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

NAFA MULTI ASSET FUND

ANNUAL REPORT 2015




Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

MISSION STATEMENT



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

NAFA MULTI ASSET FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

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

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

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

Human Resource and Remuneration Committee

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

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main 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
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
Sindh Bank Limited

NAFA MULTI ASSET FUND

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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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Board of Directors



Mr. Nausherwan Adil
Chairman



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Kamal Amir Chinoy
Director



Mr. Koh Boon San
Director



Mr. Aamir Sattar
Director



Mr. Shehryar Faruque
Director



Mr. Nigel Poh Cheng
Director



Mr. Abdul Hadi Palekar
Director

Senior Management*



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. M. Murtaza Ali
Chief Operating Officer
& Company Secretary



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Mr. Zeeshan
Chief - Strategy &
Business Development



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Samiuddin Ahmed
Country Head Corporate
Marketing



Mr. Ozair Khan
Chief Technology Officer



Mr. Muhammad Ali, CFA, FRM
Head of Fixed Income



Syed Suleman Akhtar CFA
Head of Research



Mr. Tahir Lateef
Head of Internal Audit



Mr. Ahmad Nouman CFA, PRM
Head of Risk Management



Mr. Asim Wahab Khan, CFA
Head of Equity

NAFA MULTI ASSET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Ninth Annual Report of NAFA Multi Asset Fund for the year ended June 30, 2015.

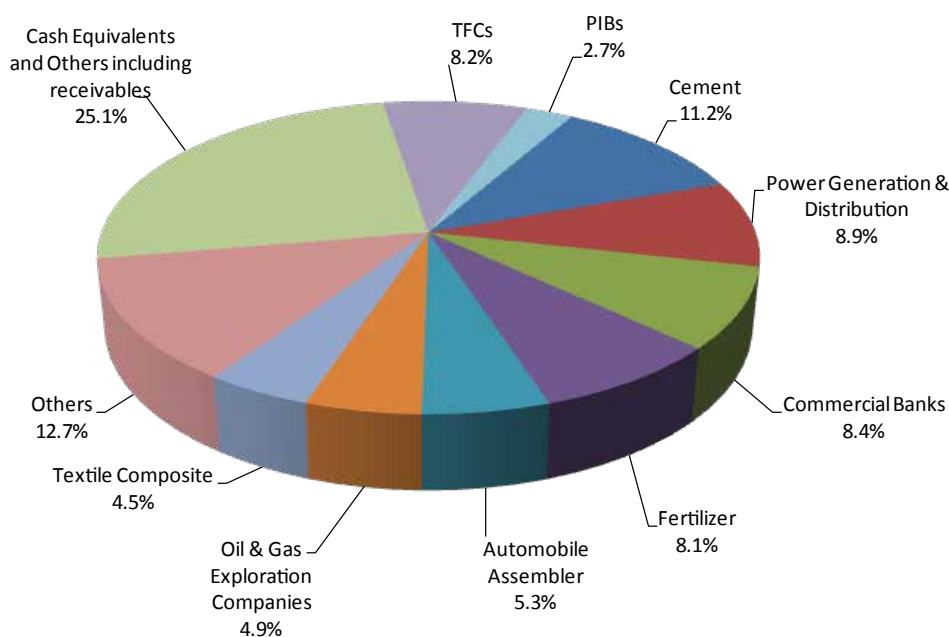
Fund's Performance

During FY2014-15, the stock market (KSE-100 Index) surged by 16.01%. Despite a challenging political environment which led to heightened volatility in the market, FY15 was the 6th consecutive year of double digit returns. The KSE-100 Index witnessed bullish momentum driven by strengthening foreign exchange reserves amid successful ongoing IMF and Privatization programs; issuance of international sukuk bonds; steep fall in oil prices and inflation and resultant 300bps cut in SBP discount rate to 7.0%; and rating upgrades by international rating agencies. Mutual Funds and foreigners remained net buyers in the market on the back of strong macroeconomic outlook, attractive valuations, and improving security situation.

On the corporate debt sphere, trading activity in TFCs remains skewed towards the high quality issues. Dearth of primary issuance versus elevated demand further depressed the yield on the high credit quality corporate bonds. During the period under review, the State Bank of Pakistan reduced the discount rate by 300 bps bringing it to a 42 year low of 7.0%. SBP highlighted i) improving external account position; ii) benign inflation reading and anchored inflation outlook; and iii) continued increase in foreign exchange reserves as the key drivers for the expansionary monetary policy decision during the year. Sovereign securities responded to the loose monetary policy period with yields on the PIBs and T-bills declining sharply.

During the fiscal year, the return on NAFA Multi Asset Fund was 26.80% versus the benchmark (50% KSE-100 Index, 50% 3-Month KIBOR) return of 12.75% translating into an out-performance of 14.05% during the year. Since its launch (January 22, 2007), the Fund has risen by 264.28%, versus the benchmark (50% KSE-100 Index, 50% 3-Month KIBOR) return of 191.56%, thus to date out-performance is 72.72%. This outperformance is net of management fee and all other expenses.

The size of NAFA Multi Asset Fund as on June 30, 2015 is Rs.1,487 million. The Fund has earned a total income of Rs.335.07 million during the year. After deducting total expenses of Rs.45.34 million, the net income is Rs.289.73 million. During the year, the unit price of NAFA Multi Asset Fund has increase from Rs.12.0708 (Ex-Div) on June 30, 2014 to Rs.15.3058 (Ex-Div) on June 30, 2015. The resultant per unit gain is Rs.3.2350 (26.80%). The asset allocation of NAFA Multi Asset Fund as on June 30, 2015 is as follows:



NAFA MULTI ASSET FUND

Income Distribution

The Board of Directors of the Management Company has approved cash dividend of 3.36% of opening ex-NAV (4.17% of the par value) during the year.

Taxation

As the above cash dividend 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 M. Yousuf Adil Saleem & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ended June 30, 2016.

Directors' Statement in Compliance with Code of Corporate Governance

1. The financial statements, prepared by the management company, 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 the 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 Financial Reporting 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 the 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 six meetings during the current financial year. The attendance of all directors is disclosed in the note 25 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 24 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 21 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 Trustee.

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: September 30, 2015
Place: Karachi.

NAFA MULTI ASSET FUND

TRUSTEE REPORT TO THE UNIT HOLDERS NAFA MULTI ASSET FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Multi Asset Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 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: October 13, 2015

NAFA MULTI ASSET FUND

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2015

This statement is being presented by the Board of Directors of NBP Fullerton Asset Management Limited (Company), the Management Company of **NAFA Multi Asset Fund** (the Fund) to comply with the Best Practices of Code of Corporate Governance (CCG) contained in Regulation No. 35, Chapter XI of Listing Regulations of Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

NBP Fullerton Asset Management Limited, though an un-listed Public Limited Company complies with the CCG as the Fund under its management is listed on Lahore Stock Exchange.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board of Directors. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2015, the Board included:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque
Executive Directors	Dr. Amjad Waheed (Chief Executive Officer)
Non- Executive Directors	1. Mr. Nausherwan Adil (Chairman) 2. Mr. Aamir Sattar 3. Mr. Abdul Hadi Palekar 4. Mr. Nigel Poh Cheng 5. Mr. Koh Boon San

The independent directors meet the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the 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. One casual vacancy occurred on the board on February 17, 2015 which was filled up on the same date.
5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

NAFA MULTI ASSET FUND

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies 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. There is no other executive-director of the Company besides CEO.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. 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 meetings were appropriately recorded and circulated.
9. In order to apprise the directors on their duties and responsibilities the Code requires every listed company to conduct formal orientation for directors. As per the Code, by June 30, 2015 a minimum of three directors should have attended director training program. As at year end, three of the directors have attended the director's training program offered by Pakistan Institute of Corporate Governance. Other directors are also conversant with the relevant laws applicable to the Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. There was no new appointment of the Chief Financial Officer (CFO), Company Secretary, or Head of Internal Audit during the year.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the units of the Fund other than that disclosed in note 21 to the financial statements "Transactions with Connected Persons".
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the CCG. The committee has formed the terms of reference for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members. All the members are non-executive directors including an independent director and the chairman of the committee is a non-independent director.

NAFA MULTI ASSET FUND

18. The Board has set up an effective internal audit function.
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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
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. Since there is no practical implication of closed period on the announcement of interim and final results of open end Fund. Therefore, there was no 'closed period' prior to the announcement of interim/final results.
22. Material / price sensitive information has been disseminated amongst all market participants at once through stock exchange.
23. We confirm that all other material principles contained in the CCG have been complied with. While the Code of Corporate Governance requires that a mechanism shall be put in place for the annual evaluation of the Board's own performance by April 2014, the Management Company has prepared a framework for this purpose and eventual approval by the Board of Directors of the Management Company will be obtained in forthcoming Board of Directors meeting, subsequent to year end.

For and behalf of the board

Karachi
September 30, 2015

Dr. Amjad Waheed
Chief Executive Officer

NAFA MULTI ASSET FUND

FUND MANAGER REPORT

NAFA Multi Asset Fund

NAFA Multi Asset Fund (NMF) is an open-ended balanced fund.

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 with a maximum range of 70% in any asset classes at a point in time. The risk profile of the fund is moderate.

Benchmark

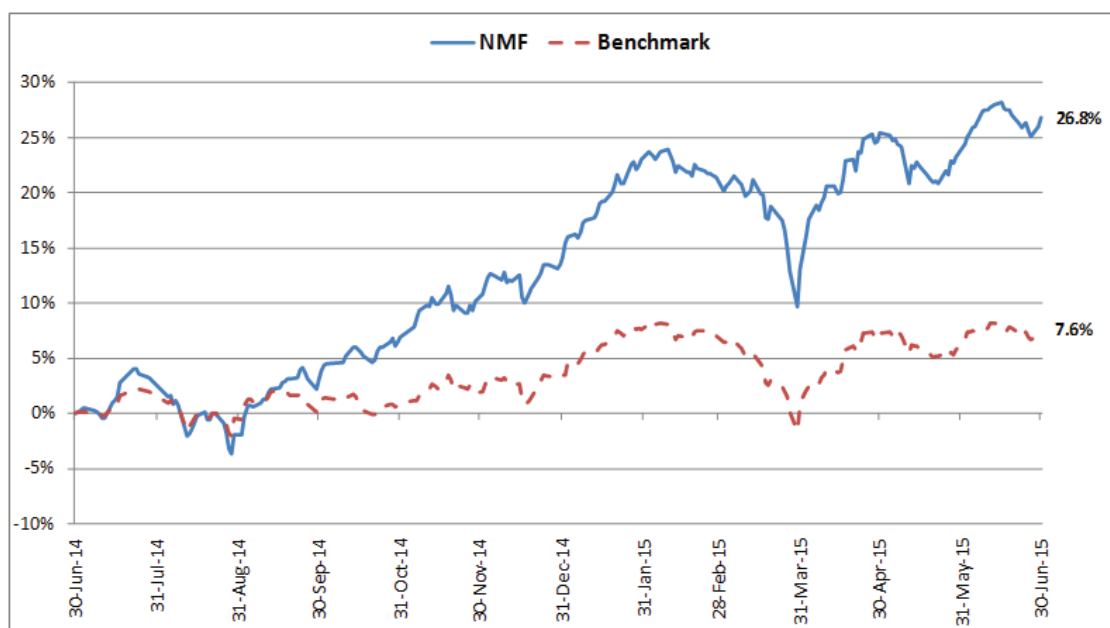
50% 3-Month KIBOR and 50% KSE-30 Index

Fund Performance Review

This is the ninth annual report of the Fund. During the year under review, NAFA Multi Asset Fund's (NMF) dividend adjusted Net Asset Value (NAV) increased by 26.80%, whereas the benchmark, 50% KSE-30 Index and 50% 3-month KIBOR, increased by 7.64%, thus an out-performance of 19.16% was recorded. Since inception on January 22, 2007, the NAV of NMF has risen by 264.28% while the benchmark has increased by 108.32%, thus to date cumulative outperformance is 155.96%. The outperformance of the Fund is net of management fee and all other expenses. Thus, NMF has met its investment objective. During the year, the fund size of NMF increased by 45% to Rs. 1,487mn.

NMF outperformed during the year as its key holdings in the Cement, Auto Assembler, Chemicals, Power Generation & Distribution companies and Textile Composite performed better than the market. Moreover, contribution to the Fund's performance also came from its under-weight position in the selected companies of Oil and Gas Exploration companies, Oil and Gas Marketing companies and Banks sectors that lagged the market. The chart below shows the performance of NMF against the benchmark for the year.

NMF Performance vs. Benchmark during FY15



NAFA MULTI ASSET FUND

At the start of the year, NMF was around 68% invested in equities. During the year, we altered the allocation of the Fund based on the expected performance of different asset classes. Towards the end of the year, the allocation in equities was around 64%.

During FY2014-15, the stock market (KSE-100 Index) surged by 16.01%. Despite a challenging political environment which led to heightened volatility in the market, FY15 was the 6th consecutive year of double digit returns. The Market witnessed bullish momentum due to strengthening FX reserves, successful ongoing IMF and Privatization programs, issuance of international sukuk bonds, steep fall in inflation and resultant 300bps cut in SBP discount rate to 7.0% and rating upgrades by international rating agencies. Mutual Funds and foreigners remained net buyers in the market on the back of strong macroeconomic outlook and improvement in political and security situation.

Trading activity in TFCs/Sukuks remains skewed towards the high quality issues. Dearth of primary issuance versus elevated demand kept the yield on the high credit quality corporate bonds depressed. During the period under review, the State Bank of Pakistan reduced the discount rate by 300 bps bringing it to a 42 year low of 7.0%. SBP highlighted i) improving external account position; ii) benign inflation reading and anchored inflation outlook; and iii) continued increase in foreign exchange as key drivers for the expansionary monetary policy decision during the year. Sovereign securities responded to the loose monetary policy period with yields on the short term and long term sovereign bonds declining sharply. All TFCs/Sukuks in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

Asset Allocation of the Fund (% of NAV)

Particulars	30-Jun-15	30-Jun-14
Equities / Stocks	63.96%	67.79%
TFCs / Sukuks	8.22%	14.76%
PIBs	2.71%	-
Cash Equivalentents	34.66%	26.45%
Other Net (Liabilities) / Assets	-9.54%	-9.0%
Total	100.00%	100.00%

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
Saudi Pak Leasing	TFC	27,547,410	27,547,410	-	-	-	-
Eden Housing (Sukuk II)	SUKUK	9,843,750	9,843,750	-	-	-	-
New Allied Electronics (Sukuk I)	SUKUK	10,000,000	10,000,000	-	-	-	-
Total		47,391,160	47,391,160	-	0.0%	0.0%	-

Distribution for the Financial Year 2015

Interim	Dividend as a % of Par Value (Rs.10)	Cum Dividend Price Per Unit (Rs.)	Ex- Dividend Price Per Unit (Rs.)
Interim	4.168%	15.5137	15.0969

NAFA MULTI ASSET FUND

Unit Holding Pattern of NAFA MULTI ASSET FUND as on June 30, 2015

Size of Unit Holding (Units)		No. of Unit Holders
1	1,000	53
1,001	5,000	143
5,001	10,000	58
10,001	50,000	137
50,001	100,000	44
100,001	500,000	35
500,001	1,000,000	5
1,000,001	5,000,000	2
5,000,001	10,000,000	2
10,000,001	100,000,000	2
Total:		481

During the period under question:

- There have been no significant changes in the state of affairs of the Fund
- The Management Company or its delegates did not receive any soft commission (i.e. goods and services) from its broker(s)/dealer(s) by virtue of transactions conducted by the Fund.

Workers' Welfare Fund (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of 20.023 million. If the same were not made, the NAV per unit/last one year return of scheme would have been higher by Rs 0.206 / 1.346%. For details, investors are advised to read the Note 17 of the Financial Statements of the Scheme for the year ended June 30, 2015.

NAFA MULTI ASSET FUND

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of the NBP Fullerton Asset Management Limited, the Management Company of NAFA Multi Asset Fund (the Fund) for the year ended June 30, 2015, to comply with the requirements of Lahore Stock Exchange Limited where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund (the Board). 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 and report if it does not and to highlight any non-compliance with the requirement of the Code. 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 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 are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price 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 Fund's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2015.

Further, we highlight the below instances of non-compliances with the requirements of the Code as reflected in the paragraph references where these are stated in the Statement of Compliance:

- i) Paragraph 21 As per the Code, there should be announcement of 'close period' prior to the announcement of interim / final results, however there was no such 'close period' announced during the year ended June 30, 2015.
- ii) Paragraph 23 As per the Code, a mechanism was required to be put in place for an annual evaluation of the Board's own performance which has been approved by the Board of Directors of Management Company subsequent to year end.

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Karachi
Date: October 16, 2015

NAFA MULTI ASSET FUND

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

Report on the Financial Statements

We have audited the accompanying financial statements of NAFA Multi Asset Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2015, and the related income statement, statement of comprehensive income, cash flow statement, distribution statement and statement of movements in unit holders' funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Company's Responsibility for the Financial Statements

NBP Fullerton Asset Management Limited (the Management Company) is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 about whether the financial statements are free from material misstatement.

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 Fund'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 Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Company, 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 financial position of the Fund as at June 30, 2015, and of its financial performance, its cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non- Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non- Banking Finance Companies and Notified Entities Regulations, 2008.

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Engagement Partner:
Naresh Kumar

Date: September 30, 2015
Place: Karachi

NAFA MULTI ASSET FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2015

	Note	2015 -----Rupees in '000-----	2014 -----Rupees in '000-----
ASSETS			
Balances with banks	5	390,010	227,228
Investments	6	1,113,773	847,235
Dividend and profit receivable	7	9,059	3,961
Advances, deposits and other receivables	8	90,772	7,646
Total assets		1,603,614	1,086,070
LIABILITIES			
Payable to the NBP Fullerton Asset Management Limited - Management Company	9	11,650	3,502
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	267	209
Payable to the Securities and Exchange Commission of Pakistan	11	1,139	749
Payable against purchase of investments		-	39,398
Dividend payable to National Bank of Pakistan		2,128	-
Accrued expenses and other liabilities	12	101,131	15,816
Total liabilities		116,315	59,674
NET ASSETS		1,487,299	1,026,396
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			
		1,487,299	1,026,396
Contingencies and commitments			
	13		
-----Number of units-----			
Number of units in issue	14	97,172,330	82,746,275
-----Rupees-----			
Net asset value per unit	15	15.3058	12.4041

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 -----Rupees in '000-----	2014
INCOME			
Return / mark-up on;			
- bank deposits		22,094	24,224
- term finance certificates and sukuk bonds		22,083	29,333
- government securities		5,145	4,142
Capital gain on sale of investments - net		102,565	82,959
Dividend income		41,551	24,943
Unrealised gain on re-measurement of investments at fair value through profit or loss-held for trading' - net	6.9	<u>155,927</u>	<u>75,382</u>
		349,365	240,983
EXPENSES			
Remuneration of the NBP Fullerton Asset Management Limited - Management Company	9.1	26,819	17,627
Sindh sales tax on remuneration of the Management Company	9.2	4,666	3,292
Federal Excise Duty on remuneration of the Management Company	9.3	4,291	2,820
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1	2,341	1,762
Annual fee - Securities and Exchange Commission of Pakistan	11.1	1,140	750
Securities transaction cost		1,631	3,098
Settlement and bank charges		441	644
Auditors' remuneration	16	531	479
Annual listing fee		40	40
Legal and professional charges		125	134
Fund's rating fee		170	133
Printing expenses		90	106
Impairment loss on investments classified as held for trading	6.11	-	27,547
Reversal of impairment on investments classified as available for sale	6.12	<u>(2,857)</u>	<u>(39,071)</u>
		39,428	19,361
Net income from operating activities		<u>309,937</u>	<u>221,622</u>
Element of loss and capital losses included in prices of Units issued less those in Units redeemed	4	(14,292)	-
Provision for Workers' Welfare Fund	17	(5,913)	(4,432)
Net income for the year before taxation		<u>289,732</u>	<u>217,190</u>
Taxation	18	-	-
Net income for the year after taxation		<u>289,732</u>	<u>217,190</u>
Earnings per unit	19		

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	-----Rupees in '000-----	
Net income for the year after taxation	289,732	217,190
Other comprehensive income		
Items that may be reclassified subsequently to income statement:		
Net unrealised gain / (loss) on the re-measurement of investments classified as 'available for sale'	11,964	(17,181)
Reclassification to income statement relating to gain realized on maturity / disposal of investment classified as 'available for sale'	(301)	-
Total comprehensive income for the year	<u>301,395</u>	<u>200,009</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		-----Rupees in '000-----	
Undistributed income brought forward		111,448	133,470
Final distribution for the year ended June 30, 2014: Nil (2013: 21.411%) Date of Distribution: Nil (2013: July 11, 2013)			
- Bonus units		-	(117,607)
- Cash distribution		-	(9,446)
		-	(127,053)
Net income for the year		289,732	217,190
First Interim distribution: 4.168% (2014: 2.268%) Date of Distribution: June 29, 2015 (2014: February 13, 2014)			
- Bonus units		-	(15,992)
- Cash distribution		(39,525)	(17)
Second Interim distribution: Nil (2014: 2.268%) Date of Distribution: Nil (2014: April 30, 2014)			
- Bonus units		-	(8,685)
- Cash distribution		-	(7,555)
Third Interim distribution : Nil (2014 :14.518%) Date of Distribution: Nil (2014: June 26, 2014)			
- Bonus units		-	(52,829)
- Cash distribution		-	(48,363)
		(39,525)	(133,441)
Element of income and capital gains included in prices of units issued less those in units redeemed	4	20,090	21,282
Undistributed income carried forward		<u>381,745</u>	<u>111,448</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 -----Rupees in '000-----	2014
Net assets at the beginning of the year		1,026,396	800,275
Issuance of 38,251,924 units (2014: 35,214,614 units including 15,959,230 bonus units)		544,209	241,296
Redemption of 23,825,869 units (2014: 11,821,134 units)		(359,468)	(149,803)
		184,741	91,493
Final distribution of bonus units for the year ended June 30, 2014: Nil (2013: 21.411%)		-	117,607
Net element of loss and capital losses included in prices of units issued less those in units redeemed - transferred to Income statement	4	14,292	-
Net element of (income) and capital (gains) included in prices of units issued less those in units redeemed - transferred to distribution statement	4	(20,090)	(21,282)
Total Comprehensive income for the year		301,395	200,009
Less: Distributions made during the year			
Final distribution for the year ended June 30, 2014: Nil (2013: 21.411%) Date of Distribution: Nil (2013: July 11, 2013)			
- Bonus units		-	(117,607)
- Cash distribution		-	(9,446)
First Interim distribution: 4.168% (2014: 2.268%)			
- Bonus units		-	(15,992)
- Cash distribution		(39,525)	(17)
Second Interim distribution: Nil (2014: 2.268%)			
- Bonus units		-	(8,685)
- Cash distribution		-	(7,555)
Third Interim distribution : Nil (2014 :14.518%) Date of Distribution: Nil (2014: June 26, 2014)			
- Bonus units		-	(52,829)
- Cash distribution		-	(48,363)
		(39,525)	(260,494)
Issue of bonus units for the year		-	77,506
Element of income and capital gains included in prices of units issued less those in units redeemed - net	4	20,090	21,282
Net assets at the end of the year		<u>1,487,299</u>	<u>1,026,396</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 -----Rupees in '000-----	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		289,732	217,190
Adjustments			
Unrealised gain on re-measurement of investments at fair value through profit or loss -held-for trading' - net		(155,927)	(75,382)
Element of loss and capital losses included in prices of Units issued less those in Units redeemed		14,292	-
Impairment loss on investments classified as held for trading		-	27,547
Reversal of impairment on investments classified as available for sale		(2,857)	(39,071)
		(144,492)	(86,906)
		145,240	130,284
(Increase) / decrease in assets			
Investments - net		(96,091)	(418,292)
Dividend and profit receivable		(5,098)	859
Advances, deposits and other receivables		4,767	(4,767)
		(96,422)	(422,200)
Increase / (decrease) in liabilities			
Payable to the Management Company		8,148	1,745
Payable to the Central Depository Company of Pakistan Limited - Trustee		58	44
Payable to the Securities and Exchange Commission of Pakistan		390	156
Payable against purchase of investments		(39,398)	39,398
Accrued expenses and other liabilities		7,162	3,817
		(23,640)	45,160
Net cash generated from / (used in) operating activities		25,178	(246,756)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash generated from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received from issuance of units		456,316	241,296
Amounts paid on redemption of units		(281,315)	(149,803)
Distributions paid		(37,397)	(65,381)
Net cash generated from financing activities		137,604	26,112
Net increase / (decrease) in cash and cash equivalents during the year		162,782	(220,644)
Cash and cash equivalents at the beginning of the year		227,228	447,872
Cash and cash equivalents at the end of the year	5	390,010	227,228

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Multi Asset Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited, a company incorporated under the Companies Ordinance, 1984, as Management Company and Central Depository Company of Pakistan Limited (CDC), also incorporated under the Companies Ordinance, 1984, as Trustee. The Trust Deed was executed on December 6, 2006 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

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

The Fund is an open-ended mutual fund categorised as balanced scheme and its units are listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. These units are transferable and can be redeemed by surrendering them to the Fund.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' to the Management Company. Based on the performance of the Fund for the year ended June 30, 2015, it has been assigned short term and long term performance ranking of '3 star' and '4 star' respectively.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the 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 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 NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees, except otherwise stated.

2.4 Adoption of new standards, amendments and interpretations to the published approved accounting standards:

2.4.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2015

The following standards, amendments and interpretations are effective for the year ended June 30, 2015. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

NAFA MULTI ASSET FUND

Amendments to IAS 19 Employee Benefits: Employee contributions	Effective from accounting period beginning on or after July 01, 2014
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2014
IAS 36 Impairment of Assets - Recoverable amount disclosures for non-financial assets	Effective from accounting period beginning on or after January 01, 2014
IAS 39 Financial Instruments: Recognition and measurement - Novation of derivatives and continuation of hedge accounting	Effective from accounting period beginning on or after January 01, 2014
IFRIC 21 - Levies	Effective from accounting period beginning on or after January 01, 2014

2.4.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants	Effective from accounting period beginning on or after January 01, 2016
IAS 27 (Revised 2011) – Separate Financial Statements	Effective from accounting period beginning on or after January 01, 2015. IAS 27 (Revised 2011) will concurrently apply with IFRS 10.
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	Effective from accounting period beginning on or after January 01, 2015
IFRS 10 – Consolidated Financial Statements	Effective from accounting period beginning on or after January 01, 2015. Earlier adoption is encouraged.
IFRS 11 – Joint Arrangements	Effective from accounting period beginning on or after January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	Effective from accounting period beginning on or after January 01, 2015
IFRS 13 – Fair Value Measurement	Effective from accounting period beginning on or after January 01, 2015

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers

2.5 Critical accounting judgments and estimates

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying Fund's accounting policies. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

In the process of applying Fund's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- a) classification of financial assets (note 3.2.1)
- b) impairment of financial assets (note 3.2.5)
- c) provisions (note 3.9)

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:

3.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.2 Financial assets

3.2.1 Classification

The management of the Fund determines appropriate classification of investments at the time of purchase and classifies these investments at fair value through profit or loss (held-for-trading), loans and receivables or available-for-sale.

a) Investments at fair value through profit or loss - held for trading

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss - held for trading".

b) Loans and receivables

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

c) Available for sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (i) loans and receivables, (ii) held to maturity investments or (iii) financial assets at fair value through profit and loss.

3.2.2 Regular way contracts

All regular purchases / sales of investments are recognized on the trade date i.e. the date that the Fund commits to purchase / sell the investments. Purchases / sales of investments require delivery of securities within the time frame established by the regulations.

3.2.3 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 recognised in the 'income statement'.

3.2.4 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) Debt securities (other than government securities)

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) 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) 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.

Investments of the Fund in unquoted equity securities are carried at lower of investment price or their break-up value as per the latest audited financial statements.

NAFA MULTI ASSET FUND

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

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

Subsequent to initial recognition, financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

3.2.5 Impairment of financial assets

The carrying value of the Fund's assets are reviewed at each reporting 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'.

a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular no. 33 of 2012 dated October 24, 2012 issued by the SECP. Impairment losses recognised on debt securities can be reversed through the 'Income Statement'.

As allowed under circular no. 13 of 2009 dated May 4, 2009 issued by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circular, in accordance with a provisioning policy approved by the Board of Directors and disseminated by the Management Company in its website.

b) Equity securities

For equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the security is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in 'income statement' is reclassified from 'unit holders' fund' to 'income statement'. Impairment losses recognised on equity instruments are not reversed through the 'income statement'.

c) Loans and receivables

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

3.2.6 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.

3.2.7 Offsetting of financial assets and financial 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.

3.3 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.

NAFA MULTI ASSET FUND

3.5 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

3.6 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 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.7 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 day. 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. Transaction costs are recorded as income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours on 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.

3.8 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.

Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is determined based on the income earned during the period and on unrealised appreciation / (diminution) arising during the year on available for sale securities (AFS). From April 01, 2015, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed is now apportioned between the income statement and the distribution statement in proportion of the relative change in net assets for the period of available for sale investments and other net assets (Note 4).

3.9 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.

3.10 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.
- Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss - held for trading' are included in the 'income statement' in the period in which they arise.
- Dividend income is recognised when the right to receive the dividend is established.
- Markup / return on government securities, term finance certificate, sukuks, commercial papers, clean placements, bank balances and term deposit receipts are recognized on a time proportionate basis using the effective interest method.

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.

3.12 Proposed distributions

Distributions declared subsequent to the year end are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared, However for tax purpose it is considered of that year for which it is declared.

NAFA MULTI ASSET FUND

4 Change in accounting estimate

From April 1, 2015, the Fund has revised its methodology for recognition of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed. As per the revised methodology, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed is now apportioned between the income statement and the distribution statement in proportion of the relative change in net assets for the period of available for sale investments and other net assets. Previously, full amount of the element was taken directly to the distribution statement.

The revised methodology, in the opinion of management, reflects a more appropriate manner for recognition of element and moreover is in conformity with the general industry practice. The new methodology is being consistently implemented across all funds managed by the Management Company. Management has treated the revision in methodology as change in accounting estimate. Had there been no change in estimate, the net profit for the year would have been higher by Rs. 14.006 million (net of WWF).

	Note	2015 -----Rupees in '000-----	2014
5 BALANCES WITH BANKS			
Current accounts		2,891	2,721
Savings accounts	5.1	387,119	224,507
		<u>390,010</u>	<u>227,228</u>

5.1 These carry profits at the rates ranging from 4.50% to 10.10% per annum (2014: 6.00% to 10.10% per annum).

	Note	2015 -----Rupees in '000-----	2014
6 INVESTMENTS			

At fair value through profit or loss - held for trading

Listed equity securities	6.1	951,278	695,756
Government securities	6.2	40,303	-
Term finance certificates	6.3	-	-
Sukuk bonds	6.4	80,129	82,360
		<u>1,071,710</u>	<u>778,116</u>

Available for sale

Term finance certificates	6.6	10,175	18,318
Sukuk bonds	6.7	31,888	50,801
		<u>42,063</u>	<u>69,119</u>
		<u>1,113,773</u>	<u>847,235</u>

6.1 Listed equity securities - at fair value through profit or loss - held for trading

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

Name of the investee company	Number of shares					Market value as at June 30, 2015	Investment as a percentage of		
	As at July 1, 2014	Purchases during the year	Bonus / right Issue	Sales during the year	As at June 30, 2015		Net assets	Market value of total investment	Paid up capital of investee company

Oil & Gas

Attock Petroleum Limited	1	25,950	-	-	25,951	14,720	0.99	1.32	0.03
Oil & Gas Development Company Limited	87,896	21,000	-	45,000	63,896	11,453	0.77	1.03	0.00
Pakistan Oilfields Limited	65,519	43,400	-	37,250	71,669	28,941	1.95	2.60	0.03
Pakistan Petroleum Limited	179,483	138,600	-	123,500	194,583	31,962	2.15	2.87	0.01
National Refinery Limited	-	18,800	-	500	18,300	4,247	0.29	0.38	0.02
Shell Pakistan Limited	-	45,000	-	7,600	37,400	9,461	0.64	0.85	0.03
Pakistan State Oil Company Limited	72,852	74,000	-	57,300	89,552	34,548	2.32	3.10	0.03
Hascal Petroleum Limited (Refer 6.1.2)	-	155,500	9,405	164,434	471	54	0.00	0.00	0.00

Chemicals

Engro Corporation Limited	203,817	139,000	-	85,000	257,817	76,520	5.14	6.87	0.05
Fauji Fertilizer Bin Qasim Limited	900	-	-	900	-	-	-	-	-
Fauji Fertilizer Company Limited	211	169,100	-	75,000	94,311	14,092	0.95	1.27	0.01
Engro Fertilizers Limited	11,032	765,500	-	457,032	319,500	28,336	1.91	2.54	0.02
Dawood Hercules Corporation Limited	49,000	-	-	40,000	9,000	1,051	0.07	0.09	0.00

NAFA MULTI ASSET FUND

Name of the investee company	Number of shares					Market value as at June 30, 2015	Investment as a percentage of		
	As at July 1, 2014	Purchases during the year	Bonus / right Issue	Sales during the year	As at June 30, 2015		Net assets	Market value of total investment	Paid up capital of investee company
						Rupees in '000)	----- % -----		
Construction and Materials									
Cherat Cement Company Limited	62	-	-	62	-	-	-	-	-
D.G. Khan Cement Company Limited	222,000	654,500	-	363,000	513,500	73,312	4.93	6.58	0.12
Pioneer Cement Limited	654,000	100,000	-	550,000	204,000	17,399	1.17	1.56	0.09
Kohat Cement Company Limited	100	-	-	100	-	-	-	-	-
Lucky Cement Limited	93,364	60,200	-	64,700	88,864	46,175	3.10	4.15	0.03
Akzo Nobel Pakistan Limited	71,800	-	-	30,000	41,800	13,341	0.90	1.20	0.09
Maple Leaf Cement Limited	887,000	291,000	-	791,500	386,500	30,363	2.04	2.73	0.07
General Industrials									
Thal Limited	157,136	-	-	7,500	149,636	42,711	2.87	3.83	0.18
Personal Goods									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.38	0.51	14.61
Nishat Chunian Limited	50	-	-	50	-	-	-	-	-
Nishat Mills Limited	144,000	296,900	-	252,800	188,100	21,487	1.44	1.93	0.05
Kohinoor Textile Mills Limited	-	694,000	-	90,000	604,000	39,236	2.64	3.52	0.25
Forestry (Paper And Board)									
Century Paper & Board Mills Limited	150,000	-	-	150,000	-	-	-	-	-
Technology Hardware And Equipment									
TPL Trakker Limited	630,000	-	-	630,000	-	-	-	-	-
Industrial Transportation									
Pakistan National Shipping Corporation	109,000	-	-	13,000	96,000	10,200	0.69	0.92	0.07
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	661,500	-	-	661,500	-	-	-	-	-
Industrial Metals And Mining									
Crescent Steel and Allied Products Limited	-	115,000	-	8,500	106,500	5,535	0.37	0.50	0.17
International Industries Limited	-	293,500	-	-	293,500	19,706	1.32	1.77	0.24
Electricity									
Kot Addu Power Company Limited	488,000	310,500	-	194,000	604,500	52,011	3.50	4.67	0.07
The Hub Power Company Limited	192,348	364,000	-	81,000	475,348	44,478	2.99	3.99	0.04
K-Electric Limited	1,240,000	-	-	1,235,000	5,000	42	0.00	0.00	0.00
Pakgen Power Limited	3,000	245,000	-	248,000	-	-	-	-	-
Lalpir Power Limited	-	556,500	-	281,500	275,000	8,388	0.56	0.75	0.07
Saif Power Limited	-	748,000	-	-	748,000	27,900	1.88	2.50	0.19
Cable and Electrical Goods									
Pakistan Elektron Limited	-	304,500	-	135,000	169,500	14,024	0.94	1.26	0.04
Multi Utilities (Gas and Water)									
Sui Northern Gas Pipelines Limited	-	504,000	-	504,000	-	-	-	-	-
Glass and Ceramics									
Ghani Glass Limited	84,000	-	-	84,000	-	-	-	-	-
Tariq Glass Industries Limited	-	350,000	-	-	350,000	20,472	1.38	1.84	0.48
Banks									
Bank Alfalah Limited	769,000	620,000	-	960,000	429,000	10,854	0.73	0.97	0.03
Bank Alhabib Limited	689,900	246,500	-	344,500	591,900	26,014	1.75	2.34	0.05
MCB Bank Limited	78,124	-	-	78,124	-	-	-	-	-
Meezan Bank Limited	24,117	155,000	-	21,000	158,117	6,483	0.44	0.58	0.02
National Bank of Pakistan	777,071	22,000	-	799,071	-	-	-	-	-
Habib Bank Limited	50	187,480	-	113,500	74,480	16,024	1.08	1.44	0.01
United Bank Limited	356,191	206,400	-	424,500	138,091	23,603	1.59	2.12	0.01
BankIslami Pakistan Limited	858,500	-	77,894	936,394	-	-	-	-	-
Faysal Bank Limited (Refer 6.1.2)	575,000	1,823,500	333,150	2,711,000	20,650	325	0.02	0.03	0.00
Habib Metropolitan Bank Limited	33,500	336,000	-	-	369,500	11,085	0.75	1.00	0.04
Allied Bank Limited	2,200	361,800	-	64,100	299,900	29,972	2.02	2.69	0.03
Automobile And Parts									
Ghandhara Nissan Limited	165,000	-	-	129,500	35,500	3,511	0.24	0.32	0.08
Honda Atlas Cars (Pakistan) Limited	280,000	48,000	-	264,600	63,400	13,864	0.93	1.24	0.04
Pak Suzuki Motor Company Limited	53,000	42,500	-	72,800	22,700	9,895	0.67	0.89	0.03
Indus Motor Company Limited	-	41,500	-	-	41,500	51,834	3.49	4.65	0.05
						951,278	64	85	
Carrying value before mark to market (listed ordinary shares) as at June 30, 2015						795,225			

NAFA MULTI ASSET FUND

6.1.1 Investments include shares with market value of Rs. 41.02 million (2014: Rs. 47.39 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.

6.1.2 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) has withheld the shares equivalent to 5 % of bonus announcement amounting to Rs. 0.316 million (2014: Nil) and not deposited in CDC account of department of Income Tax.

6.2 Investment in government securities - at fair value through profit or loss - held for trading	Note	2015		2014	
		-----Rupees in '000-----			
Market Treasury Bills (T-Bills)	6.2.1	-	-	-	-
Pakistan Investment Bond (PIBs)	6.2.2	40,303	-	-	-
		<u>40,303</u>	<u>-</u>	<u>-</u>	<u>-</u>

6.2.1 Investment in government securities - at fair value through profit or loss - held for trading

Market Treasury Bills (T-Bills)

Issue Date	Tenor	Face Value				Market value as at June 30, 2015	Investment as a percentage of	
		As at July 1, 2014	Purchases during the year	Sales/ Matured during the year	As at June 30, 2015		Net assets	Market value of total investments
November 27, 2014	03 Months	-	175,000	175,000	-	-	-	-
			<u>175,000</u>	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Carrying value before mark to market as at June 30, 2015

-

6.2.2 Pakistan Investment Bond (PIBs)

Issue Date	Tenor	Face Value				Market Value as at June 30, 2015	Investment as a percentage of	
		As at July 1, 2013	Purchases during the year	Sales/ Matured during the year	As at June 30, 2014		Net assets	Market value of total investments
July 17, 2014	3 years	-	37,500	-	37,500	40,303	2.71	3.62
			<u>37,500</u>	<u>-</u>	<u>37,500</u>	<u>40,303</u>	<u>2.71</u>	<u>3.62</u>

Carrying value before mark to market as at June 30, 2015

38,198

6.3 Term finance certificates - at fair value through profit or loss - held for trading

6.3.1 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, 2015	Investment as a percentage of		
	As at July 1, 2014	Purchases during the year	Sales during the year	As at June 30, 2015		Net assets	Market value of total investment	Issue size
Saudi Pak Leasing Company Limited (note 6.3.1.1)	10,000	-	-	10,000	-	-	-	6.67
	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6.67</u>

Rupees in '000)

Carrying value before mark to market (listed term finance certificates) as at June 30, 2015

27,547

Provision for impairment loss as at June 30, 2015 (note 6.8)

27,547

NAFA MULTI ASSET FUND

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

6.3.2 Term finance certificates - unlisted

Name of the investee company	Number of certificates / bonds				Market value as at June 30, 2015	Investment as a percentage of		
	As at July 1, 2014	Purchases during the year	Sales during the year	As at June 30, 2015		Net assets	Market value of total investment	Issue size
					Rupees in '000)	-----	-----	-----
Hascol Petroleum Limited	-	9,000	9,000	-	-	-	-	-
	-	9,000	9,000	-	-	-	-	-
Carrying value before mark to market as at June 30, 2015					-			

6.4 Sukuks - at fair value through profit and loss - held for trading

All sukuk 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, 2015	Investment as a percentage of		
	As at July 1, 2014	Purchases during the year	Sales during the year	As at June 30, 2015		Net assets	Market value of total investment	Issue size
					Rupees in '000)	-----	-----	-----
K - Electric AZM Sukuk	16,000	-	-	16,000	80,129	5.39	7.19	2.13
	16,000	-	-	16,000	80,129	5.39	7.19	2.13
Carrying value before mark to market (listed term finance certificates) as at June 30, 2015					82,360			
Provision for impairment loss as at June 30, 2015 (note 6.8)					-			

6.5 Other particulars of Term Finance Certificates and Sukuks outstanding as at June 30, 2015 are as follows:

Name of the investee company	Repayment frequency	Face value (unredeemed)	Profit rate per annum	Rating	Issue Date	Maturity Date
Saudi Pak Leasing Company Limited	Monthly	2,755	6.87% fixed rate	BBB-	13-Mar-2008	13-Mar-2017
K - Electric AZM Sukuk	Quarterly	5,000	3 Month KIBOR ask rate plus 2.25%	A-	19-Mar-2014	19-Mar-2017

6.6 Term finance certificates - unlisted (available for sale)

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

Name of the investee company	Number of certificates / bonds				Market value as at June 30, 2015	Investment as a percentage of		
	As at July 1, 2014	Purchases during the year	Sales during the year	As at June 30, 2015		Net assets	Market value of total investment	Issue size
					Rupees in '000)	-----	-----	-----
Avari Hotel Limited	6,000	-	6,000	-	-	-	-	-
Engro Fertilizer Limited	2,000	-	-	2,000	10,175	0.68	0.91	0.25
	8,000	-	6,000	2,000	10,175	0.68	0.91	0.25
Carrying value before mark to market as at June 30, 2015					9,700			

6.6.1 The term finance certificates held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

6.7 Sukuks - available for sale

All Sukuks have a face value of Rs. 5,000 each except New Allied Electronics Industries (Private) Limited which have a face value of Rs. 312.5 each.

NAFA MULTI ASSET FUND

Name of the investee company	Number of certificates / bonds				Market value as at June 30, 2015	Investment as a percentage of		
	As at July 1, 2014	Purchases during the year	Sales during the year	As at June 30, 2015		Net assets	Market value of total investment	Issue size
					Rupees in '000)	-----%-----		
Maple Leaf Cement Factory Limited	17,688	-	-	17,688	31,888	2.14	2.86	2.86
New Allied Electronics Industries (Private) Limited (note 6.7.1)	32,000	-	-	32,000	-	-	-	-
Pak Electron Limited (note 6.7.2)	8,000	-	-	8,000	-	-	-	-
Eden Housing Limited (note 6.7.3)	10,000	-	-	10,000	-	-	-	-
	<u>67,688</u>	-	-	<u>67,688</u>	<u>31,888</u>	<u>2.14</u>	<u>2.86</u>	<u>2.86</u>

Carrying value before mark to market (listed sukuk bonds) as at June 30, 2015

54,529

Provision for impairment loss as at June 30, 2015 (note 6.9)

34,130

- 6.7.1 This represents investment in privately placed sukuk with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since January 9, 2009. The amount of provision as per circular 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.
- 6.7.2 This represents investment in privately placed sukuk bonds with a term of seven years. The issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was classified as NPA by MUFAP. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.
- 6.7.3 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was classified as NPA by MUFAP. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.
- 6.7.4 The sukuk held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.
- 6.8 Other particulars of Term Finance Certificates and Sukuk outstanding as at June 30, 2015 are as follows:

Name of the investee company	Repayment frequency	Face value (unredeemed)	Profit rate per annum	Rating	Issue Date	Maturity Date
Engro Fertilizer Limited	Quarterly	5,000	3 Month KIBOR ask rate plus 2.25%	AA-	18-Mar-2008	18-Mar-2018
Maple Leaf Cement Factory Limited	Quarterly	2,146	3 Month KIBOR ask rate plus 1%	A-	03-Dec-2007	03-Dec-2018
New Allied Electronics Industries (Private) Limited	Quarterly	313	3 Month KIBOR ask rate plus 2.6%	BBB-	25-Jul-2007	25-Jul-2015
Pak Electron Limited	Quarterly	1,786	3 Month KIBOR ask rate plus 1.75%	Unrated	28-Sep-2007	28-Sep-2016
Eden Housing Limited	Quarterly	984	3 Month KIBOR ask rate plus 3%	BBB-	31-Mar-2008	29-Sep-2015

6.9 Unrealised gain in the value of investments at fair value through profit or loss - held for trading - net	Note	2015	2014
		-----Rupees in '000-----	
Market value of investments	6.1, 6.2, 6.3 & 6.4	1,071,710	778,116
Less: Carrying value of investments before mark to market	6.1, 6.2, 6.3 & 6.4	(943,330)	(745,455)
		<u>128,380</u>	<u>32,661</u>
Add: Reversal of unrealised loss		-	15,174
Add: Provision against non-performing term finance certificates and sukuk bonds	6.11	27,547	27,547
		<u>155,927</u>	<u>75,382</u>
6.10 Unrealised gain / (loss) in fair value of investments classified as available for sale - net			
Market value of investments	6.6 & 6.7	42,063	69,119
Less: Carrying value of investments before mark to market	6.6 & 6.7	(64,229)	123,287
		<u>(22,166)</u>	<u>(54,168)</u>
Add: Provision against non-performing term finance certificates and sukuk bonds	6.12	34,130	36,987
		<u>11,964</u>	<u>(17,181)</u>

NAFA MULTI ASSET FUND

		2015	2014
		-----Rupees in '000-----	
6.11	Movement in provision against debt securities - held-for-trading		
	Opening balance	27,547	-
	Charge for the year	-	27,547
	Reversals during the year	-	-
	Closing balance	<u>27,547</u>	<u>27,547</u>
6.12	Movement in provision against debt securities - available-for-sale		
	Opening balance	36,987	76,058
	Charge for the year	-	10,698
	Reversals during the year	(2,857)	(49,769)
		(2,857)	(39,071)
	Closing balance	<u>34,130</u>	<u>36,987</u>
		Note	
		2015	2014
		-----Rupees in '000-----	
7	DIVIDEND AND PROFIT RECEIVABLE		
	Dividend receivable on equity shares	4,082	1,753
	Profit on savings and term deposits	181	62
	Income accrued on term finance certificates and sukuk bonds	19,440	14,775
	Income accrued on Pakistan Investment Bonds	1,907	-
	Less: Income suspended over non-performing debt securities	(16,551)	(12,629)
		4,796	2,146
		<u>9,059</u>	<u>3,961</u>
8	ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
	Advance against investment in book building process	-	4,767
	Receivable against sale of units	87,893	-
	Security deposits with:		
	- National Clearing Company of Pakistan Limited	2,750	2,750
	- Central Depository Company of Pakistan Limited	100	100
	- Advance tax	29	29
		<u>90,772</u>	<u>7,646</u>
8.1	This represents net receivable amount from NBP Fullerton Asset Management Limited - Income Fund, Income Opportunity Fund, Money Market Fund, Asset Allocation Fund, Financial Sector Income Fund and Saving Plus Fund on account of conversion / switching of units on the request of investor. The amount has been received subsequently.		
		Note	
		2015	2014
		-----Rupees in '000-----	
8.2	PAYABLE TO THE NBP FULLERTON MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Management remuneration payable to Management Company	9.1	2,566
	Sindh sales tax payable on management remuneration	9.2	630
	Federal Excise Duty payable to Management Company	9.3	7,413
	Front end load payable		1,041
			<u>401</u>
			<u>11,650</u>
9.1	Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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. On January 22, 2012, the Fund completed its five years and accordingly Management fee is currently being charged at the rate of 2 percent of the average annual net assets of the Fund from that date. Prior to January 22, 2012, Management fee was being charged at the rate of 2.5 percent of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.		
9.2	This represents amount payable in respect of Sindh Sales Tax at the rate of 15% (June 30, 2014: 16%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.		

NAFA MULTI ASSET FUND

9.3 As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services provided by the Management Company has been levied effective from June 13, 2013. Mutual Fund Association of Pakistan (MUFAP) has taken up the matter collectively and filed a petition with the Honorable Sindh High Court and has been granted stay in this regard. In prior year, the Management Company has also received a notice under section 14 of the Federal Excise Act, 2005 regarding payment of FED on management remuneration. The Management Company is of the view that since the services are already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. Therefore, the Management Company has also filed a petition against the demand notice in the Honorable High Court of Sindh and has been granted stay on the basis of the pending constitutional petition from MUFAP in the said court as referred above. However, as a matter of abundant caution, the Fund has made the provision against FED.

	Note	2015 -----Rupees in '000-----	2014
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	10.1	<u>267</u>	<u>209</u>

10.1 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, 2015 is as follows:

Amount of Funds Under Management (Average NAV)	Tariff per annum
Upto Rs. 1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million.

The remuneration is paid to the Trustee monthly in arrears.

	Note	2015 -----Rupees in '000-----	2014
11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	11.1	<u>1,139</u>	<u>749</u>

11.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as 'balanced scheme' is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.085 percent of the average annual net assets of the Fund. The Fund has been categorised as a 'balanced scheme' by the Management Company.

	Note	2015 -----No of Units-----	2014
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		389	357
Settlement charges payable		40	48
Payable to brokers		176	176
Dividend payable to brokers		493	493
Provision for Workers' Welfare Fund	17	20,023	14,110
Legal and professional charges payable		125	50
Payable against redemption of units	12.1	78,153	-
Others		<u>1,732</u>	<u>582</u>
		<u>101,131</u>	<u>15,816</u>

12.1 This represents amount payable to National Bank of Pakistan against redemption of units. The amount has been paid subsequently.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2015 (2014: Nil).

NAFA MULTI ASSET FUND

	2015	2014
	----- Rupees in '000 -----	
14		
Number of units in issue		
Total units in issue at the beginning of the year	82,746,275	59,352,795
Add: units issued during the year	38,251,924	19,255,384
Add: bonus units issued during the year	-	15,959,230
Less: units redeemed during the year	(23,825,869)	(11,821,134)
Total units in issue at the end of the year	<u>97,172,330</u>	<u>82,746,275</u>

15 NET ASSET VALUE PER UNIT

The Net Asset Value per unit as disclosed in 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.

	2015	2014
	----- Rupees in '000 -----	
16		
AUDITORS' REMUNERATION		
Annual audit fee	360	326
Half yearly review fee	124	108
Out of pocket expenses	47	45
	<u>531</u>	<u>479</u>

17 PROVISION FOR WORKERS' WELFARE FUND

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

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 15 July 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under section 4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 06, 2010 to the Members (Domestic Operation) North and South FBR. In the letter, reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 04, 2011 has cancelled ab-initio clarificatory letter dated October 06, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by the Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

Furthermore, in 2011 the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the Honourable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honourable High Court of Sindh.

During the year ended June 30, 2013, the Larger Bench of the Sindh High Court (SHC) issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

During the year ended June 30, 2014, the Honourable Peshawar High Court on a petition filed by certain aggrieved parties (other than the mutual funds) have adjudicated that the amendments introduced in the Workers Welfare Fund Ordinance, 1971 through the Finance Acts of 1996 and 2009 lacks the essential mandate to be introduced and passed through the money bill under the Constitution of Pakistan and hence have been declared as ultra vires the Constitution.

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015.

NAFA MULTI ASSET FUND

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements till June 30, 2015 which aggregates to Rs. 20.023 million including charge for the year of Rs. 5.913 million. Had the same not been made the net asset value per unit / return of the Fund would have been higher by Rs. 0.206 / 1.346% (2014: Rs. 0.171 / 1.375%) per unit respectively.

18 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Fund is required to distribute 90% of the net accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund has distributed such accounting income for the year ending June 30, 2015 to its unit holders. Accordingly, no liability has been recorded in the current year.

19 EARNINGS PER UNIT

Earnings per unit (EPU) for the year ended June 30, 2015 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

20 DETAILS OF NON - COMPLIANT INVESTMENTS

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

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

Following is the detail of non - compliant investments:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	%of netassets	%of grossassets
----- Rupees in '000 -----							
New Allied Electronic Industries (Private) Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates (20.1)	10,000	(10,000)	-	-	-
Saudi Pak Leasing Company	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates (20.1)	27,547	(27,547)	-	-	-
Eden Housing Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuk Bonds (20.1)	9,844	(9,844)	-	-	-
Pak Electron Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuk Bonds (20.1)	14,286	(14,286)	-	-	-

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

20.2 The management is taking steps to ensure compliance with the above requirements.

21 TRANSACTIONS WITH CONNECTED PERSONS

21.1 Connected persons include NBP Fullerton Asset Management Limited, being the Management Company, Central Depository Company of Pakistan Limited, being the Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited, being the sponsors of the Fund / Management Company, Taurus Securities, Fauji Fertilizer Company limited, The Hub Power Company Limited, Summit bank limited being an entity having the directorship common with that of the 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.

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

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

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

NAFA MULTI ASSET FUND

2015 2014
-----Rupees in '000-----

21.5 Details of the transactions with connected persons are as follows:

NBP Fullerton Asset Management Limited - Management Company

Management fee expense for the year	26,819	17,627
Front end load	3,031	1,647
Sales tax on remuneration of the Management Company	4,666	3,292
FED on remuneration to the Management Company	4,291	2,820

National Bank of Pakistan

Cash dividend paid	-	9,444
Bonus units issued: Nil (2014: 695,336 units)	-	-
Units Redeemed / Transferred out 5,106,088 units (2014: Nil)	78,153	-
Shares purchased	1,303	77,264
Shares sold	49,114	28,883
T-bills purchased	-	129,000

Alexandra Fund Management Pte. Limited - Sponsor

Bonus units issued: Nil (2014: 17,246 units)	-	-
Units redeemed / transferred out Nil (2014: 114,338 units)	-	1,377

Central Depository Company of Pakistan Limited - Trustee

Remuneration	2,341	1,762
CDS charges	98	161

NBP Employees Pension Fund

Bonus units issued: Nil (2014: 6,171,603 units)	-	-
Units Issued / Transferred in 634,310 units (2014: Nil)	9,653	-

Employees of Management Company

Bonus units issued: Nil (2014: 8,803 units)	-	-
Units redeemed / transferred out 61,110 units (2014: 54,476)	778	723
Units issued / transferred in 6,214 units (2014: 114,017)	89	1,515

National Fullerton Asset Management Limited - Employee Provident Fund

Bonus units issued: Nil (2014: 48,600 units)	-	-
Units redeemed / transferred out 188,582 units (2014: Nil)	2,520	-
Units issued / transferred in 137,362 units (2014: 409,414)	1,737	5,565

The Trustees- Karachi Electric Provident Fund

Bonus units issued: Nil (2014: 5,509,051 units)	-	-
Units issued / transferred in 912,350 units (2014: Nil)	13,885	-

International Industries Limited

Shares purchased	21,454	-
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Taurus Securities Limited

Brokerage charges	111	157
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Cherat Cement Pakistan Limited

Shares purchased	-	6,866
Shares sold	4	31,792

Summit Bank Limited

Bank Profit	3	33
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NAFA MULTI ASSET FUND

2015 2014
-----Rupees in '000-----

21.6 Amounts outstanding as at year end are as follows:

NBP Fullerton Asset Management Limited - Management Company

Management fee payable	2,566	268
Sales tax payable on management remuneration	630	148
FED payable on management remuneration	7,413	2,685
Others	1,041	401

National Bank of Pakistan - Sponsor

Investment held in the Fund: Nil (2014: 5,106,088 units)	-	63,336
Dividend payable	2,128	-
Balance in current account	1,913	2,402
Ordinary shares held Nil (2014: 777,072)	-	48,357

NBP Employees Pension Fund

Investment held in the Fund: 23,794,707 units (2014: 23,160,397 units)	364,197	287,284
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Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	213	160
CDS charges	54	49
Security deposit	100	100

National Fullerton Asset Management Limited - Employee Provident Fund

Investment held in the Fund: 406,793 units (2014: 458,013 units)	6,226	5,681
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The Trustees- Karachi Electric Provident Fund

Investment held in the Fund: 34,224,720 units (2014: 33,312,370 units)	523,837	413,210
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Employees of Management Company

Investment held in the Fund: 13,449 units (2014: 68,345 units)	206	848
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Summit Bank of Pakistan

Bank balance	1,021	719
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Cherat Cement Pakistan Limited

Ordinary shares held Nil (2014: 62)	-	4
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International Industries Limited

Ordinary shares held 293,500 (2014: Nil)	19,706	-
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Taurus Securities Limited

Brokerage payable	8	-
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Net amount receivable / (payable) against transfer of units from:

- NAFA Income Fund	65,000	-
- NAFA Asset Allocation Fund	9,457	-
- NAFA Financial Sector Income Fund	6,484	-
- NAFA Income Opportunity Fund	1,136	-
- NAFA Money Market Fund	5,551	-
- NAFA Saving Plus Fund	265	-

NAFA MULTI ASSET FUND

22 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

		-----2015-----	
		Qualification	Experience in years"
1	Dr. Amjad Waheed	MBA, Doctorate in Business Administration, CFA	27
2	Sajjad Anwar	MBA & CFA	15
3	Syed Suleman Akhtar	MBA & CFA	15
4	Muhammad Ali Bhabha	CFA, FRM, MBA & MS(CS)	20
5	Asim Wahab Khan	CFA	9
6	Muhammad Imran	ACCA & CFA	9

22.1 Mr. Asim Wahab Khan is the manager of the Fund. Other funds being managed by the Fund Manager are as follows:

- NAFA Islamic Asset Allocation Fund
- NAFA Stock Fund

23 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

		2015
1	Taurus Securities Limited	8.17%
2	J.S. Global Capital Limited	6.12%
3	Arif Habib Securities Limited	5.38%
4	Foundation Securities (Private) Limited	4.84%
5	Elixir Securities Pakistan (Private) Limited	4.81%
6	Shajar Capital Pakistan (Private) Limited (Formerly Burj Capital (Private) Limited)	4.48%
7	Topline Securities (Private) Limited	4.16%
8	Habib Metropolitan Financial Services	3.87%
9	SC Securities (Private) Ltd	3.86%
10	BMA Capital Management Limited	3.61%
		2014
1	Taurus Securities Limited	6.20%
2	Aqeel Karim Dedhi Securities (Private) Limited	5.81%
3	Foundation Securities (Private) Limited	5.73%
4	J.S. Global Capital Limited	5.71%
5	Optimus Capital Management Limited	5.48%
6	Arif Habib Securities Limited	5.46%
7	Topline Securities (Private) Limited	5.00%
8	KASB Securities Limited	4.46%
9	Elixir Securities Pakistan (Private) Limited	4.36%
10	Summit Capital (Private) Limited	4.16%

NAFA MULTI ASSET FUND

24 PATTERN OF UNIT HOLDING

-----2015-----			
Category	Number of unit holders	Investment amount	Percentage of total
Rupees in '000			
Individuals	457	332,547	22.36%
Associated Companies and Directors	2	370,423	24.91%
Insurance Companies	1	143	0.01%
Retirement Funds	8	614,003	41.28%
Banks/DFIs	1	127,636	8.58%
Listed Companies	1	1,081	0.07%
Others	11	41,466	2.79%
	<u>481</u>	<u>1,487,299</u>	<u>100%</u>
-----2014-----			
Category	Number of unit holders	Investment amount	Percentage of total
Rupees in '000			
Individuals	407	111,873	10.90%
Associated Companies and Directors	1	63,336	6.17%
Insurance Companies	1	114	0.01%
Retirement Funds	10	722,568	70.40%
Banks/DFIs	1	100,681	9.81%
Others	6	27,824	2.71%
	<u>426</u>	<u>1,026,396</u>	<u>100.00%</u>

25 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 48th, 49th, 50th, 51st, 52nd and 53rd Board meetings were held on September 16, 2014, October 30, 2014, February 17, 2015 and April 21, 2015, June 29, 2015 and June 30, 2015, 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. Wah Geok Sum *	3	-	3	48th, 49th & 50th meeting
Mr. Koh Boon San	6	4	2	52nd & 53rd meeting
Mr. Kamal Amir Chinoy	6	4	2	50th and 51st meeting
Mr. Shehryar Faruque	6	5	1	52nd meeting
Dr. Amjad Waheed	6	6	-	
Mr. Aamir Sattar	6	5	1	51st meeting
Mr. Abdul Hadi Palekar	6	5	1	49th meeting
Mr. Nausherwan Adil	6	3	3	50th, 52nd & 53rd meeting
Mr. Nigel Poh Cheng**	2	2	-	

* Mr. Wah Geok Sum resigned from Board with effect from February 17, 2015

** Mr. Nigel Poh Cheng was co-opted on the Board with effect from February 17, 2015

26 FINANCIAL INSTRUMENTS BY CATEGORY

-----As at June 30, 2015-----				
	Loans and receivables	At fair value through profit or loss	Available for Sale	Total
------(Rupees in '000)-----				
Financial Assets				
Balances with banks	390,010	-	-	390,010
Investments	-	1,071,710	42,063	1,113,773
Dividend and profit receivable	9,059	-	-	9,059
Advances and deposits	90,643	-	-	90,643
	<u>489,712</u>	<u>1,071,710</u>	<u>42,063</u>	<u>1,603,485</u>

NAFA MULTI ASSET FUND

-----As at June 30, 2015-----

At fair value through profit or loss	Amortised Cost	Total
--------------------------------------	----------------	-------

------(Rupees in '000)-----

Financial Liabilities

Payable to the Management Company	-	11,650	11,650
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	267	267
Payable against purchase of investments	-	-	-
Accrued expenses and other liabilities	-	79,789	79,789
Net assets attributable to redeemable units	-	1,487,299	1,487,299
	-	1,579,005	1,579,005

-----As at June 30, 2014-----

Loans and receivables	At fair value through profit or loss	Available for Sale	Total
-----------------------	--------------------------------------	--------------------	-------

------(Rupees in '000)-----

Financial Assets

Balances with banks	227,228	-	-	227,228
Investments	-	778,116	69,119	847,235
Dividend and profit receivable	3,961	-	-	3,961
Advances and deposits	7,517	-	-	7,517
	238,706	778,116	69,119	1,085,941

-----As at June 30, 2014-----

At fair value through profit or loss	Amortised Cost	Total
--------------------------------------	----------------	-------

------(Rupees in '000)-----

Financial Liabilities

Payable to the Management Company	-	3,502	3,502
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	209	209
Payable against purchase of investments	-	39,398	39,398
Accrued expenses and other liabilities	-	1,360	1,360
Net assets attributable to redeemable units	-	1,026,396	1,026,396
	-	1,070,865	1,070,865

27 FINANCIAL RISK MANAGEMENT

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

27.1 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 risks: currency risk, interest rate risk and other price risk.

27.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result 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 Pakistani Rupees.

27.1.2 Interest rate risk

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

NAFA MULTI ASSET FUND

a) Sensitivity analysis for variable rate instruments

As at June 30, 2015, 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, 2015 with all other variables held constant, the net assets of the Fund and net assets for the year would have been higher / lower by Rs. 1.617 / 1.694 million (net of WWF) (2014: Rs. 0.905 million).

b) Sensitivity analysis for fixed rate instruments

Investments in Pakistan Investment Bonds are not subject to cash flow interest rate risk.

As at June 30, 2015 the Fund holds Pakistan Investment Bonds which are classified as financial assets at 'fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis point increase in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2015, with all other variables held constant, the net income and the net assets would be higher / lower by Rs. 0.732 / 0.711 million (net of WWF) (2014: Nil).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2015 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments based on the earlier of contractual repricing or maturity date and for off balance sheet instruments based on settlement date is as follows:

----- As at June 30, 2015 -----

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) -----

On-balance sheet financial instruments

Financial assets

Balances with banks	4.50 - 10.10	390,010	387,119	-	-	2,891
Investments	7.73 - 13.18	1,113,773	120,432	-	42,063	951,278
Dividend and profit receivable		9,059	-	-	-	9,059
Advances and deposits		90,672	-	-	-	90,672
		1,603,514	507,551	-	42,063	1,053,900

Financial liabilities

Payable to the Management Company	11,650	-	-	-	-	11,650
Payable to the Central Depository Company of Pakistan Limited - Trustee	267	-	-	-	-	267
Payable against purchase of investments	-	-	-	-	-	-
Accrued expenses and other liabilities	79,789	-	-	-	-	79,789
	91,706	-	-	-	-	91,706

On-balance sheet gap	1,511,808	507,551	-	42,063	962,194
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Off-balance sheet financial instruments

Off-balance sheet gap	-	-	-	-	-
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NAFA MULTI ASSET FUND

The maximum exposure to credit risk before any credit enhancement as at June 30, 2015 is the carrying amount of the financial assets. The term finance certificates and sukuk bonds 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.

27.3 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 to the Fund.

The Fund is exposed 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 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. However, no borrowing was obtained by the Fund during the current year.

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 reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

----- June 30, 2015-----

Total	Upto three months	Over three months and upto one year	Over one year
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------(Rupees in '000)-----

Financial liabilities

Payable to the Management Company	11,650	11,650	-	-
Payable to the Trustee	267	267	-	-
Payable against purchase of investments	-	-	-	-
Accrued expenses and other liabilities	79,789	79,789	-	-
Net assets attributable to redeemable units	1,487,299	1,487,299	-	-
	<u>1,579,005</u>	<u>1,579,005</u>	-	-

----- June 30, 2014-----

Total	Upto three months	Over three months and upto one year	Over one year
-------	-------------------	-------------------------------------	---------------

------(Rupees in '000)-----

Financial liabilities

Payable to the Management Company	3,502	3,502	-	-
Payable to the Trustee	209	209	-	-
Payable against purchase of investments	39,398	39,398	-	-
Accrued expenses and other liabilities	1,360	1,360	-	-
Net assets attributable to redeemable units	1,026,396	1,026,396	-	-
	<u>1,070,865</u>	<u>1,070,865</u>	-	-

NAFA MULTI ASSET FUND

28 UNIT HOLDERS' 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'.

The Fund has no restriction or specific capital requirement on the subscription and redemption of units.

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 the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies stated in note 27, the Fund endeavors to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

29 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 reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced.

International Financial Reporting Standard (IFRS) 7, "Financial Instruments: Disclosures" requires the Fund to 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, either 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.

	-----As at June 30, 2015-----			
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
ASSETS				
Investment in securities - at fair value through profit or loss	951,278	120,432	-	1,071,710
Investment in securities - available for sale	-	42,063	-	42,063
	-----As at June 30, 2014-----			
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
ASSETS				
Investment in securities - at fair value through profit or loss - held for trading	695,756	82,360	-	778,116
Investment in securities - available for sale	-	69,119	-	69,119

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 30, 2015.

31 GENERAL

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

31.2 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

NAFA MULTI ASSET FUND

PERFORMANCE TABLE

Particulars	For the Year Ended June 30, 2015	For the Year Ended June 30, 2014	For the Year Ended June 30, 2013	For the Year Ended June 30, 2012	For the Year Ended June 30, 2011	For the Year Ended June 30, 2010
Net assets (Rs. '000')	1,487,299	1,026,396	800,275	624,739	705,988	995,981
Net Income (Rs. '000')	289,732	217,190	205,411	41,630	142,237	84,814
Net Asset Value per units (Rs.)	15.3058	12.4041	13.4834	10.7183	10.7166	9.364
Selling price per unit	15.9183	12.9048	13.8879	11.0398	9.5552	9.2684
Redemption price per unit	15.3058	12.4041	13.4834	10.7183	9.2769	8.9984
Highest offer price per unit (Rs.)	16.0929	12.9048	14.1490	11.4499	11.3452	10.0701
Lowest offer price per unit (Rs.)	12.1036	10.3262	10.4843	9.9230	8.7633	8.6833
Highest redemption price per unit (Rs.)	15.4737	12.4041	13.7369	11.1164	11.0148	9.7768
Lowest redemption price per unit (Rs.)	11.6339	9.9255	10.1789	9.634	8.5081	8.4304
Fiscal Year Opening Nav	12.0708	9.8904	10.0533	9.2769	8.5526	8.3323
Total return of the fund	26.80%	25.42%	34.12%	15.54%	25.30%	12.38%
Capital growth	23.35%	6.15%	8.69%	12.04%	2.15%	4.38%
Income distribution as % of Ex-NAV	3.45%	19.27%	25.43%	3.50%	23.15%	8.00%
Income distribution as % of Par Value	4.17%	19.05%	25.57%	3.25%	19.80%	6.67%
Distribution						
Interim Distribution per unit	0.4168	1.9054	0.4158	-	0.5400	0.3010
Final distribution per unit	-	-	2.1411	0.3247	1.4397	0.3656
Distribution dates						
Interim	29-Jun-15	13-Feb-14	26-Feb-13	Nil	Feb 18, 2011	Oct 18, 2009
Interim		30-Apr-14	26-Apr-13	Nil	April 19, 2011	Feb 17, 2010
Interim		26-Jun-14	Nil	Nil	Nil	Nil
Final	Nil	Nil	11-Jul-13	9-Jul-12	4-Jul-11	5-Jul-10
Average annual return (launch date January 19, 2007)						
(Since inception to June 30, 2015)	16.50%					
(Since inception to June 30, 2014)		15.22%				
(Since inception to June 30, 2013)			13.71%			
(Since inception to June 30, 2012)				10.32%		
(Since inception to June 30, 2011)					9.19%	
(Since inception to June 30, 2010)						4.91%

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.



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