


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.

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NAFA ISLAMIC MULTI ASSET FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company
(Formerly National Fullerton Asset Management Limited)

Board of Directors of the Management Company

Mr. Shahid Anwar Khan	Chairman
Mr. Syed Ahmed Iqbal Ashraf	Director
Dr. Asif A. Brohi	Director
Mr. Wah Geok Sum	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Amjad Waheed	Chief Executive Officer

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Wah Geok Sum	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Shehryar Faruque	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

Al-Baraka Islamic Bank
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dawood Islamic Bank
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Soneri Bank Limited
United Bank Limited
Bank Al-Habib Limited

NAFA ISLAMIC MULTI ASSET FUND

Auditors

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

Legal Advisor

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

Head Office:

9th Floor, Adamjee House,
I.I. Chundrigar Road,
Karachi

Lahore Office:

68-B-1, M.M. Alam Road,
Gulberg 3, Lahore.
UAN: 042-111-111-632
Phone: 042-35778248-63
Fax: 042-35876806

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

NAFA ISLAMIC MULTI ASSET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited (formerly: 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, 2011.

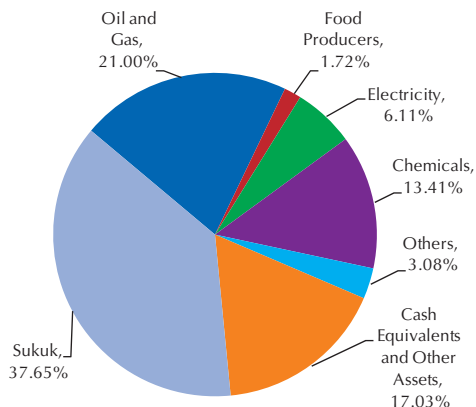
Fund's Performance

During the third quarter, the unit price of NAFA Islamic Multi Asset Fund has increased from Rs. 10.1882 (Ex-Div) on December 31, 2010 to Rs. 10.9508 on March 31, 2011, thus showing a growth of 7.49% as compared to its Benchmark (50% KMI-30 Index, 50% average 3-month profit rate of Islamic banks*) return of 3.59%. Thus, the Fund has outperformed its Benchmark by 3.90% during the period under review. For the nine months period ended March 31, 2011, the NAV of the Fund has increased from Rs. 8.6296 (Ex-Div) on June 30, 2010 to Rs. 10.9508 on March 31, 2011, thus showing an increase of 26.90%. During the said period, the Benchmark increased by 20.56%, translating into outperformance of 6.34%. This performance is net of management fee and all other expenses. The size of NAFA Islamic Multi Asset Fund has increased from Rs.269 million to Rs.283 million during the period, i.e. an increase of 5.20%.

The stock market depicted a positive though volatile trend during 3QFY11. The KMI-30 Index increased by around 5.2% to the 20,064 levels as against 19,072 levels at the beginning of the quarter. During the period under view, healthy corporate earnings boosted investors' confidence. However, slowdown in foreign flows, the impact of flood and slow economic growth, uprising in the Middle East and diplomatic row with the US were the key dampening factors. The Chemical, Industrial Engineering, Food Producers and Electricity sectors performed better than the market. On the other hand, the Oil & Gas, Construction & Materials, Fixed Line Communication sectors lagged the market.

There continues to be a marginal improvement in market's demand for fixed income securities of high rated issuers'. Many of the non-performing securities have been restructured within this fiscal year. The coupon rates of all Sukuks in your Fund are floating and linked to KIBOR, which depicted a rising trend during the quarter.

The Fund has earned total income of Rs.81.91 million during the period. After deducting expenses of Rs.11.37 million, the net income is Rs.70.54 million, translating into earning per unit of Rs.2.3212. The asset allocation of the Fund as on March 31, 2011 is as follows:



NAFA ISLAMIC MULTI ASSET FUND

*Benchmark changed with effect from 15-12-2010. Previous benchmark was 50% KMI-30 Index and 50% average 1 month profit rate of Islamic Banks.

Income Distribution

The Board of Directors of the Management Company, in addition to interim distribution of 2.655%, has also approved an interim distribution of 2.6550%.

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
(formerly: National Fullerton Asset Management Limited)

Chief Executive
Date: April 19, 2011
Place: Karachi.

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2011

	Note	Un-audited March 31, 2011	Audited June 30, 2010
------(Rupees in '000)-----			
ASSETS			
Balances with banks		42,769	46,367
Receivable against sale of investments		-	4,550
Investments	4	235,172	347,868
Dividend and profit receivable	5	16,457	3,651
Advances, deposits, prepayments and other receivables		2,665	2,661
Preliminary expenses and floatation costs		785	1,160
Total assets		<u>297,848</u>	<u>406,257</u>
LIABILITIES			
Payable to the Management Company		725	1,036
Payable to the Trustee		151	118
Payable to the Securities and Exchange Commission of Pakistan		196	442
Payable against purchase of investments		9,888	-
Payable on redemption of units		-	15,190
Accrued expenses and other liabilities	6	3,454	2,359
Total liabilities		<u>14,414</u>	<u>19,145</u>
NET ASSETS			
		<u>283,434</u>	<u>387,112</u>
Unit holders' funds (As per statement attached)		<u>283,434</u>	<u>387,112</u>
CONTINGENCIES AND COMMITMENTS			
	11	-	-
------(Number of units)-----			
NUMBER OF UNITS IN ISSUE			
		<u>25,882,426</u>	<u>38,441,455</u>
		Rupees	Rupees
NET ASSET VALUE PER UNIT			
	3.3	<u>10.9508</u>	<u>10.0702</u>

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

For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

	Note	Nine months Ended		Quarter ended	
		March 31		March 31	
		2011	2010	2011	2010
		(Rupees in '000)		(Rupees in '000)	
INCOME					
Gain on sale of investments - net		43,700	75,887	23,815	16,777
Income from sukuk bonds		20,478	8,119	5,617	3,815
Profit on bank deposits		2,295	5,142	803	2,624
Dividend income		11,746	16,084	3,449	6,291
Unrealised gain / (loss) on revaluation of investments carried at fair value through profit or loss - net		10,480	19,872	(11,400)	3,457
Total Income		88,699	125,104	22,284	32,964
EXPENSES					
Remuneration of the Management Company		6,923	12,616	2,043	3,681
Remuneration of the Trustee		536	841	172	245
Annual fee - Securities and Exchange Commission of Pakistan		196	357	58	104
Securities transaction cost		1,060	3,239	332	745
Settlement and bank charges		363	279	232	129
Annual listing fee		23	34	8	11
Auditors' remuneration		283	299	57	52
(Reversal of provision) / provision against non-performing debt securities		(21,010)	26,996	(1,875)	(4,082)
Rating fee		104	46	24	25
Legal and professional charges		65	40	40	-
Other expenses		-	110	-	74
Amortisation of preliminary expenses and floatation costs		375	375	123	123
Total Expenses		(11,082)	45,232	1,214	1,107
Net income / (loss) from operating activities		99,781	79,872	21,070	31,857
Element of loss and capital losses included in prices of units issued less those in units redeemed		(27,797)	(21,005)	(3,879)	(13,336)
Provision for workers' welfare fund	8	(1,440)	-	(344)	-
Net income / (loss) for the period before taxation		70,544	58,867	16,847	18,521
Taxation	10	-	-	-	-
Net income / (loss) for the period after taxation		70,544	58,867	16,847	18,521
Earning per unit	3.4				

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

For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

	Nine months Ended		Quarter ended	
	March 31 2011	2010	March 31 2011	2010
	(Rupees in '000)		(Rupees in '000)	
Net income / (loss) for the period after taxation	70,544	58,867	16,847	18,521
Other comprehensive income / (loss)				
Net unrealised (diminution) / appreciation in market value of investments classified as 'available for sale'	(28,278)	(4,012)	(832)	(9,201)
Total comprehensive income / (loss) for the period	<u>42,266</u>	<u>54,855</u>	<u>16,015</u>	<u>9,320</u>

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

For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

	Nine months Ended		Quarter ended	
	March 31		March 31	
	2011	2010	2011	2010
	(Rupees in '000)		(Rupees in '000)	
Undistributed income / (Accumulated loss) brought forward	15,855	(82,519)	56,598	(35,024)
Distribution:				
Final distribution June 30, 2010: 12.217% (June 30, 2009: Nil) (Date of distribution: 5th July 2010)				
- Bonus Units	(34,498)	-	-	-
- Cash Distribution	(12,466)	-	-	-
Interim distribution December 31, 2010: 2.655% (December 31, 2009: Nil) (Date of distribution: 18th February 2011)				
- Bonus Units	(4,715)	-	(4,715)	-
- Cash Distribution	(2,046)	-	(2,046)	-
Net income / (loss) for the period	70,544	58,867	16,847	18,521
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing income that form part of the unit holders' fund	37,649	22,808	3,639	15,659
Undistributed income / (Accumulated loss) carried forward	<u>70,323</u>	<u>(844)</u>	<u>70,323</u>	<u>(844)</u>

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

For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

	Nine months Ended		Quarter ended	
	March 31 2011	2010	March 31 2011	2010
	------(Rupees in '000)-----			
Net assets at the beginning of the period	387,112	535,384	269,132	502,319
Issue of 4,797,755 units - including 4,349,151 bonus units (March 31, 2010: 18,815,684 units)	4,420	187,430	1,822	12,784
Redemption of 17,356,784 units (March 31, 2010: 32,967,332 units)	(163,649)	(327,144)	(5,368)	(66,229)
	(159,229)	(139,714)	(3,546)	(53,445)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed				
- amount representing losses and capital losses - transferred to Income Statement	27,797	21,005	3,879	13,336
- amount representing income and capital gains that form part of the unit holders' fund - transferred to Distribution Statement	(37,649)	(22,808)	(3,639)	(15,659)
	(9,852)	(1,803)	240	(2,323)
Net unrealised (diminution) / appreciation during the period in the market value of investments classified as 'available for sale'	(28,278)	(4,012)	(832)	(9,201)
Unrealised gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	10,480	19,872	(11,400)	3,457
Gain on sale of investments - net	43,700	75,887	23,815	16,777
Other net income / (loss) for the period after taxation	16,364	(36,892)	4,432	(1,713)
	70,544	58,867	16,847	18,521
Final distribution June 30, 2010: 12.217% (June 30, 2009: Nil) (Date of distribution: 5th July 2010)				
- Bonus units	(34,498)	-	-	-
- Cash Distribution	(12,466)	-	-	-
Interim distribution December 31, 2010: 2.655% (December 31, 2009: Nil) (Date of distribution: 18th February 2011)				
- Bonus units	(4,715)	-	(4,715)	-
- Cash Distribution	(2,046)	-	(2,046)	-
	(53,725)	-	(6,761)	-
Add: bonus distribution	39,213	-	4,715	-
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing income that forms part of the unit holders' fund	37,649	22,808	3,639	15,659
Net assets as at the end of the period	283,434	471,530	283,434	471,530

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

For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

	Nine months Ended		Quarter ended	
	March 31 2011	2010	March 31 2011	2010
------(Rupees in '000)-----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income / (loss) for the period before taxation	70,544	58,867	16,847	18,521
Adjustments				
Unrealised (gain) / loss on investments at fair value through profit or loss - net	(10,480)	(19,872)	11,400	(3,457)
Gain on sale of investments - net	(43,700)	(75,887)	(23,815)	(16,777)
(Reversal of provision) / provision against non-performing debt securities	(21,010)	26,996	(1,875)	(4,082)
Amortisation of preliminary expenses and floatation costs	375	375	123	123
Element of loss and capital losses included in prices of units issued less those in units redeemed	27,797	21,005	3,879	13,336
	23,526	11,484	6,559	7,664
(Increase) / decrease in assets				
Receivable against sale of investments	4,550	(9,449)	-	(14,144)
Investments	159,608	185,665	29,877	73,354
Dividend and profit receivable	(12,806)	(4,249)	(5,439)	(4,917)
Advances, deposits, prepayments and other receivable	(4)	(1)	32	3,607
	151,348	171,966	24,470	57,900
Increase / (decrease) in liabilities				
Payable to the Management Company	(311)	(172)	32	(85)
Payable to the Trustee	33	20	51	14
Payable to Securities and Exchange Commission of Pakistan	(246)	(128)	58	104
Payable against purchase of investments	9,888	4,701	7,204	4,701
Accrued expenses and other liabilities	1,095	(150)	242	(259)
	10,459	4,271	7,587	4,475
Net cash inflow from operating activities	185,333	187,721	38,616	70,039
CASH FLOW FROM FINANCING ACTIVITIES				
Receipts from issue of units	4,420	187,430	1,822	12,784
Payments on redemption of units	(178,839)	(327,084)	(5,632)	(71,450)
Dividend paid	(14,512)	-	(2,046)	-
Net cash outflow on financing activities	(188,931)	(139,654)	(5,856)	(58,666)
Net (decrease) / increase in cash and cash equivalents during the period	(3,598)	48,067	32,760	11,373
Cash and cash equivalents at the beginning of the period	46,367	30,654	10,009	67,348
Cash and cash equivalents at the end of the period	42,769	78,721	42,769	78,721

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

For NBP Fullerton Asset Management Limited
(Formerly 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 (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Multi Asset Fund (NIMF / the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) (Formerly National Fullerton Asset Management Limited) 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).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 9th floor, Adamjee House, I. I. Chundrigar Road, Karachi.

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 them to the Fund. The Board of Directors have approved that the Fund should be categorized as "Balanced Fund" as per the categories defined by the Securities and Exchange Commission of Pakistan.

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, musharikhah, murabahah, ijarah, 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 year ended June 30, 2010, it has assigned performance ranking of 3 Star to the Fund.

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

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting' (IAS 34), the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Financing Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the directives issued by the SECP. In cases where requirements differ, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.
- 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

The accounting policies and the methods of computation adopted in 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 year ended June 30, 2010.

3.1 Standards, interpretations and amendments to published approved accounting standards effective from July 1, 2010

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after January 1, 2010 but are considered not to be relevant or have any significant effect on the Fund's operations and are, therefore, not disclosed in these condensed interim financial statements.

NAFA ISLAMIC MULTI ASSET FUND

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

The following revised standard has been published and is mandatory for accounting periods beginning on or after January 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Fund will apply the revised standard from July 1, 2011. The Fund is currently in the process of assessing the impact, if any, of the revised standard on the related party disclosures.

There are other amendments to the standards, improvements to International Financial Reporting Standards 2010 and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these condensed interim financial statements.

3.3 Net Asset Value per unit

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

3.4 Earning per unit

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

	Note	(Un-Audited) March 31, 2011	(Audited) June 30, 2010
(Rupees in '000)			
4 INVESTMENTS			
At fair value through profit or loss - held for trading			
Investment in shares of listed company	4.1	128,463	223,912
Available for sale			
Sukuk bonds	4.2	106,709	123,956
		<u>235,172</u>	<u>347,868</u>

NAFA ISLAMIC MULTI ASSET FUND

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

Name of the investee company	As at July 1, 2010	Purchases during the period	Bonus / Right Issue	Sale during the period	As at March 31, 2011	Market value as at March 31, 2011	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid-up capital of the investee company held
	----- Number of shares -----				Rupees in '000		----- % -----		
Oil and Gas									
Attock Refinery Limited	-	115,300	-	115,300	-	-	-	-	-
National Refinery Limited	22,000	55,900	-	58,400	19,500	6,073	2.14	2.58	0.02
Oil and Gas Development Company Limited	162,800	74,600	-	237,400	-	-	-	-	-
Pakistan Oil Fields Limited	153,600	321,210	-	391,450	83,360	27,100	9.56	11.52	0.04
Pakistan Petroleum Limited	177,543	405,800	31,468	490,200	124,611	26,344	9.29	11.20	0.01
Pakistan State Oil Company Limited	64,394	87,800	-	152,194	-	-	-	-	-
Chemicals									
Fauji Fertilizer Bin Qasim Limited	563,000	1,095,500	-	1,436,800	221,700	9,183	3.24	3.90	0.02
Fauji Fertilizer Company Limited	357,450	609,700	19,263	826,800	159,613	22,007	7.76	9.36	0.02
Lotte Pakistan PTA Limited	86,500	790,200	-	453,500	423,200	6,831	2.41	2.90	0.03
Construction and Materials									
Attock Cement Pakistan Limited	48,528	-	-	48,528	-	-	-	-	-
D.G. Khan Cement Company Limited	-	127,000	-	127,000	-	-	-	-	-
Lucky Cement Company Limited	109,800	123,000	-	227,300	5,500	371	0.13	0.16	0.00
General Industrials									
Ghani Glass Limited	41,000	19,522	-	60,522	-	-	-	-	-
Packages Limited	-	11,100	-	11,100	-	-	-	-	-
Thal Limited	61,071	54,700	12,374	86,777	41,368	4,446	1.57	1.89	0.07
Tri-Pack Films Limited	-	11,200	-	11,000	200	30	0.01	0.01	0.00
Industrial Engineering									
Al-Ghazi Tractors Limited	-	11,049	-	5,800	5,249	1,079	0.38	0.46	0.01
Millat Tractors Limited	14,598	6,800	2,687	24,085	-	-	-	-	-
Automobile and Parts									
Indus Motor Company Limited	13,100	-	-	13,100	-	-	-	-	-
Food Producers									
Unilever Pakistan Limited	1,709	-	-	720	989	4,886	1.72	2.08	0.01
Personal Goods									
Nishat Mills Limited	-	43,000	-	43,000	-	-	-	-	-
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	626,400	342,000	-	968,200	200	3	0.00	0.00	0.00
Electricity									
The Hub Power Company Limited	489,371	963,500	-	992,871	460,000	17,314	6.11	7.36	0.04
Gas Water and Multiutilities									
Sui Northern Gas Pipelines Limited	-	55,000	-	55,000	-	-	-	-	-
Sui Southern Gas Company Limited	-	120,000	30,000	150,000	-	-	-	-	-
Banks									
Meezan Bank Limited	-	143,000	21,450	-	164,450	2,796	0.99	1.19	0.02
					1,709,940	128,463	52.55	56.25	
Carrying value as at March 31, 2011						117,983			

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

4.1.2 The above investments include securities with market value aggregating to Rs.59.136 million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular no. 11 dated October 23, 2007 issued by SECP.

NAFA ISLAMIC MULTI ASSET FUND

4.2 Sukuk bonds

Name of the investee company	Number of Certificates				Market value as at March 31, 2011	Investment as a percentage of		
	As at July 1, 2010	Purchases during the period	Sale during the period	As at March 31, 2011		Market value of Net assets	Market value of total investments	Issue size
					Rupees in '000	-----%-----		
Eden Housing Limited	5,000	-	-	5,000	12,699	4.48	5.40	3.42
Eden Builders Limited	1,325	-	-	1,325	4,278	1.51	1.82	0.33
Kohat Cement Company Limited	10,000	-	-	10,000	32,266	11.38	13.72	2.00
Maple Leaf Cement Factory Limited	10,000	-	-	10,000	31,324	11.05	13.32	0.63
Maple Leaf Cement Factory Limited - Sukuk II	375	-	-	375	1,320	0.47	0.56	-
Pak Electron Limited	10,000	-	-	10,000	24,822	8.76	10.55	4.17
					106,709			
Carrying value as at March 31, 2011					134,987			

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

4.2.2 During the period, sukuk I and II of Maple Leaf Cement Factory Limited, sukuk of Eden Housing Limited and Kohat Cement Company Limited have been classified as performing debt securities in accordance with Circular no. 1 of 2009 and Circular no. 3 of 2010 issued by the Securities and Exchange Commission of Pakistan and accordingly provision amounting to Rs 20.010 million held in respect of these sukuk has been reversed during the period.

Note	Un-audited March 31, 2011	Audited June 30, 2010
	------(Rupees in '000)-----	
5 DIVIDEND AND PROFIT RECEIVABLE		
Dividend receivable on equity securities	2,001	1,160
Profit on savings deposits	727	2,182
Income accrued on sukuk bonds	13,796	4,889
Less: Suspended Income	(67)	(4,580)
	13,729	309
	16,457	3,651
6 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	181	230
Brokerage payable	174	230
Bank charges payable	92	45
Payable against printing charges	220	356
Accrued NCCS charges	97	57
Charity payable	136	330
Withholding tax payable	1	-
Others	3	-
Provision for workers' welfare fund	2,550	1,111
	3,454	2,359

NAFA ISLAMIC MULTI ASSET FUND

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

The Securities and Exchange Commission of Pakistan vide Circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Management Company classified NAFA Islamic Multi Asset Fund (the Fund) as 'Shariah Compliant (Islamic) Scheme' and 'Balanced Scheme' in accordance with the said circular. As at March 31, 2011, the Fund is compliant with all the requirements of the said circular except for clause 2(iv) which requires that rating of any debt security in the portfolio shall not be lower than A- (A Minus) and clause 2(vii) which requires that weighted average time to maturity of non-equity assets shall not exceed 2 years.

Type of investment	Name of non-compliant investment	Value of investment / non equity assets before provision	Provision held, if any	Value of investment / non equity assets after provision	Percentage of net assets	Percentage of gross assets
		-----Rupees in '000-----		-----%-----		
i) Investment in debt securities	a) Maple Leaf Cement Factory Limited - Sukuk*	31,324	-	31,324	11.05	10.52
	b) Maple Leaf Cement Factory Limited - Sukuk II*	1,320	-	1,320	0.47	0.44
	c) Kohat Cement Company Limited - Sukuk *	32,266	-	32,266	11.38	10.83
	d) Eden Housing Limited - Sukuk *	12,699	-	12,699	4.48	4.26
ii) Weighted average time to maturity of the non-equity assets**	Non-equity assets of the Fund	154,971	-	154,971	54.68	52.03
Performing but below investment grade						
The weighted average time to maturity of the non-equity assets is 2.88 years.						

7.1 At the time of purchase, the said Sukuks were in compliance with the requirements of the circular (i.e. investment grade) and were subsequently downgraded due to default in payments of due principal and markup.

The management is taking steps to ensure compliance with the above requirement.

8 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 Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry has filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

As the matter relating to levy of WWF is currently pending in the court, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 2.550 million in these condensed interim financial statements.

NAFA ISLAMIC MULTI ASSET FUND

9 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fullerton Asset Management Limited (NAFA) (Formerly National Fullerton Asset Management Limited) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, 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.

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

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

	Nine months Ended March 31		Quarter ended March 31	
	2011	2010	2011	2010
------(Rupees in '000)-----				
Management Company				
Management fee	6,923	12,616	2,043	3,681
Front end load	60	2,149	13	56
National Bank of Pakistan - Sponsor				
Cash dividend	11,154	-	1,991	-
Taurus Securities (Pvt) Ltd				
Brokerage	67	-	16	-
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee	536	841	172	245
CDS charges	66	98	56	47
Alexandra Fund Management Pte. Limited				
Bonus units issued (1,563,280 units; March 31, 2010: Nil units)	-	-	-	-
Units redeemed (4,181,826 units; March 31, 2010: Nil units)	40,000	-	-	-
Chief Financial Officer				
Units issued (Nil units; March 31, 2010: 29,890 units)	-	300	-	-
Units redeemed (Nil units; March 31, 2010: 29,890 units)	-	294	-	-
NAFA Islamic Aggressive Income Fund (Formerly NAFA Islamic Income Fund)				
Payment made for the sale of sukuk bonds	-	21,175	-	-
Executives of the Management Company				
Bonus units issued (223 units; March 31, 2010: Nil units)	-	-	-	-
Units issued (Nil units; March 31, 2010: 781,900 units)	-	7,741	-	-
Units redeemed (Nil units; March 31, 2010: 832,536 units)	-	8,362	-	4

NAFA ISLAMIC MULTI ASSET FUND

	(Un-Audited)	(Audited)
	March 31 2011	June 30, 2010
	(Rupees in '000)	
9.2 Amounts outstanding as at period / year end		
Management Company		
Management Fee payable	711	949
Front end load payable	14	87
National Bank of Pakistan		
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2010: 7,500,000 units)	82,131	75,527
Balance in current account	16	4,923
Taurus Securities Limited		
Brokerage payable	9	-
Alexandra Fund Management Pte. Limited		
Investment held by the Sponsor in the Fund (7,381,454 units; June 30, 2010:10,000,000 units)	80,833	100,702
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	62	65
CDS charges payable	89	53
Security deposit	100	100
Executives of the Management Company		
Units held in the Fund (1,559 units; June 30, 2010: 1,336 units)	17	13

10 TAXATION

No provision for taxation has been made as the Fund is exempt from income tax under Clause 99 of Part 1 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 amongst the unit holders. The Management Company, on behalf of the Fund, intends to distribute at least 90 percent of such accounting income relating to the year ending June 30, 2011 to its unit holders. Accordingly, no tax liability has been recorded in the current period.

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.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on March 31, 2011.

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 19, 2011.

NAFA ISLAMIC MULTI ASSET FUND

13 GENERAL

- 13.1 Figures have been rounded off to the nearest thousand rupees.
- 13.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.
- 13.3 Corresponding figures have been rearranged and reclassified wherever necessary, for the purpose of comparison. No significant changes to corresponding figures have been made during the period.

For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)

Chief Executive

Director