

**NAFA MULTI ASSET FUND**

**QUARTERLY REPORT  
FOR THE QUARTER ENDED  
SEPTEMBER 30, 2009  
(UN-AUDITED)**

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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 quarter ended September 30, 2009.

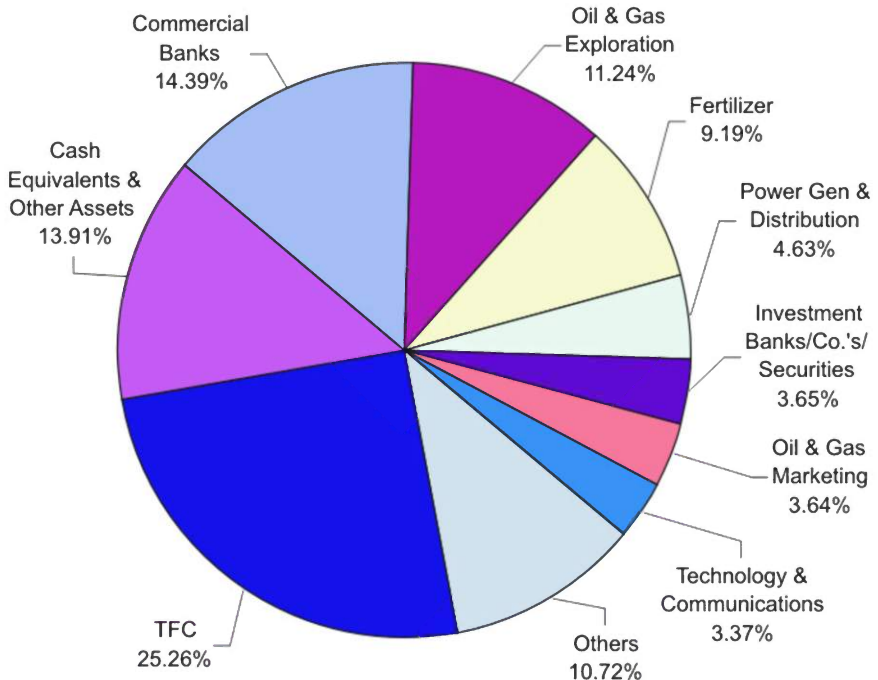
### Fund's Performance

The size of NAFA Multi Asset Fund has increased from Rs. 1,777 million to Rs. 1,856 million during the quarter, i.e. a growth of 4.45%. During the quarter, the unit price of NAFA Multi Asset Fund has increased from Rs. 8.6020 on June 30, 2009 to Rs. 9.8449 on September 30, 2009, thus showing a growth of 14.45%, as compared to its Benchmark (50% KSE-30 Index, 50% 1-Month KIBOR) return of 17.15% during the same period. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 20.14% as compared to 4.2% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 15.94% since inception.

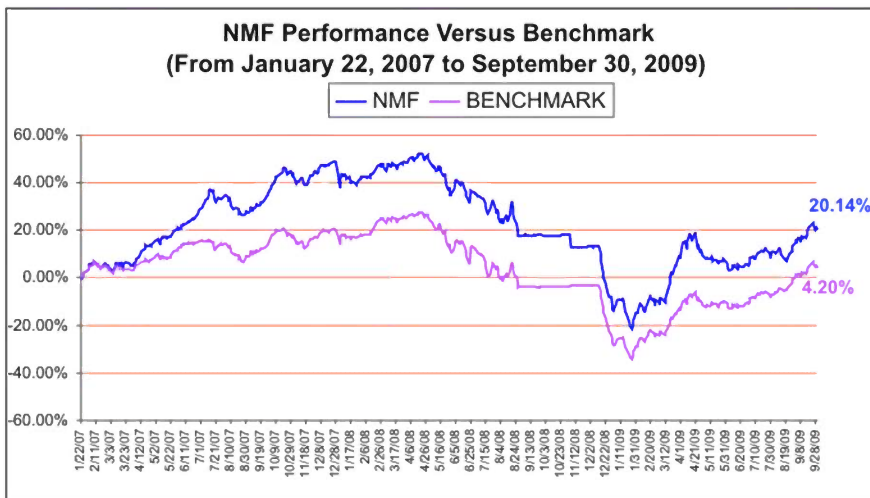
NAFA Multi Asset Fund has earned total income of Rs. 254.63 million during the period. After deducting expenses of Rs. 24.94 million, the net income is Rs. 229.69 million, translating into an earning per unit of Rs. 1.2429.

The asset allocation of the Fund as on September 30, 2009, and its performance against the benchmark are as follows:

Asset Allocation as on September 30, 2009



# NAFA MULTI ASSET FUND



## Income Distribution

The Board of Directors of the Management Company has approved an interim distribution of 1.29%. After interim distribution, the net asset value per unit will be Rs.9.7159 on September 30, 2009.

## 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  
National Fullerton Asset Management Limited

Chief Executive

Director

Date: October 28, 2009  
Place: Karachi.

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2009 (Un-audited)

	Note	September 30, 2009	June 30, 2009
----- Rupees in '000 -----			
<b>Assets</b>			
Balances with banks	4	164,083	188,357
Receivable against sale of investments		126,889	16,473
Investments	5	1,597,326	1,573,961
Dividend and profit receivable	6	30,661	16,898
Advances, deposits, prepayments and other receivables		15,100	4,771
Preliminary expenses and floatation costs		1,151	1,278
<b>Total assets</b>		<b>1,935,210</b>	<b>1,801,738</b>
<b>Liabilities</b>			
Payable to National Fullerton Asset Management Limited - Management Company		4,128	4,174
Payable to Central Depository Company of Pakistan Limited - Trustee		238	227
Payable to Securities and Exchange Commission of Pakistan		403	1,815
Payable on redemption of units		16,919	-
Payable against purchase of investments		56,441	-
Accrued expenses and other liabilities	7	1,570	18,135
<b>Total liabilities</b>		<b>79,699</b>	<b>24,351</b>
<b>Net Assets</b>		<b>1,855,511</b>	<b>1,777,387</b>
<b>Unit Holders' Funds (As per statement attached)</b>		<b>1,855,511</b>	<b>1,777,387</b>
<b>Commitments</b>	8		
		<b>Number of units</b>	
<b>Number of units in issue</b>		<b>188,474,583</b>	<b>206,624,557</b>
		<b>Rupees</b>	
<b>Net asset value per unit</b>		<b>9.8449</b>	<b>8.6020</b>

The annexed notes 1-14 form an integral part of these condensed interim financial statements

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

Chief Executive

Director

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

	Note	Quarter Ended September 30, 2009	Quarter Ended September 30, 2008
----- Rupees in '000 -----			
<b>INCOME</b>			
Gain/loss on sale of investments - net		151,658	(64,759)
Income from term finance certificates and sukuk bonds		17,483	16,891
Income from Continuous Funding System (CFS) transactions		-	5,102
Income from spread transactions		-	2,055
Profit on bank deposits		3,125	12,374
Dividend income		7,147	4,078
Other income		-	730
Unrealized gain on investments at fair value through profit or loss - net		97,286	(298,549)
<b>Total income / Loss</b>		<b>276,699</b>	<b>(322,078)</b>
<b>EXPENSES</b>			
Remuneration of National Fullerton Asset Management Limited – Management Company		11,854	14,931
Remuneration of Central Depository Company of Pakistan Limited - Trustee		726	849
Annual fee - Securities and Exchange Commission of Pakistan		403	597
Securities transaction cost		5,630	2,021
Settlement and bank charges		303	630
Annual listing fee		7	8
Financial charges		-	257
Auditors' remuneration		107	101
Fund rating fee		-	25
Other		68	273
Impairment loss on assets classified as available for sale		5,719	-
Amortization of preliminary expenses and floatation costs		126	126
<b>Total expenses</b>		<b>24,943</b>	<b>19,818</b>
<b>Net Gain / loss from operating activities</b>		<b>251,756</b>	<b>(341,896)</b>
Element of income and capital gains included in prices of units issued less those in units redeemed		(22,068)	13,805
<b>Net (loss) / income for the period before taxation</b>		<b>229,688</b>	<b>(328,091)</b>
<b>Taxation</b>	9	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>229,688</b>	<b>(328,091)</b>
<b>Earnings/ (loss) per unit</b>	10		

The annexed notes 1-14 form an integral part of these condensed interim financial statements

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

Chief Executive

Director

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

Note	Quarter Ended September 30, 2009	Quarter Ended September 30, 2008
	----- Rupees in '000 -----	
Undistributed income brought forward	(122,442)	313,822
Distribution:		
Final distribution for the year ended June 30, (2009: Nil Units; 2008:7.598%)		
-Bonus units		(89,962)
-Cash distribution		(6,373)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing (losses) / income that form part of the unit holders' funds	29,226	(11,838)
Net (loss) / income for the period	229,688	(328,091)
(Accumulated loss) / undistributed income carried forward	<u>136,472</u>	<u>(122,442)</u>

The annexed notes 1-14 form an integral part of these condensed interim financial statements

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

Chief Executive

Director

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

	Quarter Ended September 30, 2009	Quarter Ended September 30, 2008
	----- Rupees in '000 -----	
Net assets at the beginning of the period	1,777,387	2,631,494
Issue of 4,264,683 units (2008: 44,610,823 units - including 8,098,898 bonus units)	39,417	384,389
Redemption of 22,414,657 units (2008: 47,196,787 units)	(213,759) (174,342)	(489,552) (105,163)
Final distribution (bonus) for the year ended June 30 (2009: Nil Units; 2008: 7.598%)	-	89,962
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		
- amount representing (income) / losses and capital (gains) / losses transferred to Income Statement	22,068	(13,805)
- amount representing losses / (income) that form part of the unit holders' funds transferred to Distribution Statement	(29,226) (7,158)	11,838 (1,967)
Net unrealized (diminution) / appreciation in the market value of investments classified as 'available for sale'	710	(760)
Gain / (loss) on sale of investments	151,658	(64,759)
Unrealized gain on investments at fair value through profit or loss	97,286	(298,549)
Other income (net of expenses)	(19,256)	35,217
Distribution:		
Final distribution for the year ended June 30, (2009: Nil Units; 2008:7.598%)		
-Bonus units	-	(89,962)
-Cash distribution	-	(6,373)
	229,688	(424,426)
Interim distribution: Issue of bonus units	-	-
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing (losses) / income that form part of the unit holders' funds	29,226	(11,838)
<b>Net assets at the end of the period</b>	<b>1,855,511</b>	<b>2,177,302</b>

The annexed notes 1-14 form an integral part of these condensed interim financial statements

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

Chief Executive

Director



# NAFA MULTI ASSET FUND

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

	Note	Quarter Ended September 30, 2009	Quarter Ended September 30, 2008
----- Rupees in '000 -----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net (loss) / income for the period		229,688	(328,091)
<b>Adjustments</b>			
Unrealised loss on investments at fair value through profit or loss - net		(97,286)	298,549
Amortisation of preliminary expenses and floatation costs		127	126
Element of income and capital gains included in prices of units issued less those in units redeemed		22,068	(13,805)
		<u>154,597</u>	<u>(43,221)</u>
<b>(Increase) / decrease in assets</b>			
Receivable against sale of investments		(110,416)	87,723
Investments		74,631	(334,755)
Receivable against Continuous Funding System (CFS) transactions		-	453,294
Dividend and profit receivable		(13,763)	(2,291)
Advances, deposits, prepayments and other receivables		(10,329)	(200,342)
		<u>(59,877)</u>	<u>3,629</u>
<b>Increase / (decrease) in liabilities</b>			
Payable to National Fullerton Asset Management Limited - Management Company		(46)	(16,859)
Payable to Central Depository Company of Pakistan Limited - Trustee		11	(39)
Payable to Securities and Exchange Commission of Pakistan		(1,412)	598
Payable on redemption of units		16,919	(7,807)
-Payable against purchase of investments		56,441	-
Accrued expenses and other liabilities		(16,565)	(3,142)
		<u>55,348</u>	<u>(27,249)</u>
<b>Net cash inflow from / (outflow) on operating activities</b>		<u>150,068</u>	<u>(66,841)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Receipts from issue of units		39,417	384,389
Payments on redemption of units		(213,759)	(489,552)
Distributions paid		-	(6,373)
<b>Net cash inflow from / (outflow) on financing activities</b>		<u>(174,342)</u>	<u>(111,536)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>		<u>(24,274)</u>	<u>(178,377)</u>
Cash and cash equivalents at the beginning of the period		188,357	338,104
<b>Cash and cash equivalents at the end of the period</b>	4	<u>164,083</u>	<u>159,727</u>

The annexed notes 1-14 form an integral part of these condensed interim financial statements

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

Chief Executive

Director

# NAFA MULTI ASSET FUND

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Multi Asset Fund (NMF, the Fund) 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.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2-' to the Management Company. Based on the performance of the Fund for the period ended June 30, 2009, it has assigned performance ranking of "Three Star" for short term (tailoring 12 months) to the Fund.

### 2 Statement of compliance

These 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 the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the 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 the financial statements for the quarter ended September 30, 2009 are the same as those applied in the annual audited financial statements for the year ended June 30, 2009.

	Note	Un-audited September 30, 2009	Audited June 30, 2008
----- Rupees in '000 -----			
<b>4 BALANCES WITH BANKS</b>			
Current accounts		810	895
Savings accounts		163,273	187,462
		<u>164,083</u>	<u>188,357</u>
<b>5 INVESTMENTS</b>			
<b>5.1 At fair value through profit or loss - held for trading</b>			
Equity securities - listed	5.1.1	1,128,638	1,228,095
Units of open end mutual funds	5.1.2	-	36,606
Term finance certificates - listed	5.1.3	109,049	113,918
		<u>1,237,687</u>	<u>1,378,619</u>
<b>5.2 Available for sale</b>	5.2.1		
Term finance certificates - unlisted		106,647	58,599
Term finance certificates - listed		23,063	24,005
Sukuk bonds		229,929	112,738
		<u>359,639</u>	<u>195,342</u>
		<u>1,597,326</u>	<u>1,573,961</u>

# NAFA MULTI ASSET FUND

## 5.1.1 Equity securities - listed

Name of the investee company	Number of shares					Market Value as at September 30, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Bonus/ Right Issue	Sales during the period	As at September 30, 2009		Net Assets	Market Value of Total Investment	Paid-up Capital of Investee Company
						(Rupees in '000)	%		
<b>Investment banks / companies</b>									
Anf Habib Securities Limited	862,200	2,234,683		2,010,000	1,086,883	46,714	2.52	2.92	0.29
Jahangir Siddiqui Company Limited	200,000	750,000		400,000	550,000	21,076	1.14	1.32	0.07
<b>Commercial banks</b>									
Bank Alfalah Limited	-	4,603,000		3,480,000	1,123,000	14,116	0.76	0.88	0.08
BankIslami Pakistan Limited	1,814,000			1,433,074	380,926	2,400	0.13	0.15	0.07
Habib Bank Limited	-	280,000		158,500	121,500	14,907	0.80	0.93	0.01
MCB Bank Limited	295,100	1,113,808		1,037,100	371,808	82,199	4.43	5.15	0.05
National Bank of Pakistan	250,461	2,542,554		1,590,500	1,202,515	100,374	5.41	6.28	0.11
United Bank Limited	1,832,978	3,342,000		4,288,500	886,478	52,940	2.85	3.31	0.08
<b>Insurance companies</b>									
Adamjee Insurance Company Limited	175,000	210,000		385,000	-	-	-	-	-
EFU General Insurance Company Limited	-	140,000		140,000	-	-	-	-	-
<b>Textile composite</b>									
Azgard Nine Limited	691,000	690,000		1,366,000	15,000	414	0.02	0.03	0.00
Azgard Nine Limited (Non-voting shares)	807,000				807,000	20,409	1.10	1.28	0.18
Nishat Mills Limited	-	295,000		295,000	-	-	-	-	-
<b>JUTE</b>									
Thall Limited	-	281,404		-	281,404	34,728	1.87	2.17	1.32
<b>Cement</b>									
D.G. Khan Cement Company Limited	1,390,000	526,000		1,916,000	-	-	-	-	-
Fauji Cement Company Limited	-	2,225,000		2,225,000	-	-	-	-	-
Kohat Cement Company Limited	-	2,787,500		2,787,500	-	-	-	-	-
Lucky Cement Limited	1,390,000	1,208,800		2,023,000	575,800	43,150	2.33	2.70	0.18
Maple Leaf Cement Factory Limited	-	6,519,000		6,519,000	-	-	-	-	-
<b>Refinery</b>									
Attock Refinery Limited	82,000	358,400		385,000	55,400	8,913	0.48	0.56	0.06
National Refinery Limited	45,000	132,000		36,372	140,628	32,349	1.74	2.03	0.18
Pakistan Refinery Limited	33,000	323,765		356,765	-	-	-	-	-
<b>Power generation &amp; distribution</b>									
The Hub Power Company Limited	4,387,158	2,680,000		4,329,000	2,738,158	85,950	4.63	5.38	0.24
Kot Addu Power Company Limited	-	259,512		259,000	512	27	0.00	0.00	0.00
<b>Oil &amp; gas marketing</b>									
Attock Petroleum Limited	-	50,000		50,000	-	-	-	-	-
Pakistan State Oil Company Limited	579,100	516,000		879,268	215,832	67,579	3.64	4.23	0.13
<b>Oil &amp; gas exploration</b>									
Oil & Gas Development Company Limited	2,230,007	546,200		1,925,000	851,207	91,403	4.93	5.72	0.02
Pakistan Oilfields Limited	278,580	1,422,900		1,492,700	208,780	43,554	2.35	2.73	0.09
Pakistan Petroleum Limited	834,894	455,000	141,259	1,041,300	389,853	73,678	3.97	4.61	0.05
<b>Automobile assembler</b>									
Indus Motor Company Limited	93,200	136,190		92,300	137,090	24,024	1.29	1.50	0.17
Pak Suzuki Motors Company Limited	-	325,000		43,000	282,000	24,545	1.32	1.54	0.34
<b>Balance carried forward</b>					<b>12,421,774</b>	<b>885,449</b>	<b>47.72</b>	<b>55.43</b>	

# NAFA MULTI ASSET FUND

Name of the investee company	Number of shares					Market Value as at September 30, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Bonus/ Right issue	Sales during the period	As at September 30, 2009		Net Assets	Market Value of Total Investment	Paid-up Capital of Investee Company
						(Rupees in '000) -----%			
<b>Balance brought forward</b>					12,421,774	885,449	47.72	55.43	-
<b>Technology &amp; communications</b>									
Eye Television Network Limited	1,135,000	-		-	1,135,000	41,053	2.21	2.57	2.27
Netsol Technologies Limited	-	1,464,100		1,464,100	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	1,075,000		-	1,075,000	21,489.00	1.16	1.35	0.03
<b>Fertilizer</b>									
Engro Chemical Pakistan Limited	840,187	651,000		756,000	735,187	132,966	7.17	8.32	0.25
Fauji Fertilizer Bin Qasim Limited	1,350,000	2,730,000		3,730,000	350,000	8,040	0.43	0.50	0.04
Fauji Fertilizer Company Limited	9,900	288,000		9,900	288,000	29,593	1.59	1.85	0.04
<b>Paper &amp; board</b>									
Packages Limited	119,000	125,000		182,200	61,800	10,048	0.54	0.63	0.07
<b>Miscellaneous</b>									
Tri Pack Films	-			-	-	-	-	-	-
Pace (Pakistan) Limited	5,495,948	1,875,000		7,370,948	-	-	-	-	-
						<b>16,066,761</b>	<b>1,128,638</b>	<b>60.83</b>	<b>70.66</b>
<b>Carrying value as at September 30, 2009</b>						<b><u>1,033,996</u></b>			

5.1.1.1 All shares have a nominal face value of Rs 10 each.

## 5.1.2 Units of open-end mutual funds

Name of the investee company	Number of shares					Market Value as at September 30, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Bonus	Sales during the period	As at September 30, 2009		Net Assets	Market Value of Total Investment	Paid-up Capital of Investee Company
						(Rupees in '000) -----%			
NAFA Islamic Income Fund	3,891,358			3,891,358	-	-	-	-	-
						-	-	-	-
<b>Carrying value as at September 30, 2009</b>						<b><u>-</u></b>			

# NAFA MULTI ASSET FUND

## 5.1.3 Term finance certificates - listed

Name of the investee company	Number of certificates				Market Value as at September 30, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Sales during the period	As at September 30, 2009		Net Assets	Market Value of Total Investment	Issue size
					(Rupees in '000)	%		
Azgard Nine Limited	3,000	-	-	3,000	10,560	0.57	0.66	0.75
Engro Chemical Pakistan Limited	-	-	-	-	-	-	-	-
Pak Arab Fertilizer Company Limited	9,000	-	-	9,000	43,478	2.34	2.72	0.90
Saudi Pak Leasing Company Limited	10,000	-	-	10,000	32,362	1.74	2.03	6.67
United Bank Limited	5,000	-	-	5,000	22,649	1.22	1.42	0.42
				<b>27,000</b>	<b>109,049</b>	<b>5.88</b>	<b>6.83</b>	

Carrying value as at September 30, 2009

**106,406**

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

## 5.2.1 Available for sale

Name of the investee company	Number of certificates/ Bonds				Market Value as at September 30, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Sales during the period	As at September 30, 2009		Net Assets	Market Value of Total Investment	Issue size
					(Rupees in '000)	%		
<b>Term finance certificate - unlisted</b>								
Avari Hotel Limited	6,000	-	-	6,000	27,263	1.47	1.71	0.95
Engro Chemical Pakistan Limited	2,000	-	-	2,000	8,800	0.47	0.55	0.25
Pakistan Mobile Communications Limited	5,000	10,000	-	15,000	70,584	3.80	4.42	0.71
				<b>23,000</b>	<b>106,647</b>	<b>5.75</b>	<b>6.68</b>	
<b>Term finance certificate - listed</b>								
Pakistan Mobile Communications Limited	5,000	-	-	5,000	23,063	1.24	1.44	0.44
<b>Sukuk bonds</b>								
Eden Builders Limited	1,590	3,312	-	4,902	24,510	1.32	1.53	0.40
Eden Housing Limited	-	10,000	-	10,000	42,470	2.29	2.66	0.40
Engro Chemical Pakistan Limited	10,000	-	-	10,000	49,151	2.65	3.08	1.67
Maple Leaf Cement Factory Limited	3,000	14,688	-	17,688	80,480	4.34	5.04	0.19
New Allied Electronics Industries (Private) Limited (note 5.2.3)	32,000	-	-	32,000	-	-	-	1.33
Pak Electron Limited	8,000	-	-	8,000	33,318	1.80	2.09	3.33
				<b>82,590</b>	<b>229,929</b>	<b>12.39</b>	<b>14.39</b>	
				<b>110,590</b>	<b>359,639</b>			
Carrying value as at September 30, 2009					<b>358,929</b>			
Impairment losses					<b>5,719</b>			

# NAFA MULTI ASSET FUND

5.2.2 All term finance certificates and sukuk bonds have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics which have a face value of Rs 312.50 each.

5.2.3 This represents sukuk bonds with term of five years secured against the pari passu charge over present and future fixed asset of the investee company, with 25% margin and personal guarantee. 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.0.625 million was not received by the fund. The management has recognized an impairment loss of Rs.10 million till September 30, 2009 out of which Rs.5.719 million pertains to the current period. In accordance with the requirement of SECP Circular no. 01/2009 and the provisioning policy approved by the Board of Directors, the excess provision comes out to Rs.4.327 million as on September 30, 2009. The income suspended on these bonds is amounting to Rs.1.293 million.

Note	Un-audited September 30, 2009	Audited June 30, 2008
<b>6 DIVIDEND AND PROFIT RECEIVABLE</b>		
Dividend receivable on equity shares	10,060	4,499
Profit on savings and term deposits	1,128	824
Income accrued on term finance certificates and sukuk bonds	19,473	11,575
	<u>30,661</u>	<u>16,898</u>
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration	99	240
Settlement charges payable	214	131
Payable to brokers	-	16,354
Dividend payable to brokers	493	664
Others	764	746
	<u>1,570</u>	<u>18,135</u>
<b>8 Commitments</b>	-	-

## 9 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 realized or unrealized, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company has decided to distribute at least 90 percent of the Fund's accounting income for the year as reduced by capital gains (whether realized or unrealized) to its unit holders.

## 10 EARNINGS PER UNIT

Earnings per unit (EPU) for the quarter ended September 30, 2009 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

## 11 TRANSACTIONS WITH CONNECTED PERSONS

11.1 Connected persons include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being Trustee, National Bank of Pakistan, NIB Bank Limited and Alexandra Fund Management Pte. Limited being the sponsors of the Fund / Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company and employee benefit funds of the Management Company.

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



# NAFA MULTI ASSET FUND

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

	Note	Quarter Ended September 30, 2009	Quarter Ended September 30, 2008
		----- Rupees in '000 -----	
<b>11.5 Details of the transactions with connected persons are as follows:</b>			
<b>National Fullerton Asset Management Limited - Management Company</b>			
Management fee expense for the year		11,854	14,931
Front end load		702	4,367
<b>NAFA Provident Fund Trust</b>			
Units issued / transferred in (Nil units; September 30, 2008: 70,828 units)		-	800
Units redeemed / transferred out (Nil units; September 30, 2008: 159,757 units)		-	1,545
Bonus units issued (Nil units; September 30, 2008: 5,849 units )		-	65
<b>NIB Bank Limited - Sponsor</b>			
Units redeemed / transferred out (Nil units; September 30, 2008: 1,092,750 units)		-	12,724
Income on bank deposits		716	4,107
Cash dividend		-	-
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>			
Bonus units issued (Nil units; September 30, 2008: 446,763 units)		-	4,963
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration		726	849
CDS charges		199	576
<b>Employees of Management Company</b>			
Units issued / transferred in (41,418 units; September 30, 2008: Nil units)		393	-
Units redeemed / transferred out (28,001 units; September 30, 2008: Nil units)		275	-
Bonus units issued (Nil units; September 30, 2008: 1,092 units)		-	12
<b>Chief Financial Officer</b>			
Units issued / transferred in (103,368 units; September 30, 2008: Nil units)		989	-
<b>NAFA Islamic Income Fund</b>			
Units redeemed / transferred out (3,891,359 units; September 30, 2008: 7,512,417 units)		36,920	77,080
Bonus units issued (Nil units; September 30, 2008: 188,659 units)		-	1,904
Purchase of sukuk bonds		134,475	-
		<b>As at September 30,2009</b>	<b>As at June 30,2008</b>
		----- Rupees in '000 -----	
<b>Amounts outstanding as at year end</b>			
<b>National Fullerton Asset Management Limited - Management Company</b>			
Management fee payable		3,910	3,638
Others		218	536
<b>National Bank of Pakistan - Sponsor</b>			
Investment held by the sponsor in the Fund (7,500,000 units; June 30, 2009: 7,500,000 units)		73,837	64,515
Balance in current account		811	895

# NAFA MULTI ASSET FUND

	As at September 30, 2009	As at June 30, 2009
	----- Rupees in '000 -----	
<b>NIB Bank Limited - Sponsor</b>		
Balance in savings account	14,685	147,224
Profit receivable on bank deposits	2	-
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held by the sponsor in the Fund (12,203,676 units; June 30, 2009: 12,203,676 units)	120,144	104,976
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	238	227
CDS charges	214	131
Security deposit	100	100
<b>Employees of Management Company</b>		
Investment held by the executives in the Fund (68,500 units; June 30, 2009: 55,883 units)	674	481
<b>Chief Financial Officer</b>		
Investment held in the Fund ( 103,368 units; June 30, 2009: Nil Units)	1,018	-
<b>NAFA Islamic Income Fund</b>		
Investment held by the Fund (Nil units; June 30, 2009: 3,891,358 units)	-	36,606

## 12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on October 28, 2009.

## 13 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purposes of comparison and better presentation.

## 14 GENERAL

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

14.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

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

Chief Executive

Director