



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

NAFA ASSET ALLOCATION FUND

QUARTERLY REPORT

MARCH 31

2015



Your investments & "NAFA" grow together




**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

NAFA ASSET ALLOCATION FUND

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. Nigel Poh Cheng	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & 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. Nigel Poh Cheng	Member
Mr. Kamal Amir Chinoy	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
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
JS Bank 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, I-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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

Multan Office:

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

NAFA 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, 2015.

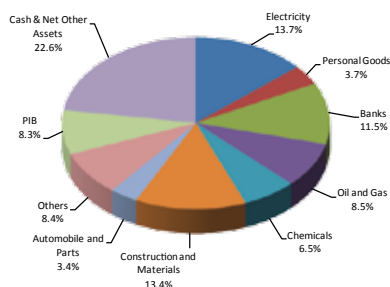
Fund's Performance

During the third quarter, the unit price of NAFA Asset Allocation Fund (NAAF) has decreased from Rs. 13.4693 on December 31, 2014 to Rs. 13.2124 on March 31, 2015, thus showing a decline of 1.9%. The Benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-months KIBOR; 1/3 of KSE 30 Index) decline by 1.3% during the same period. Thus, the Fund has underperformed its Benchmark by 0.6% during the period under review. For the nine months period ended March 31, 2015, the NAV of the Fund has increased from Rs. 12.0038 on June 30, 2014 to Rs. 13.2124 on March 31, 2015, thus showing an increase of 10.1%. During the said period, the Benchmark increased by 2.23%, translating into an outperformance of 7.9%. Since inception the NAV of the Fund has increased from Rs.5.8564 (Ex-Div) on August 20, 2010 to Rs.13.2124 on March 31, 2015, thus showing an increase of 125.6%. During the said period, the Benchmark increased by 66.1%, translating into outperformance of 59.5%. This performance is net of management fee and all other expenses. The size of NAFA Asset Allocation Fund has decreased from Rs. 2,155 million to Rs. 1,962 million during the period, i.e. a decreased of 9.0%.

The stock market exhibited high volatility during the 3QFY15. The market started off the quarter on a strong note in January, posting around 7% return before taking a breather in February and finally plunging sharply in March. Overall, the benchmark KSE-100 Index fell by 5.9% during the quarter defying strong fundamentals of the economy such as sharp decline in inflation and subsequent cuts in discount rate, improving external account position and build-up in FX reserves, stabilizing political situation; and attractive stock market valuations as reflected by widening discount to the regional peers. Foreign investors turned large net sellers during the period where the major chunk reportedly came from a single hedge fund facing large redemptions. Sharp decline in market unnerved leveraged investors forcing them to liquidate their positions amid margin calls. The Index heavy Oil & Gas and Banking sectors underperformed the market whereas Chemicals, Electricity and Household Goods sectors outperformed during the period under review.

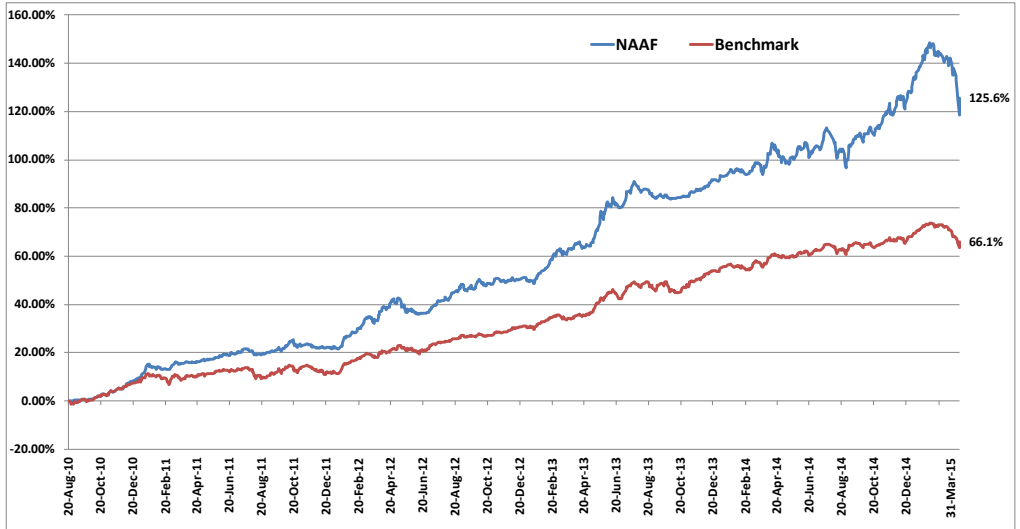
On the corporate debt sphere, trading activity in TFCs remains skewed towards high quality issues, especially those belonging to the financial sector. Search for yields and dearth of primary issuance versus elevated demand kept the yield on the high credit quality corporate bonds depressed. Furthermore, helped by the economic rebound, and declining interest rates, we have seen recoveries from many non-performing corporate bonds. During the period under review, the State Bank of Pakistan reduced the policy rate by 200 bps to 8.0% mainly due to sharp decline in inflation, build-up of FX reserves, largely contained fiscal deficit, and improved external account position. Sovereign securities responded to the beginning of loose monetary policy period with yields on the PIBs and T-bills declining sharply. All TFCs/Sukuks in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

The Fund has earned total income of Rs.246.55 million during the period. After deducting expenses of Rs.54.44 million, the net income is Rs.192.11 million. The asset allocation of the Fund as on March 31, 2015 is as follows:



NAFA ASSET ALLOCATION FUND

NAAF Performance versus Benchmark (Since Inception)



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: April 21, 2015

Place: Karachi.

NAFA ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2015

	Note	Un-Audited March 31, 2015	Audited June 30, 2014
-----Rupees in '000-----			
ASSETS			
Bank balances		453,861	559,897
Investments	4	1,519,616	1,372,756
Receivable against sale of investments		2,407	-
Deposits, prepayments and other receivables		2,966	8,978
Dividend and profit receivable		27,524	9,812
Receivable against Transfer of Units		848	-
Preliminary expenses and floatation costs		49	199
Total assets		2,007,271	1,951,642
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company		18,078	7,253
Payable to Central Depository Company of Pakistan Limited -Trustee		269	235
Payable to the Securities and Exchange Commission of Pakistan		1,489	1,427
Payable against redemption of units		10,494	86
Payable against purchase of investments		-	14,579
Accrued expenses and other liabilities		14,934	11,161
Total liabilities		45,264	34,741
NET ASSETS		<u><u>1,962,007</u></u>	<u><u>1,916,901</u></u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u><u>1,962,007</u></u>	<u><u>1,916,901</u></u>
CONTINGENCIES AND COMMITMENTS	6		
-----Number of units-----			
NUMBER OF UNITS IN ISSUE		<u><u>148,497,091</u></u>	<u><u>159,691,480</u></u>
-----Rupees-----			
NET ASSET VALUE PER UNIT		<u><u>13.2124</u></u>	<u><u>12.0038</u></u>

The annexed notes 1 to 10 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 (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

Note	Nine month ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
-----Rupees in '000-----				
INCOME				
Capital gain on sale of investments - net	63,726	56,947	45,409	40,629
Income from term finance certificates and sukuk bonds	466	2,047	-	581
Income from government securities	15,372	25,128	6,717	5,136
Profit on bank deposits	33,356	41,919	7,173	17,273
Dividend income	58,356	19,522	27,254	13,223
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	75,271	5,556	(108,579)	(23,920)
Total income	246,547	151,119	(22,026)	52,922
EXPENSES				
Remuneration of NBP Fullerton asset Management Ltd - Management Company	31,341	20,780	10,718	7,341
Sindh sales tax on Management Company's remuneration	5,453	3,886	1,865	1,363
FED on Management Company's remuneration	5,014	3,325	1,714	1,175
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,318	1,790	783	614
Annual fee - Securities and Exchange Commission of Pakistan	1,489	987	509	349
Annual listing fee	30	30	10	10
Securities transaction cost	3,046	6,132	537	2,307
Settlement and bank charges	704	736	149	118
Auditors' remuneration	532	386	148	81
Legal and professional charges	37	71	12	41
NCCPL Fee	188	187	188	62
Fund rating fee	127	96	42	32
Printing and related costs	85	41	-	-
Amortisation of preliminary expenses and floatation costs	151	151	50	50
Total expenses	50,515	38,598	16,725	13,543
Net income from operating activities	196,032	112,521	(38,751)	39,379
(Provision) / reversal of provision for Workers' Welfare Fund	5	(3,921)	(2,250)	775
Net income/(Loss) for the period before taxation	192,111	110,271	(37,976)	38,592
Taxation	7	-	-	-
Net income/(Loss) for the period after taxation	192,111	110,271	(37,976)	38,592
Earnings per unit				

The annexed notes 1 to 10 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 PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine month ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	-----Rupees in '000-----			
Net income/(Loss) for the period after taxation	192,111	110,271	(37,976)	38,592
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(Loss) for the period	<u>192,111</u>	<u>110,271</u>	<u>(37,976)</u>	<u>38,592</u>

The annexed notes 1 to 10 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 (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine month ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	-----Rupees in '000-----			
Undistributed income brought forward comprising :	205,105	257,804	439,356	174,065
Final distribution				
- Bonus distribution	-	(180,213)	-	-
- Cash distribution	-	(6)	-	-
Interim distribution				
- Bonus distribution	-	(27,455)	-	(27,455)
- Cash distribution	-	(3)	-	(3)
Net income for the period after taxation	192,111	110,271	(37,976)	38,592
Element of income and capital gains included in prices of units issued less those in units redeemed	(12,911)	56,207	(17,075)	31,406
Undistributed income carried forward	<u>384,305</u>	<u>216,605</u>	<u>384,305</u>	<u>216,605</u>

The annexed notes 1 to 10 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' FUNDS (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine month ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	-----Rupees in '000-----			
Net assets at the beginning of the period	1,916,901	1,151,057	2,155,490	1,269,419
Issue of 140,078,769 units including Nil bonus units 2014: 164,019,307 units including 17,562,488 bonus units)	1,807,655	1,772,484	485,591	782,409
Redemption of 151,273,158 units (2014: 113,872,424 units)	(1,954,660) (147,005)	(1,356,564) 415,920	(641,098) (155,507)	(413,178) 369,231
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to distribution statement	12,911	(56,207)	17,075	(31,406)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	75,271	5,556	(108,579)	(23,920)
Capital gain / (loss) on sale of investments	63,726	56,947	45,409	40,629
Other net income for the period	53,114	47,768	25,194	21,883
Net income for the period	192,111	110,271	(37,976)	38,592
Distribution of bonus units during the period				
- Final distribution	-	180,213	-	360,426
Final distribution				
- Bonus distribution	-	(180,213)	-	(360,426)
- Cash distribution	-	(6)	-	-
Interim distribution				
- Bonus distribution	-	27,455	-	27,455
- Cash distribution	-	-	-	-
Interim distribution				
- Bonus distribution	-	(27,455)	-	(27,455)
- Cash distribution	-	(3)	-	(3)
Element of income and capital gains included in prices of units issued less those in units redeemed	(12,911)	56,207	(17,075)	31,406
Net assets as at the end of the period	<u>1,962,007</u>	<u>1,677,239</u>	<u>1,962,007</u>	<u>1,677,239</u>

The annexed notes 1 to 10 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 PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine month ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
-----Rupees in '000-----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income/(Loss) for the period before taxation	192,111	110,271	(37,976)	38,592
Adjustments				
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(75,271)	(5,556)	108,579	23,920
Amortisation of preliminary expenses and floatation costs	151	151	50	50
(Gain) on sale of investments - net	(63,726)	(56,947)	(45,409)	(40,629)
	<u>53,265</u>	<u>47,919</u>	<u>25,244</u>	<u>21,933</u>
(Increase) / decrease in assets				
Investments	(7,864)	(1,365,720)	276,119	(1,030,541)
Receivable against sale of investments	(2,407)	14,965	9,151	(46,457)
Deposits, prepayments and other receivables	6,012	1,326	(11)	23,556
Dividend and profit receivable	(17,712)	(20,587)	(19,396)	(21,006)
	<u>(21,971)</u>	<u>(1,370,016)</u>	<u>265,863</u>	<u>(1,074,448)</u>
Increase / (decrease) in liabilities				
Payable to NBP Fullerton Asset Management Limited	10,825	7,991	1,991	4,806
Payable to Central Depository Company of Pakistan Limited -Trustee	34	47	6	31
Payable to Securities and Exchange Commission of Pakistan	62	275	509	349
Payable against purchase of investments	(14,579)	17,010	-	17,010
Accrued expenses and other liabilities	3,773	2,440	(553)	2,171
	<u>115</u>	<u>27,763</u>	<u>1,953</u>	<u>24,367</u>
Net cash generated/ (used) from operating activities	<u>31,409</u>	<u>(1,294,334)</u>	<u>293,060</u>	<u>(1,028,148)</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Receipts from issue of units	1,806,807	1,772,484	484,750	782,409
Payment on redemption of units	(1,944,252)	(1,354,907)	(630,662)	(412,094)
Distribution paid	-	(9)	-	(3)
Net cash generated from financing activities	<u>(137,445)</u>	<u>417,568</u>	<u>(145,912)</u>	<u>370,312</u>
Net increase / (decrease) in cash and cash equivalents during the period				
	<u>(106,036)</u>	<u>(876,766)</u>	<u>147,148</u>	<u>(657,836)</u>
Cash and cash equivalents at the beginning of the period	559,897	1,063,978	306,713	845,048
Cash and cash equivalents as at the end of the period	<u>453,861</u>	<u>187,212</u>	<u>453,861</u>	<u>187,212</u>

The annexed notes 1 to 10 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 PERIOD AND QUARTER ENDED MARCH 31, 2015

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 Limited has assigned Management Quality Rating of 'AM2+' to the Management Company as at April 8, 2014 and Fund Performance Rating MFR 3-Star (based on one year weighted average ranking), MFR 5-Star (based on three years weighted average ranking) as at November 21, 2014.

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, 2014.

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, 2015.

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, 2014.

NAFA ASSET ALLOCATION FUND

4 INVESTMENTS

	Note	Un-Audited March 31, 2015	Audited June 30, 2014
-----Rupees in '000-----			
At fair value through profit or loss:			
- Equity securities - listed	4.1	1,356,382	1,255,479
- Term finance certificates - listed	4.2	-	12,079
- Treasury Bills	4.3	-	-
- Pakistan Investment Bonds	4.4	163,234	105,198
		<u>1,519,616</u>	<u>1,372,756</u>

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

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

Name of the investee company	Number of shares					Market value as at March 31, 2015	Investment as a percentage of		
	As at July 01, 2014	Purchases during the period	Bonus / Right Issues	Sales during the period	As at March 31, 2015		Net assets	Market value of total investments	Paid up capital of the investee company
						Rupees in '000	-----%		
Oil & Gas									
Attock Petroleum Limited	-	1,800	-	-	1,800	936	0.05	0.06	0.00
Oil and Gas Development Company Limited	154,200	126,500	-	192,500	88,200	16,011	0.82	1.05	0.00
Pakistan Oilfields Limited	119,900	137,950	-	151,800	106,050	34,621	1.76	2.28	0.04
Pakistan Petroleum Limited	235,060	507,800	-	358,000	384,860	59,526	3.03	3.92	0.02
Pakistan State Oil Company Limited	140,320	140,500	-	201,800	79,020	27,215	1.39	1.79	0.03
Shell Pakistan Limited	-	41,000	-	-	41,000	9,055	0.46	0.60	0.04
Hascol Petroleum Limited	-	205,000	-	-	205,000	18,829	0.96	1.24	0.23
Chemicals									
Engro Corporation Limited	436,400	368,200	-	305,500	499,100	128,219	6.54	8.44	0.10
Fatima Fertilizer Company Limited	5,000	-	-	5,000	-	-	-	-	-
Engro Fertilizers Limited	150	566,000	-	566,000	150	12	0.00	0.00	0.00
Fauji Fertilizer Company Limited	-	332,000	-	332,000	-	-	-	-	-
Construction and Materials									
D.G. Khan Cement Company Limited	365,500	1,270,000	-	752,500	883,000	98,719	5.03	6.50	0.20
Lucky Cement Limited	157,300	225,500	-	254,400	128,400	57,259	2.92	3.77	0.04
K- Electric Limited	20,000	-	-	20,000	-	-	-	-	-
Maple Leaf Cement Factory Limited	1,683,000	2,245,500	-	2,536,000	1,392,500	66,896	3.41	4.40	0.26
Pioneer Cement Limited	1,280,000	390,000	-	1,159,500	510,500	40,125	2.05	2.64	0.22
General Industrials									
Thal Limited (Par value: Rs. 5)	191,900	33,600	-	-	225,500	57,579	2.93	3.79	0.28
Personal Goods									
Nishat Mills Limited	317,000	645,000	-	638,400	323,600	33,065	1.69	2.18	0.05
Kohinoor Textile Mills Limited	-	1,045,500	-	100,054	945,446	39,851	2.03	2.62	0.19
Industrial Transportation									
Pakistan National Shipping Corporation	215,500	-	-	96,800	118,700	17,820	0.91	1.17	0.09
Multiutilities (Gas and Water)									
Sui Northern Gas Pipelines Limited	-	791,000	-	212,500	578,500	13,369	0.68	0.88	0.09
Industrial Metals and Mining									
Resnet Steel & Allied Products	-	185,000	-	-	185,000	8,201	0.42	0.54	0.30
International Industries Limited	-	295,000	-	-	295,000	19,255	0.98	1.27	0.25
Technology / Communication									
Pakistan Telecommunication Company	1,277,000	-	-	1,277,000	-	-	-	-	-
TPL Trakker Limited	1,532,000	-	-	1,530,000	2,000	14	0.00	0.00	0.00
Electricity									
The Hub Power Company Limited	626,500	829,000	-	397,000	1,058,500	90,375	4.61	5.95	0.09
Kot Addu Power Company Limited	860,000	711,500	-	152,500	1,419,000	110,370	5.63	7.26	0.16
K-Electric Limited	2,215,000	-	-	725,000	1,490,000	10,594	0.54	0.70	0.01
Pakgen Power Limited	1,000	-	-	1,000	-	-	-	-	-
Saif Power Limited	-	1,356,000	-	67,000	1,289,000	46,172	2.35	3.04	0.33
Lalpir Power Limited	-	814,500	-	427,000	387,500	11,575	0.59	0.76	0.10
Banks									
Allied Bank Limited	1,000	502,900	-	1,000	502,900	47,580	2.43	3.13	0.04
Bank Al-Falah Limited	2,027,500	1,380,000	-	3,407,500	-	-	-	-	-
Bank Al Habib Limited	1,514,650	484,000	-	1,214,500	784,150	33,781	1.72	2.22	0.07
Habib Bank Limited	-	96,000	-	96,000	-	-	-	-	-
MCB Bank Limited	165,500	-	-	165,500	-	-	-	-	-
Meezan Bank Limited	-	230,000	-	-	230,000	10,143	0.52	0.67	0.02
National Bank of Pakistan	1,597,000	235,000	-	1,832,000	-	-	-	-	-
Faysal Bank Limited	50,000	4,171,500	499,125	1,084,000	3,636,625	52,295	2.67	3.44	0.30
Habib Metropolitan Bank Limited	640,000	266,000	-	156,500	749,500	21,766	1.11	1.43	0.20
United Bank Limited	718,203	559,800	-	883,100	394,903	60,787	3.10	4.00	0.03

NAFA ASSET ALLOCATION FUND

Name of the investee company	Number of shares					Market value as at March 31, 2015	Investment as a percentage of		
	As at July 01, 2014	Purchases during the period	Bonus / Right Issues	Sales during the period	As at March 31, 2015		Net assets	Market value of total investments	Paid up capital of the investee company
						Rupees in '000	----- % -----		
Paper and Board									
Century Paper and Board Mills Limited	278,000	83,500	-	273,000	88,500	4,771	0.24	0.31	0.06
Automobile and Parts									
Honda Atlas Cars (Pakistan) Limited	555,000	22,500	-	566,000	11,500	2,109	0.11	0.14	0.01
Indus Motor Company Limited		31,150	-	-	31,150	31,619	1.61	2.08	0.04
Pak Suzuki Motor Company Limited	95,500	56,800	-	60,000	92,300	31,982	1.63	2.10	0.11
Baluchistan Wheels		7,500	-	-	7,500	356			
Pharma and Bio Tech									
Abbott Laboratories (Pakistan) Limited	-	17,400	-	-	17,400	8,654	0.44	0.57	0.02
Household Goods									
Tariq Glass Industries	-	735,500	-	-	735,500	34,876	1.78	2.30	1.00
Total as at March 31, 2015						<u>1,356,382</u>	<u>69.11</u>	<u>89.23</u>	
Carrying value as at March 31, 2015						<u>1,294,991</u>			
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'						<u>61,391</u>			

4.1.1 Investment include shares with market value of Rs. 36.722 million (June 30, 2014: 87.878 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 Exchange Commission of Pakistan.

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, 2015	Investment as a percentage of			
	As at July 01, 2014	Purchases during the period	Sales during the period	As at March 31, 2015		Net assets	Market value of total investments	Issue size	
						Rupees in '000	----- % -----		
Listed									
Allied Bank Limited	5,000	-	5,000	-	-	-	-	-	
United Bank Limited	3,000	-	3,000	-	-	-	-	-	
Pakistan Mobile Communication	667	-	667	-	-	-	-	-	
Total as at March 31, 2015									
Carrying value as at March 31, 2015									
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'									

4.3 Government securities - at fair value through profit or loss Market Treasury Bills

Issue date	Tenor	Face value				Market Value as at March 31, 2015	Investment as a percentage of	
		As at July 1, 2014	Purchases during the period	Sales during the period	As at March 31, 2015		Net Assets	Market Value of total investments
						-----Rupees in '000-----	----- % -----	
November 27, 2014	3 months	-	400,000	400,000	-	-	-	-
Total as at March 31, 2015								
Carrying value as at March 31, 2015								
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'								

NAFA ASSET ALLOCATION FUND

4.4 Pakistan Investment Bonds - at fair value through profit or loss

Issue date	Tenor	Face value				Market Value as at March 31, 2015	Investment as a percentage of	
		As at July 1, 2014	Purchases during the period	Sales during the period	As at March 31, 2015		Net Assets	Market Value of total investments
-----Rupees in '000----						----- % -----		
PIB								
July 18, 2013	5 years	75,000	-	-	75,000	81,832	4.17	5.39
July 19, 2012	10 years	34,150	-	34,100	50	57	0.00	0.00
July 17, 2014	5 years	-	37,500	-	37,500	41,414	2.11	2.73
July 17, 2014	3 years	-	37,500	-	37,500	39,931	2.04	2.63
Total as at March 31, 2015						163,234	8.32	10.74
Carrying value as at March 31, 2015						149,354		
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'						13,880		

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") whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2012, the Honourable 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, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 13.934 million (June 30, 2014 Rs 10.014 million) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at March 31, 2015 would have been higher by Rs 0.0938 per unit.

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2015 and June 30, 2014.

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.

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.

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, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	-----Rupees in '000-----			
NBP Fullerton Asset Management Limited - Management Company				
Remuneration for the period	31,341	20,780	10,718	7,341
Sindh sales tax on remuneration of management company	5,453	3,886	1,865	1,363
FED on remuneration of management company	5,014	3,325	1,714	1,175
Sale load	6,605	9,679	1,894	3,086
Alexandra Fund Management Pte. Limited - Sponsor				
Bonus units issued Nil units (2014: 3,537,134 units)	-	-	-	-
Units Redeemed / transfer out Nil units (2014:2,584,886 units)	-	304,169	-	304,169
Central Depository Company of Pakistan Limited - Trustee				
Remuneration for the period	2,318	1,790	783	614
CDS charges	173	248	66	88
Employees of the Management Company				
Units issued / transfer in 270,490 units (2014: 1,743,685 units)	3,637	20,871	2,316	2,473
Units Redeemed / transfer out 224,483 units (2014: 1,804,668 units)	2,799	21,484	420	3,222
Bonus units issued Nil units (2014: 3,420 units)	-	-	-	-
Taurus Securities Limited				
Brokerage expense	237	439	34	99
NBP Fullerton Asset Management Ltd- Employees Provident Fund				
Units Issued / transfer in Nil units (2014; 209,847 units)	-	2,569	-	2,569
Units Redeemed / transfer out 37,787 units (2014 :217,606 units)	500	2,589	-	1,785
Bonus units issued Nil units (2014: 105,594 Units)	-	-	-	-
Company Secretary / CFO				
Units Issued/ transfer in 12,020 units (2014: 42,852 units)	150	500	-	-
Units Redeemed / transfer out Nil units (2014 : 40,479 units)	-	500	-	500
Bonus units issued Nil units (2014: 3,881 units)	-	-	-	-
National Bank of Pakistan				
Sold Treasury Bill	-	499,645	-	-
Purchased Treasury Bill	-	738,447	-	-
Purchase 235,000 shares (2014:438 shares)	14,407	22,769	14,407	22,769
Sold 1,832,000 shares (2014:438 shares)	106,142	21,309	106,142	21,309
Millat Tractors				
Purchase Nil shares (2014:25,200)	-	22,769	-	22,769
Sold Nil shares (2014:24,4800)	-	21	-	21
Cherat Cement Company Limited				
Purchase Nil shares (2014:594,000)	-	36,526	-	36,526
Sold Nil shares (2014:704,000)	-	41,695	-	41,695
Maple Leaf Cement Factory Limited				
Purchase 2,245,500 shares (2014:5,299,500)	64,401	156,068	64,401	156,068
Sold 2,536,000 shares (2014:2,757,500)	85,845	72,288	85,845	72,288
Kot Addu Power Company				
Purchase 711,500 shares (2014:2,425,000)	56,126	148,073	56,126	148,073
Sold: 152,500 shares (2014:385,000)	10,129	85,675	10,129	85,675
Thal Limited				
Purchase 33,600 shares (2014:73,000 Shares)	7,925	8,705	7,925	8,705
Sold 1, Nil shares (2014:336,900)	-	5,901	-	5,901

NAFA ASSET ALLOCATION FUND

	----- (Un-Audited) -----			
	Nine month ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	-----Rupees in '000-----			

NAFA Income Opportunity Fund

Sold Treasury Bill	-	39,851	-	-
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NAFA Savings Plus Fund

Sold Treasury Bill	-	19,925	-	-
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International industries Ltd. Employees Provident Fund

Units Issued/ transfer in 185,742 units (2014: 463,039 units)	2,283	5,646	-	5,646
Units Redeemed / transfer out 3,767,297 units (2014 : 377,903 units)	47,892	4,402	-	-
Bonus units issued Nil units (2014: 514,475 units)	-	-	-	-

International industries Ltd. Employees Gratuity Fund

Units Issued/ transfer in 1,409,824 units (2014: 4,959,331 units)	17,077	63,437	-	26,346
Units Redeemed / transfer out 9,573,668 units (2014 : 445,060 units)	134,998	5,185	109,378	-
Bonus units issued Nil units (2014: 509,208 units)	-	-	-	-

International Steel Ltd. Employees Gratuity Fund

Units Issued/ transfer in 127,134 units (2014: 439,658 units)	1,541	5,586	-	3,240
Units Redeemed / transfer out 970,640 units (2013 : 290,697 units)	12,387	-	-	-
Bonus units issued Nil units (2014: 32,737 units)	-	-	-	-

International Steel Ltd. Employees Provident Fund

Units Issued/ transfer in 63,915 units (2014: 148,466 units)	779	1,812	-	1,812
Units Redeemed / transfer out 887,077 units (2014 : 77,742 units)	11,161	906	-	-
Bonus units issued Nil units (2014: 105,843 units)	-	-	-	-

BYCO Oil Pakistan Limited - Employee Provident Fund

Units Issued/ transfer in 1,216,714 units (2014: Nil units)	15,346	-	15,346	-
Units Redeemed / transfer out 301,053 units (2014 : Nil units)	3,930	-	3,930	-

BYCO Petroleum Pakistan Limited - Employee Provident Fund

Units Issued/ transfer in 2,987,950 units (2014: Nil units)	37,619	-	37,619	-
Units Redeemed / transfer out 984,171 units (2014 : Nil units)	12,682	-	12,682	-

Summit Bank Limited

Bank profit	124	69	38	3
Purchased Treasury Bill	-	499,645	-	-

	(Un-Audited)	(Audited)
	March	June 30,
	31, 2015	2014
	----- Rupees in '000 -----	

8.5 Amounts outstanding as at period end

NBP Fullerton Asset Management Limited - Management Company

Management remuneration payable	3,658	507
Sindh sales tax on remuneration of management company	636	94
FED on remuneration of management company	9,464	4,449
Sindh Sales Tax on Sale Load payable to Management Company	330	183
FED on Sale Load payable to Management Company	2,091	1,034
Sale load payable to Management Company	1,899	986

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	269	235
CDS charges payable	54	13
Security deposit	100	100

National Bank of Pakistan

Balance in current account	945	3,995
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NAFA ASSET ALLOCATION FUND

	(Un-Audited) March 31, 2015 ----- Rupees in '000 -----	(Audited) June 30, 2014 -----
Employees of the Management Company		
Investment held in the Fund 163,606 units (June 30, 2014: 117,598 units)	2,162	1,412
NBP Fullerton Asset Management Ltd- Employees Provident Fund		
Investment held in the Fund 740,251 units (June 30, 2014: 778,038 units)	9,780	9,339
Company Secretary / CFO		
Investment held in the Fund 59,389 units (June 30, 2014: 47,369 units)	785	569
Aamir Sattar - Director		
Investment held in the Fund 82,451 units (2014: 82,451 units)	1,089	990
International Industries Ltd. Employees Provident Fund		
Investment held in the Fund Nil units (June 30, 2014: 3,581,555 units)	-	42,992
International Industries Ltd. Employees Gratuity Fund		
Investment held in the Fund Nil units (June 30, 2014 : 8,163,844 units)	-	97,997
International Steels Ltd. Employees Provident Fund		
Investment held in the Fund Nil units (June 30, 2014 : 823,161 units)	-	9,881
International Steels Ltd. Employees Gratuity Fund		
Investment held in the Fund Nil units (June 30, 2014 : 843,507)	-	10,125
BYCO Oil Pakistan Limited - Employee Provident Fund		
Investment held in the Fund 1,193,023 units (June 30, 2014 : Nil units)	15,763	-
BYCO Petroleum Pakistan Limited - Employee Provident Fund		
Investment held in the Fund 2,897,317 units (June 30, 2014 : Nil units)	38,281	-
Taurus Securities Limited		
Brokerage payable	-	16
Summit Bank Limited		
Bank Balance	2,328	3,792

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 21, 2015.

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

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