



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

## NAFA STOCK FUND

# QUARTERLY REPORT SEPTEMBER 30

# 2014



*Your investments & "NAFA" grow together*



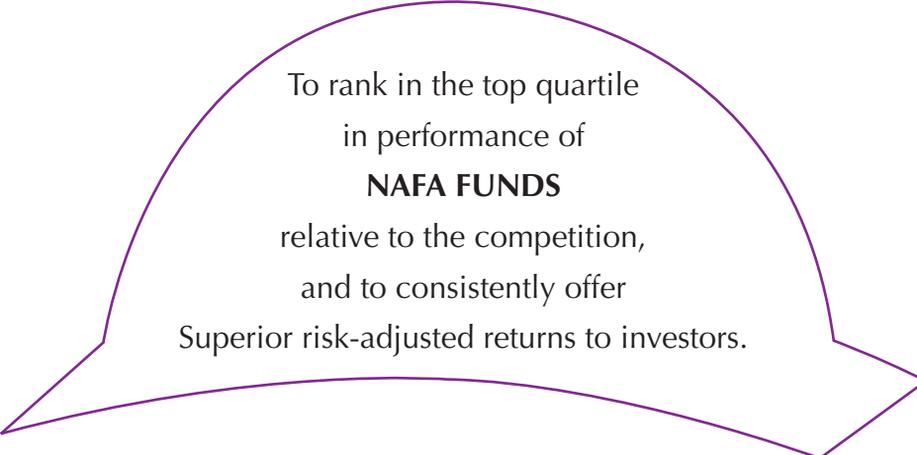
**NBP**

National Bank of Pakistan

**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.

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## 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. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

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

### Human Resource Committee

Mr. Nausherwan Adil	Chairman
Mr. Wah Geok Sum	Member
Mr. Kamal Amir Chinoy	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  
Summit Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Silk Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
The Bank of Punjab  
United Bank Limited  
Dubai Islamic Bank Pakistan Limited

# NAFA STOCK FUND

## Auditors

M. Yousuf Adil Saleem & Co.  
Chartered Accountants  
Cavish Court,  
A-35, Block 7 & 8,  
KCHSU, Sharae Faisal  
Karachi-75350 Pakistan

## 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](http://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:

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 STOCK FUND

## DIRECTORS' REPORT

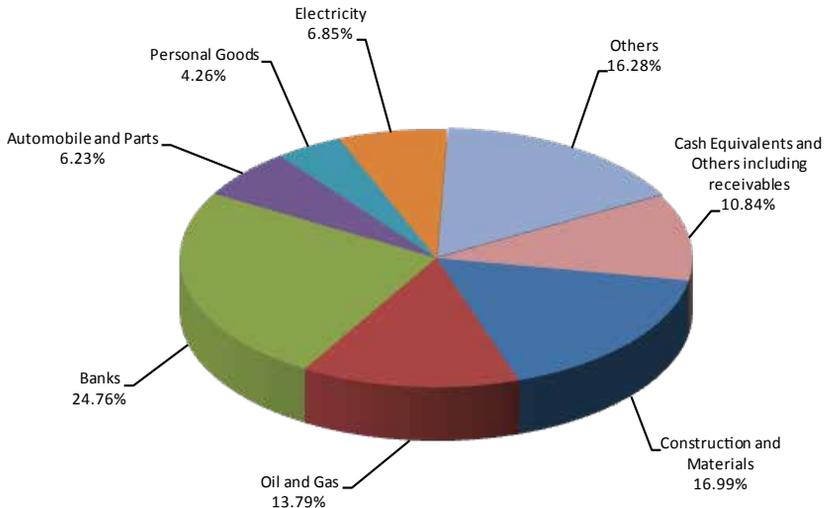
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Stock Fund** for the quarter ended September 30, 2014.

### Fund's Performance

During the first quarter, the unit price of NAFA Stock Fund (NSF) has increased from Rs. 10.0980 on June 30, 2014 to Rs. 10.4880 on September 30, 2014, thus showing a growth of 3.86%. The Benchmark (KSE-30 Index) for the same period decreased by 0.99%. Thus, the Fund has outperformed its Benchmark by 4.85% during the period under review. Since inception (January 19, 2007), the unit price of the Fund has shown a growth of 202.87% as compared to 50.94% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 151.93% since inception. This performance is net of management fee and all other expenses. The Fund size of NSF at the end of the period stood at Rs.1,932 million, 7.06% higher compared to the previous quarter.

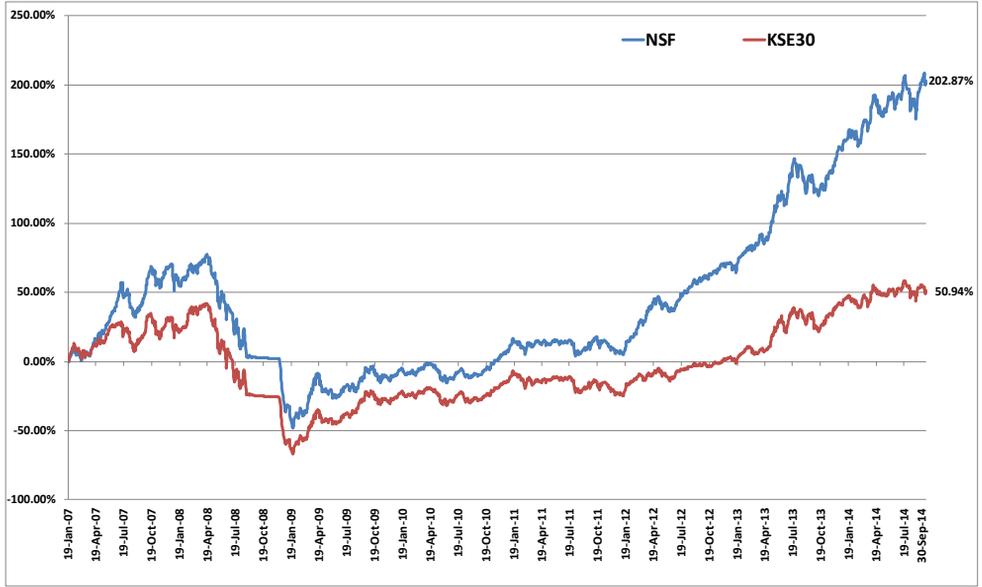
During 1QFY15, the stock market remained volatile and sideways as political uncertainty took its toll on investor sentiments. Positives like improvement in sovereign debt rating outlook, healthy foreign portfolio flows, controlled inflation, and stable interest rate were offset by the noise in the domestic politics. The benchmark KSE-100 Index inched up by just 0.25% during the period to settle at 29,726 points. Automobile and Parts, Pharma and Biotech, Electricity, and General Industrials sectors performed better than the market. On the other hand, Oil & Gas and Fixed Line Telecommunication sectors lagged the market.

The Fund has earned total income of Rs.79.35 million during the period. After deducting expenses of Rs.16.21 million, the net income is Rs.63.14 million. The asset allocation of the Fund as on September 30, 2014 is as follows:



# NAFA STOCK FUND

NSF 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 30, 2014  
Place: Karachi.

# NAFA STOCK FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2014

		Un-Audited September 30, 2014	Audited June 30, 2014
	Note	-----Rupees in '000-----	
<b>ASSETS</b>			
Balances with banks		178,808	277,573
Investments	4	1,722,588	1,608,290
Dividend and profit receivable	5	12,182	4,570
Receivable against Sale of investments		41,126	-
Deposits, prepayments and other receivables		31,475	37,809
<b>Total assets</b>		<b>1,986,179</b>	<b>1,928,242</b>
<b>LIABILITIES</b>			
Payable to the Management Company		11,644	6,243
Payable to the Trustee		234	216
Payable to the Securities and Exchange Commission of Pakistan		436	1,207
Payable against purchase of investment		-	83,061
Payable against redemption of units		9,017	1,961
Accrued expenses and other liabilities	6	32,840	30,899
<b>Total liabilities</b>		<b>54,171</b>	<b>123,587</b>
<b>NET ASSETS</b>		<u>1,932,008</u>	<u>1,804,655</u>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<u>1,932,008</u>	<u>1,804,655</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7	-----Number of units-----	
<b>Number of units in issue</b>		<u>184,211,787</u>	<u>178,714,888</u>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<u>10.4880</u>	<u>10.0980</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2014 (UN-AUDITED)

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
Note	-----Rupees in '000-----	
<b>INCOME</b>		
Net gain on sale of investments	1,386	39,927
Profit on bank deposits	3,974	3,585
Dividend income	14,139	13,557
Unrealised gain on re-measurement of investments at through profit or loss - net	59,855	313
<b>Total income</b>	<u>79,354</u>	<u>57,382</u>
<b>EXPENSES</b>		
Remuneration of the Management Company	9,189	6,036
Sales tax on Remuneration of the Management Company	1,705	966
Federal Excise Duty on remuneration of Management Company	1,470	966
Remuneration of the Trustee	712	554
Annual fee - Securities and Exchange Commission of Pakistan	436	287
Securities transaction cost	987	2,041
Settlement and bank charges	262	221
Annual listing fee	10	10
Auditors' remuneration	126	123
Fund rating fee	34	30
<b>Total Expenses</b>	<u>14,931</u>	<u>11,234</u>
<b>Net Income from operating activities</b>	<u>64,423</u>	<u>46,148</u>
Provision for Workers' Welfare Fund	10 (1,288)	(923)
<b>Net Income / (loss) for the period before taxation</b>	<u>63,135</u>	<u>45,225</u>
Taxation	8 -	-
<b>Net income for the period after taxation</b>	<u>63,135</u>	<u>45,225</u>
<b>Earnings per unit</b>	9	

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2014 (UN-AUDITED)

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	-----Rupees in '000-----	
Net income for the period after taxation	63,135	45,225
Other Comprehensive Income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>63,135</u>	<u>45,225</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2014 (UN-AUDITED)

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	-----Rupees in '000-----	
Undistributed income / (accumulated loss) brought forward	108,917	58,709
Final distribution for the year ended June 30, 2014 Nil (2013: 23.98%)		
- Bonus units	-	(252,665)
- Cash distribution	-	(378)
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' fund	8,690	24,228
Income for the period	63,135	45,225
Undistributed income / (Accumulated loss) carried forward	<u>180,742</u>	<u>(124,881)</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP 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, 2014 (UN-AUDITED)

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	-----Rupees in '000-----	
Net assets at the beginning of the period	1,804,655	1,122,681
Issue of 50,248,502 units (2013: 29,876,686 units)	519,474	287,640
Redemption of 44,751,603 units (2013: 39,557,619 units)	(455,256) 64,218	(373,438) (85,798)
Issue of Nil bonus units for the year ended June 30, 2014 (2013: 26,609,457)	-	252,665
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	8,690	24,228
Unrealised gain on re-measurement of investments at profit or loss - net	59,855	313
Net gain on sale of investments	1,386	39,927
Other income (net of expenses)	1,894	4,985
	63,135	45,225
Final distribution for the year ended June 30, 2014 Nil (2013: 23.98%)		
- Bonus units	-	(252,665)
- Cash distribution	-	(378)
	-	(253,043)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(8,690)	(24,228)
<b>Net assets at the end of the period</b>	<u>1,932,008</u>	<u>1,081,730</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2014 (UN-AUDITED)

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	-----Rupees in '000-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Income for the period before taxation	63,135	45,225
<b>Adjustments</b>		
Unrealised gain on re-measurement of investments at through profit or loss - net	(59,855)	(313)
	<u>3,280</u>	<u>44,912</u>
<b>(Increase) in assets</b>		
Receivable against sale of investments	(41,126)	(8,897)
Investments	(54,443)	(5,864)
Advances, deposits and prepayments	6,334	(3,039)
Dividend and profit receivable	(7,612)	(9,225)
	<u>(96,847)</u>	<u>(27,025)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	5,401	1,428
Payable to the Trustee	18	(34)
Payable to the Securities and Exchange Commission of Pakistan	(771)	(861)
Payable against purchase of investments	(83,061)	-
Accrued expenses and other liabilities	1,941	550
	<u>(76,472)</u>	<u>1,083</u>
<b>Net cash generated from / (used in) operating activities</b>	<u>(170,039)</u>	<u>18,971</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net receipts from issue of units	519,474	287,640
Net payments on redemption of units	(448,200)	(369,020)
Distributions made	-	(378)
<b>Net cash used in financing activities</b>	<u>71,274</u>	<u>(81,758)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(98,765)</u>	<u>(62,787)</u>
Cash and cash equivalents at the beginning of the period	277,573	340,201
<b>Cash and cash equivalents at the end of the period</b>	<u><u>178,808</u></u>	<u><u>277,414</u></u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP 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, 2014 (UN-AUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Stock Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the 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 7th Floor, Clifton Diamond Building, Block No.4, Scheme No. 5 Clifton Karachi. The Management Company is a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund classified as an equity scheme by the Management Company 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, 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 'AM-2' to the Management Company and a performance ranking of 4-Star long term and 4- star short term to the Fund based on the performance of the Fund for the year ended June 30, 2013.

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 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'.

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, 2014 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2014.

### 4 INVESTMENTS

Note	Un-audited September 30, 2014	Audited June 30, 2014
	Rupees in '000	
	<b>At fair value through profit or loss - held for trading</b>	
Investments in shares of listed companies	4.1	1,608,290
	<u>1,722,588</u>	<u>1,608,290</u>

# NAFA STOCK FUND

## 4.1 Investment in listed equity securities

Name of the investee company	As at July 1, 2014	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2014	Market value as at September 30, 2014	Investment as a percentage of		
							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)	----- % -----		
<b>SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise</b>									
<b>OIL AND GAS</b>									
National Refinery Limited	100	-	-	100	-	-	0.00%	0.00%	0.00%
Oil & Gas Development Company Limited	152,681	-	-	17,000	135,681	33,521	1.74%	1.95%	0.00%
Pakistan Oilfields Limited	140,130	85,900	-	61,600	164,430	87,385	4.52%	5.07%	0.07%
Pakistan Petroleum Limited	253,775	420,750	-	184,500	490,025	110,770	5.73%	6.43%	0.02%
Pakistan State Oil Company Limited	171,467	24,000	-	99,000	96,467	34,772	1.80%	2.02%	0.04%
<b>CHEMICALS</b>									
Arif Habib Corporation	420,000	-	-	332,000	88,000	2,229	0.12%	0.13%	0.02%
Dawood Hercules Corporation Limited	18,500	-	-	15,000	3,500	249	0.01%	0.01%	0.00%
Fauji Fertilizer Company Limited	-	313,000	-	82,000	231,000	26,205	1.36%	1.52%	0.02%
Engro Corporation Limited	515,485	26,000	-	81,000	460,485	76,045	3.94%	4.41%	0.09%
<b>CONSTRUCTION AND MATERIALS</b>									
Attock Cement Pakistan Limited	114	-	-	113	1	-	0.00%	0.00%	0.00%
Akzo Nobel Pakistan Limited	189,300	-	-	25,000	164,300	31,444	1.63%	1.83%	0.35%
D.G. Khan Cement Company Limited	432,000	341,000	-	460,000	313,000	24,946	1.29%	1.45%	0.07%
Kohat Cement Limited	-	108,000	-	39,000	69,000	8,341	0.43%	0.48%	0.04%
Lucky Cement Limited	178,633	83,200	-	49,500	212,333	85,271	4.41%	4.95%	0.07%
Lafarge Pakistan Cement Limited	1,050,000	-	-	1,040,000	10,000	165	0.01%	0.01%	0.00%
Cherat Cement Company Limited	168	-	-	168	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited	1,566,000	222,000	-	384,500	1,403,500	74,147	3.84%	4.30%	0.62%
Maple Leaf Cement Limited	1,964,000	800,000	-	300,000	2,464,000	66,996	3.47%	3.89%	0.47%
Thatta Cement Company Limited	1,250,000	-	-	-	1,250,000	36,875	1.91%	2.14%	1.25%
<b>GENERAL INDUSTRIALS</b>									
Thal Limited *	247,090	-	-	15,000	232,090	55,934	2.90%	3.25%	0.29%
Ghani Glass Limited	6,870	-	-	-	6,870	371	0.02%	0.02%	0.01%
Cherat Packing Limited	19,992	-	-	-	19,992	1,449	0.07%	0.08%	0.07%
MACPAC Films Limited	5,500	-	-	-	5,500	87	0.00%	0.01%	0.35%
<b>AUTOMOBILE AND PARTS</b>									
Ghandhara Nissan Limited	838,500	-	-	75,000	763,500	38,923	2.01%	2.26%	1.70%
Honda Atlas Cars (Pakistan) Limited	593,500	89,000	-	528,000	154,500	21,715	1.12%	1.26%	0.11%
Baluchistan Wheels Limited	-	500	-	-	500	26	0.00%	0.00%	0.00%
Pak Suzuki Motor Company Limited	171,900	82,100	-	43,700	210,300	59,784	3.09%	3.47%	0.26%
<b>FORESTRY (PAPER AND BOARD)</b>									
Century Paper & Board Mills Limited	356,500	-	-	-	356,500	19,312	1.00%	1.12%	0.24%
<b>INDUSTRIAL METALS AND MINING</b>									
Crescent Steel and Allied Products Limited	377,500	-	-	-	377,500	15,232	0.79%	0.88%	0.61%
International Industries Limited	709	-	-	709	-	-	0.00%	0.00%	0.00%
<b>ENGINEERING</b>									
K.S.B Pumps Limited	6,000	-	-	-	6,000	640	0.03%	0.04%	0.05%
Millat Tractors Limited	40	-	-	39	1	1	0.00%	0.00%	0.00%
<b>PERSONAL GOODS</b>									
Azgard Nine Limited (Non-voting)	806,400	-	-	-	806,400	5,645	0.29%	0.33%	14.60%
Nishat Chunian Limited	900	-	-	900	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	333,700	353,000	-	42,000	644,700	76,719	3.97%	4.45%	0.18%
<b>FIXED LINE TELECOMMUNICATION</b>									
Pakistan Telecommunication Company Limited	862,900	-	-	-	862,900	20,114	1.04%	1.17%	0.02%

# NAFA STOCK FUND

Name of the investee company	As at July 1, 2014	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2014	Market value as at September 30, 2014	Investment as a percentage of		
							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)			
<b>ELECTRICITY</b>									
The Hub Power Company Limited	974,066	167,000	-	140,000	1,001,066	64,048	3.32%	3.72%	0.09%
Kot Addu Power Company Limited	978,000	140,000	-	285,000	833,000	53,554	2.77%	3.11%	0.09%
K-Electric Limited *	1,915,000	-	-	-	1,915,000	14,784	0.77%	0.86%	0.01%
Nishat Power Limited	1,000	-	-	1,000	-	-	0.00%	0.00%	0.00%
<b>COMMERCIAL BANKS</b>									
Allied Bank Limited	480	-	-	480	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited	1,977,847	400,000	-	175,000	2,202,847	62,517	3.24%	3.63%	0.16%
Bank Al-Habib Limited	1,428,650	100,000	-	141,500	1,387,150	62,796	3.25%	3.65%	0.12%
BankIslami Pakistan Limited	838,000	-	76,034	-	914,034	8,431	0.44%	0.49%	0.16%
Faysal Bank Limited	902,500	4,002,000	-	-	4,904,500	88,183	4.56%	5.12%	0.47%
Habib Metropolitan Bank Limited	546,000	205,500	-	-	751,500	23,672	1.23%	1.37%	0.07%
MCB Bank Limited	167,600	-	-	38,200	129,400	36,565	1.89%	2.12%	0.01%
Meezan Bank Limited	240,753	-	-	-	240,753	9,871	0.51%	0.57%	0.02%
National Bank of Pakistan	1,599,984	78,000	-	860,000	817,984	49,488	2.56%	2.87%	0.04%
United Bank Limited	704,540	149,000	-	127,000	726,540	136,837	7.08%	7.94%	0.06%
<b>PHARMA AND BIO TECH</b>									
Abbott Laboratories (Pakistan) Limited	-	31,800	-	-	31,800	19,284	1.00%	1.12%	0.03%
<b>TECHNOLOGY HARDWARE AND EQUIPMENT</b>									
TPL Trakker Limited	2,996,500	-	-	600,000	2,396,500	23,150	1.20%	1.34%	1.10%
<b>HOUSEHOLD GOODS</b>									
Tariq Glass Industries Limited	371,000	-	-	-	371,000	11,204	0.58%	0.65%	0.51%
<b>FINANCIAL SERVICES</b>									
NEXT Capital Limited	272,500	-	-	-	272,500	1,390	0.07%	0.08%	1.36%
<b>INDUSTRIAL TRANSPORTATION</b>									
Pakistan National Shipping Corporation	513,000	-	-	29,000	484,000	39,398	2.04%	2.29%	0.37%
<b>NON-LIFE INSURANCE</b>									
TPL Direct Insurance Limited	87,626	-	-	-	87,626	2,103	0.11%	0.12%	0.19%
						<b>1,722,588</b>	<b>89.16%</b>	<b>100.00%</b>	
Carrying value as at September 30, 2014						<b>1,662,733</b>			

\* The face value of each share held of Thal Limited is Rs.5 and K-Electric Limited is Rs. 3.5.

Investments include shares with market value of Rs 89.211 million (June 30, 2014: Rs. 90.987 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 and Exchange Commission of Pakistan.

# NAFA STOCK FUND

Un-audited September 30, 2014	Audited June 30, 2014
Rupees in '000	

## 5 DIVIDEND AND PROFIT RECEIVABLE

Profit on savings deposits	195	118
Dividend receivable on equity securities	11,987	4,452
	<u>12,182</u>	<u>4,570</u>

## 6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	480	354
Settlement charges	97	29
Bank charges	49	23
Provision for Workers' Welfare Fund (WWF)	30,437	29,168
Others	1,777	1,325
	<u>32,840</u>	<u>30,899</u>

## 7 CONTINGENCIES AND COMMITMENTS

Contingencies and 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.

## 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 PROVISION FOR WORKERS' WELFARE FUND 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 this connection, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, a clarification was 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. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

# NAFA STOCK FUND

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court.

In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company of the Fund, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 30.437 million including Rs 1.29 million for the current year (2014 : 29.168 million) in these financial statements. Had the provision not been made the net asset value per unit / return of the Fund would have been higher by Re. 0.1652 per unit.

## 11 TRANSACTIONS WITH CONNECTED PERSONS

11.1 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.

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

11.3 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.

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

Un-audited Quarter Ended September 30, 2014	Un-audited Quarter Ended September 30, 2013
Rupees in '000	

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

#### NBP Fullerton Asset Management Limited - Management Company

Management fee expense for the period	9,189	6,036
Front End Load	2,386	1,245
Sales tax on management fee	1,705	966
Federal Excise Duty on remuneration of Management Company	1,470	966

#### National Bank of Pakistan - Sponsor

78,000 shares purchased	4,778	50,792
860,000 shares sold	49,242	10,597

#### Alexandra Fund Management Pte. Limited - Sponsor

Bonus units issued Nil units (September 30, 2013: 2,279,614 units)	-	-
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# NAFA STOCK FUND

	Un-audited Quarter Ended September 30, 2014	Un-audited Quarter Ended September 30, 2013
	Rupees in '000	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	712	554
CDS Charges	110	64
<b>NAFA Provident Fund Trust - Provident Fund</b>		
Units Issued / Transferred in Nil units (September 30, 2013: 50,924 units)	-	597
Units redeemed / transferred out Nil units (September 30 2013: 45,701 units)	-	417
Bonus units issued Nil units (September 30, 2013 12,861 units)	-	-
<b>NBP Employee Pension Fund</b>		
Bonus units issued Nil units (September 30, 2013: 8,545,465 units)	-	-
<b>Taurus Securities Limited</b>		
Brokerage	120	226
<b>International Industries Ltd. - Employees Provident Fund</b>		
Units Issued / Transferred in 378,146 units (September 30, 2013: Nil units)	3,895	-
<b>International Steels Ltd - Employees Gratuity Fund</b>		
Units Issued / Transferred in Nil units (September 30, 2013: 56,050 units)	-	622
Units redeemed / transferred out Nil units (September 30 2013: 45,601 units)	-	419
Bonus units issued Nil units (September 30, 2013 14,155 units)	-	-
<b>International Steels Ltd - Employees Provident Fund</b>		
Units Issued / Transferred in 124,017 units (September 30, 2013: Nil units)	1,301	-
<b>Cherat Cement Company Limited</b>		
168 shares sold	11	-
<b>THAL Limited</b>		
15,000 Shares sold	2,797	-
<b>Summit Bank Limited</b>		
Bank Profit	-	75

# NAFA STOCK FUND

	Un-audited September 30, 2014	Audited June 30, 2014
	Rupees in '000	
<b>11.6 Amounts outstanding as at year end</b>		
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Management fee payable	3,035	474
Front-end load payable	1,725	1,339
Sales tax payable on management remuneration	598	88
Federal Excise Duty	5,198	3,728
Sales tax and FED payable on Sales Load	1,088	614
<b>National Bank of Pakistan - Sponsor</b>		
Deposit held by the Fund with the Sponsor	3,939	2,488
Ordinary shares held	49,488	99,567
<b>Employees of the Management Company</b>		
Investment held in the Fund 171,103 units (June 30, 2014 :230,294 units)	1,795	2,326
<b>Summit Bank Limited (Common Directorship)</b>		
Bank Balance	1,273	1,109
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee Fee payable	234	216
CDS charges payable	97	29
Security Deposit	100	100
<b>NAFA Provident Fund Trust - Provident Fund</b>		
Investment held in the Fund 932,444 units (June 30, 2014: 932,444 units)	9,779	9,416
<b>NBP Employees Pension Fund</b>		
Investment held in the Fund 42,441,374 units (June 30, 2014: 49,441,374 units)	518,541	499,259
<b>Sindh General Provident Investment Fund</b>		
Investment held in the Fund: 32,025,705 units (June 30, 2014: 32,025,705 units)	335,886	323,396
<b>International Steels Limited-Employees Gratuity Fund (Common Directorship)</b>		
Investment held in the Fund 7,018 units (June 30, 2014: 7,018 units)	74	71
<b>International Steels Limited-Employees Provident Fund (Common Directorship)</b>		
Investment held in the Fund 536,094 units (June 30, 2014: 412,077 units)	5,623	412
<b>International Industries Limited Employees Provident Fund (Common Directorship)</b>		
Investment held in the Fund 2,170,799 units (June 30, 2014: 1,792,653 units)	22,767	18,102
<b>Cherat Cement Company Limited</b>		
Ordinary shares held	-	11
<b>THAL Limited</b>		
Ordinary shares held	55,934	51,244
<b>Taurus Securities Limited (Common Directorship)</b>		
Brokerage payable	19	24

# NAFA STOCK FUND

## 12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2014.

## 13 GENERAL

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

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

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