


## 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.

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# NAFA ISLAMIC MULTI ASSET FUND

## FUND'S INFORMATION

### Management Company

**NBP Fullerton Asset Management Limited – Management Company**

### Board of Directors of the Management Company

Mr. Shahid Anwar Khan	Chairman
Mr. Amir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Mr. Khalid Mahmood	Director
Dr. Amjad Waheed	Chief Executive Officer

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Amir Shehzad	Member

### Trustee

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

### Bankers to the Fund

Al-Baraka Islamic Bank  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Burj Bank Limited (Formerly Dawood Islamic Bank)  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Soneri Bank Limited  
United Bank Limited  
Bank Al-Habib Limited  
The Bank of Khyber.

# NAFA ISLAMIC MULTI ASSET FUND

## **Auditors**

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No.02  
Beaumont Road,  
Karachi - 75530, Pakistan.

## **Legal Advisor**

M/s Jooma Law Associates  
205, E.I. Lines, Dr. Daudpota Road,  
Karachi.

## **Head Office:**

7<sup>th</sup> Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 111-111-NFA (111-111-632)  
Helpline (Toll Free): 0800-20001  
Fax: (021) 35825329

## **Lahore Office:**

7-Noon Avenue, Canal Bank,  
Muslim Town Lahore.  
Contact: 042-35914272

## **Islamabad Office:**

Plot No. 395, 396  
Industrial Area, 1-9/3 Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
Fax: 051-4859031

## **Peshawar Office:**

1st Floor, Haji Tehmas Centre,  
Near KFC, Tehkal Payan  
University Road, Peshawar.  
Phone: 92-91-5711784, 5711782  
Fax: 92-91-5211780

## **Multan Office:**

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

# NAFA ISLAMIC MULTI ASSET FUND

## DIRECTORS' REPORT

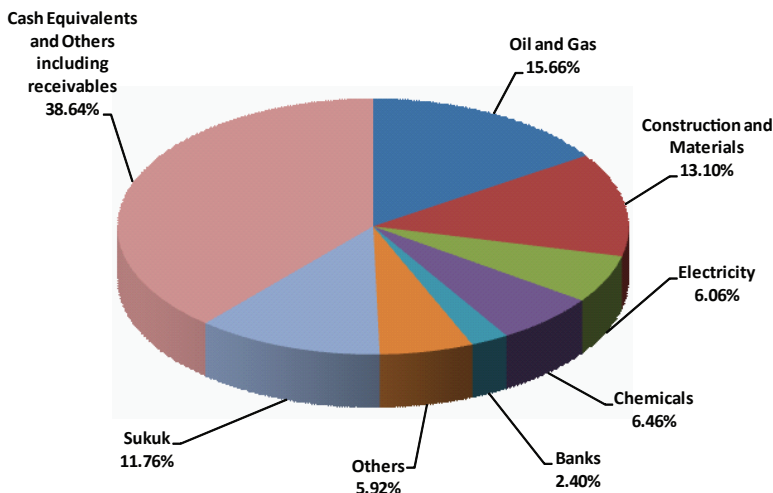
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Islamic Multi Asset Fund (NIMF) for the period ended March 31, 2013.

### Fund's Performance

During the third quarter, the unit price of NAFA Islamic Multi Asset Fund has increased from Rs. 11.5251 on December 31, 2012 to Rs. 12.2481 (Ex-Div) on March 31, 2013, thus showing a growth of 6.27%. The Benchmark (50% KMI-30 Index, 50% average 3-month profit rate of Islamic banks) return during the same period was 5.02%. Thus, the Fund has outperformed its Benchmark by 1.25% during the period under review. For the nine months period ended March 31, 2013, the NAV of the Fund has increased from Rs. 10.1363 on June 30, 2012 to Rs. 12.2481 (Ex-Div) on March 31, 2013, thus showing an increase of 20.83%. During the said period, the Benchmark increased by 18.49%, translating into outperformance of 2.34%. This performance is net of management fee and all other expenses. The size of NAFA Islamic Multi Asset Fund has increased from Rs.323 million to Rs.367 million during the period, i.e. an increase of 13.51%.

The stock market extended the rally during the quarter ended March 31, 2013 lead by Construction & Material, Telecommunication, Food Producers, and Electricity sectors amid high volatility. Healthy corporate earnings reports of the selected sectors, respite in inflationary pressures, announcement of national election, and healthy foreign inflows buoyed the investors. On the other hand, investors were wary of deteriorating external account position and widening fiscal deficit. Currently the stock market is valued at 7.3 times estimated earnings as per our estimates.

Despite sharp decline in inflation the SBP kept the discount rate unchanged at 9.5% in their monetary policy announcements of February and April due to rising risks to the external accounts and widening fiscal account. NIMF is invested in floating Sukuks linked to KIBOR. Therefore, any increase in interest rates will improve the coupon income. The Fund has earned total income of Rs.75.80 million during the period. After deducting expenses of Rs.18.78 million, the net income is Rs.57.02 million. The asset allocation of the Fund as on March 31, 2013 is as follows:



# NAFA ISLAMIC MULTI ASSET FUND

## Income Distribution

In addition to interim distribution of 2.00% of opening ex-NAV (2.062% of the par value), the Board of Directors of the Management Company has also approved further interim distribution of 2.00% of opening ex-NAV (2.062% of the par value) for the period ended March 31, 2013.

## Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: April 26, 2013  
Place: Karachi.

# NAFA ISLAMIC MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2013

	Note	Un-audited March 31, 2012	Audited June 30, 2012
------(Rupees in '000)-----			
<b>ASSETS</b>			
Balances with banks		138,002	77,824
Investments	4	224,900	200,244
Dividend and profit receivable		7,649	6,071
Advances, deposits, prepayments and other receivables		2,670	2,632
Preliminary expenses and floatation costs		-	160
<b>Total assets</b>		<u>373,221</u>	<u>286,931</u>
<b>LIABILITIES</b>			
Payable to the Management Company		1,328	1,030
Payable to the Trustee		113	117
Payable to the Securities and Exchange Commission of Pakistan		200	221
Payable against purchase of investments		-	13,562
Payable against redemption of units		-	-
Accrued expenses and other liabilities		5,014	3,810
<b>Total liabilities</b>		<u>6,655</u>	<u>18,740</u>
<b>NET ASSETS</b>		<u>366,566</u>	<u>268,191</u>
Unit holders' funds (As per statement attached)		<u>366,566</u>	<u>268,191</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7	-	-
------(Number of units)-----			
<b>NUMBER OF UNITS IN ISSUE</b>		<u>29,928,283</u>	<u>26,013,069</u>
		Rupees	Rupees
<b>NET ASSET VALUE PER UNIT</b>		<u>12.2481</u>	<u>10.3099</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial informations.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC MULTI ASSET FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Note	Nine months Ended		Quarter ended	
		March 31	March 31	March 31	March 31
		2013	2012	2013	2012
		(Rupees in '000)		(Rupees in '000)	
<b>INCOME</b>					
Gain on sale of investments - net		23,054	645	11,196	1,114
Income from sukuk bonds		9,912	13,710	2,360	5,131
Profit on bank deposits		3,872	922	1,939	284
Dividend income		14,580	9,730	4,096	3,930
Unrealised gain / (loss) on revaluation of investments carried at fair value through profit or loss - net		24,379	16,336	3,633	20,992
		75,797	41,343	23,224	31,451
<b>EXPENSES</b>					
Remuneration of the Management Company		5,667	5,789	1,694	1,863
Sindh sales tax on Management Fee		907	926	271	298
Remuneration of the Trustee		528	526	175	173
Annual fee - Securities and Exchange Commission of Pakistan		200	164	72	53
Securities transaction cost		611	519	279	234
Settlement and bank charges		456	153	24	43
Annual listing fee		23	23	8	8
Auditors' remuneration		330	288	78	70
Impairment loss / (Reversal) on investments classified as 'available for sale and held for trading		8,502	24,281	(242)	3,538
Provision against accrued income from sukuk bonds		-	8,039	-	1386
Stability Rating fee		91	83	30	28
Legal and professional charges		40	17	-	17
Other expenses		100	-	(3)	-
Amortisation of preliminary expenses and floatation costs		160	376	-	125
<b>Total Expenses</b>		17,615	41,184	2,386	7,836
<b>Net income / (loss) from operating activities</b>		58,182	159	20,838	23,615
Element of loss and capital losses included in prices of units issued less those in units redeemed		-	-	-	-
Provision for workers' welfare fund	6	(1,164)	-	(417)	-
<b>Net income / (loss) for the period before taxation</b>		57,018	159	20,421	23,615
Taxation	8	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		57,018	159	20,421	23,615
<b>Earning per unit</b>					

The annexed notes 1 to 11 form an integral part of this condensed interim financial informations.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



# NAFA ISLAMIC MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months Ended		Quarter ended	
	March 31 2013 (Rupees in '000)	March 31 2012	March 31 2013 (Rupees in '000)	March 31 2012
Net income / (loss) for the period after taxation	57,018	159	20,421	23,615
<b>Other comprehensive income / (loss)</b>				
Net unrealised (diminution) / appreciation in market value of investments classified as 'available for sale'	1,609	10,607	485	7,821
Reversal of unrealized diminution in the value of investments pertaining to impairment of non-performing assets		18,619	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>58,627</u>	<u>29,385</u>	<u>20,906</u>	<u>31,436</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial informations.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC MULTI ASSET FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months Ended		Quarter ended	
	March 31 2013	March 31 2012	March 31 2013	March 31 2012
	(Rupees in '000)		(Rupees in '000)	
Undistributed income / (Accumulated loss) brought forward	15,320	60,354	53,111	(8,163)
Distribution:				
Final distribution June 30, 2012: Nil% (June 30, 2011: 17.033%)				
-Bonus units	-	(32,463)	-	-
-Cash Distribution	-	(13,019)	-	-
Interim distribution December 31, 2012: 2% (December 31, 2011: Nil%)				
-Bonus units	(4,398)	-	(4,398)	-
-Cash Distribution	(1,580)	-	(1,580)	-
Net income / (loss) for the period	57,018	159	20,421	23,615
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing income that form part of the unit holders' fund	5,359	(548)	4,165	(969)
<b>Undistributed income / (Accumulated loss) carried forward</b>	<u>71,719</u>	<u>14,483</u>	<u>71,719</u>	<u>14,483</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial informations.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months Ended		Quarter ended	
	March 31 2013 (Rupees in '000)	March 31 2012	March 31 2013 (Rupees in '000)	March 31 2012
Net assets at the beginning of the period	268,191	288,582	322,929	241,971
Issue of 6,790,095 units - including 365,588 bonus units (2012: 5,052,122 units)	74,777	13,735	42,298	2,725
Redemption of 2,874,881 units (2012: 5,528,521 units)	(33,449)	(51,084)	(17,987)	(8,533)
	41,328	(37,349)	24,311	(5,808)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed				
- amount representing losses and capital losses - transferred to Income Statement	-	-	-	-
- amount representing income and capital gains that form part of the unit holders' fund - transferred to Distribution Statement	(5,359)	548	(4,165)	969
	(5,359)	548	(4,165)	969
Net unrealised (diminution) / appreciation during the period in the market value of investments classified as 'available for sale'	1,609	10,607	485	7,821
Reversal of unrealized diminution in the value of investments pertaining to impairment of non-performing assets	-	18,619	-	-
Unrealised gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	24,379	16,336	3,633	20,992
Gain on sale of investments - net	23,054	645	11,196	645
Other net income / (loss) for the period after taxation	9,585	(16,822)	5,592	1,978
	57,018	159	20,421	23,615
Final distribution June 30, 2012: Nil% (June 30, 2011: 17.033%)				
- Bonus units	-	(32,463)	-	-
- Cash Distribution	-	(13,019)	-	-
Interim distribution December 31, 2012: 2% (December 31, 2011: Nil%)				
- Bonus units	(4,398)	-	(4,398)	-
- Cash Distribution	(1,580)	-	(1,580)	-
	(5,978)	(45,482)	(5,978)	-
Add: bonus distribution	4,398	32,463	4,398	-
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing income that forms part of the unit holders' fund	5,359	(548)	4,165	(969)
Net assets as at the end of the period	<u>366,566</u>	<u>267,599</u>	<u>366,566</u>	<u>267,599</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial informations.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC MULTI ASSET FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months Ended		Quarter ended	
	March 31 2013	March 31 2012	March 31 2013	March 31 2012
	(Rupees in '000)		(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income / (loss) for the period before taxation	57,018	159	20,421	23,615
<b>Adjustments</b>				
Unrealised (gain) / loss on investments at fair value through profit or loss - net	(24,379)	(16,336)	(3,633)	(20,992)
Gain on sale of investments - net	(23,054)	(645)	(11,196)	(1,114)
Impairment loss / (reversal of impairment loss) on investments classified as 'available for sale	8,502	8,039	(242)	(12,704)
Amortisation of preliminary expenses and floatation costs	160	376	-	125
	18,247	(8,407)	5,350	(11,070)
<b>(Increase) / decrease in assets</b>				
Receivable against sale of investments	-	306	-	(2,500)
Investments	15,884	38,851	22,241	(8,029)
Dividend and profit receivable	(1,578)	1,495	(1,947)	(2,824)
Advances, deposits, prepayments and other receivable	(38)	(60)	63	(10)
	14,268	40,592	20,357	(13,363)
<b>Increase / (decrease) in liabilities</b>				
Payable to the Management Company	298	9	625	17
Payable to the Trustee	(4)	(50)	(42)	(48)
Payable to Securities and Exchange Commission of Pakistan	(21)	(92)	72	53
Payable against purchase of investments	(13,562)	7,730	-	6,908
Accrued expenses and other liabilities	1,204	344	52	464
	(12,085)	7,941	707	7,394
<b>Net cash inflow from operating activities</b>	<b>20,430</b>	<b>40,126</b>	<b>26,414</b>	<b>(17,039)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	74,777	13,735	42,298	2,725
Payments on redemption of units	(33,449)	(50,807)	(17,987)	(8,256)
Dividend paid	(1,580)	(13,019)	(1,580)	-
<b>Net cash outflow on financing activities</b>	<b>39,748</b>	<b>(50,091)</b>	<b>22,731</b>	<b>(5,531)</b>
Net (decrease) / increase in cash and cash equivalents during the period	60,178	(9,965)	49,145	(22,570)
Cash and cash equivalents at the beginning of the period	77,824	34,766	88,857	47,371
<b>Cash and cash equivalents at the end of the period</b>	<b>138,002</b>	<b>24,801</b>	<b>138,002</b>	<b>24,801</b>

The annexed notes 1 to 11 form an integral part of this condensed interim financial informations.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ISLAMIC MULTI ASSET FUND

## Notes to and forming part of the Condensed Interim Financial information (Un-audited) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

### 1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Multi Asset Fund (NIMF / the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 20 August 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 03 September 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The Registered and Principal office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund 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 them to the Fund. The Board of Directors have approved that the Fund should be categorized as "Balanced Fund" as per the categories defined by the Securities and Exchange Commission of Pakistan.

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 (PACRA) has assigned an asset manager rating of AM2 to the Management Company. Based on the performance of the Fund for the year ended 30 June 2011, it has assigned performance ranking of Four Star to the Fund.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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, 2008 (the NBFC Regulations) and directives issued by the 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 IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2012.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2013

#### 2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the accounting periods beginning on or after July 1, 2012:

# NAFA ISLAMIC MULTI ASSET FUND

Amendment to IFRS 7, 'Financial instruments': The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The adoption

There are certain other new standards, amendments and interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

## 2.3 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

## 3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2012.

	Note	(Un-Audited) March 31, 2013	(Audited) June 30, 2012
(Rupees in '000)			
4 INVESTMENTS			
At fair value through profit or loss - held for trading			
Investment in shares of listed company	4.1	181,800	143,451
Available for sale			
Sukuk bonds	4.2	<u>43,100</u>	<u>101,675</u>
		<u>224,900</u>	<u>245,126</u>

# NAFA ISLAMIC MULTI ASSET FUND

## 4.1 Investment in shares of listed companies at fair value through profit or loss

Name of the investee company	As at July 1, 2012	Purchases during the period	Bonus / Right Issue	Sale during the period	As at March 31, 2013	Market value as at March 31, 2013	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of Paid up Capital
	----- Number of shares -----					Rupees in '000	-----%-----		
<b>Oil and Gas</b>									
Attock Petroleum Limited	50			50	-	-	-	-	-
Oil and Gas Development Company Ltd	200	134,340		77,100	57,440	11,714	3.20	5.21	0.00
Pakistan Oil Fields Limited	45,060	112,300		95,500	61,860	28,062	7.66	12.48	0.01
Pakistan Petroleum Limited	80,857	191,000	27,364	299,221	-	-	-	-	-
Pakistan State Oil Company Limited		86,900	14,460	14,600	86,760	17,624	4.81	7.84	0.01
<b>Chemicals</b>									
Engro Corporation Limited	-	35,000		35,000	-	-	-	-	-
Fauji Fertilizer Company Limited	99,068	340,300		354,200	85,168	9,360	2.55	4.16	0.01
Sitara Chemical Industries	76,175				76,175	14,319	3.91	6.37	0.36
<b>Construction and Materials</b>									
Attock Cement Pakistan Limited	34,936		5,240		40,176	4,545	1.88	2.02	0.05
D.G. Khan Cement Company Limited	196,300	696,200		706,500	186,000	12,884	5.32	5.73	0.05
Lucky Cement Company Limited	187,900	179,300		310,200	57,000	9,553	2.61	4.25	0.02
Kohat Cement Factory Limited	-	50,000			50,000	3,898	1.06	1.73	0.01
Cherat Cement Company Limited	-	331,500			331,500	17,132			
<b>General Industrials</b>									
Ghani Glass Limited	114,280		11,428	125,000	708	48	0.02	0.02	0.00
Thal Limited	16,815		1,682		18,497	1,812	0.49	0.81	0.03
<b>Industrial Engineering</b>									
Al-Ghazi Tractors Limited	16,088	20,287		36,375	-	-	-	-	-
Millat Tractors Limited	39			39	-	-	-	-	-
<b>Food Producers</b>									
Unilever Pakistan Limited	989			300	689	8,440	2.30	3.75	0.01
<b>Personal Goods</b>									
Nishat Mills Limited	-	100,000	-	23,000	77,000	6,490	2.68	2.89	0.02
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication Co Ltd	3,000	647,000		407,000	243,000	4,933	1.35	2.19	0.01
<b>Electricity</b>									
The Hub Power Company Limited	567,760	774,500		900,500	441,760	22,203	6.06	9.87	0.04
<b>Banks</b>									
Meezan Bank Limited	303,408		33,375		336,783	8,783	2.40	3.91	0.05
Bank Islami Pakistan Limited	200			200	-	-	-	-	-
					2,150,516	181,800	48.29	73.22	
Carrying value as at March 31, 2013					157,421				

4.1.1 All shares have a nominal face value of Rs 10 each except for the shares of Thal Limited and Al-Ghazi Tractors Limited which have a face value of Rs 5 each and Unilever Pakistan Limited which has a face value of Rs 50 each.

4.1.2 The above investments include securities with market value aggregating to Rs.49.730 million (2012: 41.944 million ) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular no. 11 dated October 23, 2007 issued by SECP.

# NAFA ISLAMIC MULTI ASSET FUND

## 4.2 Sukuk bonds

Name of the investee company	Number of Certificates				Market value as at March 31, 2013	Investment as a percentage of		
	As at July 1, 2012	Purchases during the period	Sale during the period	As at March 31, 2013		Market value of Net assets	Market value of total investments	Issue size
					Rupees in '000	-----%-----		
Eden Housing Limited (Note 5.2.2)	5,000	-	-	5,000	7,023	2.90	3.62	3.42
Eden Builders Limited	1,325	-	-	1,325	1,660	0.69	0.86	0.33
Kohat Cement Company Limited	10,000	-	-	10,000	7,172	2.96	3.70	2.00
Maple Leaf Cement Factory Limited (Note 5.2.3)	10,000	-	-	10,000	18,458	7.63	9.53	0.63
Maple Leaf Cement Factory Limited - Sukuk II (Note 5.2.3)	375	-	-	375	-	-	-	-
Pak Electron Limited (Note 5.2.4)	10,000	-	-	10,000	8,787	3.63	4.53	4.17
					43,100			
Carrying value as at March 31, 2013					85,577			
Provision for impairment loss as at March 31, 2013					44,086			

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

4.2.2 This represents investment in privately placed sukuk bonds issue with a term of five years. On 31 March 2011 and 29 June 2011 i.e. the scheduled redemption date, principal redemption of Rs. 0.938 million were not received by the Fund. The amount of provision required as per SECP circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

4.2.3 The sukus of Maple Leaf Cement Factory Limited were restructured on 30 March 2010. In accordance with the terms of restructuring, the amount of markup due on 3 December 2009 was partially off-set through issuance of new sukus, "Maple Leaf Cement Factory Limited Sukuk II". The Sukuk II have been recognised at NIL value on a prudent basis and in accordance with the guidance specified by the SECP which require overdue mark-up to be recognised on cash basis

The Issuer defaulted again in the payment of principal and mark-up due on 03 September 2011. In accordance with the requirements of circular 33 of 2012 issued by the SECP, the exposure has been classified as non-performing and no further mark-up is being accrued after classification as non performing exposure. The amount of provision required as per SECP circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular while considering date of default as 03 September 2011.

4.2.4 The amount of provision required as per SECP circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

## 5 COMPLIANCE WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan vide Circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Management Company classified NAFA Islamic Multi Asset Fund (the Fund) as 'Shariah Compliant (Islamic) Scheme' and 'Balanced Scheme' in accordance with the said circular. As at March 31, 2012, the Fund is compliant with all the requirements of the said circular except for clause 2(iv) which requires that rating of any debt security in the portfolio shall not be lower than A- (A Minus)



# NAFA ISLAMIC MULTI ASSET FUND

Type of investment	Name of non-compliant investment	Value of investment / non equity assets before provision	Provision held, if any	Value of investment / non equity assets after provision	Percentage of net assets	Percentage of gross assets
		-----Rupees in '000-----			-----%-----	
i) Investment in debt securities	a) Maple Leaf Cement Factory Limited - Sukuk	46,144	27,686	18,458	5.04	10.54
	b) Pak Electron Ltd	21,429	12,642	8,787	2.40	6.23
	c) Kohat Cement Company Limited - Sukuk *	7,172	-	7,172	1.96	5.71
	d) Eden Housing Limited - Sukuk	10,781	3,758	7,023	1.92	3.64

\* Performing but below investment grade

- 5.1 At the time of purchase, the said Sukuks were in compliance with the requirements of the circular (i.e. investment grade) and were subsequently downgraded due to default in payments of due principal and markup.

The management is taking steps to ensure compliance with the above requirement.

## 6 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In the light of this, Mutual Fund Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court challenging the applicability of WWF on CISs which was dismissed mainly on the grounds that MUFAP is not an aggrieved party.

Subsequently, clarifications were issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. These clarifications were forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on these clarifications, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Further, a Constitutional Petition was filed with the Honorable High Court of Sindh by a CIS / mutual fund and a pension fund through their trustee and an asset management company inter alia praying to declare that mutual funds / voluntary pension funds being pass through vehicles / entities are not industrial establishments and hence, are not liable to contribute to the WWF under the WWF Ordinance. The matter is still pending with the Honorable Court.

The Management Company is hopeful that the decision of the court will be in favour of the Fund. The Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF as at March 31, 2013 amounting to Rs.3.828 million (including Rs.1.164 million for the current period) (June 30, 2012: Rs 2.664 million) in this condensed interim financial information. Had the same not been made the net asset value per unit would have been higher by Rs 0.1279

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on March 31, 2013 and June 30, 2012.

# NAFA ISLAMIC MULTI ASSET FUND

## 8 TAXATION

No provision for taxation has been made as the Fund is exempt from income tax under Clause 99 of Part 1 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 and unrealised, is distribution amongst the unit holders. The Management Company, on behalf of the Fund, intends to distribute at least 90 percent of such accounting income relating to the year ending June 30, 2012 to its unit holders. Accordingly, no tax liability has been recorded in the current period.

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

## 9 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fullerton Asset Management Limited (NAFA) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, 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.

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

### 9.1 Details of the transactions with connected persons are as follows:

	Nine months Ended		Quarter ended	
	March 31 2013	March 31 2012	March 31 2013	March 31 2012
	------(Rupees in '000) -----			
<b>NBP Fullerton Asset Management Company Limited</b>				
- Management Company				
Management fee	5,667	5,789	1,694	1,863
Front end load	1,020	225	549	81
Sindh Sales tax on management fee	907			
<b>Taurus Securities (Pvt) Ltd</b>				
Brokerage	49	45	23	21
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee fee	528	526	175	173
CDS charges	52	13	(12)	(80)
<b>Alexandra Fund Management Pte. Limited</b>				
Bonus units issued (153,959 ; 2012:1,416,412 units)	-	-	-	-
Units redeemed (Nil ; 2012: Nil units)	-	-	-	-
<b>Executive of management Company</b>				
Bonus units issued ( 391; 2012: 299 units)	-	-	-	-
Units Issued (32,735; 2012: Nil Units)	382	-	234	-
Units Redeemed (30,436; 2012: Nil)	357	-	237	-
<b>CDC Trustee NAFA Riba Free Savings Fund</b>				
Sale of Sukuk	-	15,000	-	15,000
<b>Gul Ahmed Textile Mills Limited - EPF</b>				
Units Redeemed (35,519 units; 2012: Nil units)	405	-	-	-

# NAFA ISLAMIC MULTI ASSET FUND

	Un-Audited March 31 2013	Audited June 30 2012
	(Rupees in '000)	
<b>9.2 Amounts outstanding as at period / year end</b>		
<b>NBP Fullerton Asset Management Company Limited - Management Company</b>		
Management Fee payable	610	656
Front end load payable	620	269
Sindh Sales tax on management fee	98	105
<b>National Bank of Pakistan</b>		
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2012: 7,500,000 units)	91,861	77,324
Balance in current account	38	20
<b>Alexandra Fund Management Pte. Limited</b>		
Investment held by the Sponsor in the Fund (9,140,895 units; June 30, 2012:8,986,937 units)	111,959	92,654
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	58	60
CDS charges payable	55	57
Security deposit	100	100
<b>Taurus Securities (Private) Limited</b>		
Brokerage Payable	9	0
<b>Employees of the Management Company</b>		
Units held in the Fund (4,588 units; June 30, 2012: 5,849 units)	56	20

## 10 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2013.

## 11 GENERAL

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

11.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director