


## 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 ASSET ALLOCATION FUND

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# NAFA ASSET ALLOCATION 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  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
NIB Bank Limited  
Soneri Bank Limited  
United Bank Limited  
National Bank of Pakistan

# NAFA ASSET ALLOCATION FUND

## **Auditors**

A.F. Ferguson & Co. Chartered Accountants  
State Life Building No. 1-C  
I.I. Chundrigar Road,  
P.O.Box 4716  
Karachi.

## **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

## **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 Corporate Branch  
3rd Floor, Park Lane Tower, Near Shahjahan Banquet Hall,  
Officers Colony, Khanewal Road. Multan.  
Tel : 92-061-6214070  
Fax: 92-061-6214062  
UAN: 92-061-111-111-632

# NAFA ASSET ALLOCATION FUND

## DIRECTORS' REPORT

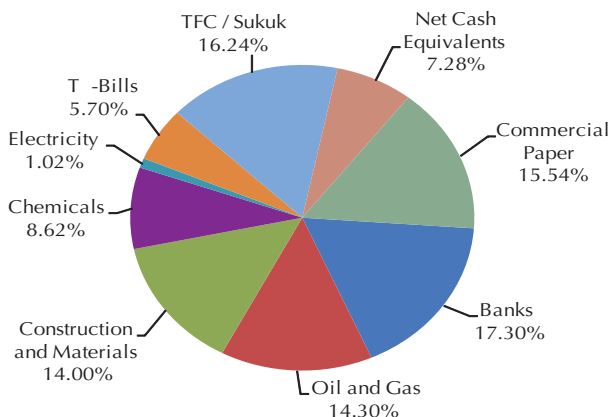
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Asset Allocation Fund for the period ended March 31, 2012.

### Fund's Performance

During the third quarter, the size of NAFA Asset Allocation Fund has increased from Rs. 402 million to Rs. 438 million during the period, i.e. an increase of 8.96%. The unit price of the Fund has increased from Rs. 10.4685 to Rs. 11.8009, thus showing a growth of 12.73%. The Benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-months KIBOR; 1/3 of KSE 30 Index) return during the same period was 7.65%. Thus, the Fund has outperformed its Benchmark by 5.08% during the period under review. For the nine months period ended March 31, 2012, the NAV of the Fund has increased by 14.90%. During the said period, the Benchmark increased by 6.84%, translating into outperformance of 8.06%. Since inception the NAV of the Fund has increased from Rs. 8.5979 on August 20, 2010 to Rs. 11.8009 on March 31, 2012, thus showing an increase of 37.25%. During the said period, the Benchmark increased by 19.90%, translating into outperformance of 17.35%. This performance is net of management fee and all other expenses.

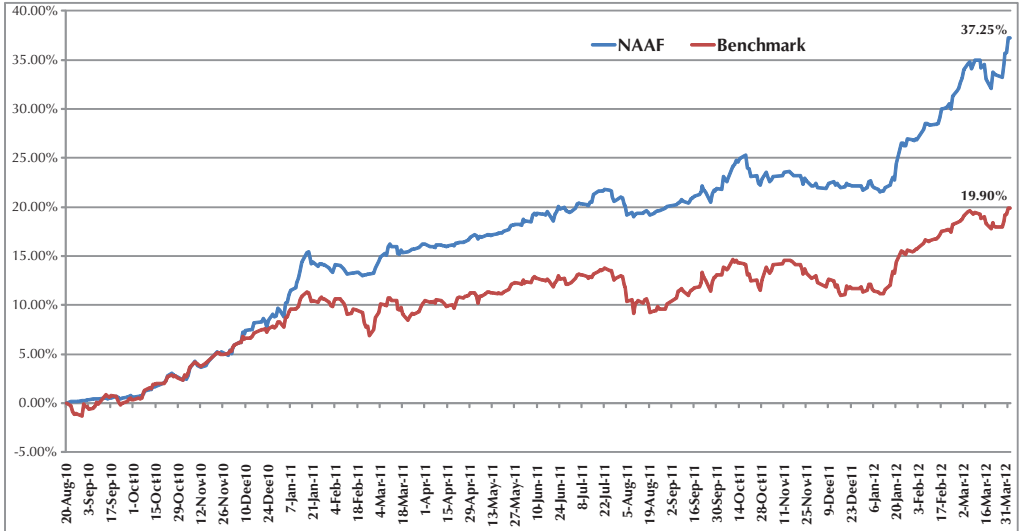
The stock market depicted strong performance during 3QFY12. In our view, key factors for this performance were announcement of relaxation in CGT regime, healthy corporate earnings & payouts, uptick in trading activity, and improvement in foreign portfolio flows. Banking, Construction & Materials and Industrial Engineering sectors performed better than the market. While, Oil & Gas and Electricity sectors lagged the market. Going forward, inflation and interest rate outlook, domestic political climate, foreign inflows and implementation of newly announced CGT regime will be the key drivers of the market.

On the corporate debt sphere, trading activity in TFCs improved showing investors' appetite for high quality issues, especially belonging to the banking sector. During the quarter under review, we have seen no change in the Policy Rate by the State Bank of Pakistan. Most TFCs in the Fund are floating rate linked to KIBOR. Further, the Fund invests only in AA category TFCs. Therefore, they carry a relatively low risk and any increase in interest rates will increase the coupon income of the TFC portfolio. The Fund has earned total income of Rs.65.79 million during the period. After deducting expenses of Rs.10.42 million, the net income is Rs.55.37 million. The asset allocation of the Fund as on March 31, 2012 is as follows:



# NAFA ASSET ALLOCATION FUND

NAAF Performance versus Benchmark (Since Inception)



## Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 3.5% of opening ex-NAV of June 30, 2011 (3.595% of par value) for the quarter ended March 31, 2012.

## 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: April 17, 2012  
Place: Karachi.

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) AS AT MARCH 31, 2012

	Note	Un-audited March 31, 2012	Audited June 30, 2011
-----Rupees in '000-----			
<b>ASSETS</b>			
Balances with banks		39,804	62,963
Investments	4	405,810	198,352
Receivable against Margin Trading System		-	12,676
Receivables against sale of investments		-	5,654
Dividend and profit receivable		14,287	2,910
Deposits, prepayments and other receivables		3,474	3,166
Preliminary expenses and floatation costs		678	828
<b>Total assets</b>		<b>464,053</b>	<b>286,549</b>
<b>LIABILITIES</b>			
Payable to the Management Company		3,358	1,947
Payable to the Trustee		72	58
Payable to the Securities and Exchange Commission of Pakistan		264	164
Payable on redemption of units		787	303
Payable against purchase of investments		19,026	-
Accrued expenses and other liabilities		2,854	1,355
<b>Total Liabilities</b>		<b>26,361</b>	<b>3,827</b>
<b>NET ASSETS</b>		<b>437,692</b>	<b>282,722</b>
<b>UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>437,692</b>	<b>282,722</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
-----Number of units-----			
Number of units in issue		37,089,726	24,974,471
-----Rupees-----			
<b>NET ASSET VALUE PER UNIT</b>	3.3	<b>11.8009</b>	<b>11.3204</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Note	Nine months ended March 31, 2012	For the period from August 02, 2010 to March 31, 2011	Quarter ended March 31, 2012	Quarter ended March 31, 2011
----- Rupees in '000 -----				
<b>INCOME</b>				
Gain / (loss) on sale of investments - net	4,463	21,004	8,344	18,769
Income from term finance certificates and sukus	10,669	3,641	4,898	1,905
Income from government securities	9,520	4,594	757	2,241
Income from Margin Trading System	608	27	180	27
Profit on bank deposits	3,050	2,003	992	1,100
Dividend income	12,854	2,430	8,477	1,264
Net unrealized (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit of loss'	24,626	(54)	30,686	(9,624)
<b>Total Income</b>	<b>65,790</b>	<b>33,645</b>	<b>54,334</b>	<b>15,682</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	5,556	1,880	2,068	1,107
Sindh sales tax on remuneration of the Management Company	889	-	331	-
Remuneration of the Trustee	556	428	207	173
Annual fee - Securities and Exchange Commission of Pakistan	264	105	98	52
Securities transaction cost	1,193	702	540	455
Settlement & bank charges	261	245	59	64
Annual listing fee	22	14	7	5
Auditors' remuneration	321	300	69	78
Legal and professional charges	17	2	17	-
Fund rating fee	-	57	-	57
NCCPL Fee	172	15	46	15
Printing and related costs	92	127	-	13
Amortisation of preliminary expenses and floatation costs	150	122	49	49
<b>Total expenses</b>	<b>9,493</b>	<b>3,997</b>	<b>3,491</b>	<b>2,068</b>
<b>Net income / (loss) from operating activities</b>	<b>56,297</b>	<b>29,648</b>	<b>50,843</b>	<b>13,614</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	3,404	-	(645)
(Provision) / reversal of provision for workers' welfare fund	(930)	(661)	(821)	(259)
<b>Net income / (loss) for the period before taxation</b>	<b>55,367</b>	<b>32,391</b>	<b>50,022</b>	<b>12,710</b>
<b>Taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income / (loss) for the period after taxation</b>	<b>55,367</b>	<b>32,391</b>	<b>50,022</b>	<b>12,710</b>
<b>Earnings per unit</b>	<b>3.4</b>			

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	Nine months ended March 31, 2012	For the period from August 02, 2010 to March 31, 2011	Quarter ended March 31, 2012	Quarter ended March 31, 2011
	----- Rupees in '000 -----			
Net income / (loss) for the period after taxation	55,367	32,391	50,022	12,710
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>55,367</u>	<u>32,391</u>	<u>50,022</u>	<u>12,710</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	Nine months ended March 31, 2012	For the period from August 02, 2010 to March 31, 2011	Quarter ended March 31, 2012	Quarter ended March 31, 2011
----- Rupees in '000 -----				
<b>Undistributed income brought forward</b>	31,868	-	13,252	19,681
Final distribution for the period from August 02, 2010 to June 30, 2011: 10.50% (Date of distribution: July 04, 2011)				
- Bonus units	(26,220)	-	-	-
- Cash divided	(4)	-	-	-
Interim Distribution for the quarter ended December 31, 2010 :3.00%				
Bonus Units	-	(5,865)	-	(5,865)
Cash Distribution	-	-	-	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	1,398		(865)	
Net income / (loss) for the period after taxation	55,367	32,391	50,022	12,710
<b>Undistributed income carried forward</b>	<u>62,409</u>	<u>26,526</u>	<u>62,409</u>	<u>26,526</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	Nine months ended March 31, 2012	For the period from August 02, 2010 to March 31, 2011	Quarter ended March 31, 2012	Quarter ended March 31, 2011
----- Rupees in '000 -----				
Net Assets at the beginning of the period	282,722	-	402,043	226,732
Issue of 25,704,628 units (including 2,552,922 bonus units) (2011: 25,306,621 units)	248,024	256,767	84,814	38,312
Redemption of 13,589,373 units (2011: 4,673,314 units)	(148,417)	(52,346)	(99,187)	(44,991)
	99,607	204,421	(14,373)	(6,679)
Final distribution for the period from August 02, 2010 to June 30, 2011: 10.50% - Bonus units	26,220	-	-	-
Interim Distribution for the quarter ended December 31, 2010 :3.00% Bonus Units Cash Distribution	-	5,865	-	5,865
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing (income) / loss and capital (gains) / losses transferred to income statement	-	(3,404)	-	645
- amount representing (income) / loss that form part of unit holder's fund - transferred to distribution statement	1,398	-	3,661	-
Net unrealized (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit of loss'	24,626	(54)	30,686	(9,624)
Capital (loss) / gain on sale of investments - net	4,463	21,004	8,344	18,769
Other operating income	26,278	11,441	10,992	3,565
<b>Net income / (loss) for the period</b>	<b>55,367</b>	<b>32,391</b>	<b>50,022</b>	<b>12,710</b>
<b>Distribution:</b>				
Final distribution for the period from August 02, 2010 to June 30, 2011: 10.50% - Bonus units - Cash divided	(26,220) (4)	- -	- -	- -
Interim Distribution for the quarter ended December 31, 2010 :3.00% Bonus Units Cash Distribution	-	(5,865)	-	(5,865)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(1,398)	-	(3,661)	-
<b>Net Assets at the end of the period</b>	<b>437,692</b>	<b>233,408</b>	<b>437,692</b>	<b>233,408</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	Nine months ended March 31, 2012	For the period from August 02, 2010 to March 31, 2011	Quarter ended March 31, 2012	Quarter ended March 31, 2011
----- Rupees in '000 -----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	55,367	32,391	50,022	12,710
<b>Adjustments</b>				
Net unrealized (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit of loss'	(24,626)	54	(30,686)	9,624
Amortisation of preliminary expenses and floatation costs	150	122	49	49
Loss / (gain) on sale of investment - net	(4,463)	-	(8,344)	-
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	-	(3,404)	-	645
	<u>26,428</u>	<u>29,163</u>	<u>11,041</u>	<u>23,028</u>
<b>(Increase) / decrease in assets</b>				
Investments	(178,369)	(193,469)	(36,744)	(7,529)
Receivable against Margin Trading System	12,676	(15,050)	19,195	(15,050)
Receivables against sale of investments	5,654	-	475	-
Dividend and profit receivable	(11,377)	(3,055)	(9,575)	(1,571)
Advances, deposits, prepayments and other receivables	(308)	(3,602)	(562)	(932)
	<u>(171,724)</u>	<u>(215,176)</u>	<u>(27,211)</u>	<u>(25,082)</u>
<b>Increase / (decrease) in liabilities</b>				
Payable to the Management Company	1,411	1,783	853	643
Payable to the Trustee	14	59	6	-
Payable to Securities and Exchange Commission of Pakistan	100	105	98	52
Payable against purchase of investments	19,026	11,823	6,143	2,208
Accrued expenses and other liabilities	1,499	1,122	1,268	269
	<u>22,050</u>	<u>14,892</u>	<u>8,368</u>	<u>3,172</u>
Formation cost incurred	-	(1,000)	-	-
<b>Net cash outflow on operating activities</b>	<u>(123,246)</u>	<u>(172,121)</u>	<u>(7,802)</u>	<u>1,118</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	248,024	256,767	84,814	38,312
Payments on redemption of units	(147,933)	(52,346)	(98,400)	(44,991)
Distribution paid	(4)	-	-	-
<b>Net cash inflow from financing activities</b>	<u>100,087</u>	<u>204,421</u>	<u>(13,586)</u>	<u>(6,679)</u>
Net increase in cash and cash equivalents during the period	<u>(23,159)</u>	<u>32,300</u>	<u>(21,388)</u>	<u>(5,561)</u>
Cash and cash equivalents at the beginning of the period	62,963	-	61,192	37,861
<b>Cash and cash equivalents at the end of the period</b>	<u><u>39,804</u></u>	<u><u>32,300</u></u>	<u><u>39,804</u></u>	<u><u>32,300</u></u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Asset Allocation 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 June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 14, 2010.

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 Fund is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Open-End "Asset Allocation Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorization of Collective Investment Schemes (CIS).

The objective of the Fund is to generate income by investing in debt and money market securities and to generate capital appreciation by investing in equity and equity related securities. The Fund also undertakes transactions under Margin Trading System.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2-' (positive outlook) to the Management Company.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of International Accounting Standard (IAS) 34: 'Interim Financial Reporting', the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IAS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual published financial statements of the Fund for the period from August 2, 2010 to June 30, 2011.

2.3 These condensed interim financial information are unaudited. Accordingly, the Board of Directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2011.

#### 3.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of the revised standard did not have any impact on the Fund's condensed interim financial information.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. This amendment was a part of the IASB's annual improvement project published in May 2010. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The management is in the process of assessing the impact of this amendment on the Fund's condensed interim financial information.

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

#### 3.2 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

# NAFA ASSET ALLOCATION FUND

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:

- Income for the period would have been higher by Rs 1.398 million
- amount taken to distribution statement would have been higher by Rs 2.586 million

### 3.3 Net Asset Value per unit

The net asset value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

### 3.4 Earnings per unit

Earnings per unit has not been disclosed as, in the opinion of the management, determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

Note	(Un-audited) March 31, 2012	(Audited) June 30, 2011
----- Rupees in '000 -----		
<b>4 INVESTMENTS</b>		
<b>Financial assets 'at fair value through profit or loss'</b>		
Equity securities - listed	4.1 241,776	76,501
Term finance certificates and sukuk bonds - listed	4.2 139,075	52,206
Market Treasury Bills	4.3 24,959	69,645
	405,810	198,352

### 4.1 Investment in shares of listed companies at fair value through profit or loss

Share of Listed Companies - Fully paid ordinary of Rs. 10 each unless stated otherwise

Name of the investee company	Number of shares					Market value as at March 31, 2012	Investment as a percentage of		
	As at July 01, 2011	Purchases during the period	Bonus / Right Issues	Sales during the period	As at March 31, 2012		Net assets	Market value of total investments	Paid up capital of the investee company
						Rupees in '000	----- % -----		
<b>Oil &amp; Gas</b>									
Attock Petroleum Limited	9,900	23,800	-	24,200	9,500	4,306	0.98	1.06	0.01
Attock Refinery Limited	-	36,000	-	36,000	-	-	-	-	-
National Refinery Limited	200	15,600	-	15,800	-	-	-	-	-
Oil and Gas Development Company Limited	49,173	422,120	-	397,700	73,593	12,339	2.82	3.04	-
Pakistan Oilfields Limited	41,200	238,900	-	203,900	76,200	27,831	6.36	6.86	0.03
Pakistan Petroleum Limited	70,900	447,683	4,960	429,545	93,998	17,182	3.93	4.23	0.01
Pakistan State Oil Company Limited	10,000	73,100	-	79,300	3,800	948	0.22	0.23	0.00
						-	-	-	-
<b>Chemicals</b>									
Engro Corporation Limited	280	247,800	31,224	247,000	32,304	3,207	0.73	0.79	0.01
Fauji Fertilizer Bin Qasim Limited	184,000	984,500	-	1,164,500	4,000	166	0.04	0.04	-
Fauji Fertilizer Company Limited	87,700	548,700	51,250	412,400	275,250	34,362	7.85	8.47	0.03

# NAFA ASSET ALLOCATION FUND

Name of the investee company	Number of shares					Market value as at March 31, 2012	Investment as a percentage of		
	As at July 01, 2011	Purchases during the period	Bonus / Right Issues	Sales during the period	As at March 31, 2012		Net assets	Market value of total investments	Paid up capital of the investee company
						Rupees in '000	----- % -----		
<b>Industrial Engineering</b>									
Millat Tractors Limited	-	2,400	-	2,400	-	-	-	-	-
<b>Construction and Materials</b>									
Attock Cement Pakistan Limited	-	167,593	-	-	167,593	12,859	2.94	3.17	0.19
D.G. Khan Cement Company Limited	-	283,000	-	-	283,000	10,293	2.35	2.54	0.09
Lucky Cement Limited	-	509,700	-	173,700	336,000	38,119	8.71	9.39	0.10
<b>Electricity</b>									
The Hub Power Company Limited	313,700	1,343,500	-	1,538,859	118,341	4,453	1.02	1.10	0.01
Kot Addu Power Company Limited	-	87,500	-	87,500	-	-	-	-	-
Nishat Chunian Power Limited	-	125,000	-	125,000	-	-	-	-	-
<b>Banks</b>									
Allied Bank Limited	4,999	128,379	10,167	4,999	138,546	8,878	2.03	2.19	0.02
MCB Bank Limited	-	243,200	12,380	108,300	147,280	25,839	5.90	6.37	0.02
National Bank of Pakistan	-	792,500	36,050	540,000	288,550	13,164	3.01	3.24	0.02
United Bank Limited	200	453,240	-	90,500	362,940	27,830	6.36	6.86	0.03
<b>Total as at March 31, 2012</b>						<b>241,776</b>	<b>55.24</b>	<b>59.58</b>	<b>0.58</b>
<b>Carrying Value as at March 31, 2012</b>						<b>216,701</b>			

\* The face value of shared held of Millat Tractor is Rs 5.

## 4.2 Listed term finance certificates and sukus- at fair value through profit or loss

Name of the investee company	Number of certificates				Market value as at March 31, 2012	Investment as a percentage of			
	As at July 01, 2011	Purchases during the period	Sales during the period	As at March 31, 2012		Net assets	Market value of total investments	Issue size	
						Rupees in '000	----- % -----		
<b>Listed*</b>									
Allied Bank Limited	2,000	3,000	-	5,000	25,191	5.76	6.21	0.00	
United Bank Limited	3,000	-	-	3,000	12,440	2.84	3.07	0.01	
Bank Alfalah Limited	2,000	-	-	2,000	6,720	1.54	1.66	0.01	
Engro Rupiya Certificate	3,400	-	-	3,400	17,040	3.89	4.20	0.00	
Engro Fertilizers Limited	-	2,000	-	2,000	9,684	2.21	2.39	2.54	
					<b>71,075</b>	<b>16.24</b>	<b>17.53</b>	<b>2.56</b>	
<b>Sukus - Unlisted*</b>									
Hub Power Company Limited	-	11,600	4,000	7,600	38,000	8.68	9.36	0.01	
Kot Addu Power Company Limited	-	6,000	-	6,000	30,000	6.85	7.39	0.02	
					<b>68,000</b>	<b>15.53</b>	<b>16.75</b>	<b>0.03</b>	
<b>Total as at March 31, 2012</b>					<b>139,075</b>				
<b>Carrying Value as at March 31, 2012</b>					<b>139,515</b>				

\* Having face value Rs 5,000 each

# NAFA ASSET ALLOCATION FUND

## 4.3 Investment in Govt Securities - Market Treasury Bills

Issue date	Face value					Market Value as at March 31, 2012	Investment as a percentage of	
	Tenor	As at July 1, 2011	Purchases during the period	Sales during the period	As at March 31, 2012		Net Assets	Market Value of total investments
						Rupees in '000	%	
April 21, 2011	3 months	70,000	-	70,000	-	-	-	-
May 5, 2011	3 months	-	20,000	20,000	-	-	-	-
July 14, 2011	3 months	-	70,000	70,000	-	-	-	-
May 19, 2011	3 months	-	20,000	20,000	-	-	-	-
April 7, 2011	6 months	-	110,000	110,000	-	-	-	-
February 10, 2011	6 months	-	15,000	15,000	-	-	-	-
March 10, 2011	6 months	-	90,000	90,000	-	-	-	-
February 24, 2011	6 months	-	15,000	15,000	-	-	-	-
August 11, 2011	3 months	-	30,000	30,000	-	-	-	-
September 22, 2011	6 months	-	50,000	50,000	-	-	-	-
July 14, 2011	6 months	-	40,000	40,000	-	-	-	-
October 6, 2011	3 months	-	50,000	50,000	-	-	-	-
September 22, 2011	12 months	-	50,000	50,000	-	-	-	-
March 22, 2011	12 months	-	25,000	25,000	-	-	-	-
October 6, 2011	6 months	-	25,000	-	25,000	24,959	6.16	6.15
November 3, 2011	3 months	-	25,000	25,000	-	-	-	-
September 8, 2011	6 months	-	45,000	45,000	-	-	-	-
Total as at March 31, 2012						<b>24,959</b>	<b>6.16</b>	<b>6.15</b>
Carrying Value as at March 31, 2012						<b>24,968</b>		

4.4 Investments include shares with market value of Rs 3.656 million (2011: Nil) and Term Finance Certificates with market value of Rs. 22.516 million (2011: Rs. 1.037 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

## 5 SINDH SALES TAX ON REMUNERATION OF THE MANAGEMENT COMPANY

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

## 6 PROVISION FOR WORKERS' WELFARE FUND

6.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2011.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.



# NAFA ASSET ALLOCATION FUND

Subsequent to the year ended June 30, 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. Accordingly, the Management Company has stopped making accrual of this provision with effect from March 14, 2012. However, as a matter of abundant caution, the Management Company has decided to maintain the provision for WWF made till this date amounting to Rs. 1.825 million in this financial information.

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at March 31, 2012 and June 30, 2011.

### 7.1 Commitments

Margin Trading System transactions entered into by the Fund which have not been settled as at March 31, 2012.

	(Un-audited) March 31, 2012	(Audited ) June 30, 2011
	----- Rupees in '000 -----	
- Purchase transactions	-	3,645
- Sales transactions	-	1,886

## 8 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund intends to distribute such accounting income, if any, for the year ending June 30, 2012 to its unit holders. Accordingly, no tax liability has been recorded in the current period.

## 9 TRANSACTIONS WITH CONNECTED PERSONS

- 9.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.
- 9.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 9.3 Remuneration and front - end load payable to the Management Company and remuneration payable to the Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

# NAFA ASSET ALLOCATION FUND

(Un-Audited)			
Nine Months Ended		Quarter ended	
March 31, 2012	For the period from August 2, 2010 to March 31,2011	March 31, 2011	March 31, 2011

## 9.4 Transactions during the period

### NBP Fullerton Asset Management Limited - Management Company

Remuneration for the period	5,556	1,880	2,068	1,107
Sindh sales tax on remuneration of the Management Company	889	-	331	-
Expenses paid by the Management Company on behalf of the Fund				
- Preliminary expenses and floatation costs	-	1,000	-	-
- Initial deposit on opening of bank accounts	-	75	-	-
- Front-end load	-	60	-	118

### Alexandra Fund Management Pte. Limited - Sponsor

Units Issue (Nil units: 2011: 16,308,503 units)	-	164,866	-	-
Pre-IPO profit paid	-	403	-	-
Bonus units issued (1,759,330 units: 2011: 443,563 units)	-	-	-	-

### Central Depository Company of Pakistan Limited - Trustee

Remuneration for the period	556	255	207	173
CDS charges	28	-	11	-

### Employees of the Management Company

Units issued / transfer in (1,171,889 units: 2011: 10,600 units)	12,664	110	3,745	10
Units Redeemed / transfer out of (1,158,865 units: 2011: 3,566 units)	12,439	40	5,396	40
Bonus units issued (11,939 units: 2011: 288 units)	-	-	-	-

### Taurus Securities Limited

Brokerage expense	97	44	37	17
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### NBP Fullerton Asset Management Ltd - Employees Provident Fund

Units issued / transfer in (210,075 units: 2011: Nil units)	2,311	-	2,311	-
Units Redeemed / transfer out of (4,839 units: 2011: Nil units)	55	-	55	-

(Un-Audited)	(Audited)
March 31, 2012	June 30, 2011
----- Rupees in '000 -----	

## 9.5 Balances outstanding as at period / year end

### NBP Fullerton Asset Management Limited - Management Company

Management fee payable	723	452
Sindh sales tax payable on remuneration of the Management Company	116	-
Preliminary expenses and floatation costs	1,000	1,000
Initial deposit on opening of bank accounts	75	75
Professional charges	38	38
Listing fee	20	20
Front-end load	1,386	362

# NAFA ASSET ALLOCATION FUND

	(Un-Audited) March 31, 2012	(Audited) June 30, 2011
	----- Rupees in '000 -----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	72	58
CDS charges payable	2	3
Security deposit	100	100
<b>National Bank of Pakistan</b>		
Balance in current account	3,734	228
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held by the sponsor in the Fund (18,967,927 units; June 30, 2011: 17,208,597 units)	223,839	194,808
<b>NAFA Government Securities Liquid Fund</b>		
Payable against transfer out of units	-	303
<b>Employees of the Management Company</b>		
Investment held in the Fund (141,744 units; June 30, 2011: 116,813 units)	1,673	1,322
<b>NBP Fullerton Asset Management Ltd - Employees Provident Fund</b>		
Investment held in the Fund (205,236 units; June 30, 2011: Nil units)	2,422	-
<b>Taurus Securities Limited</b>		
Brokerage payable	7	9
<b>NAFA Savings Plus Fund</b>		
Receivable against transfer sales	-	144

## 10 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 17, 2012 by the Board of Directors of the Management Company.

## 11 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purpose of comparison and better presentation. No significant changes to corresponding figures have been made during the current period.

## 12 GENERAL

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director