

NAFA MULTI ASSET FUND

NAFA MULTI ASSET FUND

**QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2010
(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 NAFAMulti Asset Fund for the period ended March 31, 2010.

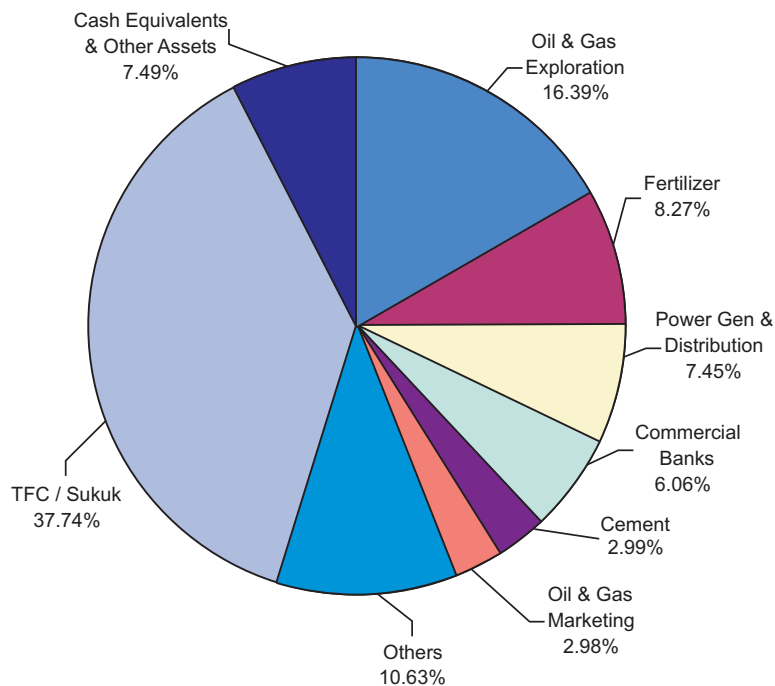
Fund's Performance

During the said period, the unit price of NAFAMulti Asset Fund has increased from Rs 8.3323 (Ex-Div) on June 30, 2009 to Rs 9.5503 on March 31, 2010, thus showing a growth of 14.62%, as compared to its Benchmark (50% KSE-30 Index, 50% 1-Month KIBOR) return of 23.52% during the same period. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 20.32% as compared to 9.86% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 10.46% (net of management fee and all other expenses) since inception. The size of NAFAMulti Asset Fund has decreased from Rs. 1,777 million to Rs. 1,058 million during the period, i.e. a decline of 40.46%.

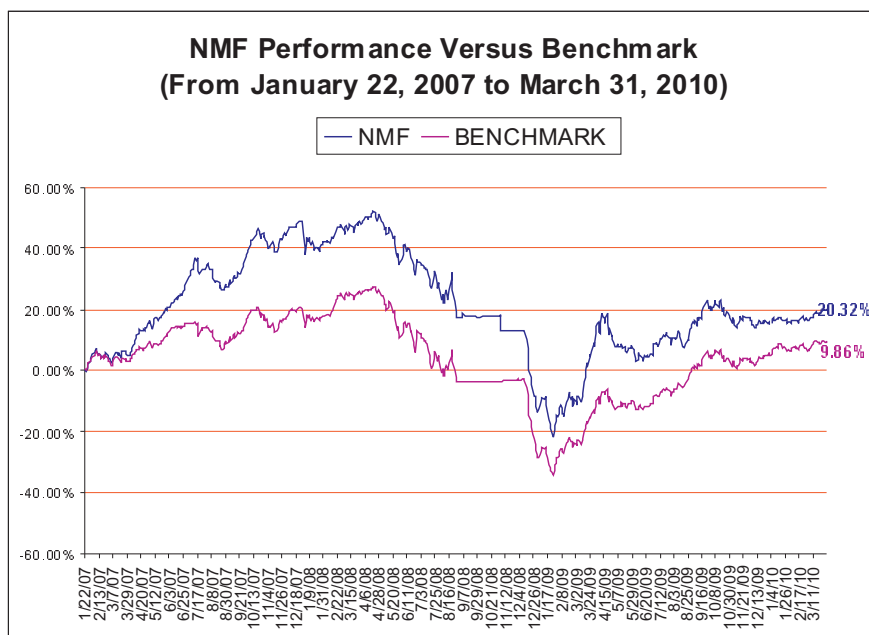
NAFAMulti Asset Fund has earned total income of Rs. 197.36 million during the period. After deducting expenses of Rs. 66.08 million, the net income is Rs. 131.28 million, translating into an earning per unit of Rs. 1.2180.

The asset allocation of the Fund as on March 31, 2010, and its performance against the KSE-30 Index are as follows:

Asset Allocation as on March 31, 2010



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 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: April 29, 2010
Place: Karachi.

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT March 31, 2010

	Note	Un-audited March 31, 2010	Audited June 30, 2009
----- Rupees in '000 -----			
ASSETS			
Balances with banks		39,273	188,357
Investments	4	979,161	1,573,961
Receivable against sale of Investments		20,354	16,473
Dividend and profit receivable	5	26,150	16,898
Advances, deposits, prepayments and other receivables		3,767	4,771
Preliminary expenses and floatation costs		903	1,278
Total assets		1,069,608	1,801,738
LIABILITIES			
Payable to National Fullerton Asset Management Limited - Management Company		2,409	4,174
Payable to Central Depository Company of Pakistan Limited - Trustee		174	227
Payable to Securities and Exchange Commission of Pakistan		934	1,815
Payable on redemption of units		229	
Payable against purchase of investments		6,040	16,354
Accrued expenses and other liabilities	6	1,442	1,781
Total liabilities		11,228	24,351
NET ASSETS		1,058,380	1,777,387
UNIT HOLDERS' FUND (As per statement attached)		1,058,380	1,777,387
CONTINGENCIES AND COMMITMENTS	7		
		Number of units	
Number of units in issue		110,821,425	206,624,557
		Rupees	
Net Asset Value per unit		9.5503	8.6020

The annexed notes 1 to 12 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

	Note	Nine months ended		Quarter ended	
		March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Rupees in '000					
INCOME					
Gain / (loss) on sale of investments		212,761	(636,442)	23,574	(561,846)
Income from Term Finance Certificates and Sukuk bonds		39,876	52,171	14,980	14,235
Income from Continuous Funding System (CFS) Transactions		-	5,102	-	-
Income from spread transactions		-	2,055	-	-
Profit on bank deposits		9,363	19,003	1,966	1,347
Dividend income		29,352	37,709	11,801	10,375
Income on clean placement		-	1,893	-	1,893
Other income		-	17	-	(303)
Unrealised appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'		15,064	40,806	9,608	897,410
Total Income		306,416	(477,686)	61,929	363,111
EXPENSES					
Remuneration of National Fullerton Asset Management Limited - Management Company		27,462	37,787	6,609	9,915
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,849	2,262	511	643
Annual fee - Securities and Exchange Commission of Pakistan		934	1,423	225	338
Securities transaction cost		10,641	3,469	1,503	1,327
Settlement and bank charges		493	981	73	372
Annual listing fee		23	23	8	8
Legal and professional charges		60	-	-	-
Auditors' remuneration		271	313	58	74
Impairment loss on investments classified as 'available for sale'		23,407	3,010	(8,741)	135
Other expenses		69	744	1	233
Printing expenses		433	1,086	255	278
Fund rating fee		62	60	36	10
Amortisation of preliminary expenses and floatation costs		375	374	122	121
Total Expenses		66,079	51,532	660	13,454
Net income / (loss) from operating activities		240,337	(529,218)	61,269	349,657
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net		(109,060)	65,652	(28,311)	49,838
Net income / (loss) for the period before taxation		131,277	(463,566)	32,958	399,495
Taxation	8	-	-	-	-
Net income / (loss) for the period after taxation		131,277	(463,566)	32,958	399,495
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)**

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	----- Rupees in '000 -----			
Net income / (loss) for the period after taxation	131,277	(463,566)	32,958	399,495
Other comprehensive income				
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	148,491	(29,180)	37,561	(15,964)
Net unrealised appreciation / (diminution) in the value of investments classified as 'available for sale'	(318)	(11,171)	(12,667)	22,149
Total comprehensive income / (loss) for the period	<u>279,450</u>	<u>(503,917)</u>	<u>57,852</u>	<u>405,680</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)**

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
----- Rupees in '000 -----				
(Accumulated loss) / undistributed income brought forward	(320,971)	313,822	(130,613)	(658,790)
Net income / (loss) for the period	131,277	(463,566)	32,958	399,495
Final distribution for the year ended June 30, 2008: 7.598%				
- Bonus units	-	(89,962)	-	-
- Cash distribution	-	(6,373)	-	-
Interim distribution for the quarter ended September 30, 2009: 1.29% (Date of distribution: October 28, 2009)				
- Bonus units	(18,316)	-	-	-
- Cash distribution	(575)	-	-	-
Interim distribution of bonus units for the half year ended December 31, 2009: 1.72% (2008 : Nil)				
Bonus distribution	(18,412)	-	(18,412)	-
Cash distribution	(763)	-	(763)	-
Other comprehensive income				
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed	148,491	(29,180)	37,561	(15,964)
(Accumulated loss) / undistributed income carried forward	<u>(79,269)</u>	<u>(275,259)</u>	<u>(79,269)</u>	<u>(275,259)</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)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	Rupees in '000			
Net assets at the beginning of the period	1,777,387	2,631,494	1,159,278	1,590,069
Issue of 15,525,434 units including 3,908,741 bonus units (2008: 46,690,126 units)	109,529	384,379	16,138	-
Redemption of 111,328,567 units (2008: 63,462,253 units)	(1,067,217)	(596,681)	(164,875)	(89,445)
	(957,688)	(212,302)	(148,737)	(89,445)
Interim distribution of bonus units for the half year ended December 31, 2009: 1.72%	18,412	-	18,412	-
Interim distribution of bonus units for the quarter ended September 30, 2009: 1.29%	18,316	-	-	-
Final distribution for the year ended June 30, 2008: 7.598%	-	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	109,060	(65,652)	28,311	(49,838)
- amount representing (income) / loss that form part of unitholders' fund - transferred to Statement of Comprehensive Income	(148,491)	29,180	(37,561)	15,964
	(39,431)	(36,472)	(9,250)	(33,874)
Net unrealised appreciation / (diminution) in the value of investments classified as 'available for sale'	(318)	(11,171)	(12,667)	22,149
Unrealised appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'	15,064	40,806	9,608	897,410
Gain / (loss) on sale of investments	212,761	(636,442)	23,574	(561,846)
Other income (net of expenses)	(96,548)	132,070	(224)	63,931
	131,277	(463,566)	32,958	399,495
Distribution:				
Interim distribution of bonus units for the half year ended December 31, 2009: 1.72% (2008 : Nil)				
Bonus distribution	(18,412)	-	(18,412)	-
Cash distribution	(763)	-	(763)	-
Interim distribution for the quarter ended September 30, 2009: 1.29% (Date of distribution: October 28, 2009)				
- Bonus units	(18,316)	-	-	-
- Cash distribution	(575)	-	-	-
Final distribution for the year ended June 30, 2008: 7.598%				
- Bonus units	-	(89,962)	-	-
- Cash distribution	-	(6,373)	-	-
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 - net	148,491	(29,180)	37,561	(15,964)
Net assets as at the end of the period	<u>1,058,380</u>	<u>1,872,430</u>	<u>1,058,380</u>	<u>1,872,430</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)**

Chief Executive

Director

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Quarterly Report

NAFA MULTI ASSET FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	----- Rupees in '000 -----			
CASH FLOW FROM OPERATING ACTIVITIES				
Net income / (loss) for the period	131,277	(463,566)	32,958	399,495
Adjustments				
Net unrealised (appreciation) / diminution in the value of investments classified as 'at fair value through profit or loss'	(15,064)	(40,806)	(9,608)	(897,410)
Amortization of preliminary expenses and floatation costs	375	374	122	121
(Gain) / loss on sale of investments - net	(212,761)	636,442	(23,574)	561,846
Impairment loss on investments classified as 'available for sale'	23,407	3,010	(8,741)	135
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	109,060	(65,652)	28,311	(49,838)
	36,294	69,802	19,468	14,349
Decrease / (increase) in assets				
Receivable against Continuous Funding System (CFS) transactions	-	453,294	-	-
Investments	798,900	(556,765)	162,972	144,358
Receivable against sale of investments	(3,881)	95,704	(20,354)	(58,776)
Advances, deposits, prepayments and other receivables	1,004	(810)	3,628	(702)
Dividend and profit receivable	(9,252)	(6,359)	(8,895)	2,557
	786,771	(14,936)	137,351	87,437
(Decrease) / increase in liabilities				
Payable to National Fullerton Asset Management Limited - Management Company	(1,765)	(23,141)	(267)	(1,458)
Payable to Central Depository Company of Pakistan Limited - Trustee	(53)	(73)	(10)	(18)
Payable to Securities and Exchange Commission of Pakistan	(881)	(696)	225	338
Payable on redemption of units	229	(17,955)	229	(4)
Payable against purchase of investments	(10,314)	31,323	5,327	(24,042)
Accrued expenses and other liabilities	(339)	(758)	104	1,160
	(13,123)	(11,300)	5,608	(24,024)
Net cash inflow / (outflow) on operating activities	809,942	43,566	162,427	77,762
CASH FLOW FROM FINANCING ACTIVITIES				
Receipts from issue of units	109,529	384,379	16,138	-
Payments on redemption of units	(1,067,217)	(596,681)	(164,875)	(89,445)
Distribution paid	(1,338)	(6,373)	(763)	-
Net cash outflow on financing activities	(959,026)	(218,675)	(149,500)	(89,445)
Net (decrease) / increase in cash and cash equivalents during the period				
	(149,084)	(175,109)	12,927	(11,683)
Cash and cash equivalents at the beginning of the period	188,357	338,104	26,346	174,678
Cash and cash equivalents as at the end of the period	39,273	162,995	39,273	162,995

The annexed notes 1 to 12 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 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Multi Asset Fund (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. The Fund offers units 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 short term performance ranking of 'Three Star' to the Fund.

2 BASIS OF PREPARATION

2.1 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'.

The directors of the asset management company declare that these condensed interim financial statements give a true and fair view of the Fund.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2009, except for the changes mentioned below:

- 3.1 IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of change in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement of financial position (referred to as the statement of assets and liabilities in these condensed interim financial statements) as at the beginning of the comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period.

The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present one performance statement. As a result non-owner changes in equity which were previously credited directly in the statement of movement in unit holders' fund and the distribution statement are now shown as other comprehensive income in the performance statement (referred to as income statement in these condensed interim financial statements). The change in presentation has not affected the values of the net assets of the Fund for either the current or any of the prior periods and hence restated statement of assets and liabilities has not been presented.

NAFA MULTI ASSET FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

3.2 The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2009:

IAS 39 (amendment) 'Financial instruments: Recognition and measurement'. The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The adoption of the amendment did not have a significant impact on the Fund's financial statements.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures, which would be detailed in the financial statements for the year ending June 30, 2010, but does not have an impact on the Fund's financial position or performance.

IAS 32 (amendment) 'Financial instruments: Presentation', and IAS 1 (amendment) 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'. The amended standards require entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. One of the particular features is that apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity. In this connection, Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 mandates the payment of 90% of the Fund's profits for the year as dividends, therefore the amendment has not changed the classification of units.

There are other standards, amendments and interpretations that were mandatory for accounting periods beginning on or after July 1, 2009 but were considered not to be relevant or did not have any significant effect on the Fund's operations.

	Note	Un-audited March 31, 2010	Audited June 30, 2009
----- Rupees in '000 -----			
4	INVESTMENTS		
4.1	Financial assets at fair value through profit or loss - held for trading		
	Equity securities - listed	4.1.1 579,723	1,228,095
	Units of open end mutual funds	4.1.2 -	36,606
	Term finance certificates - listed	4.1.3 50,583	113,918
		<u>630,306</u>	<u>1,378,619</u>
4.2	Available for sale financial assets	4.2.1	
	Term finance certificates - unlisted	163,096	58,599
	Term finance certificates - listed	24,347	24,005
	Sukuk bonds	161,412	112,738
		<u>348,855</u>	<u>195,342</u>
		<u>979,161</u>	<u>1,573,961</u>

NAFA MULTI ASSET FUND

4.1.1 Equity securities - listed

Name of the investee company	Number of shares					Market value at March 31, 2010	Investment as a %age of		
	As at July 1, 2009	Purchases during the period	Bonus / Right Issue	Sales during the period	As at March 31, 2010		Net assets	Market value of total investment	Paid up capital of investee company
						(Rupees in '000)	----- % -----		
Investment Banks / Companies									
Anf Habib Securities Limited	862,200	2,880,683	-	3,624,000	118,883	5,101	0.48	0.52	0.03
Jahangir Siddiqui Company Limited	200,000	1,680,000	-	1,760,000	-	-	-	-	-
Commercial Banks									
Allied Bank Limited	-	605,000	-	605,000	-	-	-	-	-
Bank Al-Falah Limited	-	5,613,000	-	5,613,000	-	-	-	-	-
Bank Islami Pakistan Limited	181,400	-	-	1,814,000	-	-	-	-	-
Habib Bank Limited	-	280,000	-	280,000	-	-	-	-	-
MCB Bank Limited	295,100	1,736,808	10,732	1,875,090	167,550	35,025	3.31	3.58	0.05
Meezan Bank Limited	-	90,500	4,525	95,025	95,025	1,647	0.16	0.17	0.01
National Bank of Pakistan	250,461	3,846,054	19,004	4,020,500	95,019	6,445	0.61	0.66	0.01
United Bank Limited	1,832,978	5,501,000	32,090	7,013,074	352,994	21,056	1.99	2.15	0.03
Insurance Companies									
Adamjee Insurance Company Limited	175,000	573,000	-	748,000	-	-	-	-	-
EFUG Life Insurance Company Limited	-	140,000	-	140,000	-	-	-	-	-
Textile Composite									
AMTEX Limited	-	1,458,534	-	-	1,458,534	18,961	1.79	1.94	-
Azgard Nine Limited	691,000	1,255,000	-	1,946,000	-	-	-	-	-
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	20,409	1.93	2.08	0.15
Nishat Mills Limited	-	563,000	-	437,000	126,000	7,096	0.67	0.72	0.05
Nishat Mills Limited (Right Allotment)	-	56,700	-	-	56,700	876	0.08	0.09	0.05
Jute									
Thall Limited	-	323,226	56,281	143,949	235,558	19,078	1.80	1.95	0.92
Cement									
Attock Cement Pakistan Limited	-	102,500	-	49,994	52,506	3,733	0.35	0.38	0.06
D.G. Khan Cement Company Limited	1,390,000	1,311,000	-	2,531,000	170,000	5,336	0.50	0.54	0.06
D.G. Khan Cement Company Limited Rights Allotment	-	34,000	-	-	34,000	387	-	-	-
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	2,549,800	-	3,666,800	273,000	22,192	2.10	2.27	0.08
Maple Leaf Cement Company Limited	-	6,519,000	-	6,519,000	-	-	-	-	-
Refinery									
Attock Refinery Limited	82,000	428,700	-	465,400	45,300	5,223	0.49	0.53	0.05
National Refinery Limited	45,000	244,322	-	288,000	1,322	239	0.02	0.02	0.00
Pakistan Refinery Limited	33,000	323,765	-	356,765	-	-	-	-	-
Power & Generation & Distribution									
The Hub Power Company Limited	4,387,158	6,536,000	-	8,623,224	2,299,934	78,819	7.45	8.05	0.20
Kot Addu Power Company Limited	-	599,512	-	599,512	-	-	-	-	-
Nishat Chunian Power Limited	-	500,000	-	500,000	-	-	-	-	-
Nishat Power Limited	-	500,000	-	500,000	-	-	-	-	-
Oil & Gas Marketing Companies									
Attock Petroleum Limited	-	155,200	-	132,200	23,000	8,167	0.77	0.83	0.04
Pakistan State Oil Company Limited	579,100	987,100	-	1,490,868	75,332	23,337	2.20	2.38	0.04
Balance carried forward						<u>6,487,657</u>		<u>283,127</u>	

NAFA MULTI ASSET FUND

Name of the investee company	Number of shares					Market value at March 31, 2010	Investment as a %age of			
	As at July 1, 2009	Purchases during the period	Bonus / Right Issue	Sales during the period	As at March 31, 2010		Net assets	Market value of total investment	Paid up capital of investee company	
						(Rupees in '000)	----- % -----			
Balance brought forward						6,487,667	233,127			
Oil & Gas Exploration Companies										
Oil & Gas Development Corporation Limited	2,230,007	1,991,200	-	3,608,500	612,707	79,566	7.52	8.13	0.01	
Pakistan Oilfields Limited	2,78,680	2,350,900	-	2,408,500	220,980	51,674	4.88	5.28	0.09	
Pakistan Petroleum Limited	8,34,894	1,548,400	141,259	2,308,601	215,952	42,201	3.99	4.31	0.02	
Automobile Assembler										
Al Ghazi Tractors Limited	-	64,000	-	51,056	12,944	2,758	0.26	0.28	0.03	
Indus Motor Company Limited	93,200	181,190	-	231,412	42,978	8,946	0.85	0.91	0.05	
Pak Suzuki Motor Company Limited	-	466,000	-	466,000	-	-	-	-	-	
Technology and Communications										
Eye Television Network Limited	1,135,000	-	-	677,066	457,934	12,364	1.17	1.26	0.92	
Netsol Technologies Limited	-	1,464,100	-	1,464,100	-	-	-	-	-	
Pakistan Telecommunication Company Limited	-	4,730,176	-	4,178,000	552,176	11,601	1.10	1.18	0.01	
Fertilizer										
Engro Chemicals Pakistan Limited	840,187	1,032,501	9,068	1,830,501	51,255	10,242	0.97	1.05	0.02	
Fatima Fertilizer Company Limited	-	1,558,000	-	1,557,625	375	5	-	-	-	
Fauji Fertilizer Bin Qasim Limited	1,350,000	5,390,000	-	6,400,000	340,000	10,822	1.02	1.11	0.04	
Fauji Fertilizer Company Limited	9,900	1,392,000	-	796,400	605,500	66,417	6.28	6.78	0.09	
Paper & Board										
Packages Limited	119,000	125,000	-	244,000	-	-	-	-	-	
Miscellaneous										
Tri Pack Films Limited	-	139,500	-	139,500	-	-	-	-	-	
Pace (Pakistan) Limited	5,495,948	1,875,000	-	7,370,948	-	-	-	-	-	
						<u>9,600,458</u>	<u>679,723</u>			
Carrying value before fair value adjustment as at March 31, 2010							<u>567,774</u>			

4.1.1.1 All shares have a nominal face value of Rs 10 each except shares of Thal Limited and Al Ghazi Tractors Limited which have a face value of Rs 5 each.

4.1.1.2 Investments include shares with market value of Rs 192,906 million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trade in accordance with Circular No. 11 dated October 27, 2007 issued by the Securities and Exchange Commission of Pakistan.

4.1.2 Units of open-end mutual funds

Name of the investee company	Number of shares					Market value at March 31, 2010	Investment as a %age of			
	As at July 1, 2009	Purchases during the period	Bonus / Right Issue	Sales during the period	As at March 31, 2010		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	-	-	-	-	-	
Carrying value before fair value adjustment as at March 31, 2010										

NAFA MULTI ASSET FUND

4.1.3 Term finance certificates - listed

Name of the investee company	Number of shares				Market value at March 31, 2010	Investment as a %age of		
	As at July 1, 2009	Purchases during the period	Sales during the period	As at March 31, 2010		Net assets	Market value of total investment	Issue size
					(Rupees in '000)		%	
Azgard Nine Limited	3,000	-	3,000	-	-	-	-	-
Pak Arab Fertilizer Company Limited	9,000	-	9,000	-	-	-	-	-
Saudi Pak Leasing Company Limited	10,000	-	-	10,000	27,283	2.58	2.79	6.67
United Bank Limited	5,000	-	-	5,000	23,300	2.20	2.38	0.42
				15,000	50,583			
					47,468			

Carrying value before fair value adjustment as at March 31, 2010

4.1.4 All term finance certificates have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics and Orix Leasing Pakistan Limited which have a face value of Rs 312.50 and Rs 100,000 each respectively

4.2.1 Available for sale

Name of the investee company	Number of shares				Market value at March 31, 2010	Investment as a %age of		
	As at July 1, 2009	Purchases during the period	Bonus / Right Issue	As at March 31, 2010		Net assets	Market value of total investment	Issue size
					(Rupees in '000)		%	
Term finance certificate - unlisted								
Avari Hotel Limited	6,000	-	-	6,000	28,513	2.69	2.91	0.95
Engro Chemical Pakistan Limited	2,000	-	-	2,000	8,549	0.81	0.87	0.25
Pakistan Mobile Communications Limited	5,000	10,000	-	15,000	72,375	6.84	7.39	2.14
Orix Leasing Pakistan Limited	-	600	-	600	53,659	5.07	5.48	1.20
				23,600	163,096			
Term finance certificate - listed								
Pakistan Mobile Communications Limited	5,000	-	-	5,000	24,347	2.11	2.20	0.59
Sukuk bonds								
Eden Builders Limited	1,590	3,312	-	4,902	23,780	2.25	2.43	1.23
Engro Chemical Pakistan Limited	10,000	-	8,000	2,000	9,595	0.91	0.98	3.33
Maple Leaf Cement Factory Limited (note 4.2.2)	3,000	14,688	-	17,688	70,752	6.68		1.11
New Allied Electronics Industries (Private) Limited (note 4.2.3)	32,000	-	-	32,000	-	-	-	1.11
Pak Electron Limited	8,000	-	-	8,000	24,472	2.31	2.50	3.33
Eden Housing Limited (note 4.2.4)	-	10,000	-	10,000	32,813	3.10	3.35	6.86
				74,590	161,412			
				103,190	348,855			
Carrying value before fair value adjustment as at March 31, 2010					376,861			
Impairment losses					27,688			

NAFA MULTI ASSET FUND

- 4.2.2** This represents investment in sukuk bonds with a term of six years (with two years grace period) secured against the pari passu charge over present and future fixed asset of the investee company with 25% margin. On December 3, 2009 the profit redemption of Rs 5.790 million was not received by the Fund. An impairment loss of Rs 17.688 million and income suspended amounts to Rs. 10.687 million has been recognised till March 31, 2010. The sukuk has been restructured as on March 30, 2010.
- 4.2.3** This represents investment in sukuk bonds with a term of five years secured against the pari passu charge over present and future fixed asset of the investee company with 25% margin. The principal was to be redeemed from the fifteenth month of draw down by the investee company. However, on October 24, 2008 (the scheduled redemption date) principal redemption of Rs 0.625 million was not received by the Fund. An impairment loss of the full amount of Rs 10 million has been recognised till December 31, 2009 out of which Rs 5.719 million pertains to the current period. As per SECP Circular 1 of 2009 the Fund has to make a 100% provision by the 455th day of default. However, as a matter of prudence, the Fund, in accordance with its provisioning policy, has made a full provision as on March 31, 2010. The income suspended on these sukuk bonds amounts to Rs 1.797 million.
- 4.2.4** This represents investment in privately placed sukuk bonds issue with a term of five year. On March 30, 2010 i.e. the scheduled redemption date, principal redemption of Rs 6.250 million was not received by the Fund. Therefore as a matter of prudence, the management has suspended income amounting to Rs. 15 thousand. The total amount of investments as at March 31, 2010 includes the outstanding principal amount.

	Un-audited March 31, 2010	Audited June 30, 2009
	----- Rupees in '000 -----	
5 DIVIDEND AND PROFIT RECEIVABLE		
Dividend receivable on equity shares	10,608	4,499
Profit on savings and term deposits	691	824
Income accrued on Term Finance Certificates and Sukuk Bonds	27,350	12,583
Less suspended income	(12,499)	(1,008)
	14,851	11,575
6 ACCRUED EXPENSES AND OTHER LIABILITIES	26,150	16,898
Auditors' remuneration	158	240
Settlement charges payable	37	131
Payable to brokers	-	-
Dividend payable to brokers	493	664
Others	754	746
	1,442	1,781
7 CONTINGENCIES AND COMMITMENTS		

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of "industrial establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it can be construed that all Collective Investment Schemes (CISs) whose income exceeds Rs 0.5 million in a tax year are brought within the purview of the WWF Ordinance, thus rendering them liable to pay contribution to the WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In case of the Fund, such contribution works out to Rs 2.626 million for the period ended March 31, 2009. However, the final contribution amount will be based on the income earned by the Fund for the year ending June 30, 2010.

To avoid any claim in this regard by the relevant authorities, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable High Court of Sindh in December 2009. The main grounds of the said petition are that since CIS do not have any workers or employees and they are run and managed by the Asset Managers, the WWF Ordinance is not applicable to them. The said petition has not been heard yet.

The Management Company and the MUFAP's legal counsel are strongly of the opinion that the said petition will succeed and, accordingly, no provision for any liability that may arise in this respect has been made in these condensed interim financial statements of the Fund.

There were no other contingencies and commitments outstanding as at March 31, 2010 and June 30, 2009.

8 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 realised or unrealized, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2010 as reduced by capital gains (whether realised or unrealized) to its unit holders.

NAFA MULTI ASSET FUND

9 EARNINGS PER UNIT

Earnings per unit (EPU) for the nine months and quarter ended March 31, 2010 has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

10 TRANSACTIONSWITHCONNECTEDPERSONS

10.1 Connected persons include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the 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 the directors and officers of the Management Company.

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

10.3 Transactions during the period

	(Un-audited)			
	Half year ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	Rupees in '000			
National Fullerton Asset Management Limited - Management Company				
Management fee expense for the period	27,462	37,787	6,609	9,915
Frontend load	1,402	4,637	200	243
National Bank of Pakistan - Sponsor				
Cash dividend paid	1,328	3,166	759	-
Units redeemed (3,089,248 units; 2009: Nil units)	30,000	-	-	-
NIB Bank Limited - Sponsor				
Cash dividend paid	-	3,166	-	-
Income from bank deposits	1,674	4,919	313	346
Alexandra Fund Management Pte. Limited - Sponsor				
Bonus Units Issued (395,051 units; 2009: 446,763 units)	2,266	-	692	-
Company Secretary / CFO				
Units issued / Transfer in (1,03,368 units; 2009: Nil units)	989	-	-	-
Units redeemed / Transfer out (1,03,368 units; 2009: Nil units)	1,030	-	-	-
NAFA Provident Fund				
Bonus units issued (Nil Units; 2009: 5,849 units)	-	-	-	-
Units redeemed / transferred out (Nil units; 2009: 1,59,757 units)	-	1,545	-	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	1,849	2,262	511	643
CDS charges	335	778	36	278
Employees of Management Company				
Units issued / Transfer in (238,358 units; 2009: 96,841 units)	2,232	782	132	697
Units redeemed / Transfer out (281,435 units; 2009: 87,231 units)	2,681	732	1,918	659
Bonus units issued (4,268 units; 2008: 1,250 units)	16	-	12	-
NAFA Cash Fund				
Bonus units received (Nil Units; 2009: 1,962,029 units)	-	-	-	-
Units issued / Transferred in (Nil units; 2008: 20,752,095 units)	-	215,000	-	-
Units redeemed / Transferred out (Nil units; 2008: 37,825,333 units)	-	409,170	-	106,690
TF C's purchased	56,595	-	-	-
NAFA Income Fund				
Bonus units issued (Nil Units; 2009: 346,629 units)	-	-	-	-
Units issued / Transferred in (Nil units; 2009: 8,708,694 units)	-	90,000	-	-
Units redeemed / Transferred out (Nil units; 2009: 14,574,359 units)	-	140,046	-	28,644
TF C's purchased	-	175,000	-	-
NAFA Islamic Income Fund				
Bonus units issued (Nil Units; 2009: 361,424 units)	-	-	-	-
Units issued / transferred in (Nil units; 2009: 6,737,137 units)	-	70,000	-	-
Units redeemed / transferred out (Nil Units; 2008: 8,918,819 units)	-	89,864	-	12,784
Purchase of sukuk bonds	134,475	-	-	-

NAFA MULTI ASSET FUND

	Un-audited March 31, 2010	Audited June 30, 2009
	----- Rupees in '000 -----	
10.4 Balances outstanding as at period / year end		
National Fullerton Asset Management Limited - Management Company		
Management fee payable	2,245	3,638
Others	164	536
National Bank of Pakistan - Sponsor		
Investment held by the Sponsor in the Fund (4,410,752 units; June 30, 2009: 7,500,000 units)	42,124	64,515
Balance in current account	1,063	895
NIB Bank Ltd. - Sponsor		
Balance in saving account	4,343	147,224
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund (12,598,728 units; June 30, 2009: 12,203,676 units)	120,322	104,976
Profit payable by the Fund on pre-IPO investment	-	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	174	227
CDC charges payable	11	131
Security deposit	100	100
Employees of Management Company		
Investment held in the Fund (12,841 units; June 30, 2009: 55,883 units)	123	481
NAFA Islamic Income Fund		
Investment held by the Fund (Nil units; 2009: 3,891,358 units)	-	36,606

11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Management Company on April 29, 2010.

12 GENERAL

- 12.1** Figures have been rounded off to the nearest thousand rupees, except where otherwise stated.
- 12.2** 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.
- 12.3** Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison. There were no significant rearrangements or reclassifications except as required because of the change in accounting policy as more fully explained in note 3.1 to these condensed interim financial statements.

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

Chief Executive

Director