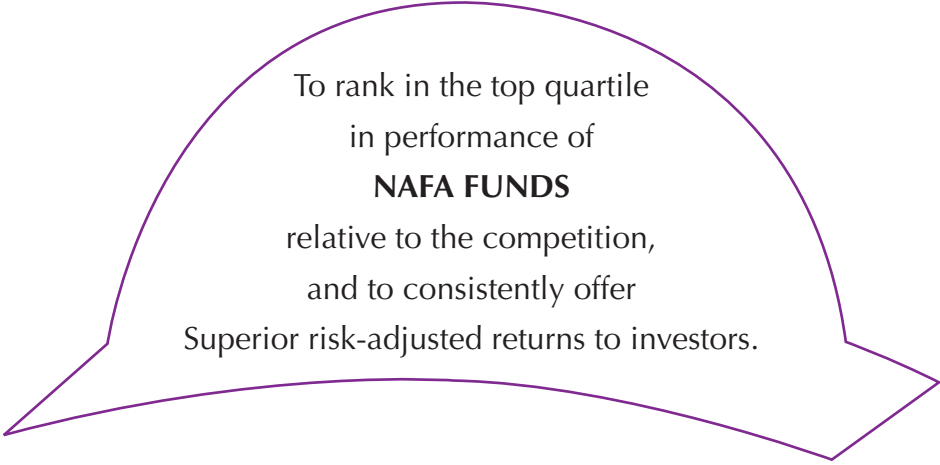


## MISSION STATEMENT



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

# NAFA ASSET ALLOCATION FUND

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# NAFA ASSET ALLOCATION FUND

## FUND'S INFORMATION

### Management Company

NBP Fullerton Asset Management Limited – Management Company

### Board of Directors of the Management Company

Mr. Shahid Anwar Khan	Chairman
Mr. Amir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Mr. Khalid Mahmood	Director
Dr. Amjad Waheed	Chief Executive Officer

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	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

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
NIB Bank Limited  
Soneri Bank Limited  
United Bank Limited  
National Bank of Pakistan  
Summit Bank Limited  
Standard Chartered Bank Pakistan Limited  
The Bank of Punjab

# NAFA ASSET ALLOCATION FUND

## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

7<sup>th</sup> Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 111-111-NFA (111-111-632)  
Helpline (Toll Free): 0800-20001  
Fax: (021) 35825329

## **Lahore Office:**

7-Noon Avenue, Canal Bank,  
Muslim Town Lahore.  
Contact: 042-35914272

## **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 ASSET ALLOCATION FUND

## DIRECTORS' REPORT

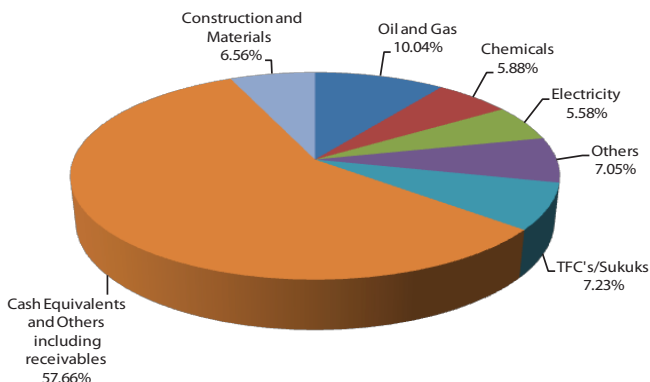
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Asset Allocation Fund for the period ended March 31, 2013.

### Fund's Performance

During the third quarter, the unit price of NAFA Asset Allocation Fund (NAAF) has increased from Rs. 11.2506 on December 31, 2012 to Rs. 12.1208 (Ex-Div) on March 31, 2013, thus showing a growth of 7.74%. The Benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-months KIBOR; 1/3 of KSE 30 Index) return during the same period was 2.39%. Thus, the Fund has outperformed its Benchmark by 5.35% during the period under review. For the nine months period ended March 31, 2013, the NAV of the Fund has increased from Rs. 10.1595 on June 30, 2012 to Rs. 12.1208 (Ex-Div) on March 31, 2013, thus showing an increase of 19.30%. During the said period, the Benchmark increased by 10.45%, translating into outperformance of 8.85%. Since inception the NAV of the Fund has increased from Rs. 7.4345 on August 20, 2010 to Rs. 12.1208 (Ex-Div) on March 31, 2013, thus showing an increase of 63.03%. During the said period, the Benchmark increased by 33.9%, translating into outperformance of 29.13%. This performance is net of management fee and all other expenses. The size of NAFA Asset Allocation Fund has increased from Rs. 684 million to Rs. 870 million during the period, i.e. an increase of 27.22%.

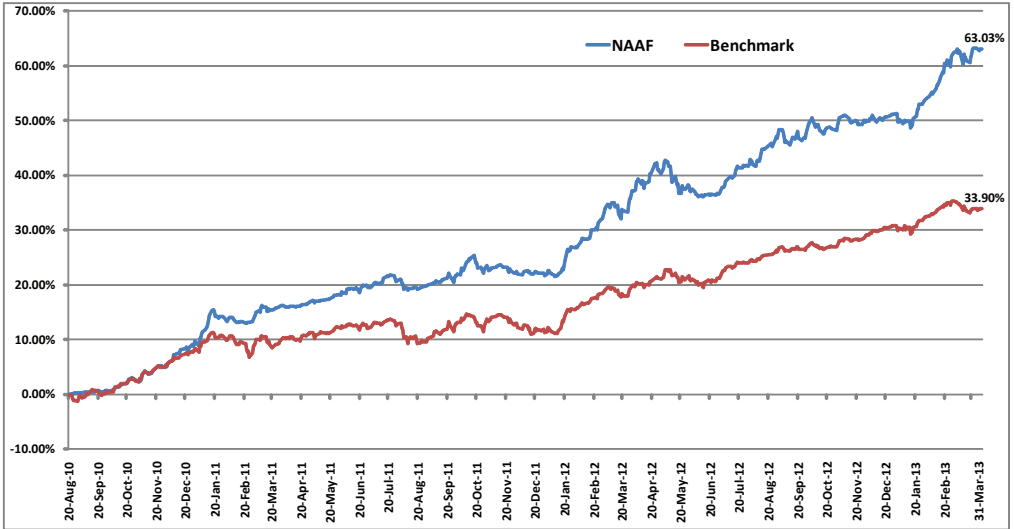
The stock market extended the rally during the quarter ended March 31, 2013 led by Construction & Material, Telecommunication, Food Producers, and Electricity sectors amid high volatility. Healthy corporate earnings reports of the selected sectors, respite in inflationary pressures, announcement of national election, and healthy foreign inflows buoyed the investors. On the other hand, investors were wary of deteriorating external account position and widening fiscal deficit. Currently the stock market is valued at 7.3 times estimated earnings as per our estimates.

Despite sharp decline in inflation the SBP kept the discount rate unchanged at 9.5% in their monetary policy announcements of February and April due to rising risks to the external accounts and widening fiscal account. On the corporate debt sphere, the market has witnessed a few new issuances of corporate TFCs. All TFCs in NAAF are AA category belonging to financial sector with coupon income linked to KIBOR. Therefore, any increase in interest rate will improve the coupon income of the TFC portfolio. Trading activity in the TFCs improved in the secondary market with financial sector making the lion share. The Fund has earned total income of Rs.131.11 million during the period. After deducting expenses of Rs.19.10 million, the net income is Rs.112.01 million. The asset allocation of the Fund as on March 31, 2013 is as follows:



# NAFA ASSET ALLOCATION FUND

## NAAF Performance versus Benchmark (Since Inception)



## Income Distribution

In addition to an interim distribution of 2.00% of opening ex-NAV (2.063% of the par value), the Board of Directors of the Management Company has also approved further interim distribution of 2.00% of opening ex-NAV (2.063% of the par value) for the period ended March 31, 2013.

## Acknowledgement

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

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

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: April 26, 2013  
Place: Karachi.

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2013

	Note	Un-audited March 31, 2013	Audited June 30, 2012
-----Rupees in '000-----			
<b>ASSETS</b>			
Bank balances		497,908	56,225
Investments	4	368,166	464,756
Deposits, prepayments and other receivables		2,922	3,049
Dividend and profit receivable		9,869	4,608
Preliminary expenses and floatation costs		478	628
<b>Total assets</b>		<b>879,343</b>	<b>529,266</b>
<b>LIABILITIES</b>			
Payable to NBP Fullerton Asset Management Limited - Management Company		3,711	3,247
Payable to Central Depository Company of Pakistan Limited -Trustee		277	80
Payable to the Securities and Exchange Commission of Pakistan		464	376
Payable against purchase of investments		-	34,394
Accrued expenses and other liabilities		5,293	2,619
<b>Total liabilities</b>		<b>9,745</b>	<b>40,716</b>
<b>NET ASSETS</b>		<b>869,598</b>	<b>488,550</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>869,598</b>	<b>488,550</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
-----Number of units-----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>71,744,258</b>	<b>42,872,643</b>
-----Rupees-----			
<b>NET ASSET VALUE PER UNIT</b>		<b>12.1208</b>	<b>11.3954</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

Note	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- Rupees in '000 -----				
<b>INCOME</b>				
Capital gain / (loss) on sale of investments - net	48,773	4,463	35,591	8,344
Income from term finance certificates and sukuk bonds	6,706	10,669	1,773	4,898
Income from government securities	4,462	9,520	1,581	757
Income from margin trading system	-	608	-	180
Profit on bank deposits	11,323	3,050	5,426	992
Dividend income	28,582	12,854	10,740	8,477
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	31,263	24,626	8,783	30,686
<b>Total income</b>	<b>131,109</b>	<b>65,790</b>	<b>63,894</b>	<b>54,334</b>
<b>EXPENSES</b>				
Remuneration of NBP Fullerton asset Management Ltd - Management Company	9,758	5,556	3,745	2,068
Sindh sales tax on Management Company's remuneration	1,561	889	599	331
Remuneration of Central Depository Company of Pakistan Limited - Trustee	976	556	375	207
Annual fee - Securities and Exchange Commission of Pakistan	463	264	177	98
Annual listing fee	23	22	8	7
Securities transaction cost	2,537	1,193	1,112	540
Settlement and bank charges	744	261	450	59
Auditors' remuneration	361	321	75	69
Legal and professional charges	-	17	-	17
NCCPL Fee	187	172	61	46
Fund rating fee	50	-	25	-
Printing and related costs	8	92	-	-
Amortisation of preliminary expenses and floatation costs	150	150	49	49
<b>Total expenses</b>	<b>16,818</b>	<b>9,493</b>	<b>6,676</b>	<b>3,491</b>
<b>Net income / (loss) from operating activities</b>	<b>114,291</b>	<b>56,297</b>	<b>57,218</b>	<b>50,843</b>
(Provision) / reversal of provision for Workers' Welfare Fund	(2,286)	(930)	(1,145)	(821)
<b>Net income / (loss) for the period before taxation</b>	<b>112,005</b>	<b>55,367</b>	<b>56,073</b>	<b>50,022</b>
Taxation	7	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>112,005</b>	<b>55,367</b>	<b>56,073</b>	<b>50,022</b>

### Earnings per unit

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	----- Rupees in '000 -----			
Net income / (loss) for the period after taxation	112,005	55,367	56,073	50,022
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b><u>112,005</u></b>	<b><u>55,367</u></b>	<b><u>56,073</u></b>	<b><u>50,022</u></b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- Rupees in '000 -----				
<b>Undistributed income brought forward comprising :</b>				
Realised income	52,778	29,808	52,522	10,143
Unrealised income	1,096	2,060	22,480	3,109
	<u>53,874</u>	<u>31,868</u>	<u>75,002</u>	<u>13,252</u>
Final distribution for the year ended June 30, 2012 Rs 1.08 per unit declared on July 09, 2012				
- Bonus distribution	(46,398)	(26,220)	-	-
- Cash distribution	(10)	(4)	-	-
Interim distribution for the period ended Dec 31, 2012 Rs.0.2063 per unit				
- Bonus distribution	(13,263)	-	(13,263)	-
- Cash distribution	(2)	-	(2)	-
Net income for the period after taxation	112,005	55,367	56,073	50,022
Element of income and capital gains included in prices of units issued less those in units redeemed	30,848	1,398	19,244	(865)
<b>Undistributed income carried forward</b>	<u><b>137,054</b></u>	<u><b>62,409</b></u>	<u><b>137,054</b></u>	<u><b>62,409</b></u>
<b>Undistributed income comprising of:</b>				
Realised income	105,791	37,783	128,271	31,723
Unrealised income	31,263	24,626	8,783	30,686
<b>Undistributed income carried forward</b>	<u><b>137,054</b></u>	<u><b>62,409</b></u>	<u><b>137,054</b></u>	<u><b>62,409</b></u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- Rupees in '000 -----				
Net assets at the beginning of the period	488,550	282,722	683,547	402,043
Issue of 65,441,879 units including 5,524,709 bonus units 2012: 25, 704,628 units)	684,458	248,024	345,776	84,814
Redemption of 36,570,264 units (2012: 13,589,373 Units )	(415,403)	(148,417)	(215,796)	(99,187)
	269,055	99,607	129,980	(14,373)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to distribution statement	(30,848)	1,398	(19,244)	3,661
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	31,263	24,626	8,783	30,686
Capital gain / (loss) on sale of investments	48,773	4,463	35,591	8,344
Other net income for the period	31,969	26,278	11,699	10,992
<b>Net income for the period</b>	<b>112,005</b>	<b>55,367</b>	<b>56,073</b>	<b>50,022</b>
<b>Distribution of bonus units during the period</b>				
- Final distribution	46,398	26,220	-	-
<b>Final distribution for the year ended June 30, 2012:</b> Rs 1.08 per unit declared on July 09, 2012				
- Bonus distribution	(46,398)	(26,220)	-	-
- Cash distribution	(10)	(4)	-	-
<b>Interim distribution</b>				
- Bonus distribution	13,263	-	13,263	-
<b>Interim distribution for the period ended Dec 31, 2012</b> <b>Rs.0.2063 per unit</b>				
- Bonus distribution	(13,263)	-	(13,263)	-
- Cash distribution	(2)	-	(2)	-
Element of income and capital gains included in prices of units issued less those in units redeemed	30,848	(1,398)	19,244	(3,661)
<b>Net assets as at the end of the period</b>	<b>869,598</b>	<b>437,692</b>	<b>869,598</b>	<b>437,692</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- Rupees in '000 -----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	112,005	55,367	56,073	50,022
<b>Adjustments</b>				
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(31,263)	(24,626)	(8,783)	(30,686)
Amortisation of preliminary expenses and floatation costs	150	150	49	49
(Loss) / gain on sale of investments - net	(48,773)	(4,463)	(35,591)	(8,344)
	32,119	26,428	11,748	11,041
<b>(Increase) / decrease in assets</b>				
Investments	176,626	(178,369)	191,784	(36,744)
Receivable against margin trading system	-	12,676	-	19,195
Receivable against sale of investments	-	5,654	-	475
Deposits, prepayments and other receivables	127	(11,377)	2,806	(9,575)
Dividend and profit receivable	(5,261)	(308)	(8,859)	(562)
	171,492	(171,724)	185,731	(27,211)
<b>Increase / (decrease) in liabilities</b>				
Payable to NBP Fullerton Asset Management Limited	464	1,411	(1,849)	853
Payable to Central Depository Company of Pakistan Limited -Trustee	197	14	164	6
Payable to Securities and Exchange Commission of Pakistan	88	100	178	98
Payable against purchase of investments	(34,394)	19,026	-	6,143
Accrued expenses and other liabilities	2,674	1,499	1,596	1,268
	(30,971)	22,050	89	8,368
<b>Net cash generated/ (used) from operating activities</b>	172,640	(123,246)	197,568	(7,802)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	684,458	248,024	345,776	84,814
Payment on redemption of units	(415,403)	(147,933)	(215,796)	(98,400)
Distribution paid	(12)	(4)	(2)	-
<b>Net cash generated from financing activities</b>	269,043	100,087	129,978	(13,586)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	441,683	(23,159)	327,546	(21,388)
Cash and cash equivalents at the beginning of the period	56,225	62,963	170,362	61,192
<b>Cash and cash equivalents as at the end of the period</b>	<b>497,908</b>	<b>39,804</b>	<b>497,908</b>	<b>39,804</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Asset Allocation Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 14, 2010.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The Registered and Principal office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Open-End "Asset Allocation Scheme" as per the criteria laid down by SECP for categorization of Collective Investment Schemes (CIS).

The objective of the Fund is to generate income by investing in debt and money market securities and to generate capital appreciation by investing in equity and equity related securities. The Fund also undertakes transactions under margin trading system.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of "AM2" to the Management Company.

Title of the assets of the Fund is held in the name of CDC as trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2012.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2012.

#### 2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the accounting periods beginning on or after July 1, 2012:

Amendment to IFRS 7, 'Financial instruments': The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain other new standards, amendments and interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

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

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

### 3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2012.

# NAFA ASSET ALLOCATION FUND

## 4 INVESTMENTS

### At fair value through profit or loss:

	Note	Un-Audited March 31, 2013	Audited June 30, 2012
----- Rupees in '000 -----			
- Equity securities - listed	4.1	305,288	145,275
- Term finance certificates - listed	4.2	32,878	67,320
- Government securities	4.3	-	214,161
Loans and receivables	4.4	30,000	38,000
		<u>368,166</u>	<u>464,756</u>

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

All shares have a nominal face value of Rs.10 each.

Name of the investee company	Number of shares					Market value as at March 31, 2013	Investment as a percentage of			
	As at July 01, 2012	Purchases during the period	Bonus / Right Issues	Sales during the period	As at March 31, 2013		Net assets	Market value of total investments	Paid up capital of the investee company	
						Rupees in '000	----- % -----			
<b>Oil &amp; Gas</b>										
Attock Petroleum Limited	-	31,000	-	31,000	-	-	-	-	-	-
Oil and Gas Development Company Limited	31,093	462,400	-	413,100	80,393	16,395	1.89	4.45	0.00	
Pakistan Oilfields Limited	28,500	347,697	-	282,500	93,697	42,504	4.89	11.54	0.04	
Pakistan Petroleum Limited	83,798	417,900	59,275	508,200	52,773	9,246	1.06	2.51	0.00	
Pakistan State Oil Company Limited	300	112,000	19,172	37,300	94,172	19,129	2.20	5.20	0.05	
<b>Chemicals</b>										
Engro Corporation Limited	4	806,900	-	491,500	315,404	40,687	4.68	11.05	0.08	
Fatima Fertilizer Company Limited	-	210,000	-	210,000	-	-	-	-	-	
Fauji Fertilizer Bin Qasim Limited	-	413,500	-	413,500	-	-	-	-	-	
Fauji Fertilizer Company Limited	142,250	740,500	-	787,500	95,250	10,468	1.20	2.84	0.01	
<b>Foods</b>										
Engro Foods	-	74,000	-	74,000	-	-	-	-	-	
<b>Industrial Engineering</b>										
Millat Tractors Limited	-	25,200	40	24,800	440	227	0.03	0.06	0.00	
<b>Construction and Materials</b>										
Attock Cement Pakistan Limited	266,193	-	39,929	170,000	136,122	15,398	1.77	4.18	0.16	
Cherat Cement Corporation	-	255,000	-	-	255,000	13,178	1.52	3.58	0.29	
D.G. Khan Cement Company Limited	3,000	1,484,000	-	1,313,000	174,000	12,053	1.39	3.27	0.06	
Fauji Cement Company Limited	-	1,860,000	-	1,860,000	-	-	-	-	-	
Lucky Cement Limited	174,500	672,400	-	749,100	97,800	16,390	1.88	4.45	0.03	
Personal Goods										
Nishat Chunian Limited	-	370,500	-	95,000	275,500	13,293	1.53	3.61	0.08	
Nishat Mills Limited	-	832,000	-	592,500	239,500	20,187	2.32	5.48	0.07	
<b>Technology / Communication</b>										
Pakistan Telecommunication Company Limited	2,000	2,054,000	-	1,697,000	359,000	7,288	0.84	1.98	0.10	
<b>Electricity</b>										
The Hub Power Company Limited	198,841	2,236,500	-	1,363,000	1,072,341	40,175	4.62	10.91	0.09	
Kot Addu Power Company Limited	-	840,000	-	680,500	159,500	8,361	0.96	2.27	0.02	
Nishat Chunian Power Limited	-	665,000	-	665,000	-	-	-	-	-	
Nishat Power Limited	-	722,000	-	722,000	-	-	-	-	-	
<b>Banks</b>										
Allied Bank Limited	130,394	-	10,539	25,000	115,933	6,834	0.79	1.86	0.01	
Bank Al-Falah Limited	567,000	2,405,000	-	2,972,000	-	-	-	-	-	
Bank Al-Habib Limited	-	495,000	-	-	495,000	13,029	1.50	3.54	0.09	
MCB Bank Limited	91,755	96,000	96	186,800	1,051	199	0.02	0.05	0.00	
National Bank of Pakistan	220,100	569,500	690	785,000	5,290	207	0.02	0.06	0.00	
United Bank Limited	63,690	599,300	-	662,500	490	40	0.00	0.01	0.00	
<b>Total as at March 31, 2013</b>						<u>305,288</u>	<u>35.11</u>	<u>82.92</u>	<u>1.19</u>	
<b>Carrying value as at March 31, 2013</b>						<u>274,632</u>				
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'						<u>30,656</u>				
<b>Total as at March 31, 2013</b>						<u>145,275</u>				

# NAFA ASSET ALLOCATION FUND

Investment include shares with market value of Rs. 4.55 million (June 30, 2012: Rs. 3.462 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities Exchange Commission of Pakistan.

## 4.2 Listed term finance certificates and sukuk bonds- at fair value through profit or loss

Name of the investee company	Number of certificates				Market value as at March 31, 2013	Investment as a percentage of			
	As at July 01, 2012	Purchases during the period	Sales during the period	As at March 31, 2013		Net assets	Market value of total investments	Issue size	
<b>Listed</b>						Rupees in '000	----- % -----		
Allied Bank Limited	5,000	-	-	5,000	25,299	2.91	6.87	0.00	
United Bank Limited	3,000	-	-	3,000	7,579	0.87	2.06	0.01	
Bank Alfalah Limited	2,000	-	2,000	-	-	-	-	-	
Engro Rupiya Certificate	3,400	-	3,400	-	-	-	-	-	
Engro Fertilizers Limited	2,000	-	2,000	-	-	-	-	-	
<b>Total as at March 31, 2013</b>					<b>32,878</b>	<b>3.78</b>	<b>8.93</b>	<b>0.01</b>	
<b>Carrying value as at March 31, 2013</b>					<b>32,257</b>				
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'									
					<b>621</b>				
<b>Total as at March 31, 2013</b>					<b>67,320</b>				

## 4.3 Government securities - at fair value through profit or loss

Issue date	Tenor	Face value				Market Value as at March 31, 2013	Investment as a percentage of	
		As at July 1, 2012	Purchases during the period	Sales during the period	As at March 31, 2013		Net Assets	Market Value of total investments
<b>Market Treasury Bills</b>						Rupees in '000	----- % -----	
January 12, 2012	6 months	40,000	-	40,000	-	-	-	-
April 19, 2012	3 months	75,000	-	75,000	-	-	-	-
July 14, 2011	12 months	100,000	-	100,000	-	-	-	-
August 11, 2011	12 months	-	78,000	78,000	-	-	-	-
August 25, 2011	12 months	-	65,000	65,000	-	-	-	-
September 20, 2012	6 months	-	75,000	75,000	-	-	-	-
<b>Total as at March 31, 2013</b>								
<b>Carrying value as at March 31, 2013</b>								
Net unrealised appreciation / (diminution) in value of investments classified as at 'fair value through profit or loss'								

## 4.4 Loans and receivables

Name of the investee company	Number of certificates				Market value as at March 31, 2013	Investment as a percentage of			
	As at July 01, 2012	Purchases during the period	Sales during the period	As at March 31, 2013		Net assets	Market value of total investments	Issue size	
<b>Sukuk</b>						Rupees in '000	----- % -----		
Hub Power Company Limited	7,600	-	7,600	-	-	-	-	-	
Kot Addu Power Company Limited	-	6,000	-	6,000	30,000	4.39	8.15	-	
<b>Total as at March 31, 2013</b>					<b>30,000</b>	<b>4.39</b>	<b>8.15</b>	<b>-</b>	
<b>Total as at June 30, 2012</b>					<b>38,000</b>				

# NAFA ASSET ALLOCATION FUND

## 5 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In the light of this, Mutual Fund Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court challenging the applicability of WWF on CISs which was dismissed mainly on the grounds that MUFAP is not an aggrieved party.

Subsequently, clarifications were 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. These clarifications were forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on these clarifications, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Further, a Constitutional Petition was filed with the Honorable High Court of Sindh by a CIS / mutual fund and a pension fund through their trustee and an asset management company inter alia praying to declare that mutual funds / voluntary pension funds being pass through vehicles / entities are not industrial establishments and hence, are not liable to contribute to the WWF under the WWF Ordinance. The matter is still pending with the Honorable Court.

The Management Company is hopeful that the decision of the court will be in favour of the Fund. The Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF as at March 31, 2013 amounting to Rs.4.250 million (including Rs.2.286 million for the current period) (June 30, 2012: Rs 1.964 million) in this condensed interim financial information. Had the same not been made the net asset value per unit would have been higher by Rs 0.0592.

## 6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2013 and June 30, 2012.

## 7 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund intends to avail such exemption in the current and future periods. Accordingly, no provision has been made for current and deferred taxation in this condensed interim financial information.

## 8 TRANSACTIONS WITH CONNECTED PERSONS

- 8.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.
- 8.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 8.3 Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.



# NAFA ASSET ALLOCATION FUND

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

	----- (Un-Audited) -----			
	Nine Months Ended		Quarter ended	
	March 31, 2013	March 31,2012	March 31, 2013	March 31, 2012
----- Rupees in '000 -----				
<b>NBP Fullerton Asset Management Limited - Management Company</b>				
Remuneration for the period	9,758	5,556	3,745	2,068
Sindh sales tax on remuneration of management company	1,561	889	599	331
Expenses paid by the Management Company on behalf of the Fund			-	-
- Front-end load	3,447	-	1,522	-
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>				
Bonus units issued 2,379,062 units (2012: 1,759,330 units)	-	-	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration for the period	976	556	375	207
CDS charges	71	28	42	11
<b>Employees of the Management Company</b>				
Units issued / transfer in 1,363,399 units (2012: 1,171,889 units)	15,950	12,664	11,802	3,745
Units Redeemed / transfer out 891,409 units (2012: 1,158,865 units)	10,267	12,439	4,873	5,396
Bonus units issued 18,435 units (2012: 11,939 units)	-	-	-	-
<b>Taurus Securities Limited</b>				
Brokerage expense	84	97	-	37
<b>NBP Fullerton Asset Management Ltd- Employees Providend Fund</b>				
Units Issued / transfer in 607,900 units (2012: 210,075 units)	6,817	2,311	4,477	2,311
Units Redeemed / transfer out 171,842 units (2012 : 4,839 units)	1,928	55	-	55
<b>Company Secretary / CFO</b>				
Units Issued/ transfer in 51,380 units (2012: units)	579	-	125	-
Units Redeemed / transfer out 51,108 units (2012 : Nil units)	597	-	370	-
Bonus units issued 364 units (2012: Nil units)	-	-	-	-
<b>Dr. Amjad Waeed - Chief Executive -- CEO</b>				
Units Issued/ transfer in 111,764 units (2012: Nil units)	1,300	-	1,300	-
Units Redeemed / transfer out 112,403 units (2012 : Nil units)	1,352	-	1,352	-
Bonus units issued 638 units (2012: Nil units)	-	-	-	-
<b>National Bank of Pakistan</b>				
Sold Treasury Bill	49,886		-	-
<b>NAFA Government Securities Liquid Fund</b>				
Sold Term Finance Certificate	38,910		(900)	-
<b>NAFA Financial Sector Income Fund</b>				
Sold Term Finance Certificate	38,430		-	-
<b>International industries Ltd. Employees Provident Fund</b>				
Units Issued/ transfer in 3,159,499 units (2012: Nil units)	35,281	-	19,354	-
Units Redeemed / transfer out 987,652 units (2012 : Nil units)	11,133	-	-	-
Bonus units issued 37495 units (2012: Nil units)	-			
<b>International Steel Ltd. Employees Provident Fund</b>				
Units Issued/ transfer in 424,129 units (2012: Nil units)	4,662	-	-	-
Units Redeemed / transfer out 290,697 units (2012 : Nil units)	3,277	-	-	-

# NAFA ASSET ALLOCATION FUND

	(Un-Audited) March 31, 2013	(Audited) June 30, 2012
	----- Rupees in '000 -----	
<b>8.5 Amounts outstanding as at period end</b>		
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Management remuneration payable	1,416	797
Sindh sales tax on remuneration of management company	226	127
Preliminary expenses and floatation costs	1,000	1,000
Initial deposit on opening of bank accounts	75	75
Professional charges	38	38
Listing fee	20	20
Front-end load	936	1,190
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	142	80
CDS charges payable	135	9
Security deposit	100	100
<b>National Bank of Pakistan</b>		
Balance in current account	-	1,526
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held by the sponsor in the Fund 21,936,218 units (June 30, 2012: 19,557,156 units)	265,885	222,862
<b>Employees of the Management Company</b>		
Investment held in the Fund 623,474 units (June 30, 2012: 133,050 units)	7,557	1,516
<b>NBP Fullerton Asset Management Ltd- Employees Provident Fund</b>		
Investment held in the Fund 443,587 units (June 30, 2012: Nil units)	5,377	-
<b>Company Secretary / CFO</b>		
Investment held in the Fund 627 units (June 30, 2012: Nil units)	8	-
<b>International Industries Ltd. Employees Provident Fund</b>		
Investment held in the Fund 461,444 units (June 30, 2012 : Nil units)	-	-
<b>International Steels Ltd. Employees Provident Fund</b>		
Investment held in the Fund 133,432 units (June 30, 2012 : Nil units)	-	-
<b>Taurus Securities Limited</b>		
Brokerage payable	51	-

## 9 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2013.

## 10 GENERAL

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

10.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director