

NAFA STOCK FUND

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 STOCK FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited - Management Company
(Formerly National Fullerton Asset Management Limited)

Board of Directors of the Management Company

Mr. Qamar Hussain	Chairman
Mr. Shahid Anwar Khan	Director
Mr. Gerard Lee How Cheng	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shehryar Farooque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Amjad Waheed	Chief Executive Officer
Dr. Asif A. Brohi	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Gerard Lee How Cheng	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Shehryar Farooque	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
Atlas Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Deutsche Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd.
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Saudi Pak Commercial Bank
Soneri Bank Limited
Standard Chartered Bank (PAK) Ltd.
The Bank of Punjab
United Bank Ltd.

NAFA 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:

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

Lahore Office:

68-B-1, M. M. Alam Road,
Gulberg 3, Lahore.
UAN: 042-111-111-632,
Phone: 042-35778248-63
Fax: 042-35876806

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:

82 Khan Centre, Near SP Chowk
Abdali Road, Multan Cantt,
Multan.

NAFA STOCK FUND

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NAFA STOCK FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited (formerly: National Fullerton Asset Management) Limited is pleased to present the unaudited financial statements of NAFA Stock Fund for the quarter ended September 30, 2010.

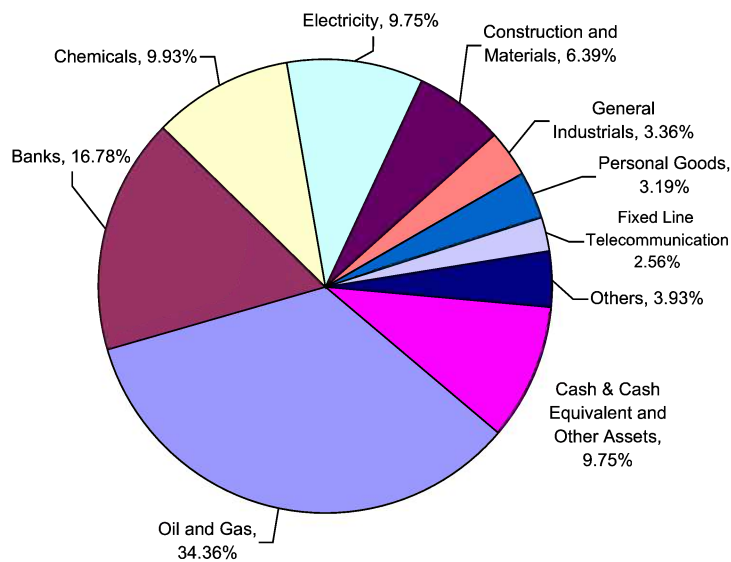
Fund's Performance

During the said period, the unit price of NAFA Stock Fund has increased from Rs.6.1681 (Ex-Div) on June 30, 2010 to Rs.6.3006 on September 30, 2010, thus showing a growth of 2.15%, as compared to its Benchmark (KSE-30 Index) return of 1.23%, for the same period. Since inception (January 22, 2007), the unit price of the Fund has shown a decline of 9.94% as compared to 27.76% decrease in its Benchmark. Thus, the Fund has outperformed its Benchmark by 17.82% since inception. This performance is net of management fee and all other expenses. The size of NAFA Stock Fund has decreased from Rs.959 million to Rs.942 million during the period, i.e. a decline of 1.77%.

The KSE-30 Index stood at 9674.34 points as on September 30, 2010, 1.23% higher compared to 9556.58 points as on June 30, 2010. The stock market showed a flat trend during 1QFY11. The performance of the stock market was affected by: (i) unprecedented floods in the country causing severe damage to agriculture and infrastructure; (ii) positive trends in foreign portfolio investment (iii) sanguine corporate earnings; (iv) higher interest rate environment.

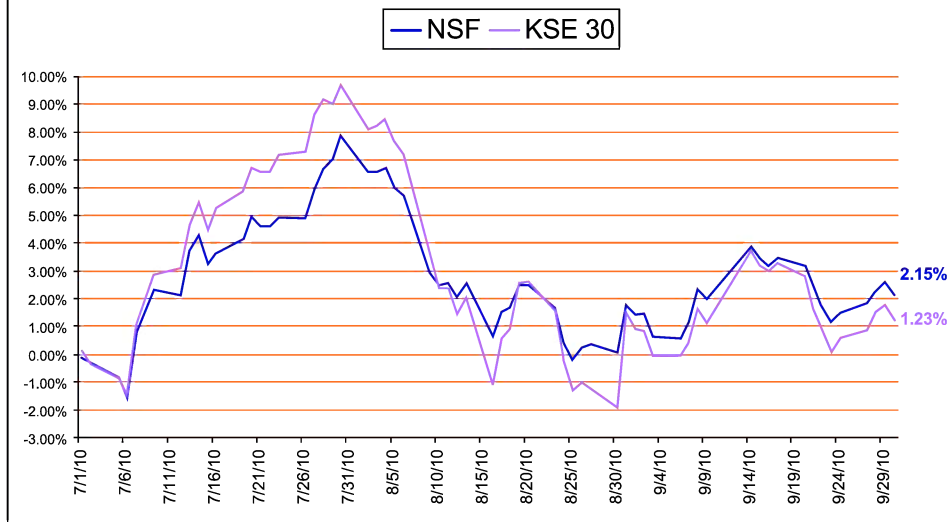
NAFA Stock Fund has earned total income of Rs.30.02 million during the period. After deducting expenses of Rs.10.21 million, the net income is Rs.19.81 million, translating into an earning per unit of Rs.0.1325.

The asset allocation of the Fund as on September 30, 2010, and its performance against the KSE-30 Index are as follows:



NAFA STOCK FUND

**NSF Performance Versus KSE-30 Index
(From July 01, 2010 to September 30, 2010)**



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
(formerly: National Fullerton Asset Management Limited)

Chief Executive

Director

Date: October 18, 2010
Place: Karachi.

NAFA STOCK FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2010 (UN-AUDITED)

	Note	(Un-audited) September 30, 2010	(Audited) June 30, 2010
----- (Rupees in '000) -----			
ASSETS			
Balances with banks		83,857	22,404
Receivable against sale of investments			-
Investments	4	875,369	935,270
Dividend and profit receivable	5	9,756	4,979
Deposits, prepayments and other receivables		4,268	3,740
Preliminary expenses and floatation costs		651	778
Total assets		973,901	967,171
LIABILITIES			
Payable to the Management Company		2,772	2,715
Payable to the Trustee		152	155
Payable to the Securities and Exchange Commission of Pakistan		227	1,209
Payable against purchase of investments		23,298	-
Payable on redemption of units		1,315	7
Accrued expenses and other liabilities	6	3,863	3,947
Total liabilities		31,627	8,033
NET ASSETS		942,274	959,138
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		942,274	959,138
CONTINGENCIES AND COMMITMENTS	7		
(Number of units)			
Number of units in issue		149,552,945	135,386,588
(Rupees)			
NET ASSET VALUE PER UNIT		6.3006	7.0844

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

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA STOCK FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Note	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
----- (Rupees in '000) -----			
INCOME			
Gain / (loss) on sale of investments - net		7,381	137,592
Income from Government Securities		1,525	
Profit on bank deposits		1,882	845
Dividend income		10,822	7,136
Unrealised diminution in the value of investments carried at fair value through profit or loss - net		9,371	145,427
Total income / (loss)		<u>30,981</u>	<u>291,000</u>
EXPENSES			
Remuneration of the Management Company		7,175	10,401
Remuneration of the Trustee		478	599
Annual fee - Securities and Exchange Commission of Pakistan		227	329
Securities transaction cost		1,367	6,548
Settlement and bank charges		194	317
Annual listing fee		10	7
Legal & Professional charges		15	
Auditors' remuneration		96	107
Fund rating fee		25	-
Amortisation of preliminary expenses and floatation costs		126	126
Printing charges		96	-
Total Expenses		<u>9,809</u>	<u>18,434</u>
Net Income / (loss) from operating activities		<u>21,172</u>	<u>272,566</u>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		(957)	(14,433)
Provision for Workers' Welfare Fund		(404)	
Net Income / (loss) for the period before taxation		<u>19,811</u>	<u>258,133</u>
Taxation	8	-	-
Net income / (loss) for the period after taxation		<u>19,811</u>	<u>258,133</u>
Earnings per unit	9		

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

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA STOCK FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
	----- (Rupees in '000) -----	
Net income / (loss) for the period after taxation	19,811	258,133
Other Comprehensive Income	-	-
Total comprehensive income / (loss) for the period	<u>19,811</u>	<u>258,133</u>

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

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA STOCK FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
	----- (Rupees in '000) -----	
(Accumulated loss) / undistributed income brought forward	(455,186)	(922,964)
Final distribution for the year ended June 30, 2010 (9.163%) (2009: Nil units)		
- Bonus units	(100,808)	
- Cash distribution	(23,246)	
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (losses) that form part of the unit holders' fund	8,343	105,835
Income / (loss) for the period	19,811	258,133
Accumulated loss carried forward	<u>(551,086)</u>	<u>(558,996)</u>

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

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA STOCK FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
	----- (Rupees in '000) -----	
Net assets at the beginning of the period	959,138	1,331,311
Issue of 14,157,330 units (2009: 21,893,880 units)	89,987	157,109
Redemption of 16,334,456 units (2009: 48,813,618 units)	(104,373) (14,386)	(334,904) (177,795)
Issue of bonus units for the year ended June 30, 2010: 16,343,482 units (June 30, 2009: Nil units)	100,808	-
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing (accrued income) / losses and capital (gains) / losses transferred to Income Statement	957	14,433
- amount representing (income) / losses that form part of the unit holders' fund transferred to Distribution Statement	(8,343) (7,386)	(105,835) (91,402)
Unrealised diminution in the value of investments carried at fair value through profit or loss - net	9,371	145,427
Capital gain / (loss) on sale of investments - net	7,381	137,592
Other income / (loss) (net of expenses)	3,059	(24,886)
Final distribution for the year ended June 30, 2010 (9.163%) (2009: Nil units)		
- Bonus units	(100,808)	
- Cash distribution	(23,246)	
	(104,243)	258,133
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (losses) that form part of the unit holders' fund	8,343	105,835
Net assets at the end of the period	<u>942,274</u>	<u>1,426,082</u>

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

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA STOCK FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Income / (loss) for the period before taxation	19,811	258,133
Adjustments		
Unrealised diminution in the value of investment carried at fair value through profit and loss - net	(9,371)	(145,427)
Amortisation of preliminary expenses and floatation costs	127	127
Element of (income) / loss and capital (gains)/losses included in prices of units issued less those in units redeemed	957	14,433
	<u>11,524</u>	<u>127,266</u>
(Increase) / decrease in assets		
Receivable against sale of investments	-	(24,471)
Investments	69,272	50,815
Advances, deposits and prepayments	(528)	2,888
Dividend and profit receivable	(4,777)	(4,913)
	<u>63,967</u>	<u>24,319</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	57	(632)
Payable to the Trustee	(3)	4
Payable to the Securities and Exchange Commission of Pakistan	(982)	(1,086)
Payable against purchase of investments	23,298	86,182
Accrued expenses and other liabilities	(84)	(247)
	<u>22,286</u>	<u>84,221</u>
Net cash generated from / (used in) operating activities	<u>97,777</u>	<u>235,806</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	89,987	157,109
Net payments on redemption of units	(103,065)	(334,321)
Distributions made	(23,246)	
Net cash used in financing activities	<u>(36,324)</u>	<u>(177,212)</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>61,453</u>	<u>58,594</u>
Cash and cash equivalents at the beginning of the period	22,404	15,971
Cash and cash equivalents at the end of the period	<u>83,857</u>	<u>74,565</u>

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

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA STOCK FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Stock Fund (NSF) ('the Fund') was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) (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 December 06, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 9th Floor, Adamjee House, I.I Chundrigarh Road, Karachi.

NSF is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund, being an equity scheme, is to provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2-' to the Management Company and a short term performance rating of 2-Star to the Fund.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

The directors of the asset management company declare that condensed interim financial statements give a true and fair view of the Fund.

3 SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted for the preparation of the financial statements for the quarter ended September 30, 2010 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2010

4 INVESTMENTS

At fair value through profit or loss - held for trading

	Note	Un-audited September 30, 2010	Audited June 30, 2009
----- (Rupees in '000) -----			
Investments in shares of listed companies	4.1.1	850,424	935,270
Investment in Government Securities -Market Treasury Bills	4.1.2	24,945	-
		<u>875,369</u>	<u>935,270</u>

NAFA STOCK FUND

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

Name of the investee company	As at July 01, 2010	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2010	Market Value as at September 30, 2010	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid up capital of investee company held
----- Number of shares -----						(Rupees in '000)			
Unless stated otherwise, the holdings are in ordinary shares of Rs. 10 each.									
Financial Services									
Arif Habib Securities Ltd.	253,500			253,000	500	11	0.00	0.00	-
Jahangir Siddiqui Company Ltd.	-	405,000		400,000	5,000	50	-	-	-
Commercial Banks									
Allied Bank Ltd.	264,134	172,000		242,072	194,062	9,990	1.06	1.14	-
Bank Al Habib Ltd.	749,723			152,000	597,723	18,559	1.97	2.12	0.01
Habib Metropolitan Bank Limited	488,298			488,298	-	-	-	-	-
MCB Bank Limited	554,528	312,500		415,100	451,928	85,103	9.03	9.72	0.01
Meezan Bank Limited	25			25	-	-	-	-	-
National Bank of Pakistan	224,331	670,000		582,500	311,831	19,767	2.10	2.26	-
United Bank Limited	357,046	794,000		670,000	481,046	24,731	2.62	2.83	-
Personal Goods									
AMTEX Limited	1,061,366			546,167	515,199	8,748	0.93	1.00	0.02
Azgard Nine Limited (Non-voting)	806,400				806,400	12,096	1.28	1.38	0.12
Azgard Nine Limited	-				-	-	-	-	-
Nishat Mills Limited	24	200,000			200,024	9,201	-	-	0.01
General Industries									
Thal Limited	389,566			91,758	297,808	31,615	3.36	3.61	0.12
Construction & Materials									
Attock Cement Pakistan Limited	223,456			102,000	121,456	7,814	0.83	0.89	0.01
D.G Khan Cement Company Limited	460,000	485,000		468,000	477,000	11,410	1.21	1.30	0.02
Lucky Cement Limited	154,023	435,200		282,000	307,223	21,248	2.25	2.43	0.01
Thatta Cement	1,000,000				1,000,000	19,780	2.10	2.26	0.13
Electricity									
The Hub Power Company Limited	1,909,500	1,120,600		639,000	2,391,100	79,600	8.45	9.09	0.02
Nishat Power Limited		1,055,000			1,055,000	12,312	1.31	1.41	0.03
Oil and Gas									
Attock Petroleum Limited	94,140	106,600		61,648	139,092	47,369	5.03	5.41	0.02
Attock Refinery Limited	54,500				54,500	4,332	0.46	0.49	0.01
National Refinery Limited	173,218			50,300	122,918	24,837	2.64	2.84	0.02
Oil & Gas Development Company Limited	896,683	194,500		614,000	477,183	69,530	7.38	7.94	-
Pakistan Oilfields Limited	295,100	359,500		293,800	360,800	85,557	9.08	9.77	0.02
Pakistan Petroleum Limited	416,436	150,000	84,667	157,100	494,003	85,171	9.04	9.73	-
Pakistan State Oil Company Limited	124,001	122,600		220,700	25,901	6,960	0.74	0.80	-
Industrial Engineering									
Al Ghazi Tractor Limited	32,328			6,100	26,228	5,615	0.60	0.64	0.01
Millat Tractor Limited	-	24,300			24,300	13,861	1.47	1.58	0.01
Media									
Eye Television Network Limited	860,779				860,779	17,482	1.86	2.00	0.17
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	2,223,000	565,000		1,836,000	952,000	17,898	1.90	2.04	-
Wateem Telecom Limited	1,500,000				1,500,000	6,240	0.66	0.71	0.02
Software and Computer Services									
Netsol Technologies Limited	380,000			380,000	-	-	-	-	-
Chemicals									
Dawood Hercules Limited	-				-	-	-	-	-
Engro Corporation Limited	282,811	274,500		412,800	144,511	25,174	2.67	2.88	-
Fauji Fertilizer Company Limited	507,000	253,000		110,000	650,000	68,146	7.23	7.78	0.01
Fauji Fertilizer Bin Qasim Limited	8,000				8,000	217	0.02	0.01	-
					15,053,540	850,424	89.27	96.08	
Carrying value as at September 30, 2010					<u>841,048</u>				

NAFA STOCK FUND

* The Face Value of shares held of Thal Limited & Al Ghazi Tractor is Rs.5
Investments include shares with market value of Rs 204.961 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.

4.1.2 Investment in government securities - 'At fair value through profit or loss'

Issue date	Tenor	Face Value			Market value as at September 30, 2009			
		As at July 01, 2010	Purchases during the period	Sales/ matured during the period	As at September 30, 2010	Market Value as at September 30, 2010	Market value as a percentage of net assets	Market value as a percentage of total investment
(Rupees in '000)								
June 17, 2010	3 Months		25,000	25,000				
April 08, 2010	6 Months		50,000	50,000				
June 17, 2010	3 Months		125,000	125,000				
October 8, 2010	12 Months		50,000	50,000				
July 15, 2010	3 Months		25,000		25,000			
						24,945	2.65	2.85
						<u>24,945</u>	<u>2.65</u>	<u>2.85</u>
Carrying value as at September 30, 2010						<u>24,950</u>		

5 DIVIDEND AND PROFIT RECEIVABLE

Profit on savings deposits	767	608
Dividend receivable on equity securities	8,989	4,371
	<u>9,756</u>	<u>4,979</u>

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	98	260
Settlement charges payable	13	75
Bank charges	63	80
Workers' Welfare Fund payable	3,213	2,808
Others	476	724
	<u>3,863</u>	<u>3,947</u>

7 Commitments

Commitments	<u>-</u>	<u>-</u>
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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, 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 distributed more than 90 percent of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

NAFA STOCK FUND

9 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.

10 TRANSACTIONS WITH CONNECTED PERSONS

10.1 Connected persons include NBP Fullerton Asset Management Limited (formerly National 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.

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.

Un-audited Quarter Ended September 30, 2010	Un-audited Quarter Ended September 30, 2009
----- (Rupees in '000) -----	

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

NBP Fullerton Asset Management Limited - Management Company (Formerly National Fullerton Asset Management Limited)

Management fee expense for the period	7,175	10,401
Front End Load	111	647

National Bank of Pakistan - Sponsor

Cash Distribution	6,872	-
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Alexandra Fund Management Pte. Limited - Sponsor

Bonus units issued (1,848,741 units; September 30, 2009: Nil units;)	1,694	
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Chief Executive Officer

Units issued / transferred in (Nil units; September 30, 2009: 759,648 units;)	-	5,000
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Employees of the Management Company

Units issued / transferred in (866,173 units; September 30, 2009: 1,596,557 units;)	5,471	11,463
Units redeemed / transferred out (899,340 units; September 30, 2009: 1,319,341 units)	5,724	9,003
Bonus units issued (33,494 units; September 30, 2009: Nil units;)	31	

Chief Financial Officer

Units redeemed / transferred out (Nil units; September 30, 2009: 139,691 units;)		989
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Central Depository Company of Pakistan Limited - Trustee

Remuneration	478	599
CDS Charges	24	257

NAFA Provident Fund Trust - Provident Fund

Units Issued / Transferred in (1,412,162 units; September 30, 2009;)	8,963	-
Units redeemed / transferred out (1,298,885 units; September 30 2009 Nil units;)	8,287	-
Bonus units issued (77,087 units; September 30, 2009 Nil units;)	71	-

NAFA STOCK FUND

	Un-audited September 30, 2010	Audited June 30, 2009
----- (Rupees in '000) -----		
10.4 Amounts outstanding as at year end		
NBP Fullerton Asset Management Limited - Management Company (Formerly National Fullerton Asset Management Limited)		
Management Fee Payable	2,286	2,340
Front-end Load Payable	486	375
National Bank of Pakistan - Sponsor		
Investment held by the sponsor in the Fund (7,500,000 units; June 30, 2010: 7,500,000 units)	47,255	53,133
Deposit held by the Fund with the Sponsor	377	694
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund (14,293,597 units; June 30, 2010: 12,444,856 units)	90,058	88,164
Employees of the Management Company		
Investment held in the Fund (225,795 units; June 30, 2010 : 225,468 units)	1,423	1,597
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee payable	152	155
CDS charges payable	13	75
Security Deposit	100	100
NAFA Provident Fund Trust - Provident Fund		
Investment held in the Fund (709,284 units; June 30, 2010: 518,919 units)	4,469	3,676

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 18, 2010.

12 GENERAL

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

12.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director