,837	8,318
	Savings accounts	60,511	22,336
		<u>67,348</u>	<u>30,654</u>

NAFA ISLAMIC MULTI ASSET FUND

	Note	Un-audited December 31, 2009	Audited June 30, 2009
-----Rupees in '000-----			
5 INVESTMENTS			
At fair value through profit or loss - held for trading			
Equity securities - listed	5.1	312,054	361,212
Available for sale			
Sukuk bonds	5.2	118,643	132,160
		<u>430,697</u>	<u>493,372</u>

5.1 Equity securities - listed

Name of the investee company	Number of shares					Market Value as at December 31, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Bonus/ Right Issue	Sales during the period	As at December 31, 2009		Market value of Net Assets	Market Value of Total Investment	Paid-up Capital of Investee Company
(Rupees in '000) ----- % -----									
Commercial Banks									
Bank Islami Pakistan Limited	1,465,172	-	-	1,465,172	-	-	-	-	-
Meezan Bank Limited	60,500	495,000	-	143,500	412,000	6,485	1.29%	1.51%	0.06%
Textile Composite									
Nishat Mills Limited	-	356,000	-	356,000	-	-	-	-	-
Jute									
Thal Limited	131,400	7,000	26,279	15,308	149,371	12,677	2.52%	2.94%	0.29%
Cement									
Fauji Cement Company Limited	-	1,050,000	-	1,050,000	-	-	-	-	-
Kohat Cement Limited	-	816,500	-	816,500	-	-	-	-	-
Attock Cement Pakistan Limited	-	227,631	-	102,003	125,628	6,533	1.30%	1.52%	0.15%
DG Khan Cement Company Limited	-	168,000	-	-	168,000	5,470	1.09%	1.27%	0.06%
Maple Leaf Cement Company Limited	-	2,056,000	-	2,056,000	-	-	-	-	-
Lucky Cement Company Limited	422,100	1,152,800	-	1,428,300	146,600	9,711	1.93%	2.25%	0.05%
Refinery									
Attock Refinery Limited	83,200	160,000	-	243,200	-	-	-	-	-
National Refinery Limited	54,788	25,000	-	79,788	-	-	-	-	-
Pakistan Refinery Limited	34,065	23,700	-	57,765	-	-	-	-	-
Power Generation and distribution									
The Hub Power Company Limited	1,497,500	1,742,000	-	1,961,129	1,278,371	39,732	7.91%	9.23%	0.11%
Oil and Gas Marketing									
Pakistan Slate Oil Company Limited	237,794	483,400	-	634,900	86,294	25,667	5.11%	5.96%	0.05%
Oil and Gas Exploration co.									
Mari Gas Limited	-	18,000	-	18,000	-	-	-	-	-
Oil and Gas Development Company Limited	702,300	1,012,900	-	1,408,500	306,700	33,924	6.75%	7.88%	0.01%
Pakistan Oil Fields Limited	145,300	892,200	-	843,400	194,100	44,792	8.92%	10.40%	0.08%
Pakistan Petroleum Limited	300,593	571,300	52,819	721,301	203,411	38,565	7.68%	8.95%	0.02%
Automobile Assemblers									
Indus Motor Company Limited	21,300	81,000	-	8,500	93,800	18,434	3.67%	4.28%	0.12%
Pak Suzuki Motor Company Limited	-	161,000	-	19,000	142,000	12,632	2.51%	2.93%	0.17%
Al Ghazi Tractors Limited	37,600	-	-	37,600	-	-	-	-	-
Milla Tractors Limited	-	16,300	2,950	4,500	14,750	5,602	1.12%	1.30%	0.05%

NAFA ISLAMIC MULTI ASSET FUND

Name of the investee company	Number of shares					Market Value as at December 31, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Bonus/ Right Issue	Sales during the period	As at December 31, 2009		Market value of net assets	Market Value of Total Investment	Paid-up Capital of Investee Company
(Rupees in '000)									
Cable and Electrical Goods									
Pakistan Electron Limited	-	57,000	-	-	57,000	1,068	0.21%	0.25%	0.05%
Technology and Communication									
Pakistan Telecommunication Company Limited	-	2,491,000	-	1,827,600	663,400	11,709	2.33%	2.72%	0.02%
Fertilizers									
Engro Chemical Pakistan Limited	195,696	-	-	195,696	-	-	-	-	-
Fauji Fertilizer Company Limited	374,250	1,107,300	-	1,158,700	322,850	33,231	6.62%	7.72%	0.05%
Fauji Fertilizer Bin Qasim Limited	-	498,000	-	498,000	-	-	-	-	-
Chemicals									
ICI Pakistan Limited	-	90,500	-	90,500	-	-	-	-	-
Miscellaneous									
Tri Pak Films Limited	-	99,800	-	43,275	56,525	5,822	1.16%	1.35%	0.19%
Paper and Board									
Packages Limited	-	85,000	-	85,000	-	-	-	-	-
						312,054			
Carrying value before fair value adjustments as at December 31, 2009						295,639			

5.1.1 All shares have a nominal face value of Rs 10 each except for the shares of Thal Limited & AI-Ghazi Tractors which have a face value of Rs 5 each.

5.2 Sukuk Bonds

Name of the investee company	Number of certificates				Market Value as at December 31, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Sales during the period	As at December 31, 2009		Market value of net assets	Market Value of total investment	Issue size
(Rupees in '000)								
Eden Housing Limited (Note 5.2.2)	5,000	-	-	5,000	15,293	3.04%	3.55%	3.42%
Eden Builders Limited	1,325	-	-	1,325	6,597	1.31%	1.53%	0.33%
Kohat Cement Company Limited (Note 5.2.3)	10,000	-	-	10,000	16,529	3.29%	3.84%	2.00%
Maple Leaf Cement Factory Limited (Note 5.2.4)	10,000	-	-	10,000	42,500	8.46%	9.87%	0.63%
Pakistan Electron Limited	5,000	5,000	-	10,000	37,724	7.51%	8.76%	4.17%
					118,643			
Carrying value before fair value adjustments as at December 31, 2009					159,307			
Provision for impairment loss as at December 31, 2009					45,853			

NAFA ISLAMIC MULTI ASSET FUND

- 5.2.1** All sukuk bonds have a face value of Rs5,000 each.
- 5.2.2** This represents investment in privately placed sukuk bonds issue with a term of five years. On September 30, 2009 i.e. the scheduled redemption date, principal redemption of Rs3,125 thousand was not received by the Fund. As a matter of prudence, the management has recognised a provision of Rs 6,582 thousand based on the provisioning policy approved by the Board of Directors. The income suspended on these bonds amounted to Rs844 thousand.
- 5.2.3** This represents investment in privately placed sukuk bonds issue with a term of five years. On December 20, 2008 i.e. the scheduled redemption date, principal redemption of Rs3,400 thousand was not received by the Fund. The minimum amount of provision required as per SECP circular no. 01 of 2009 amounts to Rs 30,127 thousand. However as a matter of prudence, the management has recognised an additional amount of provision of Rs1,644 thousand based on the provisioning policy approved by the Board of Directors. The income suspended on these bonds amounted to Rs3,788 thousand.
- 5.2.4** This represents investment in rated secured sukuk bonds issued with a term of six years. On December 03, 2009 i.e. the scheduled redemption date, profit payment amount of Rs 3,871 thousand was not received by the Fund. The minimum amount of provision required as per SECP circular no. 01 of 2009 amounts to Rs1,556 thousand. However as a matter of prudence, the management has recognised an additional amount of provision of Rs5,944 thousand based on the provisioning policy approved by the Board of Directors. The income suspended on these bonds amounted to Rs4,431 thousand.

Note	Un-audited December 31, 2009	Audited June 30, 2009
-----Rupees in '000-----		
6		
DIVIDEND AND PROFIT RECEIVABLE		
Dividend receivable on equity securities	1,424	2,426
Profit on savings deposits	1,792	1,406
Income accrued on sukuk bonds	10,708	3,253
Less: suspended income	(9,124)	(1,617)
	1,584	1,636
	4,800	5,468
7		
ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	201	212
Brokerage payable	206	124
Bank charges payable	11	14
Payable against printing charges	190	322
Accrued NCC charges	18	28
Withholding tax payable	17	-
Charity payable	642	476
	1,285	1,176
8		
TRANSACTIONS WITH CONNECTED PERSONS		

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.

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

NAFA ISLAMIC MULTI ASSET FUND

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

	-----Unaudited-----			
	Half year ended		Quarter ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	-----Rupees in '000-----		-----Rupees in '000-----	
National Fullerton Asset Management Limited- Management Company				
Management fee expense for the period	8,935	8,632	4,361	3,862
Front end load for the period	2,093	80	505	-
Central Depository Company of Pakistan Limited-Trustee				
Trustee fee for the period	586	575	291	257
CDS charges	51	54	27	11
Employees of the Management Company				
Units issued (781,900 units; December 31, 2008: 54,116 units)	7,741	508	1,393	470
Units redeemed (832,082 units; December 31, 2008: 84,180 units)	8,358	789	4,613	789
Chief Financial Officer				
Units issued (29,890 units; December 31, 2008: Nil units)	300	-	300	-
Units redeemed (29,890 units; December 31, 2008: Nil units)	294	-	294	-
NAFA Islamic Income Fund				
Units redeemed (Nil units; December 31, 2008: 7,488,895 units)	-	76,622	-	-
Units purchased (Nil units; December 31, 2008: 7,194,267 units)	-	70,014	-	70,014
Bonus units issued (Nil units; December 31, 2008: 299,202 units)	-	3,020	-	1,122
Payment made for the sale of sukuk bonds	21,175	-	21,175	-
NAFA Cash Fund				
Payment received for the sale of sukuk	-	25,892	-	-

8.2 Amounts outstanding as at period end

	Un-audited	Audited
	December 31, 2009	June 30, 2009
	-----Rupees in '000-----	
National Fullerton Asset Management Limited		
Management fee payable	1,321	1,293
Front end load payable	5	120
National Bank of Pakistan		
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2009: 7,500,000 units)	69,935	64,302
Balance in current account	335	155
NIB Bank Limited		
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2009: 7,500,000 units)	69,935	64,302
Balance in current account	515	986
Alexandra Fund Management Pte. Limited		
Investment held by the Sponsor in the Fund (10,000,000 units; June 30, 2009: 10,000,000 units)	93,246	85,736
Central Depository Company of Pakistan Limited-Trustee		
Trustee fee payable	88	86
CDS charges payable	6	2
Security deposit	100	100
Executives of the Management Company		
Units held in the Fund (19,717 units; June 30, 2009: 69,899 units)	184	599

NAFA ISLAMIC MULTI ASSET FUND

9 EARNINGS/(LOSS)PERUNIT

Earnings per unit (EPU) for the half year ended December 31, 2009 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

10 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2010 as reduced by capital gains (whether realised or unrealised) to its unit holders.

11 CONTINGENCIES AND COMMITMENTS

- 11.1 The Finance Act 2008 introduced an amendment to the Workers Welfare Fund Ordinance, 1971 (WWF Ordinance) whereby the definition of "Industrial Establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, it can be construed that all Collective Investment Schemes (CIS) whose income exceeds Rs 0.5 million in a tax year are brought within the purview and scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of 2 percent of their accounting or taxable income, whichever is higher. In case of the Fund, such contribution works out to Rs 807 thousand and approximately as at December 31, 2009. However, the final contribution amount will be based on the income earned by the Fund for the year ending June 30, 2010.

To avoid any claim in this regard by the relevant authorities, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the ground that CIS do not have any workers or employees. The legal proceedings in respect of the aforementioned petition are recurrently in progress and the outcome cannot be reasonably ascertained.

The Management Company, based on the advice of the MUFAP's legal counsel is confident of favorable decision and accordingly no provision for any liability that may arise in this respect has been made in these condensed interim financial statements.

- 11.2 There were no other contingencies and commitments outstanding as at December 31, 2009 and June 30, 2009.

12 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 17, 2010.

13 GENERAL

- 13.1 Figures have been rounded off to the nearest thousand rupees.
- 13.2 Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison. There were no significant rearrangements or reclassification except as required because of the change in accounting policy as more fully explained in note 3.1 to these financial statements.
- 13.3 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the year as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

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

Chief Executive

Chairman

