


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

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Koh Boon San	Chairman
Mr. Shehryar Faruque	Member
Mr. Amir Shehzad	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Deutsche Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (PAK) Limited
The Bank of Punjab
United Bank 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:

9th Floor, Adamjee House,
I.I. Chundrigar Road, Karachi
UAN: 021-111-111-NFA (632)
Toll Free: 0800-20001
Fax: 021-32467605

Lahore Office:

House # 10 - A, Block -S, Gulberg - II, Lahore.
UAN: (+92-42) 111-111-NFA (632)
Fax No: (+92-42) 35760373

Islamabad Office:

Plot No. 395, 396
Industrial Area, 1-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

1st Floor, Haji Tehmas Centre,
Near KFC, Tehkal Payan
University Road, Peshawar.
Phone: 92-91-5711784, 5711782
Fax: 92-91-5211780

Multan Office:

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

NAFA STOCK FUND

DIRECTORS' REPORT

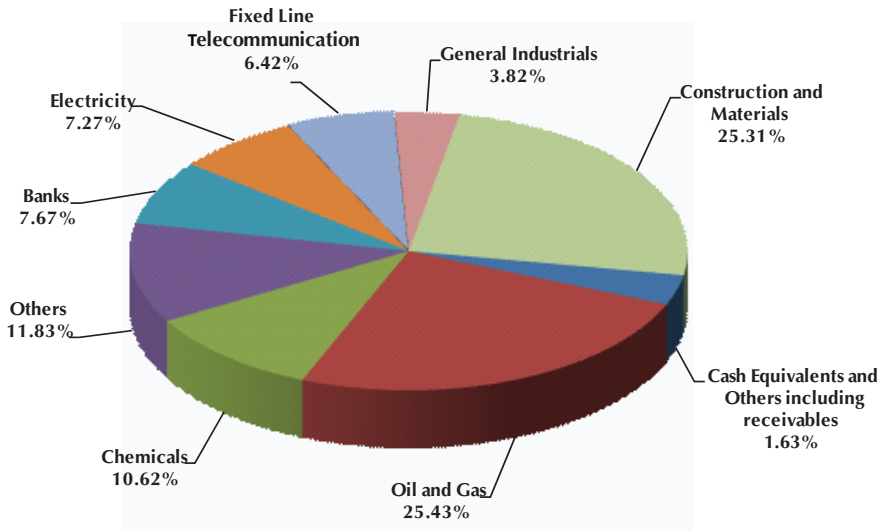
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Stock Fund for the quarter ended September 30, 2012.

Fund's Performance

During the first quarter, the unit price of NAFA Stock Fund (NSF) has increased from Rs.7.3095 (Ex-Div) on June 30, 2012 to Rs.8.4378 on September 30, 2012, thus showing an increase of 15.44%, as compared to its Benchmark's (KSE-30 Index) return of 9.29%, for the same period. Thus, the Fund has outperformed its Benchmark by 6.15% during the period under review. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 59.35% as compared to 2.71% decrease in its Benchmark. Thus, the Fund has outperformed its Benchmark by 62.06% since its inception. The performance of the Fund is net of management fee and all other expenses. The Fund size of NSF at the end of the period stood at Rs.1,434 million, i.e. an increase of 31.45% compared to June 30, 2012.

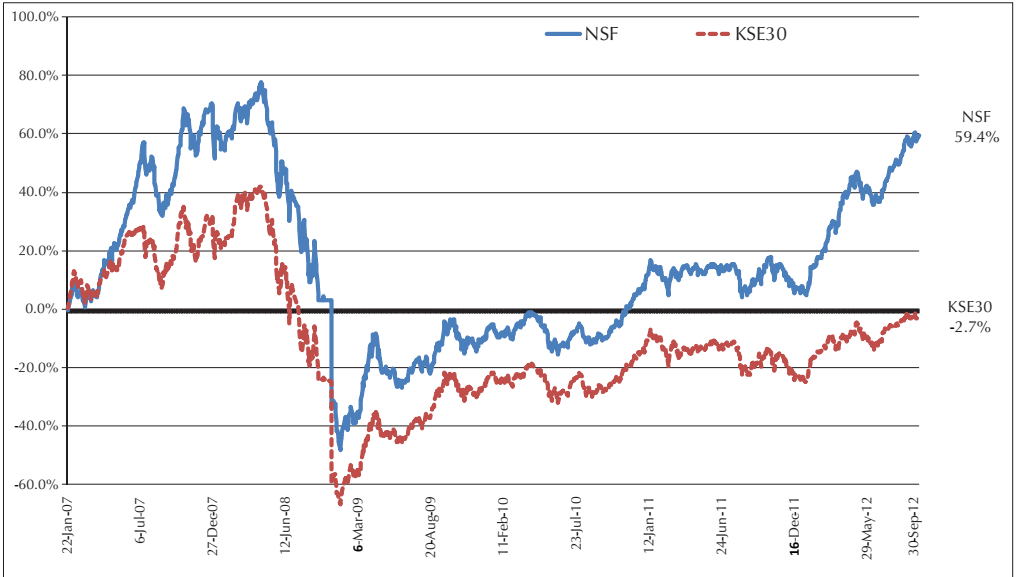
The stock market depicted a bullish trend during 1QFY13. The KSE-100 Index surged by 11.9% to the 15,445 levels as against 13,801 levels at the beginning of the quarter. During the period under review the key factors for the upbeat performance of the market were (i) relaxation of the monetary regime with 150bps cut in the Policy Rate by the SBP; (ii) healthy corporate earnings and payouts; (iii) improved trading activity and foreign flows; and (iv) improvement on the internal and external political fronts. The Food Producers, Personal Goods and Fixed Line Telecommunication sectors performed better than the market. On the other hand, Oil & Gas, Chemicals, Electricity and Banking sectors lagged the market.

The Fund has earned total income of Rs.196.14 million during the period. After deducting expenses of Rs.14.51 million, the net income is Rs.181.63 million. The asset allocation of the Fund as on September 30, 2012 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 23, 2012
Place: Karachi.

NAFA STOCK FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2012

	Note	Un-Audited September 30, 2012	Audited June 30, 2012
		(Rupees in '000)	
ASSETS			
Balances with banks		20,860	77,043
Investments	4	1,410,158	1,079,439
Dividend and profit receivable	5	18,194	864
Deposits, prepayments and other receivables		3,754	2,740
Total assets		1,452,966	1,160,086
LIABILITIES			
Payable to the Management Company		2,926	2,171
Payable to the Trustee		199	181
Payable to the Securities and Exchange Commission of Pakistan		316	953
Payable against purchase of investments		-	54,342
Accrued expenses and other liabilities	6	16,123	12,013
Total liabilities		19,564	69,660
NET ASSETS		<u><u>1,433,402</u></u>	<u><u>1,090,426</u></u>
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		<u><u>1,433,402</u></u>	<u><u>1,090,426</u></u>
CONTINGENCIES AND COMMITMENTS	7		
		Number of units	
Number of units in issue		<u><u>169,879,470</u></u>	<u><u>137,335,751</u></u>
NET ASSET VALUE PER UNIT		<u><u>8.4378</u></u>	<u><u>7.9399</u></u>

The annexed notes 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, 2012 (UN-AUDITED)

	Note	Quarter Ended September 30, 2012	Quarter Ended September 30, 2011
(Rupees in '000)			
INCOME			
Gain / (Loss) on sale of investments - net		25,617	(27,525)
Income from Government Securities		89	488
Profit on bank deposits		813	1,911
Dividend income		25,777	9,866
Unrealised appreciation in the value of investments carried at fair value through profit or loss - net		143,844	18,939
Total income		196,140	3,679
EXPENSES			
Remuneration of the Management Company		6,666	6,504
Sales tax on Remuneration of the Management Company		1,066	
Remuneration of the Trustee		585	434
Annual fee - Securities and Exchange Commission of Pakistan		317	206
Securities transaction cost		1,893	1,063
Settlement and bank charges		81	63
Annual listing fee		10	10
Legal & Professional charges		24	-
Auditors' remuneration		128	140
Fund rating fee		28	25
Amortisation of preliminary expenses and floatation costs		-	126
Printing charges		-	46
Other charges		-	1,041
Total Expenses		10,798	9,658
Net Income / (loss) from operating activities		185,342	(5,979)
Provision for Workers' Welfare Fund	10	(3,708)	-
Net Income / (loss) for the period before taxation		181,634	(5,979)
Taxation	8	-	-
Net income / (loss) for the period after taxation		181,634	(5,979)
Earnings per unit	9		

The annexed notes 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, 2012 (UN-AUDITED)

	Quarter Ended September 30, 2012 (Rupees in '000)	Quarter Ended September 30, 2011
Net income / (loss) for the period after taxation	181,634	(5,979)
Other Comprehensive Income	-	-
Total comprehensive income / (loss) for the period	<u>181,634</u>	<u>(5,979)</u>

The annexed notes 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, 2012 (UN-AUDITED)

	Quarter Ended September 30, 2012 (Rupees in '000)	Quarter Ended September 30, 2011
(Accumulated loss) / undistributed income brought forward	(218,494)	(287,976)
Final distribution for the year ended June 30, 2012 6.51% (2011: 10.3320%)		
- Bonus units	(80,880)	(101,560)
- Cash distribution	(15,959)	(25,392)
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	20,973	3,559
Income / (loss) for the period	181,634	(5,979)
Accumulated loss carried forward	<u>(112,726)</u>	<u>(417,348)</u>

The annexed notes 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, 2012 (UN-AUDITED)

	Quarter Ended September 30, 2012 (Rupees in '000)	Quarter Ended September 30, 2011
Net assets at the beginning of the period	1,090,426	926,795
Issue of 49,091,150 units including 10,715,251 bonus units (2010: 14,157,330 units)	311,544	168,989
Redemption of 16,547,431 units (2010:16,334,466 units)	(134,243) 177,301	(170,018) (1,029)
Issue of bonus units for the year ended June 30, 2012	80,880	101,560
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(20,973)	(3,559)
Unrealised diminution in the value of investments carried at fair value through profit or loss - net	143,844	18,939
Capital gain / (loss) on sale of investments - net	25,617	(27,525)
Other income /(loss) (net of expenses)	12,173 181,634	2,607 (5,979)
Final distribution for the year ended June 30, 2012 6.51% (2011: 10.3320%)		
- Bonus units	(80,880)	(101,560)
- Cash distribution	(15,959)	(25,392)
	(96,839)	(126,952)
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	20,973	3,559
Net assets at the end of the period	<u>1,433,402</u>	<u>894,395</u>

The annexed notes 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, 2012 (UN-AUDITED)

	Quarter Ended September 30, 2012	Quarter Ended September 30, 2011
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Income / (loss) for the period before taxation	181,634	(5,979)
Adjustments		
Unrealised diminution in the value of investment carried at fair value through profit and loss - net	(143,844)	(18,939)
Amortisation of preliminary expenses and floatation costs	-	126
	37,790	(24,792)
(Increase) / decrease in assets		
Receivable against sale of investments	-	9,291
Investments	(186,875)	21,469
Advances, deposits and prepayments	(1,014)	(431)
Dividend and profit receivable	(17,330)	(184)
	(205,219)	30,145
Increase / (decrease) in liabilities		
Payable to the Management Company	755	(288)
Payable to the Trustee	18	(20)
Payable to the Securities and Exchange Commission of Pakistan	(637)	(702)
Payable against purchase of investments	(54,342)	(34,550)
Accrued expenses and other liabilities	4,110	508
	(50,096)	(35,052)
Net cash generated from / (used in) operating activities	<u>(217,525)</u>	<u>(29,699)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	311,544	168,989
Net payments on redemption of units	(134,243)	(170,240)
Distributions made	(15,959)	(25,392)
Net cash used in financing activities	161,342	(26,643)
Net increase / (decrease) in cash and cash equivalents during the period	<u>(56,183)</u>	<u>(56,342)</u>
Cash and cash equivalents at the beginning of the period	77,043	97,434
Cash and cash equivalents at the end of the period	<u><u>20,860</u></u>	<u><u>41,092</u></u>

The annexed notes 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 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (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 9th Floor, Adamjee House, I.I Chundrigar Road, Karachi. The Management Company is a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund 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 'AM2' to the Management Company and a performance ranking of 4-Star (short term) to the Fund based on the performance of the Fund for the year ended June 30, 2011.

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, 2012 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2012.

NAFA STOCK FUND

4. INVESTMENTS

At fair value through profit or loss - held for trading

	Note	Un-audited September 30, 2012 (Rupees in '000)	Audited June 30, 2012 (Rupees in '000)
Investments in shares of listed companies	4.1	1,410,158	979,829
Investments in Government Securities	4.2	-	99,610
		<u>1,410,158</u>	<u>1,079,439</u>

4.1 Investment in listed equity securities

Name of the investee company	As at July 1, 2012	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2012	Market value as at September 30, 2012	Market value as a percentage of net asset	Market value as a percentage of total investment	Percentage of paid up capital of investee company held
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----- Number of shares ----- (Rupees in '000)

SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise

OIL AND GAS

Attock Petroleum Limited	13,242	25,000	-	38,222	20	11	0.00%	0.00%	0.00%
Attock Refinery Limited	506	-	-	-	506	64	0.00%	0.00%	0.00%
Oil & Gas Development Company Limited	2,881	623,000	-	41,000	584,881	104,916	7.32%	7.44%	0.01%
Pakistan Oilfields Limited	225,180	98,300	-	-	323,480	140,183	9.78%	9.94%	0.14%
Pakistan Petroleum Limited	463,363	205,000	135,467	126,500	677,330	119,163	8.31%	8.45%	0.05%
Pakistan State Oil Company Limited	508	-	102	-	610	132	0.01%	0.01%	0.00%

CHEMICALS

Arif Habib Corporation	5,500	-	550	-	6,050	161	0.01%	0.01%	0.00%
Engro Corporation Limited	118,185	899,100	-	118,000	899,285	96,017	6.70%	6.81%	0.18%
Fatima Fertilizer Company Limited	2,000	1,695,534	-	1,005,000	692,534	16,732	1.17%	1.19%	0.03%
Fauji Fertilizer Company Limited	448,238	445,000	-	893,200	38	4	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	291,221	-	-	-	291,221	39,335	2.74%	2.79%	1.36%

CONSTRUCTION AND MATERIALS

Attock Cement Pakistan Limited	626,521	-	-	-	626,521	67,808	4.73%	4.81%	0.72%
D.G. Khan Cement Company Limited	1,168,100	1,197,000	-	957,000	1,408,100	70,827	4.94%	5.02%	0.32%
Kohat Cement Limited	-	223,000	-	-	223,000	13,008	0.91%	0.92%	0.17%
Lucky Cement Limited	614,033	487,500	-	602,000	499,533	66,508	4.64%	4.72%	0.15%
Cherat Cement Company Limited	2,795,653	-	-	192,000	2,603,653	103,313	7.21%	7.33%	2.72%
Fauji Cement Company Limited	50,000	-	-	-	50,000	319	0.02%	0.02%	0.00%
Maple Leaf Cement Limited	-	1,635,000	-	-	1,635,000	14,879	1.04%	1.06%	0.31%
Thatta Cement Company Limited	1,250,000	-	-	-	1,250,000	26,225	1.83%	1.86%	1.25%

GENERAL INDUSTRIALS

Thal Limited	327,627	-	-	-	327,627	42,634	2.97%	3.02%	0.22%
Ghani Glass Limited	27,757	-	-	-	27,757	1,416	0.10%	0.10%	0.03%
Cherat Packing Limited	264,492	-	-	-	264,492	10,580	0.74%	0.75%	1.54%
MACPAC Films Limited	5,500	-	-	-	5,500	112	0.01%	0.01%	0.01%

INDUSTRIAL METALS AND MINING

Ayesha Steel Mills	550	-	-	550	-	-	-	-	-
Crescent Steel and Allied Products	176,500	-	-	15,000	161,500	4,183	0.29%	0.30%	0.29%
International Industries Limited	749,209	-	-	-	749,209	28,080	1.96%	1.99%	0.62%

ENGINEERING

Al-Ghazi Tractors Limited	201	-	-	-	201	41	0.00%	0.00%	0.00%
Millat Tractors Limited	739	70,400	-	-	71,139	34,359	2.40%	2.44%	0.19%

Balance Carried Forward

1,001,010 69.83% 70.99%

NAFA STOCK FUND

Name of the investee company	As at July 1, 2012	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2012	Market value as at September 30, 2012	Market value as a percentage of net asset	Market value as a percentage of total investment	Percentage of paid up capital of investee company held
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----- Number of shares ----- (Rupees in '000)

SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise

Balance Brought Forward						1,001,010	69.83%	70.99%	
PERSONAL GOODS									
Azgard Nine Limited (Non-voting)	806,400	-	-	-	806,400	5,645	0.39%	0.40%	1.79%
Nishat (Chunian) Limited	-	1,774,000	-	-	1,774,000	39,401	2.75%	2.79%	0.50%
MEDIA									
Hum Television Network Limited	860,779	-	-	-	860,779	18,490	1.29%	1.31%	1.72%
FIXED LINE TELECOMMUNICATION									
Pakistan Telecommunication Company Limited	5,400	3,220,000	-	-	3,225,400	62,541	4.36%	4.44%	0.85%
TeleCard Limited	-	8,650,000	-	-	8,650,000	28,285	1.97%	2.01%	2.88%
Wateen Telecom Limited	453,259	-	-	-	453,259	1,151	0.08%	0.08%	0.07%
ELECTRICITY									
The Hub Power Company Limited	1,963,066	680,000	-	725,500	1,917,566	89,895	6.27%	6.37%	1.66%
Pakgen Power Limited	-	856,000	-	-	856,000	14,244	0.99%	1.01%	0.23%
COMMERCIAL BANKS									
Allied Bank Limited	859,521	-	-	53,000	806,521	51,803	3.61%	3.67%	0.85%
Bank Alfalah Limited	2,318,347	721,500	-	3,039,500	347	5	0.00%	0.00%	0.02%
MCB Bank Limited	307,404	228,500	-	531,700	4,204	782	0.05%	0.06%	0.03%
Meezan Bank Limited	2,079,579	-	-	-	2,079,579	57,188	3.99%	4.06%	0.30%
National Bank of Pakistan (Related Party)	746,421	390,000	-	1,133,500	2,921	128	0.01%	0.01%	0.07%
United Bank Limited	210,963	136,000	-	346,500	463	34	0.00%	0.00%	0.01%
FINANCIAL SERVICES									
NEXT Capital Limited	500,000	-	-	-	500,000	3,500	0.24%	0.25%	2.50%
SOFTWARE AND COMPUTER SERVICES									
Netsol Technologies Limited	-	1,616,000	-	-	1,616,000	35,100	2.45%	2.49%	2.25%
NON-LIFE INSURANCE									
TPL Direct Insurance Limited	96,626	-	-	-	96,626	956	0.07%	0.07%	0.21%
						1,410,158	98.38%	100.00%	
Carrying value as at September 30, 2012						1,266,314			

4.1.1 The face value of each share held of Thal Limited and Al-Ghazi Tractors Limited is Rs.5.

4.1.2 Investments include shares with market value of Rs 46.01 million (June 30, 2012: Rs. 176.802 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.

4.2 Investment in government securities

Issue Date	Tenor	Face Value				Market value as at September 30, 2012	Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2012	Purchases during the period	Sales / matured during the period	As at September 30, 2012			

----- (Rupees in '000) -----

July 14, 2011	12 Months	75,000	-	75,000	-	-	-
April 19, 2012	3 Months	25,000	-	25,000	-	-	-
August 11, 2011	12 Months	-	11,000	11,000	-	-	-

Carrying value as at September 30, 2012

NAFA STOCK FUND

	Un-audited September 30, 2012 (Rupees in '000)	Audited June 30, 2012
5. DIVIDEND AND PROFIT RECEIVABLE		
Profit on savings deposits	214	682
Dividend receivable on equity securities	17,980	182
	<u>18,194</u>	<u>864</u>
6. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	350	279
Settlement charges payable	24	-
Bank charges	19	-
Workers' Welfare Fund payable	14,676	10,963
Others	1,054	771
	<u>16,123</u>	<u>12,013</u>

7. Commitments

There were no commitments as on September 30, 2012.

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 intention to distribute more than 90 percent of the Fund's accounting income for the FY2012-13 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

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 regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh ("the Court"/"SHC"), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, 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. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

NAFA STOCK FUND

The Honorable 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, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.14.676 million in these financial statements. Had the same not been made the net asset value per unit / return of the Fund would have been higher by Rs 0.0864 / 1.46% unit respectively.

11. TRANSACTIONS WITH CONNECTED PERSONS

11.1 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.

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 September 30, 2012	Un-audited September 30, 2011
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(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	6,666	66,504
Front End Load	37	5
Sales tax on management fee	1,066	-

National Bank of Pakistan - Sponsor

Cash Distribution	4,883	7,749
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Alexandra Fund Management Pte. Limited - Sponsor

Bonus units issued 876,664 units (September 30, 2011: 1,392,347 units)	-	-
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Employees of the Management Company

Units issued / transferred In 1,057,059 units (September 30, 2011: 468,371 units)	8,591	3,011
Units redeemed / transferred out 571,532 units (September 30, 2011: 459,196 units)	4,677	2,943
Bonus units issued 14,527 units (September 30, 2011: 4,670 units)	-	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration	585	434
CDS Charges	55	77

NAFA STOCK FUND

	Un-audited September 30, 2012 (Rupees in '000)	Un-audited September 30, 2011
NAFA Provident Fund Trust - Provident Fund		
Units Issued / Transferred in 568,879 units (September 30, 2011; 1,774,555 units)	4,623	11,544
Units redeemed / transferred out 218,348 units (September 30 2011; 1,664,129 units)	1,808	10,554
Bonus units issued 61,094 units (September 30, 2011 81,396 units)	-	-
NBP Employee Pension Fund		
Bonus units issued 2,567,288 units (September 30, 2011; 4,077,451)	-	-
Taurus Securities Limited		
Brokerage	108	78
International Industries Ltd. - Employees Provident Fund		
Units Issued / Transferred in 1,803,113 units (September 30, 2011; Nil units)	14,685	-
Units redeemed / transferred out 978,160 units (September 30 2011: Nil units)	8,102	-
Bonus units issued 288,853 units (September 30, 2011 Nil units)	-	-
International Industries Ltd - Employees Gratuity Fund		
Units Issued / Transferred in 4,637,702 units (September 30, 2011; Nil units)	37,717	-
Units redeemed / transferred out 1,222,345 units (September 30 2011: Nil units)	10,125	-
Bonus units issued 370,228 units (September 30, 2011 Nil units)	-	-
International Steels Ltd - Employees Gratuity Fund		
Units Issued / Transferred in 425,824 units (September 30, 2011; Nil units)	3,462	-
Units redeemed / transferred out 112,232 units (September 30 2011: Nil units)	930	-
Bonus units issued 33,995 units (September 30, 2011 Nil units)	-	-
International Steels Ltd - Employees Provident Fund		
Units Issued / Transferred in 515,347 units (September 30, 2011; Nil units)	4,196	-
Units redeemed / transferred out 284,231 units (September 30 2011: Nil units)	2,354	-
Bonus units issued 83,012 units (September 30, 2011 Nil units)	-	-
Gul Ahmed Textile Mills Ltd - Employees Provident Fund		
Bonus units issued 4,394 units (September 30, 2011 Nil units)	-	-

NAFA STOCK FUND

	Un-audited September 30, 2012	Audited June 30, 2012
	(Rupees in '000)	
11.6 Amounts outstanding as at period / year end		
NBP Fullerton Asset Management Limited - Management Company		
Management Fee Payable	2,349	1,730
Front-end Load Payable	205	168
Sales tax payable on management fee	372	273
National Bank of Pakistan - Sponsor		
Investment held by the sponsor in the Fund 7,500,000 units (June 30, 2012: 7,500,000 units)	63,284	59,549
Deposit held by the Fund with the Sponsor	1,272	762
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund 11,041,256 units (June 30, 2012: 10,164,592 units)	93,164	80,706
Employees of the Management Company		
Investment held in the Fund 644,305 units (June 30, 2012: 144,251 units)	5,437	1,145
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee payable	199	168
CDS charges payable	24	13
Security Deposit	100	100
NAFA Provident Fund Trust - Provident Fund		
Investment held in the Fund 726,510 units (June 30, 2012: 314,885 units)	6,130	2,500
NBP Employees Pension Fund		
Investment held in the Fund 32,334,026 units (June 30, 2012: 29,768,738 units)	272,828	236,345
International Industries Ltd. - Employees Provident Fund		
Investment held in the Fund 2,659,836 units (June 30, 2012: Nil units)	22,443	-
International Industries Ltd. - Employees Gratuity Fund		
Investment held in the Fund 5,696,600 units (June 30, 2012: Nil units)	48,041	-
International Steels Ltd. - Employees Gratuity Fund		
Investment held in the Fund 522,800 units (June 30, 2012: Nil units)	4,411	-
International Steels Ltd. - Employees Provident Fund		
Investment held in the Fund 761,275 units (June 30, 2012: Nil units)	6,423	-
Gul Ahmed Textile Mills Ltd - Employees Provident Fund		
Investment held in the Fund 55,336 units (June 30, 2012: Nil units)	467	-

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 23, 2012.

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