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**NBP Fullerton
Asset Management Ltd.**
A Subsidiary of
National Bank of Pakistan

NAFA MULTI ASSET FUND

HALF YEARLY REPORT DECEMBER 31 2015




Your investments & "NAFA" grow together



**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.

NAFA MULTI ASSET FUND

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NAFA MULTI ASSET 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 & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource and Remuneration 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

Allied Bank Limited
Askari Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
Sindh Bank Limited
Zarai Taraqati Bank Limited

NAFA MULTI ASSET FUND

Auditors

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 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: 111-111NFA (111-111-632),
(Toll Free): 0800-20001,
Fax: (021) 35825329
Website: www.nafafunds.com

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:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632 (nfa)
Fax: 091-5703202

Multan Office:

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

NAFA MULTI ASSET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the reviewed financial statements of **NAFA Multi Asset Fund** (NMF) for the half year ended December 31, 2015.

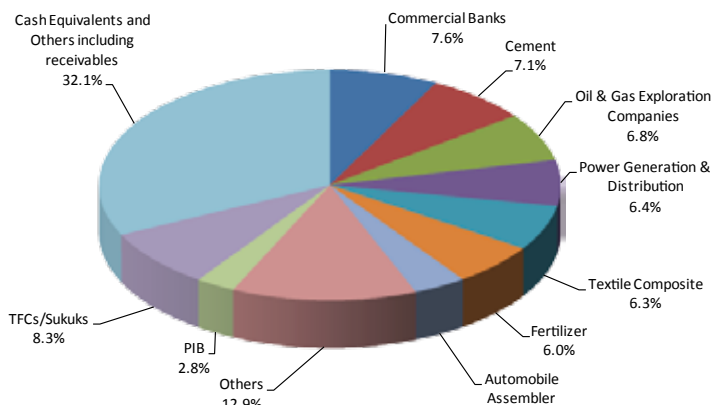
Fund's Performance

The size of NAFA Multi Asset Fund has decreased from Rs.1,487 million to Rs.1,454 million during the period, i.e. a decrease of 2.22%. During the period, the unit price of NAFA Multi Asset Fund (NMF) has decreased from Rs. 15.3058 (Ex-Div) on June 30, 2015 to Rs. 15.0838 on December 31, 2015, thus showing a decline of 1.45%. The Benchmark (50% KSE-30 Index, 50% 3-Month KIBOR) decline during the same period was 3.79%. Thus, the Fund has outperformed its Benchmark by 2.34% during the period under review. Since inception the NAV of the Fund has increased from Rs.4.2017 (Ex-Div) on January 19, 2007 to Rs.15.0838 on December 31, 2015, thus showing an increase of 258.99%. During the said period, the Benchmark increased by 100.54%, translating into outperformance of 158.45%. This performance is net of management fee and all other expenses.

1HFY16 turned out to be a challenging period for the stock market characterized by a heightened volatility and lackluster performance. The selloff in equities was largely a function of global pullout strategy by foreign funds in anticipation of US interest rate hike and associated rout in emerging market currencies; and global economic slowdown led by China. Subdued market performance can also be attributed to a sharp decline in international crude oil prices amid supply glut and demand slowdown. On domestic front, increase in regulatory requirements for brokers and criminal investigations against some brokers dried out the market volumes. The index heavy Oil & Gas and Banking sectors lagged the market whereas Cements, Pharmaceuticals, Automobile Parts & Accessories and Engineering sectors outperformed the market.

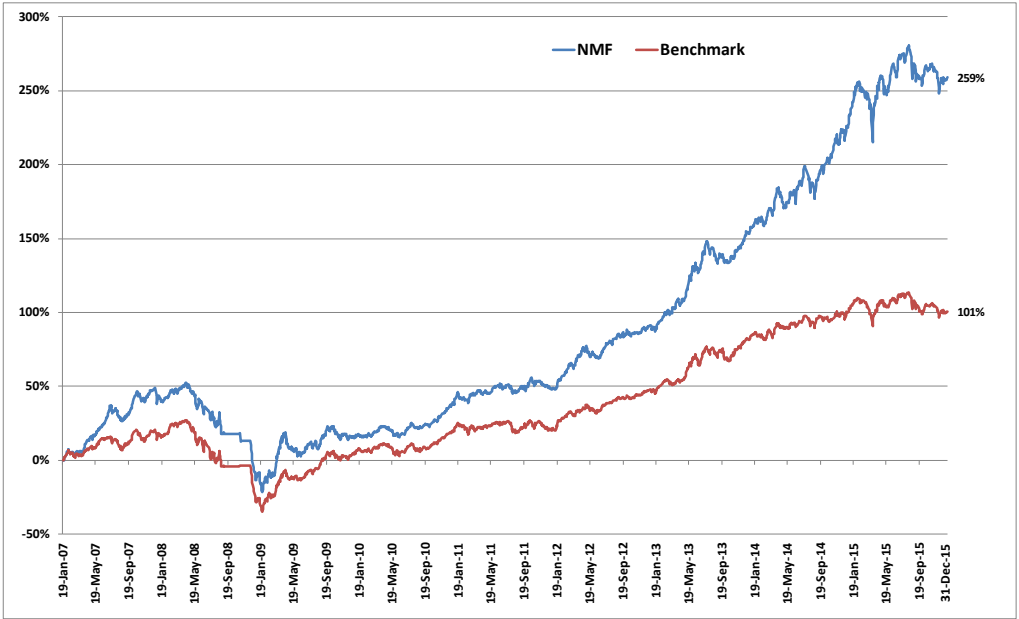
On the corporate debt sphere, trading activity in TFCs remained depressed. Dearth of high credit quality corporate bonds further depressed the secondary market yields. During the period under review, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP highlighted: i) benign inflation readings and anchored near-term expectation; ii) high real lending rates; iii) comfortable external account position; and (iv) improving law and order situation and macroeconomic stability. Sovereign securities responded to the loose monetary policy stance with yields on the PIBs and T-Bills declining accordingly. All TFCs/Sukuks in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

The Fund has incurred loss of Rs.9.42 million during the period. After accounting for expenses of Rs.17.77 million, the total loss is Rs.27.19 million. The asset allocation of the Fund as on December 31, 2015 is as follows:



NAFA MULTI ASSET FUND

NMF 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: February 26, 2016
Place: Karachi.

NAFA MULTI ASSET FUND

TRUSTEE REPORT TO THE UNIT HOLDERS

NAFA MULTI ASSET FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Multi Asset Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 26, 2016

NAFA MULTI ASSET FUND

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Multi Asset Fund** (here-in-after referred to as 'the Fund') as at December 31, 2015, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement, 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, 2015. NBP Fullerton Asset Management Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. 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 statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the quarters ended December 31, 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:

Naresh Kumar

Date: February 29, 2016

Place: Karachi

NAFA MULTI ASSET FUND

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

	Note	(Un- Audited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
ASSETS			
Balances with banks	4	497,227	390,010
Investments	5	985,425	1,113,773
Dividend and profit receivable	6	5,067	9,059
Advances, deposits and prepayments		3,014	90,772
Total assets		<u>1,490,733</u>	<u>1,603,614</u>
LIABILITIES			
Payable to the NBP Fullerton Asset Management Limited - Management Company	7	13,960	11,650
Payable to Central Depository Company of Pakistan Limited - Trustee	8	238	267
Payable to Securities and Exchange Commission of Pakistan		641	1,139
Dividend payable to National Bank of Pakistan		-	2,128
Accrued expenses and other liabilities	9	21,677	101,131
Total liabilities		<u>36,516</u>	<u>116,315</u>
NET ASSETS		<u>1,454,217</u>	<u>1,487,299</u>
UNIT HOLDERS' FUND (As per statement attached)		<u>1,454,217</u>	<u>1,487,299</u>
Contingencies and commitments	10		
		(Number of units)	
Number of units in issue		<u>96,409,457</u>	<u>97,172,330</u>
		-----Rupees-----	
Net asset value per unit		<u>15.0838</u>	<u>15.3058</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	Note	Half Year ended		Quarter ended	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
(Rupees in '000)					
INCOME					
Profit on bank deposits		17,219	10,879	8,871	5,168
Capital (loss) / gain on sale of investments - net		(3,481)	19,313	(2,761)	19,632
Income from term finance certificates and sukuk bonds		6,221	12,633	2,982	6,590
Income from government securities		2,127	1,500	1,064	1,500
Dividend income		25,744	16,293	13,859	10,201
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss -held-for trading' - net	5.7	(58,766)	115,259	(4,418)	93,910
Total (loss) / Income		(10,936)	175,877	19,597	137,001
EXPENSES					
Remuneration of NBP Fullerton Asset Management Limited - Management Company	7.1	15,093	11,721	7,372	6,348
Sindh Sales Tax on remuneration of Management Company	7.2	2,451	2,040	1,198	1,043
Federal Excise Duty on remuneration of Management Company	7.3	2,415	1,875	1,180	1,015
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,257	1,090	620	569
Sindh Sales Tax on remuneration of Trustee	8.1	176	-	87	-
Allocated expenses	7.4	146	-	146	-
Annual fee - Securities and Exchange Commission of Pakistan		641	498	313	270
Annual listing fee		20	20	10	10
Securities transaction cost		600	848	242	435
Settlement and bank charges		266	266	133	89
Auditors' remuneration		328	313	198	187
(Reversal) against non-performing securities		(5,714)	-	(2,857)	-
Legal and professional charges		-	25	-	25
Fund's rating fee		85	85	38	51
Printing expenses		-	20	-	20
Total Expenses		17,764	18,801	8,680	10,062
Net (loss) / income from operating activities		(28,700)	157,076	10,917	126,939
Element of income and capital gains included in prices of units issued less those in units redeemed - net		1,514	-	242	-
Provision for Workers' Welfare Fund	11	-	(3,142)	-	(2,539)
Net (loss) / income for the period before taxation		(27,186)	153,934	11,159	124,400
Taxation	12	-	-	-	-
Net (loss) / income for the period after taxation		(27,186)	153,934	11,159	124,400

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	Note	Half Year ended		Quarter ended	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
----- (Rupees in '000) -----					
Net (loss) / income for the period after taxation		(27,186)	153,934	11,159	124,400
Other comprehensive income for the period					
Items that may be reclassified subsequently to income statement:					
Net unrealised appreciation on the re-measurement of investments classified as "available for sale"	5.8	5,738	6,371	4,594	1,752
Items that will not be reclassified subsequently to income statement:		-	-	-	-
Total comprehensive income for the period		<u>(21,448)</u>	<u>160,305</u>	<u>15,753</u>	<u>126,152</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

Half Year ended		Quarter ended	
31 December 2015	31 December 2014	31 December 2015	31 December 2014

----- (Rupees in '000) -----

Undistributed income brought forward comprising of :

- realised income	225,818	36,066	397,736	120,203
- unrealised income / (loss)	155,927	75,382	(54,348)	21,349
	381,745	111,448	343,388	141,552

Element of (loss) / income and capital (loss) / gain included in prices of units issued less those in units redeemed - net Net (loss) / income for the period

(33)	15,445	(21)	14,875
(27,186)	153,934	11,159	124,400
(27,219)	169,379	11,138	139,275

Undistributed income carried forward

354,526	280,827	354,526	280,827
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Undistributed income carried forward comprising of :

- realised income	413,292	165,568	358,944	186,917
- unrealised (loss) / income	(58,766)	115,259	(4,418)	93,910
	354,526	280,827	354,526	280,827

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	Half Year ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	----- (Rupees in '000) -----			
Net assets at the beginning of the period	1,487,299	1,026,396	1,438,888	1,134,107
Issuance of 31,621,089 units (2014: 19,766,476 units)	496,389	262,838	27,792	175,567
Redemption of 32,383,962 units (2014: 2,662,891 units)	(506,509) (10,120)	(35,239) 227,599	(27,974) (182)	(21,526) 154,041
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - transferred to distribution statement	33	(15,445)	21	14,875
Net element of (income) and capital (gains) included in prices of units issued less those in units redeemed - transferred to Income statement	(1,514)	-	(242)	-
Total comprehensive income for the period	(21,448)	160,305	15,753	126,152
Distribution:				
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	(33)	15,445	(21)	(14,875)
Net assets at the end of the period	1,454,217	1,414,300	1,454,217	1,414,300

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	Half Year ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	----- (Rupees in '000) -----			
CASH FLOW FROM OPERATING ACTIVITIES				
Net (loss) / income for the period before period	(27,186)	153,934	11,159	124,400
Adjustments				
Unrealised diminution / (appreciation) on re-measurement of investments "at fair value through profit or loss -held-for trading" - net	58,766	(115,259)	4,418	(93,910)
Capital loss on sale of investments - net	3,481	-	2,761	-
Element of (income) and capital (gains) included in prices of units issued less those in units redeemed - net	(1,514)	-	(242)	-
(Reversal) against non-performing securities	(5,714)	-	(2,857)	-
	<u>27,833</u>	<u>38,675</u>	<u>15,239</u>	<u>30,490</u>
Decrease / (increase) in assets				
Investments - net	77,553	(336,461)	(87,248)	(361,658)
Receivable against sale of investments	-	(8,542)	-	22,120
Dividend and profit receivable	3,992	31	8,372	3,997
Advances, deposits and prepayments	87,758	4,013	9	4,856
	<u>169,303</u>	<u>(340,959)</u>	<u>(78,867)</u>	<u>(330,685)</u>
Increase / (decrease) in liabilities				
Payable to the Management Company	2,310	4,789	1,862	2,242
Payable to Central Depository Company of Pakistan Limited - Trustee	(29)	89	5	123
Payable to Securities and Exchange Commission of Pakistan	(498)	(251)	313	270
Payable against purchase of investments	-	(39,398)	-	-
Accrued expenses and other liabilities	(79,454)	2,904	(724)	1,881
	<u>(77,671)</u>	<u>(31,867)</u>	<u>1,456</u>	<u>4,516</u>
Net cash generated from / (used in) operating activities	<u>119,465</u>	<u>(334,151)</u>	<u>(62,172)</u>	<u>(295,679)</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Amounts received from issuance of units	496,389	262,838	27,792	175,567
Amounts paid on redemption of units	(506,509)	(33,165)	(27,974)	(19,522)
Distribution paid	(2,128)	-	-	-
Net cash (used in) / generated from financing activities	<u>(12,248)</u>	<u>229,673</u>	<u>(182)</u>	<u>156,045</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>107,217</u>	<u>(104,478)</u>	<u>(62,354)</u>	<u>(139,634)</u>
Cash and cash equivalents at the beginning of the period	390,010	227,228	559,581	262,384
Cash and cash equivalents at the end of the period	<u><u>497,227</u></u>	<u><u>122,750</u></u>	<u><u>497,227</u></u>	<u><u>122,750</u></u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Multi Asset Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited, a company incorporated under the Companies Ordinance, 1984, as Management Company and Central Depository Company of Pakistan Limited (CDC), also incorporated under the Companies Ordinance, 1984, as Trustee. The Trust Deed was executed on December 06, 2006 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006 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 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 Mutual Fund Association of Pakistan (MUFAP).

The Fund is an Open-ended Mutual Fund categorised as Balanced Scheme and its units are listed on the Lahore Stock Exchange (Now Pakistan Stock Exchange). Units of the fund are offered for public subscription on a continuous basis. These units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to provide its investors with a combination of capital growth and income. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments etc.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2 + ' to the Management Company and has assigned short term and long term stability ratings of '3 star' and '4 star' to the Fund respectively.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan (CDC) 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 for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance 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 NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of 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, 2015.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2015.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for the investments which are stated at fair value.

NAFA MULTI ASSET FUND

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.4 Critical accounting estimates and judgments

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2015, except for IFRS 13 "Fair Value Measurement".

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The application of this standard does not have an impact on this condensed interim financial information except certain additional disclosures as given in note 15.

2.5 Financial Risk Management

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Fund as at and for the year ended 30 June 2015.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2015.

	Note	(Un-Audited) December 31, 2015	Audited June 30, 2015
4 BALANCES WITH BANKS		----- Rupees in '000 -----	
In savings accounts	4.1	5,739	2,891
In current accounts		491,488	387,119
		497,227	390,010
4.1 These carry a rate of return ranging from 4% to 7.45% (June 30, 2015: 4.50% to 10.10%) per annum.			
5 INVESTMENTS		----- Rupees in '000 -----	
At fair value through profit or loss - held for trading			
Equity securities - listed	5.1	825,421	951,278
Government securities	5.2	40,010	40,303
Term finance certificates - listed	5.3	-	-
Sukuk bonds	5.4	80,486	80,129
		945,917	1,071,710
Available for sale			
Term finance certificates - unlisted	5.5	9,991	10,175
Sukuk bonds	5.6	29,517	31,888
		985,425	1,113,773

NAFA MULTI ASSET FUND

5.1 Equity securities - Listed - at fair value through profit or loss - held for trading

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

Name of the investee company	Number of shares					Market value as at December 31, 2015	Investment as a percentage of		
	As at July 1, 2015	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2015		Net assets	Market value of total investments	Paid Up Capital of the investee company
						(Rupees in '000)	-----%		
Oil and Gas									
Attock Petroleum Limited	25,951	-	-	7,000	18,951	9,573	0.66	0.97	0.02
Oil and Gas Development Company Limited	63,896	102,700	-	26,000	140,596	16,498	1.13	1.67	0.00
Pakistan Oilfields Limited	71,669	50,000	-	23,000	98,669	26,445	1.82	2.68	0.04
Pakistan Petroleum Limited	194,583	65,000	-	-	259,583	31,620	2.17	3.21	0.01
Hascol Petroleum Limited (S.1.2)	471	-	94	-	565	82	0.01	0.01	0.00
National Refinery Limited	18,300	-	-	18,300	-	-	-	-	-
Pakistan State Oil Company Limited	89,552	-	-	30,800	58,752	19,140	1.32	1.94	0.02
Attock Refinery Limited	-	118,500	-	47,500	71,000	15,044	1.03	1.53	0.08
Mari Petroleum Limited	-	34,000	-	-	34,000	23,703	1.63	2.41	0.03
Shell Pakistan Limited	37,400	-	-	37,400	-	-	-	-	-
Chemicals									
Engro Corporation Limited	257,817	52,000	-	128,000	181,817	50,798	3.49	5.15	0.04
Fauji Fertilizer Company Limited	94,311	117,000	-	124,300	87,011	10,266	0.71	1.04	0.01
Engro Fertilizers Limited	319,500	94,500	-	118,500	295,500	24,861	1.71	2.52	0.02
Dawood Hercules Corporation Limited	9,000	-	-	-	9,000	1,072	0.07	0.11	0.00
Construction and Materials									
D.G. Khan Cement Pakistan Limited	513,500	50,000	-	257,400	306,100	45,177	3.11	4.58	0.07
Pioneer Cement Limited	204,000	-	-	44,000	160,000	14,538	1.00	1.48	0.07
Lucky Cement Limited	88,864	10,200	-	42,600	56,464	27,952	1.92	2.84	0.02
Akzo Nobel Pakistan Limited	41,800	-	-	-	41,800	9,069	0.62	0.92	0.09
Fecto Cement Limited	-	11,000	-	-	11,000	859	0.06	0.09	0.02
Maple Leaf Cement Limited	386,500	-	-	181,500	205,000	15,289	1.05	1.55	0.04
General Industries									
Thal Limited	149,636	-	-	13,500	136,136	34,487	2.37	3.50	0.17
Personal Goods (Textile)									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.39	0.57	14.61
Nishat Mills Limited	188,100	331,100	-	72,500	446,700	42,378	2.91	4.30	0.13
Kohinoor Textile Mills Limited	604,000	14,500	-	-	618,500	44,223	3.04	4.49	0.25
Industrial Transportation									
Pakistan National Shipping Corporation	96,000	-	-	-	96,000	8,544	0.59	0.87	0.04
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	-	336,500	-	-	336,500	5,549	0.38	0.56	0.01
Industrial Metals And Mining									
Crescent Steel and Allied Products Limited	106,500	-	-	106,500	-	-	-	-	-
International Industries Limited	293,500	54,500	-	51,000	297,000	18,266	1.26	1.85	0.25
International Steel Limited	-	521,500	-	-	521,500	12,730	0.88	1.29	0.12
Electricity									
Kot Addu Power Company Limited	604,500	-	-	123,000	481,500	39,002	2.68	3.96	0.05
The Hub Power Company Limited	475,348	-	-	108,500	366,848	37,639	2.59	3.82	0.03
Lalpir Power Limited	275,000	-	-	275,000	-	-	-	-	-
Saif Power Limited	748,000	-	-	237,000	511,000	16,735	1.15	1.70	0.13
K-Electric Limited	5,000	-	-	5,000	-	-	-	-	-
Pakgen Power Limited	-	134,000	-	134,000	-	-	-	-	-
Multiutilities (Gas and Water)									
Sui Northern Gas Pipelines Limited	-	435,000	-	435,000	-	-	-	-	-
Sui Southern Gas Company Limited	-	532,000	-	269,000	263,000	9,823	0.68	1.00	0.03
Banks									
Bank Alfalah Limited	429,000	255,000	-	57,500	626,500	18,056	1.24	1.83	0.05
Bank Alhabib Limited	591,900	110,500	-	-	702,400	29,220	2.01	2.97	0.06
Meezan Bank Limited	158,117	128,500	-	-	286,617	13,113	0.90	1.33	0.03
Habib Bank Limited	74,480	-	-	74,300	180	36	0.00	0.00	0.00
United Bank Limited	138,091	45,000	-	23,000	160,091	24,806	1.71	2.52	0.01
Faysal Bank Limited	20,650	-	-	20,650	319	0.02	0.03	0.00	0.00
Habib Metropolitan Bank Limited	369,500	-	-	369,500	-	-	-	-	-
Allied Bank Limited	299,900	-	-	36,000	263,900	24,874	1.71	2.52	0.02
Cable and Electrical Goods									
Pakistan Elektron Limited	169,500	46,500	-	-	216,000	13,508	0.93	1.37	0.05
Glass and Ceramics									
Tariq Glass Industries Limited	350,000	74,000	-	-	424,000	29,615	2.04	3.01	0.58
Technology Hardware And Equipment									
Avanceon Limited	-	31,000	-	-	31,000	1,264	0.09	0.13	0.03
Automobile And Parts									
Ghandhara Nissan Limited	35,500	-	-	35,500	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	63,400	-	-	63,400	-	-	-	-	-
Pak Suzuki Motor Company Limited	22,700	32,900	-	-	8,700	46,900	23,229	1.60	2.36
Indus Motor Company Limited	41,500	3,300	-	14,780	30,020	30,370	2.09	3.08	0.04

Total as at December 31, 2015

825,421

Carrying value before mark to market as at December 31, 2015

884,250

NAFA MULTI ASSET FUND

5.1.1 Investments include shares with market value of Rs. 34.30 million (June 2015: Rs 41.02 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no.11 dated October 23, 2007 issued by the SECP.

5.1.2 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) has withheld the shares equivalent to 5% of bonus announcement and not yet deposited in CDC account of department of Income Tax.

Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	----- Rupees in '000 -----	

5.2 Investment in government securities - at fair value through profit or loss - held for trading

Pakistan investment bond (PIBs)	5.2.1	40,010	40,303
		40,010	40,303

5.2.1 Pakistan investment bond (PIBs)

Name of the investee company	Tenor	Face Value				Market Value as at December 31, 2015	Investment as a percentage of	
		As at July 01, 2015	Purchases during the period	Sales / matured during the period	As at December 31, 2015		Net Assets	Market value of total investments
(Rupees in '000) ----- % -----								
July 17, 2014	3 years	37,500	-	-	37,500	40,010	0.03	0.04
Total as at December 31, 2015			-	-	37,500	40,010	0.03	0.04
Carrying value before mark to market as at December 31, 2015						40,303		

5.3 Term finance certificates - listed - at fair value through profit or loss - held for trading

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise

Name of the investee company	Number of certificates / bonds				Market value as at December 31, 2015	Investment as a percentage of		
	As at July 1, 2015	Purchases during the period	Sales / matured during the period	As at December 31, 2015		Net assets	Market value of total investments	Issue size
(Rupees in '000) ----- % -----								
Saudi Pak Leasing Company Limited (note 5.3.1)	10,000	-	-	10,000	-	-	-	6.67
Total as at December 31, 2015		10,000	-	-	10,000	-	-	6.67
Carrying value before mark to market as at December 31, 2015					27,547			
Provision for impairment loss as at December 31, 2015 (note 5.9)					27,547			

NAFA MULTI ASSET FUND

5.3.1 This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since it was rescheduled and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as Non Performing Asset (NPA) since April 30, 2014. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

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

All sukuks have a face value of Rs. 5,000 each unless stated otherwise

Name of the investee company	Number of certificates / bonds				Market value as at December 31, 2015	Investment as a percentage of		
	As at July 1, 2015	Purchases during the period	Sales / matured during the period	As at December 31, 2015		Net assets	Market value of total investments	Issue size
					(Rupees in '000)	-----%-----		
K - Electric AZM Sukuk	16,000	-	-	16,000	80,486	5.53	8.17	2.13
	16,000	-	-	16,000	80,486	5.53	8.17	2.13

Total as at December 31, 2015

80,129

Carrying value before mark to market as at December 31, 2015

5.5 Term finance certificates - unlisted - available for sale

All term finance certificates have a face value of Rs. 5,000 each.

Name of the investee company	Number of certificates / bonds				Market value as at December 31, 2015	Investment as a percentage of		
	As at July 1, 2015	Purchases during the period	Sales / matured during the period	As at December 31, 2015		Net assets	Market value of total investments	Issue size
					(Rupees in '000)	-----%-----		
Engro Fertilizer Limited	2,000	-	-	2,000	9,991	0.69	1.01	0.25
	2,000	-	-	2,000	9,991	0.69	1.01	0.25

Total as at December 31, 2015

10,175

Carrying value before mark to market as at December 31, 2015

5.5.1 The term finance certificates held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

NAFA MULTI ASSET FUND

5.6 Sukuk bonds - available for sale

All sukuku have a face value of Rs. 5,000

Name of the investee company	Number of certificates / bonds				Market value as at December 31, 2015	Investment as a percentage of		
	As at July 1, 2015	Purchases during the period	Sales / matured during the period	As at December 31, 2015		Net assets	Market value of total investments	Issue size
					(Rupees in '000)	-----%	-----	-----
Maple Leaf Cement Factory Limited	17,688	-	-	17,688	29,517	2.03	3.00	1.11
New Allied Electronics Industries (Private) Limited (note 5.6.1)	32,000	-	-	32,000	-	-	-	1.33
Pak Electron Limited (note 5.6.2)	8,000	-	-	8,000	-	-	-	3.33
Eden Housing Limited (note 5.6.3)	10,000	-	-	10,000	-	-	-	6.85
Total as at December 31, 2015	67,688	-	-	67,688	29,517	2.03	3.00	12.62
Carrying value before mark to market as at December 31, 2015					52,011			
Provision for impairment loss as at December 31, 2015 (note 5.10)					<u>28,416</u>			

5.6.1 This represents investment in privately placed sukuku with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since January 9, 2009. The amount of provision as per circular 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

5.6.2 This represents investment in privately placed sukuk bonds issue with a term of seven years. The issuer has defaulted its scheduled principal and profit payment and therefore it was classified as NPA by MUFAP. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

5.6.3 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer has defaulted its scheduled principal and profit payment and therefore it was classified as NPA by MUFAP. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

5.6.4 The sukuku held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
		-----Rupees in '000-----	-----
5.7 Unrealised (loss) / gain in fair value of investments at 'fair value through profit or loss' - net			
Market value of investments	5.1, 5.2, 5.3 & 5.4	945,917	1,071,710
Less: Carrying value of investments before mark to market	5.1, 5.2, 5.3 & 5.4	(1,032,230)	(943,330)
		<u>(86,313)</u>	<u>128,380</u>
Add: Reversal of unrealised loss		-	-
Add: Provision against non-performing term finance certificates and sukuku		27,547	27,547
		<u>(58,766)</u>	<u>155,927</u>

NAFA MULTI ASSET FUND

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
-----Rupees in '000-----			
5.8 Unrealised gain in fair value of investments classified as available for sale - net			
Market value of investments	5.5 & 5.6	39,508	42,063
Less: Carrying value of investments before mark to market	5.5 & 5.6	(62,186)	(64,229)
		<u>(22,678)</u>	<u>(22,166)</u>
Add: Provision against non-performing term finance certificates and sukus	5.10	28,416	34,130
		<u>5,738</u>	<u>11,964</u>
5.9 Movement in provision against debt securities - held-for-trading			
Opening balance		27,547	27,547
Charge for the period		-	-
Reversals during the period		-	-
Closing balance		<u>27,547</u>	<u>27,547</u>
5.10 Movement in provision against debt securities - available-for-sale			
Opening balance		34,130	36,987
Charge for the period		-	-
Reversals during the period		(5,714)	(2,857)
		<u>(5,714)</u>	<u>(2,857)</u>
Closing balance		<u>28,416</u>	<u>34,130</u>
	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
-----Rupees in '000-----			
6 DIVIDEND AND PROFIT RECEIVABLE			
Dividend receivable on equity shares		2,456	4,082
Profit receivable on savings and term deposits		79	181
Income accrued on term finance certificates and sukus		<u>19,047</u>	<u>19,440</u>
Income accrued on Pakistan investment bonds		1,942	1,907
Less: Income suspended over non-performing debt securities		(18,457)	(16,551)
		<u>2,532</u>	<u>4,796</u>
		<u>5,067</u>	<u>9,059</u>
7 PAYABLE TO NBP FULLERTON MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable to Management Company	7.1	2,445	2,566
Sindh Sales Tax payable on Management Company	7.2	397	447
Federal Excise Duty payable to Management Company	7.3	9,299	6,884
Allocated expenses payable	7.4	146	-
Front - end load payable to Management Company		1,673	1,753
		<u>13,960</u>	<u>11,650</u>

NAFA MULTI ASSET FUND

- 7.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulation), the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. On November 25, 2015, SECP has made certain amendments in the NBFC Regulations, 2008. As per the provision of amended NBFC Regulation 2008, the applicable rate has been changed to 2% of annual average net assets. As on January 22, 2012, the Fund has completed its five years and accordingly the Management Company has charged its remuneration at the rate of 2% of the average annual net assets of the Fund from that date, therefore above amendment has no impact on the Fund's net assets. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 14% (June 30, 2015: 15%) on the services provided by the Management Company as required by the Sindh Sales Tax on Services Act, 2011.
- 7.3 As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on services provided by the Management Company has been applied effective from June 13, 2013. Mutual Fund Association of Pakistan (MUFAP) has taken up the matter collectively and filed a petition with the Honorable Sindh High Court and has been granted stay in this regard. In prior year, the Management Company has also received a notice under section 14 of the Federal Excise Act, 2005 regarding payment of FED on management remuneration. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. Therefore, the Management Company has also filed a petition against the demand notice in the Honorable High Court of Sindh and has been granted stay on the basis of the pending constitutional petition from MUFAP in the said court as referred above. However, as a matter of abundant caution, the Fund has made the provision against FED.
- 7.4 The SECP has made certain amendments in the NBFC Regulations through S.R.O. 1160 (I)/2015 dated November 25, 2015. As per Regulation 60(3)(s) of the amended NBFC Regulations, Management Company can charge to the Fund, fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets with effect from November 25, 2015.

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
-----Rupees in '000-----			
8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Remuneration payable to the Trustee	209	267
	Sindh Sales Tax on remuneration of the Trustee	29	-
	8.1	<u>238</u>	<u>267</u>
8.1	The Sindh Revenue Board through circular no. SRB-3-4/TP/01/2015/86554 dated June 13, 2015, amended definition of services of shares, securities and derivatives and included the custodianship services within purview of the Sindh Sales Tax. Accordingly Sindh Sales Tax of 14 % is applicable on Trustee fee which is now covered under section 2(79A) of the Sindh Sales Tax on Services Act, 2011.		
	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
-----Rupees in '000-----			
9	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration payable	329	389
	Settlement charges payable	80	40
	Payable to brokers	176	176
	Dividend payable to brokers	493	493
	Provision for Workers' Welfare Fund	20,023	20,023
	Legal and professional charges payable	25	125
	Payable against redemption of units	-	78,153
	Others	551	1,732
		<u>21,677</u>	<u>101,131</u>
10	CONTINGENCIES AND COMMITMENTS		

There were no contingencies and commitments outstanding as at December 31, 2015 and June 30, 2015.

NAFA MULTI ASSET FUND

11 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 filed 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 20.023 million in these condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at December 31, 2015 would have been higher by Rs 0.2077 per unit.

The Finance Act, 2015 has excluded Collective Investment Schemes (CISs) from the definition of 'industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, the Management Company has discontinued further provisioning of WWF with effect from 1 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending before the Sindh High Court (SHC).

12 TAXATION

The Fund's income is exempt from income tax as per clause (99) of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). 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. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Fund is required to distribute 90% of the net accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund intends to distribute such accounting income for the year ending June 30, 2016 to its unit holders. Accordingly, no liability has been recorded in the current period.

13 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA OF ASSIGNED CATEGORY

The Securities and Exchange Commission of Pakistan (SECP) 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 Board has approved the category of the fund as 'Balanced Scheme'.

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

NAFA MULTI ASSET FUND

The following are the details of non-compliant investments:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	% of net assets	% of gross assets
-----Rupees in '000-----							
New Allied Electronic Industries (Private) Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates (note13.1)	10,000	(10,000)	-	0%	0.00%
Saudi Pak Leasing Company	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates (note13.1)	27,547	(27,547)	-	0%	0.00%
Eden Housing Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuk bonds (note13.1)	9,844	(9,844)	-	0%	0.00%
Pak Electron Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuk bonds (note13.1)	8,571	(8,571)	-	0%	0.00%

13.1 At the time of purchase, these term finance certificates and sukuk bonds were in compliance with the aforementioned circular. However, they subsequently defaulted or were downgraded to non investment grade.

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

14 TRANSACTIONS WITH CONNECTED PERSONS

14.1 Connected persons include NBP Fullerton Asset Management Limited 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, directors and officers of the Management Company, entities under common management or directorships, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company and unit holders holding 10 percent or more units of the Fund.

14.2 The transactions with connected persons are in the normal course of business, at contracted / agreed rates.

14.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

14.5 Details of transactions with connected persons are as follows:

	----- (Unaudited) -----			
	Half Year ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
----- (Rupees in '000) -----				
NBP Fullerton Asset Management Limited - Management Company				
Management fee expense	15,093	11,721	7,372	6,348
Allocated expenses	146	-	-	-
Front-end load	1,714	1,240	368	510
Sindh Sales Tax on remuneration of the Management Company	2,451	2,040	1,198	1,043
FED on remuneration on the Management Company	2,415	1,875	1,180	1,015
National Bank of Pakistan - Sponsor				
Cash dividend paid	2,128	-	-	-
Shares purchased Nil (December 31, 2014: 22,000)	-	1,303	-	-
Shares sold Nil (December 31, 2014: 635,000)	-	37,979	-	16,190

NAFA MULTI ASSET FUND

----- (Unaudited) -----			
Half Year ended		Quarter ended	
31 December 2015	31 December 2014	31 December 2015	31 December 2014
----- (Rupees in '000) -----			

Central Depository Company of Pakistan Limited - Trustee

Remuneration	1,257	1,090	620	569
Sindh Sales Tax on remuneration of the Trustee	176	-	87	-
CDS charges	50	92	30	18

Employees of Management Company

Units redeemed / transferred out 78,001 units (December 31, 2014: 44,910 units)	1,218	538	110	-
Units issued / transferred in 70,155 units (December 31, 2014: 3602 units)	1,097	49	51	49

National Fullerton Asset Management Limited - Employee Provident Fund

Units issued / transferred in Nil units (December 31, 2014: 126,518 units)	-	1,572	-	-
Units redeemed / transferred out 87,460 units (December 31, 2014: 124,369 units)	1,280	1,567	1,280	-

Taurus Securities Limited - Subsidiary of Parent Company

Brokerage charges	22	83	17	40
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Cherat Cement Pakistan Limited - Common Directorship

Shares sold: Nil shares (December 31, 2014: 62 shares)	-	4	-	-
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International Industries - Common Directorship

Shares purchased: 54,500 shares (December 31, 2014: Nil shares)	3,470	-	3,470	-
Shares sold: 51,000 shares (December 31, 2014: Nil shares)	3,978	-	-	-
Dividend income	606	-	-	-

International Steels Limited - Common Directorship

Shares purchased: 521,500 shares (December 31, 2014: Nil shares)	14,524	-	14,524	-
Shares sold: Nil shares (December 31, 2014: Nil shares)	-	-	-	-

Summit Bank Limited - Common Directorship

Bank profit	1	-	-	-
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14.6 Amounts outstanding as at period end are as follows:

31 December 2015 (Un-audited)	30 June 2015 (Audited)
(Rupees in '000)	

NBP Fullerton Asset Management Limited - Management Company

Remuneration payable to Management Company	2,445	2,566
Sindh Sales Tax payable to Management Company	397	447
Federal Excise Duty payable to Management Company	9,299	6,884
Allocated expenses payable	146	-
Front - end load payable to Management Company	1,673	1,753

National Bank of Pakistan - Sponsor

Balance in current account	3,052	1,913
Dividend payable	-	2,128

NAFA MULTI ASSET FUND

	31 December 2015 (Un-audited)	30 June 2015 (Audited)
	(Rupees in '000)	
NBP Employees Pension Fund		
Investment held in the Fund: 23,794,707 units (June 30, 2015: 23,794,707 units)	358,915	364,197
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	209	213
Sindh Sales Tax on remuneration of the Trustee	29	-
CDC charges payable	87	54
Security deposit	100	100
National Fullerton Asset Management Limited - Employee Provident Fund		
Investment held in the Fund: 319,333 units (June 30, 2015: 406,793 units)	4,817	6,226
The Trustees - Karachi Electric Provident Fund - Unit Holders with more than 10% holding		
Investment held in the Fund: 34,224,720 units (June 30, 2015: 34,224,720 units)	516,239	523,837
Employees of Management Company		
Investment held in the Fund: 21,295 units (June 30, 2015: 13,449 units)	321	206
Summit Bank of Pakistan - Common Directorship		
Bank balance	2,687	1,021
International Industries Limited - Common Directorship		
Ordinary shares held 297,000 (June 30, 2015: 293,500 shares)	18,266	19,706
International Steels Limited - Common Directorship		
Ordinary shares held 521,500 (June 30, 2015: Nil shares)	12,730	-
Taurus Securities Limited - Subsidiary of Parent Company		
Brokerage payable	4	8
Net amount receivable / (payable) against transfer of units from:		
- NAFA Income Fund	-	65,000
- NAFA Asset Allocation Fund	-	9,457
- NAFA Finance Sector Income Fund	-	6,484
- NAFA Income Opportunity Fund	-	1,136
- NAFA Money Market Fund	-	5,551
- NAFA Saving Plus Fund	-	265

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Fund's financial assets which are carried at fair value:

NAFA MULTI ASSET FUND

Assets	As at December 31, 2015			
	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
Investment in securities - at fair value through profit or loss	825,421	120,496	-	945,917
Investment in securities - available for sale	-	39,508	-	39,508

Assets	As at June 30, 2015			
	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
Investment in securities - at fair value through profit or loss	951,278	120,432	-	1,071,710
Investment in securities - available for sale	-	42,063	-	42,063

The Fund has not disclosed the fair values of all other financial assets and liabilities as their carrying amounts are reasonable approximation of their fair values.

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 26, 2016 by the Board of Directors of the Management Company.

17 GENERAL

17.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified. Figures have been rounded off to the nearest thousand rupees.

17.2 Corresponding figures have been rearranged, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

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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