


## 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

## 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. Wag 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

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

# 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:**

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

# NAFA ASSET ALLOCATION FUND

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# 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 quarter ended September 30, 2011.

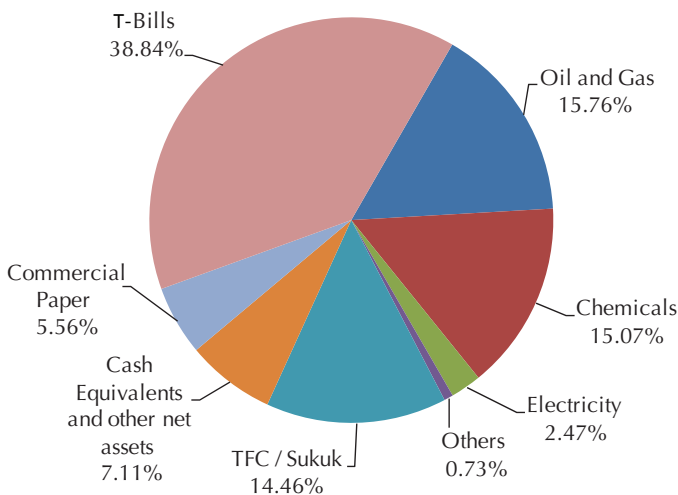
### Fund's Performance

During the first quarter, the unit price of NAFA Asset Allocation Fund (NAAF) has increased from Rs. 10.2704 (Ex-Div) on June 30, 2011 to Rs.10.4809 on September 30, 2011, thus showing a growth of 2.05%, as compared to its Benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index) return of 0.78% during the same period. Thus, the Fund has outperformed its Benchmark by 1.27% during the period under review. Since inception the NAV of the Fund has increased from Rs. 8.5979 (Ex-Div) on August 20, 2010 to Rs. 10.4809 on September 30, 2011, thus showing an increase of 21.90%. During the said period, the Benchmark increased by 13.09%, translating into outperformance of 8.81%. This performance is net of management fee and all other expenses. The size of NAFA Asset Allocation Fund has increased from Rs.283 million to Rs.360 million during the period, i.e. an increase of 27.21%.

The stock market depicted a declining trend during 1QFY12. The KSE-30 Index decreased by around 3.16% to the 11,221 levels as against 11,586 levels at the beginning of the quarter. The Banks, Chemical, Personal Goods, Construction & Materials and Electricity sectors performed better than the market. On the other hand, the Oil & Gas, Household Goods, Industrial Engineering, Industrial Transportation and Fixed Line Communication sectors lagged the market. During the period under review the key factors for the lackluster performance of the market were slowdown in foreign flows, uneasiness on the domestic political front, the energy crisis, mounting energy related circular debt, US Country rating downgrade by Standard & Poor's and associated global equity sell-off. On a positive note, expectation of healthy corporate earnings announcement and sanguine valuations of key companies kept alive the interest of local investors towards the end of the quarter.

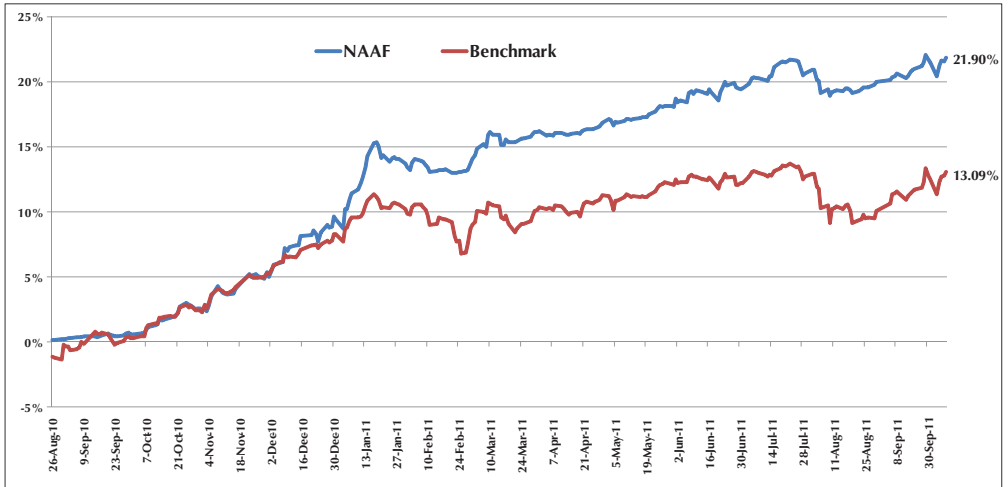
The coupon rates of most TFCs in your Fund are floating and linked to KIBOR, which depicted a falling trend during the quarter.

The Fund has earned total income of Rs.9.35 million during the period. After deducting expenses of Rs.3.07 million, the net income is Rs.6.28 million; translating into income per unit of Rs.0.2105. The asset allocation of the Fund as on September 30, 2011 is as follows:



# NAFA ASSET ALLOCATION FUND

NAAF Performance versus Benchmark (Since Inception)



## 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 ASSET ALLOCATION FUND

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

	Note	September 30, 2011	June 30, 2011
(Rupees in '000)			
<b>ASSETS</b>			
Balances with banks		38,232	62,963
Investments	4	334,070	198,352
Receivable against Margin Trading System		-	12,676
Receivable against sale of investments		-	5,654
Dividend and profit receivable	5	2,422	2,910
Deposits, prepayments and other receivables		3,117	3,166
Preliminary expenses and floatation costs		778	828
<b>Total assets</b>		378,619	286,549
<b>LIABILITIES</b>			
Payable to the Management Company		2,599	1,947
Payable to the Trustee		58	58
Payable to the Securities and Exchange Commission of Pakistan		74	164
Payable against redemption of units		250	303
Payable against purchase of investments		14,001	-
Accrued expenses and other liabilities	6	2,007	1,355
<b>Total liabilities</b>		18,989	3,827
<b>NET ASSETS</b>		359,630	282,722
Unit Holders' Funds (as per statement attached)		359,630	282,722
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>Number of units</b>			
<b>NUMBER OF UNITS IN ISSUE</b>		34,312,986	24,974,471
<b>Rupees</b>			
<b>NET ASSET VALUE PER UNIT</b>		10.4809	11.3204

The annexed notes 1 to 12 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Note	For the Quarter Ended September 30, 2011	For the period from August 02, 2010 to September 30, 2010
(Rupees in '000)			
<b>INCOME</b>			
Capital gain / (loss) on sale of investments - net		(2,063)	(57)
Income from term finance certificates and sukuk bonds		2,429	229
Income from government securities		4,448	762
Income from Margin Trading System		168	-
Profit on bank deposits		979	509
Dividend income		662	-
Unrealised appreciation in the value of investments 'at fair value through profit or loss' - net		2,722	(175)
<b>Total Income</b>		<b>9,345</b>	<b>1,268</b>
<b>EXPENSES</b>			
Remuneration of the Management Company		1,564	250
Remuneration of the Trustee		176	79
Annual fee - Securities and Exchange Commission of Pakistan		74	11
Amortisation of preliminary expenses and floatation costs		50	22
Auditors' remuneration		126	59
Annual listing fee		6	3
Printing charges		46	64
NCCPL Fee		63	-
Legal and professional charges		-	2
Sales tax		252	-
Mutual fund rating fee		22	26
Securities transaction cost		293	44
Settlement and bank charges		265	42
<b>Total Expenses</b>		<b>2,937</b>	<b>602</b>
<b>Net Income from operating activities</b>		<b>6,408</b>	<b>666</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		-	38
Provision for Workers' Welfare Fund		(128)	(14)
<b>Net income for the period before taxation</b>		<b>6,280</b>	<b>690</b>
Taxation		-	-
<b>Net income for the period after taxation</b>		<b>6,280</b>	<b>690</b>
<b>Earnings per unit</b>			

The annexed notes 1 to 12 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	For the Quarter Ended September 30, 2011	For the period from August 02, 2010 to September 30, 2010
	(Rupees in '000)	
Net income for the period after taxation	6,280	690
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>6,280</u>	<u>690</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	For the Quarter Ended September 30, 2011	For the period from August 02, 2010 to September 30, 2010
	(Rupees in '000)	
Undistributed income brought forward	31,868	-
Final distribution for the period from August 02, 2010 to June 30, 2011: 10.50% (Date of distribution: July 04, 2011)		
- Bonus units	(26,220)	-
- Cash divided	(4)	
Net income for the period after taxation	6,280	690
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing income that form part of the unit holders' funds	941	
Undistributed income carried forward	<u>12,865</u>	<u>690</u>
<b>Undistributed income comprising of :</b>		
Realised income	10,143	865
Unrealised income / (loss)	2,722	(175)
	<u>12,865</u>	<u>690</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	For the Quarter Ended September 30, 2011	For the period from August 02, 2010 to September 30, 2010
	(Rupees in '000)	
Net assets at the beginning of the year	282,722	-
Issue of 11,203,180 units - including 2,552,922 bonus units: (2010: 11,090,510 units)	89,895	110,947
Redemption of 1,864,665 units (2010: 59,947 units)	(19,263) 70,632	(603) 110,344
<b>Final distribution</b>		
Issue of bonus units for the period from August 02, 2010 to June 30, 2011	26,220	
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(941)	
- amount representing (income) / loss and capital (gains) / losses transferred to income statement	-	(38)
Unrealised appreciation in the value of investments 'at fair value through profit or loss' - net	2,722	(175)
Capital gain / (loss) on sale of investments - net	(2,063)	(57)
Other net income for the period	5,621 6,280	922 690
<b>Less: Distributions made during the period</b>		
Final distribution for the period from August 02, 2010 to June 30, 2011: 10.50% (Date of distribution: July 04, 2011)		
- Bonus units	(26,220)	-
- Cash dividend	(4) (26,224)	- -
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	941	-
<b>Net assets at the end of the period</b>	359,630	110,996

The annexed notes 1 to 12 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	For the Quarter Ended September 30, 2011	For the period from August 02, 2010 to September 30, 2010
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	6,280	690
<b>Adjustments</b>		
Unrealised appreciation in the value of investments 'at fair value through profit or loss'	(2,722)	175
Amortisation of preliminary expenses and floatation costs	50	22
Element of (income)/ loss and capital (gains)/ losses included in prices of units issued less those in units redeemed	-	(38)
	3,608	849
<b>(Increase) / decrease in assets</b>		
Investments	(132,996)	(78,434)
Receivable against Margin Trading System	12,676	-
Receivables against sale of investments	5,654	-
Dividend and profit receivable	488	(689)
Deposits, prepayments and other receivables	49	(2,600)
Preliminary expenses and floatation costs	-	(1,000)
	(114,129)	(82,723)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	652	1,272
Payable to the Trustee	-	56
Payable to the Securities and Exchange Commission of Pakistan	(90)	11
Payable against purchase of investments	14,001	2,928
Accrued expenses and other liabilities	652	602
	15,215	4,869
<b>Net cash used in operating activities</b>	(95,306)	(77,005)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	89,895	110,947
Payments on redemption of units	(19,316)	(603)
Cash dividend	(4)	-
<b>Net cash generated from financing activities</b>	70,575	110,344
<b>Net increase in cash and cash equivalents during the period</b>	(24,731)	33,339
Cash and cash equivalents at the beginning of the period	62,963	-
<b>Cash and cash equivalents at the end of the period</b>	38,232	33,339

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA ASSET ALLOCATION FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2011

### 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 (Formerly National Fullerton Asset Management Limited) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 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 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 of the Fund are transferable and can be redeemed by surrendering them to the Fund. The units are listed on the Lahore Stock Exchange. The Fund is categorized as an Open-End "Asset Allocation Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan 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- (Positive outlook) to the Management Company.

Title of 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 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 Regulation 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'.

- 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 condensed interim financial statements for the quarter ended September 30, 2011 are same as those applied in the preparation of 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.

# NAFA ASSET ALLOCATION FUND

	Note	September 30, 2011	June 30, 2011
(Rupees in '000)			
4	INVESTMENTS		
	At fair value through profit or loss <sup>1</sup> - held for trading		
	- Equity securities - listed	4.1	122,381
	- Term finance certificates and sukuk bonds- listed	4.2	71,998
	- Government securities	4.3	139,691
			69,645
		<u>334,070</u>	<u>198,352</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 share					Market value as at September 30, 2011	Investment as a percentage of		
	As at July 01, 2011	Purchases during the year	Bonus / Right Issue	Sales during the year	As at September 30, 2011		Net assets	Market value of total investment	Paid up capital of the investee company
						Rupees in '000	----- % -----		
<b>Oil &amp; Gas</b>									
Attock Petroleum Limited	9,900	3,300	-	12,900	300	119	0.03	0.04	0.00
National Refinery Limited	200	7,800	-	8,000	-	-	-	-	-
Oil and Gas Development Company Limited	49,173	58,600	-	49,000	58,773	7,766	2.16	2.32	0.00
Pakistan Oilfields Limited	41,200	97,700	-	64,800	74,100	27,296	7.59	8.17	0.03
Pakistan Petroleum Limited	70,900	150,700	4,960	131,700	94,860	17,983	5.00	5.38	0.01
Pakistan State Oil Company Limited	10,000	13,800	-	10,000	13,800	3,513	0.98	1.05	0.01
<b>Chemicals</b>									
Engro Corporation Limited	280	49,800	-	14,000	36,080	5,174	1.44	1.55	0.01
Fauji Fertilizer Bin Qasim Limited	184,000	563,500	-	351,500	396,000	23,237	6.46	6.96	0.04
Fauji Fertilizer Company Limited	87,700	189,700	-	118,200	159,200	25,774	7.17	7.72	0.02
<b>Industrial Engineering</b>									
Millat Tractors Limited	-	2,400	-	-	2,400	963	0.27	0.29	0.01
<b>Electricity</b>									
The Hub Power Company Limited	313,700	400,500	-	500,000	214,200	8,889	2.47	2.66	0.02
<b>Banks</b>									
Allied Bank Limited	4,999	-	-	4,900	99	6	0.00	0.00	0.00
National Bank of Pakistan	-	130,000	-	94,000	36,000	1,649	0.46	0.49	0.00
United Bank Limited	200	-	-	-	200	12	0.00	0.00	0.00
						<u>122,381</u>	<u>34.03</u>	<u>36.63</u>	
Carrying value as at September 30, 2011						<u>119,400</u>			

# NAFA ASSET ALLOCATION FUND

## 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 September 30, 2011	Investment as a percentage of		
	As at July 01, 2011	Purchases during the year	Sales during the year	As at September 30, 2011		Net assets	Market value of total investment	Issue size
Rupees in '000						% -----		
<b>Listed</b>								
Allied Bank Limited	2,000	-	-	2,000	10,142	2.82	3.04	0.00
United Bank Limited	3,000	-	-	3,000	14,971	4.16	4.48	0.01
Bank Alfalah Limited	2,000	-	-	2,000	10,020	2.79	3.00	0.01
Engro Corporation Limited	3,400	-	-	3,400	16,865	4.69	5.05	0.00
					<u>51,998</u>	<u>14.46</u>	<u>15.57</u>	
<b>Sukuk</b>								
Hub Power Company Limited	-	4,000	-	4,000	20,000	5.56	5.99	
					<u>71,998</u>	<u>20.02</u>	<u>21.55</u>	
Carrying value as at September 30, 2011					<u>72,199</u>			

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

Issue Date	Tenor	Face Value				Market value as at September 30, 2011 (Rupees in '000)	Investment as a percentage of		
		As at July 01, 2011	Purchases during the year	Sales/ Matured during the year	As at September 30, 2011		Net assets	Market value of total investments	
.....Rupees in 000'.....						% -----			
<b>Market Treasury Bills</b>									
April 21, 2011	3 months	70,000	-	70,000	-	-	-	-	
May 5, 2011	3 months	-	20,000	20,000	-	-	-	-	
July 14, 2011	3 months	-	70,000	-	70,000	69,846	19.42	20.91	
May 19, 2011	3 months	-	20,000	20,000	-	-	-	-	
April 7, 2011	6 months	-	110,000	40,000	70,000	69,845	19.42	20.91	
February 10, 2011	6 months	-	15,000	15,000	-	-	-	-	
March 10, 2011	6 months	-	90,000	90,000	-	-	-	-	
February 24, 2011	6 months	-	15,000	15,000	-	-	-	-	
		<u>-</u>	<u>70,000</u>	<u>340,000</u>	<u>270,000</u>	<u>140,000</u>	<u>139,691</u>	<u>38.84</u>	<u>41.81</u>
Carrying value as at September 30, 2011						<u>139,749</u>			

Note                      September 30, 2011                      June 30, 2011

## 5 DIVIDEND AND PROFIT RECEIVABLE

(Rupees in '000)

Profit accrued on savings deposits	269	374
Dividend receivable	100	456
Income accrued on receivable against Margin Trading System	-	78
Income accrued on term finance certificates and sukuk	<u>2,052</u>	<u>2,002</u>
	<u>2,422</u>	<u>2,910</u>

# NAFA ASSET ALLOCATION FUND

	Note	September 30, 2011	June 30, 2011
<b>6</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
		(Rupees in '000)	
	Auditors' remuneration payable	382	256
	Provision for workers' welfare fund	1,023	895
	Payable to brokers	4	54
	Settlement charges	204	75
	Printing charges payable	113	67
	Others	281	8
		2,007	1,355

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2011 and September 30, 2011.

## 8 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 / period, 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 subsequent to the year end the Management Company has distributed the required minimum percentage of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 9 EARNINGS PER UNIT

Earnings per unit (EPU) for the Quarter ended September 30, 2011 has not been disclosed in these financial statements as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

## 10 TRANSACTIONS WITH CONNECTED PERSONS

10.1 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.

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

10.3 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.

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



# NAFA ASSET ALLOCATION FUND

For the  
Quarter Ended  
September 30,  
2011

For the period  
from August 02,  
2010 to September  
30, 2010

(Rupees in '000)

## 10.5 Details of the transactions with connected persons are as follows:

### NBP Fullerton Asset Management Limited - Management Company

Remuneration for the period	1,564	250
Expenses paid by the Management Company on behalf of the Fund		
- Preliminary expenses and floatation costs	-	1,000

### Alexandra Fund Management Pte. Limited - Sponsor

Units Issue (Nil units: 2010: 10,000,000 units)	-	100,000
Pre-IPO profit paid	-	403
Bonus units issued (1,759,330 units: 2010: Nil units)	-	-

### Central Depository Company of Pakistan Limited - Trustee

Remuneration for the period	176	79
CDS charges	8	-

### Employees of the Management Company

Units issued / transfer in (311,508 units: 2010: 4,194 units)	3,236	42
Units Redeemed / transfer out of (390,639 units: 2010: 3,087 units)	4,054	31
Bonus units issued (11,942 units: 2010: Nil units)		-

### Taurus Securities Limited

Brokerage expense	20	-
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# NAFA ASSET ALLOCATION FUND

Sep 30, 2011          June 30, 2011  
(Rupees in '000)

## 10.6 Amounts outstanding as at period end

### NBP Fullerton Asset Management Limited - Management Company

Management fee payable	467	452
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	999	362

### Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	58	58
CDS charges payable	2	3
Security deposit	100	100

### National Bank of Pakistan

Balance in current account	1,273	228
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### Alexandra Fund Management Pte. Limited - Sponsor

Investment held by the sponsor in the Fund (18,967,927 units: June 30, 2011: 17,208,597 units)	198,801	194,808
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### NAFA Government Securities Liquid Fund

Payable against transfer out of units	-	303
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### Employees of the Management Company

Investment held in the Fund (49,625 units: June 30, 2011: 116,813 units)	520	1,322
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### Taurus Securities Limited

Brokerage payable	-	9
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### NAFA Savings Plus Fund

Receivable against transfer sales	-	144
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## 11 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.

## 12 GENERAL

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director