


## 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
Mr. Khalid Mahmood	Director
Dr. Amjad Waheed	Chief Executive Officer

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	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:**

7<sup>th</sup> Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 111-111-NFA (111-111-632)  
Helpline (Toll Free): 0800-20001  
Fax: (021) 35825329

## **Lahore Office:**

7-Noon Avenue, Canal Bank,  
Muslim Town Lahore.  
Contact: 042-35914272

## **Islamabad Office:**

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

## **Peshawar Office:**

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

## **Multan Office:**

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

# NAFA MULTI ASSET FUND

## DIRECTORS' REPORT

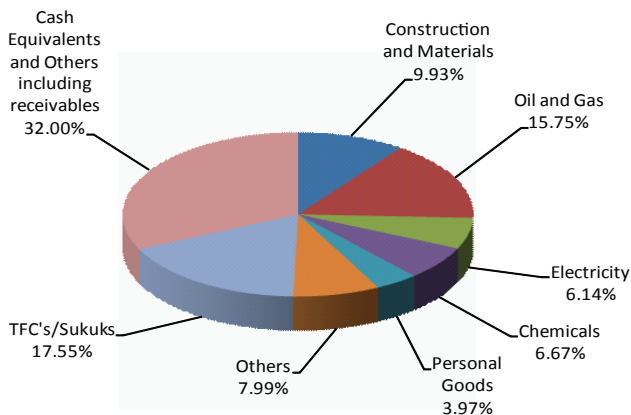
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Multi Asset Fund for the period ended March 31, 2013.

### Fund's Performance

During the third quarter, the unit price of NAFA Multi Asset Fund has increased from Rs. 11.4599 on December 31, 2012 to Rs. 12.1562 (Ex-Div) on March 31, 2013, thus showing a growth of 6.08%. The Benchmark (50% KSE-30 Index, 50% 3-Month KIBOR) return during the same period was 2.79%. Thus, the Fund has outperformed its Benchmark by 3.29% during the period under review. For the nine months period ended March 31, 2013, the NAV of the Fund has increased from Rs. 10.2231 on June 30, 2012 to Rs. 12.1562 (Ex-Div) on March 31, 2013, thus showing an increase of 18.91%. During the said period, the Benchmark increased by 13.23%, translating into outperformance of 5.68%. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 103.09% as compared to 51.88% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 51.21% since inception. This performance is net of management fee and all other expenses. The size of NAFA Multi Asset Fund has increased from Rs.691 million to Rs.712 million during the period, i.e. an increase of 3.09%.

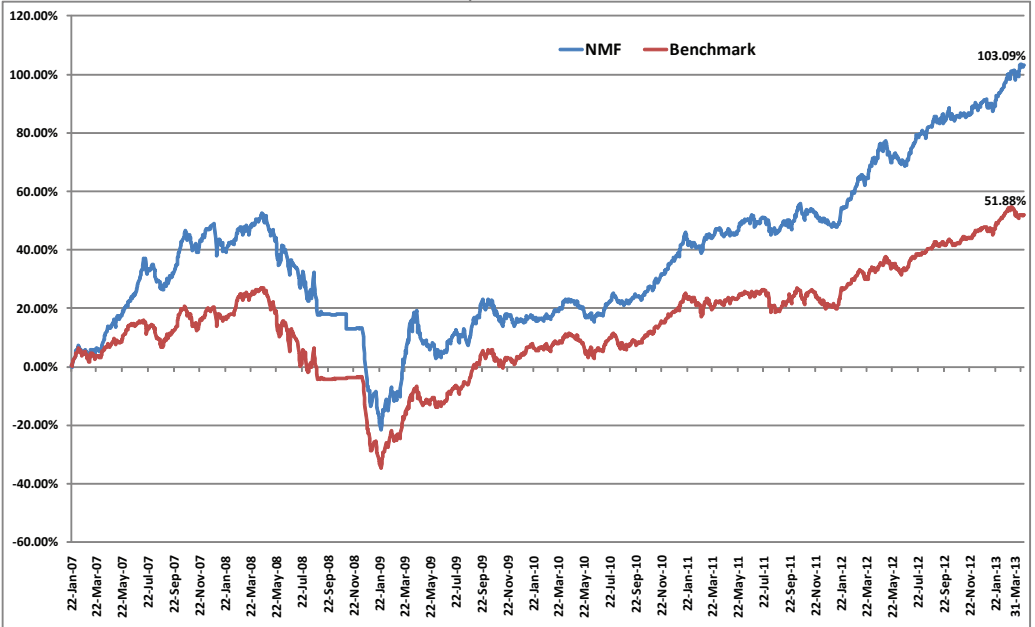
The stock market extended the rally during the quarter ended March 31, 2013 led by Construction & Material, Telecommunication, Food Producers, and Electricity sectors amid high volatility. Healthy corporate earnings reports of the selected sectors, respite in inflationary pressures, announcement of national election, and healthy foreign inflows buoyed the investors. On the other hand, investors were wary of deteriorating external account position and widening fiscal deficit. Currently the stock market is valued at 7.3 times estimated earnings as per our estimates.

Despite sharp decline in inflation the SBP kept the discount rate unchanged at 9.5% in their monetary policy announcements of February and April due to rising risks to the external accounts and widening fiscal account. On the corporate debt sphere, the market has witnessed a few new issuance of corporate TFCs. Trading activity in the secondary market improved with TFCs belonging to the financial sector making the lion share. NMF is invested in floating TFCs/ Sukuks linked to KIBOR. Therefore, any increase in interest rates will improve the coupon income. The Fund has earned total income of Rs.134.08 million during the period. After deducting expenses of Rs.18.45 million, the net income is Rs.115.63 million. The asset allocation of the Fund as on March 31, 2013 is as follows:



# NAFA MULTI ASSET FUND

NMF Performance versus Benchmark (Since Inception)



## Income Distribution

In addition to interim distribution of 2.00% of opening ex-NAV (2.079% of the par value), the Board of Directors of the Management Company has also approved further interim distribution of 2.00% of opening ex-NAV (2.079% of the par value) for the period ended March 31, 2013.

## 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: April 26, 2013  
Place: Karachi.

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2013

	Note	Unaudited March 31, 2013	Audited June 30, 2012
-----Rupees in '000-----			
<b>ASSETS</b>			
Balances with banks		227,701	62,627
Investments	4	484,077	607,777
Dividend and profit receivable		9,335	4,030
Advances, deposits, prepayments and other receivables		2,965	2,879
Preliminary expenses and floatation costs		-	-
<b>Total assets</b>		724,078	677,313
<b>LIABILITIES</b>			
Payable to the Management Company		1,701	1,286
Payable to the Trustee		236	109
Payable to the Securities and Exchange Commission of Pakistan		431	530
Payable against purchase of investments		328	-
Accrued expenses and other liabilities		9,533	50,649
<b>Total liabilities</b>		12,229	52,574
<b>NET ASSETS</b>		711,849	624,739
<b>UNIT HOLDERS' FUND (As per statement attached)</b>		711,849	624,739
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5		
-----Number of Units-----			
<b>Number of units in issue</b>		58,558,611	58,287,369
-----Rupees-----			
<b>Net Asset Value per unit</b>		12.1562	10.7183

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Note	----- Rupees in '000 -----			
<b>INCOME</b>				
Capital gain on sale of investments - net	48,536	9,125	25,805	7,484
Income from term finance certificates and sukuk bonds	20,991	15,754	5,848	7,972
Income from government securities	136	2,371	-	642
Dividend income	32,111	26,521	10,793	12,100
Profit on bank deposits	7,504	4,309	3,252	1,093
Unrealised appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss' - net	22,025	56,754	(1,710)	56,033
<b>Total Income</b>	<b>131,303</b>	<b>114,834</b>	<b>43,988</b>	<b>85,324</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	10,146	11,059	3,436	3,120
Sales tax on remuneration to the Management Company	1,623	1,770	549	500
Remuneration of the Trustee	1,015	931	344	296
Annual fee - Securities and Exchange Commission of Pakistan	431	395	146	125
Securities transaction cost	1,820	1,275	736	540
Settlement and bank charges	466	398	132	189
Annual listing fee	30	30	10	(116)
Legal and professional charges	91	17	-	17
Auditors' remuneration	368	326	83	70
Provision / (reversal of provision) against investments	(2,775)	50,801	(2,315)	2,336
Printing expenses	-	77	-	-
Fund's rating fee	91	82	30	27
Amortisation of preliminary expenses and floatation costs	-	278	-	26
<b>Total Expenses</b>	<b>13,306</b>	<b>67,439</b>	<b>3,151</b>	<b>7,130</b>
<b>Net income from operating activities</b>	<b>117,997</b>	<b>47,395</b>	<b>40,837</b>	<b>78,194</b>
Provision for Workers' Welfare Fund	6	(2,360)	(817)	(431)
<b>Net income for the period before taxation</b>	<b>115,637</b>	<b>46,964</b>	<b>40,020</b>	<b>77,763</b>
Taxation	7	-	-	-
<b>Net income for the period after taxation</b>	<b>115,637</b>	<b>46,964</b>	<b>40,020</b>	<b>77,763</b>

Earning / (loss) per unit

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



# NAFA MULTI ASSET FUND

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	----- Rupees in '000 -----			
Net income for the period after taxation	115,637	46,964	40,020	77,763
<b>Other comprehensive income / (loss)</b>				
Net unrealised appreciation in the value of investments classified as 'available for sale'	383	33,412	1,015	1,381
<b>Total comprehensive income for the period</b>	<u>116,020</u>	<u>80,376</u>	<u>41,035</u>	<u>79,144</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	----- Rupees in '000 -----			
Accumulated (loss) / Income brought forward	(29,506)	27,094	27,156	(99,576)
Final distribution for the year ended June 30, 2012: 3.05% (2011: 14.397%) Date of Distribution : July 09, 2012 (2011: July 04, 2011)				
- Bonus units	(17,488)	(88,493)	-	-
- Cash distribution	(1,432)	(6,351)	-	-
Interim distribution for half year ended December 31, 2012: 2.079% 2011: Nil				
- Bonus units	(11,233)	-	(11,233)	-
- Cash distribution	(917)	-	(917)	-
Net income for the period	115,637	46,964	40,020	77,763
Element of (loss) / income and capital gains included in - prices of units issued less those in units redeemed	(658)	(2,387)	(623)	(1,360)
undistributed income / Accumulated (loss) carried forward	<u>83,909</u>	<u>(50,267)</u>	<u>27,247</u>	<u>76,403</u>
	<u>54,403</u>	<u>(23,173)</u>	<u>54,403</u>	<u>(23,173)</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ends		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	----- Rupees in '000 -----			
Net assets at the beginning of the period	624,739	705,988	690,504	562,006
Issue of 4,536,440 units including 2,583,415 bonus units (March 31, 2012: 10,053,688 units)	22,403	5,316	5,500	2,895
Redemption of 4,265,197 units (Mar 31, 2012: 16,976,166 units)	(48,964)	(160,415)	(24,273)	(19,131)
	(26,561)	(155,099)	(18,773)	(16,236)
Final distribution of 1,643,959 bonus units for the year ended June 30, 2012: 3.05% (2011: 14.397%)	17,488	88,493	-	-
Interim distribution of 939,456 bonus units for the half year ended December 31, 2012: 2.079% (2011: Nil)	11,233	-	11,233	-
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - transferred to distribution statement	658	2,387	623	1,360
<b>Total Comprehensive income for the period</b>	<b>116,020</b>	<b>80,376</b>	<b>41,035</b>	<b>79,144</b>
<b>Distribution:</b>				
Final distribution for the year ended June 30, 2012: 3.05% (2011: 14.397%) Date of Distribution : 2012: July 09, 2012 (2011: July 14, 2011)				
- Bonus units	(17,488)	(88,493)	-	-
- Cash distribution	(1,432)	(6,351)	-	-
Interim distribution for half year ended December 31, 2012: 2.079% (2011: Nil%)				
- Bonus units	(11,233)	-	(11,233)	-
- Cash distribution	(917)	-	(917)	-
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - transferred to distribution statement	(658)	(2,387)	(623)	(1,360)
<b>Net assets as at the end of the period</b>	<b>711,849</b>	<b>624,914</b>	<b>711,849</b>	<b>624,914</b>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- Rupees in '000 -----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income for the period	115,637	46,964	40,020	77,763
<b>Adjustments</b>				
Unrealised (appreciation) / diminution in the value of investments classified as 'at fair value through profit or loss'	(22,025)	(56,754)	1,710	(56,033)
Impairment (gain) / loss on investment classified as 'available for sale'	(2,775)	50,801	(2,315)	2,336
Amortization of preliminary expenses and floatation costs	-	278	-	25
	90,837	41,289	39,415	24,091
<b>Decrease / (increase) in assets</b>				
Investments - net	148,883	54,494	68,520	(10,434)
Receivable against sale of investments	-	-	-	1,504
Advances, deposits, prepayments and other receivables	(86)	(2,214)	40	(2,266)
Dividend and profit receivable	(5,305)	5,813	(7,255)	(7,835)
	143,492	58,093	61,305	(19,031)
<b>(Decrease) / increase in liabilities</b>				
Payable to the Management Company	415	(164)	163	(114)
Payable to the Trustee	127	(14)	38	7
Payable to the Securities and Exchange Commission of Pakistan	(99)	(289)	146	126
Payable against purchase of investments	328	9,867	315	(1,879)
Accrued expenses and other liabilities	(41,116)	964	720	731
	(40,345)	10,364	1,382	(1,129)
<b>Net cash generated from operating activities</b>	193,984	109,746	102,102	3,931
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	22,403	5,316	5,500	2,895
Payments on redemption of units	(48,964)	(160,415)	(24,273)	(19,131)
Distribution paid	(2,349)	(6,351)	(917)	-
	(28,910)	(161,450)	(19,690)	(16,236)
<b>Net cash used in financing activities</b>	(28,910)	(161,450)	(19,690)	(16,236)
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	165,074	(51,704)	82,412	(12,305)
Cash and cash equivalents at the beginning of the period	62,627	89,036	145,289	49,637
<b>Cash and cash equivalents at the end of the period</b>	227,701	37,332	227,701	37,332

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

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 (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

### 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 06, 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 and principal office of the Management Company was situated at 9th Floor, Adamjee House, I.I. Chundrigar Road, Karachi. From 4 February 2013, the registered office of the Management Company is shifted to 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 categorized as balanced scheme and its units are listed on the Lahore Stock Exchange. Units of the fund 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, 2012, it has been assigned short term and long term performance ranking of '4 star'.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

This condensed interim financial information has 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 requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2012.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2013.

# NAFA MULTI ASSET FUND

## 2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the accounting periods beginning on or after July 1, 2012:

Amendment to IFRS 7, 'Financial instruments': The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain other new standards, amendments and interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

## 2.3 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

## 3 ACCOUNTING POLICIES

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

## 4 INVESTMENTS

		Unaudited March 31, 2013	Audited June 30, 2012
Rupees in '000			
4.1 At fair value through profit or loss - held for trading	Note		
Equity securities - listed	4.1.1	359,159	356,424
Investment in government securities - Market Treasury Bills	4.1.3	-	-
Term finance certificates - listed	4.1.4	16,043	23,313
		<u>375,202</u>	<u>379,737</u>
4.2 Available for sale			
Term finance certificates - listed	4.2.1	14,999	23,536
Term finance certificates - unlisted	4.2.1	34,011	74,521
Sukuk bonds	4.2.1	59,865	123,609
		<u>108,875</u>	<u>221,666</u>
		<u>484,077</u>	<u>601,403</u>



# NAFA MULTI ASSET FUND

4.1.2 Investments include shares with market value of Rs 109.123 million (2012: Rs 109.666 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.

## 4.1.3 Investment in government securities - 'At fair value through profit or loss'

Issue date	Tenor	Face Value				Investment as a percentage of		
		As at July 01, 2012	Purchases during the period	Sales / matured during the period	As at March 31, 2013	Net assets	Market value of total investments	Paid Up Capital of the investee company
----- (Rupees in '000) -----								
July 14, 2011	12 Months	100,000	-	100,000	-	-	-	-
April 19, 2012	3 Months	25,000	-	25,000	-	-	-	-
July 20, 2012	12 Months	-	29,000	29,000	-	-	-	-
		125,000	29,000	154,000	-			
Carrying value as at March 31, 2013						-		

## 4.1.4 Term finance certificates - listed - 'at fair value through profit or 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 March 31, 2013	Investment as a percentage of		
	As at July 1, 2012	Purchases during the period	Sales during the period	As at March 31, 2013		Net assets	Market value of total investments	
(Rupees in '000)								
Saudi Pak Leasing Company Limited	10,000	-	-	10,000	16,043	2.25	3.31	
		10,000	-	-	10,000	16,043		
Carrying value as at March 31, 2013						31,151		
Provision for impairment loss as at March 31, 2013						15,108		



# NAFA MULTI ASSET FUND

## 4.2.1 Term Finance Certificates - Available for sale

Name of the investee company	Number of certificates / bonds				Market value as at March 31, 2013	Investment as a percentage of	
	As at July 1, 2012	Purchases during the period	Sales during the period	As at March 31, 2013		Net assets	Market value of total investments

(Rupees in '000)

### Term finance certificate - listed

Pakistan Mobile Communications Limited	3,000	-	-	3,000	14,999	2.11	3.10
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### Term finance certificate - unlisted

Avari Hotel Limited	6,000	-	-	6,000	25,106	3.53	5.19
Engro Fertilizer Limited	2,000	-	-	2,000	8,905	1.25	1.84

8,000 34,011

### Sukuk bonds

Eden Builders Limited	4,902	-	-	4,902	6,142	0.86	1.27
Maple Leaf Cement Factory Limited (note 4.2.3)	17,688	-	-	17,688	32,648	4.59	6.74
New Allied Electronics Industries (Private) Limited (note 4.2.4)	32,000	-	-	32,000	-	-	-
Pak Electron Limited (note 4.2.5)	8,000	-	-	8,000	7,030	0.99	1.45
Eden Housing Limited (note 4.2.6)	10,000	-	-	10,000	14,045	1.97	2.90
Maple Leaf Cement Factory Limited II	663	-	663	-	-	-	-

72,590

59,865

84,253 - 663 83,590 108,875

Carrying value as at March 31, 2013

185,093

Provision for impairment loss as at March 31, 2013

76,218

4.2.2 All term finance certificates have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics Industries (Pvt) Limited which have a face value of Rs 312.50.

4.2.3 This represents investments in privately placed sukuk 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 amount of provision as per circular no. 1 of 2009 has been maintained by valuing the investment in terms of the said circular.

4.2.4 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 no 1 of 2009 has been maintained by valuing the investment in terms of the said circular.

4.2.5 This represents investment in privately placed sukuk bonds issue with a term of seven 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 no 1 of 2009 has been maintained by valuing the investment in terms of the said circular.

4.2.6 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.

# NAFA MULTI ASSET FUND

## 5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2013.

## 6 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 the light of this, Mutual Fund Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court challenging the applicability of WWF on CISs which was dismissed mainly on the grounds that MUFAP is not an aggrieved party.

Subsequently, clarifications were 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. These clarifications were forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on these clarifications, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Further, a Constitutional Petition was filed with the Honorable High Court of Sindh by a CIS / mutual fund and a pension fund through their trustee and an asset management company inter alia praying to declare that mutual funds / voluntary pension funds being pass through vehicles / entities are not industrial establishments and hence, are not liable to contribute to the WWF under the WWF Ordinance. The matter is still pending with the Honorable Court.

The Management Company is hopeful that the decision of the court will be in favour of the Fund. The Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF as at March 31, 2013 amounting to Rs.7.846 million (including Rs.2.360 million for the current period) (June 30, 2012: Rs 5.486 million) in this condensed interim financial information. Had the same not been made the net asset value per unit would have been higher by Rs 0.0592.

## 7 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 realized or unrealized is distributed amongst the unit holders. 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 unrealized capital gains to the unit holders. The Fund intends to distribute such accounting income for the period ending June 30, 2013 to its unit holders. Accordingly, no liability has been recorded in the current period.

## 8 DETAILS OF NON COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA AS DEFINED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan vide its circular no. 16 dated July 7, 2010, prescribed specific disclosures for the schemes holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirements of their constitutive documents.

# NAFA MULTI ASSET FUND

8 The following are the details of non-compliant investments:

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
	Investment in Debt Securities					
	a) Saudi Pak Leasing Company Limited-TFC	31,151	-	16,043	2.25	2.22
	b) Maple Leaf Cement factory Limited - Sukuk	81,619	48,971	32,648	4.59	4.51
	c) Eden Housing Industries Private Limited - Sukuk	21,563	7,517	14,046	1.97	1.94
	d) Pak Elektron Limited	17,143	10,113	7,030	0.99	0.97
	e) New Allied Electronics Limited	10,000	10,000	-	-	-

Saudi Pak Leasing TFC is performing but classified as non-compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

8.1 At the time of purchase, the said Sukuks were in compliance with the requirements of the circular (i.e. investment grade) and were subsequently downgraded due to default in payments of due principal and markup.

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

## 9 TRANSACTIONS WITH CONNECTED PERSONS

9.1 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 and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and executives of the Management Company.

9.2 The transactions with connected persons are at contracted rates.

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

# NAFA MULTI ASSET FUND

## 9.4 Transactions during the period

	----- (Un-audited) -----			
	Nine Months Ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	----- Rupees in '000 -----			
<b>NBP Fullerton Asset Management Limited - Management Company</b>				
Management fee expense for the period	10,146	11,059	3,436	3,120
Sindh sales tax on remuneration of the Management Company	1,623	-	549	-
Front end load	221	4	107	-
<b>National Bank of Pakistan - Sponsor</b>				
Cash dividend paid	2,349	6,350	917	-
<b>NBP Employees Pension Fund - Associated Co.</b>				
Bonus units issued (771,892 units; March 31, 2012: 486,377 units)				
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>				
Bonus Units Issued (4,411 units; March 31, 2012: 12,234 units)	-	-	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration	1,015	931	344	296
CDS charges	137	134	45	18
<b>Taurus Securities Limited</b>				
Brokerage charges	130	83	59	21
<b>NAFA Riba Free Saving Fund</b>				
Sale of sukuk	-	35,000	-	35,000

# NAFA MULTI ASSET FUND

	Unaudited March 31, 2012	Audited June 30, 2011
	-----Rupees in '000-----	
9.5 Balances outstanding as at period / year end		
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Management fee payable	1,205	1,028
Sales Tax Payable	193	165
Others	302	93
<b>National Bank of Pakistan - Sponsor</b>		
Investment held by the Sponsor in the Fund (4,410,752 units; June 30, 2012: 4,410,752 units)	53,618	47,276
Balance in current account	1,640	296
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held by the Sponsor in the Fund (95,479 units; June 30, 2011: 91,068 units)	1,161	976
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	127	109
CDC charges payable	109	7
Security deposit	100	100
<b>NBP Employees Pension Fund</b>		
Investment held in the Fund (16,706,678 units; June 30, 2012: 15,934,787 units)	203,090	170,794

## 10 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors of the Management Company on April 26, 2013 .

## 11 GENERAL

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

11.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director