



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

NAFA MULTI ASSET FUND

QUARTERLY REPORT SEPTEMBER 30

2014



Your investments & "NAFA" grow together




NBP

National Bank of Pakistan

**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.

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	07
CONDENSED INTERIM INCOME STATEMENT	08
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	09
CONDENSED INTERIM DISTRIBUTION STATEMENT	10
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	11
CONDENSED INTERIM CASH FLOW STATEMENT	12
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	13

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. Wah Geok Sum	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 Committee

Mr. Nausherwan Adil	Chairman
Mr. Wah Geok Sum	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 Shahra-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

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

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 (NMF)** for the quarter ended September 30, 2014.

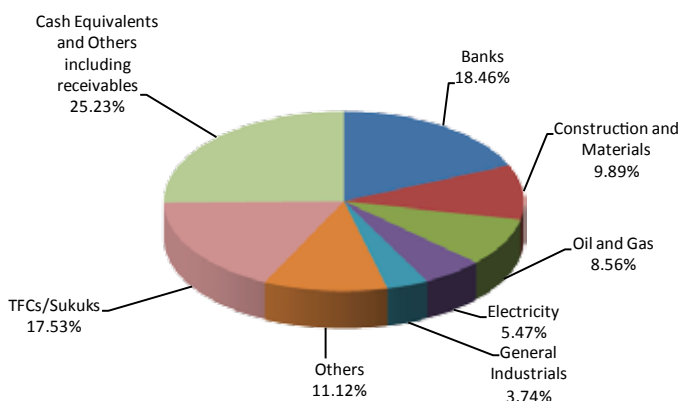
Fund's Performance

During the first quarter, the unit price of NAFA Multi Asset Fund has increased from Rs. 12.4041 on June 30, 2014 to Rs. 12.7960 on September 30, 2014, thus showing a growth of 3.16%. The Benchmark (50% KSE-30 Index, 50% 3-Month KIBOR) return during the same period was 0.81%. Thus, the Fund has outperformed its Benchmark by 2.35% during the period under review. Since inception (January 19, 2007), the unit price of the Fund has shown a growth of 196.36% as compared to 95.13% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 101.23% since inception. This performance is net of management fee and all other expenses. The size of NAFA Multi Asset Fund has increased from Rs.1,026 million to Rs.1,134 million during the period, i.e. an increase of 10.49%.

During 1QFY15, the stock market remained volatile and sideways as political uncertainty took its toll on investor sentiments. Positives like improvement in sovereign debt rating outlook, healthy foreign portfolio flows, controlled inflation, and stable interest rate were offset by the noise in the domestic politics. The benchmark KSE-100 Index inched up by just 0.25% during the period to settle at 29,726 points. Automobile and Parts, Pharma and Biotech, Electricity, and General Industrials sectors performed better than the market. On the other hand, Oil & Gas and Fixed Line Telecommunication sectors lagged the market.

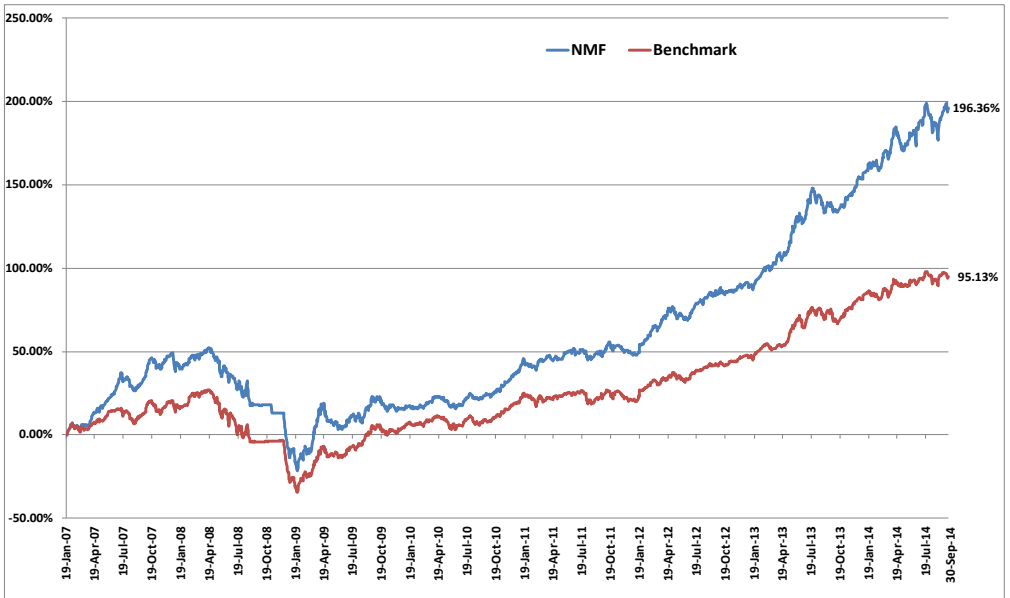
On the corporate debt sphere, trading activity in TFCs remained skewed towards high quality issues, especially those belonging to the financial sector. During the quarter under review, the State Bank of Pakistan kept the Policy Rate unchanged despite let-up in inflation expectation and improved external account position. All TFCs/Sukuks in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period. Therefore, they carry a relatively low interest rate risk as any increase in interest rates will increase the coupon income of the TFC/Sukuk portfolio.

The Fund has earned total income of Rs.38.88 million during the period. After deducting expenses of Rs.9.35 million, the net income is Rs.29.53 million. The asset allocation of the Fund as on September 30, 2014 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 30, 2014

Place: Karachi.

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2014

	Note	(Un-audited) September 30, 2014	(Audited) June 30, 2014
-----Rupees in '000-----			
ASSETS			
Balances with banks		262,384	227,228
Investments	4	848,006	847,235
Dividend and profit receivable	5	7,927	3,961
Advances, deposits, prepayments and other receivables		8,489	7,646
Receivable against sale of investments		30,662	-
Total assets		1,157,468	1,086,070
LIABILITIES			
Payable to the Management Company		6,049	3,502
Payable to the Trustee		175	209
Payable to Securities and Exchange Commission of Pakistan		228	749
Payable against purchase of investments		-	39,398
Payable against redemption of units		70	-
Accrued expenses and other liabilities	6	16,839	15,816
Total liabilities		23,361	59,674
NET ASSETS		1,134,107	1,026,396
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,134,107	1,026,396
CONTINGENCIES AND COMMITMENTS	12	-	-
-----Number of Units-----			
Number of units in issue		88,629,527	82,746,275
-----Rupees-----			
NET ASSET VALUE PER UNIT		12.7960	12.4041

The annexed notes 1 to 14 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, 2014 (UN-AUDITED)

	Note	Quarter ended September 30, 2014	Quarter ended September 30, 2013
-----Rupees in '000-----			
INCOME			
Capital (loss) / gain on sale of investments - net		(319)	11,884
Income from term finance certificates and sukuk bonds		6,043	4,340
Income from government securities		-	633
Dividend income		6,092	4,882
Profit on bank deposits		5,711	6,367
Unrealised appreciation / (diminution) in the value of investments 'at fair value through profit or loss' - net		21,349	(2,329)
		38,876	25,777
EXPENSES			
Remuneration of the Management Company		5,373	4,150
Sales tax on Remuneration of the Management Company		997	664
Federal Excise Duty on remuneration of the Management Company		860	664
Remuneration of the Trustee		521	415
Annual fee - Securities and Exchange Commission of Pakistan		228	176
Securities transaction cost		413	1,007
Settlement and bank charges		177	239
Annual listing fee		10	10
Auditors' remuneration		126	123
Fund's rating fee		34	31
Impairment charged on investments classified as available for sale		-	1,245
		8,739	8,724
Net income from operating activities		<u>30,137</u>	<u>17,053</u>
Provision for Workers' Welfare Fund	7	(603)	(341)
Net income for the period before taxation		<u>29,534</u>	<u>16,712</u>
Taxation	8	-	-
Net income for the period after taxation		<u><u>29,534</u></u>	<u><u>16,712</u></u>
Earnings per unit	9		

The annexed notes 1 to 14 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, 2014 (UN-AUDITED)

	Quarter ended September 30, 2014	Quarter ended September 30, 2013
	-----Rupees in '000-----	
Net income for the period after taxation	29,534	16,712
Other comprehensive income / (loss):		
Net unrealised appreciation in the market value of investments classified as 'available for sale'	4,619	15
Total comprehensive income for the period	<u>34,153</u>	<u>16,727</u>

The annexed notes 1 to 14 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, 2014 (UN-AUDITED)

	Quarter ended September 30, 2014	Quarter ended September 30, 2013
	-----Rupees in '000-----	
Accumulated income brought forward	111,448	133,470
Final distribution for the year ended June 30, 2014 Nil (2013: 21.4110%)		
- Bonus units	-	(117,607)
- Cash distribution	-	(9,446)
Net income for the period	29,534	16,712
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (loss) that forms part of the unit holders' fund	570	5,598
Undistributed income carried forward	<u>141,552</u>	<u>28,727</u>

The annexed notes 1 to 14 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, 2014 (UN-AUDITED)

	Quarter ended September 30, 2014	Quarter ended September 30, 2013
	-----Rupees in '000-----	
Net assets at the beginning of the period	1,026,396	800,275
Issue of 6,976,761 units (2013: 2,209,156 units)	87,271	27,422
Redemption of units 1,093,509 (2013: 5,500,405 units)	(13,713) 73,558	(66,107) (38,685)
Final distribution for the year ended June 30, 2014: Issue of Nil bonus units (2013 : 9,756,780) Nil (2013: 21.4110%)	-	117,607
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (losses) that form part of the unit holders' fund	570	5,598
Net unrealised appreciation in the market value of investments classified as 'available for sale'	4,619	15
Capital gain on sale of investments-net	(319)	11,884
Unrealised (diminution) / appreciation in the value of investments 'at fair value through profit or loss' - net	21,349	(2,329)
Other net income/(loss) for the period	8,504 29,534	7,157 16,712
Less: Distributions made during the period		
Final distribution for the year ended June 30, 2014 Nil (2013: 21.4110%)		
- Bonus units	-	(117,607)
- Cash distribution	-	(9,446)
	-	(127,053)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(570)	(5,598)
Net assets at the end of the period	<u>1,134,107</u>	<u>768,871</u>

The annexed notes 1 to 14 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, 2014 (UN-AUDITED)

	Quarter ended September 30, 2014	Quarter ended September 30, 2013
-----Rupees in '000-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	29,534	16,712
Adjustments		
Unrealised diminution / (appreciation) in the value of investments 'at fair value through profit or loss' - net	(21,349)	2,329
Capital (loss) / gain on sale of investments - net	319	(11,884)
Impairment charged on investments classified as available for sale	-	1,245
	(21,030)	(8,310)
	<u>8,504</u>	<u>8,402</u>
Decrease in assets		
Receivable against sale of investments	(30,662)	(6,027)
Investments	24,878	28,451
Dividend and profit receivable	(3,966)	(4,568)
Advances, deposits, prepayments and other receivables	(843)	(29)
	(10,593)	17,827
Increase / (Decrease) in liabilities		
Payable to the Management Company	2,547	746
Payable to the Trustee	(34)	(34)
Payable to Securities and Exchange Commission of Pakistan	(521)	(417)
Payable against purchase of investments	(39,398)	-
Accrued expenses and other liabilities	1,023	119
	(36,383)	414
Net cash inflow from operating activities	<u>(38,472)</u>	<u>26,643</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	87,271	27,422
Payments on redemption of units	(13,643)	(66,107)
Distributions paid	-	(9,446)
Net cash outflow on financing activities	73,628	(48,131)
Net (decrease) in cash and cash equivalents during the period	<u>35,156</u>	<u>(21,488)</u>
Cash and cash equivalents at the beginning of the year	227,228	447,872
Cash and cash equivalents at the end of the period	<u><u>262,384</u></u>	<u><u>426,384</u></u>

The annexed notes 1 to 14 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, 2014 (UN-AUDITED)

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 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 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. 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, 2013, it has been assigned short 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 Limited as Trustee of the Fund.

2 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.

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, 2014 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2014.

NAFA MULTI ASSET FUND

4 INVESTMENTS	Note	September 30,	June 30,
		2014 (Un-audited)	2014 (Audited)
		----- Rupees in '000 -----	
At fair value through profit or loss - held for trading			
Equity securities - listed	4.1	649,217	695,756
Term finance certificates - listed	4.2	82,262	82,360
Term finance certificates - Un-listed	4.3	45,000	-
		776,479	778,116
Available for sale			
Term finance certificates - unlisted	4.4	18,357	18,318
Sukuk bonds	4.4	53,170	50,801
		71,527	69,119
		848,006	847,235

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

Name of the investee company	Number of shares					Market value as at September 30, 2014	Investment as a percentage of		
	As at July 1, 2014	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2014		Net assets	Market value of total investments	Paid Up Capital of the investee company
(Rupees in '000)									
----- % -----									
Oil & Gas									
Attock Petroleum Limited	1	-	-	-	1	1	0.00	0.00	0.00
Oil & Gas Development Company Limited	87,896	10,500	-	30,000	68,396	16,898	1.49	1.99	0.00
Pakistan Oilfields Limited	65,519	30,400	-	32,900	63,019	33,491	2.95	3.95	0.03
Pakistan Petroleum Limited	179,483	58,000	-	79,000	158,483	35,825	3.16	4.22	0.01
Pakistan State Oil Company Limited	72,852	7,500	-	50,300	30,052	10,832	0.96	1.28	0.01
Chemicals									
Engro Corporation Limited	203,817	-	-	47,000	156,817	25,897	2.28	3.05	0.03
Fauji Fertilizer Bin Qasim Limited	900	-	-	900	-	-	-	-	-
Fauji Fertilizer Company Limited	211	89,500	-	25,000	64,711	7,341	0.65	0.87	0.01
Engro Fertilizers Limited	11,032	-	-	10,000	1,032	55	0.00	0.01	0.00
Dawood Hercules Corporation Limited	49,000	-	-	40,000	9,000	641	0.06	0.08	0.00
Construction and Materials									
Cherat Cement Company Limited	62	-	-	62	-	-	-	-	-
D.G. Khan Cement Company Limited	222,000	34,000	-	186,000	70,000	5,579	0.49	0.66	0.07
Pioneer Cement Limited	654,000	55,000	-	197,000	512,000	27,049	2.39	3.19	0.49
Kohat Cement Company Limited	100	-	-	100	-	-	-	-	-
Lucky Cement Limited	93,364	37,000	-	33,500	96,864	38,900	3.43	4.59	0.03
Akzo Nobel Pakistan	71,800	-	-	-	71,800	13,741	1.21	1.62	0.15
Maple Leaf Cement Factory Limited	887,000	291,000	-	190,000	988,000	26,864	2.37	3.17	0.19
General Industrials									
Thal Limited	157,136	-	-	-	157,136	37,870	3.34	4.47	0.19
Ghani Glass Limited	84,000	-	-	-	84,000	4,536	0.40	0.53	0.03
Personal Goods									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.50	0.67	14.61
Nishat Chunian Limited	50	-	-	50	-	-	-	-	-
Nishat Mills Limited	144,000	71,900	-	23,000	192,900	22,955	2.02	2.71	0.05
Forestry (Paper And Board)									
Century Paper & Board Mills Limited	150,000	-	-	-	150,000	8,126	0.72	0.96	0.10
Technology Hardware And Equipment									
TPL Trakker Limited	630,000	-	-	630,000	-	-	-	-	-

NAFA MULTI ASSET FUND

Name of the investee company	Number of shares					Market value as at September 30, 2014	Investment as a percentage of			
	As at July 1, 2014	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2014		Net assets	Market value of total investments	Paid Up Capital of the investee company	
(Rupees in '000)							-----%-----			
Fixed Line Telecommunication										
Pakistan Telecommunication Company Limited	661,500	-	-	322,000	339,500	7,914	0.70	0.93	0.01	
Industrial Transportation										
Pakistan National Shipping Corporation	109,000	-	-	-	109,000	8,873	0.78	1.05	0.08	
Automobile And Parts										
Ghandhara Nissan Limited	165,000	-	-	15,000	150,000	7,647	0.67	0.90	0.33	
Honda Atlas Cars (Pakistan) Limited	280,000	-	-	204,500	75,500	10,612	0.94	1.25	0.05	
Pak Suzuki Motor Company Limited	53,000	19,000	-	-	72,000	20,468	1.80	2.41	0.09	
Electricity										
Kot Addu Power Company Limited	488,000	21,000	-	44,000	465,000	29,895	2.64	3.53	0.05	
The Hub Power Company Limited	192,348	204,000	-	-	396,348	25,358	2.24	2.99	0.03	
K-Electric Limited	1,240,000	-	-	360,000	880,000	6,794	0.60	0.80	0.00	
Pakgen Power Limited	3,000	-	-	3,000	-	-	-	-	-	
Banks										
Bank Alfalah Limited	769,000	191,000	-	-	960,000	27,244	2.40	3.21	0.07	
Bank Alhabib Limited	689,900	-	-	110,500	579,400	26,228	2.31	3.09	0.05	
MCB Bank Limited	78,124	-	-	27,500	50,624	14,304	1.26	1.69	0.00	
Meezan Bank Limited	24,117	-	-	6,000	18,117	743	0.07	0.09	0.00	
National Bank of Pakistan	777,071	22,000	-	379,000	420,071	25,414	2.24	3.00	0.02	
Habib Bank Limited	50	-	-	-	50	11	0.00	0.00	0.00	
United Bank Limited	356,191	105,400	-	102,500	359,091	67,631	5.96	7.98	0.03	
BankIslami Pakistan Ltd.	858,500	-	77,894	-	936,394	8,637	0.76	1.02	0.16	
Faysal Bank Limited	575,000	1,395,500	-	-	1,970,500	35,430	3.12	4.18	0.19	
Habib Metropolitan Bank Limited	33,500	86,000	-	-	119,500	3,764	0.33	0.44	0.01	
Allied Bank Limited	2,200	-	-	2,200	-	-	-	-	-	
						649,217	57.24	76.56		
						627,771				

Carrying value as at Sep 30, 2014

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 and K-Electric which have a face value of Rs. 3.5 each.

4.1.2 Investments include shares with market value of Rs. 41.157 million (June 30, 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.

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 September 30, 2014	Investment as a percentage of		
	As at July 1, 2014	Purchases during the period	Sales / matured during the period	As at September 30, 2014		Net assets	Market value of total investments	Issue size
(Rupees in '000)								
Saudi Pak Leasing Company Limited (note 4.2.1)	10,000	-	-	10,000	-	-	-	6.67
K - Electric AZM Sukuk	16,000	-	-	16,000	82,262	7.25	9.70	2.13
					26,000	-	-	10

Carrying value as at Sep 30, 2014

109,907

NAFA MULTI ASSET FUND

4.2.1 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.

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

Name of the investee company	Number of certificates / bonds				Market value as at September 30, 2014	Investment as a percentage of		
	As at July 1, 2014	Purchases during the period	Sales / matured during the period	As at September 30, 2014		Net assets	Market value of total investments	Issue size
					(Rupees in '000)	-----%-----		
Hascol Petroleum Limited	-	9,000	-	9,000	45,000	3.97	5.31	10
	-	9,000	-	9,000	45,000	3.97	5.31	
Carrying value as at Sep 30, 2014					45,000			

4.4 Term finance certificates and Sukuk bonds - available for sale

Name of the investee company	Number of certificates / bonds				Market value as at September 30, 2014	Investment as a percentage of		
	As at July 1, 2014	Purchases during the period	Sales / matured during the period	As at September 30, 2014		Net assets	Market value of total investments	Issue size
					(Rupees in '000)	-----%-----		
Term finance certificate - unlisted								
Avani Hotel Limited	6,000	-	-	6,000	8,382	0.74	0.99	0.80
Engro Fertilizer Limited	2,000	-	-	2,000	9,975	0.88	1.18	0.25
				8,000	18,357			
Sukuk bonds								
Maple Leaf Cement Factory Limited	17,688	-	-	17,688	53,170	4.69	6.27	2.95
New Allied Electronics Industries (Private) Limited (note 4.5.1)	32,000	-	-	32,000	-	-	-	1.33
Pak Electron Limited (note 4.5.2)	8,000	-	-	8,000	-	-	-	3.33
Eden Housing Limited (note 4.5.3)	10,000	-	-	10,000	-	-	-	6.85
				67,688	53,170			
	75,688	-	-	75,688	71,527	6.31	8.42	
Carrying value as at Sep 30, 2014					103,895			

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.

NAFA MULTI ASSET FUND

- 4.5.1 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 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.
- 4.5.2 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 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.
- 4.5.3 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the borrower has defaulted its scheduled principal and profit payment and therefore it was classified as NPA by MUFAP. 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.

	September 30, 2014 (Un-audited)	June 30, 2014 (Audited)
----- Rupees in '000 -----		

5 DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable on equity shares	5,283	1,753
Profit on savings and term deposits	20	62
Income accrued on term finance certificates and sukuk bonds	12,675	14,775
Less: Income suspended over non-performing debt securities	(10,051)	(12,629)
	2,624	2,146
	7,927	3,961

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	483	357
Settlement charges payable	104	48
Payable to brokers	176	176
Dividend payable to brokers	493	493
Provision for Workers' Welfare Fund	14,702	14,110
Legal and professional charges payable	50	50
Others	831	582
	16,839	15,816

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 connection, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, 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. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

During the year ended June 30, 2012, 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, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court.

NAFA MULTI ASSET FUND

In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company of the Fund, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 14,702 million including Rs 0.603 million for the current year (2014 : 14.110 million) in these financial statements. Had the provision not been made the net asset value per unit / return of the Fund would have been higher by Re. 0.1659 per unit.

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 / period, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as subsequent to the year end the Management Company has distributed the required minimum percentage of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its unit holders.

9 EARNINGS PER UNIT

Earnings per unit (EPU) for the period ended September 30, 2014 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

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

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:

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	66,142	-	53,170	4.69%	4.59%
Term finance certificates*	New Allied Electronic Industries (Private) Limited	10,000	(10,000)	-	0.00%	0.00%
Sukuk Bonds	Eden Housing Limited	9,844	(9,844)	-	0.00%	0.00%
Sukuk Bonds	Pak Elektron Limited	17,143	(17,143)	-	0.00%	0.00%
TFC	Saudi Pak Leasing Company	27,547	(27,547)	-	0.00%	0.00%

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, 2014 (Un-audited)	Quarter ended September 30, 2013 (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 year	5,373	4,150
Front end load	730	479
Sales Tax on remuneration of the management company	997	664
FED on remuneration to the Management Company	860	664

National Bank of Pakistan - Sponsor

Cash Dividend	-	9,444
22,000 Shares purchased	1,303	16,095
379,000 Shares sold	21,789	3,965

Alexandra Fund Management Pte. Limited - Sponsor

Bonus units issued: Nil units (2013: 17,246 units)	-	-
--	---	---

Central Depository Company of Pakistan Limited - Trustee

	521	415
Remuneration	74	64
CDS charges		

NBP Employees Pension Fund

Bonus units issued: Nil units (2013: 3,017,671 units)	-	-
---	---	---

National Fullerton Asset Management Limited - Employee Provident Fund

Units Issued / Transferred in 126,517 units (2013: NIL)	1,572	-
Units Redeemed / Transferred out 124,396 units (2013: NIL)	1,567	-

Employees of Management Company

Units Redeemed / Transferred out 44,910 units (2013: NIL)	538	-
---	-----	---

Taurus Securities Limited

Brokerage paid	43	67
----------------	----	----

Cherat Cement Pakistan Limited

61 Shares sold	4	-
----------------	---	---

Summit Bank Limited

Bank Profit	-	24
-------------	---	----

NAFA MULTI ASSET FUND

September 30, 2014
June 30, 2014
-----Rupees in '000-----

11.6 Amounts outstanding as at year end are as follows:

Management fee payable	1,817	1,322
Sales tax payable	358	231
FED payable on management remuneration	3,452	127
Others	422	77
National Bank of Pakistan - Sponsor		
Investment held in the Fund: 5,106,087 units (2014: 5,106,087 units)	65,337	63,336
Balance in current account	1,823	2,042
Ordinary shares held	25,414	48,357
NBP Employees Pension Fund		
Investment held in the Fund: 23,160,396 units (2014: 23,160,396)	296,360	287,284
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	175	160
CDS charges	104	48
Security deposit	100	100
National Fullerton Asset Management Limited - Employee Provident Fund		
Investment held in the Fund: 460,134 units (2014: 458,013 units)	5,888	5,681
The Trustees- Karachi Electric Provident Fund		
Investment held in the Fund: 33,312,370 units (2014: 33,312,370 units)	426,265	413,210
Employees of Management Company		
Investment held in the Fund: 23,435 units (2014: 68,345 units)	300	848
Summit Bank of Pakistan		
Bank balance	792	719
Thal Limited		
Ordinary shares held	37,870	32,588
Cherat Cement Pakistan Limited		
Ordinary shares held	-	4
Taurus Securities Limited		
Brokerage Payable	11	-

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on September 30, 2014 (June 30 , 2014 : Nil)

13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October, 2014

14 GENERAL

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



NBP Fullerton
Asset Management Ltd.

A Subsidiary of

National Bank of Pakistan

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20001

Fax: 021-35825335

Email: info@nafafunds.com

Website: www.nafafunds.com