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NBP Fullerton
Asset Management Ltd.
A Subsidiary of
National Bank of Pakistan

NAFA ISLAMIC STOCK FUND

**QUARTERLY
REPORT**
**September
30 2016**




Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

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 STOCK FUND

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NAFA ISLAMIC STOCK FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director
Mr. Koh Boon San	Director
Mr. Lui Mang Yin (Martin Lui)	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Saiyed Hashim Ishaque	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Aamir Sattar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Lui Mang Yin (Martin Lui)	Member
Mr. Abdul Hadi Palekar	Member

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Summit Bank Limited
Bank Alfalah Limited
Habib Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
United Bank Limited
Burj Bank Limited
BankIslami Pakistan Limited
Meezan Bank Limited
Sindh Bank Limited
Bank Al Habib Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited

NAFA ISLAMIC STOCK 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:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 111-111NFA (111-111-632),
(Toll Free): 0800-20001,
Fax: (021) 35825329
Website: www.nafafunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

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

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632 (nfa)
Fax: 091-5703202

Multan Office:

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

NAFA ISLAMIC STOCK FUND

DIRECTORS' REPORT

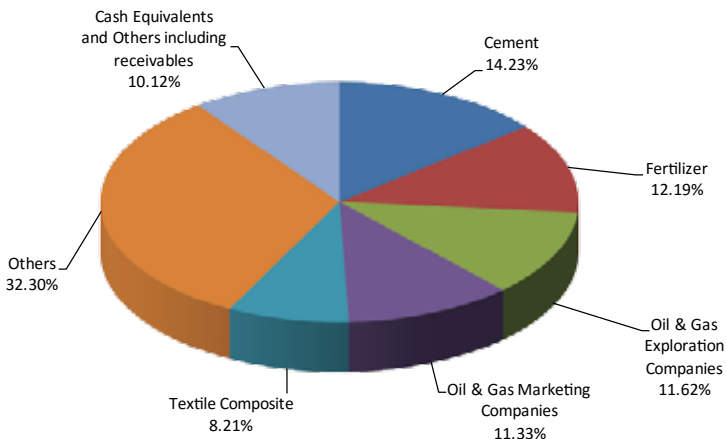
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Stock Fund (NISF)** for the quarter ended September 30, 2016.

Fund's Performance

The Fund size of NAFA Islamic Stock Fund (NISF) at the end of the period stood at Rs.3,175 million, 81% higher compared to the previous quarter. During the first quarter the unit price of NISF has increased from Rs. 11.4401 on June 30, 2016 to Rs. 12.8350 on September 30, 2016, thus showing an increase of 12.19%. The Benchmark (KMI-30 Index) for the same period increased by 4.23%. Thus, the Fund has outperformed its Benchmark by 7.96% during the period under review. Since inception (January 09, 2015), the unit price of the Fund has shown a growth of 41.07% as compared to 31.49% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 9.58%. This performance is net of management fee and all other expenses.

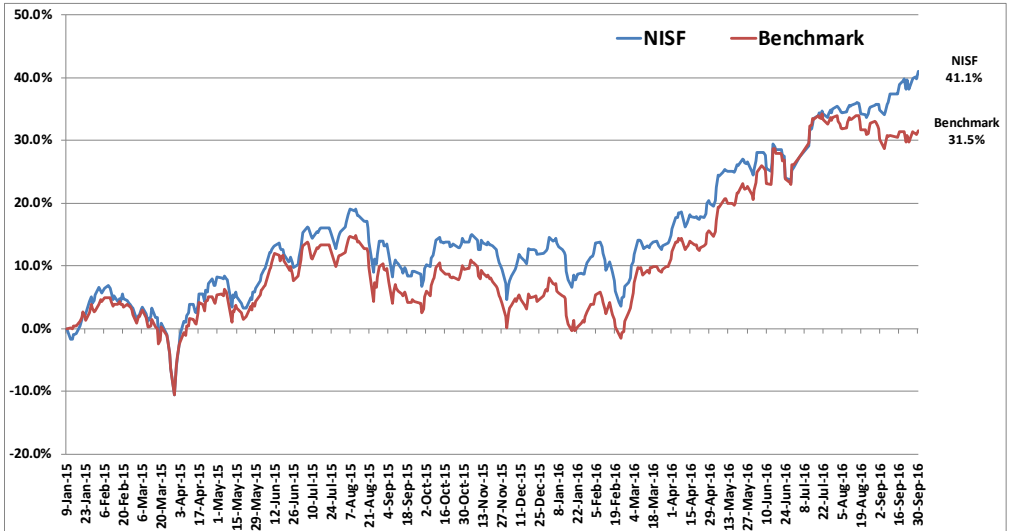
During Q1FY17, the stock market extended the rally that started from the lows hit at the end of February 2016, delivering a return of about 4.2%. Positives like improving economic prospects as captured in an all-time high foreign exchange reserves of US\$23.6bn, multi-year low inflation & interest rates, and pick-up in economic growth, albeit from low levels; attractive stock market valuations; and tepid returns on alternate investment avenues buoyed local investors' interest in the market. Better than expected corporate results announcements for the period ending June 30, 2016 provided the much needed confidence to the market participants. However, foreign investors remained sellers with outflows of US\$ 39.7 million recorded during the quarter. Automobile Assembler, Automobile Parts & Accessories, Engineering, and Textile Composite sectors performed better than the market whereas Cement and Fertilizer sectors lagged behind.

The Fund has earned total income of Rs.364.54 million during the period. After deducting expenses of Rs.19.53 million, the net income is Rs.345.01 million. The below chart presents the asset allocation of NISF.



NAFA ISLAMIC STOCK FUND

NISF 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 28, 2016

Place: Karachi.

NAFA ISLAMIC STOCK FUND

ڈائریکٹرز رپورٹ

NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ، بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2016ء کو ختم ہونے والی سہ ماہی کے لیے NAFA اسلامک اسٹاک فنڈ (NISF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتا ہے۔

فنڈ کی کارکردگی

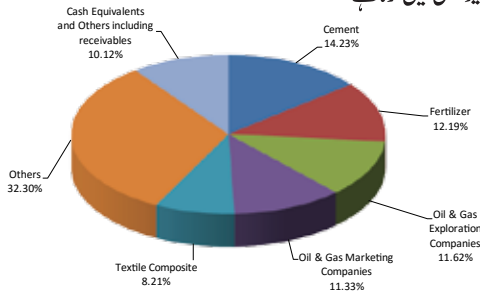
NAFA اسلامک اسٹاک فنڈ (NISF) کا فنڈ سائز اس مدت کے اختتام پر 3,175 ملین روپے ہے جو گزشتہ سہ ماہی کے مقابلے میں %81 زیادہ ہے۔ پہلی سہ ماہی کے دوران NAFA اسلامک اسٹاک فنڈ کے پونٹ کی قیمت 30 جون 2016 کو 11.4401 روپے سے بڑھ کر 30 ستمبر 2016 پر 12.8350 روپے ہو چکی ہے۔ لہذا %12.19 اضافہ ہوا ہے۔ اسی مدت کے دوران بیچ مارک (30-KMI انڈیکس) میں %14.23 اضافہ ہوا تھا، لہذا فنڈ نے زیر جائزہ مدت کے دوران بیچ مارک سے %7.96 بہتر کارکردگی دکھائی۔

اپنے قیام (9 جنوری 2015) سے اب تک فنڈ کے پونٹ کی قیمت نے اپنے بیچ مارک میں %31.49 اضافے کے مقابلے میں %41.07 نمو دکھائی ہے۔ اس طرح فنڈ کی کارکردگی اپنے بیچ مارک کے مقابلے میں %9.58 بہتر رہی۔ یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 2017 کی پہلی سہ ماہی کے دوران اسٹاک مارکیٹ نے تیزی کا وہ رحمان آگے بڑھایا جس کا آغاز فروری 2016 کے اختتام پر پست سطح سے ہوا تھا اور %4.2 منافع پیش کیا۔ مثبت عوامل مثلاً بہتر ہوتے اقتصادی امکانات، جن کی نشاندہی 23.6 ارب امریکی ڈالر پر مشتمل ملکی تاریخ کے سب سے بلند زیر مبادلہ کے ذخائر سے ہوتی ہے، کئی سال پر محیط کم تر افراط زر اور شرح سود، اور معاشی نمو میں تیزی، اسٹاک مارکیٹ میں پُرکشش آمدن اور سرمایہ کاری کے متبادل ذرائع سے بہتر نتائج کے باعث مقامی سرمایہ کاروں کی طرف سے اسٹاک مارکیٹ میں دل چسپی میں اضافہ ہوا۔ 30 جون 2016 کو ختم ہونے والی مدت کے لیے توقع سے بہتر کاروباری نتائج کے اعلانات نے مارکیٹ کے شرکاء کو درکار انتہائی ضروری اعتماد فراہم کیا۔ تاہم غیر ملکی سرمایہ کاروں کی طرف سے فروخت کا سلسلہ جاری رہا جس کے نتیجے میں سہ ماہی کے دوران %39.7 ملین ڈالر کا اخراج ریکارڈ کیا گیا۔ آٹوموبیل اسمبلرز، آٹوموبیل پارٹس اور ایسیریز، انجنیئرنگ اور ٹیکسٹائل کمپوزٹ سیکٹرز نے مارکیٹ کے مقابلے میں بہتر کارکردگی کا مظاہرہ کیا جب کہ سینٹ اور فریٹلائزر سیکٹرز پسماندگی کا شکار رہے۔

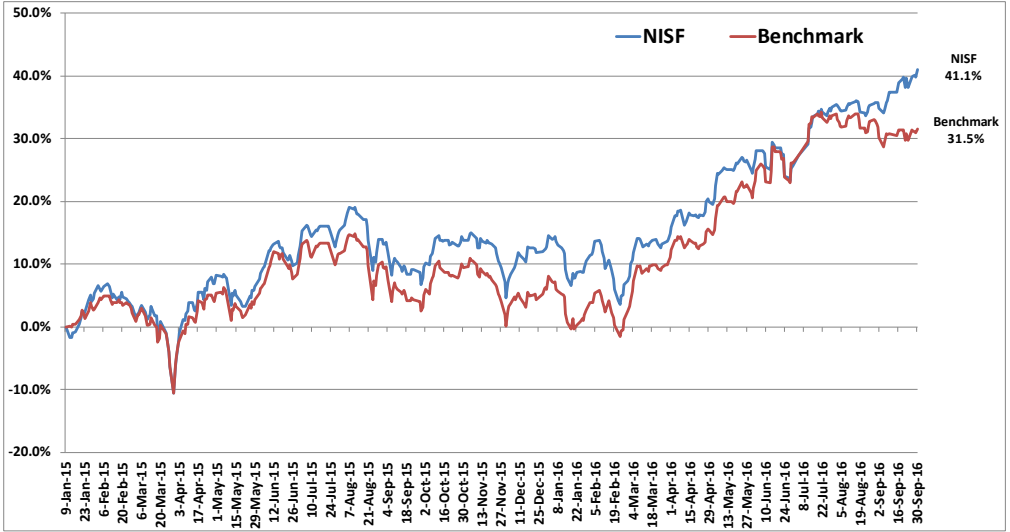
اس مدت کے دوران فنڈ نے 364.54 ملین روپے کی مجموعی آمدنی کمائی۔ اخراجات کی مد میں 19.53 ملین روپے منہا کرنے کے بعد خالص آمدنی 345.01 ملین روپے ہے۔

درج ذیل چارٹ NISF کی ایسیٹ ایلوکیشن پیش کرتا ہے:



NAFA ISLAMIC STOCK FUND

NISF کی کارکردگی بمقابلہ بیچ مارک (قیام سے اب تک)



اظہار تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہار تشکر کرتا ہے۔ بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فلٹرن ایسیٹ منجٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

12 اکتوبر 2016

مقام: کراچی

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016

	Note	Un-Audited September 30, 2016	Audited June 30, 2016
(Rupees in '000)			
ASSETS			
Balances with banks		338,958	240,619
Investments	4	2,853,897	1,875,064
Receivable against issue of units		7,099	5,460
Dividend and profit receivable	5	29,587	3,803
Advances and deposits		2,840	2,633
Total assets		3,232,381	2,127,579
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company		20,472	16,136
Payable to the Central Depository Company of Pakistan Limited - Trustee		374	293
Payable to the Securities and Exchange Commission of Pakistan		658	1,568
Payable against purchase of investment		25,457	-
Payable against redemption of units		241	336,673
Dividend payable		-	14
Accrued expenses and other liabilities	6	10,076	20,508
Total liabilities		57,278	375,192
NET ASSETS		3,175,103	1,752,387
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		3,175,103	1,752,387
CONTINGENCIES AND COMMITMENTS	7		
Number of units in issue		247,379,112	153,179,092
NET ASSET VALUE PER UNIT		12.8350	11.4401

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Note	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
(Rupees in '000)			
INCOME			
Net gain on sale of investments		11,831	6,801
Dividend Income		27,529	17,927
Profit on bank deposits		5,414	1,812
Net unrealised (diminution) on re-measurement as 'financial assets at fair value through profit or loss'		267,251	(62,414)
Total Income / loss		312,025	(35,874)
EXPENSES			
Remuneration of NBP Fullerton Asset Management Limited Management Company		13,845	10,282
Sindh sales tax on remuneration of the Management Company		1,800	1,670
FED on remuneration of the Management Company		-	1,645
Accounting and operational expenses		692	-
Remuneration to Central Depository Company of Pakistan Limited- Trustee		944	594
Sindh sales tax on remuneration of Trustee		123	83
Annual fee - Securities and Exchange Commission of Pakistan		658	326
Securities transaction cost		1,072	1,190
Settlement and bank charges		165	281
Annual listing fee		10	10
Auditors' remuneration		120	101
Shariah advisor fee		76	-
Printing charges		27	25
Total Expenses		19,532	16,207
Net Income / loss from operating activities		292,493	(52,081)
Net element of income/(loss) and capital gains/(losses) included 'in prices of units issued less those in units redeemed		52,517	9,347
Provision for Workers' Welfare Fund	8	-	-
Net Income / loss for the period before taxation		345,010	(42,734)
Taxation	9	-	-
Net Income / loss for the period after taxation		345,010	(42,734)
Earnings per unit	10		

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Net Income / loss for the period after taxation	345,010	(42,734)
Other Comprehensive Income	-	-
Total comprehensive Income / loss for the period	<u>345,010</u>	<u>(42,734)</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Undistributed income brought forward		
Realised income	27,642	31,811
Unrealised income	<u>157,860</u>	<u>84,170</u>
	<u>185,502</u>	<u>115,981</u>
Net income / loss for the period after taxation	345,010	(42,734)
Final distribution for the year ended June 30, 2016: Nil (2015 : 1.369%)		
- Cash distribution	-	(15,574)
Undistributed Income carried forward	<u>530,512</u>	<u>57,673</u>
Undistributed Income carried forward		
Undistributed income comprising of:		
Realised income	263,261	120,087
Unrealised income / loss	<u>267,251</u>	<u>(62,414)</u>
	<u>530,512</u>	<u>57,673</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Net assets at the beginning of the period	1,752,387	1,251,505
Issue of 114,719,356 units (2015: 61,648,668 units)	1,381,588	690,696
Redemption of 20,519,336 units(2015: 54,234,971 units)	(251,365)	(600,655)
	1,130,223	90,041
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed	(52,517)	(9,347)
Net unrealised appreciation / (diminution) on re-measurement as 'financial assets at fair value through profit or loss'	267,251	(62,414)
Capital gain on sale of investments - net	11,831	6,801
Other income (net of expenses) for period	65,928	12,879
	345,010	(42,734)
Final distribution for the year ended June 30, 2016: Nil (2015 : 1.369%) - Cash Distribution	-	(15,574)
Net assets at the end of the period	3,175,103	1,273,891

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income / loss for the period before taxation	345,010	(42,734)
Adjustments		
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(52,517)	(9,347)
Net unrealised diminution on re-measurement as 'financial assets at fair value through profit or loss'	(267,251)	62,414
	<u>25,242</u>	<u>10,333</u>
(Increase) / decrease in assets		
Investments	(711,582)	(115,291)
Dividend and profit receivable	(25,784)	(14,040)
Receivable against sale of investments	-	(25,253)
Advances and deposits	(207)	(52)
	<u>(737,573)</u>	<u>(154,636)</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	4,336	4,401
Payable to the Trustee	81	34
Payable to the Securities and Exchange Commission of Pakistan	(910)	(72)
Dividend payable	(14)	-
Payable against purchase of investment	25,457	-
Accrued expenses and other liabilities	(10,432)	(3,428)
	<u>18,518</u>	<u>935</u>
Net cash (used in) operating activities	<u>(693,813)</u>	<u>(143,368)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	1,379,949	788,302
Net payments on redemption of units	(587,797)	(627,912)
Distributions made	-	(15,574)
Net cash generated from financing activities	<u>792,152</u>	<u>144,816</u>
Net increase in cash and cash equivalents during the period	<u>98,339</u>	<u>1,448</u>
Cash and cash equivalents at the beginning of the period	240,619	133,821
Cash and cash equivalents at the end of the period	<u><u>338,958</u></u>	<u><u>135,269</u></u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Stock 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 November 18, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 21, 2014, under 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 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 Pakistan Stock Exchange. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund is categorized as an Open-End "Shariah Compliant Equity 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 NAFA Islamic Stock Fund is to provide with long term capital growth from an actively managed portfolio of Shariah Compliant listed equities.

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 Central Depository Company of Pakistan Limited (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 the 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'.

The directors of the Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at September 30, 2016

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Principal accounting policies adopted for the preparation of these condensed interim financial statements for the quarter ended September 30, 2016 are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2016.

NAFA ISLAMIC STOCK FUND

(Un-Audited) (Audited)
Note September 30, June 30,
2016 2016
(Rupees in '000)

4 INVESTMENTS

Financial assets 'at fair value through profit or loss'

- Listed equity securities

4.1 2,853,897 1,875,064

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

Name of the investee company	As at July 1, 2016	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2016	Market value as at September 30, 2016	Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
						(Rupees in '000)	-----%		
OIL AND GAS MARKETING COMPANIES									
Attock Petroleum Limited	51,100	-	-	-	51,100	26,572	0.84	0.93	0.06
Pakistan State Oil Company Limited	235,100	212,600	-	57,200	390,500	161,722	5.09	5.67	0.14
Shell Pakistan Limited	150,500	50,900	-	-	201,400	82,586	2.60	2.89	0.19
Hascal Petroleum Limited	1,248	-	-	-	1,248	275	0.01	0.01	0.00
Sui Northern Gas Pipelines Limited	-	1,200,000	-	125,000	1,075,000	53,879	1.70	1.89	0.17
Sui Southern Gas Company Limited	-	857,500	-	-	857,500	34,763	1.09	1.22	
OIL AND GAS EXPLORATION COMPANIES									
Pakistan Oilfields Limited	226,400	137,300	-	83,300	280,400	112,527	3.54	3.94	0.12
Pakistan Petroleum Limited	432,100	221,900	-	74,500	579,500	94,847	2.99	3.32	0.03
Mari Petroleum Company Limited	127,550	17,300	-	9,500	135,350	129,196	4.07	4.53	0.12
Oil and Gas Development Company Limited	293,000	-	-	64,000	229,000	32,342	1.02	1.13	0.01
REFINERY									
Attock Refinery Limited	92,400	63,000	-	21,300	134,100	43,701	1.38	1.53	0.16
National Refinery Limited	49,800	-	-	25,300	24,500	13,857	0.44	0.49	0.03
CHEMICALS									
Ittehad Chemical Limited	469,500	-	-	220,500	249,000	10,789	0.34	0.38	0.38
FERTILIZERS									
Engro Fertilizers Limited	512,000	855,000	-	-	1,367,000	84,289	2.65	2.95	0.10
Engro Corporation Limited	358,400	191,600	-	26,000	524,000	152,615	4.81	5.35	0.10
Dawood Hercules Corporation Limited	464,400	126,000	-	-	590,400	78,500	2.47	2.75	0.12
Fuji Fertilizer Bin Qasim Limited	624,000	773,000	-	-	1,397,000	71,778	2.26	2.52	0.15
CEMENT									
D.G. Khan Cement Company Limited	244,600	62,000	-	-	306,600	56,991	1.79	2.00	0.07
Kohat Cement Limited	39,400	61,500	-	-	100,900	25,949	0.82	0.91	0.07
Lucky Cement Limited	163,000	-	-	20,900	142,100	96,239	3.03	3.37	0.04
Maple Leaf Cement Factory Limited	280,500	80,000	-	27,500	333,000	31,901	1.00	1.12	0.06
Pioneer Cement Limited	344,000	52,400	-	-	396,400	41,896	1.32	1.47	0.17
Attock Cement (Pakistan) Limited	307,700	88,400	-	-	396,100	99,473	3.13	3.49	0.35
Fecto Cement Limited	256,500	-	-	12,800	243,700	30,138	0.95	1.06	0.49
Fuji Cement Company Limited	1,723,000	481,500	-	242,000	1,962,500	69,217	2.18	2.43	0.14
GENERAL INDUSTRIES									
Ecopack Limited	328,500	-	-	190,500	138,000	5,343	0.17	0.19	0.48
Synthetic Products Enterprises Limited	246,500	274,000	-	-	520,500	36,706	1.16	1.29	0.67
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	83,800	-	-	10,400	73,400	29,775	0.94	1.04	0.09
Agriaautos Industries Limited	-	115,200	-	-	115,200	33,423	1.05	1.17	0.40
AUTOMOBILES ASSEMBLER									
Baluchistan Wheels Limited	10,000	-	-	-	10,000	1,422	0.04	0.05	0.07
Indus Motor Company Limited	67,350	2,100	-	-	69,450	104,201	3.28	3.65	0.09
Sazgar Engineering Works Limited	159,000	-	-	-	159,000	9,225	0.29	0.32	0.88
Honda Atlas Cars (Pakistan) Limited	95,000	84,900	-	-	179,900	110,066	3.47	3.86	0.13
Millat Tractors Limited	-	49,000	-	-	49,000	33,270	1.05	1.17	0.11
GLASS AND CERAMICS									
Tariq Glass Industries Limited	677,500	-	-	-	677,500	64,884	2.04	2.27	0.92
CABLE AND ELECTRIC GOODS									
Pak Elektron Limited	452,750	369,000	-	80,000	741,750	52,494	1.65	1.84	0.15
ENGINEERING									
Mughal Iron and Steel Industries Limited	378,325	92,000	-	-	470,325	40,218	1.27	1.41	0.37
Amreli Steels Ltd.	-	589,500	-	56,000	533,500	38,033	1.20	1.33	0.18
TEXTILE COMPOSITE									
Kohinoor Textile Mills Limited	673,225	273,000	-	-	946,225	80,429	2.53	2.82	0.34
Nishat Mills Limited	734,500	449,000	-	81,000	1,102,500	155,342	4.89	5.44	0.31
Dawood Lawrencepur Limited	-	119,500	-	-	119,500	24,856	0.78	0.87	0.20
LEATHER & TANNERIES									
Service Industries Limited	10,150	-	-	-	10,150	12,975	0.41	0.45	0.08
PHARMACEUTICALS									
Ferozsons Laboratories Limited	15,450	-	-	-	15,450	13,449	0.42	0.47	0.05
Abbot Laboratories (Pakistan) Limited	950	-	-	-	950	806	0.03	0.03	0.00
The Searle Company Limited	39,226	-	-	-	39,226	22,496	0.71	0.79	0.03

NAFA ISLAMIC STOCK FUND

Name of the investee company	As at July 1, 2016	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2016	Market value as at September 30, 2016	Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
TECHNOLOGY AND COMMUNICATION						(Rupees in '000)	-----%		
Avanceon Limited	1,032,000	-	-	-	1,032,000	33,550	1.06	1.18	0.98
NetSol Technologies Limited	208,000	-	-	-	208,000	12,597	0.40	0.44	0.23
COMMERCIAL BANKS									
Meezan Bank Limited	309,500	-	-	-	309,500	17,026	0.54	0.60	0.03
POWER GENERATION AND DISTRIBUTION									
Hub Power Company Limited	446,000	-	-	70,000	376,000	44,808	1.41	1.57	0.03
Kot Addu Power Company Limited	461,500	339,000	-	-	800,500	66,994	2.11	2.35	0.09
K-Electric Limited	2,478,500	1,034,500	-	320,000	3,193,000	29,408	0.93	1.03	0.14
Pakgen Power Limited	500	-	-	-	500	12	0.00	0.00	0.00
BEVERAGES									
Shezan International Limited	20,700	-	-	-	20,700	10,408	0.33	0.36	0.26
FOOD AND PERSONAL CARE PRODUCTS									
Al-Shaheer Corporation Limited	872,250	214,000	-	-	1,086,250	69,292	2.18	2.43	0.76
INDUSTRIAL METALS AND MINING									
Crescent Steel & Allied Products Limited	310,400	-	-	-	310,400	39,114	1.23	1.37	0.40
TRANSPORT									
Pakistan National Shipping Corporation Limited	224,000	-	-	-	224,000	25,236	0.79	0.88	0.17
						<u>2,853,897</u>	<u>89.88</u>	<u>100.00</u>	
Carrying value as at September 30, 2016						<u>2,586,646</u>			

* All shares have a nominal face value of Rs 10 each except for shares of Thal Limited and K-Electric Limited which have a face value of Rs 5 and Rs. 3.5 each respectively.

- 4.1 Investments include shares with market value of Rs 80.67 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 SECP.

(Un-audited) (Audited)
September 30, June 30,
2016 2016
(Rupees in '000)

5 DIVIDEND AND PROFIT RECEIVABLE

Accrued profit on profit and loss sharing accounts	2,415	828
Dividend receivable	27,172	2,953
Other receivables	-	22
	<u>29,587</u>	<u>3,803</u>

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	430	310
Provision for Workers' Welfare Fund	2,403	2,403
Brokerage payable	369	872
Settlement charges	20	69
Bank charges	4	5
Withholding tax and capital gain tax	4,863	15,231
Haram portion of dividend	1,630	1,323
Shariah advisor fee	254	-
Other payables	103	295
	<u>10,076</u>	<u>20,508</u>

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2016 and June 30, 2016.

NAFA ISLAMIC STOCK FUND

8 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015. Accordingly no further provision for WWF has recorded subsequent to June 30, 2015.

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements for the quarter ended September 30, 2016 which aggregates to Rs. 2.403 million. Had the same not been made the net asset value per unit of the Fund would have been higher by 0.0097 per unit respectively.

9 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 year as the Management company has decided to distribute the required minimum percentage of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

10 EARNINGS PER UNIT

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

11 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 2.81% p.a. including 0.37% representing government levies on collective Investment scheme such as Sales tax, Worker's Welfare Fund and Securities & Exchange Commission of Pakistan fee for the period.

12 TRANSACTIONS WITH CONNECTED PERSONS

- 12.1 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, NAFA provident Trust Fund being the employee contribution plan of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.
- 12.2 On March 31, 2010, NIB sold out its shareholding of NAFA to NBP. Accordingly, thereafter NIB is no longer a connected person for the Fund.
- 12.3 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 12.4 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.
- 12.5 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

NAFA ISLAMIC STOCK FUND

Un-audited For the Quarter ended September 30, 2016	Un-audited For the Quarter ended September 30, 2015
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------(Rupees in '000)-----

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

NBP Fullerton Asset Management Limited - Management Company		
Remuneration of the Management Company	13,845	10,282
Sindh sales tax on remuneration of the Management Company	1,800	1,670
Accounting and operational expenses	692	-
FED on remuneration of the Management Company	-	1,645
NBP Fullerton Asset Management Limited - Management Company		
Units issued / transferred in Nil (2015: 109,794 units)	-	1,245
NAFA Islamic Principal Preservation Fund		
Units issued / transferred In 6,177,180 (2015: 11,199,563 units)	74,875	127,211
Units redeemed / transferred out 2,162,883 (2015: 14,883,441 units)	26,463	160,638
Employees of the Management Company		
Units issued / transferred In 2,867,030 (2015: 1,273,066 units)	35,644	14,091
Units redeemed / transferred out 2,948,766 (2015: 1,010,222 units)	36,311	11,237
Cash distribution for the period	-	112
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	944	594
Sindh sales tax on remuneration of Trustee	123	83
Security Papers Limited		
Units issued / transferred In 34,223,986 (2015: Nil units)	406,533	-
Taurus Securities Limited (Common Directorship)		
Brokerage	52	105

Un-audited As at September 30, 2016	Un-audited As at September 30, 2015
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------(Rupees in '000)-----

12.7 Amounts outstanding as at period end

NBP Fullerton Asset Management Limited - Management Company		
Payable to the Management Company	4,969	3,493
Sindh Sales Tax on remuneration of Management Company	646	567
Federal Excise Duty on remuneration of Management Company	8,209	8,209
Accounting and operational charges	1,769	1,077
Front-end load payable	2,141	2,770
Sindh Sales Tax and FED payable on sales load	2,718	-
Other Payable	20	20
NAFA Islamic Principal Preservation Fund		
Units held 27,935,994 (June 30, 2016 23,921,697 units)	358,558	273,667

NAFA ISLAMIC STOCK FUND

	Un-audited As at September 30, 2016	Un-audited As at September 30, 2015
	----- (Rupees in '000) -----	
NBP Fullerton Asset Management Limited - Management Company		
Units held 3,608,882 (June 30, 2016 3,608,882 units) ^{a)}	46,320	41,286
Employees of the Management Company		
Units held 1,866,373 (June 30, 2016 1,948,110 units) ^{a)}	23,955	22,287
NBP Fullerton Asset Management Limited - Employees Provident Fund		
Units held: 1,443,123 units (June 30, 2016 1,443,122 units) ^{a)}	18,522	16,509
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	331	257
Security deposit	103	103
Sindh Sales Tax on remuneration of Trustee	43	36
Security Papers Limited		
Units held: 34,223,986 units (June 30, 2016: Nil)	439,265	-
National Bank of Pakistan - Sponsor		
Bank Balances	724	980
Summit Bank Limited (Common Directorship)		
Bank Balances	1,631	3,121
Amount receivable against issue of units from:		
NAFA Income Opportunity Fund	4,600	-
NAFA Islamic Aggressive Income Fund	2,499	-
NAFA Financial Sector Income Fund	-	2,521
NAFA Islamic Energy Fund	-	2,139
NAFA Islamic Principal Preservation Fund	-	208
NAFA Islamic Principal Protected Fund II	-	592
Amount payable against redemption of units to:		
NAFA Islamic Energy Fund	70	-
NAFA Income Opportunity Fund	99	24
NAFA Government Securities Liquid Fund	20	-
NAFA Stock Fund	-	2,740
NAFA Islamic Asset Allocation Fund	-	261,074
NAFA Islamic Aggressive Income Fund	-	71,917
NAFA Asset Allocation Fund	-	677

13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 28, 2016.

14 GENERAL

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



NBP Fullerton
Asset Management Ltd.
A Subsidiary of
National Bank of Pakistan

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