

**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 Funds

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FUNDS' INFORMATION**Management Company**

National Fullerton Asset Management Limited.

Board of Directors of the Management Company

Mr. Masood Karim Shaikh	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Gerard Lee How Cheng	Director
Khawaja Iqbal Hassan	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shahid Anwar Khan	Director
Mr. Masroor Ahmed Qureshi	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Gerard Lee How Cheng	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Masroor Ahmed Qureshi	Member

Trustee

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

Bankers to the Fund**NAFA MULTI ASSET FUND**

Allied Bank Limited
Askari Commercial Bank Limited
The Bank of Punjab
Bank Alfalah Limited
Bank Al-Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
PICIC Commercial Bank Limited
Saudi Pak Commercial Bank Ltd.
Soneri Bank Limited
Standard Chartered Bank Ltd.
United Bank Ltd.

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No.1-C
I.I. Chundrigar Road
P.O. Box 4716
Karachi.

Legal Advisor

Aly Shah & Co. Advocates and Legal Consultants
Suite 502, 5th Floor
Marine Pride, BC-2, Block-7,
Khayaban-e-Iqbal
Clifton, Karachi.

Head Office

9th Floor, Adamjee House
I.I. Chundrigar Road
Karachi.

Lahore Office

83-A-E/1, Main Boulevard
Gulberg III
Lahore.

Islamabad Office

4th Floor, Ali Plaza
1-E, Blue Area
Islamabad.

NAFA MULTI-ASSET FUND

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DIRECTORS' REPORT

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the un-audited financial statements of **NAFA Multi Asset Fund** for the half year ended December 31, 2007.

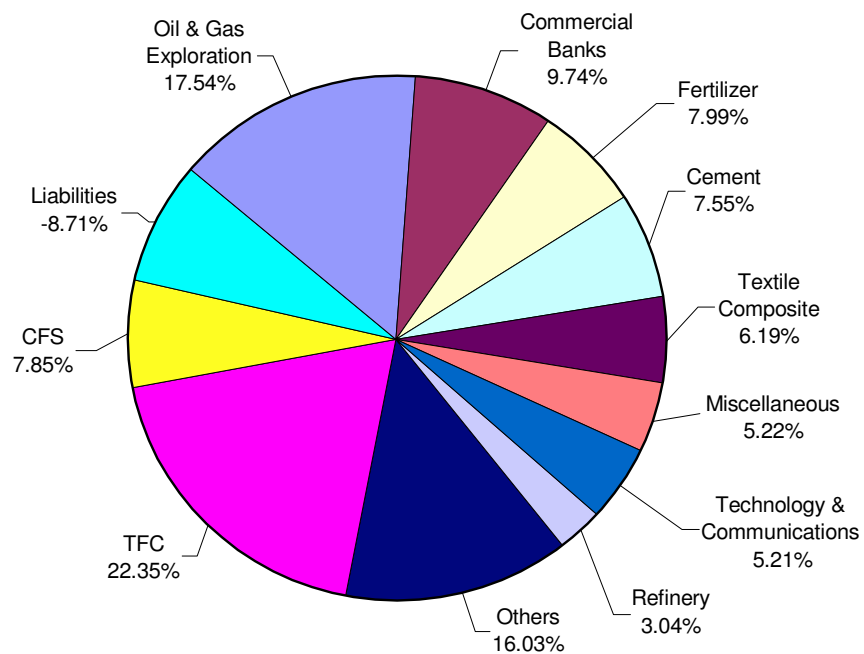
Fund's Performance

The size of NAFA Multi Asset Fund has grown from Rs.1.25 billion to Rs.1.57 billion during the period from July 01, 2007 to December 31, 2007, a growth of 25.60%. During the said period, Unit Price of the Fund has grown from Rs.11.256 (Ex-Div) on June 30, 2007 to Rs.12.5738 on December 31, 2007, translating into a growth of 11.71%. NAFA Multi Asset Fund has earned a total income of Rs.201.10 million during the period. After deducting expenses of Rs.36.40 million, the net profit is Rs.164.70 million, which translates into an earning per unit of Rs.1.3178.

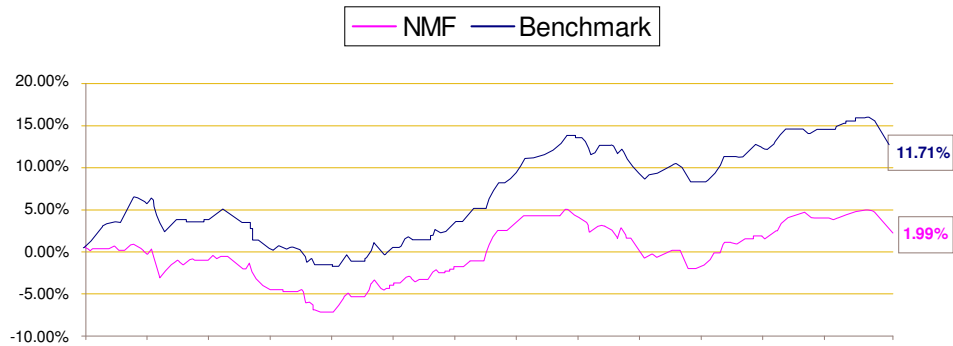
The performance of the Fund is compared against that of a benchmark, which comprises 50% KSE-30 Index and 50% 1-Month KIBOR. During the said period the Benchmark recorded an increase of 1.99%. As against this appreciation, the Fund recorded an increase of 11.71% in Unit Price over the same period, thus registering an out-performance of 9.72%.

The asset allocation of the Fund as on December 31, 2007, and its performance against the benchmark are as follows:

Asset Allocation as on December 31, 2007



**NMF Performance Versus benchmark
(From July 1, 2007 to December 31, 2007)**



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the management, and providing us with 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 for their continued support and cooperation.

On behalf of the Board of
National Fullerton Asset Management Limited

Masood Karim Shaikh, FCA
Chairman

Dr. Amjad Waheed, CFA
Chief Executive

Date: February 15, 2008
Place: Karachi.

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

Report of the Trustee Pursuant to Regulation 58(f) of the Non-Banking Finance Companies and Notified Entities Regulation, 2007

NAFA Multi Asset Fund (Fund), an open-end fund established under a trust deed executed between National Fullerton Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as Trustee on December 06, 2006. The Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006.

In our opinion, the Management Company has in all material respects managed the Fund during the six months period ended December 31, 2007 in accordance with the provisions of the constitutive documents of the Fund (and the modifications authorized by the SECP from time to time) and the Non-Banking Finance Companies and Notified Entities Regulation, 2007.

Mohammad Hanif
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, Dated: February 27, 2008

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** as at December 31, 2007, and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds and condensed interim cash flow statement together with the notes to and forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year then ended. The Management Company (National Fullerton Asset Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statements, condensed distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' funds for the quarter ended December 31, 2007 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2007.

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.

Basis of Qualified Conclusion

As explained in note 3.1 of the condensed interim financial information during the period the Fund has changed its basis for determination of fair value of listed debt securities, subsequent to their initial recognition, so as to comply with the requirements set out in the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC Regulation) promulgated by SECP in November 2007. The requirement to compute the net assets of a collective investment scheme previously laid down in the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) are now set out under clause 2(i)(xvi) of the NBFC Regulations.

Upto the promulgation of the NBFC Regulations the investments of the Fund in listed debt securities were revalued using the average of the rates quoted by certain brokerage houses. In this connection Rule 2(xxxiv) of the NBFC Rules 2003 required these investments to be revalued using the rates quoted on the stock exchange on which these investments were listed. However, the management was of the view that the rates used by the Fund were representative of the fair market value of these investments and that such valuation methodology was fair to the existing as well as the new investors. As a result the Net Asset Value (NAV) calculation of the Fund upto the date of change of the Fund's valuation methodology for listed debt securities and consequently the calculation of number of units issued as well as the net element of income and capital gains included in units issued less those in units redeemed by the Fund, during the period would have been different. These effects have not been quantified as it was impracticable to do so.

Qualified Conclusion

Based on our review, with the exception of the effect of the matter stated in the preceding paragraph, 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, 2007 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Date: February 26, 2008.
Karachi.

A . F. Ferguson & Co.
Chartered Accountants

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) AS AT DECEMBER 31, 2007

	Un-audited December 31, 2007	Audited June 30, 2007
Note	----(Rupees in '000')----	
ASSETS		
Balances with banks	320,161	172,559
Receivable against Continuous Funding System (CFS) transactions	123,438	282,829
Receivable against sale of investments	24	6,243
Investments	4 1,585,262	789,350
Advances, deposits, prepayments and other receivable	4,648	1,100
Dividend and profit receivable	5 15,428	4,691
Preliminary expenses and floatation costs	2,026	2,278
Total assets	2,050,987	1,259,050
LIABILITIES		
Accrued expenses and other liabilities	6 4,188	2,200
Payable on redemption of units	452,022	-
Payable to National Fullerton Asset Management Limited - Management Company	21,965	7,611
Payable to Central Depository Company of Pakistan Limited - Trustee	246	182
Payable to Securities and Exchange Commission of Pakistan - Annual fee	857	413
Total liabilities	479,278	10,406
NET ASSETS	1,571,709	1,248,644
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)	1,571,709	1,248,644
COMMITMENTS	8	
	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	<u>124,998,921</u>	<u>96,824,120</u>
	-----Rupees-----	
NET ASSETS VALUE PER UNIT	<u>12.5738</u>	<u>12.8960</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Multi-Asset Fund

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2007

Note	Half year ended December 31,	Quarter ended December 31,
	2007	2007
----- (Rupees in '000') -----		
INCOME		
	120,873	125,429
Capital gain on sale of investments	8,112	5,262
Dividend Income	10,309	4,153
Income from Continuous Funding System (CFS) transactions	1,595	1,595
Income from spread transactions	15,763	10,019
Income from Term Finance Certificates and Sukuk bonds	15,257	7,988
Profit on bank deposits	41,337	(20,407)
Unrealised appreciation/ diminution on investments at fair value through profit and loss - net		
Total Income	213,246	134,039
EXPENSES		
Remuneration of National Fullerton Asset Management Limited – Management Company	21,280	11,245
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,360	702
Brokerage and other transaction costs	12,076	8,004
Annual fee - Securities and Exchange Commission of Pakistan	857	450
Annual listing fee	15	7
Settlement and bank charges	398	144
Auditors' remuneration	158	79
Amortization of preliminary expenses and floatation costs	252	126
Total Expenses	36,396	20,757
Net income from operating activities	176,850	113,282
Net element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	(12,143)	(55,128)
Net income for the period	164,707	58,154
Earnings per unit	9	

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2007**

	Half year ended December 31, 2007 ----- (Rupees in '000') -----	Quarter ended December 31, 2007
Undistributed income brought forward	280,409	276,500
Distribution : Bonus issue at the rate of 16.40% for the year ended June 30, 2007 (declared on July 5, 2007)	(158,792)	-
Net element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing income / (losses) that form part of the unit holders' funds	17,669	(30,661)
Net income for the period	164,707	58,154
Undistributed income carried forward	<u>303,993</u>	<u>303,993</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Multi-Asset Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2007

	Half year ended December 31, 2007 ----- <i>(Rupees in '000)</i> -----	Quarter ended December 31, 2007
Net assets at the beginning of the period	1,248,644	1,761,697
Issue of 144,119,647 units - including 14,107,281 bonus units	1,568,630	792,421
Redemption of 115,944,846 units	(1,422,415)	(1,095,691)
	146,215	(303,270)
Net element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed		
- amount representing accrued (income) / loss and capital (gains) / losses - transferred to Income Statement	12,143	55,128
- amount representing (income) / losses that form part of the unit holders' funds transferred to Distribution Statement	(17,669)	30,661
	(5,526)	85,789
Net unrealized appreciation/(diminution) in the value of investments classified as 'financial assets at fair value through profit or loss'	41,337	(20,407)
Capital gain on sale of investments	120,873	125,429
Other income from operations	2,497	(46,868)
Net income for the period	164,707	58,154
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units repurchased - amount representing income / (losses) that form part of the unit holders' funds	17,669	(30,661)
Net assets as at the end of the period	<u>1,571,709</u>	<u>1,571,709</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2007

	Half year ended December 31, 2007 -----(Rupees in '000)----	Quarter ended December 31, 2007
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	164,707	58,154
Adjustments		
Amortization of preliminary expenses and floatation costs	252	126
Unrealized (appreciation)/diminution on investments at fair value through profit or loss - net	(41,337)	20,407
Remuneration of National Fullerton Asset Management Limited - Management Company	21,280	11,245
Remuneration of Central Depository Company of Pakistan Limited- Trustee	1,360	702
Net element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed	12,143	55,128
	(6,302)	87,608
(Increase) / Decrease in assets		
Receivable against Continuous Funding System (CFS) transactions	159,391	27,878
Receivable against sale of investments	6,219	67,421
Investments	(754,575)	(98,528)
Advances, deposits, prepayments and other receivable	(3,548)	(3,548)
Dividend and profit receivable	(10,737)	(5,184)
	(603,250)	(11,961)
Increase / (Decrease) in liabilities		
Accrued expenses and other liabilities	1,988	2,109
Payable to Securities and Exchange Commission of Pakistan - Annual fee	444	37
	2,432	2,146
Remuneration paid to National Fullerton Asset Management Limited - Management Company	(6,926)	(10,812)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee	(1,296)	(678)
Net cash outflow on operating activities	(450,635)	124,457
CASH FLOW ON FINANCING ACTIVITIES		
Net receipts / (payments) made against issue / redemption of units	598,237	148,752
Net cash inflow on financing activities	598,237	148,752
Net increase in cash and cash equivalents during the period	147,602	273,209
Opening balance of cash and cash equivalents	172,559	46,952
Cash and cash equivalents as at end of the period	320,161	320,161

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2007

1. LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Multi Asset Fund (NMF) was established under a Trust Deed executed between National Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on December 06, 2006 and was authorized 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).

NMF is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to provide 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, Continuous Funding System (CFS) etc.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulation or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2007 except for the change as set out in 3.1 below.

3.1 Change in basis for determination of fair value of listed debt securities

During the period the Fund has changed its basis for determination of fair value of listed debt securities, subsequent to their initial recognition. This change has been made to comply with the requirements set out in the NBFC Regulations issued by SECP in November 2007. The requirements to compute the net assets of a collective investment scheme previously laid down in the NBFC Rules are now set out under clause 2(i)(xvi) of the NBFC Regulations. In accordance with the NBFC Regulations debt securities listed but not regularly traded on the stock exchange are valued, subsequent to initial

recognition, at the average rate notified by the Mutual Funds Association of Pakistan based on the average rates quoted by top three brokers, in terms of volume traded during the last three months in that debt security.

Previously, the investments of the Fund in listed debt securities were revalued using the average of the rates quoted by certain brokerage houses. This methodology for determination of fair value of listed debt securities was not in accordance with the NBFC Rules which required such investments to be revalued using the rates quoted on the stock exchange on which these investments were listed. However, the management was of the view that the rates used by the Fund were representative of the fair market value of these investments and that such valuation methodology was fair to the existing as well as the new investors.

The change in basis for determination of fair value of listed debt securities has not made any material impact on the net assets of the Fund as it is broadly on the same lines as the valuation methodology previously used by the Fund.

		Un-audited December 31, 2007	Audited June 30, 2007
	Note	----(Rupees in '000')----	
4. INVESTMENTS			
At fair value through profit or loss	4.1	1,287,062	756,150
Available for sale	4.2	298,200	33,200
		<u>1,585,262</u>	<u>789,350</u>
4.1 Investments at fair value through profit or loss			
Equity Securities	4.1.1	1,234,047	699,717
Equity securities purchased under future sales contracts	4.1.2	-	-
Term finance certificates - Listed	4.1.3	53,015	56,433
		<u>1,287,062</u>	<u>756,150</u>
4.2 Available for sale investments			
Term finance certificates - unlisted		230,000	15,000
Sukuk bonds		50,000	-
Commercial paper		18,200	18,200
		<u>298,200</u>	<u>33,200</u>

NAFA Multi-Asset Fund

4.1.1 Equity securities

Name of the investee company	Number of shares					Market Value as at December 31, 2007 (Rs. in '000')	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2007	Purchases during the period	Bonus/ Right Issue	Sales during the period	As at December 31, 2007		

(Shares of listed companies - fully paid up ordinary shares of Rs. 10/- each unless otherwise stated)

Open End Mutual Fund

NAFA Cash Fund	-	34,052,326	-	34,052,326	-	-	-
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Investment Banks / Companies

Arif Habib Securities Limited	-	235,000	-	235,000	-	-	-
Jahangir Siddiqui Investments Limited	-	572,800	-	12,800	560,000	43,204	2.75

Commercial Banks

Allied Bank Limited	315,000	200,000	-	415,000	100,000	13,015	0.83
Askari Commercial Bank Limited	-	270,000	-	270,000	-	-	-
Bank Al Falah Limited	215,000	2,089,500	-	1,929,500	375,000	20,137	1.28
Bank Islami Pakistan Limited	1,400,000	2,000,000	593,750	1,999,500	1,994,250	32,307	2.06
The Bank of Punjab	-	1,308,500	-	1,233,500	75,000	7,335	0.47
MCB Bank Limited	75,000	975,000	-	1,050,000	-	-	-
Meezan Bank Limited	455,000	669,500	-	124,500	1,000,000	38,500	2.45
National Bank of Pakistan	20,745	1,439,600	-	1,280,200	180,145	41,821	2.66
PICIC Commercial Bank Limited	200,000	230,000	-	430,000	-	-	-
Saudi Pak Commercial Bank Limited	500,000	-	-	500,000	-	-	-
United Bank Limited	40,000	914,000	-	954,000	-	-	-

Insurance Companies

Eastern Federal Union General Insurance Limited	70,000	-	-	70,000	-	-	-
New Jubilee Life Insurance Limited	197,500	173,000	-	370,500	-	-	-
Pakistan Reinsurance Company Limited	175,000	10,000	-	185,000	-	-	-
Premier Insurance Company Limited	400	-	-	400	-	-	-

Textile Spinning

Gadoon Textile Limited	-	51,800	-	51,800	-	-	-
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Textile Composite

Artistic Denim Mills Limited	193,400	307,400	60,000	129,800	431,000	28,230	1.80
Azgard Nine Limited	-	640,000	-	-	640,000	28,960	1.84
Chenab Limited	337,000	-	-	337,000	-	-	-
Colony Mills Limited	365,000	-	-	365,000	-	-	-
Kohinoor Mills Limited	-	-	10,000	10,000	-	-	-
Nishat (Chunian) Mills Limited	-	316,500	-	16,500	300,000	11,100	0.71
Nishat Mills Limited	-	376,000	-	101,000	275,000	28,930	1.84
Suraj Cotton Mills Limited	46,500	-	-	46,500	-	-	-

Synthetic & Rayon

Ibrahim Fibres Limited	122,000	-	-	122,000	-	-	-
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Jute

Thal Limited	23,100	140,100	-	23,200	140,000	39,816	2.53
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Sugar & Allied Industries

J.D.W Sugar Mills Limited	141,200	-	-	141,200	-	-	-
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Name of the investee company	Number of shares					Market Value at December 31, 2007 (Rs. in "000")	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2007	Purchases during the period	Bonus/ Right Issue	Sales during the period	As at December 31, 2007		
Cement							
Al-Abbas Cement Limited	-	500,000	-	-	500,000	7,600	0.48
Attock Cement Pakistan Limited	-	35,000	-	-	35,000	3,490	0.22
Fauji Cement Company Limited	-	25,000	-	25,000	-	-	-
Gharibwal Cement Limited	-	270,500	-	20,500	250,000	3,937	0.25
Kohat Cement Company Limited	952,000	617,000	188,700	370,000	1,387,700	71,189	4.53
Lucky Cement Limited	45,000	908,500	-	773,500	180,000	20,970	1.33
Maple Leaf Cement Limited	-	1,281,500	-	681,500	600,000	11,520	0.73
Pioneer Cement Limited	200,000	100,000	-	300,000	-	-	-
Refinery							
Attock Refinery Limited	-	210,800	18,750	129,500	100,050	25,143	1.60
Bosicor Pakistan Limited	-	400,000	-	400,000	-	-	-
National Refinery Limited	-	195,000	6,000	138,500	62,500	22,562	1.44
Power & Generation & Distribution							
The Hub Power Company Limited	10,000	2,507,500	-	2,067,500	450,000	13,725	0.87
Japan Power Generation Limited	-	2,701,000	-	1,136,000	1,565,000	10,251	0.65
Kot Addu Power Company Limited	-	303,300	-	211,100	92,200	4,467	0.28
Karachi Electric Supply Corporation Limited	-	422,500	-	422,500	-	-	-
Oil & Gas Marketing Companies							
Attock Petroleum Limited	-	25,000	-	25,000	-	-	-
Pakistan State Oil Company Limited	-	95,000	-	95,000	-	-	-
Sui Northern Gas Pipelines Limited	-	104,300	-	104,300	-	-	-
Oil & Gas Exploration Companies							
Mari Gas Company Limited	71,700	3,300	-	75,000	-	-	-
Oil & Gas Development Company Limited	300,100	3,650,000	-	2,728,500	1,221,600	145,920	9.28
Pakistan Oilfields Limited	-	525,000	-	320,000	205,000	68,552	4.36
Pakistan Petroleum Limited	70,100	1,730,000	38,500	1,588,600	250,000	61,263	3.90
Engineering							
Crescent Steel and Allied Products Limited	-	70,000	6,000	76,000	-	-	-
Sazgar Engineering Works Limited	300,000	100	28,000	37,000	291,100	31,148	1.98
Automobile Assembler							
Ghandara Industries Limited	200,000	-	-	200,000	-	-	-
Ghandara Nissan Limited	258,500	-	-	258,500	-	-	-
Indus Motor Company Limited	-	97,700	-	35,000	62,700	20,014	1.27
Millat Tractors Limited	14,000	2,200	-	16,200	-	-	-
Automobile Parts and Accessories							
Agriauto Industries Limited	-	175,100	-	-	175,100	18,954	1.21
Transport							
Pakistan National Shipping Corporation Limited	58,600	204,300	-	175,900	87,000	8,695	0.55

Nafa Multi-Asset Fund

Name of the investee company	Number of shares					Market Value as at December 31, 2007 (Rs. in "000")	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2007	Purchases during the period	Bonus/ Right Issue	Sales during the period	As at December 31, 2007		
Technology & Communications							
Eye Television Network Limited	565,000	261,500	-	26,500	800,000	50,720	3.23
Netsol Technologies Limited	920,750	544,600	148,555	1,363,900	250,005	31,101	1.98
Pakistan Telecommunication Company Limited	500,000	683,000	-	1,183,000	-	-	-
TRG Pakistan Limited	-	150,000	-	150,000	-	-	-
World call Telecom Limited	-	756,000	-	756,000	-	-	-
Fertilizer							
Engro Chemicals Pakistan Limited	150,000	796,000	61,250	756,500	250,750	66,637	4.24
Fauji Fertilizer Bin Qasim Limited	-	4,035,500	-	2,633,500	1,402,000	58,954	3.75
Fauji Fertilizer Company Limited	-	350,900	-	350,900	-	-	-
Pharmaceuticals							
Abbot Laboratories Pakistan Limited	-	49,600	-	4,600	45,000	9,533	0.61
Chemicals							
Pakistan PTA Limited	-	472,000	-	-	472,000	2,383	0.15
Sitara Chemicals Limited	-	105,200	10,520	65,700	50,020	16,806	1.07
Paper & Board							
Cherat Paper Sack Limited	-	46,300	10,700	32,000	25,000	4,738	0.30
Packages Limited	-	90,300	-	15,000	75,300	27,394	1.74
Glass & Ceramics							
Ghani Glass Limited	59,800	25,000	-	84,800	-	-	-
Tariq Glass Industries Limited	50,000	-	50,000	70,000	30,000	912	0.06
Miscellaneous							
Eco Pack Limited	126,500	-	-	101,500	25,000	355	0.02
Pace (Pakistan) Limited	1,034,000	1,103,000	-	437,000	1,700,000	62,135	3.95
Siddiqsons Tin Plate Limited	325,000	-	-	270,000	55,000	1,531	0.10
Tri Pack Films Limited	190,000	16,600	-	117,600	89,000	18,093	1.15
						1,234,047	79
Cost of investments as at December 31, 2007						1,193,004	

Equity Securities purchased under future sale contracts

These securities are held under Ready - Future transactions. These securities are purchased in the ready "T+2" market and simultaneously sold in the future market. NMF has no open exposure to the stock exchange. The details are as follows:

Name of the investee company	Number of shares					Market Value as at December 31, 2007 (Rs. in "000")	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2007	Purchases during the period	Sales during the period	As at December 31, 2007			
Commercial Banks							
Bank Al Falah Limited	-	93,500	93,500	-	-	-	-
Faysal Bank Limited	-	8,000	8,000	-	-	-	-
MCB Bank Limited	-	159,000	159,000	-	-	-	-
National Bank of Pakistan	-	399,500	399,500	-	-	-	-

Name of the investee company	Number of shares				Market Value as at December 31, 2007 (Rs. in "000")	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2007	Purchases during the period	Sales during the period	As at December 31, 2007		
Textile Composite						
Nishat Mills Limited	-	54,500	54,500	-	-	-
Cement						
D.G. Khan Cement Company Limited	-	1,475,000	1,475,000	-	-	-
Oil & Gas Marketing Companies						
Pakistan State Oil Company Limited	-	27,000	27,000	-	-	-
Oil & Gas Exploration Companies						
Oil & Gas Development Company Limited	-	139,000	139,000	-	-	-
Pakistan Oilfields Limited	-	88,500	88,500	-	-	-
Pakistan Petroleum Limited	-	484,500	484,500	-	-	-
Technology & Communications						
Pakistan Telecommunication Company Limited	-	626,000	626,000	-	-	-
Chemicals						
Pakistan PTA Limited	-	50,000	50,000	-	-	-
		<u>3,604,500</u>	<u>3,604,500</u>			

4.1.3 Term Finance certificates - Listed

Name of the investee company	Number of certificates				Market Value as at December 31, 2007 (Rs. in "000")	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2007	Purchases during the period	Sales during the period	As at December 31, 2007		
Chanda Oil & Gas Securities Company Limited	10,000	-	-	10,000	37,325	2.37
Azgard Nine Limited	3,000	-	-	3,000	15,690	1.00
Jahangir Siddiqui & Company Limited	-	10,000	10,000	-	-	-
					<u>53,015</u>	<u>3.37</u>
Cost of Investments as at December 31, 2007					<u>52,733</u>	

4.1.4 All Term Finance Certificates have a face value of Rs 5,000 each.

4.2 Available for sale

Name of the investee company	Number of certificates / bonds				Market Value as at December 31, 2007 (Rs. in "000")	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2007	Purchases during the period	Sales during the period	As at December 31, 2007		
Term finance certificate - unlisted						
Pakistan Mobile Communications Limited	-	3,000	-	3,000	15,000	0.95
Pak Arab Fertilizer Company Limited	-	4,000	-	4,000	20,000	1.27
Engro Chemicals (Pakistan) Limited	3,000	20,000	-	23,000	115,000	7.32
Pakistan Mobile Communications Limited PPTFC	-	5,000	-	5,000	25,000	1.59
Avari Hotels PPTFC	-	6,000	-	6,000	30,000	1.91

NAFA Multi-Asset Fund

Name of the investee company	Number of certificates / bonds				Market Value as at December 31, 2007 (Rs. in '000')	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2007	Purchases during the period	Sales during the period	As at December 31, 2007		
Pakistan Mobile Communications Limited PPTFC	-	5,000	-	5,000	25,000	1.59
					230,000	
Sukuk bonds						
New Allied Electronics	-	192,000	160,000	32,000	10,000	0.64
Pak Electron Limited	-	8,000	-	8,000	40,000	2.55
					50,000	
Commercial paper						
Azgard Nine Limited (Commercial Paper)	4,000	-	-	4,000	18,200	1.16
Cost of Investments as at December 31, 2007					298,200	

4.2.1 All Term Finance Certificates have a face value of Rs 5,000 each, except units of New Allied Electronics (Sukuk) which have a face value of Rs. 312.5 each.

Un-audited **Audited**
December 31, **June 30,**
2007 **2007**
-----**(Rupees in '000')**-----

5. DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable on equity securities	2,027	1,875
Income accrued on Continuous Funding System (CFS) transactions	790	1,053
Profit on bank deposits	1,912	344
Income accrued on term finance certificates and Sukuk bonds	10,699	1,419
	15,428	4,691

6. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	160	190
Listing fee payable	15	-
Settlement charges payable	27	69
Payable against purchase of securities	274	-
Brokerage payable	323	430
Dividend payable to brokers	2,756	696
Others	633	815
	4,188	2,200

7. TAXATION

The Fund is exempt from income tax under clause 99 of part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains whether realized or unrealized, is distributed among its unit holders. The management intends to avail the tax benefit at the year end. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

Un-audited December 31, 2007	Audited June 30, 2007
----(Rupees in '000')----	

8. COMMITMENTS

Continuous Funding System (CFS) transactions (including transactions to be rolled over) entered into by the Fund in respect of which the purchase transactions have not been settled as at period end

-	119,296
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9. EARNINGS PER UNIT

Earnings per unit (EPU) for the period ended December 31, 2007 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

10. TRANSACTIONS WITH CONNECTED PERSONS/RELATED PARTIES

Connected persons include National Fullerton Asset Management Limited being the Management Company and National Bank of Pakistan, NIB Bank Limited and Alexandra Fund Management Pte. Limited being the Sponsors.

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

(Un-audited) Half year ended December 31, 2007	(Un-audited) Quarter ended December 31, 2007
----(Rupees in '000')----	

10.1 Transactions during the period

National Fullerton Asset Management Limited - Management Company Management fee expense for the period	21,280	11,245
NAFA Provident Fund Trust Units issued (70,828 units)	800	-
Bonus units issued (10,066 units)	113	-
National Bank of Pakistan - Sponsor Bonus units issued (1,646,411 units)	18,532	-

	(Un-audited) Half year ended December 31, 2007 ----(Rupees in '000')----	(Un-audited) Quarter ended December 31, 2007 ----(Rupees in '000')----
NIB Bank Limited - Sponsor		
Units redeemed (1,092,751 units)	12,724	-
Bonus units issued (1,092,751 units)	<u>12,300</u>	<u>-</u>
Income on bank deposits	<u>3,784</u>	<u>2,189</u>
Alexandra Fund Management Pte. Limited - Sponsor		
Bonus units issued (1,457,001 units)	<u>16,400</u>	<u>-</u>
Chief Executive Officer		
Units issued (2,266,375 units)	<u>28,979</u>	<u>28,979</u>
Units redeemed (463,800 units)	<u>5,471</u>	<u>-</u>
Bonus units issued (58,982 units)	<u>664</u>	<u>-</u>
Executives of Management Company		
Units issued (94,525 units)	<u>1,179</u>	<u>1,094</u>
Units redeemed (678,403 units)	<u>7,050</u>	<u>6,606</u>
Bonus units issued (74,492 units)	<u>838</u>	<u>-</u>
NAFA Islamic Income Fund		
Sale of Sukuk bonds (160,000 bonds)	<u>50,384</u>	<u>-</u>
	(Un-audited) December 31, 2007 ----(Rupees in '000')----	Audited June 30, 2007 ----(Rupees in '000')----
10.2 Balances outstanding as at period end		
National Fullerton Asset Management Limited - Management Company		
Management fee Payable at December 31, 2007	4,044	<u>2,003</u>
Other payable	<u>17,921</u>	<u>5,608</u>
NAFA Provident Fund Trust		
Investment held by NAFA Provident Fund Trust -149,982 units (June 30, 2007: Nil)	<u>1,886</u>	<u>-</u>
National Bank of Pakistan - Sponsor		
Investment made by the Sponsor in the Fund -12,946,411 units (June 30, 2007:11,300,000 units)	<u>162,786</u>	<u>145,725</u>
Deposit held by the Fund with the Sponsor at December 31, 2007	<u>2,319</u>	<u>721</u>
NIB Bank Limited - Sponsor		
Investment made by the Sponsor in the Fund - 7,500,000 units (June 30, 2007:7,500,000 units)	<u>94,304</u>	<u>96,720</u>
Deposit held by the Fund with the Sponsor at December 31, 2007	<u>26,245</u>	<u>34,369</u>
Profit receivable on bank deposits	<u>11</u>	<u>-</u>

	(Un-audited) December 31, 2007 -----(Rupees in '000)----	Audited) June 30, 2007
Alexandra Fund Management Pte. Limited - Sponsor		
Investment made by the Sponsor in the Fund -11,457,001 units (June 30, 2007:10,000,000 units)	<u>144,058</u>	<u>128,960</u>
Profit payable by the Fund on pre-IPO investment	<u>691</u>	<u>691</u>
Chief Executive Officer		
Investment held by the Chief Executive Officer -2,266,375 units (June 30, 2007:404,817 units)	<u>28,497</u>	<u>5,221</u>
Executive Staff		
Investment held by the Executive Staff -1,886 units (June 30, 2007:534,494 units)	<u>24</u>	<u>6,893</u>

11. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financials statements were authorized for issue on February 15, 2008 by the Board of Directors of the Management Company.

12. GENERAL

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

12.2 Since the Fund commenced its operations on January 15, 2007 the comparative figures for the corresponding half year and quarter are not available in respect of Income Statement, Statement of Movement in Unit Holder Funds and the Cash Flow Statement.

Dr. Amjad Waheed
Chief Executive

For National Fullerton Asset Management Limited
(Management Company)

Masood Karim Shaikh
Chairman

