



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

*Your investments & "NAFA" grow together*




*Joint - Venture Partners*

# NAFA MULTI ASSET FUND

QUARTERLY REPORT  
**MARCH 31  
2014**



## 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. Wah Geok Sum	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. Wah Geok Sum	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  
Standard Chartered Bank (PAK) Limited  
The Bank of Punjab  
United Bank Limited

# NAFA MULTI ASSET FUND

## **Auditors**

M. Yousuf Adil Saleem & Co.  
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](http://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, 1-9/3 Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
Fax: 051-4859031

## **Peshawar Office:**

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

## **Multan Office:**

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

# NAFA MULTI ASSET FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Multi Asset Fund (NMF)** for the period ended March 31, 2014.

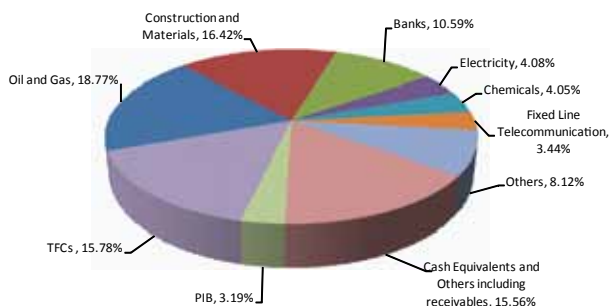
### Fund's Performance

During the third quarter, the unit price of NAFA Multi Asset Fund has increased from Rs. 12.4579 (Ex-Div) on December 31, 2013 to Rs. 13.2591 on March 31, 2014, thus showing a growth of 6.43%. The Benchmark (50% KSE-30 Index, 50% 3-Month KIBOR) return during the same period was 2.21%. Thus, the Fund has outperformed its Benchmark by 4.22% during the period under review. For the nine months period ended March 31, 2014, the NAV of the Fund has increased from Rs. 11.2536 (Ex-Div) on June 30, 2013 to Rs. 13.2591 on March 31, 2014, thus showing an increase of 17.82%. During the said period, the Benchmark increased by 12.83%, translating into outperformance of 4.99%. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 169.89% as compared to 85.19% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 84.70% since inception. This performance is net of management fee and all other expenses. The size of NAFA Multi Asset Fund has increased from Rs.889 million to Rs.946 million during the period, i.e. an increase of 6.41%.

The stock market continued its bull-run in 3QFY14 driven by sanguine valuations, \$1.5bn inflow from Saudia Arabia and resultant improvement in foreign reserves, benign inflation outlook, and aggressive buying by mutual funds in the initial phase and foreign investors in the latter phase. Chemicals, Automobile and Parts, General Industrials, and Non-Life Insurance sectors outperformed the market whereas Oil & Gas, Electricity, and Personal Goods sectors lagged the market. The foreign participation has seen massive surge off late owing to improved macroeconomic outlook and increase in Pakistan's weight in MSCI Frontier Market Index to 8.2% from 4.3%. Going forward, we expect that upcoming 3G/4G license auction in April, implementation of revised MSCI weights in May, CSF inflows, and development funding from World Bank and ADB will further improve country's reserve position.

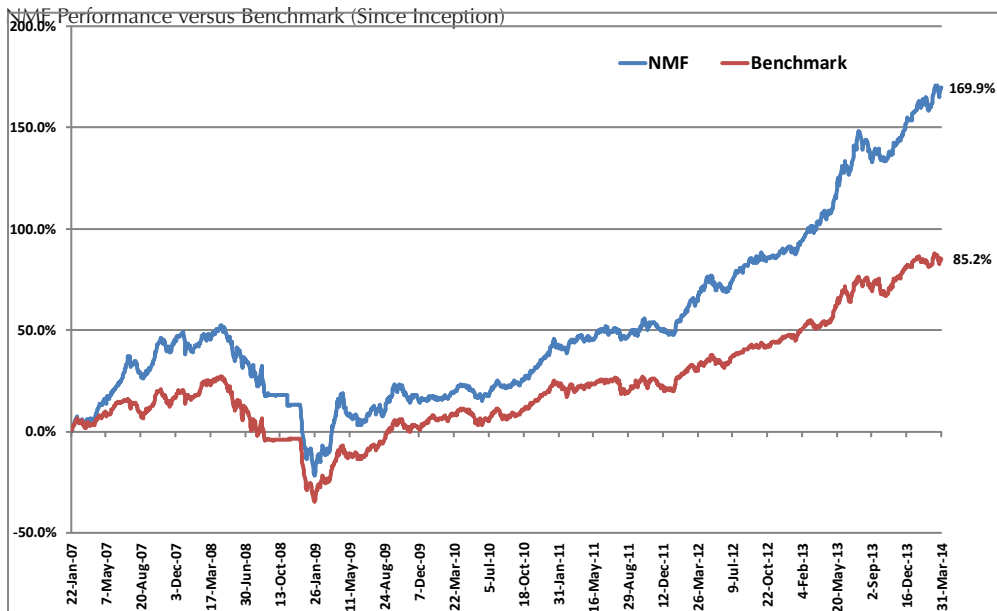
On the corporate debt sphere, we have witnessed primary issuance of corporate bonds amid pick up in economy activity. Trading activity in TFCs was skewed towards high quality issues, especially belonging to the financial sector. Most bonds in the Fund are floating rate linked to KIBOR. Therefore, increase in interest rates will increase the coupon income of the TFC portfolio. The State Bank of Pakistan increased the policy rate by 100bps to 10% during the period under review; citing upside risks to the external account, depleting FX reserves, and rising inflation expectations.

The Fund has earned total income of Rs.164.05 million during the period. After deducting expenses of Rs.24.73 million, the net income is Rs.139.32 million. The asset allocation of the Fund as on March 31, 2014 is as follows:



# NAFA MULTI ASSET FUND

NAV Performance versus Benchmark (Since Inception)



## Income Distribution

In addition to interim distribution of 2.00% of opening ex-NAV, the Board of Directors of the Management Company has approved further interim distribution of 2.00% of opening ex-NAV (2.268% of the par value) for the quarter ended March 31, 2014.

## 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 30, 2014  
Place: Karachi.

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

		(Un-audited) March 31, 2014	(Audited) June 30, 2013
	Note	-----Rupees in '000-----	
ASSETS			
Balances with banks		155,863	447,872
Investments	4	799,126	359,218
Receivable against sale of Investments		4,750	-
Dividend and profit receivable		13,633	4,820
Advances, deposits, prepayments and other receivables		2,956	2,879
Total assets		976,328	814,789
LIABILITIES			
Payable to the Management Company		4,547	1,757
Payable to the Trustee		162	165
Payable to the Securities and Exchange Commission of Pakistan		544	593
Payable against purchase of investments		9,447	-
Accrued expenses and other liabilities		15,201	11,999
Total liabilities		29,901	14,514
NET ASSETS		946,427	800,275
UNIT HOLDERS' FUND (As per statement attached)		946,427	800,275
CONTINGENCIES AND COMMITMENTS			
	5		
		-----Number of Units-----	
Number of units in issue		71,379,561	59,352,795
		-----Rupees-----	
Net Asset Value per unit		13.2591	13.4834

The annexed notes 1 to 11 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 (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

		Nine month ended		Quarter ended	
	Note	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		------(Rupees in '000)-----			
<b>INCOME</b>					
Capital gain on sale of investments - net		52,019	48,536	40,182	25,805
Income from term finance certificates and sukuk bonds		21,708	20,991	9,300	5,848
Income from government securities		3,412	136	806	-
Dividend income		19,635	32,111	8,027	10,793
Profit on bank deposits		20,368	7,504	7,369	3,252
Unrealised appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss' - net		46,909	22,025	(1,241)	(1,710)
<b>Total Income</b>		164,051	131,303	64,443	43,988
<b>EXPENSES</b>					
Remuneration of the Management Company		12,803	10,146	4,568	3,436
Sindh sales tax on remuneration on the Management Company		2,397	1,623	848	549
FED on remuneration of the management company		2,048	-	730	-
Remuneration of the Trustee		1,280	1,015	456	344
Annual fee - Securities and Exchange Commission of Pakistan		544	431	194	146
Securities transaction cost		2,340	1,820	941	736
Settlement and bank charges		579	466	243	132
Annual listing fee		30	30	10	10
Legal and professional charges		49	91	12	-
Auditors' remuneration		380	368	81	83
Impairment (reversal) / loss on term finance certificates and sukuks		(675)	(2,775)	(1,327)	(2,315)
Printing expenses		13	-	1	-
Fund's rating fee		100	91	33	30
<b>Total Expenses</b>		21,888	13,306	6,790	3,151
<b>Net income from operating activities</b>		142,163	117,997	57,653	40,837
Provision for Workers' Welfare Fund	6	(2,843)	(2,360)	(1,153)	(817)
<b>Net income for the period before taxation</b>		139,320	115,637	56,500	40,020
<b>Taxation</b>	7	-	-	-	-
<b>Net income for the period after taxation</b>		139,320	115,637	56,500	40,020

The annexed notes 1 to 11 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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	------(Rupees in '000)-----			
Net income for the period after taxation	139,320	115,637	56,500	40,020
<b>Other comprehensive income / (loss)</b>				
Net unrealised appreciation / (diminution) in the value of investments classified as 'available for sale'	727	383	787	1,015
<b>Total comprehensive income / (loss) for the period</b>	<u>140,047</u>	<u>116,020</u>	<u>57,287</u>	<u>41,035</u>

The annexed notes 1 to 11 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 (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	----- (Rupees in '000) -----			
Accumulated (loss) / Income brought forward	133,470	(29,506)	99,889	27,156
Final distribution for the year ended June 30, 2013: 21.41% (2012: 3.05%) Date of Distribution : July 11, 2013 (2012: July 09, 2012)				
- Bonus units	(117,607)	(17,488)	-	-
- Cash distribution	(9,446)	(1,432)	-	-
Interim distribution for half year ended December 31, 2013: 2.2680% (2012: 2.079%)				
- Bonus units	(15,992)	(11,233)	(15,992)	(11,233)
- Cash distribution	(17)	(917)	(17)	(917)
Net income for the period	139,320	115,637	56,500	40,020
Element of (loss) / income and capital gains included in - prices of units issued less those in units redeemed	12,767	(658)	2,115	(623)
	9,025	83,909	42,605	27,247
undistributed income / Accumulated (loss) carried forward	142,495	54,403	142,495	54,403

The annexed notes 1 to 11 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 (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	------(Rupees in '000)-----			
<b>Net assets at the beginning of the period</b>	800,275	624,739	888,590	690,504
Issue of 20,102,001 units including 10,985,258 bonus units (March 31, 2013: 4,536,440 units)	114,642	22,403	24,249	5,500
Redemption of 8,075,235 units (Mar 31, 2013: 4,265,197 units)	(99,074)	(48,964)	(23,682)	(24,273)
	15,568	(26,561)	567	(18,773)
Final distribution of 9,756,780 bonus units for the year ended June 30, 2013: 21.411% (2012: 3.05%)	117,607	17,488	-	-
Interim distribution of 1,228,477 bonus units for the half year ended December 31, 2013: 2.2860% (2012: 2.079%)	15,992	11,233	15,992	11,233
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - transferred to distribution statement	(12,767)	658	(2,115)	623
<b>Total Comprehensive income / (loss) for the period</b>	<b>140,047</b>	<b>116,020</b>	<b>57,287</b>	<b>41,035</b>
<b>Distribution:</b>				
Final distribution for the year ended June 30, 2013: 21.41% (2012: 3.05%) Date of Distribution : July 11, 2013 (2012: July 09, 2012)				
- Bonus units	(117,607)	(17,488)	-	-
- Cash distribution	(9,446)	(1,432)	-	-
Interim distribution for half year ended December 31, 2013: 2.2680% (2012: 2.079%)				
- Bonus units	(15,992)	(11,233)	(15,992)	(11,233)
- Cash distribution	(17)	(917)	(17)	(917)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - transferred to distribution statement	12,767	(658)	2,115	(623)
<b>Net assets as at the end of the period</b>	<b>946,427</b>	<b>711,849</b>	<b>946,427</b>	<b>711,849</b>

The annexed notes 1 to 11 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 (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	------(Rupees in '000)-----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income for the period	139,320	115,637	56,500	40,020
<b>Adjustments</b>				
Unrealised (appreciation) / diminution in the value of investments classified as 'at fair value through profit or loss'	(46,909)	(22,025)	1,241	1,710
Impairment (gain) / loss on investment classified as 'available for sale'	(675)	(2,775)	(1,327)	(2,315)
	91,736	90,837	56,414	39,415
<b>Decrease / (increase) in assets</b>				
Investments - net	(391,597)	148,883	(313,854)	68,520
Receivable against sale of investments	(4,750)	-	(4,750)	-
Advances, deposits, prepayments and other receivables	(77)	(86)	(1,411)	40
Dividend and profit receivable	(8,813)	(5,305)	11,238	(7,255)
	(405,237)	143,492	(308,777)	61,305
<b>(Decrease) / increase in liabilities</b>				
Payable to the Management Company	2,790	415	1,342	163
Payable to the Trustee	(3)	127	(18)	38
Payable to the Securities and Exchange Commission of Pakistan	(49)	(99)	194	146
Payable against purchase of investments	9,447	328	9,447	315
Accrued expenses and other liabilities	3,202	(41,116)	2,021	720
	15,387	(40,345)	12,986	1,382
<b>Net cash generated from operating activities</b>	(298,114)	193,984	(239,377)	102,102
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	114,642	22,403	24,249	5,500
Payments on redemption of units	(99,074)	(48,964)	(23,682)	(24,273)
Distribution paid	(9,463)	(2,349)	(17)	(917)
<b>Net cash used in financing activities</b>	6,105	(28,910)	550	(19,690)
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(292,009)	165,074	(238,827)	82,412
Cash and cash equivalents at the beginning of the period	447,872	62,627	394,690	145,289
<b>Cash and cash equivalents at the end of the period</b>	<u>155,863</u>	<u>227,701</u>	<u>155,863</u>	<u>227,701</u>

The annexed notes 1 to 11 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 STATEMENTS (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

### 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 and principal office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of MUFAP.

The Fund is an open-ended mutual fund categorized as balanced scheme and its units are listed on the Lahore 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. Based on the performance of the Fund for the year ended June 30, 2013, it has been assigned short term performance ranking of '3 star' and long term performance ranking of '4 star'.

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. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2013.

In compliance with schedule V of the NBFC Regulations 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 March 31, 2014.

### 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, 2013.

# NAFA MULTI ASSET FUND

## 4 INVESTMENTS

### 4.1 At fair value through profit or loss - held for trading

	Note	March 31, 2014 (Un-audited)	June 30, 2013 (Audited)
		----- Rupees in '000 -----	
Equity securities - listed	4.1.1	619,589	257,193
Investment in government securities	4.1.3	30,150	-
Term finance certificates - listed	4.1.4	90,193	15,175
		739,932	272,368

### 4.2 Available for sale

	Note	March 31, 2014 (Un-audited)	June 30, 2013 (Audited)
		----- Rupees in '000 -----	
Term finance certificates - listed	4.2.1	-	15,005
Term finance certificates - unlisted	4.2.1	21,535	20,808
Sukuk bonds	4.2.1	37,659	51,037
		59,194	86,850
		799,126	359,218

### 4.1.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at March 31, 2014	Investment as a percentage of		
	As at July 1, 2013	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2014		Net assets	Market value of total investments	Paid Up Capital of the investee company

SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise

(Rupees in '000)

----- % -----

<b>Oil &amp; Gas</b>									
Attock Petroleum Limited	1	-	-	-	1	1	0.00%	0.00%	0.00%
National Refinery Limited	-	42,300	-	-	42,300	9,679	1.02%	1.21%	0.05%
Oil & Gas Development Company Limited	70,396	277,900	-	274,100	74,196	17,891	1.89%	2.24%	0.00%
Pakistan Oilfields Limited	12,119	169,100	-	80,200	101,019	54,973	5.81%	6.88%	0.04%
Pakistan Petroleum Limited	54,186	317,300	27,797	325,800	73,483	16,443	1.74%	2.06%	0.00%
Pakistan State Oil Company Limited	159,620	306,700	-	282,000	184,320	78,651	8.31%	9.64%	0.07%
Shell Pakistan Limited	-	14,000	-	14,000	-	-	0.00%	0.00%	0.00%
<b>Chemicals</b>									
Engro Corporation Limited	75,017	531,000	-	460,200	145,817	27,191	2.87%	3.40%	0.03%
Engro Fertilizers	-	672,500	4,532	574,000	103,032	6,151	0.65%	0.77%	0.01%
Dawood Hercules Corporation	-	55,000	-	29,000	26,000	2,227	0.24%	0.28%	0.01%
Fauji Fertilizer Bin Qasim Limited	900	-	-	-	900	39	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited	211	-	-	-	211	23	0.00%	0.00%	0.00%
Fatima Fertilizer Company Limited	-	486,500	-	402,000	84,500	2,660	0.28%	0.33%	0.00%
<b>Construction and Materials</b>									
Attock Cement Pakistan Limited	7,650	-	-	7,650	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	-	998,500	-	-	998,500	17,064	1.80%	2.14%	0.08%
D.G. Khan Cement Company Limited	120,000	780,000	-	527,000	373,000	34,324	3.63%	4.30%	0.09%
Kohat Cement Company Limited	131,000	245,500	16,600	201,000	192,100	22,480	2.38%	2.81%	0.12%
Lucky Cement Limited	63,564	135,200	-	116,800	81,964	25,979	2.74%	3.25%	0.09%
Pioneer Cement Limited	-	739,000	-	255,000	484,000	22,598	2.39%	2.83%	0.21%
Maple Leaf Cement Factory Limited	-	1,633,500	-	512,500	1,121,000	32,991	3.49%	4.13%	0.21%
Cherat Cement Company Limited	432,556	104,000	6	536,500	62	5	0.00%	0.00%	0.00%
<b>Industrial Metals and Mining</b>									
Crescent Steel & Allied Products	-	168,000	-	18,000	150,000	7,275	0.77%	0.91%	0.24%
<b>General Industrials</b>									
Thal Limited*	238,636	21,000	-	102,500	157,136	26,672	2.82%	3.34%	0.19%
<b>Personal Goods</b>									
Nishat Chunian Limited	91,000	742,000	23,550	856,500	50	2	0.00%	0.00%	0.00%
Nishat Mills Limited	89,000	584,000	-	541,000	132,000	15,385	1.63%	1.93%	0.04%
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.60%	0.71%	14.61%
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication Company Limited	-	2,757,000	-	1,691,500	1,065,500	32,572	3.44%	4.08%	0.03%

# NAFA MULTI ASSET FUND

Name of the investee company	Number of shares					Market value as at March 31, 2014	Investment as a percentage of		
	As at July 1, 2013	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2014		Net assets	Market value of total investments	Paid Up Capital of the investee company

SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise

(Rupees in '000)

<b>Electricity</b>									
The Hub Power Company Limited	383,348	834,000	-	1,197,000	20,348	1,082	0.11%	0.14%	0.00%
Nishat Power Limited	-	500,500	-	500,500	-	-	0.00%	0.00%	0.00%
Nishat Chunian Power Limited	-	77,500	-	77,500	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	-	158,000	-	155,000	3,000	58	0.01%	0.01%	0.00%
Kot Addu Power Company Limited	102,500	758,500	-	231,000	630,000	37,472	3.96%	4.69%	0.07%
<b>Automobile &amp; Parts</b>									
Honda Atlas Cars (Pakistan)	-	149,500	-	-	149,500	8,246	0.87%	1.03%	0.10%
<b>INDUSTRIAL TRANSPORTATION</b>									
Pakistan National Shipping Corporation Limited	-	109,000	-	-	109,000	8,005	0.85%	1.00%	0.08%
<b>Technology Hardware &amp; Equipment</b>									
TPL Trakker Limited	-	630,000	-	-	630,000	5,550	0.59%	0.69%	0.29%
<b>Banks</b>									
Allied Bank Limited	-	52,000	5,200	-	57,200	5,544	0.59%	0.69%	0.00%
Bank Al-Habib Limited	463,000	852,000	65,900	656,000	724,900	26,901	2.84%	3.37%	0.07%
Bank Al-Falah Limited	-	2,147,500	-	928,000	1,219,500	32,585	3.44%	4.08%	0.09%
BankIslami Pakistan Limited	-	1,665,000	-	410,500	1,254,500	13,147	1.39%	1.65%	0.24%
MCB Bank Limited	22	39,000	2	-	39,024	9,804	1.04%	1.23%	0.00%
Meezan Bank Limited	344,617	-	-	314,000	30,617	1,211	0.13%	0.15%	0.00%
National Bank of Pakistan	71	467,000	-	467,000	71	4	0.00%	0.00%	0.00%
Habib Bank Limited	-	64,500	50	64,000	550	96	0.01%	0.01%	0.00%
Faysal Bank Limited	-	725,000	-	-	725,000	10,179	1.08%	1.27%	0.07%
United Bank Limited	-	326,000	-	321,178	4,822	780	0.08%	0.10%	0.00%

3,646,414	21,335,000	143,637	13,128,928	11,996,123	619,589	65%	78%	16%
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Carrying value as at March 31, 2014

571,169

\* The Face Value of shared held of Thal Limited is Rs.5

4.1.2 Investments include shares with market value of Rs 43.191 million (2013: Rs 126.513 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.

4.1.3 Investment in government securities - 'at fair value through profit or loss'

## Market Treasury Bills

Issue date	Face Value					Market value as at March 31, 2014	Investment as a percentage of	
	Tenor	As at July 1, 2013	Purchases during the period	Sales / matured during the period	As at March 31, 2014		Market value of total investments	Paid Up Capital of the investee company
January 24, 2013	6 Months	-	129,000	129,000	-	-	-	-
June 13, 2013	6 Months	-	135,000	135,000	-	-	-	-
September 19, 2013	3 Months	-	100,000	100,000	-	-	-	-
		-	364,000	364,000	-			

(Rupees in '000)

Carrying value as at March 31, 2014

-

Pakistan Investment Bond



# NAFA MULTI ASSET FUND

## Pakistan Investment Bond

Issue date	Face Value					Market value as at March 31, 2014	Investment as a percentage of	
	Tenor	As at July 1, 2013	Purchases during the period	Sales / matured during the period	As at March 31, 2014		Net assets	Market value of total investments

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

February 27, 2014	3 Years	-	105,000	75,000	30,000	30,150	3.19	3.77
					<u>30,000</u>	<u>30,150</u>		
						29,481		
						<u>669</u>		

### Carrying Value as at March 31, 2014

Net unrealised appreciation on re-measurement of investments  
classified as 'financial assets at fair value through profit or loss'

### 4.1.4 Term finance certificates - listed - 'at fair value through profit or loss'

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 March 31, 2014	Investment as a percentage of	
	As at July 1, 2013	Purchases during the period	Sales / matured during the period	As at March 31, 2014		Net assets	Market value of total investments

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

Saudi Pak Leasing Company Limited	10,000	-	-	10,000	10,193	1.08	1.28
K - Electric AZM Sukuk	-	16,000	-	16,000	80,000	8.45	10.01
	<u>10,000</u>	<u>16,000</u>	<u>-</u>	<u>26,000</u>	<u>90,193</u>		

### Carrying value as at March 31, 2014

Net unrealised diminution on re-measurement of investments  
classified as 'financial assets at fair value through profit or loss'

92,373

(2,180)

### 4.2.1 Term Finance Certificates - available for sale

Name of the investee company	Number of certificates / bonds				Market value as at March 31, 2014	Investment as a percentage of	
	As at July 1, 2013	Purchases during the period	Sales / matured during the period	As at March 31, 2014		Net assets	Market value of total investments

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

#### Term finance certificate - listed

Pakistan Mobile Communications Limited	3,000	-	3,000	-	-	-	-
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#### Term finance certificate - unlisted

Avari Hotel Limited	6,000	-	-	6,000	11,580	1.22	1.45
Engro Fertilizer Limited	2,000	-	-	2,000	9,955	1.05	1.25

8,000 21,535

#### Sukuk bonds

Eden Builders Limited	4,902	-	4,902	-	-	-	-
Maple Leaf Cement Factory Limited (note 4.2.3)	17,688	-	-	17,688	29,110	3.08	3.64
New Allied Electronics Industries (Private)						-	-
Limited (note 4.2.4)	32,000	-	-	32,000	-	-	-
Pak Electron Limited (note 4.2.5)	8,000	-	-	8,000	-	-	-
Eden Housing Limited (note 4.2.6)	10,000	-	-	10,000	8,549	0.90	1.07

67,688 37,659

83,590 - 7,902 75,688 59,194

### Carrying value as at March 31, 2014

133,851

### Provision for impairment loss as at March 31, 2014

(74,657)

# NAFA MULTI ASSET FUND

- 4.2.2 All term finance certificates have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics Industries (Pvt) Limited which have a face value of Rs 312.50.
- 4.2.3 This represents investment in privately placed sukuk bonds with a term of six years. On September 03, 2011, the borrower has defaulted its scheduled principal and profit payment and therefore it was classified as Non performing asset (NPA) by MUFAP. On October 2, 2012, the Sukuk holders have stopped additional provisioning from mentioned date on above sukuks in following the advice provided by Securities & Exchange Commission of Pakistan (SECP). Carrying value of sukuks as at March 31, 2014 before provision is Rs. 72.775 million (net off provision Rs. 29.110 million). The Management Company considers that the Fund is receiving payments on timely basis after restructuring and the relaxation provided by the SECP is still intact; hence no additional provision has been provided in the financial statements.
- 4.2.4 New Allied Electronics Industries (Private) Limited defaulted on the amount of principal and mark-up due on the scheduled redemption dates [i.e October 25, 2008 (only principal), January 25, 2009, April 25, 2009, July 25, 2009 and October 25, 2009]. The amount of provision as per circular no 1 of 2009 has been maintained by valuing the investment in terms of the said circular.
- 4.2.5 This represents investment in privately placed sukuk bonds issue with a term of seven years. The issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was rated as 'Defaulter' by the MUFAP. The amount of provision as per circular no 1 of 2009 has been maintained by valuing the investment in terms of the said circular.
- 4.2.6 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the borrower has defaulted its scheduled principal and profit payment and therefore it was classified as NPA by MUFAP. The management has recognised provision for impairment amounting to Rs. 4.576 million which has been freezed since prior years. Management considers that since the Fund is receiving timely payments from borrower; hence no additional provision is required (as per minimum provisioning criteria defined in circular 33 of 2012).

## 5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2014.

## 6 PROVISION FOR WORKERS' WELFARE FUND

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

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

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

The Management Company is hopeful that the decision of the court will be in favour of the Fund. The Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF as at March 31, 2014 amounting to Rs.12.521 million (including Rs.2.843 million for the current period) (June 30, 2013: Rs 9.678 million) in this condensed interim financial information. Had the same not been made the net asset value per unit would have been higher by Rs 0.1754.

## 7 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 realized or unrealized is distributed amongst the unit holders. 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 unrealized capital gains to the unit holders. The Fund intends to distribute such accounting income for the period ending June 30, 2013 to its unit holders. Accordingly, no liability has been recorded in the current period.

# NAFA MULTI ASSET FUND

## 8 DETAILS OF NON COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA AS DEFINED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan vide its circular no. 16 dated July 7, 2010, prescribed specific disclosures for the schemes holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirements of their constitutive documents.

The following are the details of non-compliant investments:

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
	<b>Investment in Debt Securities</b>	27,547	-	10,193	1.08	1.04
	a) Saudi Pak Leasing Company Limited-TFC*	72,775	43,665	29,110	3.08	2.98
	b) Maple Leaf Cement factory Limited - Sukuk	13,125	4,576	8,549	0.90	0.88
	c) Eden Housing Industries Private Limited - Sukuk	17,143	17,143	-	-	-
	d) Pak Elektron Limited	10,000	10,000	-	-	-
	e) New Allied Electronics Limited					

\* Saudi Pak Leasing TFC is performing but classified as non-compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

8.1 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.

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

## 9 TRANSACTIONS WITH CONNECTED PERSONS

9.1 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 and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and executives of the Management Company.

9.2 The transactions with connected persons are at contracted rates.

9.3 Remuneration and front - end load payable to the Management Company and remuneration payable to the Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

### 9.4 Transactions during the period

Nine month ended		Quarter ended	
March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
------(Rupees in '000)-----			

#### NBP Fullerton Asset Management Limited - Management Company

Management fee expense for the period	12,803	10,146	4,568	3,436
Sindh sales tax on remuneration of the Management Company	2,397	1,623	848	549
FED on remuneration on the Management Company	2,048	-	730	-
Front end load	1,047	221	568	107

#### National Bank of Pakistan - Sponsor

Cash dividend paid	9,444	2,349	-	917
Bonus units issued (76,844 units; March 31, 2013: Nil units)	-	-	-	-
Shares purchased 467,000 (March 31, 2013: 628,000)	24,901	30,232	-	6,759
Shares sold 467,000 (March 31, 2013: 928,000)	23,026	43,826	-	21,357
T-bills purchased	129,000	-	-	-

#### NBP Employees Pension Fund - Associated Co.

Bonus units issued (3,366,221 units; March 31, 2013: 771,892 units)	-	-	-	-
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# NAFA MULTI ASSET FUND

Nine month ended		Quarter ended	
March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
-----Rupees in '000-----			

## Alexandra Fund Management Pte. Limited - Sponsor

### Bonus Units Issued

(17,246 units; March 31, 2013: 4,411 units)

Units Redeemed / Transferred out 114,338 units (March 31, 2013: Nil)	1,377	-	-	-
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### Central Depository Company of Pakistan Limited - Trustee

Remuneration	1,280	1,015	456	344
CDS charges	144	137	52	45

### Employees of Management Company

Bonus units issued (906 units; March 31, 2013: Nil units)

Units Issued / Transferred in (70,291 units; March 31, 2013: Nil)	915	-	696	-
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Units Redeemed / Transferred out 40,254 units (March 31, 2013: Nil)	533	-	533	-
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### Taurus Securities Limited

Brokerage charges	132	130	36	59
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### Summit Bank Limited

Bank Profit	31	-	7	-
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### Thal Limited

Shares purchased 21,000 (March 31, 2013: nil)	2,373	-	-	-
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Shares sold 102,500 (March 31, 2013: 3,000 shares)	16,053	290	5,741	-
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### Cherat Cement Pakistan Limited

Shares purchased 104,000 (March 31, 2013: nil)	6,866	-	-	-
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Shares sold 536,500 (March 31, 2013: Nil)	31,792	-	-	-
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Un-audited March 31, 2014	Audited June 30, 2013
-----Rupees in '000-----	

## 9.5 Balances outstanding as at period / year end

### NBP Fullerton Asset Management Limited - Management Company

Management fee payable	1,601	1,322
Sales Tax Payable	297	231
FED payable on management remuneration	1,821	127
Others	828	77

### National Bank of Pakistan - Sponsor

Investment held in the Fund		
(4,487,595 units; June 30, 2013: 4,410,752 units)	59,501	59,472
Balance in current account	1,764	1,640
Ordinary shares held (71; June 30, 2013: 71)	4	3

### Alexandra Fund Management Pte. Limited - Sponsor

Investment held in the Fund		
(Nil units; June 30, 2013: 97,092 units)	-	1,309

### Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	162	132
CDC charges payable	73	33
Security deposit	100	100

# NAFA MULTI ASSET FUND

	Un-audited March 31, 2014	Audited June 30, 2013
-----Rupees in '000-----		
<b>NBP Employees Pension Fund</b>		
Investment held in the Fund (20,355,016 units; June 30, 2013: 16,988,794 units)	269,889	229,067
<b>Employees of Management Company</b>		
Investment held in the Fund (30,943 units; June 30, 2013: Nil units)	410	-
<b>Summit Bank of Pakistan</b>		
Bank balance	615	1,833
<b>Thal Limited</b>		
Ordinary shares held (157,136; June 30, 2013: 238,636)	26,672	30,424
<b>Cherat Cement Pakistan Limited</b>		
Ordinary shares held (62; June 30, 2013: 432,556)	5	25,170

## 10 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors of the Management Company on April 30, 2014.

## 11 GENERAL

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

11.2 Corresponding figures have been rearranged and reclassified, 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

*Your investments & "NAFA" grow together*



*Joint - Venture Partners*

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