

FUNDS' INFORMATION

Management Company

National Fullerton Asset Management Limited.

Board of Directors of the Management Company

Mr. Masood Karim Shaikh	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Gerard Lee How Cheng	Director
Khawaja Iqbal Hassan	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shahid Anwar Khan	Director
Mr. Masroor Ahmed Qureshi	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Gerard Lee How Cheng	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Masroor Ahmed Qureshi	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

NAFA ISLAMIC MULTI ASSET FUND

Al-Baraka Islamic Bank
Askari Bank Ltd.
Bank Alfalah Limited
BankIslami Pakistan Limited
Dawood Islamic Bank
Emirates Global Islamic Bank Ltd.
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Habib Metropolitan Bank Ltd.
Standard Chartered Bank Ltd.
The Bank of Khyber
United Bank Limited
Soneri Bank Ltd.
Allied Bank Ltd.
Habib Bank Ltd.

NAFA Funds

Auditors

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

Legal Advisor

Aly Shah & Co. Advocates and Legal Consultants
Suite 502, 5th Floor
Marine Pride, BC-2, Block-7,
Khayaban-e-Iqbal
Clifton, Karachi.

Head Office

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

Lahore Office

83-A-E/1, Main Boulevard
Gulberg III
Lahore.

Islamabad Office

4th Floor, Ali Plaza
1-E, Blue Area
Islamabad.

NAFA Islamic Multi Asset Fund

DIRECTORS' REPORT

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the un-audited financial statements of **NAFA Islamic Multi Asset Fund** for the period ended March 31, 2008.

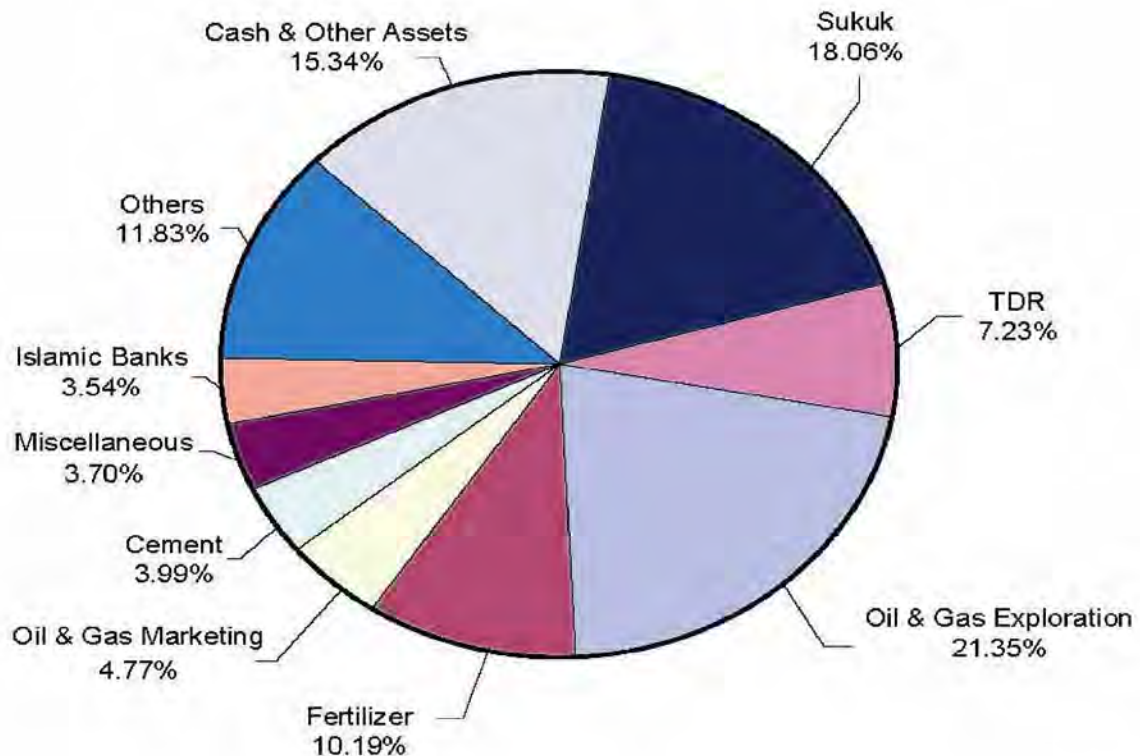
Fund's Performance

NAFA Islamic Multi Asset Fund commenced its operations on October 29, 2007. Since launch its net assets have grown to Rs.830.21 million, with 81.50 million units outstanding as at March 31, 2008. The Fund typically invests 50% of its assets in "Sharia-Compliant" shares listed on the stock exchange. During the period under review, NAFA Islamic Multi Asset Fund earned income of Rs.30.53 million including unrealized gain of Rs.18.99. After taking total expenses of Rs.15.29 million, the net income is Rs.15.24 million, which translates into per unit loss of Rs.0.1870.

The performance of the Fund is compared against that of a benchmark (50% Dow Jones Islamic Pakistan Index and 50% average 1-month deposit rate of Four Islamic Banks in Pakistan). During the said period the Benchmark recorded an increase of 4.35%. As against this appreciation, the Fund recorded an increase of 1.87% in Unit Price over the same period, thus registering an under-performance of 2.48%.

The asset allocation of the Fund as at March 31, 2008 is as follows:

Asset Allocation as on March 31, 2008



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, and providing us with 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 for their continued support and cooperation.

On behalf of the Board of
National Fullerton Asset Management Limited

Masood Karim Shaikh, FCA
Chairman

Dr. Amjad Waheed, CFA
Chief Executive

Date: April 16, 2008
Place: Karachi.

NAFA Islamic Multi Asset Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) AS AT MARCH 31, 2008

	Note	March 31, 2008 (Rupees in '000')
Assets		
Bank balances		134,236
Investments	4	640,014
Loans and receivables	5	60,000
Dividend and profit receivable	6	12,214
Advances, deposits, prepayments and other receivables		6,930
Preliminary expenses and floatation costs		<u>2,285</u>
Total assets		<u>855,679</u>
Liabilities		
Payable to National Fullerton Asset Management Limited - Management Company		3,746
Payable to Central Depository Company of Pakistan Limited - Trustee		134
Payable to Securities and Exchange Commission of Pakistan		357
Payable against purchase of securities		18,043
Payable on redemption of units		148
Accrued expenses and other liabilities	7	<u>3,040</u>
Total liabilities		<u>25,468</u>
Net assets		<u>830,211</u>
Unit holders' funds (as per statement attached)		<u>830,211</u>
		(Number of units)
Number of units in issue		<u>81,496,908</u>
		Rupees
Net asset value per unit		<u>10.1870</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Islamic Multi Asset Fund

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE PERIOD FROM SEPTEMBER 17, 2007 TO MARCH 31, 2008 AND QUARTER ENDED MARCH 31, 2008

For the period from September 17, 2007 to March 31, 2008
Quarter ended March 31, 2008

(Rupees in '000')

	For the period from September 17, 2007 to March 31, 2008	Quarter ended March 31, 2008
Income		
Profit on bank deposits	9,528	3,499
Dividend Income	3,088	3,088
Income from Sukuk bonds	5,043	4,034
Loss on sale of investments - net	(8,937)	(5,948)
Income from spread transactions	508	156
	9,230	4,829
Unrealised appreciation in fair value of financial instruments - at fair value through profit or loss	18,988	39,233
	28,218	44,062
Expenses		
Remuneration of National Fullerton Asset Management Limited - Management Company	10,723	6,023
Remuneration of Central Depository Company of Pakistan Limited - Trustee	715	402
Annual fee - Securities and Exchange Commission of Pakistan	357	200
Brokerage and other transaction costs	2,918	1,006
Annual Listing Fee	19	11
Settlement and other charges	151	101
Auditors' remuneration	191	74
Amortisation of preliminary expenses and floatation costs	215	125
Total operating expenses	15,289	7,942
Net income from operating activities	12,929	36,120
Net element of accrued income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	2,312	1,517
Net income for the period	15,241	37,637

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Islamic Multi Asset Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE PERIOD FROM SEPTEMBER 17, 2007 TO MARCH 31, 2008 AND QUARTER ENDED MARCH 31, 2008

	For the period from September 17, 2007 to March 31, 2008	Quarter ended March 31, 2008
	(Rupees in '000')	
Undistributed loss brought forward	-	(22,396)
Net income for the period	15,241	37,637
Undistributed profit carried forward	<u>15,241</u>	<u>15,241</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Islamic Multi Asset Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE PERIOD FROM SEPTEMBER 17, 2007 TO MARCH 31, 2008 AND QUARTER ENDED MARCH 31, 2008

For the period from September 17, 2007 to March 31, 2008
Quarter ended March 31, 2008

(Rupees in '000')

Net assets at the beginning of the period	-	826,738
Issue of 102,352,628 units from September 17, 2007 to March 31, 2008	1,023,992	105,385
Redemption of 20,855,720 units from September 17, 2007 to March 31, 2008	(206,710)	(138,032)
	817,282	794,091
Net element of accrued (income) / loss and (capital gains) / losses included in prices of units issued less those in units redeemed - transferred to Income Statement	(2,312)	(1,517)
Loss on sale of investments- net	(8,937)	(5,948)
Unrealised diminution in fair value of financial instruments - at fair value through profit or loss	18,988	39,233
Other net income for the period	5,190	4,352
Net income for the period	15,241	37,637
Net assets as at the end of the period	830,211	830,211

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Islamic Multi Asset Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 17, 2007 TO MARCH 31, 2008 AND QUARTER ENDED MARCH 31, 2008

	For the period from September 17, 2007 to March 31, 2008	Quarter ended March 31, 2008
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	15,241	37,637
Adjustments		
Amortisation of preliminary expenses and floatation costs	215	125
Unrealised diminution in fair value of financial instruments - at fair value through profit or loss	(18,988)	(39,233)
Loss on sale of investments - net	8,937	5,948
Net element of accrued (income) / loss and capital (gains) / losses included - in prices of units issued less those in units redeemed	(2,312)	(1,517)
Remuneration of National Fullerton Asset Management Limited - Management Company	10,723	6,023
Remuneration of Central Depository Company of Pakistan Limited - Trustee	715	402
	14,531	9,385
Increase in assets		
Investments - net	(614,798)	69,061
Loans and receivables	(60,000)	-
Dividend and profit receivable	(12,214)	(5,244)
Advances, deposits, prepayments and other receivables	(4,052)	2,601
Preliminary expenses and floatation costs	(2,500)	-
	(693,564)	66,418
Increase in liabilities		
Accrued expenses and other liabilities	3,040	1,453
Payable to National Fullerton Asset Management Limited - Management Company	1,744	(2,139)
Payable to Securities and Exchange Commission of Pakistan	357	200
	5,141	(486)
Remuneration paid to National Fullerton Asset Management Limited - Management Company	(8,721)	(6,262)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee	(581)	(418)
	(683,194)	68,637
Net cash outflow on operating activities		
	(683,194)	68,637
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts / (payments) made against issue / (redemption) of units	817,430	(63,729)
Opening balance of the cash and cash equivalent	-	129,328
	134,236	134,236

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Islamic Multi Asset Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD FROM SEPTEMBER 17, 2007 TO MARCH 31, 2008 AND QUARTER ENDED MARCH 31, 2008

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Multi Asset Fund (the Fund) 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 3, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering to the Fund. The Fund is listed on the Lahore Stock Exchange. 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, musharakah, murabahah, ijarah etc.

In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Trust Property was first paid or transferred to the Trustee.

2 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 (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (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 IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published condensed interim financial statements of the Fund for the period from September 17, 2007 to December 31, 2007.

	Note	(Unaudited) March 31, 2008 (Rupees in '000')
4 INVESTMENTS		
At fair value through profit or loss		
- Equity securities	4.1	490,051
Available for Sale		
- Sukuk bonds	4.2	149,963
- Equity securities purchased under future sale contracts	4.3	-
		<u>640,014</u>

NAFA Islamic Multi Asset Fund

4.1 AT FAIR VALUE THROUGH PROFIT OR LOSS - Equity securities

Name of the investee company	Number of Shares				Market Value at March 31, 2008	Market Value as a %age of Net Assets
	Purchases during the period	Bonus / Rights Issue	Sales during the period	As at March 31, 2008		
(Rs. in "000")						
Commercial Banks						
Bank Islami Pakistan Limited	1,403,124	375,000	1,153,000	625,124	12,252	1.48%
Meezan Bank Limited	543,000	66,600	190,000	419,600	17,162	2.07%
Jute						
Thal Limited	152,000	-	116,700	35,300	8,657	1.04%
Cement						
Attock Cement Pakistan Limited	163,000	-	55,200	107,800	11,923	1.44%
Fauji Cement Company Limited	3,100,000	-	2,229,500	870,500	12,970	1.56%
Pakistan Cement Company Limited	771,500	-	-	771,500	8,255	0.99%
Refinery						
Attock Refinery Limited	150,000	-	150,000	-	-	0.00%
Bosicor Pakistan Limited	500,000	-	500,000	-	-	0.00%
National Refinery Limited	122,000	-	122,000	-	-	0.00%
Power Generation & Distribution						
Hub Power Company Limited	1,416,000	-	1,161,000	255,000	8,147	0.98%
Kot Addu Power Company Limited	387,400	-	387,400	-	-	0.00%
Kohinoor Energy Limited	60,000	-	-	60,000	1,851	0.22%
Oil and Gas Marketing Companies						
Pakistan State Oil Company Limited	197,500	-	147,500	50,000	26,672	3.21%
Shell Pakistan Limited	46,400	-	19,100	27,300	12,909	1.55%
Oil and Gas Exploration Companies						
Oil and Gas Development Company Limited	1,628,800	-	1,268,800	360,000	48,204	5.81%
Pakistan Oilfields Limited	540,000	-	345,000	195,000	71,643	8.63%
Pakistan Petroleum Limited	515,000	-	295,000	220,000	57,431	6.92%
Automobile Assemblers						
Indus Motor Company Limited	65,000	-	65,000	-	-	0.00%
Engineering						
Huffaz Seamless pipe Limited	59,200	-	-	59,200	6,453	0.78%
K.S.B Pumps Limited	21,400	-	-	21,400	3,938	0.47%
Automobile Parts & Accessories						
Agriautos Industries Limited	100,900	-	-	100,900	8,370	1.01%
Technology and Communication						
Pakistan Telecommunication Company Limited	1,000,100	-	500,000	500,100	22,705	2.73%
Technology Resource Group Limited	550,000	-	100,000	450,000	5,107	0.62%
Fertilizers						
Engro Chemical Pakistan Limited	523,800	-	413,800	110,000	35,629	4.29%
Fauji Fertilizer Bin Qasim Limited	1,494,000	-	1,234,000	260,000	11,791	1.42%
Fauji Fertilizer Company Limited	530,000	-	280,000	250,000	35,125	4.23%
Pharmaceuticals						
Abbot Laboratories	20,500	-	20,500	-	-	0.00%
Chemicals						
Pakistan PTA	957,000	-	957,000	-	-	0.00%
ICI Pakistan Limited	5,000	-	-	5,000	1,003	0.12%

NAFA Islamic Multi Asset Fund

Name of the investee company	Number of Shares				Market Value at March 31, 2008	Market Value as a %age of Net Assets
	Purchases during the period	Bonus / Rights Issue	Sales during the period	As at March 31, 2008		
(Rs. in '000')						
Paper and Boards						
Cherat Papersack Limited	10,200	-	-	10,200	1,887	0.02%
Packages Limited	145,600	-	75,600	70,000	26,407	3.18%
Glass and Ceramics						
Ghani Glass Limited	103,100	-	71,100	32,000	2,848	0.34%
Miscellaneous						
Tri Pack Films Limited	112,700	-	20,700	92,000	23,736	2.86%
Siddiquisons Tins plate Limited	295,500	-	61,000	234,500	6,976	0.84%
					<u>490,051</u>	<u>59%</u>
Cost of Investment as at March 31, 2008					<u>473,941</u>	

4.1.1 Investments include shares with market value aggregating to Rs 46,393,125 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 the Securities and Exchange Commission of Pakistan.

4.2 AVAILABLE FOR SALE - Sukuk bonds

Name of the investee company	Number of Units			Cost
	Purchases during the period	Sales / Redemption during the period	As at March 31, 2008	
(Rs. in '000')				
Privately Placed Sukuk bonds - unlisted				
Maple Leaf Cement Factory Limited	10,000	-	10,000	50,000
Kohat Cement Company Limited	100,000	600	99,400	49,700
New Allied Electronics Industries (Private) Limited	5,000	-	5,000	25,000
Pakistan Electron Limited	5,000	-	5,000	25,263
				<u>149,963</u>

4.3 Equity securities purchased under future sale contracts - Available for Sale

These securities are held under Ready - Future transactions. These securities are purchased in the ready "T+2" market and simultaneously sold in the futures market. The details are as follows.

Name of the investee company	Number of Shares			Market Value at March 31, 2008	Market Value as a %age of Net Assets
	Purchases during the period	Sales during the period	As at March 31, 2008		
(Rs. in '000')					
Fertilizers					
Engro Chemical Pakistan Limited	44,500	44,500	-	-	-
Fauji Fertilizer Bin Qasim Limited	664,000	664,000	-	-	-
Oil and Gas Marketing Companies					
Sui Northern Gas Pipeline Limited	19,000	19,000	-	-	-
Pakistan State Oil Company Limited	42,000	42,000	-	-	-
Oil and Gas Exploration Companies					
Oil and Gas Development Company Limited	261,000	261,000	-	-	-
Pakistan Oilfields Limited	139,000	139,000	-	-	-
Pakistan Petroleum Limited	19,000	19,000	-	-	-

NAFA Islamic Multi Asset Fund

	(Unaudited) March 31, 2008 (Rupees in '000')
5 LOANS AND RECEIVABLES	
Term Deposit Receipts	<u>60,000</u>
6 DIVIDEND AND PROFIT RECEIVABLE	
- Dividend Receivable	2,432
- Accrued Return on Bank Deposits	2,601
- Accrued Return on Sukuk Bonds	4,761
- Accrued Return on TDR	<u>2,420</u>
	<u>12,214</u>
7 ACCRUED EXPENSES AND OTHER LIABILITIES	
Audit fee payable	113
Brokerage payable	2,199
Others	<u>728</u>
	<u>3,040</u>

8 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

9 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being managed by National Fullerton Asset Management Limited, National Bank of Pakistan, NIB Bank Limited, Alexandra Fund Management Pte. Limited being the Sponsors and Global Securities (Private) Limited being connected broker.

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

	----- (Unaudited) -----	
	Period from September 17, 2007 to March 31, 2008	Quarter ended March 31, 2008
	(Rupees in '000')	
9.1 Transactions during the period		
National Fullerton Asset Management Limited - Management Company		
Management fee	10,723	6,023
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	715	402

NAFA Islamic Multi Asset Fund

(Unaudited)

	Period from September 17, 2007 to March 31, 2008	Quarter ended March 31, 2008
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(Rupees in '000')

National Bank of Pakistan - Sponsor		
Investment made by the Sponsor in the Fund (7,500,000 units)	75,000	-
Profit accrued by the Fund on pre-IPO investment	417	-
NIB Bank Limited - Sponsor		
Investment made by the Sponsor in the Fund (7,500,000 units)	75,000	-
Profit accrued by the Fund on pre-IPO investment	417	-
Alexandra Fund Management Pte. Limited - Sponsor		
Investment made by the Sponsor in the Fund (10,000,000 units)	100,000	-
Profit accrued by the Fund on pre-IPO investment	556	-
Executive Staff		
Units Issued (26,090 units)	260	160
Units Redeemed (14,674 units)	150	150
Global Securities (Private) Limited - Connected broker		
Brokerage fee	96	60

(Unaudited)
March 31,
2008

(Rupees in '000')

9.2 Balance at period end

National Fullerton Asset Management Limited - Management Company		
Management fee payable as at March 31, 2008		2,002
Other payable		1,744
Central Depository Company of Pakistan Limited - Trustee		
Fee payable		134
National Bank of Pakistan - Sponsor		
Investment made by the Sponsor in the Fund (7,500,000 units)		76,403
NIB Bank Limited - Sponsor		
Investment made by the sponsor in the Fund (7,500,000 units)		76,403
Alexandra Fund Management Pte. Limited - Sponsor		
Investment made by the sponsor in the Fund (10,000,000 units)		101,870
Profit payable by the Fund on pre-IPO investment		556
Executive Staff		
Investment held by the Executive Staff (11,416 units)		116

10 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 16, 2008 by the Board of Directors of the Management Company.

11 GENERAL

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

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman