



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

NAFA ISLAMIC ASSET ALLOCATION FUND

QUARTERLY REPORT

MARCH 31

2015



Your investments & "NAFA" grow together




NBP

National Bank of Pakistan

**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

MISSION STATEMENT



To rank in the top quartile
in performance of
NAFA FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.

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NAFA ISLAMIC ASSET ALLOCATION FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nigel Poh Cheng	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Aamir Sattar	Member

Human Resource Committee

Mr. Nausherwan Adil	Chairman
Mr. Nigel Poh Cheng	Member
Mr. Kamal Amir Chinoy	Member

Trustee

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

Bankers to the Fund

Al-Baraka Islamic Bank
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Burj Bank Limited
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
Dubai Islamic Bank Limited
Silk Bank Limited
Summit Bank Limited

NAFA ISLAMIC ASSET ALLOCATION 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:

7th 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.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

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

Peshawar Office:

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 ASSET ALLOCATION FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Asset Allocation Fund (NIAAF)** for the period ended March 31, 2015.

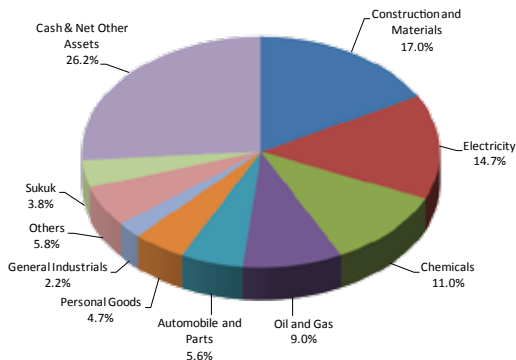
Fund's Performance

During the third quarter, the unit price of NAFA Islamic Asset Allocation Fund has increased from Rs. 14.9597 on December 31, 2014 to Rs. 15.1794 on March 31, 2015, thus showing an increase of 1.5%. The Benchmark (Average of (i) average 3-month Islamic banks deposit rate (ii) 6-month KIBOR or its Shariah Compliant equivalent (iii) KMI 30 Index) return during the same period was 0.4%. Thus, the Fund has outperformed its Benchmark by 1.1% during the period under review. For the nine months period ended March 31, 2015, the NAV of the Fund has increased from Rs. 13.0012(Ex-Div) on June 30, 2014 to Rs. 15.1794 on March 31, 2015, thus showing an increase of 16.8%. During the said period, the Benchmark increased by 5.5%, translating into an outperformance of 11.3%. Since inception the NAV of the Fund has increased from Rs.5.3274 (Ex-Div) to Rs.15.1794 on March 31, 2015, thus showing an increase of 184.9%. During the said period, the Benchmark increased by 119.2%, translating into outperformance of 65.7%. This performance is net of management fee and all other expenses. The size of NAFA Islamic Asset Allocation Fund has increased from Rs.1,102 million to Rs.1,744 million during the period, i.e. an increase of 58.3%.

The stock market exhibited high volatility during the 3QFY15. The market started off the quarter on a strong note in January, posting around 6% return before taking a breather in February and finally plunging sharply in March. Overall, the benchmark KMI-30 Index fell by 2.7% during the quarter defying strong fundamentals of the economy such as sharp decline in inflation and subsequent cuts in discount rate, improving external account position and build-up in FX reserves, stabilizing political situation; and attractive stock market valuations as reflected by widening discount to the regional peers. Foreign investors turned large net sellers during the period where the major chunk reportedly came from a single hedge fund facing large redemptions. Sharp decline in market unnerved leveraged investors forcing them to liquidate their positions amid margin calls. The Index heavy Oil & Gas sector underperformed the market whereas Chemicals, Electricity and Household Goods sectors outperformed during the period under review.

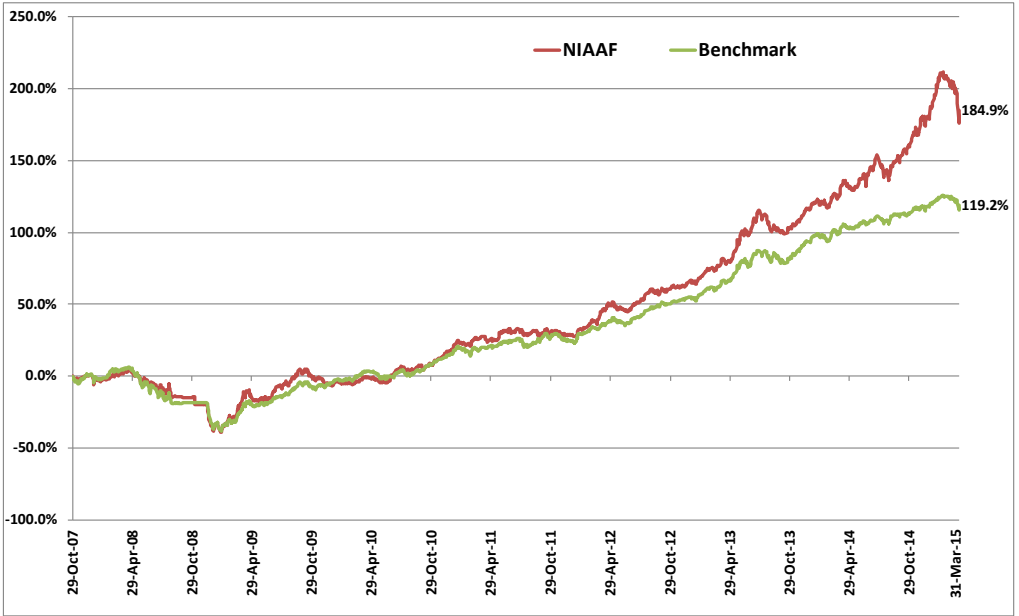
On the shariah complaint securities sphere, search for yields and dearth of primary issuance versus elevated demand kept the yield on the high credit quality corporate bonds depressed. Furthermore, helped by the economic rebound, and declining interest rates, we have seen recoveries from many non-performing corporate bonds. During the period under review, the State Bank of Pakistan reduced the policy rate by 200 bps to 8.0% mainly due to sharp decline in inflation, build-up of FX reserves, largely contained fiscal deficit, and improved external account position. Sovereign securities responded to the beginning of loose monetary policy period with yields on the short term and long term sovereign bonds declining sharply. All sukuk in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

The Fund has earned total income of Rs.100.41 million during the period. After deducting expenses of Rs.28.08 million, the net income is Rs.72.33 million. The asset allocation of the Fund as on March 31, 2015 is as follows:



NAFA ISLAMIC ASSET ALLOCATION FUND

NAFA Performance versus Benchmark (Since Inception)



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 21, 2015
Place: Karachi.

NAFA ISLAMIC ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2015

	Note	(Un-Audited) March 31, 2015	(Audited) June 30, 2014
------(Rupees in '000)-----			
ASSETS			
Balances with banks		450,531	129,884
Investments	4	1,286,155	424,774
Dividend and profit receivable		18,204	6,205
Receivable against sale of investment		18,955	1,176
Advances, deposits, prepayments and other receivables		2,684	6,034
Total assets		1,776,529	568,073
LIABILITIES			
Payable to the Management Company		19,943	2,322
Payable to the Trustee		261	93
Payable to the Securities and Exchange Commission of Pakistan		698	388
Payable against redemption of units		1,331	-
Accrued expenses and other liabilities		10,509	8,306
Total liabilities		32,742	11,109
NET ASSETS		1,743,787	556,964
Unit holders' funds (As per statement attached)		1,743,787	556,964
CONTINGENCIES AND COMMITMENTS	7	-	-
------(Number of units)-----			
NUMBER OF UNITS IN ISSUE		114,878,669	42,839,414
		Rupees	Rupees
NET ASSET VALUE PER UNIT		15.1794	13.0012

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 ASSET ALLOCATION FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
------(Rupees in '000)-----				
INCOME				
Gain on sale of investments - net	19,641	7,323	12,363	8,352
Income from sukuk bonds	9,365	11,657	3,226	5,685
Profit on bank deposits	18,595	12,207	10,431	3,170
Dividend income	30,553	9,382	18,100	2,097
Unrealised gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	22,264	18,529	(68,963)	(305)
	100,418	59,098	(24,843)	18,999
EXPENSES				
Remuneration of the Management Company	16,423	6,591	8,862	2,016
Sindh sales tax on Management Fee	2,858	1,234	1,542	374
Federal Excise Duty on remuneration to Management Company	2,628	1,055	1,418	323
Remuneration of the Trustee	1,442	659	690	201
Annual fee - Securities and Exchange Commission of Pakistan	698	280	377	86
Securities transaction cost	1,440	1,271	680	422
Settlement and bank charges	537	239	293	81
Annual listing fee	30	23	15	8
Auditors' remuneration	387	359	59	83
Impairment loss / (Reversal) on investments classified as 'available for sale and held for trading	-	2,617	-	(750)
Stability Rating fee	127	100	41	33
Legal and professional charges	38	101	13	11
Other expenses	-	28	-	19
Total Expenses	26,608	14,557	13,990	2,907
Net income / (loss) from operating activities	73,810	44,541	(38,833)	16,092
Provision for workers' welfare fund	6	(1,476)	777	(322)
Net income / (loss) for the period before taxation	72,334	43,650	(38,056)	15,770
Taxation	8	-	-	-
Net income / (loss) for the period after taxation	72,334	43,650	(38,056)	15,770
Earning per unit				

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 ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31, 2015</u>	<u>March 31, 2014</u>	<u>March 31, 2015</u>	<u>March 31, 2014</u>
	------(Rupees in '000)-----			
Net income for the period after taxation	72,334	43,650	(38,056)	15,770
Other comprehensive income / (loss)				
Net unrealised appreciation in market value of investments classified as 'available for sale'	6,765	1,750	3,304	706
Reversal of unrealized diminution in the value of investments pertaining to impairment of non-performing assets			-	-
Total comprehensive income for the period	<u>79,099</u>	<u>45,400</u>	<u>(34,752)</u>	<u>16,476</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 ASSET ALLOCATION FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>------(Rupees in '000)-----</u>			
Undistributed income brought forward	119,516	117,682	260,266	93,482
Distribution:				
Final distribution June 30, 2014: Nil (June 30, 2013: 17.269%)				
- Bonus units	-	(43,542)	-	-
- Cash Distribution	-	(13,133)	-	-
Interim distribution December 31, 2014: Nil (December 31, 2013: 2.372%)				
- Bonus units	-	(7,469)	-	(7,469)
- Cash Distribution	-	(28)	-	(28)
Net income for the period	72,334	43,650	(38,056)	15,770
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	171,128	12,399	140,768	7,804
Undistributed income carried forward	<u>362,978</u>	<u>109,559</u>	<u>362,978</u>	<u>109,559</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 ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	------(Rupees in '000)-----			
Net assets at the beginning of the period	556,964	433,002	1,101,829	381,946
Issue of 147,977,067 units (2014: 31,388,945 units)	2,250,233	351,919	1,434,627	156,594
Redemption of 75,937,812 units (2014: 29,155,117 units)	(1,142,509)	(364,033)	(757,917)	(101,861)
	1,107,724	(12,114)	676,710	54,733
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(171,128)	(12,399)	(140,768)	(7,804)
Net unrealised appreciation during the period in the market value of investments classified as 'available for sale'	6,765	1,750	3,304	706
Reversal of unrealized diminution in the value of investments pertaining to impairment of non-performing assets	-	-	-	-
Unrealised gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	22,264	18,529	(68,963)	(305)
Gain on sale of investments - net	19,641	7,323	12,363	8,352
Other net income / (loss) for the period after taxation	30,429	17,798	18,544	7,723
	72,334	43,650	(38,056)	15,770
Final distribution June 30, 2014: Nil (June 30, 2013: 17.269%)				
- Bonus units	-	(43,542)	-	-
- Cash Distribution	-	(13,133)	-	-
Interim distribution December 31, 2014: Nil (December 31, 2013: 2.372%)				
- Bonus units	-	(7,469)	-	(7,469)
- Cash Distribution	-	(28)	-	(28)
	-	(64,172)	-	(7,497)
Add: bonus distribution	-	51,011	-	7,469
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	171,128	12,399	140,768	7,804
Net assets as at the end of the period	1,743,787	453,127	1,743,787	453,127

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 ASSET ALLOCATION FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
------(Rupees in '000)-----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income / (loss) for the period before taxation	72,334	43,650	(38,056)	15,770
Adjustments				
Unrealised (gain) / loss on investments at fair value through profit or loss - net	(22,264)	(18,529)	68,963	305
Impairment loss / (reversal of impairment loss) on investments classified as 'available for sale'	-	2,617	-	(750)
	50,070	27,738	30,907	15,325
(Increase) / decrease in assets				
Receivable against sale of investments	(17,779)	(11,130)	(13,130)	(11,130)
Investments	(832,352)	(145,579)	(485,567)	(139,194)
Dividend and profit receivable	(11,999)	(2,457)	(16,360)	(2,008)
Advances, deposits, prepayments and other receivable	3,350	(113)	877	25
	(858,780)	(159,279)	(514,180)	(152,307)
Increase / (decrease) in liabilities				
Payable to the Management Company	17,621	1,964	7,968	1,372
Payable to the Trustee	168	(50)	84	(26)
Payable to Securities and Exchange Commission of Pakistan	310	(7)	377	86
Payable against purchase of investments	-	8,965	(15,027)	8,965
Payable against redemption of units	1,331	-	1,331	(796)
Accrued expenses and other liabilities	2,203	817	(224)	382
	21,633	11,689	(5,491)	9,983
Net cash (outflow) from operating activities	(787,077)	(119,852)	(488,764)	(126,999)
CASH FLOW FROM FINANCING ACTIVITIES				
Receipts from issue of units	2,250,233	351,919	1,434,627	156,594
Payments on redemption of units	(1,142,509)	(364,033)	(759,308)	(101,861)
Dividend paid	-	(13,161)	-	(28)
Net cash (outflow) / inflow on financing activities	1,107,724	(25,275)	675,319	54,705
Net (decrease) / increase in cash and cash equivalents during the period	320,647	(145,127)	186,555	(72,294)
Cash and cash equivalents at the beginning of the period	129,884	257,924	263,976	185,091
Cash and cash equivalents at the end of the period	450,531	112,797	450,531	112,797

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 ASSET ALLOCATION FUND

Notes to and forming part of the Condensed Interim Financial information (Un-audited) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Multi Asset Fund ("the Fund") was established under a Trust Deed executed between NBP Fullerton Asset Management Limited 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.

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 SECP. The registered 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 also the member of 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 "shariah compliant Asset Allocation scheme as per the categories defined by the Securities and Exchange Commission of Pakistan.

The Objective of the Scheme is to generate capital appreciation by investing in Shariah Compliant equity and equity related securities and income by investing in Shariah Compliant bank deposits, debt & money market securities.

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, 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 IFRS, 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, 2014.

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, 2015.

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, 2014.

		(Un-Audited) March 31, 2015	(Audited) June 30, 2014
	Note		
4 INVESTMENTS		(Rupees in '000)	
At fair value through profit or loss - held for trading			
Investment in shares of listed company	4.1	1,220,481	349,726
Sukuk bonds	4.1	45,501	46,328
Available for sale			
Sukuk bonds	4.2	20,173	28,720
		<u>1,286,155</u>	<u>424,774</u>

NAFA ISLAMIC ASSET ALLOCATION 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, 2014	Purchases during the period	Bonus / Right Issue	Sale during the period	As at March 31, 2015	Market value at March 31, 2015	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid-up capital of the investee company held
	----- Number of shares -----					Rupees in '000	----- % -----		
Oil and Gas									
Oil and Gas Development Company Limited	58,040	31,500	-	89,540	-	-	-	-	-
Pakistan Oil Fields Limited	54,360	58,600	-	38,400	74,560	24,341	1.40	1.89	0.03
Pakistan Petroleum Limited	110,420	280,450	-	133,300	257,570	39,838	2.28	3.10	0.01
Pakistan State Oil Company Limited	56,696	123,800	-	45,700	134,796	46,424	2.66	3.61	0.05
Attock Petroleum Limited	-	7,500	-	-	7,500	3,900	0.22	0.30	0.01
Shell (Pakistan)	-	17,200	-	-	17,200	3,799	0.22	0.30	0.02
National Refinery Limited	-	16,500	-	-	16,500	3,150	0.18	0.24	0.02
Hascol Petroleum Limited	-	384,000	-	-	384,000	35,270	2.02	2.74	0.21
Chemicals									
Fauji Fertilizer Company Limited	68	288,500	-	127,500	161,068	21,461	1.23	1.67	0.01
Dynea Pakistan	-	21,500	-	-	21,500	1,151	0.07	0.09	0.23
Engro Fertilizers Limited	-	299,000	-	299,000	-	-	-	-	-
Engro Corporation Limited	-	500,300	-	-	500,300	128,527	7.37	9.99	0.10
Fatima Fertilizer Limited	-	381,500	-	-	381,500	14,711	0.84	1.14	0.02
Fauji Fertilizer Bin Qasim Limited	-	290,000	-	-	290,000	13,479	0.77	1.05	0.03
Itehad Chemicals Limited	-	353,500	-	-	353,500	12,387	0.71	0.96	0.71
Construction and Materials									
Attock Cement Pakistan Limited	87	-	-	87	-	-	-	-	-
D.G. Khan Cement Company Limited	135,000	1,152,000	-	179,000	1,108,000	123,874	7.10	9.63	0.25
Lucky Cement Company Limited	73,300	81,000	-	46,300	108,000	48,161	2.76	3.74	0.03
Akzo Nobel Pakistan Limited	57,700	-	-	27,800	29,900	8,477	0.49	0.66	0.06
Fauji Cement Company Limited	1,000	-	-	1,000	-	-	-	-	-
Maple Leaf Cement Factory Limited	669,500	883,000	-	495,500	1,057,000	50,778	2.91	3.95	0.20
Pioneer Cement Limited	576,000	398,000	-	-	431,500	33,916	1.94	2.64	0.19
Kohat Cement Limited	-	129,800	-	45,700	84,100	13,543	0.78	1.05	0.05
Fecto Cement Limited	-	290,500	-	-	290,500	17,845	1.02	1.39	0.58
General Industrials									
Ghani Glass Limited	192,000	-	-	37,500	154,500	11,087	0.64	0.86	0.13
Thal Limited	87,196	23,000	-	-	110,196	28,138	1.61	2.19	0.14
Personal Goods									
Nishat Mills Limited	130,200	225,000	-	82,000	273,200	27,915	1.60	2.17	0.08
Kohinoor Textile Limited	-	1,608,000	-	308,500	1,299,500	54,774	3.14	4.26	0.53
Fixed Line Telecommunication									
Pakistan Telecommunication Company Ltd	654,000	-	-	654,000	-	-	-	-	-
Electricity									
The Hub Power Company Limited	252,260	924,000	-	27,000	1,149,260	98,124	5.63	7.63	0.10
Kot Addu Power Company Limited	356,000	1,153,000	-	-	1,509,000	117,370	6.73	9.13	0.17
K-Electric Limited	655,000	-	-	-	655,000	4,657	0.27	0.36	0.00
Lalpir Power Limited	-	1,154,000	-	230,000	924,000	27,600	1.58	2.15	0.24
Pakgen Power	-	437,000	-	133,000	304,000	8,482	0.49	0.66	0.08
Banks									
Meezan Bank Limited	262,781	201,500	-	-	464,281	20,475	1.17	1.59	0.05
Bank Islami Pakistan Limited	1,080,500	-	572,213	1,652,713	-	-	-	-	-
AutoMobile and Parts									
Ghandhara Nissan Limited	85,000	171,500	-	8,000	248,500	11,610	0.67	0.90	0.55
Honda Atlas Cars (Pakistan) Limited	162,500	22,000	-	129,500	55,000	10,089	0.58	0.78	0.04
Pak Suzuki Motor Company Limited	13,000	61,400	-	17,500	56,900	19,716	1.13	1.53	0.07
Sazgar Engineering Works Limited	156,500	15,000	-	-	171,500	6,798	0.39	0.53	0.95
Baluchistan Wheels Limited	-	227,000	-	-	227,000	10,782	0.62	0.84	1.70
Indus Motor Company	-	45,450	-	-	45,450	46,134	2.65	3.59	0.25
Industrial Transportation									
Pakistan National Shipping Corporation	100,000	-	-	36,500	63,500	9,533	0.55	0.74	0.05

NAFA ISLAMIC ASSET ALLOCATION FUND

Name of the investee company	As at July 1, 2014	Purchases during the period	Bonus / Right Issue	Sale during the period	As at March 31, 2015	Market value at March 31, 2015	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid-up capital of the investee company held	
										----- Number of shares -----
Pharma and Bio Tech										
Abbott Lab (Pakistan) Limited	-	22,500	-	-	22,500	11,190	0.64	0.87	0.02	
Ferozsons Laboratories Limited	-	22,600	-	14,000	8,600	4,242	0.24	0.33	0.03	
Searle Company Limited	-	45,100	-	-	45,100	9,513	0.55	0.74	0.05	
Industrial Metal and Mining										
Crescent Steel & Allied Products Limited	-	263,000	-	-	263,000	11,659	0.67	0.91	0.42	
Multitiilities (Gas and Water)										
Sui Northern Gas Pakistan Limited	-	682,000	-	210,500	471,500	10,896	0.62	0.85	0.07	
Technology Hardware and Equipment										
Avanceon Limited	-	450,000	-	-	450,000	14,665	0.84	1.14	0.43	
						14,680,481	1,220,481	69.99	94.89	
Carrying value as at March 31, 2015						1,197,390				

4.1.1 All shares have a nominal face value of Rs 10 each except for the shares of Thal Limited and K-Electirc Limited which have a face value of Rs 5 and Rs 3.5 respectively.

4.1.2 The above investments include securities with market value aggregating to Rs.20.025 million (2014: 17.605 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.

Sukuk bonds - At fair value through profit or loss - held for trading

Name of the investee company	Number of bonds				Market value as at March 31, 2015	Investment as a percentage of			
	As at July 1, 2014	Purchases during the period	Sales/Matured during the period	As at March 31, 2015		Market value of Net assets	Market value of total investments	Issue size	
Rupees in '000						-----%-----			
K-Electric AZM Sukuk II	-	9,000	-	9,000	45,501	0.03	0.04	1.20	
						45,501			
Carrying value as at March 31, 2015						46,327			

4.2 Sukuk and Ijara bonds - available for sale

Name of the investee company	Number of certificates				Market value as at March 31, 2015	Investment as a percentage of		
	As at July 1, 2014	Purchases during the period	Sales/Matured during the period	As at March 31, 2015		Market value of Net assets	Market value of total investments	Issue size
Rupees in '000						-----%-----		
Eden Housing Limited (Note 4.2.2)	5,000	-	-	5,000	-	-	-	-
Kohat Cement Company Limited	10,000	-	-	10,000	-	-	-	-
Maple Leaf Cement Factory Ltd (Note 4.2.3)	10,000	-	-	10,000	20,173	0.01	0.02	0.63
Pak Electron Limited	10,000	-	-	10,000	-	-	-	-
						20,173		
Carrying value as at March 31, 2015						39,758		
Provision for impairment loss as at March 31, 2015						26,350		

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 issued with a term of five years. On 6 May 2011, these Sukuks have been classified as non performing by MUFAP. The investment has been fully provided. The income suspended on these sukuk bonds up to Mar 31, 2015 amounted to Rs. 0.805 million (30 June 2014: 0.269 million).

NAFA ISLAMIC ASSET ALLOCATION FUND

4.2.3 This represents investment in privately placed sukuk bonds. On 27 December 2011 i.e. the scheduled redemption date, profit redemption of Rs. 0.8 million was not received by the Fund. The investment has been fully provided. The income suspended on these sukuk bonds up to March 31, 2015 amounted to Rs. 0.027 million (30 June 2014: 0.664 million).

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 Asset Allocation Fund (the Fund) as 'Shariah Compliant (Islamic) Scheme' and 'Balanced Scheme' in accordance with the said circular. As at March 31, 2015, 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).

Type of investment	Name of non-compliant investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
		-----Rupees in '000-----				----- % -----
i) Investment in debt securities	a) Pak Electron Ltd	21,429	21,429	-	-	-
	b) Eden Housing Limited - Sukuk	4,922	4,922	-	-	-

* 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 this regard, a constitutional petition has been led by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 8.162 million (including Rs 1.476 million for the current period) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as March 31, 2015 would have been higher by Rs 0.071 per unit.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on March 31, 2015 and June 30, 2014.

NAFA ISLAMIC ASSET ALLOCATION 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 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, 2015	March 31, 2014	March 31, 2015	March 31, 2014
------(Rupees in '000)-----				
NBP Fullerton Asset Management Company Limited				
- Management Company				
Management fee	16,423	6,591	8,862	2,016
Front end load	16,862	3,238	8,534	750
Sindh Sales tax on management fee	2,858	1,234	1,542	374
Federal Excise Duty on Management Fee	2,628	1,055	1,418	323
Sales tax on sales load	2,959	-	1,850	-
FED on sales load	2,697	-	1,701	-
National Bank of Pakistan - Sponsor				
Cash Dividend Paid	-	12,952	-	-
Taurus Securities (Pvt) Ltd				
Brokerage	120	108	30	21
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee	1,442	659	690	201
CDS charges	-	47	-	14
Alexandra Fund Management Pte. Limited				
Bonus units issued (Nil units ; 2014:1,278,646 units)	-	-	-	-
Units redeemed (Nil units ; 2014: 10,573,174 units)	-	129,277	-	-
Executive of management Company				
Bonus units issued (Nil units; 2014: 2,569 units)	-	-	-	-
Units Issued (1,776,525 units; 2014: 189,771 Units)	25,529	2,430	7,291	981
Units Redeemed (1,128,750; 2014: 175,581)	16,722	2,231	9,117	939
Thal Limited				
Purchase of equity 23,000 shares (2014: 33,300 shares)	5,828	3,893	-	-
Sales of equity Nil shares (2014: 11,500 shares)	-	1,820	-	1,036
Cherat Cement Company Limited				
Purchase of equity Nil shares (2014: 17,000 shares)	-	1,083	-	-
Sales of equity Nil shares (2014: 312,000 shares)	-	17,792	-	205
NAFA Islamic Principal Preservation Fund				
Units Issued 29,561,231 (2014: Nil units)	464,960	-	464,960	-
Units Redeemed 12,846,768 (2014: Nil units)	197,813	-	197,813	-

NAFA ISLAMIC ASSET ALLOCATION FUND

	(Un-audited) Quarter Ended March 31, 2015	(Audited) June 30, 2014
	----- Rupees in '000 -----	
9.2 Amounts outstanding as at period / year end		
NBP Fullerton Asset Management Company Limited - Management Company		
Management Fee payable	3,437	150
Sindh Sales tax on management fee	598	28
FED Payable on management fee	3,964	1,336
Front end load payable	7,658	462
Sales tax payable on sales load	1,328	86
FED Payable on sales load	2,958	260
National Bank of Pakistan		
Investment held by the Sponsor in the Fund (8,422,448 units; June 30, 2014: 8,422,448 units)	127,848	109,502
Balance in current account	930	67
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	261	93
CDS charges payable	-	0
Security deposit	100	100
Taurus Securities (Private) Limited		
Brokerage Payable	1	3
Employees of the Management Company		
Units held in the Fund (692,718 units; June 30, 2014: 44,943 units)	10,515	584
Thal Limited		
Shares held by the fund 110,196 share (2014: 87,197 shares)	28,138	18,084
Summit Bank Limited		
Balance held by the Fund	1,119	500
Dawood Hercules Fertilizers Limited - Management Staff Gratuity Fund*		
Units held in the Fund: Nil units (2014: 4,672,183 units)	-	60,744
Overseas Pakistanis Foundation Girls College - Welfare Fund*		
Units held in the Fund: Nil units (2014: 5,631,297 units)	-	73,214
NAFA Islamic Principal Preservation Fund		
Units held in the Fund 16,714,462 (units; June 30, 2014: Nil units)	253,716	-

*These were related party in prior period

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 21, 2015.

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



NBP Fullerton
Asset Management Ltd.

A Subsidiary of

National Bank of Pakistan

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