



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together



Joint - Venture Partners

NAFA ASSET ALLOCATION FUND

QUARTERLY REPORT
MARCH 31
2014



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. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

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

Human Resource Committee

Mr. Nausherwan Adil	Chairman
Mr. Wah Geok Sum	Member
Mr. Kamal Amir Chinoy	Member

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shahra-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
Summit Bank Limited
Standard Chartered Bank Pakistan Limited
The Bank of Panjab

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:

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

Lahore Office:

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

Islamabad Office:

Plot No. 395, 396
Industrial Area, 1-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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

Multan Office:

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

NAFA 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, 2014.

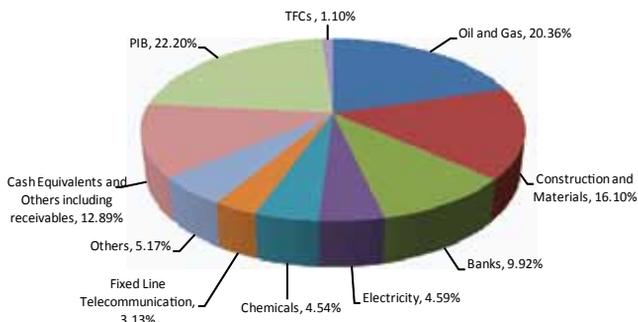
Fund's Performance

During the third quarter, the unit price of NAFA Asset Allocation Fund (NAAF) has increased from Rs. 11.8476 (Ex-Div) on December 31, 2013 to Rs. 12.2009 on March 31, 2014, thus showing a growth of 2.98%. 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 2.07%. Thus, the Fund has outperformed its Benchmark by 0.91% during the period under review. For the nine months period ended March 31, 2014, the NAV of the Fund has increased from Rs. 11.1696 (Ex-Div) on June 30, 2013 to Rs. 12.2009 on March 31, 2014, thus showing an increase of 9.23%. During the said period, the Benchmark increased by 10.26%, translating into underperformance of 1.03%. Since inception the NAV of the Fund has increased from Rs. 6.1936 (Ex-Div) on August 20, 2010 to Rs. 12.2009 on March 31, 2014, thus showing an increase of 96.99%. During the said period, the Benchmark increased by 56.81%, translating into outperformance of 40.18%. This performance is net of management fee and all other expenses. The size of NAFA Asset Allocation Fund has increased from Rs. 1,269 million to Rs. 1,677 million during the period, i.e. an increase of 32.15%.

The stock market continued its bull-run in 3QFY14 driven by sanguine valuations, \$1.5bn inflow from Saudia Arabia and resultant improvement in foreign reserves, benign inflation outlook, and aggressive buying by mutual funds in the initial phase and foreign investors in the latter phase. Chemicals, Automobile and Parts, General Industrials, and Non-Life Insurance sectors outperformed the market whereas Oil & Gas, Electricity, and Personal Goods sectors lagged the market. The foreign participation has seen massive surge off late owing to improved macroeconomic outlook and increase in Pakistan's weight in MSCI Frontier Market Index to 8.2% from 4.3%. Going forward, we expect that upcoming 3G/4G license auction in April, implementation of revised MSCI weights in May, CSF inflows, and development funding from World Bank and ADB will further improve country's reserve position.

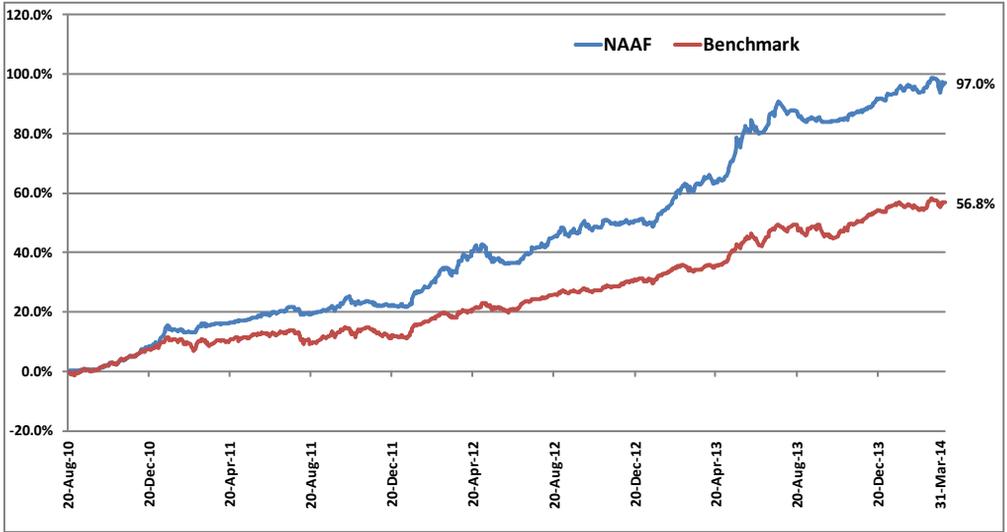
On the corporate debt sphere, we have witnessed primary issuance of corporate bonds amid pick up in economy activity. Trading activity in TFCs was skewed towards high quality issues, especially belonging to the financial sector. Most bonds in the Fund are floating rate linked to KIBOR. Therefore, increase in interest rates will increase the coupon income of the TFC portfolio. The State Bank of Pakistan increased the policy rate by 100bps to 10% during the period under review; citing upside risks to the external account, depleting FX reserves, and rising inflation expectations.

The Fund has earned total income of Rs.151.12 million during the period. After deducting expenses of Rs.40.85 million, the net income is Rs.110.27 million. The asset allocation of the Fund as on March 31, 2014 is as follows:



NAFA ASSET ALLOCATION FUND

NAAF Performance versus Benchmark (Since Inception)



Income Distribution

In addition to interim distribution of 2.00% of opening ex-NAV, the Board of Directors of the Management Company has approved an interim distribution of 2.00% of opening ex-NAV (2.263% of the par value) for the quarter ended March 31, 2014.

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 30, 2014
Place: Karachi.

NAFA ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

	Note	Un-Audited March 31, 2014	Audited June 30, 2013
-----Rupees in '000-----			
ASSETS			
Bank balances		187,212	1,063,978
Investments	4	1,461,088	32,865
Receivable against sale of investments		46,457	61,422
Deposits, prepayments and other receivables		3,025	4,351
Dividend and profit receivable		21,473	886
Preliminary expenses and floatation costs		249	400
Total assets		1,719,504	1,163,902
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company		11,527	3,536
Payable to Central Depository Company of Pakistan Limited -Trustee		223	176
Payable to the Securities and Exchange Commission of Pakistan		987	712
Payable against redemption of units		1,657	-
Payable against purchase of investments		17,010	-
Accrued expenses and other liabilities		10,861	8,421
Total liabilities		42,265	12,845
NET ASSETS		<u>1,677,239</u>	<u>1,151,057</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>1,677,239</u>	<u>1,151,057</u>
CONTINGENCIES AND COMMITMENTS	6		
-----Number of units-----			
NUMBER OF UNITS IN ISSUE		<u>137,468,300</u>	<u>87,321,417</u>
-----Rupees-----			
NET ASSET VALUE PER UNIT		<u>12.2009</u>	<u>13.1818</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ASSET ALLOCATION FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

Note	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
-----Rupees in '000-----				
INCOME				
Capital gain on sale of investments - net	56,947	48,773	40,629	35,591
Income from term finance certificates and sukuk bonds	2,047	6,706	581	1,773
Income from government securities	21,673	4,462	1,681	1,581
Income from Pakistan Investment Bonds	3,455	-	3,455	-
Profit on bank deposits	41,919	11,323	17,273	5,426
Dividend income	19,522	28,582	13,223	10,740
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5,556	31,263	(23,920)	8,783
Total income	151,119	131,109	52,922	63,894
EXPENSES				
Remuneration of NBP Fullerton asset Management Ltd - Management Company	20,780	9,758	7,341	3,745
Sindh sales tax on Management Company's remuneration	3,886	1,561	1,363	599
FED on Management Company's remuneration	3,325	-	1,175	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,790	976	614	375
Annual fee - Securities and Exchange Commission of Pakistan	987	463	349	177
Annual listing fee	30	23	10	8
Securities transaction cost	6,132	2,537	2,307	1,112
Settlement and bank charges	736	744	118	450
Auditors' remuneration	386	361	81	75
Legal and professional charges	71	-	41	-
NCCPL Fee	187	187	62	61
Fund rating fee	96	50	32	25
Printing and related costs	41	8	-	-
Amortisation of preliminary expenses and floatation costs	151	150	50	49
Total expenses	38,598	16,818	13,543	6,676
Net income from operating activities	112,521	114,291	39,379	57,218
(Provision) / reversal of provision for Workers' Welfare Fund	(2,250)	(2,286)	(787)	(1,145)
Net income for the period before taxation	110,271	112,005	38,592	56,073
Taxation	7	-	-	-
Net income for the period after taxation	110,271	112,005	38,592	56,073
Earnings per unit				

The annexed notes 1 to 10 form an integral part of this 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 MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	<u>Nine month ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	-----Rupees in '000-----			
Net income for the period after taxation	110,271	112,005	38,592	56,073
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>110,271</u>	<u>112,005</u>	<u>38,592</u>	<u>56,073</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ASSET ALLOCATION FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	<u>Nine month ended</u>		<u>Quarter ended</u>	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	-----Rupees in '000-----			
Undistributed income brought forward comprising :	257,804	53,874	174,065	75,002
Final distribution for the year ended June 30, 2013 Rs 1.8674 per unit declared on July 11, 2013				
- Bonus distribution	(180,213)	(46,398)	-	-
- Cash distribution	(6)	(10)	-	-
Interim distribution for the period ended Dec 31, 2013 Rs.0.2263 per unit declared on Feb 13, 2014				
- Bonus distribution	(27,455)	(13,263)	(27,455)	(13,263)
- Cash distribution	(3)	(2)	(3)	(2)
Net income for the period after taxation	110,271	112,005	38,592	56,073
Element of income and capital gains included in prices of units issued less those in units redeemed	56,207	30,848	31,406	19,244
Undistributed income carried forward	<u>216,605</u>	<u>137,054</u>	<u>216,605</u>	<u>137,054</u>

The annexed notes 1 to 10 form an integral part of this 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' FUNDS (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
-----Rupees in '000-----				
Net assets at the beginning of the period	1,151,057	488,550	1,269,419	683,547
Issue of 164,019,307 units including 17,562,488 bonus units 2013: 65,441,879 units including 5,524,709 bonus units)	1,772,484	684,458	782,409	345,776
Redemption of 113,872,424 units (2013: 36,570,264 Units)	(1,356,564) 415,920	(415,403) 269,055	(413,178) 369,231	(215,796) 129,980
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to distribution statement	(56,207)	(30,848)	(31,406)	(19,244)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5,556	31,263	(23,920)	8,783
Capital gain / (loss) on sale of investments	56,947	48,773	40,629	35,591
Other net income for the period	47,768	31,969	21,883	11,699
Net income for the period	110,271	112,005	38,592	56,073
Distribution of bonus units during the period				
- Final distribution	180,213	46,398	360,426	-
Final distribution for the year ended June 30, 2013: Rs 1.8674 per unit declared on July 11, 2013				
- Bonus distribution	(180,213)	(46,398)	(360,426)	-
- Cash distribution	(6)	(10)	-	-
Interim distribution				
- Bonus distribution	27,455	13,263	27,455	13,263
	-	-	-	-
Interim distribution for the period ended Dec 31, 2013 Rs.0.2263 per unit declared on Feb 13, 2014				
- Bonus distribution	(27,455)	(13,263)	(27,455)	(13,263)
- Cash distribution	(3)	(2)	(3)	(2)
Element of income and capital gains included in prices of units issued less those in units redeemed	56,207	30,848	31,406	19,244
Net assets as at the end of the period	1,677,239	869,598	1,677,239	869,598

The annexed notes 1 to 10 form an integral part of this 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 MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
-----Rupees in '000-----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period before taxation	110,271	112,005	38,592	56,073
Adjustments				
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(5,556)	(31,263)	23,920	(8,783)
Amortisation of preliminary expenses and floatation costs	151	150	50	49
(Gain) on sale of investments - net	(56,947)	(48,773)	(40,629)	(35,591)
	47,919	32,119	21,933	11,748
(Increase) / decrease in assets				
Investments	(1,365,720)	176,626	(1,030,541)	191,784
Receivable against sale of investments	14,965	-	(46,457)	-
Deposits, prepayments and other receivables	1,326	127	23,556	2,806
Dividend and profit receivable	(20,587)	(5,261)	(21,006)	(8,859)
	(1,370,016)	171,492	(1,074,448)	185,731
Increase / (decrease) in liabilities				
Payable to NBP Fullerton Asset Management Limited	7,991	464	4,806	(1,849)
Payable to Central Depository Company of Pakistan Limited -Trustee	47	197	31	164
Payable to Securities and Exchange Commission of Pakistan	275	88	349	178
Payable against purchase of investments	17,010	(34,394)	17,010	-
Accrued expenses and other liabilities	2,440	2,674	2,171	1,596
	27,763	(30,971)	24,367	89
Net cash generated/ (used) from operating activities	(1,294,334)	172,640	(1,028,148)	197,568
CASH FLOW FROM FINANCING ACTIVITIES				
Receipts from issue of units	1,772,484	684,458	782,409	345,776
Payment on redemption of units	(1,354,907)	(415,403)	(412,094)	(215,796)
Distribution paid	(9)	(12)	(3)	(2)
Net cash generated from financing activities	417,568	269,043	370,312	129,978
Net increase / (decrease) in cash and cash equivalents during the period	(876,766)	441,683	(657,836)	327,546
Cash and cash equivalents at the beginning of the period	1,063,978	56,225	845,048	170,362
Cash and cash equivalents as at the end of the period	187,212	497,908	187,212	497,908

The annexed notes 1 to 10 form an integral part of this 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 MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

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 the 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 principal office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

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 categorised as an Open-End "Asset Allocation Scheme" as per the criteria laid down by SECP for categorisation 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 (PACRA) has assigned an asset manager rating of "AM2" to the Management Company. Based on the performance of the fund for the year ended June 30, 2013, It has been assigned short term of "3 star" performance ranking.

Title of the assets of the Fund is held in the name of CDC as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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 IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2013.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2014.

3 ACCOUNTING POLICIES

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

	Note	Un-Audited March 31, 2014	Audited June 30, 2013
-----Rupees in '000-----			
4 INVESTMENTS			
At fair value through profit or loss:			
- Equity securities - listed	4.1	1,070,316	6,422
- Term finance certificates - listed	4.2	18,405	26,443
- Pakistan Investment Bonds	4.3	372,367	
		<u>1,461,088</u>	<u>32,865</u>

NAFA ASSET ALLOCATION FUND

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

All shares have a nominal face value of Rs.10 each.

Name of the investee company	Number of shares					Market value as at March 31, 2014	Investment as a percentage of		
	As at July 01, 2013	Purchases during the period	Bonus / Right Issues	Sales during the period	As at March 31, 2014		Net assets	Market value of total investments	Paid up capital of the investee company
						Rupees in '000	----- % -----		
Oil & Gas									
Oil and Gas Development Company Limited		639,000	-	498,300	140,700	33,927	2.02	2.32	-
Pakistan Oilfields Limited		518,200	-	311,100	207,100	112,700	6.72	7.71	0.09
Pakistan Petroleum Limited		1,061,300	28,260	892,000	197,560	44,206	2.64	3.03	0.01
Pakistan State Oil Company Limited		823,200	-	470,000	353,200	150,714	8.99	10.32	0.14
Chemicals									
Engro Corporation Limited		1,351,000	-	1,069,500	281,500	52,491	3.13	3.59	0.06
Fatima Fertilizer Company Limited		1,980,500	-	1,246,000	734,500	23,122	1.38	1.58	0.03
Foods									
EFERT		834,000	10,150	834,000	10,150	606	0.04	0.04	-
Industrial Engineering									
Millat Tractors Limited	40	4	-	44	-	-	-	-	-
Pakistan National Shipping Company	-	166,000	-	-	166,000	12,191	0.73	0.83	0.13
Construction and Materials									
Kohat Cement Company Limited		868,500	15,900	634,900	249,500	29,197	1.74	2.00	0.16
Cherat Cement Corporation	110,000	594,000	-	704,000	-	-	-	-	-
D.G. Khan Cement Company Limited		2,202,500	-	1,538,000	664,500	61,147	3.65	4.19	0.15
Fauji Cement Company Limited		1,405,000	-	290,000	1,405,000	24,012	1.43	1.64	0.11
Lucky Cement Limited		440,400	-	290,000	150,400	47,669	2.84	3.26	0.16
Maple Leaf Cement Factory Limited		5,299,500	-	2,757,500	2,542,000	74,811	4.46	5.12	0.48
Pioneer Cement		1,630,500	-	920,500	710,000	33,150	1.98	2.27	0.31
General Industrials									
Thal Limited		73,700	-	36,900	36,800	6,247	0.37	0.43	0.09
Tri Pack Films Limited		1,532,000	-	-	1,532,000	13,497	0.80	0.92	5.11
Automobile and Parts									
Honda Atlas Car		343,500	-	-	343,500	18,948	1.13	1.30	0.24
Personal Goods									
Nishat Chunian Limited		1,673,000	-	1,673,000	-	-	-	-	-
Tariq Glass		52,000	-	52,000	-	-	-	-	-
Nishat Mills Limited		2,113,400	-	1,805,900	307,500	35,839	2.14	2.45	0.09
Technology / Communication									
Pakistan Telecommunication Company Limited		6,068,500	-	4,352,500	1,716,000	52,458	3.13	3.59	0.45
Electricity									
The Hub Power Company Limited		2,656,500	-	2,372,000	284,500	15,127	0.90	1.04	0.02
Kot Addu Power Company Limited		2,425,000	-	1,385,000	1,040,000	61,859	3.69	4.23	0.12
Nishat Chunian Power Limited		162,000	-	162,000	-	-	-	-	-
Nishat Power Limited		878,000	-	878,000	-	-	-	-	-
Pakgen Power		870,000	-	869,000	1,000	19	-	-	-
Banks									
Allied Bank Limited		50,000	5,000	-	55,000	5,331	0.32	0.36	-
Bank Al-Falah Limited		7,747,000	-	5,152,000	2,595,000	69,338	4.13	4.75	0.19
Bank Al-Habib Limited		5,395,500	129,650	4,099,000	1,426,150	52,924	3.16	3.62	0.13
Faysal Bank Limited		1,510,000	-	-	1,510,000	21,200	1.26	1.45	0.14
Habib Bank Limited		50,000	-	50,000	-	-	-	-	-
MCB Bank Limited		70,000	-	-	70,000	17,586	1.05	1.20	0.01
Bankislami Pakistan		117,500	-	117,500	-	-	-	-	-
National Bank of Pakistan		438,000	-	438,000	-	-	-	-	-
United Bank Limited		760,000	-	760,000	-	-	-	-	-
Total as at March 31, 2014						1,070,316	63.81	73.25	8.42
Carrying value as at March 31, 2014						1,071,688			
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'						(1,372)			

Investment include shares with market value of Rs. 63.484 million (June 30, 2013: Nil) 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 Exchange Commission of Pakistan.

NAFA ASSET ALLOCATION FUND

4.2 Listed term finance certificates and sukuk bonds- at fair value through profit or loss

Name of the investee company	Number of certificates				Market value as at March 31, 2014	Investment as a percentage of		
	As at July 01, 2013	Purchases during the period	Sales during the period	As at March 31, 2014		Net assets	Market value of total investments	Issue size
Rupees in '000						----- % -----		
Listed								
Allied Bank Limited	5,000	-	-	5,000	12,571	0.75	0.86	0.00
United Bank Limited	3,000	-	-	3,000	2,501	0.15	0.17	0.01
Pakistan Mobile Communication	-	667	-	667	3,333	0.20	0.23	-
Total as at March 31, 2014					18,405	1.10	1.26	0.01
Carrying value as at March 31, 2014					18,552			
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'					(147)			

4.3 Government securities - at fair value through profit or loss

Issue date	Tenor	Face value				Market Value as at March 31, 2014	Investment as a percentage of	
		As at July 1, 2013	Purchases during the period	Sales during the period	As at March 31, 2014		Net Assets	Market Value of total investments
-----Rupees in '000-----						----- % -----		
Market Treasury Bills								
November 1, 2012	12 months	200,000	200,000	-	-	-	-	
January 24, 2013	6 months	447,000	447,000	-	-	-	-	
September 6, 2012	12 months	500,000	500,000	-	-	-	-	
October 4, 2012	12 months	-	500,000	500,000	-	-	-	
September 19, 2013	3 months	-	479,000	479,000	-	-	-	
October 3, 2013	3 months	-	300,000	300,000	-	-	-	
February 20, 2014	3 months	-	310,000	310,000	-	-	-	
November 28, 2013	3 months	-	310,000	310,000	-	-	-	
Total as at March 31, 2013					-	-	-	
Carrying value as at March 31, 2014					-			
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'					-			

4.4 PIBs - at fair value through profit or loss

Issue date	Tenor	Face value				Market Value as at March 31, 2014	Investment as a percentage of	
		As at July 1, 2013	Purchases during the period	Sales / matured during the period	As at March 31, 2014		Net Assets	Market Value of total investments
-----Rupees in '000-----						----- % -----		
PIB								
July 18, 2013	3 Years	525,000	300,000	225,000	226,126	13.48	15.48	
July 18, 2012	5 Years	75,000	-	75,000	74,105	4.42	5.07	
July 18, 2012	10 Years	75,000	-	75,000	72,136	4.30	4.94	
Total as at March 31, 2014					372,367	22.20	25.49	
Carrying value as at March 31, 2014					365,292			
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'					7,075			

NAFA ASSET ALLOCATION FUND

5 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, 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, 2010.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on July 8, 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on December 14, 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. This response was contradictory to the earlier clarification issued by the Ministry. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several mutual funds (CISs) / pension funds for the collection of WWF. In respect of such show cause notices, certain mutual funds (CISs) / pension funds have been granted stay by the Honorable SHC on the basis of the pending Constitutional Petition as referred to above.

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

However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF as at March 31, 2014 amounting to Rs. 8.612 million (June 30, 2013: Rs 6.362 million) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs 0.0627.

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2014 and June 30, 2013.

7 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 avail such exemption in the current and future periods. Accordingly, no provision has been made for current and deferred taxation in this condensed interim financial information.

8 TRANSACTIONS WITH CONNECTED PERSONS

- 8.1 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.
- 8.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 8.3 Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

NAFA ASSET ALLOCATION FUND

8.4 Details of the transactions with connected persons are as follows:

	----- (Un-Audited) -----			
	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
-----Rupees in '000-----				
NBP Fullerton Asset Management Limited - Management Company				
Remuneration for the period	20,780	9,758	7,341	3,745
Sindh sales tax on remuneration of management company	3,886	1,561	1,363	599
FED on remuneration of management company	3,325		1,175	
Sale load	9,679	3,447	3,086	1,522
Alexandra Fund Management Pte. Limited - Sponsor				
Bonus units issued 3,537,134 units (2013: 2,379,062 units)	-	-	-	-
Units Redeemed / transfer out 2,584,886 units (2013: Nil units)	304,169	-	304,169	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration for the period	1,790	976	614	375
CDS charges	248	71	88	42
Employees of the Management Company				
Units issued / transfer in 1,743,685 units (2013: 1,363,399 units)	20,871	15,950	2,473	11,802
Units Redeemed / transfer out 1,804,668 units (2013: 891,409 units)	21,484	10,267	3,222	4,873
Bonus units issued 3,420 units (2013: 18,435 units)	-	-	-	-
Taurus Securities Limited				
Brokerage expense	439	84	99	-
NBP Fullerton Asset Management Ltd- Employees Provident Fund				
Units Issued / transfer in 209,847 units (2013: 607,900 units)	2,569	6,817	2,569	4,477
Units Redeemed / transfer out 217,606 units (2013 : 171,842 units)	2,589	1,928	1,785	-
Bonus units issued 105,594 units (2013: Nil Units)	-	-	-	-
Company Secretary / CFO				
Units Issued / transfer in 42,852 units (2013: 51,380 units)	500	579	-	125
Units Redeemed / transfer out 40,479 units (2013 : 51,108 units)	500	597	500	370
Bonus units issued 3,881 units (2013: 364 units)	-	-	-	-
Dr. Amjad Waheed - Chief Executive -- CEO				
Units Issued/ transfer in Nil units (2013: 111,764 units)	-	1300	-	1,300
Units Redeemed / transfer out Nil units (2013 : 112,403 units)	-	1352	-	1,352
Bonus units issued Nil units (2013: 638 units)	-	-	-	-
National Bank of Pakistan				
Sold Treasury Bill	499,645	49,886	-	-
Purchased Treasury Bill	738,447	-	-	-
Purchase 438 shares (2013:569,500)	22,769	-	22,769	-
Sold 438 shares (2013:785,000)	21,309	-	21,309	-
Millat Tractors				
Purchase Nil shares (2013:25,200)	22,769	-	22,769	-
Sold 44 shares (2013:24,4800)	21	-	21	-
Cherat Cement Company Limited				
Purchase 594,000 shares (2013:)	36,526	-	36,526	-
Sold 704,000 shares (2013:)	41,695	-	41,695	-
Maple Leaf Cement Factory Limited				
Purchase 5,299,500 shares (2013:)	156,068	-	156,068	-
Sold 2,757,500 shares (2013:)	72,288	-	72,288	-
Kot Addu Power Company				
Purchase 2,425,000 shares (2013:)	148,073	-	148,073	-
Sold1,385,000 shares (2013:)	85,675	-	85,675	-
Thal Limited				
Purchase 73,700 shares (2013:)	8,705	-	8,705	-
Sold1,336,900 shares (2013:)	5,901	-	5,901	-
NAFA Government Securities Liquid Fund				
Sold Term Finance Certificate	-	38,910	-	-
NAFA Financial Sector Income Fund				
Sold Term Finance Certificate	-	38,430	-	-

NAFA ASSET ALLOCATION FUND

	----- (Un-Audited) -----			
	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	-----Rupees in '000-----			
NAFA Income Opportunity Fund				
Sold Treasury Bill	39,851	-	-	-
NAFA Savings Plus Fund				
Sold Treasury Bill	19,925	-	-	-
International industries Ltd. Employees Provident Fund				
Units Issued/ transfer in 463,039 units (2013: 3,159,499 units)	5,646	35,281	5,646	19,354
Units Redeemed / transfer out 377,903 units (2013 : 987,652 units)	4,402	11,133	-	-
Bonus units issued 514,475 units (2013: 37,495 units)	-	-	-	-
International industries Ltd. Employees Gratuity Fund				
Units Issued/ transfer in 4,959,331 units (2013: Nil units)	63,437	-	26,346	-
Units Redeemed / transfer out 445,060 units (2013 : Nil units)	5,185	-	-	-
Bonus units issued 509,208 units (2013: Nil units)	-	-	-	-
International Steel Ltd. Employees Gratuity Fund				
Units Issued/ transfer in 439,658 units (2013: Nil units)	5,586	-	3,240	-
Bonus units issued 32,737 units (2013: Nil units)	-	-	-	-
International Steel Ltd. Employees Provident Fund				
Units Issued/ transfer in 148,466 units (2013: 424,129 units)	1,812	4,662	1,812	-
Units Redeemed / transfer out 77,742 units (2013 : 290,697 units)	906	3,277	-	-
Bonus units issued 105,843 units (2013: Nil units)	-	-	-	-
Summit Bank Limited				
Bank profit	69	-	3	-
Purchased Treasury Bill	499,645	-	-	-
			(Un-Audited) March 31, 2014	(Audited) June 30, 2013

----- Rupees in '000 -----

8.5 Amounts outstanding as at period end

NBP Fullerton Asset Management Limited - Management Company			
Management remuneration payable	2,740	1,870	
Sindh sales tax on remuneration of management company	1,298	299	
FED on remuneration of management company	3,306	181	
Front-end load	4,183	1,186	
Central Depository Company of Pakistan Limited - Trustee			
Remuneration payable	223	176	
CDS charges payable	80	98	
Security deposit	100	100	
National Bank of Pakistan			
Balance in current account	2,037	2,042	
Alexandra Fund Management Pte. Limited - Sponsor			
Investment held by the sponsor in the Fund Nil units (June 30, 2013: 22,311,751 units)	-	294,109	
Employees of the Management Company			
Investment held in the Fund 110,909 units (June 30, 2013: 329,004 units)	1,353	4,337	
NBP Fullerton Asset Management Ltd- Employees Provident Fund			
Investment held in the Fund 680,575 units (June 30, 2013: 582,741 units)	8,304	7,682	
Company Secretary / CFO			
Investment held in the Fund 47,207 units (June 30, 2013: 37,952 units)	576	500	
International Industries Ltd. Employees Provident Fund			
Investment held in the Fund 3,482,481 units (June 30, 2013 : 2,882,869 units)	42,489	38,001	
International Industries Ltd. Employees Gratuity Fund			
Investment held in the Fund 5,023,480 units (June 30, 2013 : Nil units)	61,291	-	
International Steels Ltd. Employees Provident Fund			
Investment held in the Fund 764,652 units (June 30, 2013 :588,084 units)	9,329	7,752	
International Steels Ltd. Employees Gratuity Fund			
Investment held in the Fund 472,396 units (June 30, 2013 :Nil units)	5,764	-	
Taurus Securities Limited			
Brokerage payable	119	136	
Summit Bank Limited			
Bank Balance	3,090	3,037	

NAFA ASSET ALLOCATION FUND

9 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 30, 2014.

10 GENERAL

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

10.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together



Joint - Venture Partners

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