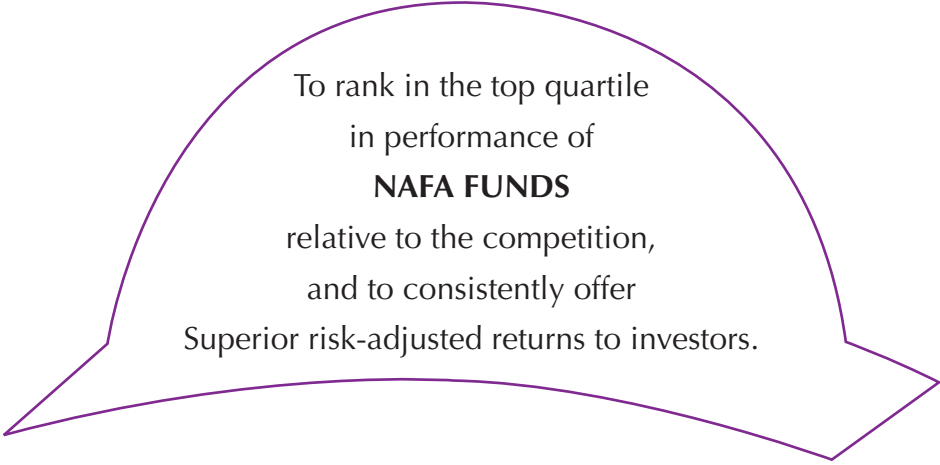


MISSION STATEMENT



To rank in the top quartile
in performance of
NAFA FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.

NAFA ISLAMIC MULTI ASSET FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

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

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Patrick Pang Chin Hwang	Chairman
Mr. Shehryar Faruque	Member
Mr. Amir Shehzad	Member

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-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
The Bank of Khyber.

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:

House # 10 - A, Block -S, Gulberg - II, Lahore.
UAN: (+92-42) 111-111-NFA (632)
Fax No: (+92-42) 35760373

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

NAFA ISLAMIC MULTI ASSET FUND

Contents

FUND'S INFORMATION	02
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	07
CONDENSED INTERIM INCOME STATEMENT	08
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	09
CONDENSED INTERIM DISTRIBUTION STATEMENT	10
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	11
CONDENSED INTERIM CASH FLOW STATEMENT	12
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	13

NAFA ISLAMIC MULTI ASSET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Islamic Multi Asset Fund for the quarter ended September 30, 2011.

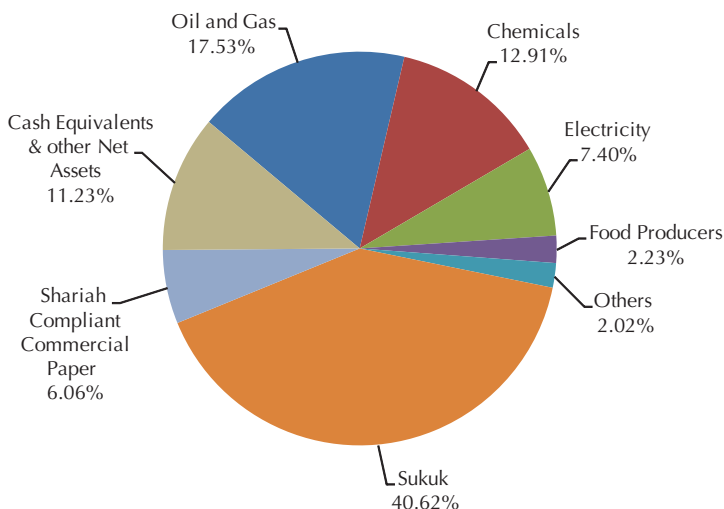
Fund's Performance

During the first quarter, the unit price of NAFA Islamic Multi Asset Fund has increased from Rs. 9.1039 (Ex-Div) on June 30, 2011 to Rs.9.1271 on September 30, 2011, thus showing a growth of 0.25% as compared to its Benchmark (50% KMI-30 Index, 50% average 3-month profit rate of Islamic banks) return of 1.97%. Thus, the Fund has underperformed its Benchmark by 1.72% during the period under review. This performance is net of management fee and all other expenses. The size of NAFA Islamic Multi Asset Fund has decreased from Rs.289 million to Rs.248 million during the period, i.e. a decline of 14.19%.

The stock market depicted a positive though volatile trend during 1QFY12. The KMI-30 Index increased by around 1.8% to the 21,313 levels as against 20,936 levels at the beginning of the quarter. During the period under view, healthy corporate earnings and sanguine valuations of key companies boosted investors' confidence. However, slowdown in foreign flows, uneasiness on the domestic political front, the energy crisis, and mounting energy related circular debt, US Country rating downgrade by Standard & Poor's and associated global equity sell-off were the key dampening factors. The Chemical, Construction & Materials, Food Producers and Electricity sectors performed better than the market. On the other hand, the Oil & Gas, Industrial Engineering and Fixed Line Communication sectors lagged the market.

The coupon rates of all Sukuks in your Fund are floating and linked to KIBOR, which depicted a falling trend during the quarter.

The Fund has earned total income of Rs.4.28 million during the period. After deducting expenses of Rs.21.60 million, the net loss is Rs.17.32 million. After taking unrealized appreciation on available for sale investments into account, the resultant per unit income is Rs.0.0232. The asset allocation of the Fund as on September 30, 2011 is as follows:



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
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: October 27, 2011
Place: Karachi.

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2011

		(Un-audited) September 30, 2011	(Audited) June 30, 2011
		-----Rupees in '000-----	
Assets	Note		
Balances with banks		23,021	34,766
Receivable against sale of investments		-	2,945
Investments	4	219,909	245,126
Dividend and profit receivable	5	6,372	10,194
Advances, Deposits, prepayments and other receivable		2,677	2,653
Preliminary expenses and floatation costs		534	660
Total assets		<u>252,513</u>	<u>296,344</u>
Liabilities			
Payable to Management Company		840	868
Payable to Trustee		112	112
Payable to Securities and Exchange Commission of Pakistan		59	256
Payable against purchase of investments		-	2,945
Accrued expenses and other liabilities	6	3,764	3,581
Total liabilities		<u>4,775</u>	<u>7,762</u>
Net Assets		<u>247,738</u>	<u>288,582</u>
Unit Holders' Funds (as per statement attached)		<u>247,738</u>	<u>288,582</u>
Commitments	11	-	-
		Number of units	
Number of units in issue		<u>27,143,031</u>	<u>26,702,727</u>
		Rupees	
Net asset value per unit		<u>9.1271</u>	<u>10.8072</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Note	Quarter ended September 30, 2011	Quarter ended September 30, 2010
Rupees in '000			
INCOME			
(Loss) / gain on sale of investments - net		(1,192)	8,630
Income from Sukuk bonds		(1,568)	9,631
Profit on bank deposits		408	1,265
Dividend income		1,652	2,127
Unrealised gain/(loss) on investments at fair value through profit or loss - net		4,984	5,027
Total Income		<u>4,284</u>	<u>26,680</u>
EXPENSES			
Remuneration of the Management Company		2,066	2,774
Remuneration of the Trustee		176	186
Annual fee - Securities and Exchange Commission of Pakistan		59	79
Securities transaction cost		187	405
Settlement and bank charges		30	12
Annual listing fee		7	8
Auditors' remuneration		120	96
Impairment loss/(gain) on investments classified as 'available for sale'		18,476	(19,135)
Legal & professional charges		-	25
Rating fee		25	24
Other expenses		331	48
Amortisation of preliminary expenses and floatation costs		126	126
Total Expenses		<u>21,603</u>	<u>(15,352)</u>
Net (loss) / income from operating activities		<u>(17,319)</u>	<u>42,032</u>
Element of income and capital gains included in prices of units issued less those in units redeemed		-	(3,839)
Provision for workers' welfare fund		-	(764)
Net (loss) / income for the period before taxation		<u>(17,319)</u>	<u>37,429</u>
Taxation	10	-	-
Net (loss) / income for the period after taxation		<u>(17,319)</u>	<u>37,429</u>
Earning per unit	9		

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Quarter ended September 30, 2011	Quarter ended September 30, 2010
	Rupees in '000	
Net (loss) / income for the period after taxation	(17,319)	37,429
Other comprehensive income / (loss)		
Net unrealised appreciation / (diminution) during the year / period in the market value of investments classified as 'available for sale'	18,317	(17,482)
Total comprehensive income for the period	<u>998</u>	<u>19,947</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Quarter ended September 30, 2011	Quarter ended September 30, 2010
	Rupees in '000	
Undistributed income / accumulated (loss) brought forward	60,354	15,855
Distribution:		
Final distribution for the period ended June 30, 2011: 17.033% (June 30, 2010: 12.217%) Date of distribution: 2011: July 4th, 2011 (2010: July 5th, 2010)		
- Bonus units	(32,463)	(34,498)
- Cash Distribution	(13,019)	(12,466)
Net (loss) / income for the period	(17,319)	37,429
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (losses) that form part of the unit holders' fund	(367)	7,737
Accumulated (loss) / undistributed income carried forward	<u>(2,814)</u>	<u>14,057</u>

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Quarter ended September 30, 2011	Quarter ended September 30, 2010
	Rupees in '000	
Net assets at the beginning of the period	288,582	387,112
Issue of 4,573,038 units - including bonus units 3,565,886 (September 30, 2010: 4,124,026 units)	9,225	2,065
Redemption of 4,132,734 units (September 30, 2010: 5,874,396 units)	(38,048)	(53,991)
	(28,823)	(51,926)
Element of income and capital gains included in prices of units issued less those in units redeemed		
- amount representing (income) / losses and capital (gains) / losses transferred to Income Statement	-	3,839
- amount representing (income) / losses and capital gains / (losses) that form part of the unit holders' fund - transferred to Distribution Statement	367	(7,737)
	367	(3,898)
Net unrealised appreciation / (diminution) during the year / period in the market value of investments classified as 'available for sale'	18,317	(17,482)
Unrealised gain/(loss) on investments at fair value through profit or loss - net	4,984	5,027
Gain / (loss) on sale of investments - net	(1,192)	8,630
Other income (net of expenses)	(21,111)	23,772
Distribution:		
Final distribution for the period ended June 30, 2011: 17.033% (June 30, 2010: 12.217%) Date of distribution: 2011: July 4th, 2011 (2010: July 5th, 2010)		
- Bonus units	(32,463)	(34,498)
- Cash Distribution	(13,019)	(12,466)
	(62,801)	(9,535)
Add: bonus distribution	32,463	34,498
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (losses) that form part of the unit holders' fund	(367)	7,737
Net assets as at the end of the period	247,738	346,506

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC MULTI ASSET FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Quarter ended September 30, 2011	Quarter ended September 30, 2010
	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / Income for the period	(17,319)	37,429
Adjustments		
Unrealised (gain) / loss on investments at fair value through profit or loss - net	(4,984)	(5,027)
(Gain) / loss on sale of investments	1,192	(8,630)
Impairment (gain) / loss on investments classified as 'available for sale'	18,476	(19,135)
Amortisation of preliminary expenses and floatation costs	126	126
Element of income and capital gains included in prices of units issued less those in units redeemed	-	3,839
	(2,509)	8,602
(Increase) / decrease in assets		
Receivable against sale of investments	2,945	12,501
Investments	28,850	69,222
Dividend and profit receivable	3,822	(7,675)
Advances, Deposits, prepayments and other receivable	(24)	1
	35,593	74,049
Increase / (decrease) in liabilities		
Payable to Management Company	(28)	(129)
Payable to Trustee	-	(18)
Payable to Securities and Exchange Commission of Pakistan	(197)	(363)
Payable against purchase of investments	(2,945)	-
Accrued expenses and other liabilities	183	606
	(2,987)	96
Net cash inflow / (outflow) on operating activities	30,097	82,747
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	9,225	2,065
Payments on redemption of units	(38,048)	(69,181)
Distribution paid	(13,019)	(12,466)
Net cash (outflow) / inflow from financing activities	(41,842)	(79,582)
Net (decrease) / increase in cash and cash equivalents during the period	(11,745)	3,165
Cash and cash equivalents at the beginning of the period	34,766	46,367
Cash and cash equivalents at the end of the period	23,021	49,532

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

For NBP 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 FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

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) 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. The management company is a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units 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 "Shariah Compliant (Islamic) Scheme" and "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- "(Positive outlook)" to the Management Company. Based on the performance of the Fund for the year ended June 30, 2011, it has assigned performance ranking of 4 Star for short term and long term 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

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprises of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by 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.

NAFA ISLAMIC MULTI ASSET FUND

2.1 The directors of the Asset Management Company declare that these condensed interim financial statements give a true and fair view of the Fund.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the financial statements for the quarter ended September 30, 2011 are same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2011.

3.1 Change in Accounting Policy on Recognition of Element of Income

Based on the proposal by MUFAP on the change in the treatment of "Element of Income and Capital Gains included in the prices of units issued less those on units redeemed" and subsequent correspondence by SECP and opinion by ICAP in this regard, the accounting treatment of recognition of element of income has been changed with effect from July 1, 2011. Accordingly, instead of following previous policy of recognizing element of income, the net balance of element of income is recognized in the Distribution Statement directly.

Note	Un-audited September 30, 2011	Audited June 30, 2011
Rupees in '000		
4.1	104,276	143,451
4.3	15,000	-
4.2	<u>100,633</u>	<u>101,675</u>
	<u>219,909</u>	<u>245,126</u>

4 INVESTMENTS

At fair value through profit or loss - held for trading

Investment in shares of listed companies	4.1	104,276	143,451
Sukuk bonds	4.3	15,000	-

Available for sale

Sukuk bonds	4.2	<u>100,633</u>	<u>101,675</u>
		<u>219,909</u>	<u>245,126</u>

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

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / Right Issue	Sales / during the Period	As at September 30, 2011	Market value as at September 30, 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 Petroleum Limited	11,250	-	-	7,500	3,750	1,492	0.60	0.68	0.01
Attock Refinery Limited	-	10,700	-	5,000	5,700	633	0.26	0.29	0.01
National Refinery Limited	20,000	8,000	-	19,536	8,464	3,108	1.25	1.41	0.01
Oil and Gas Development Company Limited	65,600	9,000	-	54,000	20,600	2,722	1.10	1.24	-
Pakistan Oil Fields Limited	77,260	41,600	-	48,100	70,760	26,065	10.52	11.85	0.03
Pakistan Petroleum Limited	100,152	32,300	2,905	96,900	38,457	7,290	2.94	3.32	-
Pakistan State Oil Company Limited	35,500	36,600	-	63,800	8,300	2,113	0.85	0.96	-
Chemicals									
Fauji Fertilizer Bin Qasim Limited	228,800	374,000	-	420,000	182,800	10,727	4.33	4.88	0.02
Fauji Fertilizer Company Limited	190,212	84,700	-	143,700	131,212	21,243	8.57	9.66	0.02
Lotte Pakistan PTA Limited	200	-	-	-	200	2	-	-	-
General Industrials									
Thal Limited	30,557	-	-	12,016	18,541	1,685	0.68	0.77	0.03
Tri-Pack Films Limited	200	-	-	-	200	36	0.01	0.02	-

NAFA ISLAMIC MULTI ASSET FUND

Name of the investee company	As at July 1, 2011	Purchases during the period	Bonus / Right Issue	Sales / during the Period	As at September 30, 2011	Market value as at September 30, 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)	-----%-----		
Industrial Engineering									
Al-Ghazi Tractors Limited	49	-	-	-	49	10	-	-	-
Food Producers									
Unilever Pakistan Limited	989	-	-	-	989	5,520	2.23	2.51	0.01
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	200	-	-	-	200	2	-	-	-
Electricity									
The Hub Power Company Limited	396,500	247,000	-	202,000	441,500	18,322	7.40	8.33	0.04
Banks									
Meezan Bank Limited	164,450	-	-	-	164,450	3,306	1.33	1.50	0.02
					<u>1,096,172</u>	<u>104,276</u>	<u>42.09</u>	<u>47.41</u>	
Carrying value as at September 30, 2011						<u>99,292</u>			

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.59.403 million (June 30, 2011: 59.386 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.

4.2 Sukuk bonds - available for sale

Name of the investee company	Number of bonds				Market value as at September 30, 2011	Investment as a percentage of		
	As at July 1, 2011	Purchases during the period	Sales / during the period	As at September 30, 2011		Market value of net assets	Market value of total investments	Issue size
	(Rupees in '000)					-----%-----		
Eden Housing Limited (Note 4.2.5)	5,000	-	-	5,000	12,048	4.86	5.48	3.42
Eden Builders Limited	1,325	-	-	1,325	4,105	1.66	1.87	0.33
Kohat Cement Company Limited	10,000	-	-	10,000	32,266	13.02	14.67	2.00
Maple Leaf Cement Factory Limited (1st issue) (Note 4.2.4)	10,000	-	-	10,000	31,317	12.64	14.24	0.63
Maple Leaf Cement Factory Limited (2nd issue) (Note 4.2.3)	375	-	-	375	-	-	-	0.63
Pakistan Electron Limited	10,000	-	-	10,000	20,897	8.44	9.50	4.17
					<u>100,633</u>	<u>40.62</u>	<u>45.76</u>	
Carrying value as at September 30, 2011					<u>108,106</u>			
Provision for impairment loss as at September 30, 2011					<u>25,790</u>			

NAFA ISLAMIC MULTI ASSET FUND

- 4.2.1 All sukuk bonds have a face value of Rs 5,000 each
- 4.2.2 As at September 30, 2011, the Fund had not received redemption of principal and / or profit amounts on some of its investments, the details of which are as follows:
- 4.2.3 This represents 2nd issue of sukuk by Maple Leaf Cement Factory Limited under a restructuring agreement with a face value of Rs 1,875 thousand. As this issue represents overdue mark-up, the management has fully provided the amount of issue and has suspended income of Rs 69 thousand on this issue.
- 4.2.4 This represents investment in privately placed sukuk bonds issue with a term of six years. On September 03, 2011 i.e. the scheduled redemption date, profit redemption were not received by the Fund. The Management has recognised provision for impairment amounting to Rs. 18,619 thousand till September 30, 2011. The income suspended on these sukuk bonds amounted to Rs. 7,185 thousand.
- 4.2.5 This represents investment in privately placed sukuk bonds issue with a term of five years. On 31 March 2011 and 29 June 2011 i.e. the scheduled redemption date, principal redemption were not received by the Fund. The Management has recognised provision for impairment amounting to Rs. 5,296 thousand till September 30, 2011. The minimum amount of provision required as per SECP circular no. 01 of 2009 amounts to Rs. 5,296 thousand. The income suspended on these sukuk bonds amounted to Rs. 716 thousand.

4.3 Sukuk bonds - At fair value through profit or loss - held for trading

Name of the investee company	Number of bonds				Market value as at September 30, 2011	Investment as a percentage of		
	As at July 1, 2011	Purchases during the year	Sales / during the year	As at September 30, 2011		Net assets	Market value of total investments	Issue size
					(Rupees in '000)	-----%-----		
Hub Power Company Limited	-	3,000	-	3,000	15,000	6.05	6.82	0.63
Total - September 30, 2011	-	3,000	-	3,000	15,000	6.05	6.82	0.63
Carrying value of investments as at September 30, 2011					<u>15,000</u>			

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

Un-audited Audited
September 30, June 30,
2011 2011
Rupees in '000

5 DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable on equity securities	112	665
Profit on savings deposits	386	293
Income accrued on sukuk bonds	13,844	10,066
Less: Suspended Income	(7,970)	(830)
	5,874	9,236
	6,372	10,194

NAFA ISLAMIC MULTI ASSET FUND

Un-audited
September 30,
2011
Rupees in '000

Audited
June 30,
2011

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	372	252
Brokerage payable	125	93
Bank charges payable	48	57
Payable against printing charges	183	183
Accrued NCCS charges	2	34
Charity payable	367	322
Rating fee payable	25	-
Others	5	3
Provision for Workers' Welfare Fund	2,637	2,637
	<u>3,764</u>	<u>3,581</u>

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 September 30, 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.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held, if any	Value of investment 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*	49,936	18,619	31,317	12.64	12.40
	b) Maple Leaf Cement Factory Limited - Sukuk II	1,875	1,875	-	-	-
	c) Kohat Cement Company Limited - Sukuk *	32,266	-	32,266	13.02	12.78
	d) Eden Housing Limited - Sukuk *	17,344	5,296	12,048	4.86	4.77

* Performing but below investment grade

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

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

NAFA ISLAMIC MULTI ASSET FUND

8 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fullerton Asset Management Limited (NAFA) 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 and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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

	Quarter Ended September 30, 2011	Quarter Ended September 30, 2010
	Rupees in '000	
8.1 Details of the transactions with connected persons are as follows:		
NBP Fullerton Asset Management Limited - Management Company		
Management fee expense for the period	2,066	2,774
Front end load for the period	98	40
National Bank of Pakistan - Sponsor		
Cash Dividend	12,775	9,163
Taurus Securities (Private) Limited		
Brokerage	18	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	176	186
CDS charges	4	1
Alexandra Fund Management Pte. Limited		
Bonus units issued (1,416,412 units; September 30, 2010: 1,380,686 units)	-	-
Employees of the Management Company		
Bonus units issued (299 units; September 30, 2010; 184 units)	-	-

NAFA ISLAMIC MULTI ASSET FUND

	Un-Audited As at September 30, 2011	Audited As at June 30, 2011
	Rupees in '000	
8.2 Amounts outstanding as at quarter end		
NBP Fullerton Asset Management Limited - Management Company		
Management Fee payable	640	721
Others	200	147
National Bank of Pakistan - Sponsor		
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2011: 7,500,000 units)	68,453	81,054
Balance in current account	50	400
Taurus Securities (Private) Limited		
Brokerage Payable	-	14
Alexandra Fund Management Pte. Limited		
Investment held by the Sponsor in the Fund (8,986,937 units; June 30, 2011: 7,570,525 units)	82,025	81,816
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	60	61
CDS charges payable	52	51
Security deposit	100	100
Employees of the Management Company		
Units held in the Fund (1,898 units; June 30, 2011: 1,599 units)	17	17

9 EARNING PER UNIT

Earning per unit (EPU) for the quarter ended September 30, 2011 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 amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company has decided to distribute at least 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

11 COMMITMENTS

There were no commitments as on September 30, 2011 and June 30, 2011.

NAFA ISLAMIC MULTI ASSET FUND

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 27, 2011.

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 year as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director