



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**


Joint - Venture Partners

NAFA MULTI ASSET FUND

HALF YEARLY REPORT
**DECEMBER 31
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

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 Shakra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Soneri Bank Limited
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.
UAN: 042-111-111-632
Fax: 92-42-35861095

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

Contents

| | |
|---|----|
| FUND’S INFORMATION | 02 |
| DIRECTORS’ REPORT | 05 |
| REPORT OF THE TRUSTEE TO THE UNITHOLDERS | 07 |
| AUDITORS' REVIEW REPORT TO THE UNITHOLDERS | 08 |
| CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES | 09 |
| CONDENSED INTERIM INCOME STATEMENT | 10 |
| CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME | 11 |
| CONDENSED INTERIM DISTRIBUTION STATEMENT | 12 |
| CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND | 13 |
| CONDENSED INTERIM CASH FLOW STATEMENT | 14 |
| NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS | 15 |

NAFA MULTI ASSET FUND

DIRECTORS' REPORT

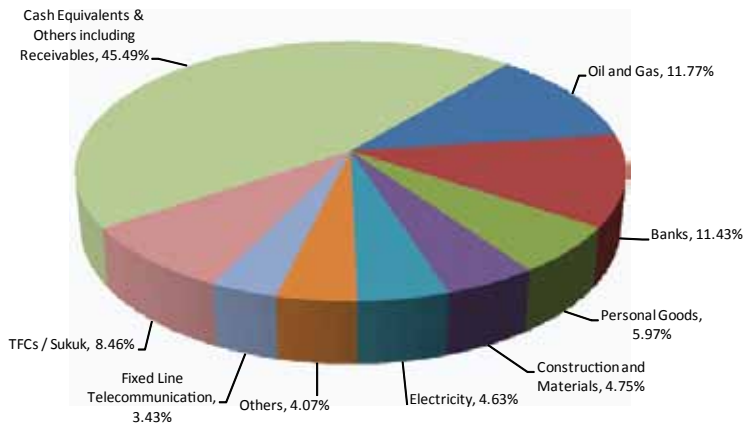
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the reviewed financial statements of **NAFA Multi Asset Fund (NMF)** for the half year ended December 31, 2013.

Fund's Performance

The size of NAFA Multi Asset Fund increased from Rs. 800 million to Rs. 889 million during the period, i.e. an increase of 11.13%. During the first half, the unit price of NAFA Multi Asset Fund has increased from Rs. 11.4496 (Ex-Div) on June 30, 2013 to Rs.12.6749 on December 31, 2013, thus showing a growth of 10.70%, as compared to its Benchmark (50% KSE-30 Index, 50% 3-Month KIBOR) return of 10.39% during the same period. Thus, the Fund has outperformed its Benchmark by 0.31% during the period under review. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 153.58% as compared to 81.18% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 72.40% since inception. This performance is net of management fee and all other expenses. The size of NAFA Multi Asset Fund has increased from Rs.800 million to Rs.889 million during the period, i.e. an increase of 11.04%.

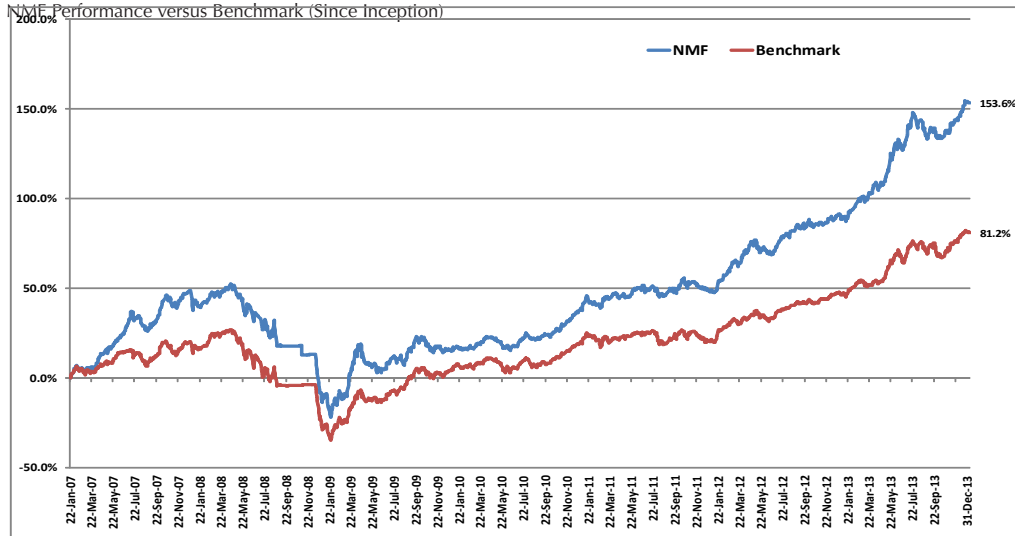
The stock market extended its bull-run in 1HFY14 as the market participants remained optimistic post peaceful democratic transition and subsequent transfer of power within the two state pillars, Military and Judiciary. Grant of IMF financing package, easy liquidity conditions, and healthy foreign investment activity perked up investors' sentiments. Moreover, investors brushed aside rising risks to the inflation, interest rates and external accounts. Among the out-performers for the period were Banks, Construction & Materials, Industrial Transportation, Personal Goods and Fixed Line Telecommunication sectors. On the other hand, Oil and Gas, Chemicals, General Industrials, Automobiles and Parts, and Electricity sectors lagged the market.

On the corporate debt sphere, there were few primary issuance amid muted private sector borrowing and elevated risk aversion in the market. Trading activity in TFCs was skewed towards high quality issues, especially belonging to the financial sector. The State Bank of Pakistan increased the policy rate by 100bps during the period under review citing upside risks to the external account, depleting FX reserves, and rising inflation expectations. Most TFCs in the Fund are floating rate linked to KIBOR.



NAFA MULTI ASSET FUND

NAFA Performance versus Benchmark (Since Inception)



Income Distribution

The Board of Directors of the Management Company has approved an interim distribution of 2.00% of opening ex-NAV (2.268% of the par value) for the quarter ended December 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: February 13, 2014
Place: Karachi.

NAFA MULTI ASSET FUND

TRUSTEE REPORT TO THE UNIT HOLDERS

NAFA MULTI ASSET FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Multi Asset Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2013 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 26, 2014

NAFA MULTI ASSET FUND

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA MULTI ASSET FUND** (the Fund) as at December 31, 2013 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and notes to the accounts for the six months period ended December 31, 2013 (here-in-after referred to as the 'interim financial information'). **NBP Fullerton Asset Management Limited** (the Management Company) is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' fund for the three months period ended December 31, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2013.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Place: Karachi
Date: February 13, 2014

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT DECEMBER 31, 2013

| | Note | Unaudited December 31, 2013 | Audited June 30, 2013 |
|--|------|-----------------------------------|-----------------------------|
| -----Rupees in '000----- | | | |
| ASSETS | | | |
| Balances with banks | 4 | 394,690 | 447,872 |
| Investments | 5 | 484,399 | 359,218 |
| Dividend and profit receivable | 6 | 3,486 | 4,820 |
| Advances, deposits, prepayments and other receivables | | 22,930 | 2,879 |
| Total assets | | 905,505 | 814,789 |
| LIABILITIES | | | |
| Payable to the NBP Fullerton Asset Management Limited - Management Company | 7 | 3,205 | 1,757 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 180 | 165 |
| Payable to the Securities and Exchange Commission of Pakistan | | 350 | 593 |
| Accrued expenses and other liabilities | 8 | 13,180 | 11,999 |
| Total liabilities | | 16,915 | 14,514 |
| NET ASSETS | | 888,590 | 800,275 |
| UNIT HOLDERS' FUND (As per statement attached) | | | |
| | | 888,590 | 800,275 |
| Contingencies and commitments | | | |
| | 9 | | |
| -----Number of Units----- | | | |
| Number of units in issue | | 70,106,098 | 59,352,795 |
| -----Rupees----- | | | |
| Net asset value per unit | | 12.6749 | 13.4834 |

The annexed notes 1 to 15 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 (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

| | | Six months ended | | Three months ended | |
|---|------|----------------------|----------------------|----------------------|----------------------|
| | Note | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| ----- Rupees in '000 ----- | | | | | |
| INCOME | | | | | |
| Profit on bank deposits | | 12,999 | 4,252 | 6,632 | 3,007 |
| Capital gain on sale of investments - net | | 11,837 | 22,731 | (47) | 15,872 |
| Income from term finance certificates and sukuk bonds | | 12,408 | 15,143 | 8,068 | 7,222 |
| Income from government securities | | 2,606 | 136 | 1,973 | - |
| Dividend income | | 11,608 | 21,318 | 6,726 | 11,987 |
| Unrealised gain / (loss) on re-measurement of investments | | | | | |
| 'at fair value through profit or loss-held for trading' - net | 5.6 | 48,150 | 23,735 | 50,479 | (11,326) |
| Total Income | | 99,608 | 87,315 | 73,831 | 26,762 |
| EXPENSES | | | | | |
| Remuneration of the NBP Fullerton Asset Management Limited - Management Company | | 8,235 | 6,710 | 4,085 | 3,398 |
| Sindh sales tax on remuneration on the Management Company | 7.1 | 1,549 | 1,074 | 885 | 544 |
| FED on remuneration of the management company | 7.2 | 1,318 | - | 654 | - |
| Remuneration to Central Depository Company of Pakistan Limited - Trustee | | 824 | 671 | 409 | 340 |
| Annual fee - Securities and Exchange Commission of Pakistan | | 350 | 285 | 174 | 144 |
| Annual listing fee | | 20 | 20 | 10 | 10 |
| Securities transaction cost | | 1,399 | 1,084 | 392 | 578 |
| Settlement and bank charges | | 336 | 334 | 97 | 236 |
| Auditors' remuneration | | 299 | 285 | 176 | 156 |
| Impairment loss / (reversal) on term finance certificates and sukus | | 652 | (460) | (593) | (2,088) |
| Fund rating fee | | 67 | 61 | 36 | 34 |
| Legal and professional charges | | 37 | - | 37 | - |
| Printing expenses | | 12 | 91 | 12 | 68 |
| Total Expenses | | 15,098 | 10,155 | 6,374 | 3,420 |
| Net income from operating activities | | 84,510 | 77,160 | 67,457 | 23,342 |
| Provision for Workers' Welfare Fund | 10 | (1,690) | (1,543) | (1,349) | (467) |
| Net income for the period before taxation | | 82,820 | 75,617 | 66,108 | 22,875 |
| Taxation | 11 | - | - | - | - |
| Net income for the period after taxation | | 82,820 | 75,617 | 66,108 | 22,875 |

The annexed notes 1 to 15 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 COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

| | | Six months ended | | Three months ended | |
|--|------|----------------------------|----------------------|----------------------|----------------------|
| | Note | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| | | ----- Rupees in '000 ----- | | | |
| Net income for the period after taxation | | 82,820 | 75,617 | 66,108 | 22,875 |
| Other comprehensive (loss) / income for the period | | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| Net unrealised loss on the re-measurement of investments classified as 'available for sale' | 5.7 | (60) | (632) | (75) | (823) |
| Total comprehensive income for the period | | <u>82,760</u> | <u>74,985</u> | <u>66,033</u> | <u>22,052</u> |

The annexed notes 1 to 15 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 (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

| | Six months ended | | Three months ended | |
|---|----------------------------|----------------------|----------------------|----------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| | ----- Rupees in '000 ----- | | | |
| Accumulated (loss) / Undistributed income brought forward | 133,470 | (29,506) | 28,727 | 4,084 |
| Final distribution for the year ended June 30, 2013: 21.41% (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) | - | - |
| Element of income / (loss) and capital gains / (loss) included in prices of units issued less those in units redeemed | 10,652 | (35) | 5,054 | 197 |
| Net income for the period | 82,820 | 75,617 | 66,108 | 22,875 |
| | <u>(33,581)</u> | <u>56,662</u> | <u>71,162</u> | <u>23,072</u> |
| Undistributed income carried forward | <u>99,889</u> | <u>27,156</u> | <u>99,889</u> | <u>27,156</u> |

The annexed notes 1 to 15 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 (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

| | Six months ended | | Three months ended | |
|---|----------------------------|----------------------|----------------------|----------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| | ----- Rupees in '000 ----- | | | |
| Net assets at the beginning of the period | 800,275 | 624,739 | 768,871 | 666,350 |
| Issuance of 17,020,097 including 9,756,780 bonus units (2012: 3,121,643 units) | 90,393 | 16,903 | 62,971 | 11,642 |
| Redemption of 6,266,794 units (2012: 2,184,917 units) | (75,392) | (24,691) | (9,285) | (9,540) |
| | 15,001 | (7,788) | 53,686 | 2,102 |
| Final distribution of 9,756,780 bonus units for the year ended June 30, 2013: 21.411% (2012: 3.05%) | 117,607 | 17,488 | - | - |
| Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - transferred to distribution statement | 10,652 | 35 | 5,054 | (197) |
| Total Comprehensive income for the period | 82,760 | 74,985 | 66,033 | 22,052 |
| Distribution: | | | | |
| Final distribution for the year ended June 30, 2013: 21.41% (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) | - | - |
| Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net | (10,652) | (35) | (5,054) | 197 |
| Net assets as at the end of the period | <u>888,590</u> | <u>690,504</u> | <u>888,590</u> | <u>690,504</u> |

The annexed notes 1 to 15 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 (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

| | Six months ended | | Three months ended | |
|--|----------------------------|----------------------|----------------------|----------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| | ----- Rupees in '000 ----- | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net income for the period before period | 82,820 | 75,617 | 66,108 | 22,875 |
| Adjustments | | | | |
| Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss -held-for trading' - net | (48,150) | (23,735) | (50,479) | 11,326 |
| Impairment / (reversal of impairment) on term finance certificates and sukuks | 652 | 460 | (593) | (1,168) |
| | 35,322 | 52,342 | 15,036 | 33,033 |
| Decrease / (increase) in assets | | | | |
| Investments | (77,743) | 79,443 | (94,310) | 40,305 |
| Receivable against sale of investments | - | - | 6,027 | - |
| Dividend and profit receivable | 1,334 | 1,950 | 5,902 | 9,014 |
| Advances, deposits, prepayments and other receivables | (20,051) | (126) | (20,022) | 550 |
| | (96,460) | 81,267 | (102,403) | 49,869 |
| Increase / (decrease) in liabilities | | | | |
| Payable to the Management Company | 1,448 | 252 | 702 | 150 |
| Payable to the Trustee | 15 | 89 | 49 | 88 |
| Payable to the Securities and Exchange Commission of Pakistan | (243) | (245) | 174 | 145 |
| Payable against purchase of investments | - | 13 | - | 13 |
| Accrued expenses and other liabilities | 1,181 | (41,836) | 1,062 | 1,144 |
| | 2,401 | (41,727) | 1,987 | 1,540 |
| Net cash (used in) / from operating activities | (58,737) | 91,882 | (85,380) | 84,442 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Amounts received from issuance of units | 90,393 | 16,903 | 62,971 | 11,641 |
| Amounts paid on redemption of units | (75,392) | (24,691) | (9,285) | (9,540) |
| Distribution paid | (9,446) | (1,432) | - | - |
| Net cash from / (used in) financing activities | 5,555 | (9,220) | 53,686 | 2,101 |
| Net (decrease) / increase in cash and cash equivalents during the period | (53,182) | 82,662 | (31,694) | 86,543 |
| Cash and cash equivalents at the beginning of the period | 447,872 | 62,627 | 426,384 | 58,746 |
| Cash and cash equivalents at the end of the period | 394,690 | 145,289 | 394,690 | 145,289 |

The annexed notes 1 to 15 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 INFORMATION (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 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 office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of MUFAP.

The Fund is an open-ended mutual fund categorised as balanced scheme and its units are listed on the Lahore Stock Exchange. Units 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, 2013, it has been assigned short term of '3 star' 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 for interim financial reporting. Approved accounting standards comprise of IAS 34 - "Interim Financial Reporting", provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). In case, the requirements differ, the provisions or directives of the Companies Ordinance, 1984, the Rules and the Regulations shall prevail.

This condensed interim financial information comprises of condensed interim statement of assets and liabilities, condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim cash flow statement and the notes forming part thereof.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2013.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of the Code of Corporate Governance. Accordingly, the Board of Directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund.

2.2 Basis of measurement

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

NAFA MULTI ASSET FUND

2.3 Functional and presentation currency

This condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Fund.

2.4 Critical accounting estimates and judgments

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2013.

2.5 Financial Risk Management

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Fund as at and for the year ended 30 June 2013.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2013.

| Note | Unaudited December 31, 2013 | Audited June 30, 2013 |
|----------------|-----------------------------------|-----------------------------|
| Rupees in '000 | | |

4 BALANCES WITH BANKS

| | | | |
|------------------|-----|----------------|----------------|
| Current accounts | | 2,249 | 1,640 |
| Savings accounts | 4.1 | 392,441 | 446,232 |
| | | <u>394,690</u> | <u>447,872</u> |

4.1 These carry a rate of return ranging from 5.00% to 11.00% (2013: 5.00% to 12.00%) per annum.

| Note | Unaudited December 31, 2013 | Audited June 30, 2013 |
|----------------|-----------------------------------|-----------------------------|
| Rupees in '000 | | |

5 INVESTMENTS

At fair value through profit or loss - held for trading

| | | | |
|------------------------------------|-----|----------------|----------------|
| Listed equity securities | 5.1 | 409,192 | 257,193 |
| Government securities | 5.2 | - | - |
| Term finance certificates - listed | 5.3 | 14,374 | 15,175 |
| | | <u>423,566</u> | <u>272,368</u> |

Available for sale

| | | | |
|--------------------------------------|-------|----------------|----------------|
| Term finance certificates - listed | 5.4.1 | - | 15,005 |
| Term finance certificates - unlisted | 5.4.2 | 20,759 | 20,808 |
| Sukuk bonds | 5.5 | 40,074 | 51,037 |
| | | <u>60,833</u> | <u>86,850</u> |
| | | <u>484,399</u> | <u>359,218</u> |

NAFA MULTI ASSET FUND

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

All shares have a nominal face value of Rs 10 each except for shares of Thal Limited which have a face value of Rs 5 each.

| Name of the investee company | Number of shares | | | | | Market value as at December 31, 2013 | Investment as a percentage of | | |
|--|-----------------------|-----------------------------------|-------------------------|----------------------------|-------------------------------|---|-------------------------------|--|---|
| | As at July 1, 2013 | Purchases during the period | Bonus / right shares | Sales during the period | As at December 31, 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 | 173,500 | - | 152,000 | 91,896 | 25,396 | 2.86 | 5.24 | |
| Pakistan Oilfields Limited | 12,119 | 83,200 | - | 62,200 | 33,119 | 16,484 | 1.86 | 3.40 | |
| Pakistan Petroleum Limited | 54,186 | 233,100 | 27,797 | 178,000 | 137,083 | 29,331 | 3.30 | 6.06 | |
| Pakistan State Oil Company Limited | 159,620 | 164,500 | - | 231,600 | 92,520 | 30,737 | 3.46 | 6.35 | |
| Shell Pakistan Limited | - | 14,000 | - | - | 14,000 | 2,666 | 0.30 | 0.55 | |
| Chemicals | | | | | | | | | |
| Engro Corporation Limited | 75,017 | 280,000 | - | 324,700 | 30,317 | 4,802 | 0.54 | 0.99 | |
| Fauji Fertilizer Bin Qasim Limited | 900 | - | - | - | 900 | 39 | 0.00 | 0.01 | |
| Fauji Fertilizer Company Limited | 211 | - | - | - | 211 | 24 | 0.00 | 0.00 | |
| Fatima Fertilizer Company Limited | - | 326,500 | - | 145,000 | 181,500 | 5,184 | 0.58 | 1.07 | |
| Construction and Materials | | | | | | | | | |
| Attock Cement Pakistan Limited | 7,650 | - | - | 7,650 | - | - | - | - | |
| Cherat Cement Company Limited | 432,556 | 104,000 | - | 536,500 | 56 | 4 | 0.00 | 0.00 | |
| Kohat Cement Company Limited | 131,000 | 128,000 | 16,600 | 201,000 | 74,600 | 7,294 | 0.82 | 1.51 | |
| Lucky Cement Limited | 63,564 | 93,200 | - | 105,600 | 51,164 | 15,343 | 1.73 | 3.17 | |
| D.G. Khan Cement Pakistan Limited | 120,000 | 331,000 | - | 451,000 | - | - | - | - | |
| Maple Leaf Cement Factory Limited | - | 221,500 | - | 221,500 | - | - | - | - | |
| Pioneer Cement Limited | - | 585,000 | - | 74,000 | 511,000 | 19,571 | 2.20 | 4.04 | |
| General Industrials | | | | | | | | | |
| Thall Limited | 238,636 | 21,000 | - | 71,100 | 188,536 | 26,067 | 2.93 | 5.38 | |
| Personal Goods | | | | | | | | | |
| Azgard Nine Limited (Non-voting shares) | 807,000 | - | - | - | 807,000 | 5,649 | 0.64 | 1.17 | |
| Nishat (Chunian) Limited | 91,000 | 657,000 | 23,550 | 630,500 | 141,050 | 8,490 | 0.96 | 1.75 | |
| Nishat Mills Limited | 89,000 | 547,000 | - | 330,100 | 305,900 | 38,923 | 4.38 | 8.04 | |
| Fixed Line Telecommunication | | | | | | | | | |
| Pakistan Telecommunication Company Limited | - | 2,223,000 | - | 1,150,000 | 1,073,000 | 30,516 | 3.43 | 6.30 | |
| Electricity | | | | | | | | | |
| The Hub Power Company Limited | 383,348 | 762,000 | - | 1,008,000 | 137,348 | 8,340 | 0.94 | 1.72 | |
| Nishat Power Limited | - | 500,500 | - | 493,000 | 7,500 | 225 | 0.03 | 0.05 | |
| Nishat Chunian Power Limited | - | 77,500 | - | 77,500 | - | - | - | - | |
| Kot Addu Power Company Limited | 102,500 | 548,500 | - | 124,000 | 527,000 | 32,542 | 3.66 | 6.72 | |
| Banks | | | | | | | | | |
| Bank Al Habib Limited | 463,000 | 632,000 | - | 301,000 | 794,000 | 32,991 | 3.71 | 6.81 | |
| Bank Alfalah Limited | - | 1,715,500 | - | 343,000 | 1,372,500 | 37,112 | 4.18 | 7.66 | |
| MCB Bank Limited | 22 | - | - | - | 22 | 6 | 0.00 | 0.00 | |
| Meezan Bank Limited | 344,617 | - | - | 25,000 | 319,617 | 12,587 | 1.42 | 2.60 | |
| National Bank Of Pakistan | 71 | 467,000 | - | 467,000 | 71 | 4 | 0.00 | 0.00 | |
| Habib Bank Limited | - | 64,500 | - | 64,000 | 500 | 83 | 0.01 | 0.02 | |
| United Bank Limited | - | 326,000 | - | 184,300 | 141,700 | 18,782 | 2.11 | 3.88 | |
| Total as at December 31, 2013 | | | | | | 409,192 | | | |
| Carrying value as at December 31, 2013 | | | | | | 361,842 | | | |

5.1.1 Investments include shares with market value of Rs. 54.208 million (June 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.

NAFA MULTI ASSET FUND

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

| Issue date | Tenor | Face Value | | | | Investment as a percentage of | | |
|--|----------|---------------------|-----------------------------|-----------------------------------|-------------------------|-------------------------------|-----------------------------------|---|
| | | As at July 01, 2013 | Purchases during the period | Sales / matured during the period | As at December 31, 2013 | Net assets | Market value of total investments | Paid Up Capital of the investee company |
| (Rupees in '000) | | | | | | | | |
| January 24, 2013 | 6 Months | - | 129,000 | 129,000 | - | - | - | - |
| June 13, 2013 | 6 Months | - | 135,000 | 135,000 | - | - | - | - |
| September 19, 2013 | 3 Months | - | 100,000 | 100,000 | - | - | - | - |
| Total as at December 31, 2013 | | | | | - | - | - | - |
| Carrying value as at December 31, 2013 | | | | | - | | | |

5.3 Term finance certificates - at fair value through profit or loss (listed) - held for trading

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 December 31, 2013 | Investment as a percentage of | | |
|--|--------------------------------|-----------------------------|-------------------------|-------------------------|--------------------------------------|-------------------------------|-----------------------------------|------------|
| | As at July 1, 2013 | Purchases during the period | Sales during the period | As at December 31, 2013 | | Net assets | Market value of total investments | Issue Size |
| (Rupees in '000) | | | | | | | | |
| Saudi Pak Leasing Company Limited (note 5.3.1) | 10,000 | - | - | 10,000 | 14,374 | 1.62 | 2.97 | 6.67 |
| Total as at December 31, 2013 | | | | | 14,374 | 1.62 | 2.97 | 6.67 |
| Carrying value as at December 31, 2013 | | | | | 13,574 | | | |

5.3.1 This represents investment in term finance certificates with original term of five 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 has complied with repayment terms since and has been reclassified as performing as per criteria defined in circular no. 1 of 2009.

5.4 Term Finance Certificates - available for sale

5.4.1 Term Finance Certificates - listed

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

| Name of the investee company | Number of certificates / bonds | | | | Market value as at December 31, 2013 | Investment as a percentage of | | |
|--|--------------------------------|-----------------------------------|----------------------------|-------------------------------|---|-------------------------------|--|------------|
| | As at July 1, 2013 | Purchases during the period | Sales during the period | As at December 31, 2013 | | Net assets | Market value of total investments | Issue Size |
| (Rupees in '000) | | | | | | | | |
| Pakistan Mobile Communications Limited | 3,000 | - | 3,000 | - | - | - | - | - |
| Total as at December 31, 2013 | | | | | - | - | - | - |
| Carrying value as at December 31, 2013 | | | | | - | | | |

NAFA MULTI ASSET FUND

5.4.2 Term Finance Certificates - unlisted

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

| Name of the investee company | Number of certificates / bonds | | | | Market value as at December 31, 2013 | Investment as a percentage of | | |
|--|--------------------------------|-----------------------------|-------------------------|-------------------------|--------------------------------------|-------------------------------|-----------------------------------|------------|
| | As at July 1, 2013 | Purchases during the period | Sales during the period | As at December 31, 2013 | | Net assets | Market value of total investments | Issue Size |
| (Rupees in ‘000) | | | | | | | | |
| Avari Hotel Limited | 6,000 | - | - | 6,000 | 11,159 | 1.26 | 2.30 | 0.80 |
| Engro Fertilizer Limited | 2,000 | - | - | 2,000 | 9,600 | 1.08 | 1.98 | 0.25 |
| Total as at December 31, 2013 | | | | | 20,759 | | | |
| Carrying value as at December 31, 2013 | | | | | 20,807 | | | |

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

5.5 Sukus - available for sale

All sukus have a face value of Rs. 5000 each except New Allied Electronics Industries (Private) limited which have a face value of Rs. 312.50 each.

| Name of the investee company | Number of certificates / bonds | | | | Market value as at December 31, 2013 | Investment as a percentage of | | |
|---|--------------------------------|-----------------------------------|----------------------------|-------------------------------|---|-------------------------------|--|------------|
| | As at July 1, 2013 | Purchases during the period | Sales during the period | As at December 31, 2013 | | Net assets | Market value of total investments | Issue Size |
| (Rupees in '000) | | | | | | | | |
| Eden Builders Limited | 4,902 | - | - | 4,902 | 1,530 | 0.17 | 0.32 | 0.98 |
| Maple Leaf Cement Factory Limited (note 5.5.1) | 17,688 | - | - | 17,688 | 29,995 | 3.38 | 6.19 | 1.11 |
| New Allied Electronics Industries (Private) Limited (note 5.5.2) | 32,000 | - | - | 32,000 | - | - | - | 21.33 |
| Pak Electron Limited (note 5.5.3) | 8,000 | - | - | 8,000 | - | - | - | 3.33 |
| Eden Housing Limited (note 5.5.4) | 10,000 | - | - | 10,000 | 8,549 | 0.96 | 1.76 | 6.85 |
| Total as at December 31, 2013 | | | | | <u>40,074</u> | | | |
| Carrying value as at December 31, 2013 | | | | | <u>116,796</u> | | | |
| Accumulated impairment | | | | | <u>76,710</u> | | | |

5.5.1 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 sukus in following the advice provided by Securities & Exchange Commission of Pakistan (SECP). Carrying value of sukus as at December 31, 2013 before provision is Rs. 74.987 million (net off provision Rs. 29.995 million). The Management Company considers that the Fund is receiving payments on timely basis after restructuring and the relaxation provided by the SECP is still intact; hence no additional provision has been provided in the financial statements.

5.5.2 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.

NAFA MULTI ASSET FUND

- 5.5.3 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.
- 5.5.4 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. 4.576 million which has been freezed since prior years. 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).
- 5.5.5 The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

| | Note | Unaudited December 31, 2013 | Audited June 30, 2013 |
|---|----------------|-----------------------------------|-----------------------------|
| -----Rupees in '000----- | | | |
| 5.6 Unrealised (loss) / gain in fair value of investments at 'fair value through profit or loss' - net | | | |
| Market value of investments | 5.1, 5.2 & 5.3 | 423,566 | 272,368 |
| Less: Carrying value of investments before mark to market | 5.1, 5.2 & 5.3 | (375,416) | (235,096) |
| | | 48,150 | 37,272 |
| Add: Provision against non-performing term finance certificates and sukuks | | - | - |
| | | 48,150 | 37,272 |
| 5.7 Unrealised (loss) / gain in fair value of investments classified as available for sale - net | | | |
| Market value of investments | 5.4 | 60,833 | 86,850 |
| Less: Carrying value of investments before mark to market | 5.4 | 137,603 | 161,421 |
| | | (76,770) | (74,571) |
| Add: Provision against non-performing term finance certificates and sukuks | 5.9 | 76,710 | 76,058 |
| | | (60) | 1,487 |
| 5.8 Movement in provision against investments at 'fair value through profit or loss' - net | | | |
| Opening Balance | | - | 11,263 |
| Add: Charge for the period | | - | - |
| Less: Reversals / write offs | | - | (11,263) |
| Net charge | | - | (11,263) |
| Closing Balance | | - | - |
| 5.9 Movement in provision against investment | | | |
| Opening Balance | | 76,058 | 68,113 |
| Add: Charge for the period | | 4,286 | 15,835 |
| Less: Reversals / write offs | | (3,634) | (7,890) |
| Net charge | | 652 | 7,945 |
| Closing Balance | | 76,710 | 76,058 |

NAFA MULTI ASSET FUND

| | Note | Unaudited December 31, 2013 | Audited June 30, 2013 |
|--|---------------------------------------|-----------------------------------|-----------------------------|
| -----Rupees in '000----- | | | |
| 6 | DIVIDEND AND PROFIT RECEIVABLE | | |
| Dividend receivable on equity shares | | 192 | 417 |
| Profit on savings and term deposits | | 32 | - |
| Income accrued on term finance certificates and sukus | | 10,143 | 14,113 |
| Less: Income suspended over non-performing debt securities | | (6,881) | (9,710) |
| | | <u>3,262</u> | <u>4,403</u> |
| | | <u>3,486</u> | <u>4,820</u> |

| | | | |
|---|---|--------------|--------------|
| 7 | PAYABLE TO NBP FULLERTON MANAGEMENT LIMITED - MANAGEMENT COMPANY | | |
| Management fee | | 1,456 | 1,322 |
| Sales tax payable on remuneration of management company | 7.1 | 357 | 231 |
| Federal Excise Duty on remuneration of management company | 7.2 | 1,090 | 127 |
| Others | | 302 | 77 |
| | | <u>3,205</u> | <u>1,757</u> |

7.1 The provincial government has levied General Sales Tax at the rate of 16% on the remuneration of the Management Company through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011.

7.2 As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on management remuneration has been applied effective from June 13, 2013. The management is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. Mutual Fund Association of Pakistan (MUFAP) has taken up the matter collectively and filed a petition with the Honorable Sindh High Court and has been granted stay in this regard. As a matter of abundant caution, the Fund has made the provision against FED.

| | Unaudited December 31, 2013 | Audited June 30, 2013 |
|--|---|-----------------------------|
| -----Rupees in '000----- | | |
| 8 | ACCRUED EXPENSES AND OTHER LIABILITIES | |
| Auditors' remuneration payable | 294 | 320 |
| Settlement charges | 25 | 35 |
| Payable to brokers | 76 | 501 |
| Dividend payable to brokers | 493 | 493 |
| Provision for Workers' Welfare Fund | 11,368 | 9,678 |
| Legal and professional charges payable | - | 40 |
| Others | 924 | 932 |
| | <u>13,180</u> | <u>11,999</u> |

9 CONTINGENCIES AND COMMITMENTS

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

NAFA MULTI ASSET FUND

10 PROVISION FOR WORKERS' WELFARE FUND

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

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

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 6, 2010 to the Members (Domestic Operation) North and South FBR. In the letter, reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 4, 2011 has cancelled ab-initio clarificatory letter dated October 6, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

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

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

However, without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to record the provision for WWF amounting to Rs. 11.368 million in aggregate including Rs. 1.690 million for the six months ended December 31, 2013.

11 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 December 31, 2013 to its unit holders. Accordingly, no liability has been recorded in the current period.

12 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA OF ASSIGNED CATEGORY

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

The following are the details of non-compliant investments:

| Name of non-compliant investment | Type of Investment | Value of investment before provision | Provision held | Value of investment after provision | % of net assets | % of gross assets |
|---|---|--------------------------------------|----------------|-------------------------------------|-----------------|-------------------|
| ----- Rupees in '000 ----- | | | | | | |
| Maple Leaf Cement factory Limited - Sukuk | Investment in debt Securities (note 12.1 & 12.2) | 74,987 | 44,992 | 29,995 | 3.38 | 3.31 |
| Eden Housing Industries Private Limited - Sukuk | | 13,125 | 4,576 | 8,549 | 0.96 | 0.94 |
| Pak Elektron Limited | | 17,143 | 17,143 | - | - | - |
| New Allied Electronics Limited | | 10,000 | 10,000 | - | - | - |
| Saudi Pak Leasing Company Limited-TFC | | 14,374 | - | 14,373 | 1.62 | 1.59 |
| | 12.1, 12.2 & 12.3 | | | | | |

12.1 Clause (iv) of the categorisation criteria as per circular no. 7 of 2009 dated March 6, 2009 requires that the rating of any debt security in the portfolio shall not be lower than 'A-' (A minus). As at December 31, 2013 the Fund is in non-compliance with the said clause.

12.2 At the time of purchase, the above mentioned term finance certificates and sukuk bonds were in compliance of the aforementioned circular. However, they were subsequently downgraded to non investment grade.

12.3 TFC is performing but classified as Non-Compliant on the basis of required rating.

13 TRANSACTIONS WITH CONNECTED PERSONS \ RELATED PARTIES

13.1 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.

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

13.3 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

13.4 Details of Transactions with connected persons are as follows:

| (Un-audited) | | | |
|----------------------|----------------------|----------------------|----------------------|
| Six months ended | | Three months ended | |
| December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| Rupees in '000 | | | |

Transactions during the period

NBP Fullerton Asset Management Limited - Management Company

| | | | | |
|---|-------|-------|-------|-------|
| Management fee expense for the period | 8,235 | 6,710 | 4,085 | 3,398 |
| Sindh sales tax on remuneration of the Management Company | 1,549 | 1,074 | 885 | 544 |
| FED on remuneration on the Management Company | 1,318 | - | 654 | - |
| Front end load | 479 | 114 | - | - |

National Bank of Pakistan - Sponsor

| | | | | |
|---|---------|--------|---------|--------|
| Cash dividend paid | 9,444 | 1,432 | - | - |
| Shares purchased 467,000 (December 31, 2012: 491,000) | 24,901 | 23,474 | 8,806 | 13,805 |
| Shares sold 467,000 (December 31, 2012: 501,500) | 23,026 | 22,196 | 19,061 | - |
| T-bills purchased | 129,000 | - | 129,000 | - |

NBP Employees Pension Fund - Associated Co.

| | | | | |
|---|---|---|---|---|
| Bonus units issued 3,017,671 units (December 2012: 486,377 units) | - | - | - | - |
|---|---|---|---|---|

Alexandra Fund Management Pte. Limited - Sponsor

| | | | | |
|---|-------|---|-------|---|
| Bonus Units Issued 17,246 units (December 2012: 2,780 units) | - | - | - | - |
| Units Redeemed / Transferred out 114,338 units (December 31, 2012: nil) | 1,377 | - | 1,377 | - |

Central Depository Company of Pakistan Limited - Trustee

| | | | | |
|--------------|-----|-----|-----|-----|
| Remuneration | 824 | 671 | 409 | 340 |
| CDS charges | 92 | 92 | 28 | 75 |

Employees of Management Company

| | | | | |
|---|-----|---|-----|---|
| Bonus Units Issued / Transferred in (17,722 units; December 31, 2012: Nil) | 219 | - | 219 | - |
|---|-----|---|-----|---|

Taurus Securities Limited

| | | | | |
|-------------------|----|----|----|----|
| Brokerage charges | 96 | 71 | 29 | 30 |
|-------------------|----|----|----|----|

Summit Bank Limited

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

Thal Limited

| | | | | |
|--|--------|-------|-------|-------|
| Shares purchased 21,000 (December 31, 2012: nil) | 2,373 | - | 2,373 | - |
| Shares sold 71,100 (December 31, 2012: 3,000 shares) | 10,312 | 290 | 3,598 | 290 |
| Bonus units issued nil (December 31, 2013: 18,103) | - | - | - | - |
| Dividend received | 1,341 | 1,041 | 1,341 | 1,041 |

NAFA MULTI ASSET FUND

| Unaudited December 31, 2013 | Audited June 30, 2013 |
|-----------------------------------|-----------------------------|
| -----Rupees in '000----- | |

13.5 Balances outstanding as at period / year end

NBP Fullerton Asset Management Limited - Management Company

| | | |
|--|-------|-------|
| Management fee payable | 1,456 | 1,322 |
| Sales tax payable | 357 | 231 |
| FED payable on management remuneration | 1,090 | 127 |
| Others | 302 | 77 |

National Bank of Pakistan - Sponsor

| | | |
|--|--------|--------|
| Investment held in the Fund (4,410,752 units; June 30, 2013: 4,410,752 units) | 55,906 | 59,472 |
| Balance in current account | 1,403 | 1,640 |
| Ordinary shares held (71; June 30, 2013: 71) | 4 | 3 |

Alexandra Fund Management Pte. Limited - Sponsor

| | | |
|---|---|-------|
| Investment held in the Fund (Nil units; June 30, 2013: 97,092 units) | - | 1,309 |
|---|---|-------|

Central Depository Company of Pakistan Limited - Trustee

| | | |
|----------------------|-----|-----|
| Remuneration payable | 147 | 132 |
| CDC charges payable | 33 | 33 |
| Security deposit | 100 | 100 |

NBP Employees Pension Fund

| | | |
|--|---------|---------|
| Investment held in the Fund (20,006,465 units; June 30, 2013: 16,988,794 units) | 253,580 | 229,067 |
|--|---------|---------|

Summit Bank of Pakistan

| | | |
|----------------------------|-----|-------|
| NBP Employees Pension Fund | 884 | 1,833 |
|----------------------------|-----|-------|

Bank balance

| | | |
|--------------|--------|--------|
| Thal Limited | 26,067 | 30,424 |
|--------------|--------|--------|

Ordinary shares held (188,536; June 30, 2013: 238,636)

14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 13, 2014 by the Board of Directors of the Management Company.

15 GENERAL

- 15.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified. Figures have been rounded off the nearest thousand rupees.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



NBP Fullerton
Asset Management Ltd.

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