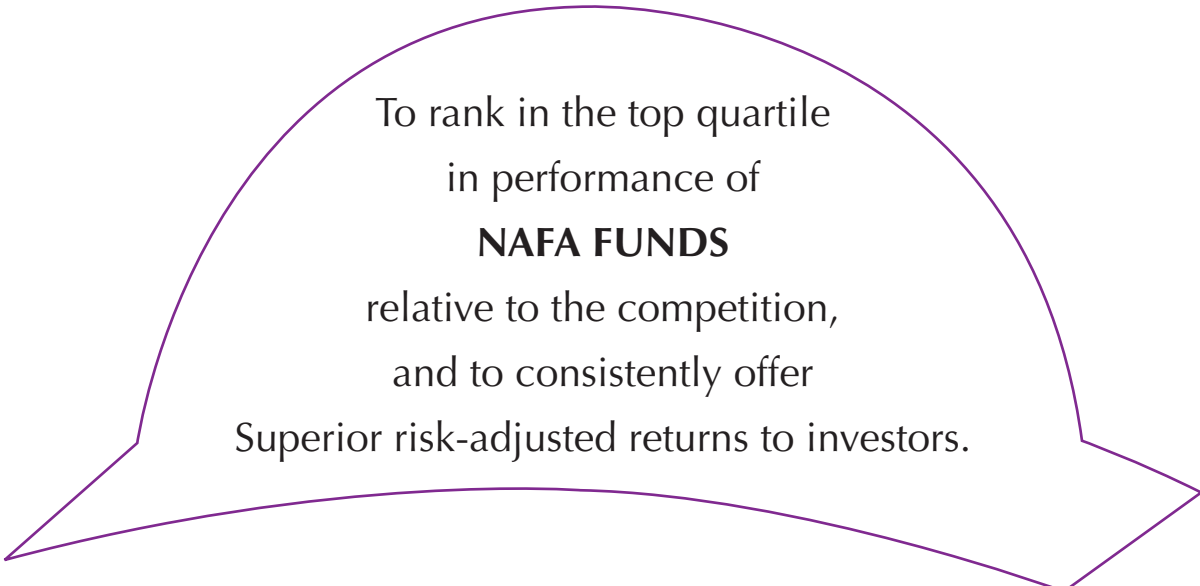


## MISSION STATEMENT



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. Shahid Anwar Khan	Chairman
Mr. Amir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Asif A. Brohi	Director
Dr. Amjad Waheed	Chief Executive Officer

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Koh Boon San	Chairman
Mr. Shehryar Faruque	Member
Mr. Amir Shehzad	Member

### Trustee

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

### Bankers to the Fund

Allied Bank Limited  
Askari Bank Limited  
Summit Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
KASB Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Silk Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (PAK) Limited  
The Bank of Punjab  
United Bank Limited

# NAFA MULTI ASSET FUND

## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

9th Floor, Adamjee House,  
I.I. Chundrigar Road, Karachi  
UAN: 021-111-111-NFA (632)  
Toll Free: 0800-20001  
Fax: 021-32467605

## **Lahore Office:**

House # 10 - A, Block -S, Gulberg - II, Lahore.  
UAN: (+92-42) 111-111-NFA (632)  
Fax No: (+92-42) 35760373

## **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

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# NAFA MULTI ASSET FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Sixth Annual Report of NAFA Multi Asset Fund for the year ended June 30, 2012.

### Fund's Performance

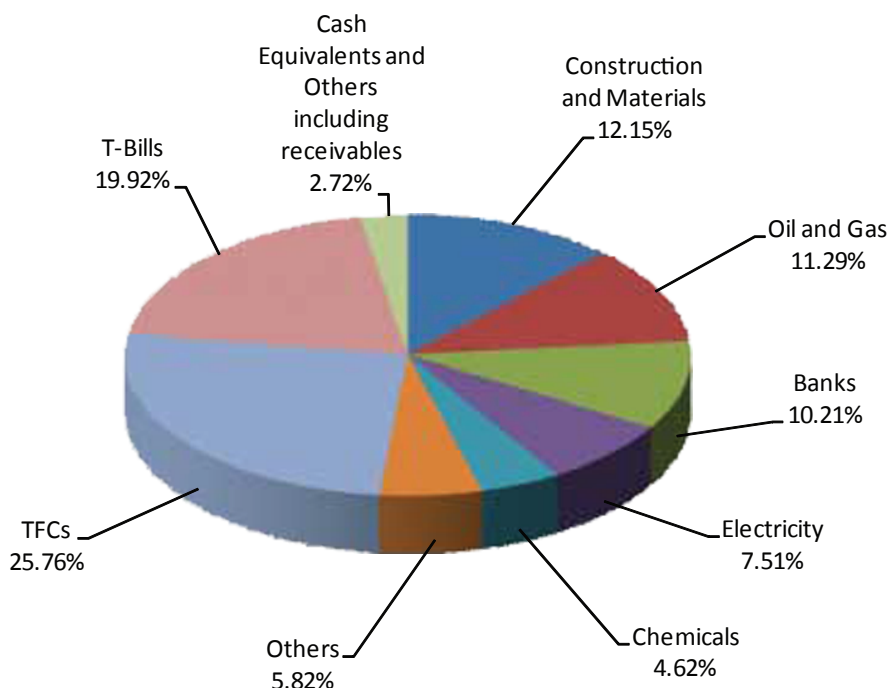
During FY2011-12, the stock market (KSE-100 Index) rose by 10.4%. The positive trend in the market resulted from the combined effect of strong corporate earnings and payouts, improved trading activity and foreign flows, relaxation in Capital Gains Tax regime, domestic political continuity and stability on the economic front. The Oil & Gas, Chemicals, Construction & Materials, Electricity and Banks sectors performed better than the market. On the other hand, General Industrials, Automobile & Parts and Non Life Insurance sectors lagged the market.

With some letup in inflationary pressures and improved external accounts, SBP slashed the Policy Rate during FY12 by 2% to 12%. On the corporate debt sphere, trading activity in TFCs improved showing investors' appetite for high quality issues, especially belonging to banking sector. All TFCs/Sukuks in the Fund are floating rate linked to KIBOR.

During the fiscal year, the return on NAFA Multi Asset Fund was 15.54% as against its benchmark (50% KSE-30 Index, 50% 3-Month KIBOR) return of 7.95%. Thus an out-performance of 7.59% during the year. NMF significantly out-performed on the back of timely asset allocation and better than the market performance of its key holdings in the Construction & Materials, Oil & Gas and Chemicals sectors. Further, the Fund was under-weight in key stocks in Oil & Gas sector and Fertilizer sub-sector that lagged the market, thereby contributing to the out-performance. Since, launch (January 22, 2007) the Fund has risen by 70.79%, whereas the benchmark has risen by 34.14%.

NAFA Multi Asset Fund has earned a total income of Rs.119.50 million during the year. After deducting total expenses of Rs.77.87 million, the net income is Rs.41.63 million. During the year, the unit price of NAFA Multi Asset Fund has increased from Rs.9.0021 on June 30, 2011 (distribution adjusted) to Rs.10.4008 (Ex-Div) on June 30, 2012.

The asset allocation of NAFA Multi Asset Fund as on June 30, 2012 is as follows:



# NAFA MULTI ASSET FUND

## Income Distribution

The Board of Directors of the Management Company has approved a final distribution of 3.50% of opening ex-NAV (3.2470% of the par value). After final distribution, the net asset value per unit will be Rs.10.4008 on June 30, 2012.

## Taxation

As the above distribution is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

## Auditors

The present auditors, Messrs M. Yousuf Adil Saleem & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment.

## Directors' Statement in Compliance with Code of Corporate Governance

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held five meetings during the current financial year. The attendance of all directors is disclosed in the note 25 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 24 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 21 to these financial statements.

# NAFA MULTI ASSET FUND

## 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: September 11, 2012  
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) and Clause 9 of Schedule V 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 year ended June 30, 2012 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: October 10, 2012



# NAFA MULTI ASSET FUND

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE NAFA MULTI ASSET FUND FOR THE YEAR ENDED JUNE 30, 2012

This statement is being presented by the Board of Directors of NBP Fullerton Asset Management Limited (Company), the Management Company of **NAFA Multi Asset Fund** (the Fund) to comply with the Best Practices of Code of Corporate Governance (CCG) contained in Regulation No. 35, Chapter XI of Listing Regulations of Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

NBP Fullerton Asset Management Limited, though an un-listed Public Limited Company complies with the CCG as the Fund under its management is listed on Lahore Stock Exchange.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board of Directors. The Company, being an un-listed company, does not have any minority interest. At present the Board includes:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque
Executive Directors	Dr. Amjad Waheed (Chief Executive Officer)
Non- Executive Directors	1. Shahid Anwar Khan (Chairman) 2. Dr. Asif.A Brohi 3. Mr. Amir Shahzad 4. Mr. Wah Geok Sum 5. Mr. Koh Boon San

The independent directors meet the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than ten listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable). However, the requirement of serving as a director of seven listed companies is applicable from the date of next elections of directors.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Two casual vacancies occurred on the board on August 27, 2011 and March 31, 2012 during the year. First casual vacancy was filled up by the director within 24 days and the second casual vacancy was filled up by the director on the same day.
5. Subsequent to year end, the Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

# NAFA MULTI ASSET FUND

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board. There is no other executive-director of the Company besides CEO.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. In order to apprise the directors on their duties and responsibilities and requirements of CCG, the code requires company to conduct formal orientation for directors. The board did not arrange director training /education program required under the code as all the directors meet the exemption criteria of minimum fourteen years of education and fifteen years of experience. The directors are conversant with the relevant laws applicable to the company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the Units of the Fund other than that disclosed in note 21 to the financial statements " Transactions with Connected Persons".
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is a non-independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the CCG. The revised terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR Committee. It comprises of four members, who are non-executive directors and the chairman of the committee is a non-independent director.
18. The board has set up an effective internal audit function.

# NAFA MULTI ASSET FUND

19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. There was no 'closed period' prior to the announcement of interim/final results.
22. Material / price sensitive information has been disseminated amongst all market participants at once through stock exchange.
23. We confirm that all other material principles contained in the CCG have been complied with.

Karachi  
September 11, 2012

For and on behalf of the board

Dr. Amjad Waheed  
Chief Executive Officer

# NAFA MULTI ASSET FUND

## FUND MANAGER REPORT

### NAFA Multi Asset Fund

NAFA Multi Asset Fund (NMF) is an open-ended balanced fund.

### Investment Objective of the Fund

Objective of NMF is to provide investors with a combination of capital growth and income by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc. Thus main investment classes for the Fund are Equity and Fixed Income asset classes with a maximum range of 70% in any asset classes at a point in time. The risk profile of the fund is moderate.

### Benchmark

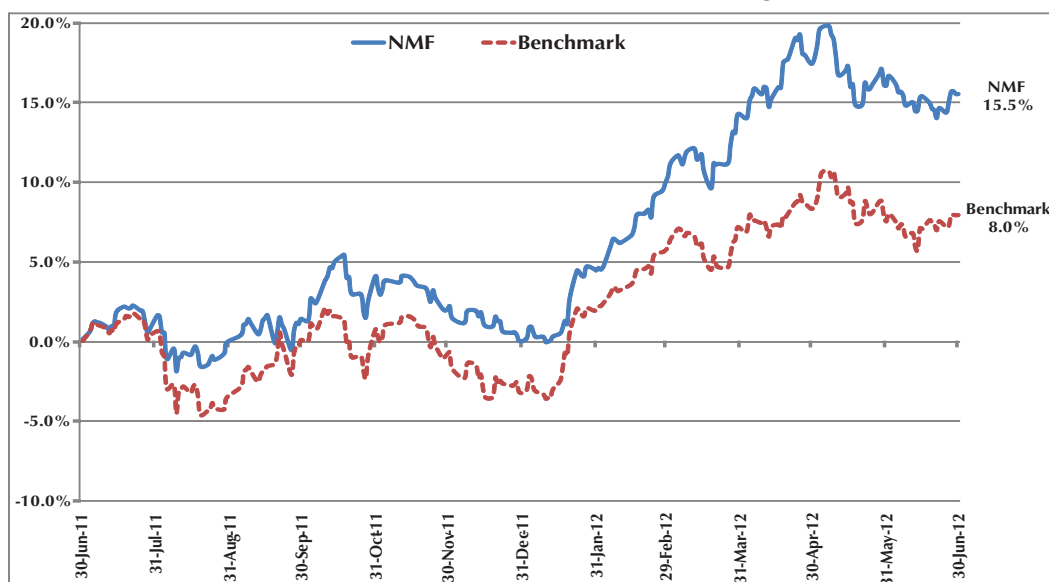
50% 3-Month KIBOR and 50% KSE-30 Index

### Fund Performance Review

During the year under review, NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) increased by 15.54%, whereas the benchmark, 50% KSE-30 Index and 50% 3-month KIBOR, increased by 7.95%, thus an out-performance of 7.59% was recorded. Since inception on January 22, 2007, the NAV of NMF has risen by 70.79% while that of the benchmark has increased by 34.14%, thus to date out-performance is 36.65%. The out-performance of the Fund is net of management fee and all other expenses. Thus, NMF has met its investment objective.

NMF out-performed on the back of better-than-market performance of its key holdings in the Construction & Materials, Banking and Oil & Gas sectors. The Fund continued its strategy of investing in high dividend yielding and defensive stocks. The chart below shows the performance of NMF against the benchmark for the year.

NMF Performance vs Benchmark during FY12



# NAFA MULTI ASSET FUND

At the start of the year, NMF was around 50% invested in equities. During the year we altered the allocation in equities based on the performance of different asset classes. Towards the end of the year, we reduced the allocation in equities to around the market weight (50%).

Key factors responsible for the healthy performance of the stock market during the year include: (i) strong corporate earnings and payouts (ii) improved trading activity (iii) relaxation in Capital Gains Tax regime (iv) domestic political continuity and stability on the economic front.

We have witnessed few fresh issues of the corporate bonds. Trading activity remained limited to high rated issuers, mainly belonging to Financial sector. Inflation as measured by CPI stood at 11% for FY12 as against 13.66% during the preceding year. With this letup in inflation and to spur private sector investment, SBP reduced the Discount Rate from 14% to 12%. Correspondingly the benchmark 6-Months KIBOR declined to 12.06% from 13.78% during the year.

## Asset Allocation of the Fund (% of NAV)

Asset Allocation (% of NAV)	30-Jun-12	30-Jun-11
Equities / Stocks	51.60%	50.49%
TFCs / Sukuks	25.76%	34.70%
Cash Equivalent	10.02%	12.61%
T-Bills	19.93%	-
Others including receivables	-7.31%	2.20%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
Eden Housing (Sukuk II)	SUKUK	29,062,500	10,131,507	18,930,993	3.03%	2.80%	52.50%
Maple Leaf Cement (Sukuk I)	SUKUK	88,252,065	39,713,429	48,538,636	7.77%	7.17%	37.90%
Pak Elektron Limited (Sukuk)	SUKUK	17,142,857	4,952,381	12,190,476	1.95%	1.80%	18.78%
Saudi Pak Leasing	TFC	33,152,450	11,263,644	21,888,806	3.50%	3.23%	20.81%
Maple Leaf Cement (Sukuk II)	SUKUK	3,315,000	3,315,000	-	-	-	-
New Allied Electronics (Sukuk I)	SUKUK	10,000,000	10,000,000	-	-	-	-
<b>Total</b>		<b>180,924,872</b>	<b>79,375,961</b>	<b>101,548,911</b>	<b>16.25%</b>	<b>15.00%</b>	

## Distribution for the Financial Year 2012

Interim Periods / Quarter	Dividend as a % of Par Value (Rs.10)	Cumulative Div. Price / Unit	Ex- Div. Price
Jul 11 to Jun 12	3.25%	10.7183	10.4008

# NAFA MULTI ASSET FUND

## Pattern of Unit Holders for NAFA Multi Asset Fund – As on June 30, 2012

Size of Unit Holding (Units)		# of Unit Holders
1	1,000	48
1,001	5,000	193
5,001	10,000	44
10,001	50,000	111
50,001	100,000	18
100,001	500,000	22
500,001	1,000,000	5
1,000,001	5,000,000	1
5,000,001	10,000,000	-
10,000,001	100,000,000	2
100,000,001	100,000,000	-
<b>Total:</b>		<b>444</b>

### During the period under question:

- There have been no significant changes in the state of affairs of the Fund.
- The Management Company or its delegates did not receive any soft commission (i.e. goods and services) from its broker(s)/dealer(s) by virtue of transactions conducted by the Fund.

### Workers' Welfare Fund (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 5,485,927/-. If the same were not made the NAV per unit/return of scheme would be higher by Rs 0.0941/0.88%. For details investors are advised to read the Note 17 of the Financial Statements of the Scheme for the year ended 30, June 2012.

# NAFA MULTI ASSET FUND

## REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of the NBP Fullerton Asset Management Limited, the Management Company of NAFA Multi Asset Fund (the Fund) to comply with the Listing Regulation No. 35 (Chapter XI) of the Lahore Stock Exchange (Guarantee) Limited, where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Management Company personnel and review of various documents prepared by the Management Company to comply with the Code of Corporate Governance.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

Further, the Listing Regulations of the Lahore Stock Exchanges require the Management Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2012.

M. Yousuf Adil Saleem & Co.  
**Chartered Accountants**

Karachi  
Date: September 11, 2012



# NAFA MULTI ASSET FUND

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

### Report on the Financial Statements

We have audited the accompanying financial statements of NAFA Multi Asset Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2012, and the related income statement, statement of comprehensive income, statement of cash flows, distribution statement and statement of movement in unit holders' fund for the year then ended, and notes to and forming part of the financial statements.

### Management's Responsibility for the Financial Statements

NBP Fullerton Asset Management Limited (the Management Company) is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2012, and of its financial performance, its cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

### Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The financial statements of the Fund for the year ended June 30, 2011, were audited by another firm of chartered accountants, who expressed an unmodified opinion on those statements on October 3, 2011.

M. Yousuf Adil Saleem & Co.  
**Chartered Accountants**

**Engagement Partner**  
Nadeem Yousuf Adil

Date: September 11, 2012  
Place: Karachi



# NAFA MULTI ASSET FUND

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2012

	Note	2012 -----Rupees in '000-----	2011
<b>ASSETS</b>			
Balances with banks	5	62,627	89,036
Investments	6	607,777	601,403
Dividend and profit receivable	7	4,030	20,815
Advances, deposits, prepayments and other receivables	8	2,879	3,050
Preliminary expenses and floatation costs	9	-	278
<b>Total assets</b>		<b>677,313</b>	<b>714,582</b>
<b>LIABILITIES</b>			
Payable to the Management Company	10	1,286	1,485
Payable to the Trustee	11	109	118
Payable to Securities and Exchange Commission of Pakistan	12	530	685
Accrued expenses and other liabilities	13	50,649	6,306
<b>Total liabilities</b>		<b>52,574</b>	<b>8,594</b>
<b>NET ASSETS</b>		<b>624,739</b>	<b>705,988</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>624,739</b>	<b>705,988</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		
		-----Number of units-----	
<b>Number of units in issue</b>		<b>58,287,369</b>	<b>65,877,812</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>	15	<b>10.7183</b>	<b>10.7166</b>

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 -----Rupees in '000-----	2011
<b>INCOME</b>			
Capital gain on sale of investments - net		31,292	139,054
Income from term finance certificates and sukuk bonds		27,011	40,892
Income from government securities		4,048	5,366
Dividend income		28,717	34,492
Profit on bank deposits		6,144	7,267
Unrealised appreciation / (diminution) in the value of investments 'at fair value through profit or loss' - net	6.8	22,291	(4,390)
		119,503	222,681
<b>EXPENSES</b>			
Remuneration of the Management Company	10.1	14,215	20,157
Sales tax on remuneration of the Management Company	10.2	2,275	-
Remuneration of the Trustee	11.1	1,246	1,611
Annual fee - Securities and Exchange Commission of Pakistan	12.1	530	685
Securities transaction cost		2,093	3,675
Settlement and bank charges		509	372
Annual listing fee		40	40
Legal and professional charges		70	95
Auditors' remuneration	17	397	396
Fund's rating fee		110	100
Other expenses		77	26
Impairment charged on investments classified as held for trading	6.10	11,263	-
Impairment charged / (reversed) on investments classified as available for sale	6.11	43,920	(25,249)
Amortisation of preliminary expenses and floatation costs	9	278	500
		77,023	2,408
<b>Net income from operating activities</b>		42,480	220,273
Element of (loss) and capital (losses) included in prices of units issued less those in units redeemed		-	(75,133)
Provision for Workers' Welfare Fund	17	(850)	(2,903)
<b>Net income for the year before taxation</b>		41,630	142,237
Taxation	18	-	-
<b>Net income for the year after taxation</b>		41,630	142,237
<b>Earnings per unit</b>	19		

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 -----Rupees in '000-----	2011
Net income for the year after taxation		41,630	142,237
<b>Other comprehensive income / (loss):</b>			
Net unrealised appreciation / (diminution) in the market value of investments classified as 'available for sale'	6.9	45,766	(23,625)
<b>Total comprehensive income for the year</b>		<u>87,396</u>	<u>118,612</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2012

	2012	2011
	-----Rupees in '000-----	
Accumulated income / (loss) brought forward	27,094	(113,994)
Final distribution for the year ended June 30, 2012: 3.2470% (2011: 14.397%) (Date of distribution: July 9, 2012)		
- Bonus units	(88,493)	(37,264)
- Cash distribution	(6,351)	(1,622)
Net income for the year	41,630	142,237
Interim distribution for the quarter ended December 31, 2011: Nil (2010: 2.70%)		
- Bonus units	-	(16,306)
- Cash distribution	-	(1,191)
Interim distribution for the quarter ended March 31, 2012: Nil (2011: 2.70%)		
- Bonus units	-	(16,468)
- Cash distribution	-	(1,191)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing (loss) / income that forms part of the unit holders' fund	(3,386)	72,893
Accumulated loss / undistributed income carried forward	<u>(29,506)</u>	<u>27,094</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2012

	2012	2011
	-----Rupees in '000-----	
Net assets at the beginning of the year	705,988	995,981
Issue of 10,345,176 units including 9,539,072 bonus units (2011: 8,197,379 units including 7,264,797 bonus units)	8,331	9,538
Redemption of 17,935,619 units (2011: 48,681,975 units)	(170,625)	(489,272)
Final distribution (bonus) for the year ended June 30, 2012: 3.2470% (2011: 14.397%)	(162,294)	(479,734)
	88,493	37,264
Element of loss and capital losses included in prices of units issued less those in units redeemed		
- amount representing loss and capital losses transferred to Income Statement	-	75,133
- amount representing loss / (income) that form part of the unit holders' fund transferred to Distribution Statement	3,386	(72,893)
	3,386	2,240
Net unrealised appreciation / (diminution) in the market value of investments classified as 'available for sale' - note 6.9	45,766	(23,625)
Capital gain on sale of investments-net	31,292	139,054
Unrealised appreciation / (diminution) in the value of investments 'at fair value through profit or loss' - net	22,291	(4,390)
Other net (loss) / income for the year	(11,953)	7,573
	41,630	142,237
<b>Less: Distributions made during the year</b>		
Final distribution for the year ended June 30, 2012: 3.2470% (2011: 14.397%) (Date of distribution: July 9, 2012)		
- Bonus units	(88,493)	(37,264)
- Cash distribution	(6,351)	(1,622)
Interim distribution for the quarter ended December 31, 2011: Nil (2010: 2.70%)		
- Bonus units	-	(16,306)
- Cash distribution	-	(1,191)
Interim distribution for the quarter ended March 31, 2012: Nil (2011: 2.70%)		
- Bonus units	-	(16,468)
- Cash distribution	-	(1,191)
	(94,844)	(74,042)
Interim distribution: Issue of bonus units	-	32,774
Element of (loss) / income and capital (loss) / gains included in prices of units issued less those in units redeemed - amount representing income that form part of the unit holders' fund	(3,386)	72,893
<b>Net assets at the end of the year</b>	<u>624,739</u>	<u>705,988</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 -----Rupees in '000-----	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		41,630	142,237
<b>Adjustments</b>			
Unrealised (appreciation) / diminution in the value of investments 'at fair value through profit or loss' - net		(22,291)	4,390
Amortisation of preliminary expenses and floatation costs		278	500
Impairment charged on investments classified as held for trading		11,263	-
Impairment charged / (reversed) on investments classified as available for sale		43,920	-
Element of loss and capital losses included in prices of units issued less those in units redeemed		-	75,133
		<u>33,170</u>	<u>80,023</u>
		74,800	222,260
<b>Decrease / (increase) in assets</b>			
Investments		6,500	295,985
Dividend and profit receivable		16,785	(7,439)
Advances, deposits, prepayments and other receivables		171	591
		<u>23,456</u>	<u>289,137</u>
<b>(Decrease) / increase in liabilities</b>			
Payable to the Management Company		(199)	(856)
Payable to the Trustee		(9)	(46)
Payable to Securities and Exchange Commission of Pakistan		(155)	(468)
Accrued expenses and other liabilities		44,343	2,409
		<u>43,980</u>	<u>1,039</u>
<b>Net cash inflow from operating activities</b>		<u>142,236</u>	<u>512,436</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from issue of units		8,331	9,538
Payments on redemption of units		(170,625)	(489,272)
Distributions paid		(6,351)	(4,004)
<b>Net cash outflow on financing activities</b>		<u>(168,645)</u>	<u>(483,738)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>		<u>(26,409)</u>	<u>28,698</u>
Cash and cash equivalents at the beginning of the year		89,036	60,338
<b>Cash and cash equivalents at the end of the year</b>	5	<u><u>62,627</u></u>	<u><u>89,036</u></u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Multi Asset Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on December 6, 2006 and was approved 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 9th floor, Adamjee House, I. I. Chundrigar Road, Karachi. The Management Company is a member of Mutual Fund Association of Pakistan.

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. The units are transferable and can be redeemed by surrendering them to the Fund.

The 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 (Positive Outlook)' to the Management Company. Based on the performance of the Fund for the year ended June 30, 2011, it has been assigned short term performance ranking of '4 star'.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These 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, provisions of and directives issued under the Companies Ordinance, 1984, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) and 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.

#### 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.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

#### 2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Fund's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

- (a) classification of investments (Note 3.2)
- (b) provisions (Note 3.7)
- (c) impairment (Note 3.9)

# NAFA MULTI ASSET FUND

## 2.5 Adoption of New Standards, and Amendments and Interpretations to the published approved accounting standards:

During the year, the following standards, amendments to standards and interpretations including amendments to interpretations became effective, however, the application of these amendments and interpretations did not have material impact on the financial statements of the Company:

Amendment to IAS 1 - Presentation of Financial Statements	Effective from accounting period beginning on or after January 01, 2011
IAS 24 (as revised in 2009) - Related Party Disclosures	Effective from accounting period beginning on or after January 01, 2011
Amendment to IAS 34 - Interim Financial Reporting	Effective from accounting period beginning on or after January 01, 2011
Amendment to IFRS 7 – Disclosures – Transfer of Financial Assets	Effective from accounting period beginning on or after July 01, 2011
Amendment to IFRIC 13 - Customer Loyalty Programmes	Effective from accounting period beginning on or after January 01, 2011
Amendment to IFRIC 14 - Prepayments of a Minimum Funding Requirement	Effective from accounting period beginning on or after January 01, 2011

## 2.6 New accounting standards and IFRS interpretations that are not yet effective

The following Standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IAS 1 - Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income	Effective from accounting period beginning on or after July 01, 2012
Amendments to IAS 12 - Income Taxes – Deferred Tax: Recovery of Underlying Assets	Effective from accounting period beginning on or after January 01, 2012
Amendments to IAS 19 - Employee Benefits	Effective from accounting period beginning on or after January 01, 2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	Effective from accounting period beginning on or after January 01, 2013

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been considered by the Fund as the standards and their relevant amendments have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 (Revised 2011) – Separate Financial Statements due to non-adoption of IFRS 10 and IFRS 11
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures due to non- adoption of IFRS 10 and IFRS 11

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

### 3.1 Financial assets

#### 3.1.1 Classification

The Fund classifies its financial assets in the following categories: loans and receivables, at fair value through profit or loss and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.



# NAFA MULTI ASSET FUND

a) **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

b) **Financial assets at fair value through profit or loss**

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short term profit making exists, or upon initial recognition it is designated by the entity as at fair value through profit and loss.

c) **Available for sale**

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

### 3.1.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

### 3.1.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the 'income statement'.

### 3.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss' and 'available for sale' are valued as follows:

a) **Basis of valuation of debt securities**

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 1 of 2009 dated January 6, 2009. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) **Basis of valuation of government securities**

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

c) **Basis of valuation of equity securities**

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange.

Investments of the Fund in unquoted equity securities are carried at lower of investment price or their break-up value as per the latest audited financial statements.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the 'income statement'.

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

Subsequent to initial recognition, financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

# NAFA MULTI ASSET FUND

## 3.1.5 Impairment

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the 'Income Statement' is reclassified from 'Unit Holders' Fund' to the 'Income Statement'.

### a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular no. 1 of 2009 dated January 6, 2009 issued by the SECP. Impairment losses recognised on debt securities can be reversed through the 'Income Statement'.

As allowed under circular no. 13 of 2009 dated May 4, 2009 issued by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circular, in accordance with a provisioning policy approved by the Board of Directors and disseminated by the Management Company in its website.

### b) Equity securities

For equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the security is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in 'income statement' is reclassified from 'unit holders' fund' to 'income statement'. Impairment losses recognised on equity instruments are not reversed through the 'income statement'.

### c) Loans and receivables

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets' carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

## 3.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

## 3.1.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

## 3.2 Cash and cash equivalents

Cash and cash equivalents include bank balances and other short term highly liquid investments with original maturities of three months or less and which are subject to insignificant changes in value.

## 3.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the 'income statement'.

## 3.4 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the Statement of Assets and Liabilities. Amount paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

All reverse repo transactions are accounted for on the settlement date.

## 3.5 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

# NAFA MULTI ASSET FUND

## 3.6 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

## 3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the Net Asset Value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company, investment facilitators or distributors. Transaction costs are recorded as income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours on that day. The redemption price represents the Net Asset Value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

## 3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is determined based on the income earned during the period and on unrealised appreciation / (diminution) arising during the period on available for sale securities. The amount so determined is taken directly to the distribution statement.

## 3.9 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

## 3.10 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

## 3.11 Proposed distributions

Distributions declared subsequent to the year end are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared.

## 3.12 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the 'income statement' on the date at which the transaction takes place.
- Income from government securities is accrued using the effective interest method.
- Dividend income is recognised when the right to receive the dividend is established.
- Income from investments in term finance certificates and sukuk bonds is recognised on an accrual basis, except where recovery is doubtful in which case it is credited to suspense account.
- Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.
- Profit on bank deposits is recognised on an accrual basis.
- Income on issue and repurchase of units is recognised when the units are issued and redeemed at the transaction date.

# NAFA MULTI ASSET FUND

## 4 Change in Accounting Estimate

During the current period, the Fund has revised its methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is determined based on the income earned during the period and on unrealised appreciation / (diminution) arising during the period on available for sale securities. The amount so determined is taken directly to the distribution statement. Previously, the element was calculated based on cumulative values of undistributed income and unrealised gain / loss on available for sale securities present in the net asset value of units. The element which related to income earned during the period was recognised in the income statement while the remaining amount was recognised in the distribution statement.

The revised methodology, in the opinion of the management, reflects a more appropriate manner for determination of element. The change in the presentation of element in the financial statements has been based on the recommendation of the Institute of Chartered Accountants of Pakistan (ICAP) to the Securities and Exchange Commission of Pakistan (SECP). As per ICAP's recommendation to the SECP, element of income, being in the nature of "equalization account" does not qualify for recognition either as expense or income as per International Financial Reporting Standards (IFRSs). Therefore, in order to enhance harmonization of mutual fund accounting with the primary accounting framework, the net balance of element of income at the end of the reporting period has been recognised directly in the distribution statement.

The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology;

- loss for the period would have been lower by Rs 3.386 million; and
- amount taken to distribution statement would have been higher by Rs 2.103 million.

## 5 BALANCES WITH BANKS

	Note	2012 -----Rupees in '000-----	2011 -----Rupees in '000-----
Current accounts		296	512
Savings accounts	5.1	<u>62,331</u>	<u>88,524</u>
		<u>62,627</u>	<u>89,036</u>

5.1 These carry profits at the rates ranging from 5.00% to 12.00% per annum (2011: 5.00% to 11.75% per annum).

## 6 INVESTMENTS

### At fair value through profit or loss - held for trading

	Note	2012 -----Rupees in '000-----	2011 -----Rupees in '000-----
Equity securities - listed	6.1	322,351	356,424
Term finance certificates - listed	6.2	21,889	23,313
Market treasury bills	6.3	124,512	-
		<u>468,752</u>	<u>379,737</u>

### Available for sale

	Note	2012 -----Rupees in '000-----	2011 -----Rupees in '000-----
Term finance certificates - listed		14,804	23,536
Term finance certificates - unlisted		33,976	74,521
Sukuk bonds		90,245	123,609
		<u>139,025</u>	<u>221,666</u>
		<u>607,777</u>	<u>601,403</u>

# NAFA MULTI ASSET FUND

## 6.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at June 30, 2012	Investment as a percentage of			
	As at July 1, 2011	Purchases during the year	Bonus / right Issue	Sales during the year	As at June 30, 2012		Net assets	Market value of total investment	Paid up capital of investee company	
						Rupees in '000)	----- % -----			
<b>Oil &amp; Gas</b>										
Attock Petroleum Limited	10,508	42,900	-	52,600	808	383	0.06	0.06	0.00	
Attock Refinery Limited	24,500	7,500	-	32,000	-	-	-	-	-	
National Refinery Limited	34,900	25,600	-	60,500	-	-	-	-	-	
Oil & Gas Development Company Limited	232,707	361,289	-	587,300	6,696	1,074	0.17	0.18	0.00	
Pakistan Oilfields Limited	169,080	258,939	-	347,100	80,919	29,692	4.75	4.89	0.03	
Pakistan Petroleum Limited	210,842	652,550	8,554	663,497	208,449	39,249	6.28	6.46	0.02	
Pakistan State Oil Company Limited	50,500	150,500	-	200,500	500	118	0.02	0.02	0.00	
<b>Chemicals</b>										
Lotte Pakistan PTA	123,900	-	-	123,900	-	-	-	-	-	
Engro Corporation Limited	452	449,900	82,066	532,300	118	12	0.00	0.00	0.00	
Fatima Fertilizer Company Limited	435,000	-	-	435,000	-	-	-	-	-	
Fauji Fertilizer Bin Qasim Limited	593,900	1,191,000	-	1,784,000	900	37	0.01	0.01	0.00	
Fauji Fertilizer Company Limited	354,556	869,776	93,068	1,058,088	259,312	28,797	4.61	4.74	0.03	
<b>Construction and Materials</b>										
Attock Cement Pakistan Limited	-	1,000	-	-	1,000	81	0.01	0.01	0.00	
Cherat Cement Company Limited	-	753,056	-	-	753,056	22,306	3.57	3.67	0.02	
D.G. Khan Cement Company Limited	-	1,097,000	-	701,000	396,000	15,594	2.50	2.57	0.13	
Lucky Cement Limited	-	647,964	-	319,100	328,864	37,948	6.07	6.24	0.10	
<b>General Industrials</b>										
Thal Limited	160,861	-	30,172	10,000	181,033	16,836	2.69	2.77	0.59	
<b>Personal Goods</b>										
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.90	0.93	0.18	
<b>Media</b>										
Hum Television Network Limited	457,934	-	-	-	457,934	9,617	1.54	1.58	0.92	
<b>Fixed Line Telecommunication</b>										
Pakistan Telecommunication Company Limited	980	790,000	-	625,980	165,000	2,259	0.36	0.37	0.00	
Wateen Telecom Limited	1,000,000	-	-	-	1,000,000	2,000	0.32	0.33	0.16	
<b>Electricity</b>										
The Hub Power Company Limited	1,086,674	1,583,500	-	1,549,826	1,120,348	46,931	7.51	7.72	0.10	
Nishat Chunian Power Limited	243,500	150,000	-	393,500	-	-	-	-	-	
Nishat Power Limited	399,341	57,754	-	457,095	-	-	-	-	-	
<b>Banks</b>										
Allied Bank Limited	11,550	-	-	11,550	-	-	-	-	-	
Bank Alfalah Limited	-	1,775,000	-	858,000	917,000	15,681	2.51	2.58	0.01	
MCB Bank Limited	38,200	462,100	14,820	416,300	98,820	16,428	2.63	2.70	0.01	
Meezan Bank Limited	381,676	-	47,710	-	429,386	12,418	1.99	2.04	0.05	
National Bank of Pakistan	6,522	1,554,080	50,460	1,311,000	300,062	13,065	2.09	2.15	0.19	
United Bank Limited	-	528,144	-	449,340	78,804	6,176	0.99	1.02	0.01	
						322,351	45.52	46.79		
Carrying value before mark to market (listed ordinary shares) as at June 30, 2012						300,011				

6.1.1 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.

6.1.2 Investments include shares with market value of Rs. 119.072 million (2011: Rs. 126.958 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

## 6.2 Listed Term finance certificates - 'at fair value through profit and loss' 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 June 30, 2012	Investment as a percentage of		
	As at July 1, 2011	Purchases during the year	Sales during the year	As at June 30, 2012		Net assets	Market value of total investment	Issue size
Rupees in '000)						-----%-----		
Saudi Pak Leasing Company Limited (note 6.7.1)	10,000	-	-	10,000	21,889	3.50	3.60	6.67
	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>21,889</u>	<u>3.50</u>	<u>3.60</u>	
Carrying value before mark to market (listed term finance certificates) as at June 30, 2012					33,152			
Provision for impairment loss as at June 30, 2012 (note 6.10)					<u>11,263</u>			

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

Issue Date	Tenor	Face Value				Market value as at June 30, 2012	Investment as a percentage of	
		As at July 1, 2011	Purchases during the year	Sales/ Matured during the year	As at June 30, 2012		Market value of total investments	Paid Up Capital of the investee company
February 24, 2011	6 Months	-	65,000	65,000	-	-	-	-
March 10, 2011	6 Months	-	70,000	70,000	-	-	-	-
March 24, 2011	12 Months	-	30,000	30,000	-	-	-	-
May 5, 2011	3 Months	-	40,000	40,000	-	-	-	-
May 19, 2011	3 Months	-	40,000	40,000	-	-	-	-
July 14, 2011	6 Months	-	70,000	70,000	-	-	-	-
July 28, 2011	6 Months	-	50,000	50,000	-	-	-	-
September 8, 2011	6 Months	-	30,000	30,000	-	-	-	-
October 6, 2011	6 Months	-	30,000	30,000	-	-	-	-
January 26, 2012	03 Months	-	30,000	30,000	-	-	-	-
March 8, 2012	03 Months	-	70,000	70,000	-	-	-	-
March 22, 2012	03 Months	-	100,000	100,000	-	-	-	-
April 5, 2012	03 Months	-	100,000	100,000	-	-	-	-
July 14, 2011	12 Months	-	100,000	-	100,000	99,610	15.94	16.39
April 19, 2012	03 Months	-	75,000	50,000	25,000	24,902	3.99	4.10
		<u>-</u>	<u>900,000</u>	<u>775,000</u>	<u>125,000</u>	<u>124,512</u>	<u>19.93</u>	<u>20.49</u>

Carrying value before mark to market (market treasury bills) as at June 30, 2012

124,561

## 6.4 Term finance certificates and Sukuk bonds - available for sale

Name of the investee company	Number of certificates / bonds				Market value as at June 30, 2012	Investment as a percentage of		
	As at July 1, 2011	Purchases during the year	Sales during the year	As at June 30, 2012		Net assets	Market value of total investment	Issue size
Rupees in '000)						-----%-----		
<b>Term finance certificate - listed</b>								
Pakistan Mobile Communications Limited	5,000	-	2,000	3,000	14,804	2.37	2.44	0.27
<b>Term finance certificate - unlisted</b>								
Avari Hotel Limited	6,000	-	-	6,000	24,466	3.92	4.03	0.80
Engro Fertilizer Limited	2,000	-	-	2,000	9,510	1.52	1.56	0.25
Orix Leasing Pakistan Limited	600	-	600	-	-	-	-	-
				<u>8,000</u>	<u>33,976</u>			
<b>Sukuk bonds</b>								
Eden Builders Limited	4,902	-	-	4,902	10,585	1.69	1.74	0.98
Engro Fertilizer Limited	2,000	-	2,000	-	-	-	-	-
Maple Leaf Cement Factory Limited (note 6.7.2)	17,688	-	-	17,688	48,539	7.77	7.99	1.11
New Allied Electronics Industries (Private) Limited (note 6.7.3)	32,000	-	-	32,000	-	-	-	1.33
Pak Electron Limited (note 6.7.4)	8,000	-	-	8,000	12,190	1.95	2.01	3.33
Eden Housing Limited (note 6.7.5)	10,000	-	-	10,000	18,931	3.03	3.11	6.85
Maple Leaf Cement Factory Limited II (note 6.7.6)	663	-	-	663	-	-	-	-
				<u>73,253</u>	<u>90,245</u>			
	<u>88,853</u>	<u>-</u>	<u>4,600</u>	<u>84,253</u>	<u>139,025</u>	<u>22.25</u>	<u>22.86</u>	

Carrying value before mark to market (term finance certificates) as at June 30, 2012

161,372

Provision for impairment loss as at June 30, 2012 (note 6.11)

68,113



# NAFA MULTI ASSET FUND

- 6.5 These carry rates of return ranging from 13.14% to 16.70% per annum (2011: 13.14% to 16.70% per annum).
- 6.6 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.
- 6.7 As at June 30, 2012, the Fund had not received redemption of principal and / or profit amounts on some of its investments, the details of which are as follows:
- 6.7.1 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 January 12, 2011 with a new maturity in March 2017. The management has recognised a provision of Rs.11.263 million. The income suspended on these term finance certificates amounted to Rs 1.036 million.
- 6.7.2 This represents investment in privately placed sukuk bonds issue with a term of six years. On September 03, 2011 i.e. the scheduled redemption date, profit redemption were not received by the Fund. The Management has recognised provision for impairment amounting to Rs. 39.714 millio. The income suspended on these sukuk bonds amounted to Rs. 6.507 million.
- 6.7.3 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]. Hence, the Fund has fully provided this investment in accordance with the provisioning policy approved by the Board of Directors of the Management Company. The income suspended on these sukus amounted to Rs. 5.700 million.
- 6.7.4 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 said sukuk was classified by the Fund due to non payment and a provision of Rs. 4.952 million (as per the provision of circular 1 of 2009 and circular 3 of 2010 issued by SECP) was recorded by the Fund. The income suspended on these sukuk bonds amounted to Rs. 1.194 million.
- 6.7.5 This represents investment in privately placed sukuk bonds issue with a term of five years. The issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was rated as 'Defaulter' by the MUFAP. The said sukuk was classified by the Fund due to non payment and a provision of Rs. 10.131 million (as per the provision of circular 1 of 2009 and circular 3 of 2010 issued by SECP) was recorded by the Fund. The income suspended on these sukuk bonds amounted to Rs. 1.398 million.
- 6.7.6 This represents 2nd issue of sukuk by Maple Leaf Cement Factory Limited under a restructuring agreement with a face value of Rs 3,315 thousand. As this issue represents overdue mark-up, the management has fully provided the amount of issue and has suspended income of Rs. 0.108 thousand on this issue.

	Note	2012 -----Rupees in '000-----	2011
<b>6.8 Net unrealised diminution in the value of investments at 'fair value through profit or loss'</b>			
Market value of investments	6.1, 6.2 & 6.3	468,752	379,737
Less: Carrying value of investments before mark to market	6.1, 6.2 & 6.3	(457,724)	(384,127)
Add: Provision against non-performing term finance certificates and sukuk bonds	6.10	11,263	-
		<u>22,291</u>	<u>(4,390)</u>
<b>6.9 Unrealised (diminution) / appreciation in the value of investments classified as available for sale - net</b>			
Market value of investments	6.4	139,025	221,666
Less: Carrying value of investments before mark to market	6.4	161,372	269,484
		<u>(22,347)</u>	<u>(47,818)</u>
Add: Provision against non-performing term finance certificates and sukuk bonds	6.11	<u>68,113</u>	<u>24,193</u>
		45,766	(23,625)
<b>6.10 Movement in provision against debt securities - held-for-trading securities</b>			
Opening balance		-	-
Charge for the year		11,263	
Closing balance		<u>11,263</u>	<u>-</u>

# NAFA MULTI ASSET FUND

	Note	2012 -----Rupees in '000-----	2011
<b>6.11 Movement in provision against debt securities - available-for-sale securities</b>			
Opening balance		24,193	49,442
Charge for the year		43,920	-
Reversals during the year		-	(25,249)
Closing balance		<u>68,113</u>	<u>24,193</u>
<b>7 DIVIDEND AND PROFIT RECEIVABLE</b>			
Dividend receivable on equity shares		12	1,600
Profit on savings and term deposits		654	381
Income accrued on term finance certificates and sukuk bonds		19,307	23,094
Less: Income suspended over non-performing debt securities		(15,943)	(4,260)
		<u>3,364</u>	<u>18,834</u>
		<u>4,030</u>	<u>20,815</u>
<b>8 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Security deposits with:			
- National Clearing Company of Pakistan Limited		2,750	2,750
- Central Depository Company of Pakistan Limited		100	100
Advance tax		29	28
Prepaid National Clearing Company of Pakistan Limited (NCCPL) fee		-	172
		<u>2,879</u>	<u>3,050</u>
<b>9 PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
Balance as at the beginning of the year		278	778
Amortisation during the year	9.1	(278)	(500)
Balance as at the end of the year		<u>-</u>	<u>278</u>
<b>9.1</b>	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from January 22, 2007 as per the requirements set out in the Trust Deed of the Fund.		
<b>10 PAYABLE TO THE MANAGEMENT COMPANY</b>	Note	2012 -----Rupees in '000-----	2011
Management fee	10.1	1,028	1,480
Others		93	5
Sales tax payable on remuneration of management company	10.2	165	
		<u>1,286</u>	<u>1,485</u>
<b>10.1</b>	Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. On January 22, 2012, the Fund has completed its five years and accordingly Management fee is currently being charged at the rate of 2 percent of the average annual net assets of the Fund from that date. Prior to January 22, 2012, Management fee was being charged at the rate of 2.5 percent of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.		
<b>10.2</b>	During the current year, sales tax @ 16% is levied on management remuneration through Sindh Sales Tax on Services Act, 2011.		
<b>11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	Note	2012 -----Rupees in '000-----	2011
Trustee fee	11.1	<u>109</u>	<u>118</u>



# NAFA MULTI ASSET FUND

- 11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2011 is as follows:

Amount of Funds Under Management (Average NAV)	Tariff per annum
Upto Rs. 1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million.

The remuneration is paid to the Trustee monthly in arrears.

	Note	2012 -----Rupees in '000-----	2011 -----Rupees in '000-----
<b>12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee	12.1	<u>530</u>	<u>685</u>

- 12.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as 'balanced scheme' is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.085 percent of the average annual net assets of the Fund. The Fund has been categorised as a 'balanced scheme' by the Management Company.

	Note	2012 -----Rupees in '000-----	2011 -----Rupees in '000-----
<b>13 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		270	285
Settlement charges payable		-	18
Payable to brokers		43,811	330
Dividend payable to brokers		493	493
Provision for Workers' Welfare Fund	18	5,486	4,636
Legal and professional charges payable		30	-
Others		559	544
		<u>50,649</u>	<u>6,306</u>

## 14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2011 (2010: Nil).

## 15 NET ASSET VALUE PER UNIT

The Net Asset Value per unit as disclosed in the 'Statement of Assets and Liabilities' is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

	2012 -----Rupees in '000-----	2011 -----Rupees in '000-----
<b>16 AUDITORS' REMUNERATION</b>		
Annual audit fee	259	259
Half yearly review fee	103	112
Out of pocket expenses	35	25
	<u>397</u>	<u>396</u>

## 17 PROVISION FOR WORKERS' WELFARE FUND

Through the Finance Act, 2008 an amendment was made in Section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. A petition has been filed with the Honourable High Court of Sindh by some of the Collective Investment Schemes through their Trustees on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

# NAFA MULTI ASSET FUND

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated July 15, 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.

During the year, 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.

However, pending the decision of the Honourable High Court of Sindh, the Management Company, as a matter of abundant caution, has decided to continue to maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 5.486 million (including Rs 0.85 million for the current year), if the same were not made the NAV per unit/return of the scheme would be higher by Rs. 0.09 / 0.88%.

## 18 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 year as subsequent to the year end the Management Company has distributed the required minimum percentage of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 19 EARNINGS PER UNIT

Earnings per unit (EPU) for the year ended June 30, 2012 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

## 20 COMPLIANCE WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan 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 Management Company classified ed NAFA Multi Asset Fund as 'Balanced Scheme' in accordance with the said circular. As at June 30, 2012, the Fund is compliant with all the requirements of the said circular except for clause2(iv) which requires that rating of any debt security in the portfolio shall not be lower than A- (A Minus).

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
----- Rupees in '000 -----						
Sukuk Bonds*	Maple Leaf Cement Factory Limited I and II	91,567	(43,029)	48,538	7.77%	7.17%
Term finance certificates*	New Allied Electronic Industries (Private) Limited	10,000	(10,000)	-	0.00%	0.00%
Term finance certificates*	Saudi Pak Leasing Company	33,152	(11,263)	21,889	3.50%	3.23%
Sukuk Bonds*	Eden Housing Limited	29,063	(10,132)	18,931	3.03%	2.79%
Sukuk Bonds*	Pak Elektron Limited	17,143	(4,952)	12,191	1.95%	1.80%

\* At the time of purchase, these term finance certificates and sukuks bonds were in compliance with the aforementioned circular. However, they subsequently defaulted or were downgraded to non investment grade.  
The management is taking steps to ensure compliance with the above requirements.

# NAFA MULTI ASSET FUND

## 21 TRANSACTIONS WITH CONNECTED PERSONS

21.1 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.

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

21.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the Regulations and the Trust Deed.

21.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

	2012	2011
	-----Rupees in '000-----	
21.5	Details of the transactions with connected persons are as follows:	
	<b>NBP Fullerton Asset Management Limited - Management Company</b>	
	Management fee expense for the year	14,215
	Front end load	85
	Sales tax on remuneration of the Management Company	2,275
		20,157
		336
		-
	<b>Alexandra Fund Management Pte. Limited - Sponsor</b>	
	Bonus units issued:12,234 units (2011: 515,785 units)	-
	Units redeemed / transferred out:Nil units (2011: 13,035,679 unit)	-
		124,970
	<b>Central Depository Company of Pakistan Limited - Trustee</b>	
	Remuneration	1,246
	CDS charges	144
		1,611
		83
	<b>Employees of the Management Company</b>	
	Units redeemed / transferred out: Nil (2011: 10,704 units)	-
	Bonus units issued: Nil units (2011: 418 units)	-
		104
		-
	<b>NBP Employees Pension Fund</b>	
	Bonus units issued: 2,140,727 units (2011: 1,195,332 units)	-
		-
	<b>Taurus Securities Limited</b>	
	Brokerage paid	114
		229
	<b>Amounts outstanding as at year end are as follows:</b>	
	<b>NBP Fullerton Asset Management Limited - Management Company</b>	
	Management fee payable	1,028
	Sales tax payable on management remuneration	165
	Others	93
		1,480
		-
		5
	<b>National Bank of Pakistan - Sponsor</b>	
	Investment held in the Fund: 4,410,752 units (2011: 4,410,752 units)	47,276
	Balance in current account	296
		47,268
		512
	<b>Alexandra Fund Management Pte. Limited - Sponsor</b>	
	Investment held in the Fund: 91,068 units (2011: 78,834 units)	976
		845
	<b>NBP Employees Pension Fund</b>	
	Investment held in the Fund: 15,934,787 unit (2011: 1Nil)	170,794
		-
	<b>Central Depository Company of Pakistan Limited - Trustee</b>	
	Remuneration payable	109
	CDS charges	7
	Security deposit	100
		118
		10
		100
	<b>Taurus Securities Limited</b>	
	Brokerage payable	-
		8

# NAFA MULTI ASSET FUND

## 22 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

		-----2012-----	
		Qualification	Experience in years"
1	Dr. Amjad Waheed	MBA, Doctorate in Business Administration, CFA	24
2	Sajjad Anwar	MBA, CFA	12
3	Tanveer Abid	MBA / CFA / FRM	13
4	Ahmed Nouman	EMBA / CFA	16

22.1 Mr. Sajjad Anwar is the manager of the Fund. Other funds being managed by the Fund Manager are as follows:

- NAFA Islamic Multi Asset Fund
- NAFA Stock Fund

## 23 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

2012

1	Taurus Securities Limited	6.37%
2	Foundation Securities (Private) Limited	5.96%
3	AKD Securities Limited	5.64%
4	Arif Habib Limited	4.65%
5	Elixir Securities Pakistan (Private) Limited	4.30%
6	Topline Securities (Pvt) Limited	4.02%
7	Habib Metropolitan Financial Services Limited	3.86%
8	Invest & Finance Securities (Private) Limited	3.71%
9	Sao Capital (Private) Limited	3.57%
10	Foundation Securities (Private) Limited	3.56%

2011

1	Arif Habib Limited	8.20%
2	Taurus Securities Limited	7.23%
3	KASB Securities Limited	6.53%
4	Elixir Securities Pakistan (Private) Limited	5.03%
5	Fortune Securities (Private) Limited	4.92%
6	NEXT Capital Limited	4.90%
7	JS Global Capital Limited	4.83%
8	Habib Metropolitan Financial Services Limited	4.82%
9	AKD Securities Limited	4.66%
10	Foundation Securities (Private) Limited	4.66%

## 24 PATTERN OF UNIT HOLDING

-----2012-----			
Category	Number of unit holders	Investment amount	Percentage of total
Rupees in '000			
Individuals	418	63,518	10.17%
Associated companies / Directors	2	48,253	7.72%
Insurance companies	1	68	0.01%
Retirement funds	16	496,234	79.43%
Public limited companies	6	16,655	2.67%
Others	1	11	0.00%
	444	624,739	100.00%

-----2011-----			
Category	Number of unit holders	Investment amount	Percentage of total
Rupees in '000			
Individuals	538	80,476	11.40%
Associated companies / Directors	2	48,113	6.82%
Insurance companies	1	103,637	14.68%
Retirement funds	24	455,812	64.56%
Public limited companies	2	1,618	0.23%
Others	7	16,332	2.31%
	574	705,988	100.00%

# NAFA MULTI ASSET FUND

## 25 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 32nd, 33rd, 34th, 35th and 36th Board meetings were held on July 4, 2011, September 09, 2011, October 27, 2011, February 17, 2012 and April 17, 2012 respectively. Information in respect of attendance by Directors in the meetings is given below:

Name of Director	Number of Meetings			Meetings not attended
	Held	Attended	Leave granted	
Mr. Shahid Anwar Khan	5	3	2	34th, 35th meeting
Dr. Asif A. Brohi	5	2	3	33rd, 34th, 35th meeting
Mr. Wah Geok Sum	5	2	3	33rd, 34th, 36th meeting
Mr. Patrick Pang Chin Hwang*	4	4	-	-
Mr. Shehryar Faruque	5	3	2	32nd, 36th meeting
Mr. Kamal Amir Chinoy	5	3	2	34th, 35th meeting
Syed Iqbal Ashraf**	1	0	1	32nd meeting
Dr Amjad Waheed	5	5	-	-
Mr. Amir Shehzad ***	3	3	-	-
Mr. Koh Boon San****	1	1	-	-

\* Mr. Patrick Pang Chin Hwang retired from Board with effect from March 31, 2012

\*\* Syed Iqbal Ashraf retired from Board with effect from August 27, 2011

\*\*\* Mr. Amir Shehzad was co-opted on the Board with effect from September 20, 2011

\*\*\*\* Mr. Koh Boon San was co-opted on the Board with effect from February 17, 2012

## 26 FINANCIAL INSTRUMENTS BY CATEGORY

### Financial Assets

	Loans and receivables	At fair value through profit or loss	Available for sale	Total
Balances with banks	62,627	-	-	62,627
Investments	-	468,752	139,025	607,777
Dividend and profit receivable	4,030	-	-	4,030
Advances, deposits and other receivables	2,850	-	-	2,850
	<u>69,507</u>	<u>468,752</u>	<u>139,025</u>	<u>677,284</u>

### Financial Liabilities

	At fair value through profit or loss	Amortised Cost	Total
Payable to the Management Company	-	1,286	1,286
Payable to the Trustee	-	109	109
Accrued expenses and other liabilities	-	44,911	44,911
	<u>-</u>	<u>46,306</u>	<u>46,306</u>

## FINANCIAL INSTRUMENTS BY CATEGORY

### Financial Assets

	Loans and receivables	At fair value through profit or loss	Available for sale	Total
Balances with banks	89,036	-	-	89,036
Investments	-	379,737	221,666	601,403
Dividend and profit receivable	20,815	-	-	20,815
Advances, deposits and other receivables	2,850	-	-	2,850
	<u>112,701</u>	<u>379,737</u>	<u>221,666</u>	<u>714,104</u>

# NAFA MULTI ASSET FUND

	-----As at June 30, 2011-----		
	At fair value through profit or loss	Amortised Cost	Total
	------(Rupees in '000)-----		
<b>Financial Liabilities</b>			
Payable to the Management Company	-	1,485	1,485
Payable to the Trustee	-	118	118
Accrued expenses and other liabilities	-	1,287	1,287
	<u>-</u>	<u>2,890</u>	<u>2,890</u>

## 27 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

### 27.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

#### 27.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistani Rupees.

#### 27.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

##### a) Sensitivity analysis for variable rate instruments

As at June 30, 2012, the Fund holds KIBOR based interest bearing term finance certificates and sukuk bonds exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on June 30, 2012 with all other variables held constant, the net assets of the Fund and net income for the year would have been higher / lower by Rs. 0.0489 million (2011: Rs. 0.188 million).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2012 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

##### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2012 the Fund holds Market Treasury Bills which are classified as financial assets at fair value through profit or loss", exposing the Fund to fair value interest rate risk. In case of 100 basis point increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2012, with all other variables held constant, the net income for the period and net assets would be lower / higher by Rs 0.041 million (2011: Nil).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by the Financial Market Association are expected to change over time. Further, in case of variable instruments, the sensitivity analysis has been done from the last repricing date. Accordingly, the sensitivity analysis prepared as of June 30, 2012 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

# NAFA MULTI ASSET FUND

----- As at June 30, 2012 -----

Yield / Interest rate	Total	Exposed to yield/interest rate risk			Not exposed to Yield / Interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
%					
		----- (Rupees in '000) -----			

## On-balance sheet financial instruments

### Financial assets

Balances with banks	5.00 - 12.00	62,627	62,331	-	-	296
Investments	13.13 - 16.70	607,777	124,512	-	160,914	322,351
Dividend and profit receivable		4,030	-	-	-	4,030
Advances, deposits and other receivables		2,850	-	-	-	2,850

### Financial liabilities

Payable to the Management Company		1,286	-	-	-	1,286
Payable to the Trustee		109	-	-	-	109
Accrued expenses and other liabilities		44,911	-	-	-	44,911
		46,306	-	-	-	46,306
		677,284	186,843	-	160,914	329,527

## On-balance sheet gap

		630,978	186,843	-	160,914	283,221
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## Off-balance sheet financial instruments

## Off-balance sheet gap

		-	-	-	-	-
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----- As at June 30, 2011 -----

Yield / Interest rate	Total	Exposed to yield/interest rate risk			Not exposed to Yield / Interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
%					
		----- (Rupees in '000) -----			

## On-balance sheet financial instruments

### Financial assets

Balances with banks	5.00 - 11.75	89,036	88,524	-	-	512
Investments	13.14 - 16.70	601,403	39,037	27,993	177,949	356,424
Dividend and profit receivable		20,815	-	-	-	20,815
Advances, deposits and other receivables		2,850	-	-	-	2,850

### Financial liabilities

Payable to the Management Company		1,485	-	-	-	1,485
Payable to the Trustee		118	-	-	-	118
Accrued expenses and other liabilities		1,287	-	-	-	1,287
		2,890	-	-	-	2,890
		714,104	127,561	27,993	177,949	380,601

## On-balance sheet gap

		711,214	127,561	27,993	177,949	377,711
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## Off-balance sheet financial instruments

## Off-balance sheet gap

		-	-	-	-	-
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## 27.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of the investments held by the Fund and classified in the 'Statement of Assets and Liabilities' as financial asset 'at fair value through profit or loss'. The Fund manages price risk by limiting individual equity securities to not more than ten percent of net assets attributable to holders of the Fund's assets. Moreover, the sector limits have also been restricted to twenty five percent. The equity investments either classified as 'available for sale' or at 'fair value through profit or loss' are listed in the Karachi Stock Exchange. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Manager and is reviewed on a regular basis by the investment committee as well as the Board of Directors.

In case of 5% increase / decrease in KSE 100 index on June 30, 2012, the net income for the year would increase / decrease by Rs 16.118 million (2011: Rs 18.306 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as 'at fair value through profit or loss'.



# NAFA MULTI ASSET FUND

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2012 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KSE 100 index.

## 27.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances, its investment in term finance certificates and sukuk bonds, dividend receivable and profit receivable on bank balances. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by the Investment Committee) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency. Credit risk on dividends receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's financial assets:

	2012	2011
	-----Rupees in '000-----	
<b>Bank balances by rating category</b>		
A1+, A-1+	61,924	88,388
A2, A-2	621	648
A-3	82	-
	<u>62,627</u>	<u>60,338</u>
<b>Term finance certificates and sukuk bonds by rating category</b>		
AA+, AA, AA-	24,314	59,712
A+, A, A-	35,050	81,813
D	48,539	-
Un-rated	53,010	103,454
	<u>160,913</u>	<u>244,979</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2012 is the carrying amount of the financial assets. The term finance certificates and sukuk bonds held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets.

### Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk.

## 27.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.



# NAFA MULTI ASSET FUND

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

----- June 30, 2012-----			
Total	Upto three months	Over three months and upto one year	Over one year
----- (Rupees in '000)-----			

## Financial liabilities

Payable to the Management Company	1,286	1,286	-	-
Payable to the Trustee	109	109	-	-
Accrued expenses and other liabilities	44,911	44,911	-	-
	46,306	46,306	-	-

----- June 30, 2011-----			
Total	Upto three months	Over three months and upto one year	Over one year
----- (Rupees in '000)-----			

## Financial liabilities

Payable to the Management Company	1,485	1,485	-	-
Payable to the Trustee	118	118	-	-
Accrued expenses and other liabilities	1,287	1,287	-	-
	2,890	2,890	-	-

## 28 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'statement of movement in unit holders' fund'.

The Fund has no restriction or specific capital requirement on the subscription and redemption of units.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies stated in note 27, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

## 29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced.

According the amendments to International Financial Reporting Standard 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

# NAFA MULTI ASSET FUND

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

-----As at June 30, 2012-----			
Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----			

## ASSETS

Investment in securities - at fair value through profit or loss - held for trading	322,351	124,512	21,889	468,752
Investment in securities - available for sale	-	59,365	79,660	139,025

-----As at June 30, 2011-----			
Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----			

## ASSETS

Investment in securities - at fair value through profit or loss - held for trading	356,424	23,313	-	379,737
Investment in securities - available for sale	-	196,919	24,747	221,666

### 30 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors of the Management Company in their meeting held on July 9, 2012 approved a final distribution for the year ended June 30, 2012 at the rate of 3.2470% (2011: 14.3970%) amounting to Rs. 18.921 million (2011: 99.844 million). The financial statements of the Fund for the year ended June 30, 2012 do not include the effect of this final distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2013.

### 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 11, 2012 .

### 32 GENERAL

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

32.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the year as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MULTI ASSET FUND

## PERFORMANCE TABLE

Particulars	For the year ended June 30, 2012	For the year ended June 30, 2011	For the year ended June 30, 2010	For the year ended June 30, 2009	For the year ended June 30, 2008	For the period ended from January 15 to June 30, 2007
Net assets (Rs. '000')	624,739	705,988	995,981	1,777,387	2,631,494	1,248,644
Net Income (Rs. '000')	41,630	142,237	84,814	(540,522)	125,571	280,409
Net Asset Value per units (Rs.)	10.7183	9.2769	8.9984	8.602	11.1079	11.256
Selling price per unit	11.0398	9.5552	9.2684	8.8601	11.4538	11.6429
Redemption price per unit	10.7183	9.2769	8.9984	8.602	11.1079	11.256
Highest offer price per unit (Rs.)	11.4499	9.8211	9.6769	11.3735	12.8755	11.6447
Lowest offer price per unit (Rs.)	9.3772	7.5861	8.3443	6.6153	10.5951	8.6484
Highest redemption price per unit (Rs.)	11.1164	9.535	9.3951	11.0422	12.4484	11.2578
Lowest redemption price per unit (Rs.)	9.1041	7.3651	8.1012	6.4226	10.2644	8.3487
Total return of the fund	15.54%	25.30%	12.38%	-22.56%	5.43%	28.96%
Capital growth	12.04%	3.30%	4.63%	-22.56%	-1.32%	12.56%
Income distribution	3.5%	22.00%	7.75%	0.00%	6.75%	16.40%
Distribution						
Interim Distribution per unit	-	0.5400	0.3010	-	0.3377	-
Final distribution per unit	0.3247	1.4397	0.3656	-	0.4221	1.6400
Distribution dates						
Interim	Nil	Feb 18, 2011	OCT 18, 2009	Nil	15-Apr-08	Nil
Final	9-Jul-11	- April 19, 2011	- Feb 17, 2010	Nil	3-Jul-08	5-Jul-07
Average annual return (launch date January 22, 2007)						
(Since inception to June 30, 2012)	70.79%					
(Since inception to June 30, 2011)		47.83%				
(Since inception to June 30, 2010)			17.97%			
(Since inception to June 30, 2009)				4.98%		
(Since inception to June 30, 2008)					35.56%	
(Since inception to June 30, 2007)						28.96%
Portfolio Composition (see Fund Manager report)						
Statement of past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.						

# NAFA MULTI ASSET FUND

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