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NBP Fullerton
Asset Management Ltd.
A Subsidiary of
National Bank of Pakistan

NAFA MULTI ASSET FUND

QUARTERLY REPORT SEPTEMBER 30 2015




Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

MISSION STATEMENT



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

NAFA MULTI ASSET FUND

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NAFA MULTI ASSET FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

| | |
|------------------------|-------------------------|
| Mr. Nausherwan Adil | Chairman |
| Dr. Amjad Waheed | Chief Executive Officer |
| Mr. Nigel Poh Cheng | 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 & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

| | |
|----------------------|----------|
| Mr. Shehryar Faruque | Chairman |
| Mr. Koh Boon San | Member |
| Mr. Aamir Sattar | Member |

Human Resource and Remuneration Committee

| | |
|-----------------------|----------|
| Mr. Nausherwan Adil | Chairman |
| Mr. Nigel Poh Cheng | Member |
| Mr. Kamal Amir Chinoy | Member |

Trustee

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

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
Sindh Bank Limited

NAFA MULTI ASSET FUND

Auditors

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan

Legal Advisor

M/s Jooma Law Associates
205, E.I. Lines, Dr. Daudpota Road,
Karachi.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 111-111NFA (111-111-632),
(Toll Free): 0800-20001,
Fax: (021) 35825329
Website: www.nafafunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

NAFA MULTI ASSET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Multi Asset Fund** (NMF) for the quarter ended September 30, 2015.

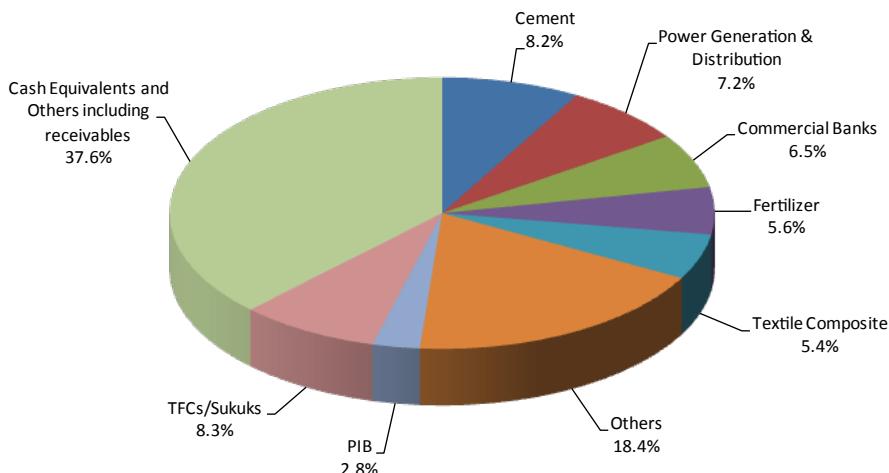
Fund's Performance

During the first quarter, the unit price of NAFA Multi Asset Fund has decreased from Rs. 15.3058 on June 30, 2015 to Rs. 14.9207 on September 30, 2015, thus showing a decline of 2.52%. The Benchmark (50% KSE-30 Index, 50% 3-Month KIBOR) decline during the same period by 4.62%. Thus, the Fund has outperformed its Benchmark by 2.10% during the period under review. Since inception (January 19, 2007), the unit price of the Fund has shown a growth of 255.11% as compared to 98.70% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 156.41% since inception. This performance is net of management fee and all other expenses. The Fund size of NMF at the end of the period stood at Rs.1,439 million, 3.3% lower compared to the previous quarter.

During 1QFY16, the stock market depicted a decline amidst foreign outflows and depreciating currency. Positives like IMF tranche, declining inflation, 50 bps cut in discount rate, and declining oil prices were offset by continuous foreign selling in the market. The benchmark KSE-100 Index fell by 6.1% to 32,287 points. Oil & Gas Exploration and Oil & Gas Marketing sectors lagged the market. On the other hand Automobile & Parts, Cements, and Chemicals sectors performed better than the market.

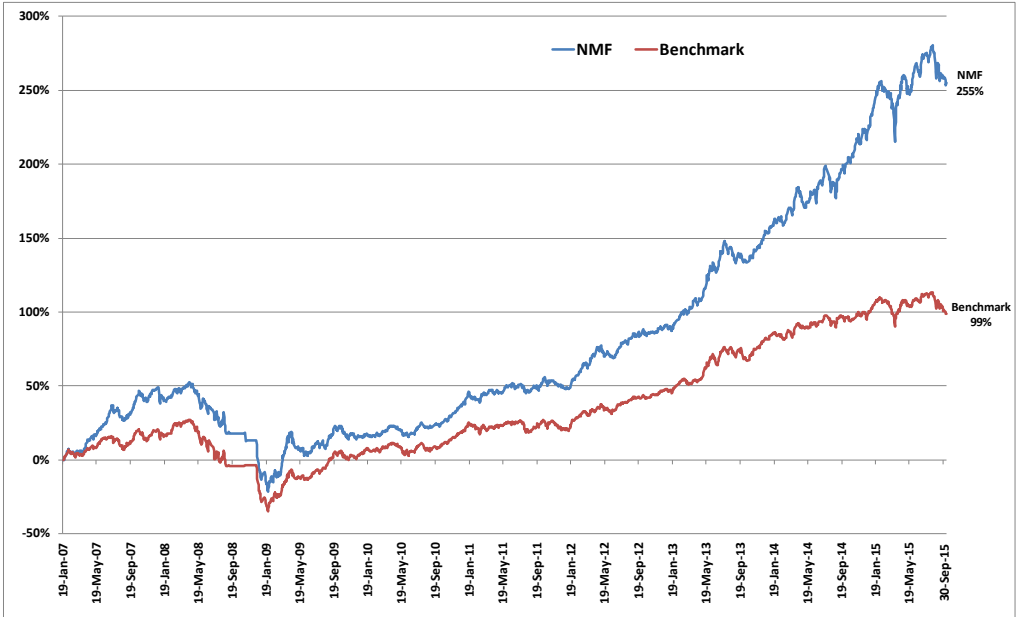
On the corporate debt sphere, trading activity in TFCs remains skewed towards the high quality issues. Dearth of primary issuance versus elevated demand further depressed the yield on the high credit quality corporate bonds. During the quarter under review, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP alluded to following factors in arriving at its decision i) benign inflation readings and expectation ii) high real lending rates; and iii) comfortable external account position and (iv) improving law and order situation and macroeconomic stability. Sovereign securities responded to the loose monetary policy period with yields on the PIBs and T-bills declining. All TFCs/Sukuks in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

The Fund has incurred loss of Rs.26.40 million during the period. After accounting for expenses of Rs.11.94 million, the total loss is Rs.38.34 million. The asset allocation of the Fund as on September 30, 2015 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 21, 2015
Place: Karachi.

NAFA MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2015

| | Note | (Un- Audited) September 30, 2015 (Rupees in '000) | (Audited) June 30, 2015 |
|---|------|--|----------------------------|
| ASSETS | | | |
| Balances with banks | | 559,581 | 390,010 |
| Investments | 4 | 897,905 | 1,113,773 |
| Dividend and profit receivable | 5 | 13,439 | 9,059 |
| Advances, deposits, prepayments and other receivables | | 3,023 | 90,772 |
| Total assets | | 1,473,948 | 1,603,614 |
| LIABILITIES | | | |
| Payable to the Management Company | | 12,098 | 11,650 |
| Payable to the Trustee | | 233 | 267 |
| Payable to Securities and Exchange Commission of Pakistan | | 328 | 1,139 |
| Dividend payable to National Bank of Pakistan | | - | 2,128 |
| Accrued expenses and other liabilities | 6 | 22,401 | 101,131 |
| Total liabilities | | 35,060 | 116,315 |
| NET ASSETS | | 1,438,888 | 1,487,299 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 1,438,888 | 1,487,299 |
| CONTINGENCIES AND COMMITMENTS | 12 | - | - |
| | | (Number of units) | |
| Number of units in issue | | 96,435,731 | 97,172,330 |
| | | -----Rupees----- | |
| NET ASSET VALUE PER UNIT | | 14.9207 | 15.3058 |

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, 2015 (UN-AUDITED)

| | Note | Quarter Ended September 30, 2015 (Rupees in '000) | Quarter ended September 30, 2014 |
|---|------|--|--|
| INCOME | | | |
| Capital (loss) / gain on sale of investments - net | | (720) | (319) |
| Income from term finance certificates and sukuk bonds | | 3,239 | 6,043 |
| Income from government securities | | 1,063 | - |
| Dividend income | | 11,885 | 6,092 |
| Profit on bank deposits | | 8,348 | 5,711 |
| Unrealised (diminution) / appreciation in the value of investments 'at fair value through profit or loss' - net | | (54,348) | 21,349 |
| | | (30,533) | 38,876 |
| EXPENSES | | | |
| Remuneration of the Management Company | | 7,721 | 5,373 |
| Sales tax on Remuneration of the Management Company | | 1,253 | 997 |
| Federal Excise Duty on remuneration of the Management Company | | 1,235 | 860 |
| Remuneration of the Trustee | | 637 | 521 |
| Sales tax on Remuneration of the Trustee | | 89 | - |
| Annual fee - Securities and Exchange Commission of Pakistan | | 328 | 228 |
| Securities transaction cost | | 358 | 413 |
| Settlement and bank charges | | 133 | 177 |
| Annual listing fee | | 10 | 10 |
| Auditors' remuneration | | 130 | 126 |
| Fund's rating fee | | 47 | 34 |
| (Reversal) of impairment on investments classified as available for sale | | (2,857) | - |
| | | 9,084 | 8,739 |
| Net income / (loss) from operating activities | | (39,617) | 30,137 |
| Element of Income and capital gains included in prices of Units issued less those in Units redeemed | | 1,272 | - |
| Provision for Workers' Welfare Fund | 7 | - | (603) |
| Net income / (loss) for the period before taxation | | (38,345) | 29,534 |
| Taxation | 8 | - | - |
| Net income / (loss) for the period after taxation | | (38,345) | 29,534 |
| 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, 2015 (UN-AUDITED)

| | Quarter Ended September 30, 2015 (Rupees in '000) | Quarter ended September 30, 2014 |
|--|--|--|
| Net income / (loss) for the period after taxation | (38,345) | 29,534 |
| Other comprehensive income : | | |
| Net unrealised appreciation in the market value of investments classified as 'available for sale' | 1,144 | 4,619 |
| Total comprehensive income / (loss) for the period | <u>(37,201)</u> | <u>34,153</u> |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Chief Executive

For NBP Fullerton Asset Management Limited
(Management Company)

Director

NAFA MULTI ASSET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UN-AUDITED)

| | Quarter Ended September 30, 2015 (Rupees in '000) | Quarter ended September 30, 2014 |
|---|--|--|
| Accumulated income brought forward | 381,745 | 111,448 |
| Net income / (loss) for the period | (38,345) | 29,534 |
| 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 | (12) | 570 |
| Undistributed income carried forward | <u>343,388</u> | <u>141,552</u> |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Chief Executive

For NBP Fullerton Asset Management Limited
(Management Company)

Director

NAFA MULTI ASSET FUND

CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UN-AUDITED)

| | Quarter Ended September 30, 2015 (Rupees in '000) | Quarter ended September 30, 2014 (Rupees in '000) |
|---|--|--|
| Net assets at the beginning of the period | 1,487,299 | 1,026,396 |
| Issue of 30,446,693 units (2014: 6,976,761 units) | 468,597 | 87,271 |
| Redemption of units 31,183,192 (2014: 1,093,509 units) | (478,535) (9,938) | (13,713) 73,558 |
| Net element of (income) and capital (gains) included in prices of units issued less those in units redeemed - transferred to distribution statement | 12 | (570) |
| Net element of loss and capital losses included in prices of units issued less those in units redeemed - transferred to Income statement | (1,272) | - |
| Net unrealised appreciation in the market value of investments classified as 'available for sale' | 1,144 | 4,619 |
| Capital (loss) on sale of investments-net | (720) | (319) |
| Unrealised (diminution) / appreciation in the value of investments 'at fair value through profit or loss' - net | (54,348) | 21,349 |
| Other net income for the period | 16,723 (38,345) | 8,504 29,534 |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed | (12) | 570 |
| Net assets at the end of the period | 1,438,888 | 1,134,107 |

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, 2015 (UN-AUDITED)

| | Quarter Ended September 30, 2015 | Quarter ended September 30, 2014 |
|---|--|--|
| | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income / (loss) for the period before taxation | (38,345) | 29,534 |
| Adjustments | | |
| Unrealised diminution / (appreciation) in the value of investments 'at fair value through profit or loss' - net | 54,348 | (21,349) |
| Capital loss on sale of investments - net | 720 | 319 |
| Element of (income) and capital (gains) included in prices of Units issued less those in Units redeemed | (1,272) | - |
| Reversal of impairment on investments classified as available for sale | 2,857 | - |
| | 56,653 | (21,030) |
| | <u>18,308</u> | <u>8,504</u> |
| Decrease / (increase) in assets | | |
| Receivable against sale of investments | - | (30,662) |
| Investments | 159,087 | 24,878 |
| Dividend and profit receivable | (4,380) | (3,966) |
| Advances, deposits, prepayments and other receivables | 87,749 | (843) |
| | 242,456 | (10,593) |
| Increase / (Decrease) in liabilities | | |
| Payable to the Management Company | 448 | 2,547 |
| Payable to the Trustee | (34) | (34) |
| Payable to Securities and Exchange Commission of Pakistan | (811) | (521) |
| Payable against purchase of investment | - | (39,398) |
| Accrued expenses and other liabilities | (78,730) | 1,023 |
| | (79,127) | (36,383) |
| Net cash inflow / (outflow) from operating activities | <u>181,637</u> | <u>(38,472)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issue of units | 468,597 | 87,271 |
| Payments on redemption of units | (478,535) | (13,643) |
| Distributions paid | (2,128) | - |
| Net cash (outflow) / inflow from financing activities | (12,066) | 73,628 |
| Net increase in cash and cash equivalents during the period | <u>169,571</u> | <u>35,156</u> |
| Cash and cash equivalents at the beginning of the period | 390,010 | 227,228 |
| Cash and cash equivalents at the end of the period | <u>559,581</u> | <u>262,384</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, 2015 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Multi Asset Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited, a company incorporated under the Companies Ordinance, 1984, as Management Company and Central Depository Company of Pakistan Limited (CDC), also incorporated under the Companies Ordinance, 1984, as Trustee. The Trust Deed was executed on December 6, 2006 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company was situated at 9th Floor, Adamjee House, I.I. Chundrigar Road, Karachi. From 4 February 2013, the registered office of the Management Company is shifted to 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of MUFAP.

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

The core objective of the Fund is to provide its investors with a combination of capital growth and income. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments etc.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' to the Management Company. Based on the performance of the Fund for the year ended June 30, 2015, it has been assigned short term and long term performance ranking of '3 star' and '4 star' respectively.

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

2 STATEMENT OF COMPLIANCE

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

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

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed financial statements for the quarter ended September 30, 2015 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2015.

NAFA MULTI ASSET FUND

| 4 INVESTMENTS | Note | September 30, 2015 (Un-audited) | June 30, 2015 (Audited) |
|--|-------|---------------------------------------|-------------------------------|
| | | ----- Rupees in '000 ----- | |
| At fair value through profit or loss - held for trading | | | |
| Equity securities - listed | 4.1 | 738,252 | 951,278 |
| Government securities | 4.2 | 40,282 | 40,303 |
| Term Finance certificate - listed | 4.3.1 | - | - |
| Sukuk bonds | 4.3.2 | 80,309 | 80,129 |
| | | 858,843 | 1,071,710 |
| Available for sale | | | |
| Term finance certificates - unlisted | 4.4 | 10,260 | 10,175 |
| Sukuk bonds | 4.4 | 28,802 | 31,888 |
| | | 39,062 | 42,063 |
| | | 897,905 | 1,113,773 |

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

| Name of the investee company | Number of shares | | | | | Market value as at September 30, 2015 | Investment as a percentage of | | |
|------------------------------|-----------------------|-----------------------------------|-------------------------|----------------------------|--------------------------------|--|-------------------------------|--|---|
| | As at July 1, 2015 | Purchases during the period | Bonus / right shares | Sales during the period | As at September 30, 2015 | | Net assets | Market value of total investments | Paid Up Capital of the investee company |
| | | | | | | | | | |
| | | | | | | (Rupees in '000) | | | |

Oil & Gas

| | | | | | | | | | |
|---------------------------------------|---------|---------|----|--------|---------|--------|------|------|------|
| Attock Petroleum Limited | 25,951 | - | - | 7,000 | 18,951 | 9,480 | 0.66 | 1.06 | 0.02 |
| Oil & Gas Development Company Limited | 63,896 | 102,700 | - | 26,000 | 140,596 | 17,528 | 1.22 | 1.95 | 0.00 |
| Pakistan Oilfields Limited | 71,669 | 35,000 | - | 23,000 | 83,669 | 24,593 | 1.71 | 2.74 | 0.04 |
| Pakistan Petroleum Limited | 194,583 | - | - | - | 194,583 | 23,183 | 1.61 | 2.58 | 0.01 |
| National Refinery Limited | 18,300 | - | - | 18,300 | - | - | - | - | - |
| Shell Pakistan Limited | 37,400 | - | - | 37,400 | - | - | - | - | - |
| Pakistan State Oil Company Limited | 89,552 | - | - | 30,800 | 58,752 | 16,944 | 1.18 | 1.89 | 0.02 |
| Attock Refinery Limited | - | 47,000 | - | 47,000 | - | - | - | - | - |
| Hascol Petroleum Limited | 471 | - | 94 | - | 565 | 68 | 0.00 | 0.01 | 0.00 |

Chemicals

| | | | | | | | | | |
|-------------------------------------|---------|--------|---|---------|---------|--------|------|------|------|
| Engro Corporation Limited | 257,817 | 24,300 | - | 103,000 | 179,117 | 53,445 | 3.71 | 5.95 | 0.03 |
| Fauji Fertilizer Company Limited | 94,311 | - | - | 94,300 | 11 | 1 | 0.00 | 0.00 | 0.00 |
| Engro Fertilizers Limited | 319,500 | 14,500 | - | 38,000 | 296,000 | 26,581 | 1.85 | 2.96 | 0.02 |
| Dawood Hercules Corporation Limited | 9,000 | - | - | - | 9,000 | 948 | 0.07 | 0.11 | 0.00 |

Construction and Materials

| | | | | | | | | | |
|----------------------------------|---------|--------|---|---------|---------|--------|------|------|------|
| D.G. Khan Cement Company Limited | 513,500 | 25,000 | - | 136,100 | 402,400 | 55,137 | 3.83 | 6.14 | 0.09 |
| Pioneer Cement Limited | 204,000 | - | - | 44,000 | 160,000 | 13,878 | 0.96 | 1.55 | 0.07 |
| Lucky Cement Limited | 88,864 | 3,500 | - | 28,100 | 64,264 | 33,848 | 2.35 | 3.77 | 0.02 |
| Akzo Nobel Pakistan Limited | 41,800 | - | - | - | 41,800 | 9,939 | 0.69 | 1.11 | 0.09 |
| Maple Leaf Cement Limited | 386,500 | - | - | 160,500 | 226,000 | 15,490 | 1.08 | 1.73 | 0.04 |

General Industrials

| | | | | | | | | | |
|--------------|---------|---|---|--------|---------|--------|------|------|------|
| Thal Limited | 149,636 | - | - | 13,500 | 136,136 | 34,442 | 2.39 | 3.84 | 0.17 |
|--------------|---------|---|---|--------|---------|--------|------|------|------|

Personal Goods

| | | | | | | | | | |
|---|---------|---------|---|--------|---------|--------|------|------|-------|
| Azgard Nine Limited (Non-voting shares) | 807,000 | - | - | - | 807,000 | 5,649 | 0.39 | 0.63 | 14.61 |
| Nishat Mills Limited | 188,100 | 171,100 | - | 72,500 | 286,700 | 28,466 | 1.98 | 3.17 | 0.08 |
| Kohinoor Textile Mills Limited | 604,000 | 14,500 | - | - | 618,500 | 43,635 | 3.03 | 4.86 | 0.25 |

Fixed Line Telecommunication

| | | | | | | | | | |
|--|---|---------|---|---|---------|-------|------|------|------|
| Pakistan Telecommunication Company Limited | - | 278,000 | - | - | 278,000 | 4,834 | 0.34 | 0.54 | 0.01 |
|--|---|---------|---|---|---------|-------|------|------|------|

Industrial Transportation

| | | | | | | | | | |
|--|--------|---|---|---|--------|-------|------|------|------|
| Pakistan National Shipping Corporation | 96,000 | - | - | - | 96,000 | 8,684 | 0.60 | 0.97 | 0.07 |
|--|--------|---|---|---|--------|-------|------|------|------|

NAFA MULTI ASSET FUND

| Name of the investee company | Number of shares | | | | | Market value as at September 30, 2015 | Investment as a percentage of | | |
|--|--------------------|-----------------------------|----------------------|-------------------------|--------------------------|---------------------------------------|-------------------------------|-----------------------------------|---|
| | As at July 1, 2015 | Purchases during the period | Bonus / right shares | Sales during the period | As at September 30, 2015 | | Net assets | Market value of total investments | Paid Up Capital of the investee company |
| | | | | | | (Rupees in '000) | -----%----- | | |
| Automobile And Parts | | | | | | | | | |
| Ghandhara Nissan Limited | 35,500 | - | - | 35,500 | - | - | - | - | - |
| Honda Atlas Cars (Pakistan) Limited | 63,400 | - | - | 63,400 | - | - | - | - | - |
| Pak Suzuki Motor Company Limited | 22,700 | 17,200 | - | 8,700 | 31,200 | 12,935 | 0.90 | 1.44 | 0.04 |
| Indus Motor Company Limited | 41,500 | 3,300 | - | 8,580 | 36,220 | 36,271 | 2.52 | 4.04 | 0.05 |
| Electricity | | | | | | | | | |
| Kot Addu Power Company Limited | 604,500 | - | - | 123,000 | 481,500 | 45,622 | 3.17 | 5.08 | 0.05 |
| The Hub Power Company Limited | 475,348 | - | - | 108,500 | 366,848 | 36,039 | 2.50 | 4.01 | 0.03 |
| K-Electric Limited | 5,000 | - | - | 5,000 | - | - | - | - | - |
| Pakgen Power Limited | - | 134,000 | - | 134,000 | - | - | - | - | - |
| Lalpir Power Limited | 275,000 | - | - | 275,000 | - | - | - | - | - |
| Saif Power Limited | 748,000 | - | - | 73,500 | 674,500 | 21,955 | 1.53 | 2.45 | 0.17 |
| Industrial Metals And Mining | | | | | | | | | |
| Crescent Steel and Allied Products Limited | 106,500 | - | - | 106,500 | - | - | - | - | - |
| International Industries Limited | 293,500 | - | - | 51,000 | 242,500 | 15,522 | 1.08 | 1.73 | 0.20 |
| Cable and Electrical Goods | | | | | | | | | |
| Pakistan Elektron Limited | 169,500 | 46,500 | - | - | 216,000 | 15,571 | 1.08 | 1.73 | 0.05 |
| Multi Utilities (Gas and Water) | | | | | | | | | |
| Sui Northern Gas Pipelines Limited | - | 435,000 | - | 150,000 | 285,000 | 8,958 | 0.62 | 1.00 | 0.04 |
| Glass and Ceramics | | | | | | | | | |
| Tariq Glass Industries Limited | 350,000 | - | - | - | 350,000 | 25,358 | 1.76 | 2.82 | 0.48 |
| Banks | | | | | | | | | |
| Bank Alfalah Limited | 429,000 | 125,000 | - | 57,500 | 496,500 | 12,378 | 0.86 | 1.38 | 0.04 |
| Bank Alhabib Limited | 591,900 | - | - | - | 591,900 | 24,623 | 1.71 | 2.74 | 0.05 |
| Meezan Bank Limited | 158,117 | 128,500 | - | - | 286,617 | 14,469 | 1.01 | 1.61 | 0.03 |
| Habib Bank Limited | 74,480 | - | - | 74,300 | 180 | 36 | 0.00 | 0.00 | 0.00 |
| United Bank Limited | 138,091 | - | - | 23,000 | 115,091 | 16,886 | 1.17 | 1.88 | 0.01 |
| Faysal Bank Limited | 20,650 | - | - | - | 20,650 | 313 | 0.02 | 0.03 | 0.00 |
| Habib Metropolitan Bank Limited | 369,500 | - | - | 369,500 | - | - | - | - | - |
| Allied Bank Limited | 299,900 | - | - | 36,000 | 263,900 | 24,543 | 1.71 | 2.73 | 0.02 |
| | | | | | | <u>738,252</u> | <u>51.31</u> | <u>82.22</u> | |
| Carrying value as at Sep 30, 2015 | | | | | | <u>792,758</u> | | | |

4.1.1 All shares have a nominal face value of Rs. 10 each except for shares of Thal Limited which have a face value of Rs. 5 each and K-Electric which have a face value of Rs. 3.5 each.

4.1.2 Investments include shares with market value of Rs. 38.199 million (June 30, 2015: Rs. 41.02 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 Pakistan Investment Bond (PIBs)

| Name of the investee company | Tenor | Face Value | | | | Market Value as at September 30, 2015 | Investment as a percentage of | |
|---|---------|---------------------|-----------------------------|-----------------------------------|--------------------------|---------------------------------------|-------------------------------|-----------------------------------|
| | | As at July 01, 2015 | Purchases during the period | Sales / matured during the period | As at September 30, 2015 | | Net Assets | Market value of total investments |
| | | | | | | (Rupees in '000) | -----%----- | |
| July 17, 2014 | 3 years | 37,500 | - | - | 37,500 | 40,282 | 2.80 | 4.49 |
| | | | | | | <u>40,282</u> | <u>2.80</u> | <u>4.49</u> |
| Carrying value before mark to market as at september 30, 2015 | | | | | | <u>40,303</u> | | |

NAFA MULTI ASSET FUND

4.3 Term finance certificates - at fair value through profit or loss - held for trading

4.3.1 Term finance certificates - listed

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise

| Name of the investee company | Number of certificates / bonds | | | | Market value as at September 30, 2015 | Investment as a percentage of | | |
|--|--------------------------------|-----------------------------|-----------------------------------|--------------------------|---------------------------------------|-------------------------------|-----------------------------------|-------------|
| | As at July 1, 2015 | Purchases during the period | Sales / matured during the period | As at September 30, 2015 | | Net assets | Market value of total investments | Issue size |
| | | | | | (Rupees in '000) | -----%----- | | |
| Saudi Pak Leasing Company Limited (note 4.3.1.1) | 10,000 | - | - | 10,000 | - | - | - | 6.67 |
| | <u>10,000</u> | <u>-</u> | <u>-</u> | <u>10,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6.67</u> |
| Carrying value as at September 30, 2015 | | | | | <u>27,547</u> | | | |
| Provision for impairment loss as at September 30, 2015 | | | | | <u>27,547</u> | | | |

4.3.1.1 This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as Non-performing since April 30, 2014. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

4.3.2 Sukuks - at fair value through profit and loss - held for trading

| Name of the investee company | Number of certificates / bonds | | | | Market value as at September 30, 2015 | Investment as a percentage of | | |
|-----------------------------------|--------------------------------|-----------------------------|-----------------------------------|--------------------------|---------------------------------------|-------------------------------|-----------------------------------|-------------|
| | As at July 1, 2015 | Purchases during the period | Sales / matured during the period | As at September 30, 2015 | | Net assets | Market value of total investments | Issue size |
| | | | | | (Rupees in '000) | -----%----- | | |
| K - Electric AZM Sukuk | 16,000 | - | - | 16,000 | 80,309 | 5.58 | 8.94 | 2.13 |
| | <u>16,000</u> | <u>-</u> | <u>-</u> | <u>16,000</u> | <u>80,309</u> | <u>5.58</u> | <u>8.94</u> | <u>2.13</u> |
| Carrying value as at Sep 30, 2015 | | | | | <u>80,129</u> | | | |

NAFA MULTI ASSET FUND

4.4 Term finance certificates and Sukuk bonds - available for sale

| Name of the investee company | Number of certificates / bonds | | | | Market value as at September 30, 2015 | Investment as a percentage of | | |
|--|--------------------------------|-----------------------------|-----------------------------------|--------------------------|---------------------------------------|-------------------------------|-----------------------------------|--------------|
| | As at July 1, 2015 | Purchases during the period | Sales / matured during the period | As at September 30, 2015 | | Net assets | Market value of total investments | Issue size |
| | | | | | (Rupees in '000) | ------%----- | | |
| Term finance certificate - unlisted | | | | | | | | |
| Engro Fertilizer Limited | 2,000 | - | - | 2,000 | 10,260 | 0.71 | 1.14 | 0.25 |
| | | | | 2,000 | 10,260 | | | |
| Sukuk bonds | | | | | | | | |
| Maple Leaf Cement Factory Limited | 17,688 | - | - | 17,688 | 28,802 | 2.00 | 3.21 | 1.11 |
| New Allied Electronics Industries (Private) Limited (note 4.5.1) | 32,000 | - | - | 32,000 | - | - | - | 1.33 |
| Pak Electron Limited (note 4.5.2) | 8,000 | - | - | 8,000 | - | - | - | 3.33 |
| Eden Housing Limited (note 4.5.3) | 10,000 | - | - | 10,000 | - | - | - | 6.85 |
| | | | | 67,688 | 28,802 | | | |
| | 69,688 | - | - | 69,688 | 39,062 | 2.71 | 4.34 | 12.86 |
| Carrying value as at September 30, 2015 | | | | | 69,189 | | | |
| Provision for impairment loss as at September 30, 2015 | | | | | 31,272 | | | |

4.4 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 sukus with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since January 9, 2009. The amount of provision as per circular 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

4.5.2 This represents investment in privately placed sukuk bonds with a term of seven years. The issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was classified as NPA by MUFAP. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

4.5.3 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was classified as NPA by 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.

| September 30, 2015 (Un-audited) | June 30, 2015 (Audited) |
|---------------------------------------|-------------------------------|
| ----- Rupees in '000 ----- | |

5 DIVIDEND AND PROFIT RECEIVABLE

| | | |
|---|---------------|--------------|
| Dividend receivable on equity shares | 10,166 | 4,082 |
| Profit on savings and term deposits | 81 | 181 |
| Profit on Pakistan Investment bond | 878 | 1,907 |
| Income accrued on term finance certificates and sukuk bonds | 12,144 | 19,440 |
| Less: Income suspended over non-performing debt securities | (9,830) | (16,551) |
| | 2,314 | 2,889 |
| | 13,439 | 9,059 |

NAFA MULTI ASSET FUND

| | September 30, 2015 (Un-audited) | June 30, 2015 (Audited) |
|---|---------------------------------------|-------------------------------|
| | ----- Rupees in '000 ----- | |
| 6 ACCRUED EXPENSES AND OTHER LIABILITIES | | |
| Auditors' remuneration | 519 | 389 |
| Settlement charges payable | 71 | 40 |
| Payable to brokers | 176 | 176 |
| Dividend payable to brokers | 493 | 493 |
| Provision for Workers' Welfare Fund | 20,023 | 20,023 |
| Legal and professional charges payable | 25 | 125 |
| Payable against redemption of units | 56 | 78,153 |
| Others | 1,038 | 1,732 |
| | <u>22,401</u> | <u>101,131</u> |

7 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015. Accordingly no further provision for WWF has recorded subsequent to June 30, 2015.

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements for the quarter ended September 30, 2015 which aggregates to Rs. 20.023 million. Had the same not been made the net asset value per unit / return of the Fund would have been higher by 0.2076 per unit respectively.

8 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year / 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 decided to distribute the required minimum percentage of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its unit holders.

9 EARNINGS PER UNIT

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

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

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

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non - compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non - compliant investments:

| Type of Investment | Name of non-compliant investment | Value of investment before provision | Provision held, if any | Value of investment after provision | Percentage of net assets | Percentage of gross assets |
|---------------------------|--|--------------------------------------|------------------------|-------------------------------------|--------------------------|----------------------------|
| Term finance certificates | New Allied Electronic Industries (Private) Limited | 10,000 | (10,000) | - | 0.00% | 0.00% |
| Sukuk Bonds | Eden Housing Limited | 9,844 | (9,844) | - | 0.00% | 0.00% |
| Term finance certificates | Saudi Pak Leasing Company | 27,547 | (27,547) | - | 0.00% | 0.00% |

NAFA MULTI ASSET FUND

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.

| | Quarter ended September 30, 2015 (Un-audited) | Quarter ended September 30, 2014 (Un-audited) |
|--|--|--|
| | -----Rupees in '000----- | |
| 11.5 Details of the transactions with connected persons are as follows: | | |
| NBP Fullerton Asset Management Limited - Management Company | | |
| Management fee expense for the year | 7,721 | 5,373 |
| Front end load | 1,346 | 730 |
| Sales Tax on remuneration of the management company | 1,253 | 997 |
| FED on remuneration to the Management Company | 1,235 | 860 |
| National Bank of Pakistan - Sponsor | | |
| Shares purchased : Nil (2014: 22,000 shares) | - | 1,303 |
| Shares sold : Nil (2014: 379,000 shares) | - | 21,789 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration | 637 | 521 |
| Sales tax on Remuneration of the Trustee | 89 | - |
| CDS charges | 20 | 74 |
| National Fullerton Asset Management Limited - Employee Provident Fund | | |
| Units Issued / Transferred in Nil units (2014: 126,517 units) | - | 1,572 |
| Units Redeemed / Transferred out Nil units (2014: 124,396 units) | - | 1,567 |
| Employees of Management Company | | |
| Units Issued / Transferred in 70,753 units (2014: Nil units) | 1,108 | - |
| Units Redeemed / Transferred out 66,863 units (2014: 44,910 units) | 1,046 | 538 |
| Taurus Securities Limited | | |
| Brokerage paid | 5 | 43 |
| Cherat Cement Pakistan Limited | | |
| Shares sold : Nil (2014: 61 shares) | - | 4 |
| Summit Bank Limited | | |
| Bank Profit | 1 | - |

NAFA MULTI ASSET FUND

| | (Un- Audited) September 30, 2015 | (Audited) June 30, 2015 |
|---|--|-------------------------------|
| | -----Rupees in '000----- | |
| 11.6 Amounts outstanding as at year end are as follows: | | |
| Management fee payable | 2,404 | 2,566 |
| Sales tax payable | 390 | 630 |
| FED payable on management remuneration | 8,119 | 7,413 |
| Others | 1,185 | 1,041 |
| National Bank of Pakistan - Sponsor | | |
| Dividend payable | - | 2,128 |
| Balance in current account | 2,445 | 1,913 |
| NBP Employees Pension Fund | | |
| Investment held in the Fund: 23,794,707 units (june 30, 2015: 23,794,707 units) | 355,034 | 364,197 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable | 233 | 213 |
| CDS charges | 86 | 54 |
| Security deposit | 100 | 100 |
| National Fullerton Asset Management Limited - Employee Provident Fund | | |
| Investment held in the Fund: 406,793 units (june 30, 2015: 406,793 units) | 6,070 | 6,226 |
| The Trustees- Karachi Electric Provident Fund | | |
| Investment held in the Fund: 34,224,720 units (june 30, 2015: 34,224,720 units) | 510,657 | 523,837 |
| Employees of Management Company | | |
| Investment held in the Fund: 17,338 units (june 30, 2015: 13,449 units) | 259 | 206 |
| Summit Bank of Pakistan | | |
| Bank balance | 3,057 | 1,021 |
| International Industries Limited | | |
| Ordinary shares held 242,500 (june 30, 2015: 293,500) | 15,522 | 19,706 |
| Taurus Securities Limited | | |
| Brokerage Payable | - | 8 |
| Net amount receivable / (payable) against transfer of units from: | | |
| - NAFA Income Fund | - | 65,000 |
| - NAFA Asset Allocation Fund | - | 9,457 |
| - NAFA Financial Sector Income Fund | - | 6,484 |
| - NAFA Income Opportunity Fund | - | 1,136 |
| - NAFA Money Market Fund | - | 5,551 |
| - NAFA Saving Plus Fund | - | 265 |

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on September 30, 2015 and June 30, 2015

13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 21 October, 2015.

14 GENERAL

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



NBP Fullerton
Asset Management Ltd.
A Subsidiary of
National Bank of Pakistan

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