



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together




Joint - Venture Partners

NAFA MULTI ASSET FUND

QUARTERLY REPORT
SEPTEMBER 30
2013



MISSION STATEMENT



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

NAFA MULTI ASSET FUND

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 FOLW 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. Khalid Mahmood	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	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. Khalid Mahmood	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 Shahr-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:

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.

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 quarter ended September 30, 2013.

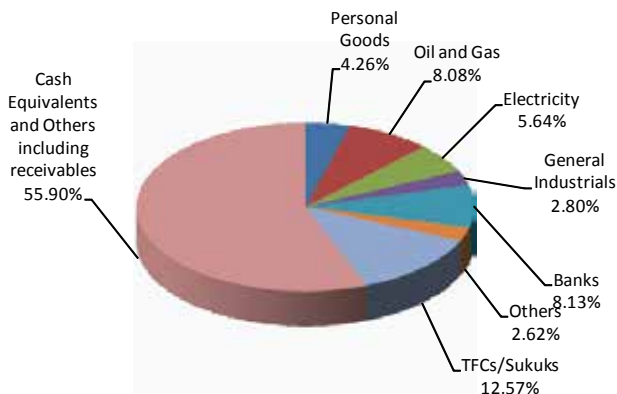
Fund's Performance

During the first quarter, the unit price of NAFA Multi Asset Fund has increased from Rs. 11.4496 (Ex-Div) on June 30, 2013 to Rs. 11.6817 on September 30, 2013, thus showing a growth of 2.03%. The Benchmark (50% KSE-30 Index, 50% 3-Month KIBOR) return during the same period was 2.38%. Thus, the Fund has underperformed by 0.35% during the period under review. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 133.71% as compared to 68.03% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 65.68% since inception. This performance is net of management fee and all other expenses. The size of NAFA Multi Asset Fund has decreased from Rs.800 million to Rs.769 million during the period, i.e. a decrease of 3.9%.

During 1QFY14, the stock market initially generated strong performance with a return of 11.0% in July as the euphoria of first democratic transfer of political power continued. However, realization of a tough IMF program, depreciating PKR, and rising interest rates led to 7.1% erosion in gains, thus the overall return during the quarter stood at 3.9%. Banking, Fixed Line Telecommunication, and Gas Water and Multi-utilities sectors performed better than the market. Oil & Gas, Personal Goods, and Construction and Materials sectors lagged the market. Going forward, we feel that the single most important determinant of market direction will be the approach of the government in tackling key socio-economic challenges.

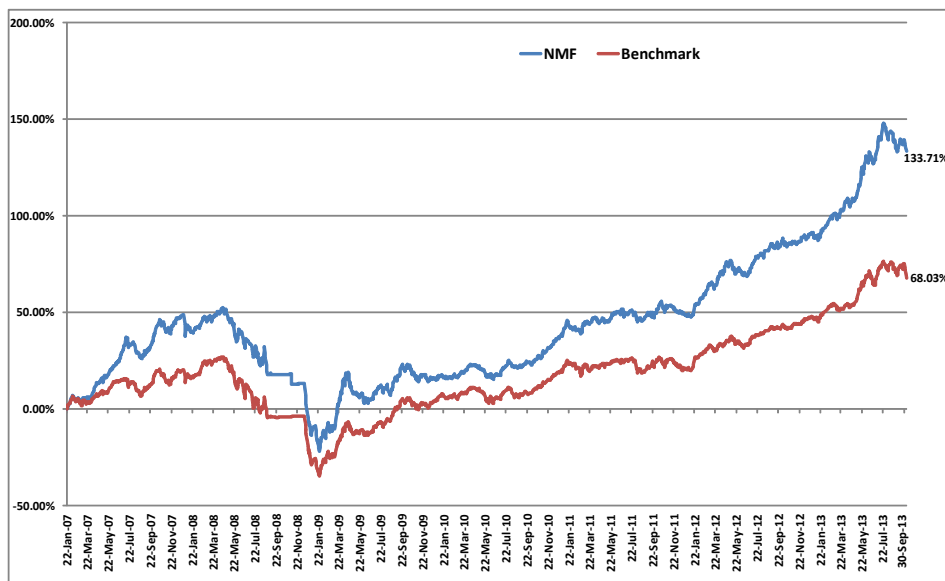
On the corporate debt sphere, trading activity in TFCs/Sukuks was skewed towards high quality issues, especially belonging to the financial sector. During the quarter under review, we have seen 50bps increase in the Policy Rate by the State Bank of Pakistan. Most TFCs/Sukuks in the Fund are floating rate linked to KIBOR. Therefore, they carry a relatively low risk and any increase in interest rates will increase the coupon income of the TFC/Sukuk portfolio.

The Fund has earned total income of Rs.25.78 million during the period. After deducting expenses of Rs.9.07 million, the net income is Rs.16.71 million. The asset allocation of the Fund as on September 30, 2013 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, 2013
Place: Karachi.

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2013

		(Un-audited) September 30, 2013	(Audited) June 30, 2013
	Note	-----Rupees in '000-----	
ASSETS			
Balances with banks		426,384	447,872
Investments	4	339,092	359,218
Dividend and profit receivable	5	9,388	4,820
Advances, deposits, prepayments and other receivables		2,908	2,879
Receivable against sale of investments		6,027	-
Total assets		783,799	814,789
LIABILITIES			
Payable to the Management Company		2,503	1,757
Payable to the Trustee		131	165
Payable to Securities and Exchange Commission of Pakistan		176	593
Accrued expenses and other liabilities	6	12,118	11,999
Total liabilities		14,928	14,514
NET ASSETS		768,871	800,275
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			
		768,871	800,275
CONTINGENCIES AND COMMITMENTS			
	12	-	-
-----Number of Units-----			
Number of units in issue		65,818,326	59,352,795
-----Rupees-----			
NET ASSET VALUE PER UNIT		11.6817	13.4834

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, 2013 (UN-AUDITED)

	Quarter ended September 30, 2013	Quarter ended September 30, 2012
Note	----- Rupees in '000 -----	
INCOME		
Capital gain on sale of investments - net	11,884	6,859
Income from term finance certificates and sukuk bonds	4,340	7,921
Income from government securities	633	136
Dividend income	4,882	9,331
Profit on bank deposits	6,367	1,245
Unrealised (diminution) / appreciation in the value of investments 'at fair value through profit or loss' - net	(2,329)	35,061
Total Income	25,777	60,553
EXPENSES		
Remuneration of the Management Company	4,150	3,312
Sales tax on Remuneration of the Management Company	664	530
Federal Excise Duty on remuneration of the Management Company	664	-
Remuneration of the Trustee	415	331
Annual fee - Securities and Exchange Commission of Pakistan	176	141
Securities transaction cost	1,007	506
Settlement and bank charges	239	98
Annual listing fee	10	10
Legal and professional charges	-	23
Auditors' remuneration	123	129
Fund's rating fee	31	27
Impairment charged on investments classified as available for sale	1,245	1,628
Total Expenses	8,724	6,735
Net income from operating activities	17,053	53,818
Provision for Workers' Welfare Fund	7 (341)	(1,076)
Net income for the period before taxation	16,712	52,742
Taxation	8 -	-
Net income for the period after taxation	16,712	52,742
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, 2013 (UN-AUDITED)

	Quarter ended September 30, 2013 ----- Rupees in '000 -----	Quarter ended September 30, 2012 ----- Rupees in '000 -----
Net income for the period after taxation	16,712	52,742
Other comprehensive income / (loss):		
Net unrealised appreciation in the market value of investments classified as 'available for sale'	15	191
Total comprehensive income for the period	<u>16,727</u>	<u>52,933</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, 2013 (UN-AUDITED)

	Quarter ended September 30, 2013	Quarter ended September 30, 2012
	----- Rupees in '000 -----	
Accumulated income / (loss) brought forward	133,470	(29,506)
Final distribution for the year ended June 30, 2013 21.4110% (2012: 3.05%) Date of Distribution : 2013: July 11, 2013 (2012: July 09, 2012)		
-Bonus units	(117,607)	(17,488)
-Cash distribution	(9,446)	(1,432)
Net income for the period	16,712	52,742
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	5,598	(232)
Accumulated (loss) / undistributed income carried forward	<u>28,727</u>	<u>4,084</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, 2013 (UN-AUDITED)

	Quarter ended September 30, 2013	Quarter ended September 30, 2012
	----- Rupees in '000 -----	
Net assets at the beginning of the year	800,275	624,739
Issue of 2,209,156 units (2012: 2,112,901 units)	27,422	5,262
Redemption of units 5,500,405 (2012: 1,359,363 units)	(66,107) (38,685)	(15,151) (9,889)
Final distribution for the year ended June 30, 2013: issue of 9,756,780 bonus units 21.4110% (2012: 3.05%)	117,607	17,488
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	5,598	(232)
Net unrealised appreciation in the market value of investments classified as 'available for sale'	15	191
Capital gain on sale of investments-net	11,884	6,859
Unrealised diminution / appreciation in the value of investments 'at fair value through profit or loss' - net	(2,329)	35,061
Other net income/(loss) for the period	7,157 16,712	10,821 52,741
Less: Distributions made during the period		
Final distribution for the year ended June 30, 2013 21.4110% (2012: 3.05%)		
Date of Distribution : 2013: July 11, 2013 (2012: July 09, 2012)		
-Bonus units	(117,607)	(17,488)
-Cash distribution	(9,446) (127,053)	(1,432) (18,920)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(5,598)	232
Net assets at the end of the period	<u>768,871</u>	<u>666,350</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, 2013 (UN-AUDITED)

	Quarter ended September 30, 2013	Quarter ended September 30, 2012
Note	----- Rupees in '000 -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	16,712	52,742
Adjustments		
Unrealised diminution / (appreciation) in the value of investments 'at fair value through profit or loss' - net	2,329	(35,061)
Capital gain on sale of investments - net	(11,884)	(6,859)
Impairment charged on investments classified as available for sale	1,245	1,628
	(8,310)	(40,292)
	<u>8,402</u>	<u>12,450</u>
Decrease in assets		
Receivable against sale of investments	(6,027)	-
Investments	28,451	45,997
Dividend and profit receivable	(4,568)	(7,064)
Advances, deposits, prepayments and other receivables	(29)	(676)
	<u>17,827</u>	<u>38,257</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	746	102
Payable to the Trustee	(34)	1
Payable to Securities and Exchange Commission of Pakistan	(417)	(390)
Accrued expenses and other liabilities	119	(42,980)
	<u>414</u>	<u>(43,267)</u>
Net cash inflow from operating activities	<u>26,643</u>	<u>7,440</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	27,422	5,262
Payments on redemption of units	(66,107)	(15,151)
Distributions paid	(9,446)	(1,432)
Net cash outflow on financing activities	<u>(48,131)</u>	<u>(11,321)</u>
Net (decrease) in cash and cash equivalents during the period	<u>(21,488)</u>	<u>(3,881)</u>
Cash and cash equivalents at the beginning of the period	447,872	62,627
Cash and cash equivalents at the end of the period	<u><u>426,384</u></u>	<u><u>58,746</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, 2013 (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 is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of MUFAP.

The Fund is an open-ended mutual fund 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, 2012, it has been assigned short 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 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, 2013 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2013.

NAFA MULTI ASSET FUND

4 INVESTMENTS

At fair value through profit or loss - held for trading

	Note	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
Equity securities - listed	4.1	242,440	257,193
Term finance certificates - listed	4.2	14,775	15,175
Market Treasury bills	4.3	-	-
		<u>257,215</u>	<u>272,368</u>

Available for sale

Term finance certificates - listed	4.4	15,001	15,005
Term finance certificates - unlisted	4.4	20,845	20,808
Sukuk bonds	4.4	46,031	51,037
		<u>81,877</u>	<u>86,850</u>
		<u>339,092</u>	<u>359,218</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, 2013	Investment as a percentage of		
	As at July 1, 2013	Purchases during the period	Bonus / right shares	Sales during the period	As at Sep 30, 2013		Net assets	Market value of total investments	Paid Up Capital of the investee company
(Rupees in '000) ----- % -----									
Oil & Gas									
Attock Petroleum Limited	1	-	-	-	1	-	-	-	0.00
Oil & Gas Development Company Limited	70,396	67,200	-	69,400	68,196	16,027	2.08	4.73	0.00
Pakistan Oilfields Limited	12,119	83,200	-	53,400	41,919	17,972	2.34	5.30	0.02
Pakistan Petroleum Limited	54,186	204,300	27,797	139,000	147,283	28,072	3.65	8.28	0.01
Pakistan State Oil Company Limited	159,620	25,000	-	184,500	120	32	0.00	0.01	0.00
Chemicals									
Engro Corporation Limited	75,017	209,000	-	283,200	817	111	0.01	0.03	0.00
Fauji Fertilizer Bin Qasim Limited	900	-	-	-	900	34	0.00	0.01	0.00
Fauji Fertilizer Company Limited	211	-	-	-	211	21	0.00	0.01	0.00
Construction and Materials									
Attock Cement Pakistan Limited	7,650	-	-	7,650	-	-	-	-	-
Cherat Cement Company Limited	432,556	104,000	-	536,500	56	3	0.00	0.00	0.00
D.G. Khan Cement Company Limited	120,000	331,000	-	451,000	-	-	-	-	-
Kohat Cement Company Limited	131,000	88,000	-	176,000	43,000	3,981	0.52	1.17	0.03
Maple Leaf Cement Company Limited	-	221,500	-	221,500	-	-	-	-	-
Lucky Cement Limited	63,564	48,000	-	98,100	13,464	3,114	0.41	0.92	0.00
General Industrials									
Thal Limited	238,636	-	-	59,900	178,736	21,500	2.80	6.34	0.22
Personal Goods									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.73	1.67	14.61
Nishat Chunian Limited	91,000	547,000	-	402,500	235,500	13,254	1.72	3.91	0.13
Nishat Mills Limited	89,000	320,000	-	259,600	149,400	13,845	1.80	4.08	0.04
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	-	1,428,000	-	932,000	496,000	12,975	1.69	3.83	0.01
Electricity									
The Hub Power Company Limited	383,348	732,000	-	940,000	175,348	11,175	1.45	3.30	0.02
Kot Adu Power Company Limited	102,500	401,500	-	124,000	380,000	24,236	3.15	7.15	0.04
Nishat Chunian Power Limited	-	77,500	-	77,500	-	-	-	-	-
Nishat Power Limited	-	500,500	-	243,000	257,500	7,931	1.03	2.34	0.07
Banks									
Bank Alfalah Limited	-	1,040,000	-	261,000	779,000	16,312	2.12	4.81	0.06
Bank Alhabib Limited	463,000	473,000	-	301,000	635,000	23,032	3.00	6.79	0.06
Habib Bank Limited	-	64,500	-	64,000	500	76	0.01	0.02	0.00
MCB Bank Limited	22	-	-	-	22	6	0.00	0.00	0.00
Meezan Bank Limited	344,617	-	-	25,000	319,617	11,861	1.54	3.50	0.03
National Bank of Pakistan	71	296,000	-	73,000	223,071	10,995	1.43	3.24	0.01
United Bank Limited	-	170,000	-	168,300	1,700	226	0.03	0.07	0.00
	3,646,414	7,431,200	27,797	6,151,050	4,954,361	242,440	31.53	71.50	
						245,170			

Carrying value as at Sep 30, 2013

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. 51.032 million (2013: Rs. 126.513 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, 2013	Investment as a percentage of		
	As at July 1, 2013	Purchases during the period	Sales during the period	As at Sep 30, 2013		Net assets	Market value of total investments	Issue Size
					(Rupees in '000)		%-----	
Saudi Pak Leasing Company Limited	10,000	-	-	10,000	14,775	1.92	4.36	6.67
	10,000	-	-	10,000	14,775	1.92	4.36	
Carrying value as at Sep 30, 2013					14,375			

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

Issue date	Face Value					Market value as at Sep 30, 2013	Investment as a percentage of		
	Tenor	As at July 1, 2013	Purchases during the period	Sales / matured during the period	As at Sep 30, 2013		Market value of total investments	Paid Up Capital of the investee company	Issue Size
						(Rupees in '000)		%-----	
Market Treasury Bill									
January 24, 2013	6 Months	-	129,000	129,000	-	-	-	-	-
		-	129,000	129,000	-	-	-	-	-
Carrying value as at Sep 30, 2013						-			

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, 2013	Investment as a percentage of		
	As at July 1, 2013	Purchases during the period	Sales during the period	As at Sep 30, 2013		Net assets	Market value of total investments	Issue Size
(Rupees in '000)						------%-----		
Term finance certificate - listed								
Pakistan Mobile Communications Limited	3,000	-	-	3,000	15,001	1.95	4.42	0.27
Term finance certificate - unlisted								
Avari Hotel Limited	6,000	-	-	6,000	11,270	1.47	3.32	0.80
Engro Fertilizer Limited	2,000	-	-	2,000	9,575	1.25	2.82	0.25
				8,000	20,845			
Sukuk bonds								
Eden Builders Limited	4,902	-	-	4,902	3,056	0.40	0.90	0.98
Maple Leaf Cement Factory Limited (note 4.5.1)	17,688	-	-	17,688	30,879	4.02	9.11	2.95
New Allied Electronics Industries (Private) Limited (note 4.5.2)	32,000	-	-	32,000	-	-	-	1.33
Pak Electron Limited (note 4.5.3)	8,000	-	-	8,000	1,714	0.22	0.51	3.33
Eden Housing Limited (note 4.5.4)	10,000	-	-	10,000	10,382	1.35	3.06	6.85
				72,590	46,031			
	83,590	-	-	83,590	81,877	10.65	24.14	
Carrying value as at Sep 30, 2013					159,165			

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.

4.5.1 This represents investment in privately placed sukuk bonds with a term of six years. On September 03, 2011, the borrower has defaulted its scheduled principal and profit payment and therefore it was classified as Non performing asset (NPA) by MUFAP. On October 2, 2012, the Sukuk holders have stopped additional provisioning from mentioned date on above sukuks in following the advice provided by Securities & Exchange Commission of Pakistan (SECP).

4.5.2 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 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 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.

4.5.4 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 management has recognised provision for impairment amounting to Rs. 5.56 million which has been freezed since prior year. Management considers that since the Fund is receiving timely payments from borrower; hence no additional provision is required (as per minimum provisioning criteria defined in circular 33 of 2012).

NAFA MULTI ASSET FUND

	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
Note	-----Rupees in '000-----	
5 DIVIDEND AND PROFIT RECEIVABLE		
Dividend receivable on equity shares	3,997	417
Profit on savings and term deposits	93	-
Income accrued on term finance certificates and sukuk bonds	11,860	14,113
Less: Income suspended over non-performing debt securities	(6,562)	(9,710)
	5,298	4,403
	9,388	4,820
	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
	-----Rupees in '000-----	
6 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	443	320
Settlement charges payable	46	35
Payable to brokers	-	501
Dividend payable to brokers	493	493
Provision for Workers' Welfare Fund	10,019	9,678
Legal and professional charges payable	40	40
Others	1,077	932
	12,118	11,999

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) / Pension Funds 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 Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds.

A clarification was issued by the Ministry of Labour and Manpower (the Ministry) on July 8, 2010 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 same. This response was contradictory to the earlier clarification issued by the Ministry. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several mutual funds (CISs) / pension funds for the collection of WWF. In respect of such show cause notices, certain mutual funds (CISs) / pension funds have been granted stay by the Honorable SHC on the basis of the pending Constitutional Petition as referred to above.

In March 2013, a three member bench of the Sindh High Court in its judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through the Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and pension funds, the issue of chargeability or otherwise of WWF levy to the CISs / pension funds is currently pending before the Honorable SHC.

NAFA MULTI ASSET FUND

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has continued to maintain the provision for WWF amounting to Rs. 10.019 million (2013: Rs. 9.678 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 Re. 0.1522 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, 2013 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 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
Sukuk Bonds	Maple Leaf Cement Factory Limited I	77,197	(46,318)	30,879	4.02%	3.94%
Sukuk Bonds	New Allied Electronic Industries (Private) Limited	10,000	(10,000)	-	0.00%	0.00%
Sukuk Bonds	Eden Housing Limited	15,938	(5,556)	10,382	1.35%	1.32%
Sukuk Bonds	Pak Elektron Limited	17,143	(15,429)	1,714	0.22%	0.22%
TFC	Saudi Pak Leasing Company	29,549	-	14,775	1.92%	1.88%

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, 2013 (Un-audited)	Quarter ended September 30, 2012 (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	4,150	3,312
Front end load	479	114
Sales Tax on remuneration of the management company	664	530
FED on remuneration to the Management Company	664	-
National Bank of Pakistan - Sponsor		
Cash Dividend	9,444	1,432
296,000 Shares purchased	16,095	-
73,000 Shares sold	3,965	-
Alexandra Fund Management Pte. Limited - Sponsor		
Bonus units issued: 17246 units (2012: 2,780 units)	-	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	415	331
CDS charges	64	17
NBP Employees Pension Fund		
Bonus units issued: 3,017,671 units (2012: 486,377 units)	-	-
Taurus Securities Limited		
Brokerage paid	67	41
Summit Bank Limited		
Bank profit	24	-
	September 30, 2013	September 30, 2012
	-----Rupees in '000-----	
11.6 Amounts outstanding as at period end are as follows:		
Management fee payable	1,302	1,322
Sales tax payable	208	231
FED payable on management remuneration	436	127
Others	557	77
National Bank of Pakistan - Sponsor		
Investment held in the Fund: 4,410,752 units (2013: 4,410,752 units)	51,525	59,472
Balance in current account	895	1,640
Ordinary shares held	10,995	3
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held in the Fund: 114,338 units (2013: 97,092 units)	1,336	1,309
NBP Employees Pension Fund		
Investment held in the Fund: 20,006,465 units (2013: 16,988,794)	233,710	229,067
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	131	132
CDS charges	46	33
Security deposit	100	100
Summit Bank of Pakistan		
Bank balance	1,232	1,833

NAFA MULTI ASSET FUND

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on September 30, 2013 (June 30, 2013 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, 2013.

14 GENERAL

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

Your investments & "NAFA" grow together



Joint - Venture Partners

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