

# NAFA Multi Asset Fund

## 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

## FUNDS' INFORMATION

### Management Company

NBP Fullerton Asset Management Limited - Management Company  
(Formerly National Fullerton Asset Management Limited)

### Board of Directors of the Management Company

Mr. Qamar Hussain	Chairman
Mr. Shahid Anwar Khan	Director
Mr. Gerard Lee How Cheng	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shehryar Farooque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Amjad Waheed	Chief Executive Officer

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Gerard Lee How Cheng	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Shehryar Farooque	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  
Atlas Bank Ltd.  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
KASB Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Saudi Pak Commercial Bank  
Soneri Bank Limited  
Standard Chartered Bank (PAK) Ltd.  
The Bank of Punjab  
United Bank Ltd.

# NAFA Multi Asset Fund

**Auditors**

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

**Legal Advisor**

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

**Head Office**

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

**Lahore Office :**

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Gulberg 3, Lahore.  
Uan: 042-111-111-632  
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Uan : 051-111-111-632 Phone : 051-2514987  
Fax: 051-4859031

**Peshawar Office:**

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

**Multan Office:**

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

# NAFA Multi Asset Fund

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# NAFA Multi Asset Fund

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited (formerly: National Fullerton Asset Management Limited) is pleased to present the Fourth Annual Report of **NAFA Multi Asset Fund** for the year ended June 30, 2010.

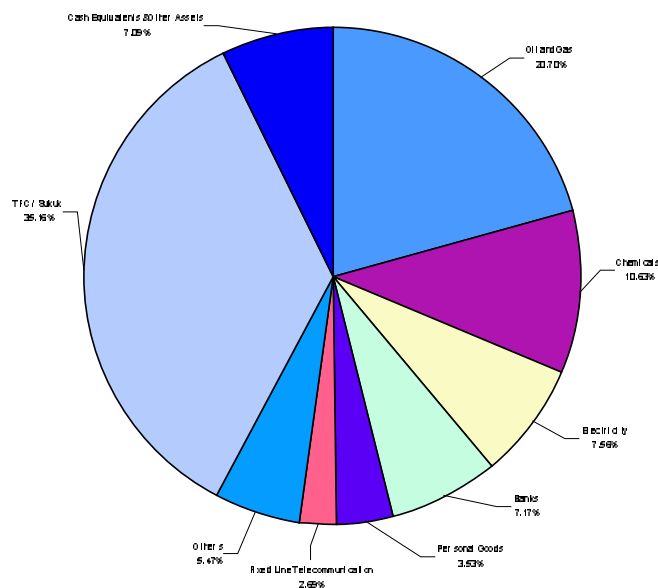
### Fund's Performance

During the FY 2009-10, the stock market (KSE-30 Index) rose by 26% from 7,571 points as at June 30, 2009 to 9,557 points as at June 30, 2010. However, investors' interest in the share market remained subdued due to the overall macro-economic conditions and the tight liquidity situation. Higher than normal interest rate and inflation, excessive government borrowing, rising circular debt, widening fiscal deficit and ongoing war on terror has impacted various industrial sectors. Consequently, several TFCs/ Sukuks had to be re-scheduled during the year. The depressed TFC prices have resulted in the yield to maturity on the TFC portfolio in the Fund rising to an attractive 23.17% per annum.

During the fiscal year, the return on NAFA Multi Asset Fund was 12.38% as against its benchmark (50% KSE-30 Index, 50% 1-Month KIBOR) return 19.83%. The key factor for the underperformance of the Fund was due to decline in TFC portfolio of the Fund as a result of depressed TFC prices. Moreover, some of the stock holdings in the Portfolio did not perform in line with the market. However, in the second half of FY 2009-10, the Fund has out-performed its benchmark by 0.95%. Since launch (January 22, 2007), the Fund has risen by 17.97%, whereas the benchmark has risen by 5.79%. Thus, the Fund has out-performed its benchmark by 12.18%.

NAFA Multi Asset Fund has earned a total income of Rs.182.91 million during the year. After deducting total expenses of Rs.98.10 million, the net income is Rs.84.81 million. During the year, the unit price of NAFA Multi Asset Fund has increased from Rs.8.3323 on June 30, 2009 (Ex-Div) to Rs.9.3640 on June 30, 2010. The resultant per unit gain is Rs.1.0317.

The asset allocation of NAFA Multi Asset Fund as on June 30, 2010 is as follows:



# NAFA Multi Asset Fund

## Income Distribution

In addition to interim distribution of 3.01%, the Board of Directors of the Management Company has also approved a final distribution of 3.656%, translating into a total distribution of 7.75% of opening ex-NAV (6.66% of the par value). After final distribution, the net asset value per unit will be Rs.8.9984 on June 30, 2010.

## Taxation

As the above distribution is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

## Auditors

The present auditors, Messrs A. F. Ferguson & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment.

## Directors' Statement in Compliance with Code of Corporate Governance

1. The financial statements, prepared by the management company of NAFA Multi Asset Fund, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of NAFA Multi Asset Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon NAFA Multi Asset Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held five meetings during the current financial year. The attendance of all directors is disclosed in the note 24 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 23 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 20 to these financial statements.

# 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 Trustees.

On behalf of the Board of  
NBP Fullerton Asset Management Limited  
(formerly: National Fullerton Asset Management Limited)

Qamar Hussain  
Chairman

Dr. Amjad Waheed, CFA  
Chief Executive

Date: August 25, 2010  
Place: Karachi.

# NAFA Multi Asset Fund

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

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

In our opinion, the management company has in all material respects managed the Fund during the year ended June 30, 2009 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the management company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the Requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited  
Karachi

September 06, 2010



# NAFA Multi Asset Fund

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2010

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of Listing Regulations of the Lahore Stock Exchange for the purpose of establishing a framework of good Governance, whereby a listed Company is managed in compliance with the best practice of corporate governance.

NAFA Multi Asset Fund (the Fund) is an open end mutual fund and is listed at the Lahore Stock Exchange. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary of NAFA and other necessary personnel to manage its affairs.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the Board consists of six non-executive directors including two independent directors. The Management Company is not listed on any stock exchange and therefore does not have minority interest.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies occurred during the year in the Board of the Management Company due to resignation of Syed Naseer ul Hassan and Mr. Raymond H. Kotwal were filled by Mr. Kamal Amir Chinoy and Mr. Shehryar Faruque on May 17, 2010.
5. The Management Company has adopted a “Code of Business Ethics and Business Practices”, which has been acknowledged by all the directors and distributed to employees of the Management Company.
6. The Board has developed a vision/mission statement overall corporate strategy and significant policies of the Fund. A complete record of the particulars along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, have been taken by the Board.

# NAFA Multi Asset Fund

8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter during the year. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. The related party transactions have been placed before the Audit Committee and approved by the Board of Directors with necessary justification for non arm's length transactions if any, and pricing methods for transactions that were made on terms equivalent to those that prevail in the arm's length transactions only if such terms can be substantiated.
10. All the members of Board are well aware of operations of the Fund and Management Company, therefore no orientation courses were arranged during the year.
11. The Board has approved the appointment of Head of Internal Audit and his terms of employment.
12. Directors' Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
14. The Directors, CEO and Executives do not hold units of the Fund other than those disclosed in note 20 to the financial statements "Transactions with Connected Persons".
15. The Management Company has complied with the corporate and financial reporting requirements of the Code with respect to the Fund.
16. The Board has formed an Audit Committee. It comprises three members, all of whom are non-executive directors including the chairman of the Committee.
17. The meetings of the Audit Committee were held at least once every quarter prior to approval of the interim and final results of the Fund as required by the Code. Terms of Reference of the Audit Committee have been prepared and advised to the Committee for compliance.
18. There exists an effective internal audit function within the Management Company. The Management Company has appointed the Head of Internal Audit, who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Fund.
19. The Statutory Auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.

# NAFA Multi Asset Fund

20. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. We confirm that all other material principles contained in the Code have been complied with.

Dated: September 14, 2010  
Karachi

Dr. Amjad Waheed, CFA  
Chief Executive Officer

# NAFA Multi Asset Fund

## Fund Manager Report

NAFA Multi Asset Fund (NMF) is an open-end balanced scheme.

## Investment Objective of the Fund

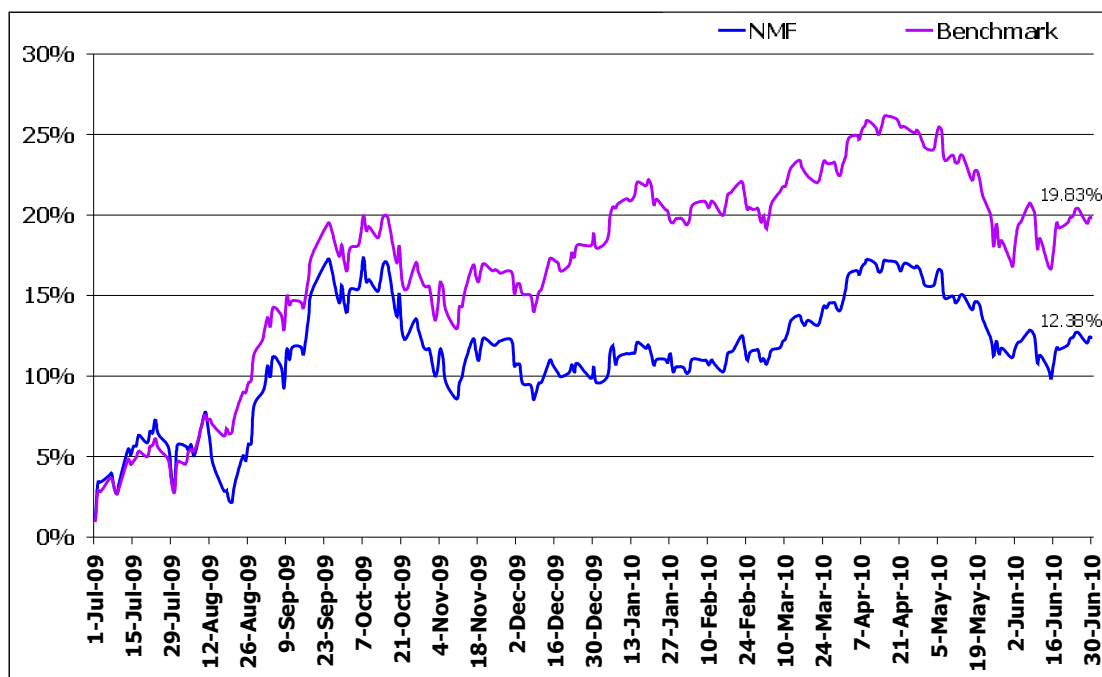
Objective of NMF is to provide investors with a combination of capital growth and income by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc. Thus main investment classes for the Fund are Equity and Fixed Income asset classes with a maximum range of 70% in any asset classes at a point in time. The risk profile of the fund is moderate.

## Benchmark

50% 1-Month KIBOR and 50% KSE-30 Index

## Fund Performance Review

During the year under review, the Benchmark, 50% KSE-30 Index and 50% 1-month KIBOR, increased by 19.83%, whereas NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) increased by 12.38%, thus an under-performance of 7.45% was recorded. Key factor for the under-performance of the Fund was depressed prices of TFCs/Sukuks in the portfolio. Also, some of the stock holdings in the portfolio lagged the market. Since inception on January 22, 2007 NMF has increased by 17.97%, while the Benchmark has increased by 5.79%. Thus, to-date the out-performance of NMF stands at 12.18%. Thereby, NMF has met its investment objective over the long-term. The Chart below shows the performance of NMF against the benchmark for the year:



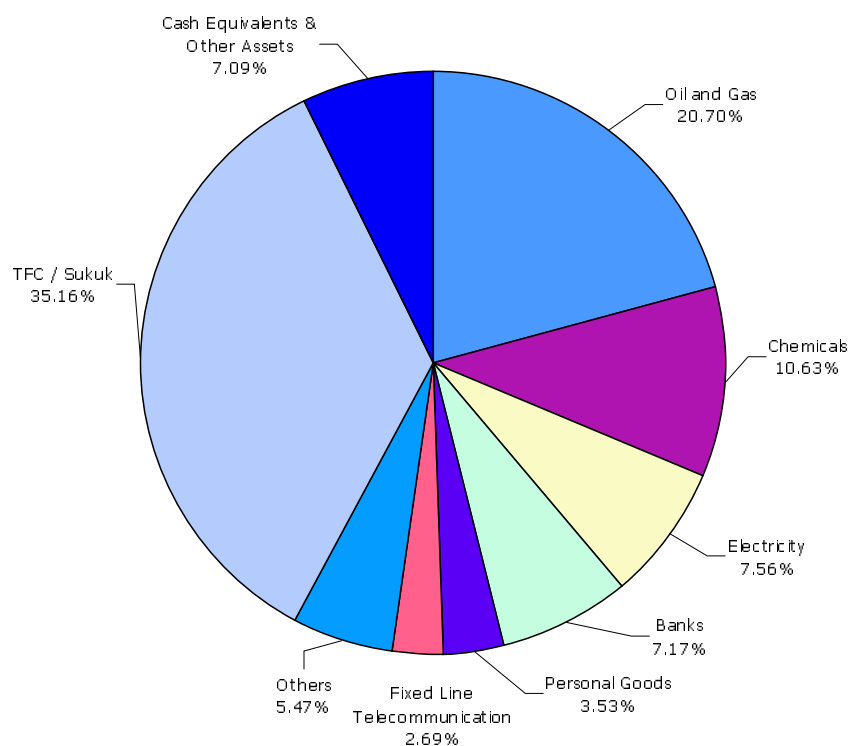
# NAFA Multi Asset Fund

The year started with allocation in equities at 69%. During the year, we remained over weight in equities during most of the time. However, we reduced allocation in equities below the market weight during the year based on our view on the stock market. At the end of the year NMF was invested in equities at around 58%.

The stock market portrayed an improved picture during FY10 and overall during the year the KSE-30 Index gained by 26.22%. This resulted from the combined effect of significant foreign portfolio inflows at around US\$568 million, improved corporate earnings growth at 18%, improvement in the GDP growth rate, build-up in the country's forex reserves as well as stability in the exchange rate, and improvement in the external account.

Activity in the TFC/Sukuk market remained lackluster throughout the year. The slowdown in construction sector coupled with price wars and overcapacity led to restructuring of Maple Leaf Cement Limited Sukuk in NMF. We have already provided for 30% of the value of Maple Leaf Cement Limited Sukuk which is now regular on its payments. During FY10 Eden Housing Limited Sukuk became non-performing. However, subsequent to June 30, 2010 the company made the due payment and the issue has been regularized. The weighted average Yield-to-Maturity of the TFC/Sukuk portfolio of NMF is around 23.17% per annum. Since the above Sukuks has been rescheduled, in due course of time we may see reversal of some of the provisioning, which may help increase the NAV per unit of the Fund.

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. NAFA Multi Asset Fund does not have any soft commission arrangement with any broker in the industry.



# NAFA Multi Asset Fund

## Income Distribution for the Financial Year 2010

Interim Periods / Quarters	Dividend % of Par Value	Cumulative Dividend Price Per Unit (Rs.)	Ex-Dividend Price Per Unit (Rs.)
July 01 - Sep 30, 09	1.29%	9.7111	9.5821
Oct 01 - Dec 31, 09	1.72%	9.3907	9.2187
Apr 01 - June 30, 10	3.656%	9.3640	8.9984

## Pattern of Unit Holders for NAFA Multi Asset Fund As on June 30, 2010

Size of Unit Holding (Units)	No. of Unit Holders
1	154
1,001	265
5,001	123
10,001	232
50,001	34
100,001	49
500,001	9
1,000,001	7
5,000,001	2
10,000,001	3

**Total:** 878

# NAFA Multi Asset Fund

## REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **NBP Fullerton Asset Management Limited** (Formerly National Fullerton Asset Management Limited) (the Management Company) of **NAFA Multi Asset Fund** to comply with the Listing Regulation No. 35 (Chapter XI) of The Lahore Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Sub-Regulation (xiii a) of Listing Regulation No. 35 notified by The Lahore Stock Exchange (Guarantee) Limited requires the Management Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2010.

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: September 15, 2010

# NAFA Multi Asset Fund

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of **NAFA Multi Asset Fund**, which comprise the statement of assets and liabilities as at June 30, 2010, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management Company's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the financial position of NAFA Multi Asset Fund as of June 30, 2010 and of its financial performance and cash flows for the year ended June 30, 2010 in accordance with approved accounting standards as applicable in Pakistan.

### Other matters

In our opinion, the financial statements have been prepared in all material respects in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

A.F. Ferguson & Co.  
Chartered Accountants  
Engagement Partner: Rashid A. Jafer  
Dated: September 15, 2010  
Karachi.



# NAFA Multi Asset Fund

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2010

	Note	2010	2009
-----Rupees in '000-----			
<b>ASSETS</b>			
Balances with banks	4	60,338	188,357
Receivable against sale of investments		-	16,473
Investments	5	925,403	1,573,961
Dividend and profit receivable	6	13,376	16,898
Advances, deposits, prepayments and other receivables	7	3,641	4,771
Preliminary expenses and floatation costs	8	778	1,278
<b>Total assets</b>		<b>1,003,536</b>	<b>1,801,738</b>
<b>LIABILITIES</b>			
Payable to the Management Company	9	2,341	4,174
Payable to the Trustee	10	164	227
Payable to Securities and Exchange Commission of Pakistan	11	1,153	1,815
Accrued expenses and other liabilities	12	3,897	18,135
<b>Total liabilities</b>		<b>7,555</b>	<b>24,351</b>
<b>NET ASSETS</b>		<b>995,981</b>	<b>1,777,387</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>995,981</b>	<b>1,777,387</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
-----Number of units-----			
<b>Number of units in issue</b>		<b>106,362,408</b>	<b>206,624,557</b>
-----Rupees-----			
<b>NET ASSET VALUE PER UNIT</b>	14	<b>9.3640</b>	<b>8.6020</b>

The annexed notes 1 to 31 form an integral part of these financial statements.

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

Chief Executive

Chairman

# NAFA Multi Asset Fund

## INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
-----Rupees in '000-----			
<b>INCOME</b>			
Capital gain / (loss) on sale of investments - net		216,721	(574,707)
Income from term finance certificates and sukuk bonds		56,747	64,524
Income from government securities		1,508	-
Income from Continuous Funding System (CFS) transactions		-	5,102
Income from spread transactions		-	1,994
Dividend income		33,686	52,326
Profit on bank deposits		11,979	30,670
Unrealised diminution in the value of investments 'at fair value through profit or loss' - net	5.3	(19,506)	(87,899)
		<u>301,135</u>	<u>(507,990)</u>
<b>EXPENSES</b>			
Remuneration of the Management Company	9.1	33,919	49,319
Remuneration of the Trustee	10.1	2,356	2,973
Annual fee - Securities and Exchange Commission of Pakistan	11.1	1,153	1,815
Securities transaction cost		11,456	5,702
Settlement and bank charges		680	2,199
Annual listing fee		30	30
Legal and professional charges		170	-
Auditors' remuneration	15	373	345
Printing charges		396	761
Fund's rating fee		100	60
Other expenses		68	70
Impairment loss on investments classified as available for sale	5.5	45,161	4,281
Amortisation of preliminary expenses and floatation costs	8	500	500
		<u>96,362</u>	<u>68,055</u>
<b>Net income / (loss) from operating activities</b>		<u>204,773</u>	<u>(576,045)</u>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		(118,225)	35,523
Provision for Workers' Welfare Fund	16	(1,734)	-
<b>Net income/ (loss) for the year before taxation</b>		<u>84,814</u>	<u>(540,522)</u>
Taxation	17	-	-
<b>Net income / (loss) for the year after taxation</b>		<u>84,814</u>	<u>(540,522)</u>
<b>Earnings per unit</b>	18		

The annexed notes 1 to 31 form an integral part of these financial statements.

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

Chief Executive

Chairman

# NAFA Multi Asset Fund

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
		-----Rupees in '000-----	
Net income / (loss) for the year after taxation		84,814	(540,522)
<b>Other comprehensive income :</b>			
Net unrealised appreciation / (diminution) in the market value of investments classified as 'available for sale'	5.4	16,598	(12,237)
Total comprehensive income / (loss) for the year		<u>101,412</u>	<u>(552,759)</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Formerly National Fullerton Asset Management Limited)  
(Management Company)

Chief Executive

Chairman

# NAFA Multi Asset Fund

## DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

	2010	2009
	-----Rupees in '000-----	
(Accumulated loss) / undistributed income brought forward	(320,971)	313,822
Distribution:		
Final distribution for the year ended June 30, 2009: Nil (2008: 7.598%)		
- Bonus units	-	(89,962)
- Cash distribution	-	(6,373)
Interim distribution for the quarter ended September 30, 2009: 1.29% (2008: Nil) (Date of distribution: October 28, 2009)		
- Bonus units	(18,316)	-
- Cash distribution	(575)	-
Interim distribution for the quarter ended December 31, 2009: 1.72% (2008 : Nil) (Date of distribution: February 17, 2010)		
- Bonus distribution	(18,412)	-
- Cash distribution	(763)	-
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing income that form part of the unit holders' fund	160,229	2,064
Net income / (loss) for the year	84,814	(540,522)
Accumulated loss carried forward	<u>(113,994)</u>	<u>(320,971)</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

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

Chief Executive

Chairman

# NAFA Multi Asset Fund

## STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2010

	2010	2009
	-----Rupees in '000-----	
Net assets at the beginning of the year	1,777,387	2,631,494
Issue of 16,351,279 units including 3,908,741 bonus units (2009: 51,927,326 units including 8,098,898 bonus units)	117,494	430,873
Redemption of 116,613,428 units (2009: 73,532,349 units)	(1,117,199) (999,705)	(690,325) (259,452)
Final distribution (bonus) for the year ended June 30, 2009: Nil (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 loss / (income) and capital losses / (gains) - transferred to Income Statement	118,225	(35,523)
- amount representing income that form part of the unit holders' fund - transferred to Distribution Statement	(160,229) (42,004)	(2,064) (37,587)
Net unrealised appreciation / (diminution) in the market value of investments classified as 'available for sale' - note 5.4	16,598	(12,237)
Capital gain / (loss) on sale of investments	216,721	(574,707)
Unrealised diminution in the value of investments 'at fair value through profit or loss' - net	(19,506)	(87,899)
Other net (loss) / income for the year	(112,401)	122,084
Distribution:		
Final distribution for the year ended June 30, 2009: Nil (2008: 7.598%)		
- Bonus units	-	(89,962)
- Cash distribution	-	(6,373)
Interim distribution for the quarter ended September 30, 2009: 1.29% (2008: Nil) (Date of distribution: October 28, 2009)		
- Bonus units	(18,316)	-
- Cash distribution	(575)	-
Interim distribution for the quarter ended December 31, 2009: 1.72% (2008 : Nil) (Date of distribution: February 17, 2010)		
- Bonus units	(18,412)	-
- Cash distribution	(763)	-
	46,748	(636,857)
Interim distribution: Issue of bonus units	36,728	-
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing income that form part of the unit holders' fund	160,229	2,064
<b>Net assets at the end of the year</b>	995,981	1,777,387

The annexed notes 1 to 31 form an integral part of these financial statements.

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

Chief Executive

Chairman

# NAFA Multi Asset Fund

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
-----Rupees in '000-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the year before taxation		84,814	(540,522)
<b>Adjustments :</b>			
Unrealised diminution in the value of investments 'at fair value through profit or loss' - net		19,506	87,899
Amortisation of preliminary expenses and floatation costs		500	500
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed		118,225	(35,523)
		<u>223,045</u>	<u>(487,646)</u>
<b>Decrease / (increase) in assets</b>			
Receivable against sale of investments		16,473	138,007
Investments		645,650	38,320
Receivable against Continuous Funding System (CFS) transactions		-	453,294
Dividend and profit receivable		3,522	6,161
Advances, deposits, prepayments and other receivables		1,130	(686)
		<u>666,775</u>	<u>635,096</u>
<b>(Decrease) / increase in liabilities</b>			
Payable to the Management Company		(1,833)	(22,783)
Payable to the Trustee		(63)	(75)
Payable to Securities and Exchange Commission of Pakistan		(662)	(304)
Accrued expenses and other liabilities		(14,238)	9,781
		<u>(16,796)</u>	<u>(13,381)</u>
<b>Net cash inflow from operating activities</b>		<u>873,024</u>	<u>134,069</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from issue of units		117,494	430,873
Payments on redemption of units		(1,117,199)	(708,316)
Distributions paid		(1,338)	(6,373)
<b>Net cash outflow on financing activities</b>		<u>(1,001,043)</u>	<u>(283,816)</u>
<b>Net decrease in cash and cash equivalents during the year</b>		<u>(128,019)</u>	<u>(149,747)</u>
Cash and cash equivalents at the beginning of the year		188,357	338,104
<b>Cash and cash equivalents at the end of the year</b>	4	<u><u>60,338</u></u>	<u><u>188,357</u></u>

The annexed notes 1 to 31 form an integral part of these financial statements.

**For NBP Fullerton Asset Management Limited  
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# NAFA Multi Asset Fund

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Multi Asset Fund (NMF, the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (Formerly National Fullerton Asset Management Limited) 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).

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 SECP. The registered office of the Management Company is situated at 9th Floor, Adamjee House, I.I. Chundigarh Road, Karachi.

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 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 year ended June 30, 2009, it has been assigned short term performance ranking of '3 star'.

### 2 BASIS OF PREPARATION

#### 2.1 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 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.

#### 2.2 Change in accounting policy and disclosure arising from standards, interpretations and amendments to published approved accounting standards that are effective in the current year:

International Accounting Standard 1 (IAS 1) Revised, 'Presentation of Financial statements' (effective from January 1, 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes 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 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 the comparative period.

The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present two performance statements. As a result non-owner changes in equity which were previously credited directly in the statement of movement in unit holders' fund are now shown as other comprehensive income in the performance statement (referred to as statement of comprehensive income in these 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. The adoption of this standard has resulted in increase in certain disclosures.

# NAFA Multi Asset Fund

## 2.3 Other standards, interpretations and amendments to published approved accounting standards that are effective in the current year:

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

- (a) 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 this amendment did not have a significant impact on the Fund's financial statements.
- (b) IFRS 7 (Amendment), 'Financial Instruments: Disclosure'. 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 fair value measurement hierarchy. The adoption of this amendment has resulted in additional disclosures but did not have an impact on the Fund's financial position or performance.
- (c) 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. In this connection regulation 63 of the NBFC Regulations mandates the payment of 90% of the Fund's income for the year as distributions, therefore the amendment has not changed the classification of units in the financial statements.
- (d) IAS 38 (Amendment), 'Intangible assets' (effective from January 1, 2009). The amended standard states that a prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access of goods or receipt of services. This amendment is not expected to have a significant effect on the Fund's financial statements.

There are other standards, interpretations and amendments 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 and are, therefore, not disclosed in these financial statements.

## 2.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Fund's accounting periods beginning on or after July 1, 2010:

- (a) IAS 7 (Amendment), 'Statement of Cash Flows' (effective from January 1, 2010). The amendment requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities. The amendment is not expected to have any impact on the Fund's financial statements.
- (b) IAS 24 related party Disclosures (revised) (effective from January 01, 2011). The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party.

There are certain other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2010 but are considered not to be relevant or to have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

## 2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to:

- i) Classification and valuation of financial assets (note 3.1 and note 5)
- ii) Amortisation of preliminary expenses and floatation cost (note 3.7 and note 8)

## 2.6 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been marked to market and carried at fair value in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement'.

## 2.7 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.



# NAFA Multi Asset Fund

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except as explained in note 2.2 to the financial statements.

### 3.1 Financial assets

#### 3.1.1 Classification

The Fund classifies its financial assets in the following categories: at fair value through profit or loss, available for sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

##### a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short term profit making exists.

##### b) Available for sale

These are non-derivative financial assets that are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices. These include financial assets that are either designated in this category or not classified in any other category.

##### c) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

#### 3.1.2 Regular way contracts

All regular purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

#### 3.1.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

#### 3.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale are valued as follows:

##### a) Basis of valuation of debt securities

Investment in term finance certificates and sukuk are valued in accordance with the methodology for valuation of debt securities prescribed in the SECP's circular no. 1/2009 dated January 06, 2009. Under the said directive, investment in term finance certificates and sukuk are valued on the basis of traded, thinly traded and non traded securities. Accordingly, investment in debt securities have been valued at the rates determined and announced by MUFAP based on the methodology prescribed in the circular.

##### b) Basis of valuation of Government Securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

##### c) Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to income statement.

Net gains and losses arising on changes in fair value of available for sale financial assets are taken to 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in 'statement of comprehensive income' is transferred to the 'income statement'.

# NAFA Multi Asset Fund

Loans and receivables are carried at amortised cost using effective interest method.

Gain or loss is also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired and through amortisation process.

## 3.1.5 Impairment

The carrying value of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Provision for non-performing debt securities is made in accordance with the criteria for provision of non-performing debt securities specified in Circular No. 1 dated January 06, 2009 and Circular No. 13 dated May 4, 2009 issued by the SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

## 3.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

## 3.1.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

## 3.2 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

## 3.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

## 3.4 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the Statement of Assets and Liabilities. Amount paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

All reverse repo transactions are accounted for on the settlement date.

## 3.5 Spread transactions (Ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in the ready market is classified as "Investment at fair value through profit or loss" and carried on the statement of assets and liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the income statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the income statement.

## 3.6 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

## 3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund.

# NAFA Multi Asset Fund

## 3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the Net Asset Value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company, investment facilitators or distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the Net Asset Value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

## 3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) that form part of the Unit Holders' Funds in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the income statement.

## 3.10 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

## 3.11 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders.

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.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

## 3.12 Proposed distributions

Distributions declared subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

## 3.13 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Dividend income is recognised when the right to receive the dividend is established.
- Income on term finance certificates, sukuk bonds and commercial papers is recognised on an accrual basis.
- Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit on bank deposits is recognised on an accrual basis.

# NAFA Multi Asset Fund

## 3.14 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the income statement within the fair value net gain or loss.

	Note	June 30, 2010	June 30, 2009
-----Rupees in '000-----			
<b>4</b>	<b>BALANCES WITH BANKS</b>		
	Current accounts	5,225	895
	Savings accounts	55,113	187,462
		<u>60,338</u>	<u>188,357</u>
<b>5</b>	<b>INVESTMENTS</b>		
<b>5.1</b>	<b>At fair value through profit or loss - held for trading</b>		
	Equity securities - listed	575,212	1,228,095
	Units of open end mutual fund	-	36,606
	Term finance certificates - listed	51,031	113,918
		<u>626,243</u>	<u>1,378,619</u>
<b>5.2</b>	<b>Available for sale</b>		
	Term finance certificates - listed	21,625	24,005
	Term finance certificates - unlisted	128,165	58,599
	Sukuk bonds	149,370	112,738
		<u>299,160</u>	<u>195,342</u>
		<u>925,403</u>	<u>1,573,961</u>

# NAFA Multi Asset Fund

## 5.1.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at June 30, 2010	Investment as a percentage of		
	As at July 1, 2009	Purchases during the year	Bonus / Right issue	Sales during the year	As at June 30, 2010		Net Assets	Market Value of Total Investment	Paid-up Capital of Investee
(Rupees in '000)-----%									
<b>Oil &amp; Gas</b>									
Attock Petroleum Limited	-	165,294	-	155,500	9,794	2,838	0.28	0.31	0.02
Attock Refinery Limited	82,000	428,700	-	510,400	300	24	0.00	0.00	0.00
National Refinery Limited	45,000	259,322	-	288,000	16,322	2,984	0.30	0.32	0.02
Oil & Gas Development Company Limited	2,230,007	2,105,200	-	3,815,500	519,707	73,637	7.39	7.96	0.01
Pakistan Oilfields Limited	278,580	2,475,100	-	2,567,800	185,880	40,132	4.03	4.34	0.08
Pakistan Petroleum Limited	834,894	1,969,200	141,259	2,580,901	364,452	67,103	6.74	7.25	0.04
Pakistan State Oil Company Limited	579,100	1,096,300	-	1,600,468	74,932	19,497	1.96	2.11	0.04
Pakistan Refinery Limited	33,000	323,765	-	356,765	-	-	-	-	-
<b>Chemicals</b>									
Engro Corporation Limited	840,187	1,088,001	9,068	1,881,501	55,755	9,678	0.97	1.05	0.02
Falima Fertilizer Company Limited	-	1,558,000	-	1,557,625	375	5	0.00	0.00	0.00
Fauji Fertilizer Bin Qasim Limited	1,350,000	6,308,000	-	6,898,000	760,000	19,790	1.99	2.14	0.08
Fauji Fertilizer Company Limited	9,900	1,742,500	-	1,010,900	741,500	76,426	7.67	8.26	0.11
<b>Construction and Materials</b>									
Attock Cement Pakistan Limited	-	102,500	-	49,994	52,506	3,439	0.35	0.37	0.06
D.G. Khan Cement Company Limited	1,390,000	1,636,000	-	2,701,000	325,000	7,677	0.77	0.83	0.11
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	2,764,800	-	4,069,800	85,000	5,282	0.53	0.57	0.03
Maple Leaf Cement Factory Limited	-	6,519,000	-	6,519,000	-	-	-	-	-
<b>General Industrials</b>									
Packages Limited	119,000	125,000	-	244,000	-	-	-	-	-
Thal Limited	-	323,226	56,281	175,949	203,558	19,326	1.94	2.09	0.40
Tri Pack Films Limited	-	139,500	-	139,500	-	-	-	-	-
<b>Industrial Engineering</b>									
Al Ghazi Tractors Limited	-	72,650	-	51,056	21,594	4,368	0.44	0.47	0.01
<b>Automobile and Parts</b>									
Indus Motor Company Limited	93,200	181,190	-	260,412	13,978	3,668	0.37	0.40	0.02
Pak Suzuki Motor Company Limited	-	466,000	-	466,000	-	-	-	-	-
<b>Personal Goods</b>									
AMTEX Limited	-	1,458,534	-	95,000	1,363,534	15,735	1.58	1.70	0.56
Azgard Nine Limited	691,000	1,255,000	-	1,946,000	-	-	-	-	-
Azgard Nine Limited (Non-voting shares)	807,000	-	-	807,000	807,000	19,360	1.94	2.09	1.24
Nishat Mills Limited	-	675,700	-	675,000	700	30	0.00	0.00	0.00
<b>Media</b>									
Eye Television Network Limited	1,135,000	-	-	677,066	457,934	10,633	1.07	1.15	0.92
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication Company Limited	-	5,827,176	-	4,670,196	1,156,980	20,594	2.07	2.23	0.31
Wateen Telecom Limited	-	1,000,000	-	-	1,000,000	6,230	0.63	0.67	0.16
<b>Electricity</b>									
The Hub Power Company Limited	4,387,158	7,762,000	-	9,793,224	2,355,934	75,296	7.56	8.14	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	-	-	-	-	-
<b>Banks</b>									
Allied Bank Limited	-	605,000	-	605,000	-	-	-	-	-
Bank Al-Falah Limited	-	5,613,000	-	5,613,000	-	-	-	-	-
Bank Islami Pakistan Limited	1,814,000	-	-	1,814,000	-	-	-	-	-
Habib Bank Limited	-	280,000	-	280,000	-	-	-	-	-
MCB Bank Limited	295,100	1,841,308	10,732	1,929,991	217,149	42,168	4.23	4.56	0.03
Meezan Bank Limited	-	90,500	4,525	-	95,025	1,383	0.14	0.15	0.01
National Bank of Pakistan	250,461	4,932,554	19,004	4,767,501	434,518	27,853	2.80	3.01	0.03
United Bank Limited	1,832,978	5,501,000	32,090	7,365,574	494	27	0.00	0.00	0.00
<b>Non Life Insurance</b>									
Adamjee Insurance Company Limited	175,000	573,000	-	748,000	-	-	-	-	-
EFUG Life Insurance Company Limited	-	140,000	-	140,000	-	-	-	-	-

# NAFA Multi Asset Fund

Name of the investee company	Number of shares					Market value as at June 30, 2010	Investment as a percentage of		
	As at July 1, 2009	Purchases during the year	Bonus / Right issue	Sales during the year	As at June 30, 2010		Net Assets	Market Value of Total Investment	Paid-up Capital of Investee
(Rupees in '000)-----%									
<b>Real Estate Investment and Services</b>									
Pace (Pakistan) Limited	5,495,948	1,875,000	-	7,370,948	-	-	-	-	-
<b>Financial Services</b>									
Arif Habib Securities Limited	862,200	2,880,683	-	3,742,000	883	29	0.00	0.00	0.00
Jahangir Siddiqui & Company Limited	200,000	1,560,000	-	1,760,000	-	-	-	-	-
<b>Software and Computer Services</b>									
Netsol Technologies Limited	-	1,464,100	-	1,464,100	-	-	-	-	-
	<b>27,220,713</b>	<b>83,795,815</b>	<b>272,959</b>	<b>99,968,683</b>	<b>11,320,804</b>	<b>575,212</b>	<b>57.75</b>	<b>62.17</b>	
Carrying value as at June 30, 2010						<u><b>598,285</b></u>			

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

5.1.1.2 Investments include shares with market value of Rs.186.085 million (2009 : Rs 141.842 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.

## 5.1.2 Units of open-end mutual fund

Name of the investee fund	Number of units				Market value as at June 30, 2010	Investment as a percentage of		
	As at July 1, 2009	Purchases during the year	Sales during the year	As at June 30, 2010		Net Assets	Market Value of Total Investment	Net assets of the investee Fund
(Rupees in '000)-----%								
NAFA Islamic Income Fund	<u>3,891,358</u>	-	3,891,358	-	-	-	-	-

## 5.1.3 Term finance certificates - listed

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 June 30, 2010	Investment as a percentage of			
	As at July 1, 2009	Purchases during the year	Sales during the year	As at June 30, 2010		Net Assets	Market Value of Total Investment	Issue size	
(Rupees in '000)-----%									
Azgard Nine Limited	3,000	-	3,000	-	-	-	-	-	
Pakarab Fertilizers Limited	9,000	-	9,000	-	-	-	-	-	
Saudi Pak Leasing Company Limited	10,000	-	-	10,000	27,283	2.74	2.95	6.67	
United Bank Limited	5,000	-	-	5,000	23,748	2.38	2.57	0.42	
	<b>27,000</b>	<b>-</b>	<b>12,000</b>	<b>15,000</b>	<b>51,031</b>	<b>5.12</b>	<b>5.52</b>		
Carrying value as at June 30, 2010						<u><b>47,464</b></u>			

# NAFA Multi Asset Fund

## 5.2.1 Available for sale

Name of the investee company	Number of certificates / bonds				Market value as at June 30, 2010	Investment as a percentage of		
	As at July 1, 2009	Purchases during the year	Sales during the year	As at June 30, 2010		Net Assets	Market Value of Total Investment	Issue size
(Rupees in '000)-----%								
<b>Term finance certificate - listed</b>								
Pakistan Mobile Communications Limited	5,000	-	-	5,000	21,625	2.17	2.34	0.59
<b>Term finance certificate - unlisted</b>								
Avari Hotel Limited	6,000	-	-	6,000	25,474	2.56	2.75	0.95
Engro Fertilizer Limited	2,000	-	-	2,000	8,924	0.90	0.96	0.25
Pakistan Mobile Communications Limited	5,000	10,000	-	15,000	36,926	3.71	3.99	2.14
Orix Leasing Pakistan Limited	-	600	-	600	56,841	5.71	6.14	1.20
				23,600	128,165			
<b>Sukuk bonds</b>								
Eden Builders Limited	1,590	3,312	-	4,902	21,634	2.17	2.34	1.23
Engro Fertilizer Limited	10,000	-	8,000	2,000	9,800	0.98	1.06	0.33
Maple Leaf Cement Factory Limited (note 5.2.3)	3,000	14,688	-	17,688	64,229	6.45	6.94	1.11
New Allied Electronics Industries (Private) Limited (note 5.2.4)	32,000	-	-	32,000	-	-	-	1.56
Pak Electron Limited	8,000	-	-	8,000	24,957	2.51	2.70	2.62
Eden Housing Limited (note 5.2.5)	-	10,000	-	10,000	28,750	2.89	3.11	5.99
Maple Leaf Cement Factory Limited II (note 5.2.6)	-	663	-	663	-	-	-	1.11
				75,253	149,370			
	<b>72,590</b>	<b>39,263</b>	<b>8,000</b>	<b>103,853</b>	<b>299,160</b>	<b>30.05</b>	<b>32.33</b>	
<b>Carrying value as at June 30, 2010</b>					<b>332,004</b>			
<b>Provision for impairment loss as at June 30, 2010</b>					<b>49,442</b>			

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

5.2.3 During the year, Maple Leaf Cement Factory Limited defaulted in payment of the fourth coupon of mark-up due on December 3, 2009. In accordance with the requirements of Circular No. 1 of 2009 and Circular No. 3 of 2010 issued by SECP, no further mark-up is being accrued after December 04, 2009 and mark-up already accrued has been reversed. The investee company has executed a restructuring agreement with the lenders on March 30, 2010 whereby Maple Leaf issued 'Sukuk II' in part settlement of mark-up due and a new repayment plan was agreed for the remaining outstanding balances. Provision amounting to Rs. 24.173 million has been made during the year against the exposure in accordance with the provisioning policy approved by the Board of Directors of the Management Company.

5.2.4 New Allied Electronic Industries (Pvt) Limited defaulted on the amount of principal and mark-up due on the scheduled redemption dates [i.e. October 25, 2008 (only principal), January 25, 2009, April 25, 2009, July 25, 2009, October 25, 2009, January 25, 2010 and April 25, 2010]. Hence, the Fund has provided for the amount of the investment by 100% in accordance with the provisioning policy approved by the Board of Directors of the Management Company and Circular 1 of 2009.

5.2.5 This represents investment in privately placed sukuk bonds of Eden Housing Limited with a term of five years. On March 30, 2010 i.e. the scheduled redemption date, principal redemption of Rs 6.250 million was not received by the Fund. Therefore the management has suspended income amounting to Rs 1.409 million. The Fund as on June 16, 2010 received 65% of the payment amounting to Rs 4.063 million as a part payment of the principal redemption due on March 30, 2010. As a matter of prudence provision amounting to Rs. 11.953 million has been made during the year against the exposure in accordance with the provisioning policy approved by the Board of Directors of the Management Company.

5.2.6 This represents 2nd issue of sukuk by Maple Leaf Cement Factory Limited under a restructuring agreement with a face value of Rs 3.317 million. As this issue represents overdue mark-up (note 5.2.3), the management has fully provided the amount of issue and has suspended income of Rs 0.110 million of this issue.

	Note	June 30, 2010	June 30, 2009
-----Rupees in '000-----			
<b>5.3 Net unrealised diminution in value of investments at 'fair value through profit or loss'</b>			
Market value of investments	5.1.1 & 5.1.3	626,243	1,378,619
Less: Carrying value of investments	5.1.1 & 5.1.3	(645,749)	(1,466,518)
		<u>(19,506)</u>	<u>(87,899)</u>

# NAFA Multi Asset Fund

	Note	June 30, 2010	June 30, 2009
		-----Rupees in '000-----	
<b>5.4</b>	<b>Unrealised appreciation/(diminution) in value of investments classified as available for sale - net</b>		
	Market value of investments	299,160	195,342
	Less: Carrying value of investments	(332,004)	(211,860)
		<u>(32,844)</u>	<u>(16,518)</u>
	Add: Provision against non-performing TFCs and sukus	49,442	4,281
		<u>16,598</u>	<u>(12,237)</u>
<b>5.5</b>	<b>Movement in provision against debt securities</b>		
	Opening balance	4,281	-
	Charge for the year	45,161	4,281
	Reversals during the year	-	-
	Closing balance	<u>49,442</u>	<u>4,281</u>
<b>6</b>	<b>DIVIDEND AND PROFIT RECEIVABLE</b>		
	Dividend receivable on equity shares	2,376	4,499
	Profit on savings and term deposits	812	824
	Income accrued on term finance certificates and sukuk bonds	20,460	12,583
	Less: Suspended income	(10,272)	(1,008)
		<u>10,188</u>	<u>11,575</u>
		<u>13,376</u>	<u>16,898</u>
<b>7</b>	<b>ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
		-----Rupees in '000-----	
	Security deposits with:		
	- National Clearing Company of Pakistan Limited	3,500	3,500
	- Central Depository Company of Pakistan Limited	100	100
	Receivable against transfer sales	13	1,000
	Prepaid mutual fund rating fee	-	75
	Advance tax	28	28
	Prepaid National Clearing Company of Pakistan Limited (NCCPL) fee	-	68
		<u>3,641</u>	<u>4,771</u>
<b>8</b>	<b>PRELIMINARY EXPENSES AND FLOATATION COSTS</b>		
	Opening balance	1,278	1,778
	Less: amortisation during the year	500	500
	Balance as at June 30	<u>778</u>	<u>1,278</u>
<b>8.1</b>	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from January 22, 2007 as per the requirements set out in the Trust Deed of the Fund.		
<b>9</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
		-----Rupees in '000-----	
	Management fee	2,053	3,638
	Others	288	536
		<u>2,341</u>	<u>4,174</u>
<b>9.1</b>	Under the provisions of the NBFC Regulations, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. Management fee is currently being charged at the rate of 2.5 percent of the average annual net assets of the Fund. The remuneration is paid to the Management Company monthly in arrears.		
<b>10</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		
		-----Rupees in '000-----	
	Trustee fee	164	227
<b>10.1</b>	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund.		

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2010 is as follows:

#### Amount of Funds Under Management (Average NAV)

Upto Rs. 1,000 million

On an amount exceeding Rs 1,000 million

The remuneration is paid to the Trustee monthly in arrears

#### Tariff per annum

Rs 0.7 million or 0.20% p.a. of NAV, whichever is higher

Rs 2.0 million plus 0.10% p.a. of NAV exceeding Rs 1,000 million.



# NAFA Multi Asset Fund

	Note	June 30, 2010	June 30, 2009
<b>11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		-----Rupees in '000-----	
Annual fee	11.1	1,153	1,815
11.1	Under the provisions of the NBFC Regulations, 2008, a balanced fund is required to pay as annual fee to the SECP, an amount equal to 0.085 percent of the average annual net assets of the Fund.		
<b>12 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		-----Rupees in '000-----	
Auditors' remuneration		260	240
Settlement charges payable		76	131
Payable to brokers		580	16,354
Dividend payable to brokers		493	664
Provision for Workers' Welfare Fund		1,734	-
Others		754	746
		<u>3,897</u>	<u>18,135</u>
<b>13 CONTINGENCIES AND COMMITMENTS</b>			
	There were no contingencies and commitments outstanding as at June 30, 2010 (2009: Nil).		
<b>14 NET ASSET VALUE PER UNIT</b>			
	The Net Asset Value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.		
<b>15 AUDITORS' REMUNERATION</b>		-----Rupees in '000-----	
Statutory audit fee		235	225
Half yearly review fee		95	90
Out of pocket expenses		43	30
		<u>373</u>	<u>345</u>
<b>16 PROVISION FOR WORKERS' WELFARE FUND</b>			
	<p>The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund (WWF) Ordinance, 1971, whereby the definition of "industrial establishment" was amended to include therein, any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 (Ordinance of 1969) applies. Management Company of the Fund, based on a legal advice obtained through Mutual Funds Association of Pakistan (MUFAP) was of a firm view that Collective Investment Scheme (CIS) were not establishments and therefore, the WWF Ordinance should not be applicable to such schemes. The MUFAP had also filed a constitutional petition in the High Court of Sindh (the Court) on behalf of the members, challenging the applicability of WWF to the CIS. The said petition was dismissed by the Court vide its order dated May 25, 2010 on the main ground that the MUFAP (Petitioner) could not be held entitled to maintain a petition in respect of its members as it was not the aggrieved party. The Judgment recognises that the Trusts are covered by the scope of the definition of commercial establishment as contained in Ordinance of 1969 and, therefore, mutual funds and other funds appear to be covered unless it can be established that they fall within the scope of exemption set out in Section 5 (1)(iii) of the Ordinance of 1969 i.e. the Trusts not run for profit or in the course of business does not make any profit. This could be examined when the aggrieved parties directly approached the Court for redressal.</p> <p>In the meantime, clarification has been obtained by the MUFAP from the Ministry of Labour &amp; Manpower, Workers' Welfare Fund, Govt. of Pakistan, which, through their letter nos. WWF (A- II)11.(5)/2010 dated July 8, 2010 and July 15, 2010, has clarified that the WWF Ordinance, 1971 does not have any provisions for the applicability of WWF on those entities whose income are exempt from income tax under any provisions of any law, and that mutual funds are a product being managed / sold by asset management companies which are liable to contribute towards the said WWF levy.</p> <p>Various legal opinions are available on this matter. Some legal advisors are of the view that this levy is not applicable on CIS and therefore provision is not required to be created while there is also a contrary view according to which this levy has become applicable on the fund and the letter issued by the Ministry of Labour, Government of Pakistan has no legal significance.</p> <p>Because of ambiguity created based on conflicting opinions by lawyers and as a matter of abundant caution the Management Company of the Fund has decided to recognize a provision for WWF in these financial statements.</p>		
<b>17 TAXATION</b>			
	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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its unit holders.		
<b>18 EARNINGS PER UNIT</b>			
	Earnings per unit (EPU) for the year ended June 30, 2010 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.		

# NAFA Multi Asset Fund

## 19 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan 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 Fund'.

In accordance with clause (iv) of the investment criteria laid down for 'Balanced scheme', the Fund is required to invest in debt security having rating not lower than A- (A Minus). Further, clause (v) of the said categorization criteria requires that the ratings of any banks and DFIs with which funds are placed should not be lower than AA- (Double A Minus). Clause (vii) of the said categorisation criteria also requires that the weighted average time to maturity of non equity assets shall not exceed 2 years. However, as at June 30, 2010, the Fund is in non-compliance with the above-mentioned requirements in respect of the following:

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-----						
Term Finance Certificates*	Saudi Pak Leasing Company Limited	27,283	-	27,283	2.74%	2.72%
Sukuks*	Maple Leaf Cement Factory Limited	88,402	(24,173)	64,229	6.45%	6.40%
Sukuks*	Maple Leaf Cement Factory Limited - (II)	3,317	(995)	2,322	0.23%	0.23%
Term Finance Certificates*	New Allied Electronic Industries (Pvt) Limited	10,000	(10,000)	-	0.00%	0.00%
Sukuks*	Eden Housing Limited	40,703	(11,953)	28,750	2.89%	2.86%
Balances with the banks**	KASB Bank Limited	70	-	70	0.01%	0.01%
	Silk Bank Limited	424	-	424	0.04%	0.04%
	Atlas Bank Limited	162	-	162	0.02%	0.02%
Weighted average time to maturity of non equity assets***	Term finance certificates and sukuk bonds	399,633	(49,442)	350,191	35.16%	34.90%

\* At the time of purchase, the TFCs and Sukuks were in compliance with the aforementioned circular, however they subsequently defaulted or were downgraded to non investment grade.

\*\* The fund maintained balances with above mentioned banks for the purpose of sales and redemptions of the Fund.

\*\*\* Presently, the weighted average time to maturity of non equity assets is 2.89 years.

## 20 TRANSACTIONS WITH CONNECTED PERSONS

20.1 Connected persons include NBP Fullerton Asset Management Limited (Formerly National Fullerton Asset Management Limited) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, NIB Bank Limited (NIB) (till March 31, 2010), National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors of the Fund / Management Company, other collective investment schemes managed by the Management Company, directors and officers of the Management Company and employee benefit funds of the Management Company.

20.2 On March 31, 2010, NIB has sold out its shareholding of NAFA to NBP. Accordingly, there after NIB is no longer a connected person for NAFA.

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

20.4 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.

20.5 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

20.6 Details of the transactions with connected persons are as follows:	2010	2009
	-----Rupees in '000-----	
<b>NBP Fullerton Asset Management Limited - Management Company (Formerly National Fullerton Asset Management Limited)</b>		
Management fee expense for the year	33,919	49,319
Frontend load	1,525	5,316
<b>NAFA Provident Fund Trust</b>		
Units redeemed/ transferred out: Nil units (2009: 159,757 units)	-	1,545
Bonus units issued: Nil units (2009: 5,849 units)		
<b>National Bank of Pakistan - Sponsor</b>		
Units redeemed/ transferred out: 3,089,248 units (2009: Nil units)	30,000	-

# NAFA Multi Asset Fund

	2010	2009
	-----Rupees in '000-----	
<b>NIB Bank Limited - (Previously a Sponsor)</b>		
Units redeemed/ transferred out: Nil units (2009: 7,500,000 units)	-	70,895
Income on bank deposits	1,674	8,433
Cash dividend	-	3,166
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Bonus units issued: 395,052 units (2009: 446,763 units)		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	2,356	2,973
CDS charges	349	313
<b>Chief Financial Officer/ Company Secretary</b>		
Units issued/ transferred in: 103,368 units (2009: Nil units)	989	-
Units redeemed/ transferred out: 103,368 units (2009: Nil units)	1,030	-
<b>Employees of Management Company</b>		
Units issued/ transferred in: 238,358 units (2009: 213,755 units)	2,232	1,842
Units redeemed/ transferred out: 268,259 units (2009: 204,123 units)	2,551	1,774
Bonus units issued: 4,289 units (2009: 1,893 units)		
<b>NAFA Cash Fund</b>		
Units issued/ transferred in: Nil units (2009: 20,752,094 units)	-	215,000
Units redeemed/ transferred out: Nil units (2009: 41,483,556 units)	-	409,170
Bonus units issued: Nil units (2009: 1,962,028 units)		
<b>NAFA Income Fund</b>		
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
Bonus units issued: Nil units (2009: 346,829 units)	-	-
Purchase of term finance certificates	-	175,000
<b>NAFA Islamic Income Fund</b>		
Units issued/ transferred in: Nil units (2009: 6,737,137 units)	-	70,000
Units redeemed/ transferred out: Nil units (2009: 10,530,959 units)	-	104,864
Bonus units issued: Nil units (2009: 361,422 units)		
	2010	2009
	-----Rupees in '000-----	
<b>20.7 Amounts outstanding as at year end</b>		
<b>NBP Fullerton Asset Management Limited - Management Company (Formerly National Fullerton Asset Management Limited)</b>		
Management fee payable	2,053	3,638
Others	288	536
<b>National Bank of Pakistan - Sponsor</b>		
Investment held in the Fund: 4,410,752 units (2009: 7,500,000 units)	41,302	64,515
Balance in current account	4,532	895
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held in the Fund: 12,598,728 units (2009: 12,203,676 units)	117,974	104,976
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	164	227
CDS charges	76	131
Security deposit	100	100
<b>Employees of Management Company</b>		
Investment held in the Fund: 12,841 units (2009: 55,883 units)	120	481
<b>NAFA Islamic Income Fund</b>		
Investment held by the Fund: Nil units (2009: 3,891,358 units)	-	36,606

# NAFA Multi Asset Fund

## 21 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

		-----2010-----	
		Qualification	Experience in years
1	Dr. Amjad Waheed	MBA, Doctorate in Business Administration, CFA	22
2	Sajjad Anwar	MBA, CFA	10
3	Irfan Malik	MBA, CFA	13
4	Tanveer Abid	MBA / CFA	11
5	Ahmed Nouman	EMBA / CFA	14

21.1 Mr. Sajjad Anwar is the manager of the Fund. Other funds being managed by the Fund Manager are as follows:

- NAFI Islamic Multi Asset Fund.
- NAFI Stock Fund

## 22 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

		2010
1	JS Global Capital Limited	6.15%
2	Foundation Securities (Private) Limited	6.14%
3	Fortune Securities (Private) Limited	5.39%
4	Taurus Securities Limited	4.98%
5	Pearl Securities Limited	3.99%
6	IGI Finex Securities Limited	3.97%
7	Invisor Securities (Private) Limited	3.91%
8	KASB Securities Limited	3.87%
9	Elixir Securities Pakistan (Private) Limited	3.84%
10	AKD Securities Limited	3.78%
		<b>2009</b>
1	Fortune Securities (Private) Limited	7.76%
2	Live Securities (Private) Limited	6.28%
3	Taurus Securities Limited	6.11%
4	Saaq Capital Securities (Private) Limited	5.39%
5	KASB Securities Limited	5.14%
6	JS Global Capital Limited	5.00%
7	Moosani Securities (Private) Limited	4.70%
8	Alfalsh Securities Limited	4.26%
9	Invest Capital & Securities Limited	4.17%
10	Invisor Securities (Private) Limited	4.02%

## 23 PATTERN OF UNIT HOLDING

-----2010-----			
Category	Number of unit holders	Investment amount	Percentage investment
(Rupees in '000)			
Individuals	815	130,778	13.13%
Associated companies / Directors	2	159,277	15.99%
Insurance companies	1	82,301	8.26%
Bank / DFIs	1	3,973	0.40%
Retirement funds	41	571,125	57.35%
Public Limited companies	7	6,984	0.70%
Others	11	41,543	4.17%
	<b>878</b>	<b>995,981</b>	<b>100.00%</b>

# NAFA Multi Asset Fund

Category	-----2009-----		
	Number of unit holders	Investment amount	Percentage investment
	(Rupees in '000)		
Individuals	1,158	198,945	11.19%
Associated companies / Directors	2	169,491	9.54%
Insurance companies	4	111,192	6.26%
Banks / DFIs	1	3,535	0.20%
Retirement funds	65	902,112	50.75%
Public Limited companies	10	340,748	19.17%
Others	14	51,364	2.89%
	<b>1,254</b>	<b>1,777,387</b>	<b>100.00%</b>

## 24 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 22nd, 23rd, 24th, 25th and 26th Board meetings were held on July 3, 2009, August 31, 2009, October 28, 2009, February 17, 2010 and April 29, 2010 respectively. Information in respect of attendance by Directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Mr. Masood Karim Shaikh *	2	1	1	23rd meeting
Dr Amjad Waheed	5	5	-	-
Mr. Gerard Lee How Cheng	5	3	2	23rd and 26th meeting
Mr. Patrick Pang Chin	5	5	-	-
Mr. Shahid Anwar Khan	5	3	2	24th and 26th meeting
Mr. Qamar Hussain **	3	2	1	25th meeting
Mr. Raymond H. Kotwal	5	5	-	-
Syed Naseer ul Hasan	5	5	-	-

\* Mr. Masood Karim Shaikh retired from the board with effect from October 16, 2009.

\*\* Mr. Qamar Hussain was co-opted on the board with effect from October 16, 2009.

## 25 FINANCIAL INSTRUMENTS BY CATEGORY

-----As at June 30, 2010-----			
Loans and receivables	At fair value through profit or loss	Available for sale	Total
(Rupees in '000)			
Balances with banks	60,338	-	60,338
Receivable against sale of investments	-	-	-
Investments	-	626,243	925,403
Dividend and profit receivable	13,376	-	13,376
Advances, deposits and other receivables	3,613	-	3,613
<b>77,327</b>	<b>626,243</b>	<b>299,160</b>	<b>1,002,730</b>

### Assets

Balances with banks  
Receivable against sale of investments  
Investments  
Dividend and profit receivable  
Advances, deposits and other receivables

-----As at June 30, 2010-----		
Liabilities at fair value through profit or loss	Other financial liabilities	Total
(Rupees in '000)		
Payable to the Management Company	-	2,341
Payable to the Trustee	-	164
Accrued expenses and other liabilities	-	1,791
<b>-</b>	<b>4,296</b>	<b>4,296</b>

### Liabilities

Payable to the Management Company  
Payable to the Trustee  
Accrued expenses and other liabilities

# NAFA Multi Asset Fund

-----As at June 30, 2009-----

Loans and receivables	At fair value through profit or loss	Available for sale	Total
(Rupees in '000)			
Balances with banks	188,357	-	188,357
Receivable against sale of investments	16,473	-	16,473
Investments	-	1,378,619	1,573,961
Dividend and profit receivable	16,898	-	16,898
Advances, deposits and other receivables	4,600	-	4,600
<b>226,328</b>	<b>1,378,619</b>	<b>195,342</b>	<b>1,800,289</b>

## Assets

Balances with banks  
Receivable against sale of investments  
Investments  
Dividend and profit receivable  
Advances, deposits and other receivables

-----As at June 30, 2009-----

Liabilities at fair value through profit or loss	Other financial liabilities	Total
(Rupees in '000)		
Payable to the Management Company	-	4,174
Payable to the Trustee	-	227
Accrued expenses and other liabilities	-	18,135
	<b>-</b>	<b>22,536</b>
	<b>22,536</b>	<b>22,536</b>

## Liabilities

Payable to the Management Company  
Payable to the Trustee  
Accrued expenses and other liabilities

## 26 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

### 26.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield/ interest rate risk and other price risk.

#### 26.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

#### 26.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

##### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based interest bearing term finance certificates and sukuk bonds exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on June 30, with all other variables held constant, the net assets of the Fund and net income for the year would have been higher / lower by Rs 0.745 million (2009: Rs 0.960 million).

The composition of the Fund's debt investment portfolio, KIBOR rates and rates announced by Financial Market Association is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2010 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

# NAFA Multi Asset Fund

## b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds no fixed rate debt instruments.

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

-----As at June 30, 2010-----					
Yield / Interest rate	Total	---Exposed to yield / interest rate risk---			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
%		----- (Rupees in '000) -----			
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Balances with banks	5.00 - 11.75	60,338	55,113	-	5,225
Receivable against sale of investments		-	-	-	-
Investments	13.14 - 15.58	925,403	-	350,191	575,212
Dividend and profit receivable		13,376	-	-	13,376
Advances, deposits and other receivables		3,613	-	-	3,613
		<u>1,002,730</u>	<u>55,113</u>	<u>350,191</u>	<u>597,426</u>
<b>Financial liabilities</b>					
Payable to the Management Company		2,341	-	-	2,341
Payable to the Trustee		164	-	-	164
Accrued expenses and other liabilities		1,791	-	-	1,791
		<u>4,296</u>	<u>-</u>	<u>-</u>	<u>4,296</u>
<b>On-balance sheet gap</b>		<u>998,434</u>	<u>55,113</u>	<u>350,191</u>	<u>593,130</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap</b>		-	-	-	-

-----As at June 30, 2009-----					
Yield / Interest rate	Total	---Exposed to yield / interest rate risk---			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
%		----- (Rupees in '000) -----			
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Balances with banks	1.30 - 15.00	188,357	187,462	-	895
Receivable against sale of investments		16,473	-	-	16,473
Investments	10.42 - 18.35	1,573,961	-	309,260	1,264,701
Dividend and profit receivable		16,898	-	-	16,898
Advances, deposits and other receivables		4,600	-	-	4,600
		<u>1,800,289</u>	<u>187,462</u>	<u>309,260</u>	<u>1,303,567</u>
<b>Financial liabilities</b>					
Payable to the Management Company		4,174	-	-	4,174
Payable to the Trustee		227	-	-	227
Accrued expenses and other liabilities		18,135	-	-	18,135
		<u>22,536</u>	<u>-</u>	<u>-</u>	<u>22,536</u>
<b>On-balance sheet gap</b>		<u>1,777,753</u>	<u>187,462</u>	<u>309,260</u>	<u>1,281,031</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap</b>		-	-	-	-

# NAFA Multi Asset Fund

## 26.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of the investments held by the Fund and classified in the Statement of Assets and Liabilities as financial asset at fair value through profit or loss. The Fund manages price risk by limiting individual equity securities to not more than ten percent of net assets attributable to holders of the Fund's assets. Moreover, the sector limits have also been restricted to twenty five percent. The equity investments either classified as "available for sale" or "fair value through profit or loss" are listed in the Karachi Stock Exchange. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Manager and is reviewed on a regular basis by the investment committee as well as the Board of Directors.

In case of 5% increase / decrease in KSE 100 index on June 30, 2010, net income for the year would increase / decrease by Rs 30.321 million (2009: net loss would decrease / increase by Rs 68.494 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as 'at fair value through profit or loss'.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2010 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KSE 100 index.

## 26.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted. The Fund's credit risk is primarily attributable to balances with banks, its investment in term finance certificates and sukuk bonds, receivable against sale of investments, dividend receivable and profit receivable on balances with banks. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by the investment Committee) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency. Credit risk on dividends receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's financial assets

### Balances with banks by rating category

	2010	2009
	-----Rupees in '000-----	
A1+, A-1+	59,681	187,266
A1	70	162
A2, A-2	162	342
A-3	425	587
	<u>60,338</u>	<u>188,357</u>

### Term finance certificates and sukuk bonds by rating category

AA+, AA, AA-	42,472	180,663
A+, A, A-	187,457	85,893
BBB+, BBB, BBB-	27,283	36,985
D	90,658	5,719
Non-rated	2,322	-
	<u>350,191</u>	<u>309,260</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2010 is the carrying amount of the financial assets. The term finance certificates and sukuk held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets.

### Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk.



# NAFA Multi Asset Fund

## 26.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to settlement of equity securities and to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed off and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cashflows.

-----As at June 30, 2010-----				
Total	Upto three months	Over three months and upto one year	Over one year	
(Rupees in '000)				
Financial liabilities				
Payable to the Management Company	2,341	2,341	-	-
Payable to the Trustee	164	164	-	-
Accrued expenses and other liabilities	1,791	1,791	-	-
	4,296	4,296	-	-

-----As at June 30, 2009-----				
Total	Upto three months	Over three months and upto one year	Over one year	
(Rupees in '000)				
Financial liabilities				
Payable to the Management Company	4,174	4,174	-	-
Payable to the Trustee	227	227	-	-
Accrued expenses and other liabilities	18,135	18,135	-	-
	22,536	22,536	-	-

## 27 UNITHOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit holders' Fund'.

Currently, the Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 26, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

# NAFA Multi Asset Fund

## 28 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically repriced.

According to the amendments to International Financial Reporting Standard 7, Financial Instruments : Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, whether directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Investments carried at fair value are categorised as follows:

-----As at June 30, 2010-----				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>ASSETS</b>				
Investment in securities - at fair value through profit or loss	575,212	51,031	-	626,243
Investment in securities - available for sale	-	206,181	92,979	299,160

## 29 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on July 5, 2010 have approved a final distribution for the year ended June 30, 2010 at the rate of 3.6560% (2009: Nil %). The financial statements for the year ended June 30, 2010 do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending June 30, 2011.

## 30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 25, 2010.

## 31 GENERAL

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

31.2 During the year there were no significant reclassifications except as required due to the change in the accounting policy as more fully explained in the note 2.2 to the financial statements

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

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

Chief Executive

Chairman

# NAFA Multi Asset Fund

## PERFORMANCE TABLE

Particulars	For the year ended June 30, 2010	For the year ended June 30, 2009	For the year ended June 30, 2008	For the period ended from January 15 to June 30, 2007
Net assets (Rs '000)	995,981	1,777,387	2,631,494	1,248,644
Net income (Rs '000)	84,814	(540,522)	125,571	280,409
Net Asset Value per unit (Rs)	8.9984	8.6020	11.1079	11.2560
Offer price per unit	9.2684	8.8601	11.4538	11.6429
Redemption price per unit	8.9984	8.6020	11.1079	11.2560
Highest offer price per unit (Rs)	9.6769	11.3735	12.8755	11.6447
Lowest offer price per unit (Rs)	8.3443	6.6153	10.5951	8.6484
Highest redemption price per unit (Rs)	9.3951	11.0422	12.4484	11.2578
Lowest redemption price per unit (Rs)	8.1012	6.4226	10.2644	8.3487
Total Return of the fund	12.38%	-22.56%	5.43%	28.96%
Capital Growth	4.63%	-22.56%	-1.32%	12.56%
Income Distribution	7.75%	0.00%	6.75%	16.40%
<b>Distribution</b>				
Interim distribution per unit	0.3010	-	0.3377	
Final distribution per unit	0.3656	-	0.4221	1.6400
<b>Distribution dates</b>				
Interim distribution	Oct 28, 2009 - Feb 17, 2010	-	15-Apr-08	
Final distribution	5-Jul-10	-	3-Jul-08	5-Jul-07
Average annual return (Launch date January 22, 2007)				
Since Inception to June 30, 2010	17.97%			
Since Inception to June 30, 2009		4.98%		
Since Inception to June 30, 2008			35.56%	
Since Inception to June 30, 2007			-	28.96%
Portfolio Composition (See Fund Manager Report)			-	
Statement of past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up				