

**AM2+**  
Rated by PACRA



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

## **NAFA MULTI ASSET FUND**

# **QUARTERLY REPORT MARCH 31 2016**




*Your investments & "NAFA" grow together*



**FULLERTON FUND  
MANAGEMENT**

*Joint - Venture Partners*

## MISSION STATEMENT



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

# NAFA MULTI ASSET FUND

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# NAFA MULTI ASSET FUND

## FUND'S INFORMATION

### Management Company

NBP Fullerton Asset Management Limited – Management Company

### Board of Directors of the Management Company

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

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

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

### Human Resource and Remuneration Committee

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

### Trustee

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

### Bankers to the Fund

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

# NAFA MULTI ASSET FUND

## Auditors

Deloitte Yousuf Adil  
Chartered Accountants  
Cavish Court,  
A-35, Block 7 & 8,  
KCHSU, Sharae Faisal  
Karachi-75350 Pakistan

## Legal Advisor

M/s Jooma Law Associates  
205, E.I. Lines, Dr. Daudpota Road,  
Karachi.

## Head Office:

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 111-111NFA (111-111-632),  
(Toll Free): 0800-20001,  
Fax: (021) 35825329  
Website: www.nafafunds.com

## Lahore Office:

7-Noon Avenue, Canal Bank,  
Muslim Town, Lahore.  
UAN: 042-111-111-632  
Fax: 92-42-35861095

## Islamabad Office:

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

## Peshawar Office:

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

## Multan Office:

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

# NAFA MULTI ASSET FUND

## DIRECTORS' REPORT

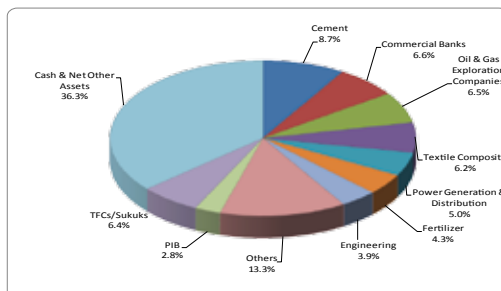
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Multi Asset Fund (NMF)** for the period ended March 31, 2016.

### Fund's Performance

The size of NAFA Multi Asset Fund has decreased from Rs.1,487 million to Rs.1,443 million during the period, i.e. a decline of 3.0%. During the third quarter, the unit price of NAFA Multi Asset Fund (NMF) has increased from Rs. 15.0838 on December 31, 2015 to Rs. 15.3348 on March 31, 2016, thus showing an increase of 1.66%. The Benchmark (50% KSE-30 Total Return Index, 50% 3-Month KIBOR) increased by 1.65% during the same period. Thus, the Fund performance was in line with its Benchmark during the period under review. For the nine months period ended March 31, 2016, the NAV of the Fund has increased from Rs. 15.3058 on June 30, 2015 to Rs. 15.3348 on March 31, 2016, thus showing an increase of 0.19%. During the said period, the Benchmark decreased by 0.67%, translating into an outperformance of 0.86%. Since inception the NAV of the Fund has increased from Rs.4.2017 (Ex-Div) on January 19, 2007 to Rs.15.3348 on March 31, 2016, thus showing an increase of 264.97%. During the said period, the Benchmark increased by 116.52%, translating into outperformance of 148.45%. This performance is net of management fee and all other expenses.

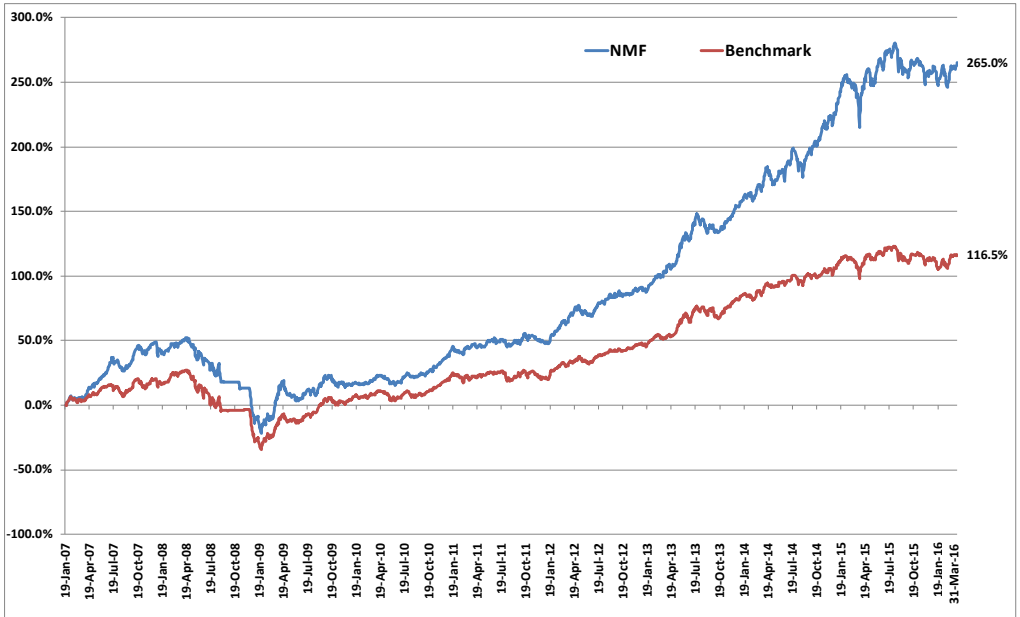
The stock market volatility remained elevated during the 3QFY16. The market started off the quarter on a weak note in January, posting -4.6% returns before taking a breather in February and finally making a strong recovery in March. Overall, the Benchmark KSE-100 Index increased by just 1.0% during the quarter, defying strong fundamentals of the economy such as sharp decline in inflation and subsequent cuts in discount rate; improving external account position and build-up in FX reserves; and attractive stock market valuations as reflected by significant discount to the historical averages and regional peers. Foreign investors remained large net sellers with outflows of USD100 million during the quarter, though slowdown in foreign selling was evident as the cumulative selling during the first two months stood at USD 89 million as compared with just USD 11 million in the third month. On the local side, NBFCs, Individuals, and Companies remained net buyers absorbing the foreign selling, which was largely concentrated in Banks and Fertilizers sectors. Towards the end of the quarter, MSCI also initiated consultation process for potential reclassification of Pakistan to Emerging Markets which garnered significant investor interest. The Index heavy Oil & Gas Exploration and Cement sectors outperformed the market whereas, Chemicals, Commercial Banks, and Fertilizer sectors underperformed during the period under review.

During the period under review, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP highlighted: i) benign inflation readings and anchored near-term inflation expectation; ii) high real lending rates; iii) comfortable external account position; and (iv) improving law and order situation; and macroeconomic stability. Sovereign securities responded to the loose monetary policy stance. The T-Bills yield declined by around 78 bps and PIB yield declined by 142 bps, 183 bps and 141 bps for 3year, 5 year 10 Year maturity respectively. On the corporate debt sphere, trading activity in TFCs remained depressed. Dearth of high credit quality corporate bonds issuance further depressed already paltry yields on the secondary market bonds. Foreign exchange reserves reached a comfortable level of USD 20 billion. Inflation as measured by the CPI clocked-in at 3.9% on a year-on-year basis in March compared to 3.2% in June 2015. The Fund has earned total income of Rs.22.90 million during the period. After accounting for expenses of Rs.26.13 million, the net loss is Rs.3.23 million. The asset allocation of the Fund as on March 31, 2016 is as follows:



# NAFA MULTI ASSET FUND

NMF Performance versus Benchmark (Since Inception)



## Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: April 29, 2016  
Place: Karachi.

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2016

	Note	Un-Audited March 31, 2016	Audited June 30, 2015
------(Rupees in '000)-----			
<b>ASSETS</b>			
Balances with banks		548,316	390,010
Investments	4	918,864	1,113,773
Dividend and profit receivable		11,405	9,059
Advances, deposits, prepayments and other receivables		3,004	90,772
<b>Total assets</b>		<u>1,481,589</u>	<u>1,603,614</u>
<b>LIABILITIES</b>			
Payable to the Management Company		14,999	11,650
Payable to the Trustee		305	267
Payable to the Securities and Exchange Commission of Pakistan		942	1,139
Dividend payable to National Bank of Pakistan		-	2,128
Accrued expenses and other liabilities		22,175	101,131
<b>Total liabilities</b>		<u>38,421</u>	<u>116,315</u>
<b>NET ASSETS</b>		<u>1,443,168</u>	<u>1,487,299</u>
<b>UNIT HOLDERS' FUND (As per statement attached)</b>		<u>1,443,168</u>	<u>1,487,299</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5		
		(Number of units)	
Number of units in issue		<u>94,110,409</u>	<u>97,172,330</u>
		-----Rupees-----	
Net Asset Value per unit		<u>15.3348</u>	<u>15.3058</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 INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
------(Rupees in '000)-----					
<b>INCOME</b>					
Capital (loss) / gain on sale of investments - net		(17,487)	34,947	(14,006)	15,634
Income from term finance certificates and sukuk bonds		8,864	17,900	2,643	5,267
Income from government securities		3,178	4,093	1,051	2,593
Dividend income		39,814	32,292	14,070	15,999
Profit on bank deposits		26,249	15,596	9,030	4,717
Unrealised (diminution) / appreciation on re-measurement of investments "at fair value through profit or loss -held-for trading" - net		(40,810)	60,179	17,956	(55,080)
<b>Total Income / (loss)</b>		<b>19,808</b>	<b>165,007</b>	<b>30,744</b>	<b>(10,870)</b>
<b>EXPENSES</b>					
Remuneration of the Management Company		22,164	19,169	7,071	7,448
Sindh sales tax on remuneration on the Management Company		3,600	3,335	1,149	1,295
FED on remuneration of the management company		3,546	3,067	1,131	1,192
Remuneration of the Trustee		1,860	1,709	603	619
Sindh Sales Tax on remuneration of Trustee		260	-	84	-
Allocated expenses		500	-	354	-
Annual fee - Securities and Exchange Commission of Pakistan		942	815	301	317
Securities transaction cost		765	1,103	165	255
Settlement and bank charges		396	356	130	90
Annual listing fee		30	30	10	10
Legal and professional charges		50	37	50	12
Auditors' remuneration		453	402	125	89
(Reversal) of impairment against non-performing securities		(8,571)	-	(2,857)	-
Printing expenses		-	20	-	-
Fund's rating fee		130	121	45	36
<b>Total Expenses</b>		<b>26,125</b>	<b>30,164</b>	<b>8,361</b>	<b>11,363</b>
<b>Net (Loss) / Income from operating activities</b>		<b>(6,317)</b>	<b>134,843</b>	<b>22,383</b>	<b>(22,233)</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net		3,087	-	1,573	-
(Provision) / Reversal for Workers' Welfare Fund	6	-	(2,697)	-	445
<b>Net (Loss) / Income for the period before taxation</b>		<b>(3,230)</b>	<b>132,146</b>	<b>23,956</b>	<b>(21,788)</b>
Taxation	7	-	-	-	-
<b>Net (Loss) / Income for the period after taxation</b>		<b>(3,230)</b>	<b>132,146</b>	<b>23,956</b>	<b>(21,788)</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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	------(Rupees in '000)-----			
Net (Loss) / Income for the period after taxation	(3,230)	132,146	23,956	(21,788)
<b>Other comprehensive income / (loss)</b>				
Net unrealised appreciation in the value of investments classified as 'available for sale'	6,134	12,215	396	5,844
<b>Total comprehensive income / (loss) for the period</b>	<u>2,904</u>	<u>144,361</u>	<u>24,352</u>	<u>(15,944)</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 MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine Months Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	------(Rupees in '000)-----			
Accumulated Income brought forward	381,745	111,448	354,526	280,827
Net (Loss) / Income for the period after taxation	(3,230)	132,146	23,956	(21,788)
Element of (loss) / Income and capital gains included in - prices of units issued less those in units redeemed	(170)	20,704	(137)	5,259
undistributed income carried forward	378,345	264,298	378,345	264,298
Undistributed income carried forward comprising of:				
- Realized Income	419,155	204,119	360,389	319,378
- Unrealized (loss) / Income	(40,810)	60,179	17,956	(55,080)
	378,345	264,298	378,345	264,298

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 MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine Months Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	------(Rupees in '000)-----			
Net assets at the beginning of the period	1,487,299	1,026,396	1,454,217	1,414,300
Issue of 32,652,193 units (March 31,2015: 23,646,345 units)	512,000	320,465	15,611	57,627
Redemption of 35,714,114 units (Mar 31, 2015: 4,470,162 units)	(555,948)	(61,896)	(49,439)	(26,657)
	(43,948)	258,569	(33,828)	30,970
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - transferred to distribution statement	170	(20,704)	137	(5,259)
Net element of (income) and capital (gains) included in prices of units issued less those in units redeemed - transferred to Income statement	(3,087)	-	(1,573)	-
<b>Total Comprehensive income / (loss) for the period</b>	<b>2,904</b>	<b>144,361</b>	<b>24,352</b>	<b>(15,944)</b>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - transferred to distribution statement	(170)	20,704	(137)	5,259
<b>Net assets as at the end of the period</b>	<b>1,443,168</b>	<b>1,429,326</b>	<b>1,443,168</b>	<b>1,429,326</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 MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine Months Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
------(Rupees in '000)-----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net (loss) / income for the period before period	(3,230)	132,146	23,956	(21,788)
<b>Adjustments</b>				
Unrealised (appreciation) / diminution in the value of investments classified as 'at fair value through profit or loss'	40,810	(60,179)	(17,956)	55,080
Element of (income) and capital (gains) included in prices of units issued less those in units redeemed - net	(3,087)	-	(1,573)	-
(Reversal) against non-performing securities	(8,571)	-	(2,857)	-
	25,922	71,967	1,570	33,292
<b>Decrease / (increase) in assets</b>				
Investments - net	168,804	(155,547)	87,770	180,914
Receivable against sale of investments	-	-	-	8,542
Advances, deposits, prepayments and other receivables	87,768	4,708	10	695
Dividend and profit receivable	(2,346)	(10,606)	(6,338)	(10,637)
	254,226	(161,445)	81,442	179,514
<b>(Decrease) / increase in liabilities</b>				
Payable to the Management Company	3,349	6,261	1,039	1,472
Payable to the Trustee	38	6	67	(83)
Payable to the Securities and Exchange Commission of Pakistan	(197)	65	301	316
Payable against purchase of investments	-	(39,398)	-	-
Accrued expenses and other liabilities	(78,956)	2,596	498	(308)
	(75,766)	(30,470)	1,905	1,397
<b>Net cash generated from / (used in) from operating activities</b>	<b>204,382</b>	<b>(119,948)</b>	<b>84,917</b>	<b>214,203</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Amounts received from issuance of units	512,000	320,465	15,611	57,627
Amounts paid on redemption of units	(555,948)	(61,676)	(49,439)	(28,511)
Distribution paid	(2,128)	-	-	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(46,076)</b>	<b>258,789</b>	<b>(33,828)</b>	<b>29,116</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>158,306</b>	<b>138,841</b>	<b>51,089</b>	<b>243,319</b>
Cash and cash equivalents at the beginning of the period	390,010	227,228	497,227	122,750
<b>Cash and cash equivalents at the end of the period</b>	<b>548,316</b>	<b>366,069</b>	<b>548,316</b>	<b>366,069</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

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

### 1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Multi Asset Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited, a company incorporated under the Companies Ordinance, 1984, as Management Company and Central Depository Company of Pakistan Limited (CDC), also incorporated under the Companies Ordinance, 1984, as Trustee. The Trust Deed was executed on December 06, 2006 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of Mutual Fund Association of Pakistan (MUFAP).

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

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

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

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan (CDC) Limited as trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2015.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2016.

### 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, 2015.

# NAFA MULTI ASSET FUND

March 31, 2016    June 30, 2015  
 Note    (Un-audited)    (Audited)  
 (Rupees in '000)

## 4 INVESTMENTS

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

Equity securities - listed	4.1.1	786,587	951,278
Investment in government securities	4.1.3	39,803	40,303
Term finance certificates - listed	4.1.4	81,720	80,129
		908,110	1,071,710

### 4.2 Available for sale

Term finance certificates - unlisted	4.2.1	-	10,175
Sukuk bonds	4.2.1	10,754	31,888
		10,754	42,063
		918,864	1,113,773

### 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, 2016	Investment as a percentage of		
	As at July 01, 2015	Purchases during the period	Bonus / Right Issue	Sales during the period	As at March 31, 2016		Net assets	Market value of total investments	Paid up capital of the investee company
<b>SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise</b>						Rupees in '000			
<b>Oil &amp; Gas</b>									
Attock Petroleum Limited	25,951	-	-	7,000	18,951	8,165	0.57%	0.89%	0.02%
Oil and Gas Development Company Limited	63,896	136,200	-	46,000	154,096	17,635	1.22%	1.92%	0.00%
Pakistan Oilfields Limited	71,669	64,500	-	46,300	89,869	23,187	1.61%	2.52%	0.04%
Pakistan Petroleum Limited	194,583	96,000	-	79,000	211,583	27,108	1.88%	2.95%	0.01%
Hascol Petroleum Limited (5.1.2)	471	-	94	-	565	79	0.01%	0.01%	0.00%
National Refinery Limited	18,300	-	-	18,300	-	-	0.00%	0.00%	0.00%
Pakistan State Oil Company Limited	89,552	10,900	-	37,300	63,152	22,182	1.54%	2.41%	0.03%
Attock Refinery Limited	-	134,500	-	47,500	87,000	20,042	1.39%	2.18%	0.10%
Mari Petroleum Limited	-	38,800	-	2,600	36,200	25,429	1.76%	2.77%	0.03%
Shell Pakistan Limited	37,400	-	-	37,400	-	-	0.00%	0.00%	0.00%
<b>Chemicals</b>									
Engro Corporation Limited	257,817	52,000	-	177,000	132,817	41,931	2.91%	4.56%	0.03%
Fauji Fertilizer Company Limited	94,311	117,000	-	211,300	11	1	0.00%	0.00%	0.00%
Engro Fertilizers Limited	319,500	94,500	-	133,500	280,500	19,492	1.35%	2.12%	0.02%
Dawood Hercules Corporation Limited	9,000	-	-	-	9,000	1,096	0.08%	0.12%	0.00%
<b>Construction and Materials</b>									
D.G. Khan Cement Pakistan Limited	513,500	50,000	-	328,200	235,300	40,900	2.83%	4.45%	0.05%
Pioneer Cement Limited	204,000	-	-	44,000	160,000	15,827	1.10%	1.72%	0.07%
Attock Cement (Pakistan) Limited	-	72,300	-	-	72,300	14,749	1.02%	1.61%	0.06%
Fauji Cement Company Limited	-	100,000	-	-	100,000	4,191	0.29%	0.46%	0.01%
Lucky Cement Limited	88,864	10,200	-	42,600	56,464	30,384	2.11%	3.31%	0.02%
Akzo Nobel Pakistan Limited	41,800	-	-	-	41,800	8,065	0.56%	0.88%	0.09%
Fecto Cement Limited	-	11,000	-	-	11,000	1,096	0.08%	0.12%	0.02%
Maple Leaf Cement Limited	386,500	-	-	181,500	205,000	18,903	1.31%	2.06%	0.04%
<b>Industrial Metals and Mining</b>									
Crescent Steel and Allied Products Limited	106,500	-	-	106,500	-	-	0.00%	0.00%	0.00%
Mughal Iron and Steel Industries Limited	-	92,000	-	-	92,000	6,296	0.44%	0.69%	0.07%
International Industries Limited	293,500	216,500	-	51,000	459,000	30,078	2.08%	3.27%	0.38%
International Steel Limited	-	668,000	-	-	668,000	19,419	1.35%	2.11%	0.15%
<b>Glass and Ceramics</b>									
Tariq Glass Industries Limited	350,000	74,000	-	-	424,000	23,956	1.66%	2.61%	0.58%
<b>General Industrials</b>									
Thal Limited	149,636	-	-	17,300	132,336	33,707	2.34%	3.67%	0.16%
<b>Personal Goods</b>									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.39%	0.61%	14.61%
Nishat Mills Limited	188,100	331,100	-	109,500	409,700	39,253	2.72%	4.27%	0.12%
Kohinoor Textile Mills Limited	604,000	14,500	92,775	72,000	639,275	45,242	3.13%	4.92%	0.26%
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication Company Limited	-	336,500	-	-	336,500	5,054	0.35%	0.55%	0.01%
<b>Electricity</b>									
Kot Addu Power Company Limited	604,500	-	-	173,000	431,500	33,299	2.31%	3.62%	0.05%
The Hub Power Company Limited	475,348	-	-	178,500	296,848	31,033	2.15%	3.38%	0.03%
Lalpur Power Limited	275,000	-	-	275,000	-	-	0.00%	0.00%	0.00%
Saif Power Limited	748,000	-	-	490,000	258,000	7,418	0.51%	0.81%	0.07%
K-Electric Limited	5,000	-	-	5,000	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	-	134,000	-	134,000	-	-	0.00%	0.00%	0.00%

# NAFA MULTI ASSET FUND

Name of the investee company	Number of shares					Market value as at March 31, 2016	Investment as a percentage of		
	As at July 01, 2015	Purchases during the period	Bonus / Right Issue	Sales during the period	As at March 31, 2016		Net assets	Market value of total investments	Paid up capital of the investee company
<b>SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise</b>						Rupees in '000			
<b>Automobile &amp; Parts</b>									
Ghandhara Nissan Limited	35,500	-	-	35,500	-	-	0.00%	0.00%	0.00%
Honda Atlas Cars (Pakistan) Limited	63,400	-	-	63,400	-	-	0.00%	0.00%	0.00%
Pak Suzuki Motor Company Limited	22,700	32,900	-	10,900	44,700	18,406	1.28%	2.00%	0.05%
Indus Motor Company Limited	41,500	3,300	-	14,780	30,020	28,436	1.97%	3.09%	0.04%
<b>INDUSTRIAL TRANSPORTATION</b>									
Pakistan National Shipping Corporation	96,000	-	-	-	96,000	6,840	0.47%	0.74%	0.04%
<b>Technology Hardware &amp; Equipment</b>									
Avanceon Limited	-	31,000	-	-	31,000	1,045	0.07%	0.11%	0.03%
<b>MULTIUTILITIES (GAS AND WATER)</b>									
Sui Northern Gas Pipelines Limited	-	435,000	-	435,000	-	-	0.00%	0.00%	0.00%
Sui Southern Gas Company Limited	-	633,000	-	633,000	-	-	0.00%	0.00%	0.00%
<b>Cable and Electrical Goods</b>									
Pakistan Elektron Limited	169,500	46,500	54,000	-	270,000	16,327	1.13%	1.78%	0.07%
<b>Banks</b>									
Bank Alfalah Limited	429,000	255,000	-	57,500	626,500	15,606	1.08%	1.70%	0.05%
Bank Alhabib Limited	591,900	284,500	-	123,000	753,400	30,226	2.09%	3.29%	0.07%
Meezan Bank Limited	158,117	128,500	-	286,000	617	26	0.00%	0.00%	0.00%
Habib Bank Limited	74,480	-	-	74,300	180	30	0.00%	0.00%	0.00%
United Bank Limited	138,091	45,000	-	23,000	160,091	24,209	1.68%	2.63%	0.01%
Faysal Bank Limited	20,650	-	-	-	20,650	291	0.02%	0.03%	0.00%
Habib Metropolitan Bank Limited	369,500	-	-	369,500	-	-	0.00%	0.00%	0.00%
Allied Bank Limited	299,900	-	-	36,000	263,900	24,279	1.68%	2.64%	0.02%
						<b>9,216,825</b>	<b>786,587</b>	<b>55%</b>	<b>86%</b>

Carrying value as at March 31, 2016

828,487

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

4.1.2 Investments include shares with market value of Rs 33.996 million (2015: Rs 38.573 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'

Pakistan Investment Bond

Issue date	Tenor	Face Value				Market value as at March 31, 2016	Investment as a percentage of	
		As at July 01, 2015	Purchases during the period	Sales/ matured during the period	As at March 31, 2016		Net assets	Market value of total investments
July 17, 2014	3 Years	37,500	-	-	37,500	39,803	2.76	4.33
					<b>37,500</b>	<b>39,803</b>		

Carrying Value as at March 31, 2016

40,303

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

(500)

4.1.4 Term finance certificates and Sukuk - 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, 2016	Investment as a percentage of	
	As at July 01, 2015	Purchases during the period	Sales during the period	As at March 31, 2016		Net assets	Market value of total investments
Saudi Pak Leasing Company Limited (note 4.1.5)	10,000	-	-	10,000	-	-	-
K - Electric AZM Sukuk	16,000	-	-	16,000	81,720	5.66	8.89
	<b>26,000</b>	<b>-</b>	<b>-</b>	<b>26,000</b>	<b>81,720</b>		

Carrying value as at March 31, 2016

107,676

Provision for impairment loss as at March 31, 2016

27,547



# NAFA MULTI ASSET FUND

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

## 4.2.1 Term Finance Certificates - available for sale

Name of the investee company	Number of certificates / bonds				Market value as at March 31, 2016	Investment as a percentage of	
	As at July 01, 2015	Purchases during the period	Sales during the period	As at March 31, 2016		Net assets	Market value of total investments
					Rupees in '000	-----%-----	
<b>Term finance certificate - unlisted</b>							
Engro Fertilizer Limited	2,000	-	2,000	-	-	-	-
<b>Sukuk bonds</b>							
Maple Leaf Cement Factory Limited	17,688	-	-	17,688	10,754	0.75	1.17
New Allied Electronics Industries (Private) Limited (note 4.2.3)	32,000	-	-	32,000	-	-	-
Pak Electron Limited (note 4.2.4)	8,000	-	-	8,000	-	-	-
Eden Housing Limited (note 4.2.5)	10,000	-	-	10,000	-	-	-
				67,688	10,754		
	<b>69,688</b>	<b>-</b>	<b>2,000</b>	<b>67,688</b>	<b>10,754</b>		
Carrying value as at March 31, 2016					<u>30,178</u>		
Provision for impairment loss as at March 31, 2016					<u>25,558</u>		

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

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

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

## 5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2016 and June 30, 2015.

## 6 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 ("WWF Ordinance"). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds ("CISs") whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

# NAFA MULTI ASSET FUND

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honorable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 20.016 million in these condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at March 31, 2016 would have been higher by Rs 0.2127 per unit.

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

## 7 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in this condensed interim financial information.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 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 (SECP) vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the fund as 'Balanced Scheme'.

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

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
					Rupees in '000	-----%-----
	<b>Investment in Debt Securities</b>					
	a) Saudi Pak Leasing Company Limited-TFC *	27,547	27,547	-	-	-
	b) Eden Housing Industries Private Limited - Sukuk	9,844	9,844	-	-	-
	c) Pak Elektron Limited - Sukuk	5,714	5,714	-	-	-
	d) New Allied Electronics Limited	10,000	10,000	-	-	-

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

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.

# NAFA MULTI ASSET FUND

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

	----- (Un-audited) -----			
	Nine Month Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(Rupees in '000)				
<b>NBP Fullerton Asset Management Limited - Management Company</b>				
Management fee expense	22,164	19,169	7,071	7,448
Allocated expenses	500	-	354	-
Front-end load	1,779	3,335	65	1,295
Sindh Sales Tax on remuneration of the Management Company	3,600	3,067	1,149	1,192
FED on remuneration on the Management Company	3,546	1,659	1,131	419
<b>National Bank of Pakistan - Sponsor</b>				
Cash dividend paid	2,128	-	-	-
Shares purchased Nil (March 31, 2015: 22,000)	-	1,303	-	-
Shares sold Nil (March 31, 2015: 799,071)	-	49,113	-	11,134
<b>International Industries Limited - Common Directorship</b>				
Shares purchased: 216,500 shares ( March 31, 2015: Nil shares )	14,219	-	10,749	-
Shares sold: 51,000 shares ( March 31, 2015: Nil shares )	3,978	-	-	-
Dividend income	606	-	-	-
<b>International Steels Limited - Common Directorship</b>				
Shares purchased: 668,000 shares ( March 31, 2015: Nil shares )	18,153	-	3,629	-
Shares sold: Nil shares ( March 31, 2015: Nil shares )	-	-	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration	1,860	1,709	603	619
Sindh Sales Tax on remuneration of the Trustee	260	-	84	-
CDS charges	50	98	-	6
<b>Employees of Management Company</b>				
Units Issued / Transferred in 78,001 units; (March 31, 2015: 5,251 units)	1,218	74	-	25
Units Redeemed / Transferred out 78,108 units (March 31, 2015: 53,793 units)	1,217	665	120	127
<b>Taurus Securities Limited - Subsidiary of Parent Company</b>				
Brokerage charges	42	95	20	12
<b>Summit Bank Limited</b>				
Bank Profit	2	2	1	2
<b>National Fullerton Asset Management Limited - Employee Provident Fund</b>				
Units issued / transferred in: 827,385 units (March 31, 2015: 126,518 units)	12,549	1,572	12,549	-
Units redeemed / transferred out: 661,920 units (March 31, 2015: 188,581 units)	9,697	2,520	8,417	953
<b>Cherat Cement Pakistan Limited</b>				
Shares sold Nil Shares (March 31, 2015: 61)	-	4	-	-

# NAFA MULTI ASSET FUND

9.5 Balances outstanding as at period / year end	As at Mar 31, 2016 Un-Audited	As at June 30, 2015 Audited
	(Rupees in '000)	
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Remuneration payable to Management Company	2,417	2,566
Sindh Sales Tax payable to Management Company	393	447
Federal Excise Duty payable to Management Company	10,430	6,884
Allocated expenses payable	500	-
Front - end load payable to Management Company	1,759	1,753
<b>National Bank of Pakistan - Sponsor</b>		
Balance in current account	2,972	1,913
Dividend payable	-	2,128
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	207	213
Sindh Sales Tax on remuneration of the Trustee	29	-
CDC charges payable	69	54
Security deposit	100	100
<b>NBP Employees Pension Fund</b>		
Investment held in the Fund: 23,794,707 units (June 30, 2015: 23,794,707 units)	364,887	364,197
<b>National Fullerton Asset Management Limited - Employee Provident Fund</b>		
Investment held in the Fund: 572,258 units (June 30, 2015: 406,793 units)	8,775	6,226
<b>The Trustees- Karachi Electric Provident Fund</b>		
Investment held in the Fund: 34,224,720 units (June 30, 2015: 34,224,720 units)	524,829	523,837
<b>Employees of Management Company</b>		
Investment held in the Fund: 13,341 units (June 30, 2015: 13,449 units)	205	206
<b>Summit Bank of Pakistan</b>		
Bank balance	3,077	1,021
<b>International Industries Limited - Common Directorship</b>		
Ordinary shares held 459,000 (June 30, 2015: 293,500 shares)	30,078	19,706
<b>International Steels Limited - Common Directorship</b>		
Ordinary shares held 668,000 (June 30, 2015: Nil shares)	19,419	-
<b>Taurus Securities Limited</b>		
Brokerage Payable	13	8
<b>Net amount receivable / (payable) against transfer of units from:</b>		
- NAFA Income Fund	-	65,000
- NAFA Asset Allocation Fund	-	9,457
- NAFA Finance Sector Income Fund	-	6,484
- NAFA Income Opportunity Fund	-	1,136
- NAFA Money Market Fund	-	5,551
- NAFA Saving Plus Fund	-	265

# NAFA MULTI ASSET FUND

## 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 29, 2016.

## 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

## Head Office

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