


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.

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NAFA MULTI ASSET FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Shahid Anwar Khan	Chairman
Mr. Amir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Asif A. Brohi	Director
Dr. Amjad Waheed	Chief Executive Officer

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Koh Boon San	Chairman
Mr. Shehryar Faruque	Member
Mr. Amir Shehzad	Member

Trustee

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

Bankers to the Fund

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

NAFA MULTI ASSET FUND

Auditors

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:

9th Floor, Adamjee House,
I.I. Chundrigar Road, Karachi
UAN: 021-111-111-NFA (632)
Toll Free: 0800-20001
Fax: 021-32467605

Lahore Office:

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

Islamabad Office:

Plot No. 395, 396
Industrial Area, 1-9/3 Islamabad.
UAN: 051-111-111-NFA (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

DIRECTORS' REPORT

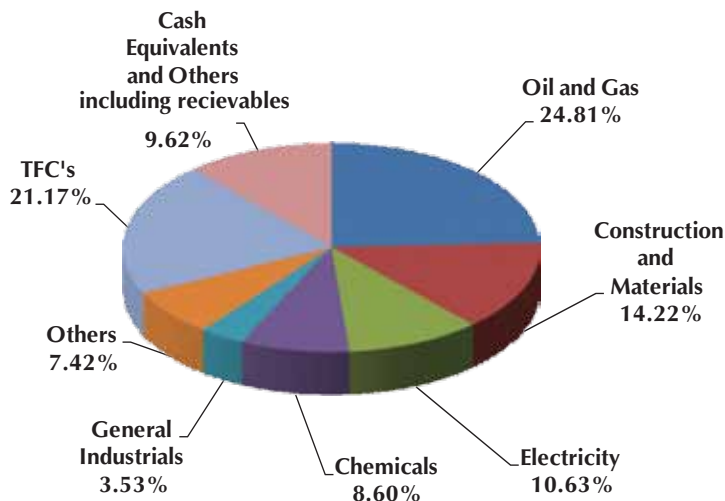
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Multi Asset Fund for the quarter ended September 30, 2012.

Fund's Performance

During the first quarter, the unit price of NAFA Multi Asset Fund has increased from Rs. 10.4008 (Ex-Div) on June 30, 2012 to Rs.11.2862 on September 30, 2012, thus showing a growth of 8.51%, as compared to its Benchmark (50% KSE-30 Index, 50% 3-Month KIBOR) return of 5.97% during the same period. Thus, the Fund has outperformed its Benchmark by 2.54% during the period under review. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 85.33% as compared to 42.14% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 43.19% since its inception. The performance of the Fund is net of management fee and all other expenses. The size of NAFA Multi Asset Fund has increased from Rs. 625 million to Rs. 666 million during the period, i.e. an increase of 6.56%.

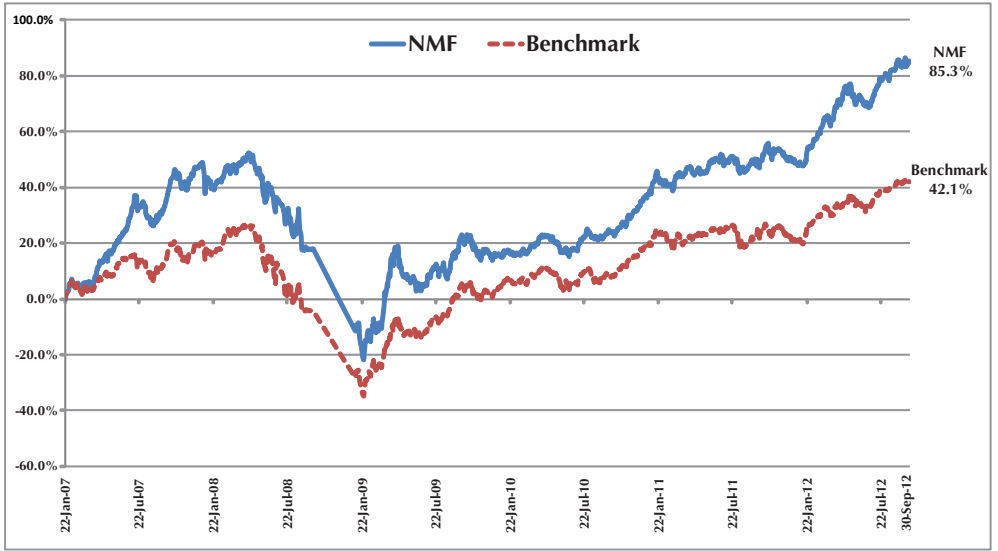
The stock market depicted a bullish trend during 1QFY13. The KSE-100 Index surged by 11.9% to the 15,445 levels as against 13,801 levels at the beginning of the quarter. During the period under review the key factors for the upbeat performance of the market were (i) relaxation of the monetary regime with 150bps cut in the Policy Rate by the SBP; (ii) healthy corporate earnings and payouts; (iii) improved trading activity and foreign flows; and (iv) improvement on the internal and external political fronts. The Food Producers, Personal Goods and Fixed Line Telecommunication sectors performed better than the market. On the other hand, Oil & Gas, Chemicals, Electricity and Banking sectors lagged the market.

The coupon rates of all TFCs in your Fund are floating and linked to KIBOR, which depicted a falling trend during the quarter. The Fund has earned total income of Rs.60.55 million during the period. After deducting expenses of Rs.7.81 million, the net income is Rs.52.74 million. The asset allocation of the Fund as on September 30, 2012 is as follows:



NAFA MULTI ASSET FUND

NMF Performance versus Benchmark (Since Inception)



Acknowledgement

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

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

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: October 23, 2012
Place: Karachi.

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2012

	Note	Unaudited September 30, 2012	Audited June 30, 2012
-----Rupees in '000-----			
ASSETS			
Balances with banks		58,746	62,627
Investments	4	602,262	607,777
Dividend and profit receivable	5	11,094	4,030
Advances, deposits, prepayments and other receivables		3,555	2,879
Total assets		675,657	677,313
LIABILITIES			
Payable to the Management Company		1,388	1,286
Payable to the Trustee		110	109
Payable to Securities and Exchange Commission of Pakistan		140	530
Accrued expenses and other liabilities		7,669	50,649
Total liabilities		9,307	52,574
NET ASSETS		<u>666,350</u>	<u>624,739</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>666,350</u>	<u>624,739</u>
CONTINGENCIES AND COMMITMENTS	12	-	-
-----Number of Units-----			
Number of units in issue		<u>59,040,907</u>	<u>58,287,369</u>
-----Rupees-----			
NET ASSET VALUE PER UNIT		<u>11.2862</u>	<u>10.7183</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Quarter ended September 30, 2012	Quarter ended September 30, 2011
Note	----- Rupees in '000 -----	
INCOME		
Capital gain / (loss) on sale of investments - net	6,859	(4,223)
Income from term finance certificates and sukuk bonds	7,921	(2,318)
Income from government securities	136	995
Dividend income	9,331	4,210
Profit on bank deposits	1,245	1,893
Unrealised appreciation in the value of investments 'at fair value through profit or loss' - net	35,061	13,449
	60,553	14,006
EXPENSES		
Remuneration of the Management Company	3,312	3,679
Sales tax on Remuneration of the Management Company	530	589
Remuneration of the Trustee	331	341
Annual fee - Securities and Exchange Commission of Pakistan	141	145
Securities transaction cost	506	509
Settlement and bank charges	98	105
Annual listing fee	10	10
Legal and professional charges	23	-
Auditors' remuneration	129	140
Fund's rating fee	27	25
Other expenses	-	791
Impairment charged on investments classified as available for sale	1,628	32,647
Amortisation of preliminary expenses and floatation costs	-	126
	6,735	39,107
Net income from operating activities	53,818	(25,101)
Element of (loss) and capital (losses) included in prices of units issued less those in units redeemed	-	-
Provision for Workers' Welfare Fund	7 (1,076)	-
Net income for the period before taxation	52,742	(25,101)
Taxation	8 -	-
Net income for the period after taxation	52,742	(25,101)
Earnings per unit	9	

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Quarter ended September 30, 2012	Quarter ended September 30, 2011
	----- Rupees in '000 -----	
Net income for the period after taxation	52,742	(25,101)
Other comprehensive income / (loss):		
Net unrealised appreciation in the market value of investments classified as 'available for sale'	191	34,056
Total comprehensive income for the period	<u>52,933</u>	<u>8,955</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Quarter ended September 30, 2012	Quarter ended September 30, 2011
	----- Rupees in '000 -----	
Accumulated (loss) / income brought forward	(29,506)	27,094
Final distribution for the year ended June 30, 2012: 3.05% (2011: 14.379%) Date of Distribution : 2012: July 09, 2012 (2011: July 14, 2011)		
- Bonus units	(17,488)	(88,493)
- Cash distribution	(1,432)	(6,351)
Net income for the period	52,742	(25,101)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing (loss) / income that forms part of the unit holders' fund	(232)	(609)
Accumulated (loss) / undistributed income carried forward	<u>4,084</u>	<u>(93,460)</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Quarter ended September 30, 2012	Quarter ended September 30, 2011
	----- Rupees in '000 -----	
Net assets at the beginning of the period	624,739	705,988
Issue of 2,112,901 units -including bonus units 1,643,959 (2011: 9,557,707 units - including bonus units 9,539,072)	5,262	175
Redemption of units 1,359,363 (2011: 12,637,951 units)	(15,151) (9,889)	(117,853) (117,678)
Final distribution for the year ended June 30, 2012: 3.05% (2011: 14.397%)	17,488	88,493
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	232	609
Net unrealised appreciation / (diminution) in the market value of investments classified as 'available for sale'	191	34,056
Capital gain / (loss) on sale of investments-net	6,859	(4,223)
Unrealised appreciation in the value of investments 'at fair value through profit or loss' - net	35,061	13,449
Other net income/(loss) for the period	10,821 52,741	(34,327) (25,101)
Less: Distributions made during the period		
Final distribution for the year ended June 30, 2012: 3.05% (2011: 14.379%) Date of Distribution : 2012: July 09, 2012 (2011: July 14, 2011)		
- Bonus units	(17,488)	(88,493)
- Cash distribution	(1,432) (18,920)	(6,351) (94,844)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income that form part of the unit holders' fund	(232)	(609)
Net assets at the end of the period	666,350	590,914

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Quarter ended September 30, 2012	Quarter ended September 30, 2011
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	52,742	(25,101)
Adjustments		
Unrealised diminution in the value of investments 'at fair value through profit or loss' - net	(35,061)	(13,449)
Capital gain / (loss) on sale of investments - net	(6,859)	4,223
Amortisation of preliminary expenses and floatation costs	-	126
Impairment charged on investments classified as available for sale	1,628	32,647
	(40,292)	23,547
	<u>12,450</u>	<u>(1,554)</u>
Decrease / (increase) in assets		
Investments	45,997	60,718
Dividend and profit receivable	(7,064)	11,761
Advances, deposits, prepayments and other receivables	(676)	34
	38,257	72,513
(Decrease) / increase in liabilities		
Payable to the Management Company	102	29
Payable to the Trustee	1	(14)
Payable to Securities and Exchange Commission of Pakistan	(390)	(540)
Accrued expenses and other liabilities	(42,980)	262
	(43,267)	(263)
Net cash inflow from operating activities	<u>7,440</u>	<u>70,696</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	5,262	175
Payments on redemption of units	(15,151)	(117,853)
Distributions paid	(1,432)	(6,351)
Net cash outflow on financing activities	(11,321)	(124,029)
Net increase / (decrease) in cash and cash equivalents during the period	<u>(3,881)</u>	<u>(53,333)</u>
Cash and cash equivalents at the beginning of the period	62,627	89,036
Cash and cash equivalents at the end of the period	<u>58,746</u>	<u>35,703</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MULTI ASSET FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 9th floor, Adamjee House, I. I. Chundrigar Road, Karachi. The Management Company is a member of Mutual Fund Association of Pakistan.

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

The 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, 2011, the Fund has been assigned a stability rating of 'AA-(f)'.

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

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulation or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

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

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed financial statements for the quarter ended September 30, 2012 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2012.

NAFA MULTI ASSET FUND

September 30,
2012
(Un-audited)

June 30,
2012
(Audited)

Note ----- Rupees in '000 -----

4 INVESTMENTS

At fair value through profit or loss - held for trading

Equity securities - listed	4.1	461,284	322,351
Term finance certificates - listed	4.2	21,477	21,889
Market Treasury bills	4.2	-	124,512
		<u>482,761</u>	<u>468,752</u>

Available for sale

Term finance certificates - listed	4.3	14,852	14,804
Term finance certificates - unlisted		33,964	33,976
Sukuk bonds		70,685	90,245
		<u>119,501</u>	<u>139,025</u>
		<u>602,262</u>	<u>607,777</u>

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

Name of the investee company	Number of shares					Market value as at Sep 30, 2012	Investment as a percentage of		
	As at July 1, 2012	Purchases during the period	Bonus / right shares	Sales during the period	As at Sep 30, 2012		Net assets	Market value of total investments	Paid Up Capital of the investee company
(Rupees in '000) ----- % -----									
Oil & Gas									
Attock Petroleum Limited	808	-	-	-	808	423	0.06	0.07	0.00
Oil & Gas Development Company Limited	6,696	187,000	-	-	193,696	34,745	5.21	5.77	0.00
Pakistan Oilfields Limited	80,919	79,600	-	7,900	152,619	66,139	9.93	10.98	0.06
Pakistan Petroleum Limited	208,449	97,100	72,637	15,000	363,186	63,896	9.59	10.61	0.03
Pakistan State Oil Company Limited	500	-	100	-	600	130	0.02	0.02	0.00
Chemicals									
Engro Corporation Limited	118	279,200	-	-	279,318	29,823	4.48	4.95	0.07
Fauji Fertilizer Bin Qasim Limited	900	-	-	-	900	32	0.00	0.01	0.00
Fauji Fertilizer Company Limited	259,312	206,300	-	220,000	245,612	27,452	4.12	4.56	0.03
Construction and Materials									
Attock Cement Pakistan Limited	1,000	-	-	-	1,000	108	0.02	0.02	0.00
Cherat Cement Company Limited	753,056	-	-	3,500	749,556	29,743	4.46	4.94	0.78
D.G. Khan Cement Company Limited	396,000	722,000	-	485,000	633,000	31,840	4.78	5.29	0.21
Lucky Cement Limited	328,864	203,500	-	284,364	248,000	33,067	4.96	5.49	0.08
General Industrials									
Thal Limited	181,033	-	-	-	181,033	23,558	3.54	3.91	0.29
Personal Goods									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.85	0.94	0.18
Media									
Hum Television Network Limited	457,934	-	-	-	457,934	9,836	1.48	1.63	0.92
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	165,000	715,000	-	-	880,000	17,063	2.56	2.83	0.02
Wateen Telecom Limited	1,000,000	-	-	-	1,000,000	2,540	0.38	0.42	0.16
Electricity									
The Hub Power Company Limited	1,120,348	216,000	-	-	1,336,348	62,648	9.40	10.40	0.12
Kot Adu Power Company Limited	-	170,000	-	-	170,000	8,213	1.23	1.36	0.05
Banks									
Bank Alfalah Limited	917,000	570,500	-	1,487,500	-	-	-	-	-
MCB Bank Limited	98,820	72,500	-	171,300	20	3	0.00	0.00	0.00
Meezan Bank Limited	429,386	-	-	-	429,386	11,808	1.77	1.96	0.05
National Bank of Pakistan (Related Party)	300,062	209,000	-	501,500	7,562	332	0.05	0.06	0.00
United Bank Limited	78,804	76,500	-	125,000	30,304	2,236	0.34	0.37	0.00
	<u>7,592,008</u>	<u>3,804,200</u>	<u>72,737</u>	<u>3,301,064</u>	<u>8,167,881</u>	<u>461,284</u>	<u>69.23</u>	<u>76.59</u>	
						<u>415,148</u>			

Carrying value as at Sep 30, 2012

NAFA MULTI ASSET FUND

4.1.1 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.

4.1.2 Investments include shares with market value of Rs. 110.068 million (2012: Rs. 119.072 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.

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

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 Sep 30, 2012	Investment as a percentage of		
	As at July 1, 2012	Purchases during the period	Sales during the period	As at Sep 30, 2012		Net assets	Market value of total investments	Issue Size
					(Rupees in '000)	-----%-----		
Saudi Pak Leasing Company Limited	10,000	-	-	10,000	21,477	3.22	3.57	6.67
	10,000	-	-	10,000	21,477	3.22	3.57	
Carrying value as at Sep 30, 2012					<u>32,552</u>			

4.3 Investment in government securities - 'at fair value through profit or loss'

Issue date	Tenor	Face Value				Market value as at Sep 30, 2012	Investment as a percentage of		
		As at July 1, 2012	Purchases during the period	Sales / matured during the period	As at Sep 30, 2012		Market value of total investments	Paid Up Capital of the investee company	Issue Size
						(Rupees in '000)	-----%-----		
July 14, 2011	12 Months	100,000	-	100,000	-	-	-	-	
April 19, 2012	03 Months	25,000	-	25,000	-	-	-	-	
August 11, 2011	12 Months	-	29,000	29,000	-	-	-	-	
		125,000	29,000	154,000	-	-	-	-	
Carrying value as at Sep 30, 2012						<u>-</u>			

NAFA MULTI ASSET FUND

4.4 Term finance certificates and Sukuk bonds - available for sale

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2012	Investment as a percentage of		
	As at July 1, 2012	Purchases during the period	Sales during the period	As at Sep 30, 2012		Net assets	Market value of total investments	Issue Size
(Rupees in '000) -----%-----								
Term finance certificate - listed								
Pakistan Mobile Communications Limited	3,000	-	-	3,000	14,852	2.23	2.47	0.27
Term finance certificate - unlisted								
Avari Hotel Limited	6,000	-	-	6,000	24,964	3.75	4.15	0.80
Engro Fertilizer Limited	2,000	-	-	2,000	9,000	1.35	1.49	0.25
				8,000	33,964			
Sukuk bonds								
Eden Builders Limited	4,902	-	-	4,902	9,207	1.38	1.53	0.98
Maple Leaf Cement Factory Limited (note 4.6.4)	17,688	-	-	17,688	34,417	5.17	5.71	1.11
New Allied Electronics Industries (Private) Limited (note 4.6.2)	32,000	-	-	32,000	-	-	-	1.33
Pak Electron Limited	8,000	-	-	8,000	9,657	1.45	1.60	3.33
Eden Housing Limited (note 4.6.3)	10,000	-	-	10,000	17,404	2.61	2.89	6.85
Maple Leaf Cement Factory Limited II (note 4.6.1)	663	-	-	663	-	-	-	1.11
				73,253	70,685			
	84,253	-	-	84,253	119,501	17.93	19.83	
Carrying value as at Sep 30, 2012					119,310			

- 4.5 All term finance certificates have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics Industries (Private) Limited which have a face value of Rs 312.50 each.
- 4.6 As at Sep 30, 2012, the Fund had not received redemption of principal and / or profit amounts on some of its investments, the details of which are as follows:
- 4.6.1 This represents 2nd issue of sukuk by Maple Leaf Cement Factory Limited under a restructuring agreement with a face value of Rs 3,315 thousand. The amount of provision as per circular 1 of 2009 has been maintained by valuing the investment in terms of the said circular.
- 4.6.2 New Allied Electronics Industries (Private) Limited defaulted on the amount of principal and mark-up due on the scheduled redemption dates [i.e. October 25, 2008 (only principal), January 25, 2009, April 25, 2009, July 25, 2009 and October 25, 2009]. The amount of provision as per circular 1 of 2009 has been maintained by valuing the investment in terms of the said circular.
- 4.6.3 This represents investment in privately placed sukuk bonds issue with a term of five years. The issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was rated as 'Defaulter' by the MUFAP. The amount of provision as per circular 1 of 2009 has been maintained by valuing the investment in terms of the said circular.
- 4.6.4 This represents investment in privately placed sukuk bonds issue with a term of six years. On September 03, 2011 i.e. the scheduled redemption date, profit redemption were not received by the fund. The management has recognised provision for impairment amounting to Rs. 51.625 million.

NAFA MULTI ASSET FUND

	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
-----Rupees in '000-----		
5 DIVIDEND AND PROFIT RECEIVABLE		
Dividend receivable on equity shares	6,148	12
Profit on savings and term deposits	449	654
Income accrued on term finance certificates and sukuk bonds	16,497	19,307
Less: Income suspended over non-performing debt securities	(12,000)	(15,943)
	4,497	3,364
	<u>11,094</u>	<u>4,030</u>
6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
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
Prepaid Lahore stock exchange	30	-
Prepaid National Clearing Company of Pakistan Limited (NCCPL) fee	646	-
	<u>3,555</u>	<u>2,879</u>

7 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 ("the Court"/"SHC"), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

The Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs. 6.56 million in these financial statements. Had the same not been made the net asset value per unit / return of the Fund would have been higher by Rs 0.082 / 1.22% per unit respectively.

8 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a provision for taxation in respect of income relating to the current period as the Management Company has intention to distribute the required minimum percentage of the Fund's accounting income for the FY 2012-13 to its unit holders.

NAFA MULTI ASSET FUND

9 EARNINGS PER UNIT

Earnings per unit (EPU) for the period ended September 30, 2012 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

10 COMPLIANCE WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

In accordance with clause (iv) of the investment criteria laid down for 'Balanced Scheme', the Fund is required to invest in debt security having rating not lower than A- (A Minus). Further, clause (vi) of the said categorisation criteria requires that the ratings of any banks and DFIs with which funds are placed should not be lower than AA- (Double A Minus). Clause (vii) of the said categorisation criteria also requires that the weighted average time to maturity of non equity assets shall not exceed 2 years. However, as at September 30, 2012, the Fund is in non-compliance with the above-mentioned requirements in respect of the following:

Type of Investment	Name of non-compliant investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
Sukuk Bonds	Maple Leaf Cement Factory Limited I	86,041	(51,625)	34,416	5.16%	5.09%
Sukuk Bonds	Maple Leaf Cement Factory Limited II	2,578	(2,578)	-	0.00%	0.00%
Term finance certificates	New Allied Electronic Industries (Private) Limited	10,000	(10,000)	-	0.00%	0.00%
Sukuk Bonds	Eden Housing Limited	26,719	(9,315)	17,404	2.61%	2.58%
Sukuk Bonds	Pak Elektron Limited	17,143	(7,486)	9,657	1.45%	1.43%

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

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

11 TRANSACTIONS WITH CONNECTED PERSONS

- 11.1 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, other collective investment schemes managed by the Management Company, directors and officers of the Management Company and employee benefit funds of the Management Company.
- 11.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 11.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

NAFA MULTI ASSET FUND

	Quarter ended September 30, 2012 (Un-audited)	Quarter ended September 30, 2011 (Un-audited)
	-----Rupees in '000-----	
11.5 Details of the transactions with connected persons are as follows:		
NBP Fullerton Asset Management Limited - Management Company		
Management fee expense for the period	3,312	4,268
Front end load	114	-
Sales Tax on remuneration of the management company	530	-
National Bank of Pakistan - Sponsor		
Cash Dividend	1,432	6,350
Alexandra Fund Management Pte. Limited - Sponsor		
Bonus units issued: 2,780 units (2011: 12,234 units)	-	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	331	341
CDS charges	17	57
NBP Employees Pension Fund		
Bonus units issued: 486,377 units (2011: 2,140,727 units)	-	-
Taurus Securities Limited		
Brokerage paid	41	47
	September 30, 2012	September 30, 2011
	-----Rupees in '000-----	
11.6 Amounts outstanding as at period end are as follows:		
Management fee payable	1,097	1,028
Sales tax payable	176	165
Others	115	93
National Bank of Pakistan - Sponsor		
Investment held in the Fund: 4,410,752 units (2012: 4,410,752 units)	49,781	47,276
Balance in current account	1,095	296
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held in the Fund: 93,848 units (2012: 91,068 units)	1,059	976
NBP Employees Pension Fund		
Investment held in the Fund: 16,421,164 units (2012: 15,934,787)	185,333	170,794
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	110	109
CDS charges	42	7
Security deposit	100	100

NAFA MULTI ASSET FUND

12 COMMITMENTS

There were no commitments as on September 30, 2012.

13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 23, 2012.

14 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director