

NAFA ISLAMIC MULTI ASSET FUND

NAFA ISLAMIC MULTI ASSET FUND

**QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2010
(UN-AUDITED)**

NAFA ISLAMIC MULTI ASSET FUND

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NAFA ISLAMIC MULTI ASSET FUND

DIRECTORS' REPORT

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Islamic Multi Asset Fund for the period ended March 31, 2010.

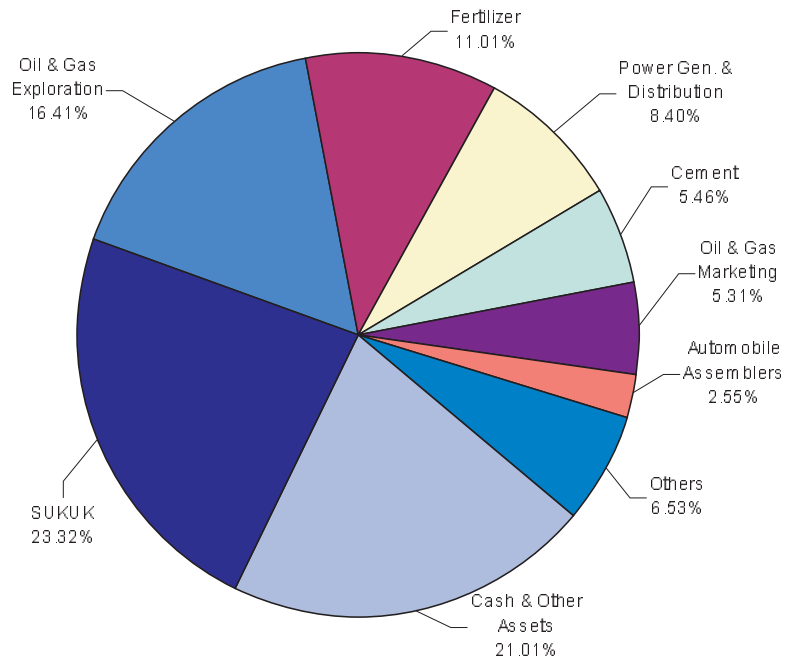
Fund's Performance

During the said period, the unit price of NAFA Islamic Multi Asset Fund has increased from Rs. 8.5736 on June 30, 2009 to Rs. 9.7638 on March 31, 2010, thus showing a growth of 13.88% (net of management fee and all other expenses). The size of NAFA Islamic Multi Asset Fund has decreased from Rs. 535 million to Rs. 472 million during the period, i.e. a decline of 11.78%.

NAFA Islamic Multi Asset Fund has earned total income of Rs. 104.10 million during the period. After deducting expenses of Rs. 45.23 million, the net income is Rs. 58.87 million, translating into an earning per unit of Rs. 1.1902.

The asset allocation of the Fund as on March 31, 2010 is as follows:

Asset Allocation as on March 31, 2010



NAFA ISLAMIC MULTI ASSET FUND

Acknowledgement

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

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

On behalf of the Board of
National Fullerton Asset Management Limited

Chief Executive

Director

Date: April 29, 2010
Place: Karachi.

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2010

	Note	Unaudited March 31, 2010	Audited June 30, 2009
----- Rupees in '000 -----			
Assets			
Balances with banks	4	78,721	30,654
Receivable against sale of investments		14,144	4,695
Investments	5	372,458	493,372
Dividend and profit receivable	6	9,717	5,468
Advances, deposits, prepayments and other receivables		2,698	2,697
Preliminary expenses and floatation costs		1,285	1,660
Total assets		<u>479,023</u>	<u>538,546</u>
Liabilities			
Payable to National Fullerton Asset Management Limited - Management Company		1,241	1,413
Payable to Central Depository Company of Pakistan Limited - Trustee		108	88
Payable to Securities and Exchange Commission of Pakistan		357	485
Payable against purchase of investments		4,701	-
Payable on redemption of units		60	-
Accrued expenses and other liabilities	7	1,026	1,176
Total liabilities		<u>7,493</u>	<u>3,162</u>
Net Assets		<u>471,530</u>	<u>535,384</u>
Unit Holders' Funds (as per statement attached)		<u>471,530</u>	<u>535,384</u>
Contingencies and commitments	11		
Number of units			
Number of units in issue		<u>48,293,724</u>	<u>62,445,372</u>
Rupees			
Net asset value per unit		<u>9.7638</u>	<u>8.5736</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

Note	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
----- Rupees in '000 -----				
INCOME				
Gain / (loss) on sale of investments - net	75,887	(122,478)	16,777	(93,533)
Income from sukuk bonds	8,119	16,534	3,815	4,253
Income from Term Deposit Musharika Certificates	-	1,858	-	-
Income from spread transactions	-	165	-	-
Profit on bank deposits	5,142	2,709	2,624	368
Dividend income	16,084	12,974	6,291	3,234
Unrealised gain / (loss) on investments at fair value through profit or loss - net	19,872	38,135	3,457	208,391
Total Income	125,104	(50,103)	32,964	122,713
EXPENSES				
Remuneration of National Fullerton Asset Management Limited Management Company	12,616	11,874	3,681	3,242
Remuneration of Central Depository Company of Pakistan Limited - Trustee	841	792	245	217
Annual fee - Securities and Exchange Commission of Pakistan	357	372	104	92
Securities transaction cost	3,239	897	745	413
Settlement and bank charges	279	141	129	42
Annual listing fee	34	23	11	8
Auditors' remuneration	299	324	52	52
Impairment loss on investments classified as 'available for sale'	26,996	12,081	(4,082)	(2,520)
Rating fee	46	-	25	-
Legal and professional charges	40	-	-	-
Printing charges	110	549	74	216
Amortisation of preliminary expenses and floatation costs	375	375	123	123
Total Expenses	45,232	27,428	1,107	1,885
Net income / (loss) from operating activities	79,872	(77,531)	31,857	120,828
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(21,005)	10,804	(13,336)	2,934
Net income / (loss) for the period before taxation	58,867	(66,727)	18,521	123,762
Taxation	10	-	-	-
Net income / (loss) for the period after taxation	58,867	(66,727)	18,521	123,762
Earnings / (loss) per unit	9			

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	----- Rupees in '000 -----			
Net income / (loss) for the period after taxation	58,867	(66,727)	18,521	123,762
Other comprehensive income				
Net unrealised appreciation / (diminution) during the period in the market value of investments classified as 'available for sale'	(4,012)	(7,659)	(9,201)	12,208
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	22,808	4,977	15,659	622
Total comprehensive income / (loss) for the period	<u>77,663</u>	<u>(69,409)</u>	<u>24,979</u>	<u>136,592</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31, 2010</u>	<u>March 31, 2009</u>	<u>March 31, 2010</u>	<u>March 31, 2009</u>
	----- Rupees in '000 -----			
(Accumulated loss) / undistributed income brought forward	(82,519)	(34,292)	(35,024)	(220,426)
Net income / (loss) for the period	58,867	(66,727)	18,521	123,762
Other comprehensive income				
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	22,808	4,977	15,659	622
Accumulated loss carried forward	<u>(844)</u>	<u>(96,042)</u>	<u>(844)</u>	<u>(96,042)</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
----- Rupees in '000 -----				
Net assets at the beginning of the period	535,384	697,586	502,319	397,720
Issue of 18,815,684 units (March 31, 2009: 1,639,151 units)	187,430	13,791	12,784	4,245
Redemption of 32,967,332 units (March 31, 2009: 12,139,186 units)	(327,144)	(103,010)	(66,229)	(11,824)
Net element of income and capital gains included in prices of units issued less those in units redeemed	(139,714)	(89,219)	(53,445)	(7,579)
amount representing (income) / loss and capital (gains) / losses transferred to income statement	21,005	(10,804)	13,336	(2,934)
amount representing (income) / loss and capital gains / (losses) that form part of the unit holders' fund - transferred to statement of comprehensive income	(22,808)	(4,977)	(15,659)	(622)
Net unrealised appreciation / (diminution) during the period in the market value of investments classified as 'available for sale'	(1,803)	(15,781)	(2,323)	(3,556)
Net income / (loss) for the period	(4,012)	(7,659)	(9,201)	12,208
Net income / (loss) for the period	58,867	(66,727)	18,521	123,762
Other comprehensive income				
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	22,808	4,977	15,659	622
Net assets as at the end of the period	<u>471,530</u>	<u>523,177</u>	<u>471,530</u>	<u>523,177</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
----- Rupees in '000 -----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income / (loss) for the period before taxation	58,867	(66,727)	18,521	123,762
Adjustments				
Unrealised (gain) / loss on investments at fair value through profit or loss - net	(19,872)	(38,135)	(3,457)	(208,391)
(Gain) / loss on sale of investments	(75,887)	122,478	(16,777)	93,533
Impairment loss on investments classified as 'available for sale'	26,996	12,081	(4,082)	(2,520)
Amortisation of preliminary expenses and floatation costs	375	375	123	123
Element of (income) / loss and capital gains / (losses) included in prices of units issued less those in units redeemed	21,005	(10,804)	13,336	(2,934)
	11,484	19,268	7,664	3,573
(Increase) / decrease in assets				
Receivable against sale of investments	(9,449)	70,977	(14,144)	(7,661)
Investments	185,665	(101,638)	73,354	(7,906)
Loans and receivables	-	60,000	-	-
Dividend and profit receivable	(4,249)	(1,041)	(4,917)	(2,720)
Advances, deposits, prepayments and other receivables	(1)	(228)	3,607	(160)
	171,966	28,070	57,900	(18,447)
Increase / (decrease) in liabilities				
Payable to National Fullerton Asset Management Limited - Management Company	(172)	(2,376)	(85)	13
Payable to Central Depository Company of Pakistan Limited - Trustee	20	(36)	14	(1)
Payable to Securities and Exchange Commission of Pakistan	(128)	(177)	104	92
Payable against purchase of investments	4,701	-	4,701	(2,283)
Payable on redemption of units	60	257	(5,221)	276
Accrued expenses and other liabilities	(150)	801	(259)	405
	4,331	(1,531)	(746)	(1,498)
Net cash inflow from operating activities	187,781	45,807	64,818	(16,372)
CASH FLOW FROM FINANCING ACTIVITIES				
Receipts from issue of units	187,430	13,791	12,784	4,245
Payments on redemption of units	(327,144)	(103,010)	(66,229)	(11,824)
Net cash outflow on financing activities	(139,714)	(89,219)	(53,445)	(7,579)
Net increase / (decrease) in cash and cash equivalents during the period	48,067	(43,412)	11,373	(23,951)
Cash and cash equivalents at the beginning of the period	30,654	61,336	67,348	41,875
Cash and cash equivalents at the end of the period	78,721	17,924	78,721	17,924

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2010

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Multi Asset Fund (NIMF) was established under a Trust Deed executed between National Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on August 20, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 03, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

NIMF 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 are transferable and can be redeemed by surrendering to the Fund. The units of the Fund were initially offered for public subscription at par from October 22, 2007 to October 26, 2007.

The core objective of the Fund is to provide investors with a combination of capital growth and income by investing in Shariah compliant investments. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of Shariah compliant securities, instruments and avenues such as equities, musharikah, murabahah, jjarah, etc.

The Pakistan Credit Rating Agency Limited has assigned an asset manager rating of AM2- to the Management Company. Based on the performance of the Fund for the period ended June 30, 2009, it has assigned performance ranking of "Five Star" for short term (tailoring 12 months) to the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Regulations or the directive issued by the SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30, 2009 except for the change mentioned below:

IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement of financial position (referred to as the statement of assets and liabilities in these condensed interim financial statements) as at the beginning of the comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period.

The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present two performance statements. As a result non-owner changes in equity which were previously credited directly in the statement of movement in unit holders' fund and the distribution statement are now shown as other comprehensive income in the performance statement (referred to as statement of comprehensive income in these condensed interim financial statements). The change in presentation has not affected the values of the net assets of the Fund for either the current or any of the prior periods and hence restated statement of assets and liabilities has not been presented.

3.2 The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2009:

IAS 39 (amendment), 'Financial instruments: Recognition and measurement'. The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The adoption of the amendment did not have a significant impact on the Fund's financial statements.

NAFA ISLAMIC MULTI ASSET FUND

IFRS 7 (amendment) 'Financial instruments: Disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures which would be detailed in the financial statements for the year ending June 30, 2010, but does not have an impact on the Fund's financial position or performance.

IAS 32 (amendment) 'Financial instruments: Presentation', and IAS 1 (amendment) 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'. The amended standards require entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. One of the particular features is that apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity. In this connection, Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008 mandate the payment of 90% of the Fund's profit for the year as dividends, therefore the amendment has not changed the classification of funds.

- 3.3 There are other standards, amendments and interpretations that were mandatory for accounting periods beginning on or after July 1, 2009 but were considered not to be relevant or did not have any significant effect on the Fund's operations.

	Note	Unaudited March 31, 2010	Audited June 30, 2009
----- Rupees in '000 -----			
4	BALANCES WITH BANKS		
	Current accounts	24,105	8,318
	Savings accounts	<u>54,616</u>	<u>22,336</u>
		<u>78,721</u>	<u>30,654</u>
5	INVESTMENTS		
	At fair value through profit or loss - held for trading		
	Equity securities - listed	5.1 262,505	361,212
	Available for sale		
	Sukuk bonds	5.2 <u>109,953</u>	<u>132,160</u>
		<u>372,458</u>	<u>493,372</u>

NAFA ISLAMIC MULTI ASSET FUND

5.1 Equity securities - listed

Name of the investee company	Number of shares					Investment as a percentage of			
	As at July 1, 2009	Purchases during the period	Bonus/ Right Issue	Sales during the period	As at March 31, 2010	Market Value At March 31, 2010	Market Value of net assets	Market Value of Total Investment	Paid-up Capital of Investee Company
(Rupees in '000)-----%									
Commercial Banks									
BankIslami Pakistan Limited	1,465,172	-	-	1,465,172	-	-	-	-	-
Meezan Bank Limited	60,500	495,000	-	555,500	-	-	-	-	-
Textile Composite									
Nishat Mills Limited	-	356,000	-	356,000	-	-	-	-	-
Jute									
Thall Limited	131,400	7,000	26,279	80,108	84,571	6,849	1.45%	1.84%	0.17%
Cement									
Fauji Cement Company Limited	-	1,760,000	-	1,410,000	350,000	2,279	0.48%	0.61%	0.05%
Kohat Cement Limited	-	816,500	-	816,500	-	-	-	-	-
Attock Cement Pakistan Limited	-	267,531	-	209,003	58,528	4,161	0.88%	1.12%	0.07%
D G Khan Cement Company Limited	-	510,220	-	369,000	141,220	4,433	0.94%	1.19%	0.05%
D G Khan Cement Company Limited Right Share	-	-	28,244	-	28,244	322	0.07%	0.09%	0.01%
Maple Leaf Cement Company Limited	-	2,056,000	-	2,056,000	-	-	-	-	-
Lucky Cement Company Limited	422,100	1,522,000	-	1,765,300	178,800	14,535	3.08%	3.90%	0.06%
Refinery									
Attock Refinery Limited	83,200	213,719	-	269,200	27,719	3,195	0.68%	0.86%	0.03%
National Refinery Limited	54,788	65,500	-	101,588	18,700	3,375	0.72%	0.91%	0.02%
Pakistan Refinery Limited	34,065	23,700	-	57,765	-	-	-	-	-
Power Generation and distribution									
The Hub Power Company Limited	1,497,500	2,280,000	-	2,622,129	1,155,371	39,595	8.40%	10.63%	0.10%
Oil and Gas Marketing									
Pakistan State Oil Company Limited	237,794	609,700	-	786,100	61,394	19,019	4.03%	5.11%	0.04%
Sui Northern Gas Pipelines Limited	-	145,500	-	75,000	70,500	2,434	0.52%	0.65%	0.01%
Sui Southern Gas Company Limited	-	362,200	-	192,000	170,200	3,596	0.76%	0.97%	0.03%
Oil and Gas Exploration co.									
Mari Gas Company Limited	-	18,000	-	18,000	-	-	-	-	-
Oil and Gas Development Company Limited	702,300	1,283,600	-	1,763,100	222,800	28,933	6.14%	7.77%	0.01%
Pakistan Oil Fields Limited	145,300	1,064,500	-	1,112,800	97,000	22,682	4.81%	6.09%	0.04%
Pakistan Petroleum Limited	300,593	774,900	52,819	996,401	131,911	25,778	5.47%	6.92%	0.01%
Automobile Assemblers									
Indus Motor Company Limited	21,300	81,000	-	77,200	25,100	5,225	1.11%	1.40%	0.03%
Pak Suzuki Motor Company Limited	-	161,000	-	159,761	1,239	98	0.02%	0.03%	0.00%
Al Ghazi Tractors Limited	37,600	-	-	37,600	-	-	-	-	-
Millat Tractors Limited	-	16,300	2,950	4,500	14,750	6,712	1.42%	1.80%	0.05%
Cable and Electrical Goods									
Pakistan Electron Limited	-	57,000	-	57,000	-	-	-	-	-
Technology and Communication									
Pakistan Telecommunication Company Limited	-	2,840,500	-	2,406,100	434,400	9,127	1.94%	2.45%	0.01%
Fertilizers									
Engro Chemical Pakistan Limited	195,696	-	-	195,696	-	-	-	-	-
Fauji Fertilizer Company Limited	374,250	1,319,900	-	1,301,800	392,350	43,037	9.13%	11.55%	0.06%
Fauji Fertilizer Bin Qasim Limited	-	892,500	-	613,000	279,500	8,896	1.89%	2.39%	0.03%
Chemicals									
ICI Pakistan Limited	-	90,500	-	90,500	-	-	-	-	-
Food and Personal Care Products									
Unilever Pakistan	-	1,709	-	-	1,709	5,928	1.26%	1.59%	0.01%
Glass and Ceramics									
Ghani Glass Limited	-	41,000	-	-	41,000	2,296	0.49%	0.62%	0.04%
Miscellaneous									
Tri Pak Films Limited	-	99,800	-	99,800	-	-	-	-	-
Paper and Board									
Packages Limited	-	85,000	-	85,000	-	-	-	-	-
						<u>262,505</u>			
Carrying value before fair value adjustments as at March 31, 2010						<u>242,633</u>			

NAFA ISLAMIC MULTI ASSET FUND

5.1.1 All shares have a nominal face value of Rs 10 each except for the share of Thal Limited & Al-Ghazi Tractors which have a face value of Rs 5 each and Unilever Pakistan which has a face value of Rs. 50 each.

5.2 Sukuk bonds

Name of the investee company	Number of Bonds				Market value as at March 31, 2010	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Sales during the period	As at March 31, 2010		Market value of Net Assets	Market Value of Total Investment	Issue Size
(Rupees in '000)								
Eden Housing Limited (Note 5.2.2)	5,000	-	-	5,000	16,406	3.48%	4.40%	3.42%
Eden Builders Limited	1,325	-	-	1,325	6,428	1.36%	1.73%	0.32%
Kohat Cement Company Limited (Note 5.2.3)	10,000	-	-	10,000	16,529	3.51%	4.44%	2.00%
Maple Leaf Cement Factory Limited (Note 5.2.4)	10,000	-	-	10,000	40,000	8.48%	10.74%	0.63%
Pakistan Electron Limited	5,000	5,000	-	10,000	30,590	6.49%	8.21%	4.17%
					<u>109,953</u>			
					<u>159,307</u>			
					<u>41,771</u>			
Carrying value before fair value adjustments as at March 31, 2010								
Provision for impairment loss as at March 31, 2010								

5.2.1 All sukuk bonds have a face value of Rs 5,000 each.

5.2.2 This represents investment in privately placed sukuk bonds issue with a term of five years. On March 30, 2010 i.e. the scheduled redemption date, principal redemption of Rs 3,125 thousand was not received by the Fund. Therefore as a matter of prudence, the management has suspended income amounting to Rs. 8 thousand. The total amount of investments as at March 31, 2010 includes the outstanding principal redemption.

5.2.3 This represents investment in privately placed sukuk bonds issue with a term of five years. On December 20, 2008 i.e. the scheduled redemption date, principal redemption of Rs 3,400 thousand was not received by the Fund. Therefore as a matter of prudence, the management has suspended income amounting to Rs. 4,978 thousand and have recognized impairment losses amounting to Rs. 31,771 thousand till March 31, 2010.

5.2.4 This represents investment in rated secured sukuk bonds issue with a term of six years. On December 03, 2009 i.e. the scheduled redemption date, profit payment amount of Rs 3,871 thousand was not received by the Fund. Therefore as a matter of prudence, the management has suspended income amounting to Rs. 6,042 thousand and have recognized impairment losses amounting to Rs. 10,000 thousand till March 31, 2010.

	Unaudited March 31, 2010	Audited June 30, 2009
----- Rupees in '000 -----		
6 DIVIDEND AND PROFIT RECEIVABLE		
Dividend receivable on equity securities	5,402	2,426
Profit on savings deposits	2,554	1,406
Income accrued on sukuk bonds	12,789	3,253
Less: suspended income	(11,028)	(1,617)
	<u>1,761</u>	<u>1,636</u>
	<u>9,717</u>	<u>5,468</u>
7 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	158	212
Brokerage payable	292	124
Bank charges payable	18	14
Payable against printing charges	264	322
Accrued NCCS charges	22	28
Charity payable	272	476
	<u>1,026</u>	<u>1,176</u>

NAFA ISLAMIC MULTI ASSET FUND

8 TRANSACTIONSWITH CONNECTEDPERSONS

Connected persons include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being Trustee, National Bank of Pakistan, NIB Bank Limited 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.

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

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

	----- Unaudited -----			
	Nine months ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2010	2009	2010	2009
	----- Rupees in '000 -----			
National Fullerton Asset Management Limited - Management Company				
Management fee expense for the period	12,616	11,874	3,681	3,242
Front end load for the period	2,149	102	56	22
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee for the period	841	792	245	217
CDS charges	98	80	47	26
Employees of the Management Company				
Units issued (781,900 units; March 31, 2009: 378,811 units)	7,741	2,894	-	2,386
Units redeemed (832,536 units; March 31, 2009: 287,974 units)	8,362	2,289	4	1,500
Chief Financial Officer				
Units issued (29,890 units; March 31, 2009: Nil units)	300	-	-	-
Units redeemed (29,890 units; March 31, 2009: Nil units)	294	-	-	-
NAFA Islamic Income Fund				
Units redeemed (Nil units; March 31, 2009: 14,794,295 units)	-	141,894	-	65,272
Units purchased (Nil units; March 31, 2009; 7,194,267 units)	-	70,000	-	-
Bonus units issued (Nil units; March 31, 2009: 299,202 units)	-	3,020	-	-
Payment made for the sale of sukuk bonds	21,175	-	-	-
NAFA Cash Fund				
Payment received for the sale of sukuk	-	25,892	-	-
Amounts outstanding as at period end				
			Unaudited	Audited
			March 31,	June 30,
			2010	2009
			----- Rupees in '000 -----	
National Fullerton Asset Management Limited				
Management Fee payable			1,217	1,293
Front end load payable			24	120
National Bank of Pakistan				
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2009: 7,500,000 units)			73,229	64,302
Balance in current account			143	155
NIB Bank Limited				
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2009: 7,500,000 units)			73,229	64,302
Balance in current account			5,701	986
Alexandra Fund Management Pte. Limited				
Investment held by the Sponsor in the Fund (10,000,000 units; June 30, 2009: 10,000,000 units)			97,638	85,736
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee payable			82	86
CDS charges payable			26	2
Security deposit			100	100
Executives of the Management Company				
Units held in the Fund (1,336 units; June 30, 2009: 69,899 units)			13	599

NAFA ISLAMIC MULTI ASSET FUND

9 EARNINGS/(LOSS)PER UNIT

Earnings per unit (EPU) for the half year ended March 31, 2010 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

10 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2010 as reduced by capital gains (whether realised or unrealised) to its unit holders.

11 CONTINGENCIES AND COMMITMENTS

- 11.1 The Finance Act 2008 introduced an amendment to the Workers Welfare Fund Ordinance, 1971 (WWF Ordinance) whereby the definition of "Industrial Establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, it can be construed that all Collective Investment Schemes (CIS) whose income exceeds Rs 0.5 million in a tax year are brought within the purview and scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of 2 percent of their accounting or taxable income, whichever is higher. In case of the Fund, such contribution works out to Rs. 1,177 thousand approximately as at March 31, 2010. However, the final contribution amount will be based on the income earned by the Fund for the year ending June 30, 2010.

To avoid any claim in this regard by the relevant authorities, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the ground that CIS do not have any worker or employees. The legal proceedings in respect of the aforementioned petition are currently in progress and the outcome cannot be reasonably ascertained.

The Management Company, based on the advice of the MUFAP's legal counsel is confident of favorable decision and accordingly no provision for any liability that may arise in this respect has been made in these condensed interim financial statements.

- 11.2 There were no other contingencies and commitments outstanding as at March 31, 2010 and June 30, 2009.

12 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on April 29, 2010.

13 GENERAL

- 13.1 Figures have been rounded off to the nearest thousand rupees.
- 13.2 Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison. There were no significant re-arrangements or reclassification except as required because of the change in accounting policy as more fully explained in note 3.1 to these financial statements.
- 13.3 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the year as required by the NBFC Regulation has not been disclosed as such bifurcation is not practicable.

For National Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director