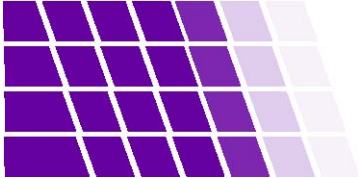


## MISSION STATEMENT

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

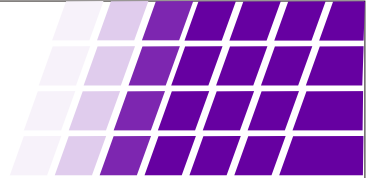


# NAFA FUNDS

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# NAFA FUNDS



## 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
Mr. Raymond H. Kotwal	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shahid Anwar Khan	Director
Syed Naseer ul Hassan	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. Raymond H. Kotwal	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

#### NAFA MULTI ASSET FUND

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





# NAFA FUNDS

## **Auditors**

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

## **Legal Advisor**

Jooma & Soomro, Advocates and Legal Consultants  
103, Ammera Centre,  
Shahrah-e-Iraq, Karachi.

## **Head Office**

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

## **Lahore Office :**

68-B-1, M.M. Alam Road,  
Gulberg 3, Lahore.  
Uan : 042-111-111-632  
Phone No. 042-5778248-63  
Fax: 042-5876806

## **Islamabad Office:**

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

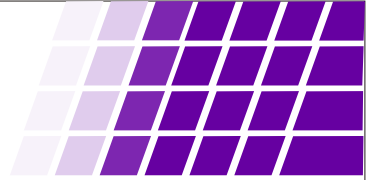
## **Peshawar Office:**

1st Floor Haji Tehmas Centre,  
Near KFC, Tehkal Payan  
University Road, Peshwar.  
Phone No. 92-91-5711784, 5711782  
Fax: 92-91-5211780

## **Multan Office:**

82 Khan Centre Near SP Chowk  
Abdali Road, Multan Cantt,  
Multan.

**NAFA MULTI ASSET FUND**



**NAFA MULTI  
ASSET FUND**

**HALF YEARLY REPORT  
FOR THE HALF YEAR ENDED DECEMBER 31, 2008  
(UN-AUDITED)**





# NAFA MULTI ASSET FUND

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# NAFA MULTI ASSET FUND

## DIRECTORS' REPORT

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Multi Asset Fund for the half year ended December 31, 2008

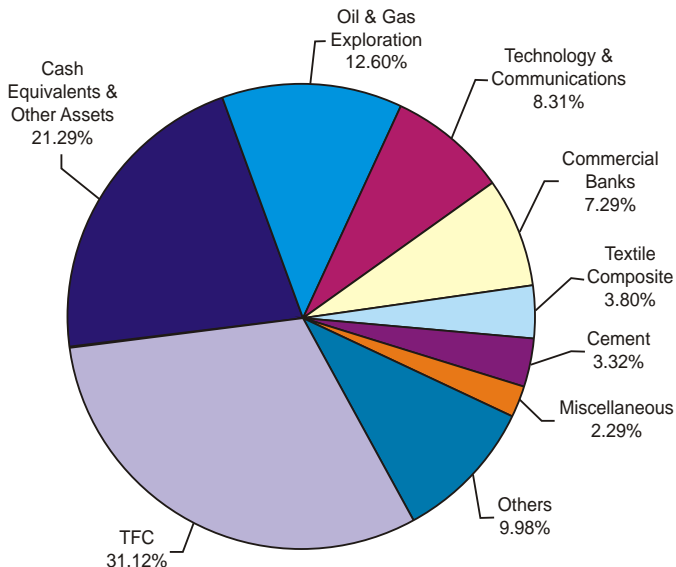
### Fund's Performance

Assets under management of NAFA Multi Asset Fund have reduced from Rs.2,631 million to Rs.1,590 million during the period, i.e. a decline of 39.57%. This is due to a significant drop in the value of assets during the period as well as the redemption pressure due to the overall liquidity crunch in the financial markets. During this period, unit price of your Fund has decreased from Rs.11.1079 on June 30, 2008 (Ex-Div) to Rs.7.1045 on December 31, 2008, thus showing a decline of 36.04%. While, the benchmark has recorded a decline by 35.39%, during the period. Thus, the Fund has underperformed its benchmark by 0.65%.

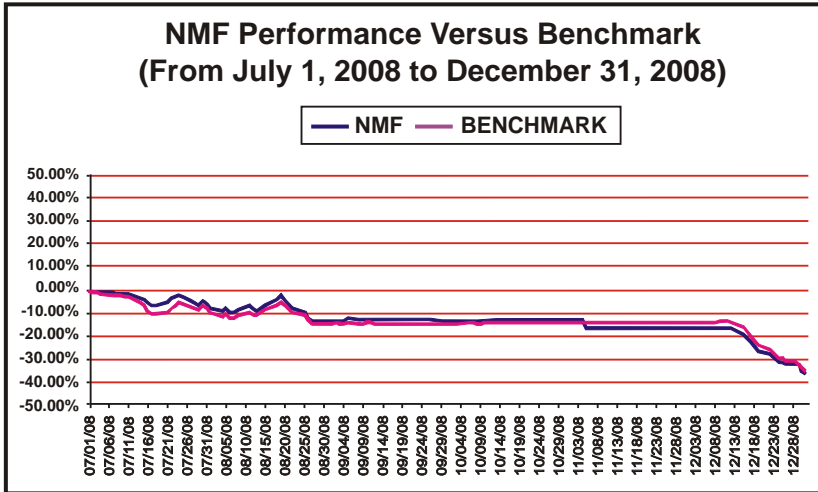
NAFA Multi Asset Fund has incurred a total loss of Rs.824.98 million during the period. After deducting expenses of Rs.38.08 million, the net loss is Rs.863.06 million. The resultant per unit loss, after accounting for unrealized revaluation loss of Rs.33.32 million on available for sale investments, is Rs.4.0034.

The asset allocation of the Fund as on December 31, 2008, and its performance against the Benchmark are as follows:

**Asset Allocation as on December 31, 2008**



# NAFA MULTI ASSET FUND



## 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 the 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  
National Fullerton Asset Management Limited

Masood Karim Shaikh, FCA  
Chairman

Dr. Amjad Waheed, CFA  
Chief Executive

Date: February 17, 2009  
Place: Karachi.



# NAFA MULTI ASSET FUND

## TRUSTEE REPORT TO THE UNIT HOLDERS

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

NAFA Multi Asset Fund (the Fund), an open-end scheme was established under a trust deed dated December 06, 2006 executed between National Fullerton Asset Management Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the period from July 01, 2008 to December 31, 2008 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**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: February 27, 2009



# 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** as at December 31, 2008, and the related condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' funds 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, 2008. 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 interim financial information based on our review. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' funds for the quarters ended December 31, 2008 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2008.

### *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, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

### **A.F. Ferguson & Co.**

Chartered Accountants

Dated: February 24, 2009  
Karachi

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2008

	Note	Unaudited December 31, 2008	Audited June 30, 2008
------(Rupees in '000)-----			
<b>Assets</b>			
Balances with banks		174,678	338,104
Receivable against Continuous Funding System (CFS) transactions		-	453,294
Investments	4	1,446,145	1,712,417
Receivable against sale of Investments		-	154,480
Advances, deposits, prepayments and other receivables		4,193	4,085
Dividend and profit receivable	5	31,975	23,059
Preliminary expenses and floatation costs		1,525	1,778
<b>Total assets</b>		<b>1,658,516</b>	<b>2,687,217</b>
<b>Liabilities</b>			
Accrued expenses and other liabilities	6	61,841	8,354
Payable on redemption of units		-	17,991
Payable to National Fullerton Asset Management Limited - Management Company		5,274	26,957
Payable to Central Depository Company of Pakistan Limited - Trustee		247	302
Payable to Securities and Exchange Commission of Pakistan		1,085	2,119
<b>Total liabilities</b>		<b>68,447</b>	<b>55,723</b>
<b>Net assets</b>		<b>1,590,069</b>	<b>2,631,494</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,590,069</b>	<b>2,631,494</b>
<b>Commitments</b>	8		
		<b>Number of units</b>	
<b>Number of units in issue</b>		<b>223,810,571</b>	<b>228,229,580</b>
		<b>Rupees</b>	
<b>Net asset value per unit</b>		<b>7.1045</b>	<b>11.5300</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

**Dr. Amjad Waheed, CFA**  
Chief Executive

**Masood Karim Shaikh, FCA**  
Chairman

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2008

	Note	Half year ended		Quarter ended	
		December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
(Rupees in '000)					
<b>Income</b>					
Profit on bank deposits		17,656	15,257	5,282	7,988
Income from Continuous Funding System (CFS) transactions		5,102	10,309	-	4,153
Gain / (loss) on sale of investments		(74,596)	120,873	(9,837)	125,429
Income from spread transactions		2,055	1,595	-	1,595
Income from term finance certificates and sukuk bonds		37,936	15,763	21,045	10,019
Dividend income		27,334	8,112	23,256	5,262
Other income		320	-	(410)	-
Net unrealised appreciation/(diminution) in the value of investments at fair value through profit or loss		(856,604)	41,337	(558,055)	(20,407)
<b>Total Income</b>		<b>(840,797)</b>	<b>213,246</b>	<b>(518,719)</b>	<b>134,039</b>
<b>Expenses</b>					
Remuneration of National Fullerton Asset Management Limited - Management Company		27,872	21,280	12,941	11,245
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,619	1,360	770	702
Annual fee - Securities and Exchange Commission of Pakistan		1,085	857	488	450
Annual listing fee		15	15	7	7
Brokerage and other transaction costs		2,142	12,076	121	8,004
Settlement charges and bank charges		609	398	(21)	144
Auditors' remuneration		239	158	138	79
Impairment loss on investments classified as 'available for sale'		2,875	-	2,875	-
Other expenses		511	-	254	-
Printing expenses		808	-	535	-
Fund rating fee		50	-	25	-
Amortisation of preliminary expenses and floatation costs		253	252	127	126
<b>Total Expenses</b>		<b>38,078</b>	<b>36,396</b>	<b>18,260</b>	<b>20,757</b>
<b>Net income / (loss) from operating activities</b>		<b>(878,875)</b>	<b>176,850</b>	<b>(536,979)</b>	<b>113,282</b>
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		15,814	(12,143)	2,009	(55,128)
<b>Net income / (loss) for the period</b>		<b>(863,061)</b>	<b>164,707</b>	<b>(534,970)</b>	<b>58,154</b>

### Earnings per unit

9

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

**Dr. Amjad Waheed, CFA**  
Chief Executive

**Masood Karim Shaikh, FCA**  
Chairman

# NAFA MULTI ASSET FUND



## CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2008

	Half year ended		Quarter ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	------(Rupees in '000)-----			
Undistributed income/(loss) brought forward	313,822	280,409	(122,442)	276,500
Final distribution for the year ended June 30, 2008: 7.598% (2007:16.40%)				
- Bonus units	(89,962)	(158,792)	-	-
- Cash distribution	(6,373)	-	-	-
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 unitholders' funds	(13,216)	17,669	(1,378)	(30,661)
Net income/(loss) for the period	(863,061)	164,707	(534,970)	58,154
Undistributed income/(loss) carried forward	<u>(658,790)</u>	<u>303,993</u>	<u>(658,790)</u>	<u>303,993</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

**Dr. Amjad Waheed, CFA**  
Chief Executive

**Masood Karim Shaikh, FCA**  
Chairman

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2008

	Half year ended		Quarter ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	----- (Rupees in '000) -----			
Net assets at the beginning of the period	2,631,494	1,248,644	2,177,302	1,761,697
Issue of 44,609,314 units including 8,098,898 bonus units (2007: 144,119,647 units)	384,379	1,568,630	(10)	792,421
Redemption of 49,028,322 units (2007: 115,944,846 units)	(507,236) (122,857)	(1,422,415) 146,215	(17,684) (17,694)	(1,095,691) (303,270)
Final distribution for the year ended June 30, 2008:7.598% (2007:16.40%)	89,962	-	-	-
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing (income) / loss and capital (gains) / losses - transferred to Income Statement	(15,814)	12,143	(2,009)	55,128
- amount representing (income) / loss that form part of unitholders' fund - transferred to Distribution Statement	13,216 (2,598)	(17,669) (5,526)	1,378 (631)	30,661 85,789
Net unrealised appreciation / (diminution) in the value of investments classified as 'available for sale'	(33,320)	-	(32,560)	-
Net income/(loss) for the period	(863,061)	164,707	(534,970)	58,154
<b>Distribution:</b>				
Final Distribution for the year ended June 30, 2008:7.598% (2007:16.40%)				
- Bonus distribution	(89,962)	-	-	-
- Cash distribution	(6,373)	-	-	-
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 unit holders' funds	(13,216)	17,669	(1,378)	(30,661)
Net assets as at the end of the period	<u>1,590,069</u>	<u>1,571,709</u>	<u>1,590,069</u>	<u>1,571,709</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

**Dr. Amjad Waheed, CFA**  
Chief Executive

**Masood Karim Shaikh, FCA**  
Chairman

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2008

	Half year ended		Quarter ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	------(Rupees in '000)-----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income/(loss) for the period	(863,061)	164,707	(534,970)	58,154
<b>Adjustments</b>				
Net unrealised (appreciation) / diminution in the value of investments at fair value through profit or loss	856,604	(41,337)	558,055	20,407
Amortization of preliminary expenses and floatation costs	253	252	127	126
(Gain) / loss on investments - net	74,596	(120,873)	9,837	(125,429)
Impairment loss on investments classified as 'available for sale'	2,875	-	2,875	-
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	<u>(15,814)</u>	<u>12,143</u>	<u>(2,009)</u>	<u>55,128</u>
	55,453	14,892	33,915	8,386
<b>(Increase) / decrease in assets</b>				
Receivable against Continuous Funding System (CFS) transactions	453,294	159,391	-	27,878
Receivable against spread transactions	-	-	-	-
Investments	(701,123)	(633,702)	(301,609)	26,901
Loans and receivables	-	-	200,000	-
Receivable against sale of investments	154,480	6,219	66,757	67,421
Advances, deposits, prepayments and other receivables	(108)	(3,548)	234	(3,548)
Dividend and profit receivable	(8,916)	(10,737)	(6,625)	(5,184)
	<u>(102,373)</u>	<u>(482,377)</u>	<u>(41,243)</u>	<u>113,468</u>
<b>Increase / (decrease) in liabilities</b>				
Accrued expenses and other liabilities	53,487	1,988	56,629	2,109
Payable on redemption of units	(17,991)	452,022	(10,184)	452,022
Payable to National Fullerton Asset Management Limited - Management Company	(21,683)	14,354	(4,824)	433
Payable to Central Depository Company of Pakistan Limited - Trustee	(55)	64	(16)	24
Payable to Securities and Exchange Commission of Pakistan	(1,034)	444	(1,632)	37
	<u>12,724</u>	<u>468,872</u>	<u>39,973</u>	<u>454,625</u>
<b>Net cash inflow / (outflow) on operating activities</b>	<u>(34,196)</u>	<u>1,387</u>	<u>32,645</u>	<u>576,479</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	384,379	1,568,630	(10)	792,421
Payments on redemption of units	(507,236)	(1,422,415)	(17,684)	(1,095,691)
Distribution paid	(6,373)	-	-	-
<b>Net cash inflow / (outflow) on financing activities</b>	<u>(129,230)</u>	<u>146,215</u>	<u>(17,694)</u>	<u>(303,270)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>				
	<u>(163,426)</u>	<u>147,602</u>	<u>14,951</u>	<u>273,209</u>
Cash and cash equivalents at the beginning of the period	338,104	172,559	159,727	46,952
Cash and cash equivalents as at the end of the period	<u>174,678</u>	<u>320,161</u>	<u>174,678</u>	<u>320,161</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

**Dr. Amjad Waheed, CFA**  
Chief Executive

**Masood Karim Shaikh, FCA**  
Chairman

# NAFA MULTI ASSET FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2008

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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 6, 2006 and was approved 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 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, Continuous Funding System (CFS) etc.

JCR-VIS Credit Rating Company Limited (JCR-VIS) has revised the rating of the Management Company to AM-Developing Situation from AM2 on December 29, 2008. The Fund has two year performance rating of 'five star' dated June 30, 2007.

During the period subsequent to the introduction of Floor on equity prices at the stock exchange, the Fund suspended pricing, issuance and suspension of units with effect from October 7, 2008. The action was taken pursuant to the Securities and Exchange Commission of Pakistan's direction under section 282/D of the Companies Ordinance, 1984 given vide Circular No. 23 of 2008, dated October 7, 2008, to ensure protection of all unit holders as, in MUFAP's opinion, there was a serious possibility of unfair treatment to unit holders who wished to continue holding their units relative to those who wanted to redeem during the period that the Floor at the stock exchanges existed. The Floor was lifted on December 15, 2008. However, the Management Company decided to continue the suspension of units due to low trading volumes and little price discovery. The suspension was lifted with effect from January 5, 2009.

### 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, 2008 (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 Regulations 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, 2008:

	Note	Unaudited December 31, 2008	Audited June 30, 2008
(Rupees in '000)			
<b>4 INVESTMENTS</b>			
At fair value through profit or loss	4.1	1,217,399	1,431,198
Available for sale	4.2	228,746	281,219
		<u>1,446,145</u>	<u>1,712,417</u>
<b>4.1 At fair value through profit or loss - held for trading</b>			
Equity securities - listed	4.1.1	756,627	980,964
Units of open end mutual funds	4.1.3	192,933	334,453
Equity Securities purchased under future sales contracts	4.1.4	-	14,927
Term finance certificates - listed	4.1.5	267,839	100,854
		<u>1,217,399</u>	<u>1,431,198</u>



# NAFA MULTI ASSET FUND

## 4.1.1 Equity securities - listed

Name of the investee company	Number of shares					Market value at December 31, 2008	Market value as a percentage of net assets
	As at July 1, 2008	Purchases during the year	Bonus / Right Issue	Sales during the year	As at December 31, 2008		
Rupees in '000							
<b>Modarabas</b>							
First Equity Modaraba	1,440,000	-	-	-	1,440,000	1,699	0.11
<b>Investment Banks / Companies</b>							
Arif Habib Securities Limited	-	701,236	56,250	215,000	542,486	22,818	1.44
Arif Habib Investment Management Limited	-	71,795	-	-	71,795	5,024	0.32
Jahangir Siddiqui Investments Company Limited	2,000	-	-	2,000	-	-	-
Pervez Ahmed Securities Limited	-	50,000	-	50,000	-	-	-
<b>Commercial Banks</b>							
Bank Al-Falah Limited	3,180,765	1,503,296	-	530,000	4,154,061	69,497	4.37
Bank Islami Pakistan Limited	680,000	28,500	-	680,000	28,500	207	0.01
MCB Bank Limited	-	394,905	-	245,100	149,805	18,847	1.19
Meezan Bank Limited	-	20,500	-	20,500	-	-	-
National Bank of Pakistan	1	1,066,151	-	600,000	466,152	23,457	1.48
Soneri Bank Limited	-	12,700	-	12,700	-	-	-
United Bank Limited	124,900	153,871	-	174,900	103,871	3,834	0.24
<b>Insurance Companies</b>							
Adamjee Insurance Company Limited	88,100	326,912	-	95,500	319,512	32,539	2.05
<b>Textile Spinning</b>							
D.S. Industries Limited	-	153,826	-	-	153,826	2,284	0.14
<b>Textile Composite</b>							
Artistic Denim Mills Limited	175,000	-	-	-	175,000	5,600	0.35
Azgard Nine Limited	-	707,829	-	-	707,829	11,523	0.72
Azgard Nine Limited (Non-voting shares)	673,000	-	-	-	673,000	33,650	2.12
Dawood Lawrencepur Limited	-	30,999	3,099	-	34,098	1,700	0.11
Nishat Mills Limited	-	613,910	-	262,500	351,410	7,942	0.50
Nishat Mills Limited (Right Allotment)	-	-	100,000	-	100,000	25	0.00
<b>Sugar &amp; Allied Industries</b>							
J.D.W Sugar Mills Limited	83,500	-	-	-	83,500	4,074	0.26
<b>Cement</b>							
D.G. Khan Cement Company Limited	-	814,638	-	131,100	683,538	14,539	0.91
Kohat Cement Company Limited	957,700	119,970	-	-	1,077,670	17,620	1.11
Lucky Cement Limited	-	1,773,100	-	1,115,800	657,300	20,554	1.29
<b>Refinery</b>							
Attock Refinery Limited	-	100,000	5,560	72,200	33,360	1,998	0.13
<b>Power &amp; Generation &amp; Distribution</b>							
The Hub Power Company Limited	800,000	1,306,658	-	260,000	1,846,658	26,019	1.64
<b>Oil &amp; Gas Marketing Companies</b>							
Attock Petroleum Limited	-	31,300	-	31,300	-	-	-
Pakistan State Oil Company Limited	50,000	157,750	-	120,200	87,550	12,658	0.80
<b>Oil &amp; Gas Exploration Companies</b>							
Mari Gas Company Limited	75,000	-	-	-	75,000	7,421	0.47
Oil & Gas Development Corporation Limited	1,159,000	1,091,207	-	1,741,100	509,107	25,450	1.60
Pakistan Oilfields Limited	200,000	873,980	119,000	436,900	756,080	77,491	4.87
Pakistan Petroleum Limited	400,000	1,096,644	94,750	696,600	894,794	90,034	5.66
<b>Engineering</b>							
Crescent Steel and Allied Products Limited	-	131,100	5,000	131,100	5,000	85	0.01
<b>Automobile Assembler</b>							
Indus Motor Company Limited	-	100,000	-	100,000	-	-	-
<b>Balance carried forward</b>						<b>538,589</b>	<b>33.87</b>

# NAFA MULTI ASSET FUND

Name of the investee company	Number of shares					Market value at December 31, 2008	Market value as a percentage of net assets
	As at July 1, 2008	Purchases during the year	Bonus / Right Issue	Sales during the year	As at December 31, 2008		
						Rupees in '000	
<b>Balance brought forward</b>						538,589	33.87
<b>Transport</b>							
Pakistan International Container Terminal Limited	-	242,405	-	-	242,405	11,000	0.69
<b>Technology and Communications</b>							
Eye Television Network Limited	289,000	942,000	-	250,000	981,000	33,599	2.11
Netsol Technologies Limited	1,478,800	1,609,270	535,320	50,000	3,573,390	90,300	5.68
Pakistan Telecommunication Company Limited	362,000	292,476	-	162,000	492,476	8,318	0.52
<b>Fertilizer</b>							
Engro Chemicals Pakistan Limited	206,255	710,000	-	795,050	121,205	11,691	0.74
Fauji Fertilizer Bin Qasim Limited	337,500	155,951	-	87,500	405,951	5,237	0.33
<b>Chemicals</b>							
Descon Oxychem Limited	-	1,380,257	-	-	1,380,257	10,904	0.69
<b>Paper &amp; Board</b>							
Packages Limited	-	134,691	-	4,000	130,691	10,611	0.67
<b>Miscellaneous</b>							
Pace (Pakistan) Limited	3,340,000	870,448	-	-	4,210,448	36,378	2.29
						<b>756,627</b>	<b>47.58</b>
<b>Cost as at December 31, 2008</b>						<b>1,565,496</b>	

All shares have a nominal face value of Rs 10 each except for the shares of Thal Jute Limited which have a face value of Rs 5 each.

- 4.1.2 During the period, the Karachi Stock Exchange (Guarantee) Limited (KSE ) placed a "Floor Mechanism" on the market value of securities based on the closing prices of securities prevailing as on August 27, 2008. Under the "Floor Mechanism", the individual security price of equity securities could vary within the normal circuit breaker limit, but not below the floor price level. The mechanism was effective from August 28, 2008. Consequent to the introduction of the above measures by the KSE, the market volume declined significantly. The "Floor Mechanism" was subsequently removed by the KSE on December 15, 2008 in order to rationalise the prices of equity securities. Subsequent to the removal of the "Floor Mechanism" the KSE 100 index declined from 9,187.10 points at December 15, 2008 to 5,865.01 points at December 31, 2008 and the market remained generally inactive during this period due to low trading volumes.

In view of the above circumstances, a clarification was sought from the Securities and Exchange Commission of Pakistan on whether the prices quoted on the stock exchange as at December 31, 2008 could be considered as the fair value of such securities at that date. The Securities and Exchange Commission of Pakistan vide its circular No. Enf/D-III/Misc/1/2008 dated January 29, 2009 has clarified that the market price as quoted on the stock exchange on December 31, 2008 may be used as the fair value of securities as of that date for the purpose of preparation of financial statements for the period ended December 31, 2008. Accordingly, quoted securities have been valued at the market prices as quoted on the stock exchange on December 31, 2008.

#### 4.1.3 Units of open-end mutual funds

Name of the investee fund	Number of units					Market value at December 31, 2008	Market value as a percentage of net assets
	As at July 1, 2008	Purchases during the year	Bonus	Sales during the year	As at December 31, 2008		
						Rupees in '000	
NAFA Cash Fund	18,769,434	20,752,094	1,962,028	30,578,547	10,905,009	104,574	6.58
NAFA Income Fund	5,519,036	8,708,694	346,629	11,565,516	3,008,843	28,263	1.78
NAFA Islamic Income Fund	7,323,758	6,737,137	361,423	7,512,417	6,909,901	60,096	3.78
						<b>192,933</b>	<b>12.13</b>
<b>Cost as at December 31, 2008</b>						<b>210,167</b>	

# NAFA MULTI ASSET FUND

## 4.1.4 Equity securities purchased under futures 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 futures market. The details are as follows:

Name of investee company	Number of shares			As at December 31, 2008	Market value at December 31, 2008	Market value as a percentage of net assets
	As at July 1, 2008	Purchases during the year	Sales during the year			

(Rupees in '000)

Fully paid ordinary shares of Rs 10 each

### Investment Banks / Companies

Arif Habib Securities Limited	-	19,500	19,500	-	-	-
Jahangir Siddiqui & Company Limited	22,000	-	22,000	-	-	-

### Commercial Banks

MCB Bank Limited	10,000	-	10,000	-	-	-
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### Textile Composite

Nishat Mills Limited	-	125,000	125,000	-	-	-
Azgard Nine Limited	-	190,000	190,000	-	-	-

### Oil & Gas Marketing

Pakistan State Oil Company Limited	-	3,500	3,500	-	-	-
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### Oil & Gas Exploration Companies

Pakistan Oilfields Limited	-	39,000	39,000	-	-	-
Pakistan Petroleum Limited	-	20,000	20,000	-	-	-

- - - - -  
- - - - -

Cost as at December 31, 2008

- - - - -  
- - - - -

## 4.1.5 Term finance certificates

Name of the investee company	Number of certificates			As at December 31, 2008	Market value at December 31, 2008	Market value as a percentage of net assets
	As at July 01, 2008	Purchases during the year	Sales during the year			

(Rupees in '000)

Azgard Nine Limited	3,000	-	-	3,000	12,018	0.76
Pak Arab Fertilizer Company Limited	9,000	-	-	9,000	40,491	2.55
Engro Chemicals Pakistan Limited	8,000	-	-	8,000	35,986	2.26
United Bank Limited	-	35,000	-	35,000	157,469	9.90
Pakistan Mobile Communication Limited	-	5,000	-	5,000	21,875	1.38
					<u>267,839</u>	<u>16.84</u>

Cost as at December 31, 2008

298,340

4.1.6 The SECP vide its circular no. 26/2008 dated November 5, 2008 has changed the basis of valuation of the term finance certificates and Sukuk bonds. Under the said directive, all open-end mutual funds are to value term finance certificates at the lower of discounted redeemable face value of term finance certificates and the market value as determined using rates notified by the Mutual Funds Association of Pakistan (MUFAP). The discount rates are based on the credit rating of the respective entities / issuers as notified by the rating agencies. Prior to the issuance of the said directive, investment in term finance certificates and Sukuk bonds were valued at the rates notified by MUFAP.

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

## 4.2 Available for sale

	Note	Unaudited December 31, 2008	Audited June 30, 2008
Term finance certificates - unlisted	4.2.1	54,875	90,070
Sukuk bonds	4.2.1	149,121	167,792
Commercial paper	4.2.1	24,750	23,357
		<u>228,746</u>	<u>281,219</u>

# NAFA MULTI ASSET FUND

## 4.2.1 Term finance certificates - unlisted

Name of the investee company	Number of certificates				Market value at December 31, 2008	Market value as a percentage of net assets
	As at July 1, 2008	Purchases during the year	Sales during the year	As at December 31, 2008		
(Rupees in '000)						
<b>Term finance certificate - unlisted</b>						
Engro Chemicals Pakistan Limited	2,000	-	-	2,000	9,000	0.57
Avari Hotels	6,000	-	-	6,000	24,000	1.51
Pakistan Mobile Communications Limited	5,000	-	-	5,000	21,875	1.38
					54,875	3.45
<b>Sukuk bonds</b>						
New Allied Electronics Industries (Private) Limited (note 4.2.3)	32,000	-	-	32,000	6,563	0.41
Pak Electron Limited	8,000	-	-	8,000	34,000	2.14
Engro Chemicals Pakistan Limited	20,000	-	-	20,000	90,000	5.66
Maple Leaf Cement Company Limited	3,000	-	-	3,000	12,000	0.75
Eden Builders Limited	-	1,590	-	1,590	6,558	0.41
					149,121	9.38
<b>Commercial paper</b>						
Azgard Nine Limited	5,000	-	-	5,000	24,750	1.56
					<u>228,746</u>	
<b>Cost of investments as at December 31, 2008</b>					<u>264,941</u>	
<b>Impairment losses</b>					<u>2,875</u>	

4.2.2 All Term Finance Certificates and Sukuk bonds have a face value of Rs 5,000 each except sukuk bond of New Allied Electronics which have a face value of Rs. 312.50 each.

4.2.3 This represents sukuk bonds with term of five years. The principal was to be redeemed from the fifteenth month of draw down by the investee company. However, on October 24, 2008 i.e. the scheduled redemption date, principal redemption of Rs. 625 thousand was not received by the Fund. Impairment losses amounting to Rs 2,875 thousand have been transferred to the income statement in this respect.

	Unaudited December 31, 2008	Audited June 30, 2008
	(Rupees in '000)	
<b>5 DIVIDEND AND PROFIT RECEIVABLE</b>		
Dividend receivable on equity shares	5,388	8,064
Income accrued on Continuous Funding System (CFS) transactions	-	1,746
Profit on savings and term deposits	2,648	2,964
Income accrued on Term Finance Certificates and Sukuk Bonds	23,939	10,285
	<u>31,975</u>	<u>23,059</u>
<b>6 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration	204	214
Payable to Alexandra Fund Management Pte. Ltd.	-	484
Settlement charges payable	3	50
Payable to brokers	59,757	4,392
Dividend payable to brokers	664	3,088
Others	1,213	126
	<u>61,841</u>	<u>8,354</u>

# NAFA MULTI ASSET FUND



## 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.

	Unaudited December 31, 2008	Audited June 30, 2008
	----- Rupees in '000 -----	
<b>8 COMMITMENTS</b>		
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	-	146,863
Spread 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	-	15,647

## 9 EARNINGS PER UNIT

Earnings per unit (EPU) for the six months ended December 31, 2008 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

Connected persons include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the trustee and National Bank of Pakistan, NIB Bank Limited and Alexandra Fund Management Pte. Limited being the Sponsors, other collective investment schemes managed by the Management Company and the directors and officers of the Management Company.

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

### 10.1 Transactions during the period

	(Unaudited) Half year ended December 31, 2008	(Unaudited) Half year ended December 31, 2007	(Unaudited) Quarter ended December 31, 2008	(Unaudited) Quarter ended December 31, 2007
	----- Rupees in '000 -----			
<b>National Fullerton Asset Management Limited</b>				
<b>- Management Company</b>				
Management fee expense for the period	27,872	21,280	12,941	11,245
<b>National Bank of Pakistan - Sponsor</b>				
Bonus units issued (Nil units; 2007: 1,646,411 units)	-	-	-	-
Cash dividend paid	3,166	-	-	-
<b>NIB Bank Limited - Sponsor</b>				
Cash dividend paid	3,166	-	-	-
Bonus units issued (Nil units; 2007: 1,092,751 units)	-	-	-	-
Units redeemed (Nil units; 2007: 1,092,751 units)	-	12,724	-	-
Income from bank deposits	4,573	3,784	466	2,189
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>				
Bonus units issued (446,763 units; 2007: 1,457,001 units)	-	-	-	-
<b>NAFA Islamic Income Fund</b>				
Sale of sukuk bonds (Nil bonds; 2007: 160,000 bonds)	-	50,384	-	-
<b>NAFA Employees Provident Fund</b>				
Bonus units issued (5,849 units; 2007: 10,666 units)	-	-	-	-
Units redeemed / transferred out (159,757 units; 2007 : Nil units)	1,545	-	-	-
Units issued (Nil units; 2007: 70828 units)	-	800	-	-

# NAFA MULTI ASSET FUND

	(Unaudited) Half year ended December 31, 2008	(Unaudited) Half year ended December 31, 2007	(Unaudited) Quarter ended December 31, 2008	(Unaudited) Quarter ended December 31, 2007
----- Rupees in '000 -----				
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration	1,619	-	770	-
CDS charges	500	-	(76)	-
<b>Chief Executive Officer</b>				
Bonus units issued (Nil units; 2007: 58,982 units)	-	-	-	-
Units Issued (Nil units; 2007: 2,266,375 units)	-	28,979	-	28,979
Units Redeemed (Nil units; 2007: 463,800 units)	-	5,471	-	-
<b>Other Executives of the Management Company</b>				
Bonus units issued (1,250 units; 2007: 74,492 units)	-	-	-	-
Units issued (8,094 units; 2007: 94,525 units)	85	1,179	85	1,094
Units redeemed (7,177 units; 2007: 678,403 units)	73	7,050	73	6,606
<b>NAFA Cash Fund</b>				
Bonus units received (1,962,029 units)	-	-	-	-
Units purchased (20,752,095 units)	215,000	-	215,000	-
Units sold (30,578,547 units)	302,480	-	100,000	-
<b>NAFA Income Fund</b>				
Bonus units issued (346,629 units)	-	-	-	-
Units issued / transferred in (8,708,694 units)	90,000	-	90,000	-
Units redeemed / transferred out (11,565,516 units)	111,402	-	55,000	-
TFC's purchase	175,000	-	175,000	-
<b>NAFA Islamic Income Fund</b>				
Bonus units issued (361,424 units)	-	-	-	-
Units issued / transferred in (6,737,137 units)	70,000	-	70,000	-
Units redeemed / transferred out (7,512,417 units)	77,080	-	77,080	-

## 10.2 Balances outstanding as at period / year end

	(Unaudited) December 31, 2008	(Audited) June 30, 2008
----- Rupees in '000 -----		
<b>National Fullerton Asset Management Limited - Management Company</b>		
Management fee payable	4,057	5,512
Others	1,217	21,445
<b>National Bank of Pakistan - Sponsor</b>		
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2008: 7,500,000 units)	53,284	86,475
Balance in current account	501	3,722
<b>NIB Bank Ltd. - Sponsor</b>		
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2008: 7,500,000 units)	53,284	86,475
Profit receivable on bank deposits	61	572
Balance in saving account	5,897	125,181
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held by the Sponsor in the Fund (12,203,676 units; June 30, 2008: 11,756,914 units)	86,701	135,557
Profit payable by the Fund on pre-IPO investment	-	484
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	247	302
CDC charges payable	3	50
Security deposit	100	100

# NAFA MULTI ASSET FUND



	(Unaudited) December 31, 2008	(Audited) June 30, 2008
	----- Rupees in '000 -----	
<b>NAFA Employees Provident Fund</b> Investment held in the Fund Trust (Nil units; June 30, 2008: 153,908 units)	-	1,775
<b>Other Executives of the Management Company</b> Investment held in the Fund (35,075 units; June 30, 2008: 3,558 units)	249	41
<b>NAFA Cash Fund</b> Investment held by the Fund (10,905,009 units; 2008 : 18,769,432 units)	104,574	202,276
<b>NAFA Income Fund</b> Investment held by the Fund (3,008,843 units; 2008 : 5,519,037 units)	28,263	56,353
<b>NAFA Islamic Income Fund</b> Investment held by the Fund (6,909,901 units; 2008 : 7,323,758 units)	60,096	75,824

## 11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 17, 2009 by the Board of Directors of the Management Company.

## 12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For National Fullerton Asset Management Limited  
(Management Company)

Dr. Amjad Waheed, CFA  
Chief Executive

Masood Karim Shaikh, FCA  
Chairman

