


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

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Shahid Anwar Khan	Chairman
Mr. Amir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Asif A. Brohi	Director
Dr. Amjad Waheed	Chief Executive Officer

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Patrick Pang Chin Hwang	Chairman
Mr. Shehryar Faruque	Member
Mr. Amir Shehzad	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (PAK) Limited
The Bank of Punjab
United Bank Limited

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:

House # 10 - A, Block -S, Gulberg - II, Lahore.
UAN: (+92-42) 111-111-NFA (632)
Fax No: (+92-42) 35760373

Islamabad Office:

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

Peshawar Office:

1st Floor, Haji Tehmas Centre,
Near KFC, Tehkal Payan
University Road, Peshawar.
Phone: 92-91-5711784, 5711782
Fax: 92-91-5211780

Multan Office:

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

NAFA MULTI ASSET FUND

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NAFA MULTI ASSET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Multi Asset Fund for the quarter ended September 30, 2011.

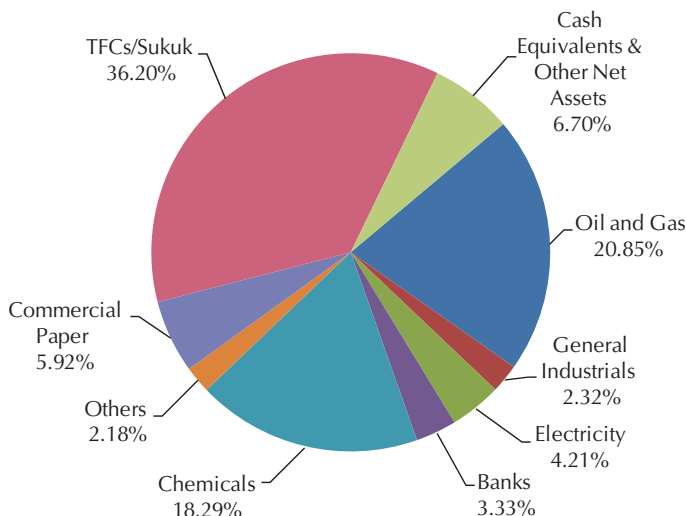
Fund's Performance

During the first quarter, the unit price of NAFA Multi Asset Fund has increased from Rs. 9.2769 (Ex-Div) on June 30, 2011 to Rs.9.4098 on September 30, 2011, thus showing a growth of 1.43%, as compared to its Benchmark (50% KSE-30 Index, 50% 3-Month KIBOR) return of 0.12% during the same period. Thus, the Fund has outperformed its Benchmark by 1.31% during the period under review. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 49.94% as compared to 24.41% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 25.53% since inception. This performance is net of management fee and all other expenses. The size of NAFA Multi Asset Fund has decreased from Rs.706 million to Rs.591 million during the period, i.e. a decline of 16.29%.

The stock market depicted a declining trend during 1QFY12. The KSE-30 Index decreased by around 3.16% to the 11,221 levels as against 11,586 levels at the beginning of the quarter. The Banks, Chemical, Personal Goods, Construction & Materials and Electricity sectors performed better than the market. On the other hand, the Oil & Gas, Household Goods, Industrial Engineering, Industrial Transportation and Fixed Line Communication sectors lagged the market. During the period under review the key factors for the lackluster performance of the market were slowdown in foreign flows, uneasiness on the domestic political front, the energy crisis, mounting energy related circular debt, US Country rating downgrade by Standard & Poor's and associated global equity sell-off. On a positive note, expectation of healthy corporate earnings announcement and sanguine valuations of key companies kept alive the interest of local investors towards the end of the quarter.

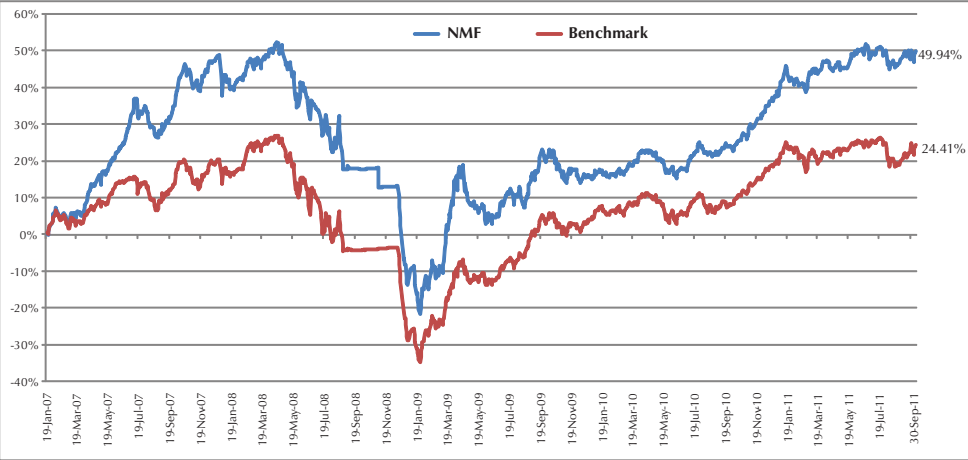
The coupon rates of all TFCs in the Fund are floating and linked to KIBOR, which depicted a falling trend during the quarter.

The Fund has earned total income of Rs.14 million during the period. After deducting expenses of Rs.39.10 million, the net loss is Rs.25.10 million. After taking unrealized appreciation on available for sale investments into account, the resultant per unit income is Rs.0.1329. The asset allocation of the Fund as on September 30, 2011 is as follows:



NAFA MULTI ASSET FUND

NMF Performance versus Benchmark (Since Inception)



Acknowledgement

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

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

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: October 27, 2011
Place: Karachi.

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2011

		(Un-audited) September 30, 2011	(Audited) June 30, 2011
	Note	-----Rupees in '000-----	
Assets			
Balances with banks		35,703	89,036
Investments	4	551,320	601,403
Dividend and profit receivable	5	9,054	20,815
Advances, Deposits, prepayments and other receivable		3,016	3,050
Preliminary expenses and floatation costs		152	278
Total assets		<u>599,245</u>	<u>714,582</u>
Liabilities			
Payable to Management Company		1,514	1,485
Payable to Trustee		104	118
Payable to Securities and Exchange Commission of Pakistan		145	685
Accrued expenses and other liabilities	6	6,568	6,306
Total liabilities		<u>8,331</u>	<u>8,594</u>
Net Assets		<u>590,914</u>	<u>705,988</u>
Unit Holders' Funds (as per statement attached)		<u>590,914</u>	<u>705,988</u>
Commitments	11	-	-
		Number of units	Number of units
Number of units in issue		<u>62,797,568</u>	<u>65,877,812</u>
		Rupees	Rupees
Net asset value per unit		<u>9.4098</u>	<u>10.7166</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Note	Quarter ended September 30, 2011	Quarter ended September 30, 2010
Rupees in '000			
INCOME			
Gain / (loss) on sale of investments - net		(4,223)	28,372
Income from term finance certificates and sukuk bonds		(2,318)	17,927
Income from government securities		995	2,400
Profit on bank deposits		1,893	2,205
Dividend income		4,210	8,572
Unrealised gain/(loss) on investments at fair value through profit or loss - net		13,449	(428)
Total Income		14,006	59,048
EXPENSES			
Remuneration of the Management Company		4,268	5,975
Remuneration of the Trustee		341	476
Annual fee - Securities and Exchange Commission of Pakistan		145	203
Securities transaction cost		509	1,108
Settlement and bank charges		105	57
Annual listing fee		10	10
Auditors' remuneration		140	96
Impairment loss/(gain) on investments classified as 'available for sale'		32,647	(24,381)
Legal & professional charges		-	15
Rating fee		25	25
Other expenses		791	61
Amortisation of preliminary expenses and floatation costs		126	126
Total Expenses		39,107	(16,229)
Net (loss) / income from operating activities		(25,101)	75,277
Element of income and capital gains included in prices of units issued less those in units redeemed		-	(10,612)
Provision for workers' welfare fund		-	(1,293)
Net (loss) / income for the period before taxation		(25,101)	63,372
Taxation	10	-	-
Net (loss) / income for the period after taxation		(25,101)	63,372
Earning per unit	9		

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Quarter ended September 30, 2011	Quarter ended September 30, 2010
	Rupees in '000	
Net (loss) / income for the period after taxation	(25,101)	63,372
Other comprehensive income / (loss)		
Net unrealised (diminution) during the period in the market value of investments classified as 'available for sale'	34,056	(21,993)
Total comprehensive (loss) / income for the period	<u>8,955</u>	<u>41,379</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Quarter ended September 30, 2011	Quarter ended September 30, 2010
	Rupees in '000	
Undistributed income / accumulated (loss) brought forward	27,094	(113,994)
Distribution:		
Final distribution for the period ended June 30, 2011: 14.397% (June 30, 2010: 3.656%)		
Date of distribution: 2011: July 4th, 2011 (2010: July 5th, 2010)		
- Bonus units	(88,493)	(37,264)
- Cash Distribution	(6,351)	(1,622)
Net income / (loss) for the period	(25,101)	63,372
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (losses) that form part of the unit holders' fund	(609)	17,531
Accumulated (loss) / undistributed income carried forward	<u>(93,460)</u>	<u>(71,977)</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Quarter ended September 30, 2011	Quarter ended September 30, 2010
	Rupees in '000	
Net assets at the beginning of the period	705,988	995,981
Issue of 9,557,707 units - including bonus units 9,539,072 (September 30, 2010: 286,128 units)	175	2,614
Redemption of 12,637,951 units (September 30, 2010: 14,141,585 units)	(117,853)	(134,249)
	(117,678)	(131,635)
Element of income and capital gains included in prices of units issued less those in units redeemed		
- amount representing (income) / losses and capital (gains) / losses transferred to Income Statement	-	10,612
- amount representing (income) / losses and capital gains / (losses) that form part of the unit holders' fund - transferred to Distribution Statement	609	(17,531)
	609	(6,919)
Net unrealised (diminution) / appreciation during the year/period in the market value of investments classified as 'available for sale'	34,056	(21,993)
Unrealised gain/(loss) on investments at fair value through profit or loss - net	13,449	(428)
Gain / (loss) on sale of investments - net	(4,223)	28,372
Other income (net of expenses)	(34,327)	35,428
Distribution:		
Final distribution for the period ended June 30, 2011: 14.397% (June 30, 2010: 3.656%) Date of distribution: 2011: July 4th, 2011 (2010: July 5th, 2010)		
- Bonus units	(88,493)	(37,264)
- Cash Distribution	(6,351)	(1,622)
	(119,945)	24,486
Add: bonus distribution	88,493	37,264
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (losses) that form part of the unit holders' fund	(609)	17,531
Net assets as at the end of the period	<u>590,914</u>	<u>914,715</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Quarter ended September 30, 2011	Quarter ended September 30, 2010
	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / Income for the period	(25,101)	63,372
Adjustments		
Unrealised (gain) / loss on investments at fair value through profit or loss - net	(13,449)	428
(Gain) / loss on sale of investments	4,223	(28,372)
Impairment (gain) / loss on investments classified as 'available for sale'	32,647	(24,381)
Amortisation of preliminary expenses and floatation costs	126	126
Element of income and capital gains included in prices of units issued less those in units redeemed	-	10,612
	(1,554)	21,785
(Increase) / decrease in assets		
Investments	60,718	109,124
Dividend and profit receivable	11,761	(15,191)
Advances, Deposits, prepayments and other receivable	34	(18)
	72,513	93,915
Increase / (decrease) in liabilities		
Payable to Management Company	29	(162)
Payable to Trustee	(14)	(14)
Payable to Securities and Exchange Commission of Pakistan	(540)	(950)
Payable against purchase of investments	-	21,614
Accrued expenses and other liabilities	262	1,184
	(263)	21,672
Net cash inflow / (outflow) on operating activities	70,696	137,372
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	175	2,614
Payments on redemption of units	(117,853)	(134,196)
Distribution paid	(6,351)	(1,622)
Net cash (outflow) / inflow from financing activities	(124,029)	(133,204)
Net (decrease) / increase in cash and cash equivalents during the period	(53,333)	4,168
Cash and cash equivalents at the beginning of the period	89,036	60,338
Cash and cash equivalents at the end of the period	<u>35,703</u>	<u>64,506</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Multi Asset Fund (the Fund) was established under a Trust Deed executed between NBP 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 the SECP. The registered office of the Management Company is situated at 9th floor, Adamjee House, I. I. Chundrigar Road, Karachi. The Management Company is a member of Mutual Fund Association of Pakistan (MUFAP).

The Fund 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 Board of Directors have approved that the Fund should be categorized as "Balanced Fund" as per the categories defined by the Securities and Exchange Commission of Pakistan.

The 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-' (Positive outlook) to the Management Company and has assigned long term and short-term performance ranking of '4 star' and '3 star' to the Fund respectively based on the performance of the Fund for the year ended June 30, 2011.

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

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprises of such International Financial Reporting Standards (IFRS) issued by 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 Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting.

NAFA MULTI ASSET FUND

2.1 The directors of the Asset Management Company declare that these condensed interim financial statements give a true and fair view of the Fund.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the financial statements for the quarter ended September 30, 2011 are same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2011.

3.1 Change in Accounting Policy on Recognition of Element of Income

Based on the proposal by MUFAP on the change in the treatment of "Element of Income and Capital Gains included in the prices of units issued less those on units redeemed" and subsequent correspondence by SECP and opinion by ICAP in this regard, the accounting treatment of recognition of element of income has been changed with effect from July 1, 2011. Accordingly, instead of following previous policy of recognizing element of income, the net balance of element of income is recognized in the Distribution Statement directly.

Note	Un-audited September 30, 2011	Audited June 30, 2011
	Rupees in '000	

4 INVESTMENTS

At fair value through profit or loss - held for trading

Equity securities - listed	4.1	302,447	356,424
Term finance certificates - listed	4.2	22,682	23,313
Sukuk bonds	4.2	35,000	-

Available for sale

Term finance certificates - listed	4.3	14,790	23,536
Term finance certificates - unlisted	4.3	65,005	74,521
Sukuk bonds	4.3	111,396	123,609
		<u>551,320</u>	<u>601,403</u>

4.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / Right Issue	Sales / during the Period	As at September 30, 2011	Market value as at September 30, 2011	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid-up capital of the investee company held
	-----Number of shares-----					(Rupees in '000)	-----%-----		

Oil & Gas

Attock Petroleum Limited	10,508	22,500		10,000	23,008	9,154	1.55	1.66	0.03
Attock Refinery Limited	24,500			7,500	17,000	1,889	0.32	0.34	0.02
National Refinery Limited	34,900	19,600		20,000	34,500	12,666	2.14	2.30	0.04
Oil & Gas Development Company Limited	232,707	19,600		182,000	70,307	9,290	1.57	1.69	0.00
Pakistan Oilfields Limited	169,080	76,200		98,500	146,780	54,068	9.15	9.81	0.06
Pakistan Petroleum Limited	210,842	151,300	8,555	207,900	162,797	30,861	5.22	5.60	0.01
Pakistan State Oil Company Limited	50,500	90,500		120,300	20,700	5,270	0.89	0.96	0.01

Chemicals

Lotte Pakistan PTA	123,900			123,000	900	11	0.00	0.00	0.00
Engro Corporation Limited	452	95,000		45,300	50,152	7,191	1.22	1.30	0.01
Fatima Fertilizer Company Limited	435,000			435,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	593,900	698,000		564,000	727,900	42,713	7.23	7.75	0.08
Fauji Fertilizer Company Limited	354,556	216,679		212,000	359,235	58,160	9.84	10.55	0.04

NAFA MULTI ASSET FUND

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / Right Issue	Sales / during the Period	As at September 30, 2011	Market value as at September 30, 2011	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid-up capital of the investee company held
	-----Number of shares-----					(Rupees in '000)	-----%-----		
General Industrials									
Thal Limited	160,861			10,000	150,861	13,712	2.32	2.49	0.25
Personal Goods									
Azgard Nine Limited (Non-voting shares)	807,000				807,000	5,649	0.96	1.02	0.18
Media									
Eye / Hum Television Network Limited	457,934				457,934	5,646	0.96	1.02	0.92
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	980				980	11	0.00	0.00	0.00
Wateen Telecom Limited	1,000,000				1,000,000	1,560	0.26	0.28	0.16
Electricity									
The Hub Power Company Limited	1,086,674	358,000		885,000	559,674	23,226	3.93	4.21	0.05
Nishat Chunian Power Limited	243,500			243,500	-	-	-	-	-
Nishat Power Limited	399,341	57,754		346,171	110,924	1,676	0.28	0.30	0.03
Banks									
Allied Bank Limited	11,550				11,550	699	0.12	0.13	0.00
MCB Bank Limited	38,200	71,000		54,300	54,900	9,513	1.61	1.73	0.01
Meezan Bank Limited	381,676				381,676	7,672	1.30	1.39	0.05
National Bank of Pakistan	6,522	368,000		335,000	39,522	1,810	0.31	0.33	0.02
	6,835,083	2,244,133	8,555	3,899,471	5,188,300	302,447	51.18	54.86	
Carrying value as at September 30, 2011						289,323			

4.1.1 All shares have a nominal face value of Rs 10 each except for share of Thal Limited which has a face value of Rs 5 each.

4.1.2 The above investments include securities with market value aggregating to Rs.121.437 million (June 30, 2011: 126.958 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular no. 11 dated October 23, 2007 issued by SECP.

4.2 Term finance certificates and Sukuk bonds - 'at fair value through profit and loss'

Name of the investee company	Number of bonds				Market value as at September 30, 2011	Investment as a percentage of		
	As at July 1, 2011	Purchases during the period	Sales / during the period	As at Septembtr 30, 2011		Market value of net assets	Market value of total investments	Issue size
(Rupees in '000)						-----%-----		
Term finance certificates - listed								
Saudi Pak Leasing Company Limited	10,000	-	-	10,000	22,682	3.84	4.11	6.67
Sukuk bonds								
Hub Power Company Limited	-	7,000	-	7,000	35,000	5.92	6.35	1.46
Total - September 30,2011	10,000	7,000	-	17,000	57,682	9.76	10.46	8.13
Carrying value of investments as at September 30, 2011					57,357			

4.2.1 All sukuk bonds have a face value of Rs 5,000 each.

NAFA MULTI ASSET FUND

4.3 Term finance certificates and Sukuk bonds - available for sale

Name of the investee company	Number of bonds				Market value as at September 30, 2011	Investment as a percentage of		
	As at July 1, 2011	Purchases during the period	Sales / during the period	As at Septembter 30, 2011		Market value of net assets	Market value of total investments	Issue size
(Rupees in '000)						-----%-----		
Term finance certificate - listed								
Pakistan Mobile Communications Limited	5,000	-	2,000	3,000	14,790	2.50	2.68	0.35
Term finance certificate - unlisted								
Avari Hotel Limited	6,000	-	-	6,000	25,356	4.29	4.60	0.95
Engro Fertilizer Limited	2,000	-	-	2,000	9,400	1.59	1.70	0.25
Orix Leasing Pakistan Limited	600	-	-	600	30,249	5.12	5.49	1.20
	8,600	-	-	8,600	65,005			
Sukuk bonds								
Eden Builders Limited	4,902	-	-	4,902	15,189	2.57	2.76	1.23
Engro Fertilizer Limited	2,000	-	2,000	-	-	-	-	-
Maple Leaf Cement Factory Limited (note 4.3.4)	17,688	-	-	17,688	55,394	9.37	10.05	1.11
New Allied Electronics Industries (Private) Limited (note 4.3.6)	32,000	-	-	32,000	-	-	-	1.67
Pak Electron Limited	8,000	-	-	8,000	16,718	2.83	3.03	3.33
Eden Housing Limited (note 4.3.5)	10,000	-	-	10,000	24,095	4.08	4.37	6.85
Maple Leaf Cement Factory Limited II (note 4.3.3)	663	-	-	663	-	-	-	1.11
	75,253	-	2,000	73,253	111,396			
	88,853	-	4,000	84,853	191,191	32.36	34.68	
Carrying value of investments as at September 30, 2011					246,907			
Provision for impairment loss as at September 30, 2011					56,840			

- 4.3.1** All term finance certificates have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics Industries (Private) Limited and Orix Leasing Pakistan Limited which have a face value of Rs 312.50 and Rs 100,000 each respectively.
- 4.3.2** As at September 30, 2011, the Fund had not received redemption of principal and / or profit amounts on some of its investments, the details of which are as follows:
- 4.3.3** This represents 2nd issue of sukuk by Maple Leaf Cement Factory Limited under a restructuring agreement with a face value of Rs 3,315 thousand. As this issue represents overdue mark-up, the management has fully provided the amount of issue and has suspended income of Rs 123 thousand on this issue.
- 4.3.4** This represents investment in privately placed sukuk bonds issue with a term of six years. On September 03, 2011 i.e. the scheduled redemption date, principal redemption were not received by the Fund. The Management has recognised provision for impairment amounting to Rs. 32,933 thousand till September 30, 2011. The minimum amount of provision required as per SECP circular no. 01 of 2009 amounts to Rs. 32,933 thousand. The income suspended on these sukuk bonds amounted to Rs. 12,708 thousand.
- 4.3.5** This represents investment in privately placed sukuk bonds issue with a term of five years. On 31 March 2011 and 29 June 2011 i.e. the scheduled redemption date, principal redemption were not received by the Fund. The Management has recognised provision for impairment amounting to Rs. 10,592 thousand till September 30, 2011. The minimum amount of provision required as per SECP circular no. 01 of 2009 amounts to Rs. 10,592 thousand. The income suspended on these sukuk bonds amounted to Rs. 1,431 thousand.
- 4.3.6** New Allied Electronics Industries (Private) Limited defaulted on the amount of principal and mark-up due on the schedule redemption dates [i.e. October 25, 2008 (only principal), January 25, 2009, April 25, 2009, July 25, 2009 and October 25, 2009]. Hence, the Fund has fully provided this investment in accordance with the provisioning policy approved by the Board of Directors of the Management Company. The income suspended on these sukuk bonds amounted to Rs. 2,776 thousand.

NAFA MULTI ASSET FUND

Un-audited
September 30,
2011
Audited
June 30,
2011
Rupees in '000

5 DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable on equity securities	361	1,600
Profit on savings deposits	621	381
Income accrued on term finance certificates and sukuk bonds	25,110	23,094
Less: Suspended Income	(17,038)	(4,260)
	8,072	18,834
	<u>9,054</u>	<u>20,815</u>

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	425	285
Brokerage payable	354	330
Settlement charges payable	4	18
Dividend payable to brokers	493	493
Rating fee payable	25	-
Others	631	544
Provision for Workers' Welfare Fund	4,636	4,636
	<u>6,568</u>	<u>6,306</u>

7 COMPLIANCE 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 Scheme'. 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 (vi) of the said categorisation 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 September 30, 2011, the Fund is in non-compliance with the above-mentioned requirements in respect of the following:

Name of non-compliant investment	Type of 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	22,682	-	22,682	3.84	3.79
Sukuk Bonds*	Maple Leaf Cement Factory Limited	88,327	32,933	55,394	9.37	9.24
Sukuk Bonds*	Maple Leaf Cement Factory Limited - 2nd issue	3,315	3,315	-	-	-
Sukuk Bonds*	New Allied Electronic Industries (Private) Limited	10,000	10,000	-	-	-
Sukuk Bonds*	Eden Housing Limited	34,687	10,592	24,095	4.08	4.02
Bank balances**	KASB Bank Limited	79	-	79	0.01	0.01
	Silk Bank Limited	408	-	408	0.07	0.07
	Atlas Bank Limited	166	-	166	0.03	0.03

* At the time of purchase, these term finance certificates and sukuk bonds 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.

NAFA MULTI ASSET FUND

7.1 The management is taking steps to ensure compliance with the above requirement.

8 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fullerton Asset Management Limited (NAFA) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

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

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

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

	Quarter Ended September 30, 2011	Quarter Ended September 30, 2011
	Rupees in '000	
8.1 Details of the transactions with connected persons are as follows:		
NBP Fullerton Asset Management Limited - Management Company		
Management fee expense for the period	4,268	5,975
Front end load for the period	-	14
National Bank of Pakistan - Sponsor		
Cash Dividend	6,350	1,621
Taurus Securities (Private) Limited		
Brokerage	47	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	341	476
CDS charges	57	34
Alexandra Fund Management Pte. Limited		
Units redeemed (Nil units; September 30, 2010: 10,471,972 units)	-	100,000
Bonus units issued (12,234 units; September 30, 2010: 511,879 units)	-	-
NBP Employees Pension Fund		
Bonus units issued (2,140,727 units; September 30, 2010; Nil units)	-	-
Employees of the Management Company		
Units redeemed (Nil units; September 30, 2010: 2,025 units)	-	19
Bonus units issued (Nil units; September 30, 2010: 522 units)	-	-

NAFA MULTI ASSET FUND

Un-audited as at
September 30,
2011
Audited as at
June 30,
2011
Rupees in '000

8.2 Amounts outstanding as at quarter end

NBP Fullerton Asset Management Limited - Management Company
Management Fee payable
Others

1,301	1,480
213	5

National Bank of Pakistan - Sponsor

Investment held by the Sponsor in the Fund (4,410,752 units;
June 30, 2011: 4,410,752 units)
Balance in current account

41,504	47,268
296	512

Taurus Securities (Private) Limited

Brokerage Payable

3	8
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Alexandra Fund Management Pte. Limited

Investment held by the Sponsor in the Fund (91,068 units;
June 30, 2011: 78,834 units)

857	845
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Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable
CDS charges payable
Security deposit

104	118
-	10
100	100

NBP Employees Pension Fund

Units held in the Fund (15,934,787 units; June 30, 2011: 13,794,060 units)

149,943	147,825
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9 EARNING PER UNIT

Earning per unit (EPU) for the quarter ended September 30, 2011 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

10 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company has decided to distribute at least 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

11 COMMITMENTS

There were no commitments as on September 30, 2011 and June 30, 2011.

NAFA MULTI ASSET FUND

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 27, 2011.

13 GENERAL

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

13.2 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
(Management Company)

Chief Executive

Director