

# **NAFA STOCK FUND**

## **NAFA STOCK FUND**

**QUARTERLY REPORT  
FOR THE PERIOD ENDED  
MARCH 31, 2010  
(UN-AUDITED)**

# NAFA STOCK FUND

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# NAFA STOCK FUND

## DIRECTORS' REPORT

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Stock Fund for the period ended March 31, 2010.

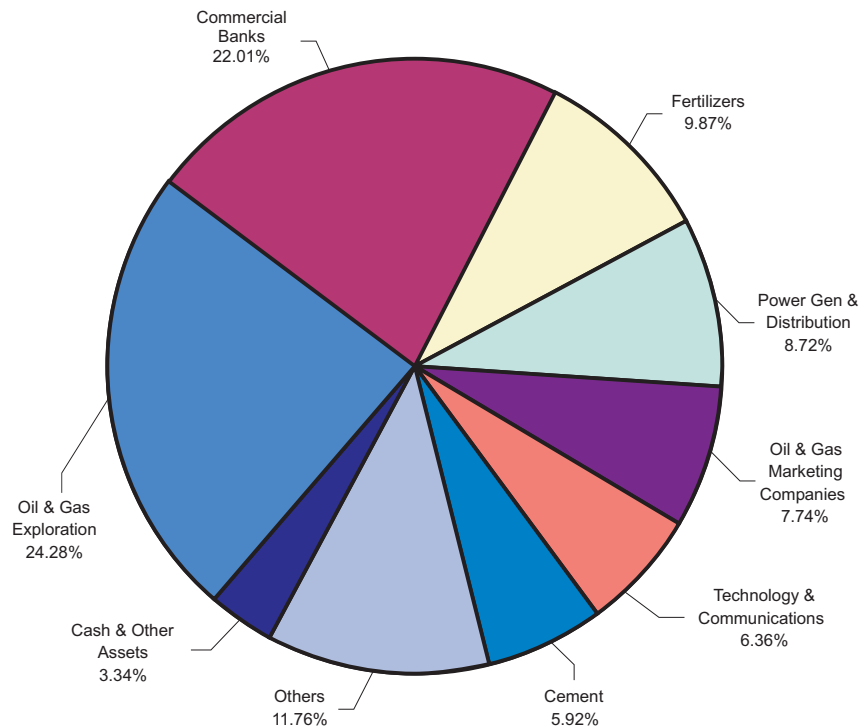
### Fund's Performance

During the said period, the unit price of NAFA Stock Fund has increased from Rs.6.0685 on June 30, 2009 to Rs.7.6739 on March 31, 2010, thus showing a growth of 26.45%, as compared to its Benchmark (KSE-30 Index) return of 37.70%, for the same period. Since inception (January 22, 2007), the unit price of the Fund has shown a decline 4.50% as compared to 22.16% decrease in its Benchmark. Thus, the Fund has outperformed its Benchmark by 17.66% (net of management fee and all other expenses) since inception. The size of NAFA Stock Fund has decreased from Rs. 1,331 million to Rs. 1,227 million during the period, i.e. a decline of 7.81%.

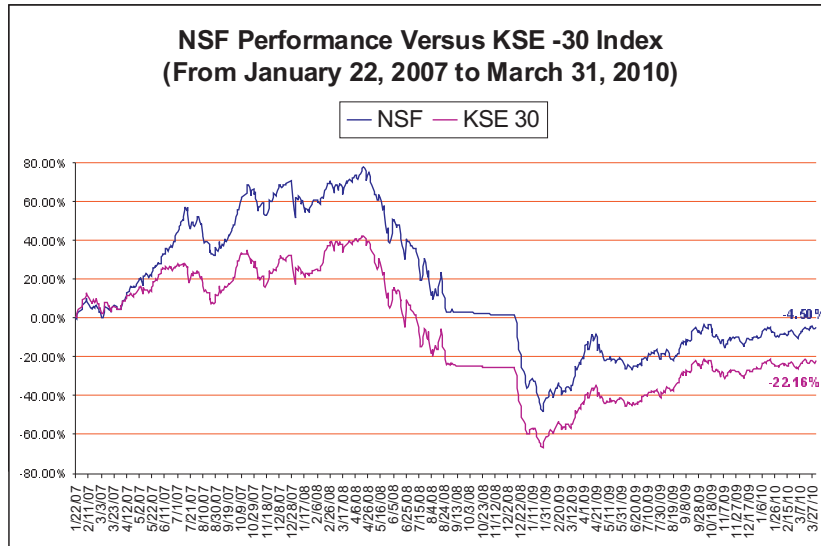
NAFA Stock Fund has earned total income of Rs.304.20 million during the period. After deducting expenses of Rs.47.58 million, the net income is Rs.256.62 million, translating into an earning per unit of Rs.1.6054.

The asset allocation of the Fund as on March 31, 2010, and its performance against the KSE-30 Index are as follows:

### Asset Allocation as on March 31, 2010



# NAFA STOCK FUND



## **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  
National Fullerton Asset Management Limited

Chief Executive

Director

Date: April 29, 2010  
Place: Karachi.

# NAFA STOCK FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT March 31, 2010

	Note	Unaudited March 31, 2010	Audited June 30, 2009
----- Rupees in '000 -----			
<b>Assets</b>			
Balances with banks		23,030	15,971
Receivable against sale of investments		26,614	24,624
Investments	4	1,185,593	1,297,090
Dividend and profit receivable	5	19,144	6,171
Deposits, prepayments and other receivables		3,785	7,251
Preliminary expenses and floatation costs		903	1,278
<b>Total assets</b>		<b>1,259,069</b>	<b>1,352,385</b>
<b>Liabilities</b>			
Payable to National Fullerton Asset Management Limited - Management Company		3,485	4,355
Payable to Central Depository Company of Pakistan Limited - Trustee		191	190
Payable to Securities and Exchange Commission of Pakistan		952	1,415
Payable against purchase of investments		24,454	13,960
Payable on redemption of units		2,687	510
Accrued expenses and other liabilities	6	705	644
<b>Total liabilities</b>		<b>32,474</b>	<b>21,074</b>
<b>Net assets</b>		<b>1,226,595</b>	<b>1,331,311</b>
<b>Unit holders' funds (As per Statement attached)</b>		<b>1,226,595</b>	<b>1,331,311</b>
<b>Contingencies and commitments</b>	7		
<b>Number of units</b>			
<b>Number of units in issue</b>		<b>159,839,189</b>	<b>219,381,541</b>
<b>Rupees</b>			
<b>Net asset value per unit</b>		<b>7.6739</b>	<b>6.0685</b>

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

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

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED March 31, 2010

Note	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
----- Rupees in '000 -----				
<b>Income</b>				
Gain / (Loss) on sale of investments - net	253,876	(934,110)	44,241	(813,548)
Income from Continuous Funding System (CFS) transactions	-	925	-	-
Profit on bank deposits	4,762	8,711	2,040	1,033
Income on Clean Placement	-	33	-	33
Dividend Income	43,514	46,412	23,317	11,025
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	63,661	(35,847)	26,720	1,043,849
<b>Total income</b>	<b>365,813</b>	<b>(913,876)</b>	<b>96,318</b>	<b>242,392</b>
<b>Expenses</b>				
Remuneration of National Fullerton Asset Management Limited - Management Company	30,078	33,085	9,484	7,669
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,753	1,848	562	497
Annual fee - Securities and Exchange Commission of Pakistan	952	1,083	300	243
Annual listing fee	23	23	8	8
Brokerage and other transaction costs	12,456	3,167	2,343	1,458
Settlement charges and bank charges	867	493	141	413
Auditors' remuneration	273	313	58	74
Fund rating fee	63	61	37	11
Amortisation of preliminary expenses and floatation costs	375	375	122	122
Legal and professional charges	40	-	-	-
Printing charges	701	1,456	256	351
<b>Total expenses</b>	<b>47,581</b>	<b>41,904</b>	<b>13,311</b>	<b>10,846</b>
<b>Net income / (loss) from operating activities</b>	<b>318,232</b>	<b>(955,780)</b>	<b>83,007</b>	<b>231,546</b>
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed	(61,616)	(29,742)	(36,237)	(102,444)
<b>Net income / (loss) for the period</b>	<b>256,616</b>	<b>(985,522)</b>	<b>46,770</b>	<b>129,102</b>
<b>Taxation</b>	8	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>256,616</b>	<b>(985,522)</b>	<b>46,770</b>	<b>129,102</b>
<b>Earnings / (loss) per unit</b>	9			

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

For National Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED March 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	----- Rupees in '000 -----			
Net income / (loss) for the period after taxation	256,616	(985,522)	46,770	129,102
<b>Other comprehensive income</b>				
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	234,091	(27,544)	95,570	22,339
Total comprehensive income / (loss) for the period	<u>490,707</u>	<u>(1,013,066)</u>	<u>142,340</u>	<u>151,441</u>

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

For National Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED March 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	----- Rupees in '000 -----			
<b>(Accumulated loss) / undistributed income brought forward</b>	(922,964)	273,082	(574,597)	(959,030)
Net income / (loss) for the period after taxation	256,616	(985,522)	46,770	129,102
Final distribution for the year ended June 30, 2009: Nil (2008: 3.022%)				
- Bonus units	-	(55,991)	-	-
- Cash Distribution	-	(11,614)	-	-
<b>Other comprehensive income</b>				
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed	234,091	(27,544)	95,570	22,339
<b>Accumulated loss carried forward</b>	<u>(432,257)</u>	<u>(807,589)</u>	<u>(432,257)</u>	<u>(807,589)</u>

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

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

Chief Executive

Director



# NAFA STOCK FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED March 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	----- Rupees in '000 -----			
<b>Net assets at the beginning of the period</b>	1,331,311	2,565,736	1,327,342	960,367
Issue of 64,577,448 units (2009: 87,070,682 units including 5,015,757 bonus units.)	468,016	334,319	108,981	112,057
Redemption of 124,119,800 units (2009: 105,756,908 units)	(890,964) (422,948)	(628,691) (294,372)	(292,735) (183,754)	- 112,057
Final distribution for the year ended June 30, 2009: Nil (2008: 3.022%)	-	55,991	-	-
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing accrued (income) / loss and capital (gains) / losses - transferred to income statement	61,616	29,742	36,237	102,444
- amount representing (income) / loss and capital (gains) / losses - transferred to statement of comprehensive income	(234,091) (172,475)	27,544 57,286	(95,570) (59,333)	(22,339) 80,105
Net unrealised appreciation / (diminution) in the value of investments classified as available for sale		(428)		(428)
Net unrealised appreciation / (diminution) on re-measurement on investments classified as 'financial assets at fair value through profit or loss'	63,661	(35,847)	26,720	1,043,849
Other operating income / (loss)	192,955	(949,675)	20,050	(914,747)
<b>Net income / (loss) for the period</b>	256,616	(985,522)	46,770	129,102
<b>Distribution</b>				
Final distribution for the year ended June 30, 2009: Nil (2008: 3.022%)	-	(55,991)	-	-
- Bonus units	-	(55,991)	-	-
- Cash distribution	-	(11,614)	-	-
<b>Other comprehensive income</b>				
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	234,091	(27,544)	95,570	22,339
<b>Net assets as at the end of the period</b>	<u>1,226,595</u>	<u>1,303,542</u>	<u>1,226,595</u>	<u>1,303,542</u>

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

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

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED March 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
----- Rupees in '000 -----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income / (loss) for the period before taxation	256,616	(985,522)	46,770	129,102
<b>Adjustments</b>				
Net unrealised (appreciation) / diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	(63,661)	35,847	(26,720)	(1,043,849)
Amortisation of preliminary expenses and floatation costs	375	375	122	122
(Gain) / loss on sale of investments	(253,876)	934,110	(44,241)	813,548
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	61,616	29,742	36,237	102,444
	1,070	14,552	12,168	1,367
<b>(Increase) / decrease in assets</b>				
Receivable from sale of investments	(1,990)	22,453	(26,614)	(75,596)
Investments - net	429,034	(363,747)	185,929	(172,647)
Dividend and profit receivable	(12,973)	136	(15,536)	(9,070)
Deposits, prepayments and other receivables	3,466	(12,807)	3,848	(12,718)
	417,537	(353,965)	147,627	(270,031)
<b>Increase / (decrease) in liabilities</b>				
Payable to National Fullerton Asset Management Limited - Management Company	(870)	(20,344)	(607)	592
Payable to Central Depository Company of Pakistan Limited - Trustee	1	(117)	(5)	(18)
Payable to Securities and Exchange Commission of Pakistan	(463)	(1,006)	300	243
Payable against purchase of investments	10,494	48,279	23,942	46,217
Payable against redemption of units	2,177	45,748	247	65,318
Accrued expenses and other liabilities	61	928	199	638
	11,400	73,488	24,076	112,990
<b>Net cash inflow from / (outflow on) operating activities</b>	430,007	(265,925)	183,871	(155,674)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net receipts from issue of units	468,016	334,319	108,981	112,054
Net payments on redemption of units	(890,964)	(628,691)	(292,735)	3
Distribution paid	-	(11,614)	-	-
<b>Net cash outflow on financing activities</b>	(422,948)	(305,986)	(183,754)	112,057
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	7,059	(571,911)	117	(43,617)
Cash and cash equivalents at the beginning of the period	15,971	621,436	22,913	93,142
<b>Cash and cash equivalents at the end of the period</b>	<u>23,030</u>	<u>49,525</u>	<u>23,030</u>	<u>49,525</u>

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

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

Chief Executive

Director

# NAFA STOCK FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED March 31, 2010

### LEGAL STATUS AND NATURE OF BUSINESS

NAFA Stock Fund (NSF) was established under a Trust Deed executed between National Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on December 6, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 30, 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.

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 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. Based on the performance of the Fund for the period ended June 30, 2009, it has assigned short term performance ranking of "Two Star" to the Fund.

### BASIS OF PREPARATION

#### 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 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations 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 disclosure 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 these condensed interim financial statements give a true and fair view of the Fund.

### SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2009.

IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement of financial position (referred to as the statement of assets and liabilities in these condensed interim financial statements) as at the beginning of the comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period.

The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present two separate performance statements. As a result, non-owner changes in equity which were previously credited directly in the statement of movement in unit holders' fund and the distribution statement are now shown as other comprehensive income in the performance statement (referred to as the statement of comprehensive income in these condensed interim financial statements). The change in presentation has not affected the values of the net assets of the Fund for either the current or any of the prior periods and hence restated statement of assets and liabilities has not been presented.

# NAFA STOCK FUND

3.2 The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2009:

IAS 39 (amendment), 'Financial instruments: Recognition and measurement'. The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The adoption of the amendment did not have a significant impact on the Fund's financial statements.

IFRS 7 (amendment), 'Financial instruments: Disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures, which would be detailed in the financial statements for the year ending June 30, 2010, but does not have an impact on the Fund's financial position or performance.

IAS 32 (amendment), 'Financial instruments: Presentation', and IAS 1 (amendment), 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'. The amended standards require entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. One of the particular features is that apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity. In this connection, Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations 2008 mandates the payment of 90% of the Fund's profits for the year as dividends.

3.3 There are other standards, amendments and interpretations that were mandatory for accounting periods beginning on or after July 1, 2009 but were considered not to be relevant or did not have any significant effect on the Fund's operations.

	Note	Unaudited March 31, 2010	Audited June 30, 2009
----- Rupees in '000 -----			
<b>4 INVESTMENTS</b>			
<b>Financial assets at fair value through profit or loss - held for trading</b>			
Equity securities - listed	4.1	<u>1,185,593</u>	<u>1,297,090</u>
		<u>1,185,593</u>	<u>1,297,090</u>

# NAFA STOCK FUND

## 4.1. Equity securities - listed

Name of the investee company	Number of shares					Market value at March 31, 2010 (Rupees in '000)	Investment as a %age of		
	As at July 1, 2009	Purchases during the period	Bonus / Right Shares	Sales during the period	As at March 31 2010		Market value of Net assets	Market value of total investment	Paid up capital of investee company
Unless stated otherwise, the holding are in ordinary shares of Rs. 10 each.									
<b>Investment Banks/Companies</b>									
Arif Habib Securities Limited	1,124,000	4,799,000	-	5,630,000	293,000	12,573	1.03	1.06	0.34
Jahangir Siddiqui Company Limited	450,000	5,641,000	-	5,700,000	391,000	8,473	0.69	0.71	0.23
<b>Commercial Banks</b>									
Allied Bank Limited	-	1,166,048	87	861,000	305,135	18,311	1.49	1.54	0.26
Askari Bank Limited	-	480,000	-	480,000	-	-	0.00	0.00	0.00
Bank Al-Falah Limited	-	13,016,000	-	13,014,000	2,000	25	0.00	0.00	0.00
Bank Al Habib Limited	-	1,432,500	181,000	1,048,100	565,400	16,374	1.33	1.38	0.27
Bank Islami Pakistan Limited	-	1,900,000	-	1,900,000	-	-	0.00	0.00	0.00
Habib Bank Limited	-	563,000	-	463,000	100,000	11,057	0.90	0.93	0.12
Habib Metropolitan Bank Limited	-	420,947	67,352	-	488,299	12,085	0.99	1.02	0.13
MCB Bank Limited	869,260	2,235,639	45,940	2,600,500	550,339	115,043	9.38	9.70	1.66
Meezan Bank Limited	-	90,500	4,525	-	95,025	1,647	0.13	0.14	0.02
National Bank of Pakistan	584,230	4,726,165	72,166	5,036,730	345,831	23,458	1.91	1.98	0.22
United Bank Limited	1,436,990	5,944,452	65,804	6,241,200	1,208,046	71,940	5.87	6.07	0.65
<b>Insurance</b>									
Adamjee Insurance Company Limited	279,500	901,000	-	1,180,500	-	-	0.00	0.00	0.00
EFU General Insurance Company Limited	-	205,110	-	205,110	-	-	0.00	0.00	0.00
Pakistan Reinsurance Company Limited	-	115,000	-	115,000	-	-	0.00	0.00	0.00
<b>Textile Composite</b>									
AMTEX Limited	-	1,061,366	-	-	1,061,366	13,798	1.66	1.72	3.13
Azgard Nine Limited (Non-voting)	806,400	-	-	-	806,400	20,394	0.00	0.00	0.00
Azgard Nine Limited	957,000	2,946,000	-	3,903,000	-	-	0.00	0.00	0.00
Nishat Mills Limited	-	1,350,000	-	1,075,000	275,000	15,488	1.26	1.31	0.64
Nishat Mills Limited (Right Shares)	-	-	141,300	-	141,300	2,183	0.00	0.00	0.00
<b>Sugar &amp; Allied Industries</b>									
Shakarganj Mills Limited	-	6,500	-	6,500	-	-	0.00	0.00	0.00
<b>Jute</b>									
Thal Limited	-	273,564	35,302	-	308,866	25,015	2.04	2.11	9.78
<b>Cement</b>									
Attock Cement Pakistan Limited	-	313,456	-	-	313,456	22,284	1.82	1.88	2.57
D.G Khan Cement Company Limited	1,620,000	3,375,000	-	4,651,000	344,000	10,798	0.88	0.91	0.35
D.G Khan Cement Company Limited	-	68,800	-	-	68,800	784	0.06	0.07	0.00
Fauji Cement Company Limited	-	1,583,000	-	1,583,000	-	-	0.00	0.00	0.00
Kohat Cement Company Limited	-	2,445,000	-	2,445,000	-	-	0.00	0.00	0.00
Lucky Cement Limited	974,000	2,992,300	-	3,489,977	478,323	38,720	3.16	3.27	1.20
Maple Leaf Cement Company Limited	-	6,805,101	-	6,805,101	-	-	0.00	0.00	0.00
<b>Refinery</b>									
Attock Refinery Limited	133,000	630,400	-	582,900	180,500	20,806	1.70	1.76	2.44
National Refinery Limited	32,000	378,200	-	330,482	79,718	14,388	1.17	1.21	1.80
Pakistan Refinery Limited	42,300	439,977	-	482,277	-	-	0.00	0.00	0.00
<b>Power Generation and Distribution</b>									
The Hub Power Company Limited	2,912,500	7,349,000	-	7,140,500	3,121,000	106,957	8.72	9.03	0.92
Kot Addu Power Company Limited	-	271,500	-	271,500	-	-	0.00	0.00	0.00
Karachi Electric Supply Corporation Limited	-	500,000	-	500,000	-	-	0.00	0.00	0.00
<b>Oil &amp; gas marketing companies</b>									
Attock Petroleum Limited	-	260,650	-	132,300	128,350	45,574	3.72	3.84	7.91
Pakistan State Oil Company Limited	511,800	696,001	-	1,048,200	159,401	49,381	4.03	4.17	2.88
Shell Pakistan Limited	-	51,000	-	51,000	-	-	0.00	0.00	0.00
<b>Balance carried forward</b>						<u>11,806,555</u>	<u>677,556</u>		

# NAFA STOCK FUND

Name of the investee company	Number of shares					Market value at March 31, 2010 (Rupees in '000)	Investment as a %age of		
	As at July 1, 2009	Purchases during the period	Bonus / Right Shares	Sales during the period	As at March 31, 2010		Market value of Net assets	Market value of total investment	Paid up capital of investee company
<b>Balance brought forward</b>						11,806,555	677,556		
<b>Oil &amp; gas exploration companies</b>									
Mari Gas Company Limited	-	107,000	-	107,000	-	-	0.00	0.00	0.00
Oil & Gas Development Company Limited	2,398,198	2,145,985	-	3,630,100	914,083	118,703	9.68	10.01	0.28
Pakistan Oilfields Limited	342,780	1,876,100	-	1,866,880	352,000	82,311	6.71	6.94	3.48
Pakistan Petroleum Limited	659,730	1,450,000	114,306	1,728,700	495,336	96,799	7.89	8.16	0.97
<b>Automobile Assemblers</b>									
Indus Motor Company Limited	140,500	237,790	-	324,822	53,458	11,127	0.91	0.94	1.42
Pak Suzuki Motor Company Limited	-	561,281	-	561,281	-	-	0.00	0.00	0.00
<b>Technology &amp; Communications</b>									
Eye Television Network Limited	908,509	2,270	-	50,000	860,779	23,241	1.88	1.92	4.65
Pakistan Telecommunication Company Limited	-	6,377,000	-	3,788,000	2,609,000	54,815	2.21	2.26	0.15
Netsol Technologies Limited	-	3,357,400	-	3,357,400	-	-	0.00	0.00	0.00
Worldcall Telecom Limited	-	1,900,000	-	1,900,000	-	-	0.00	0.00	0.00
<b>Fertilizers</b>									
Dawood Hercules Limited	-	56,500	-	56,500	-	-	0.00	0.00	0.00
Engro Chemicals Pakistan Limited	843,836	810,101	51,373	1,202,901	502,209	100,351	5.50	5.61	4.72
Fatima Fertilizer Limited	-	1,916,000	-	1,916,000	-	-	0.00	0.00	0.00
Fauji Fertilizer Company Limited	263,870	700,000	-	963,870	-	-	0.00	0.00	0.00
Fauji Fertilizer Bin Qasim Limited	1,584,500	4,423,000	-	5,357,500	650,000	20,690	1.69	1.75	0.22
<b>Chemicals</b>									
ICI Chemicals Pakistan Limited	-	38,000	-	38,000	-	-	0.00	0.00	0.00
<b>Paper &amp; Board</b>									
Packages Limited	218,700	299,000	-	517,700	-	-	0.00	0.00	0.00
<b>Miscellaneous</b>									
Pace (Pakistan) Limited	4,407,500	3,125,000	-	7,532,500	-	-	0.00	0.00	0.00
Tri Pack Films Limited	-	215,850	-	215,850	-	-	1.41	1.43	0.00
<b>Total March 31, 2010</b>						<u>18,243,420</u>	<u>1,185,593</u>		
<b>Carrying value before fair value adjustments as at March 31, 2010</b>							<u>1,121,932</u>		

\*The face value of shares held of Thal Limited is Rs. 5

The above investments include shares with market value aggregating to Rs 203.814 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No.11 dated October 23, 2007 issued by SECP.

# NAFA STOCK FUND

	Un-audited March 31, 2010	Audited June 30, 2009
	----- Rupees in '000 -----	
<b>5 DIVIDEND AND PROFIT RECEIVABLE</b>		
Dividend receivable on equity shares	18,460	5,857
Profit receivable on savings and term deposits	684	314
	<u>19,144</u>	<u>6,171</u>
<b>6 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable	158	240
Settlement charges payable	77	69
Others	470	335
	<u>705</u>	<u>644</u>
<b>7 CONTINGENCIES AND COMMITMENTS</b>		
<b>7.1</b>	<p>The Finance Act 2008 introduced an amendment to the Workers Welfare Fund Ordinance, 1971 (WWF Ordinance) whereby the definition of "Industrial Establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, it can be construed that all Collective Investment Schemes (CIS) whose income exceeds Rs 0.5 million in a tax year are brought within the purview and scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of 2 percent of their accounting or taxable income, whichever is higher. In case of the Fund, such contribution works out to Rs 5.132 million approximately as at March 31, 2010. However, the final contribution amount will be based on the income earned by the Fund for the year ending June 30, 2010.</p> <p>To avoid any claim in this regard by the relevant authorities, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the ground that CIS do not have any workers or employees. The legal proceedings in respect of the aforementioned petition are currently in progress and the outcome cannot be reasonably ascertained.</p> <p>The Management Company, based on the advice of the MUFAP's legal counsel is confident of favorable decision and accordingly no provision for any liability that may arise in this respect has been made in these condensed interim financial statements.</p>	
<b>7.2</b>	There are no other contingencies and commitments outstanding as at March 31, 2010 and June 30, 2009.	
<b>8 TAXATION</b>	<p>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 ninety 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 intends to distribute such accounting income, if any, for the year ending June 30, 2010 to its unit holders. Accordingly, no tax liability has been recorded in the current period.</p>	
<b>9 EARNINGS/(LOSS) PER UNIT</b>	Earnings per unit (EPU) for the Nine Months and Quarter ended March 31, 2010 has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.	
<b>10 TRANSACTION WITH CONNECTED PERSONS</b>		
<b>10.1</b>	Connected persons of the Fund include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, NIB Bank Limited and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.	
<b>10.2</b>	The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.	

# NAFA STOCK FUND

## 10.3 Transactions during the period

	Unaudited			
	Nine months ended March 31, 2010	March 31, 2009	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	Rupees in '000			
<b>National Fullerton Asset Management Limited - Management Company</b>				
Remuneration of Management Company	30,078	33,085	9,484	7,669
Front-end Load	2,799	3,530	976	2,021
<b>National Bank of Pakistan - Sponsor</b>				
Cash dividend	-	2,267	-	-
<b>NIB Bank Limited - Sponsor</b>				
Income from bank deposits	509	1,450	312	56
Cash dividend	-	2,267	-	-
<b>Chief Executive Officer</b>				
Units issued/transfer in (759,648; 2009: Nil units)	5,000	-	-	-
Units redeemed (809,511 units; 2009: Nil units)	6,186	-	-	-
<b>Other Executives of the Management Company</b>				
Units issued/transfer in (5,543,680 units; 2009: 6,006,187 units)	40,606	38,105	17,024	24,222
Units redeemed/transferred out (5,029,014 units; 2009: 6,037,949 units)	36,496	42,899	16,776	17,209
<b>NAFA Cash Fund</b>				
Units issued (Nil units; 2009: 239,103 units)	-	75,000	-	-
Units redeemed (Nil units; 2009: 953,120 units)	-	96,587	-	1,364
<b>NAFA Islamic Income Fund</b>				
Units redeemed/transferred out (Nil units; 2009: 18,271 units)		164	-	164
<b>Company Secretary / Chief Financial Officer</b>				
Units issued/transferred in (197,429 units; 2009: 134,025 units)	1,396	847	-	476
Units redeemed/transferred out (310,244 units; 2009: 70,272 units)	2,215	765	-	-
<b>NAFA Provident Fund Trust - Provident Fund</b>				
Units issued/transferred in (1,253,684 units; 2009: 620,149 units)	9,220	3,300	9,220	3,300
Units issued/transferred in (620,149 units; 2009: Nil units)	4,516		4,516	
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration of trustee	1,753	1,848	562	497
CDS Charges	437	446	66	287

## 10.4 Balances outstanding as at period/year end

	Un-audited March 31, 2010	Audited June 30, 2009
	Rupees in '000	
<b>National Fullerton Asset Management Limited - Management Company</b>		
Management fee payable	3,189	3,257
Front-end Load Payable	296	1,098
<b>National Bank of Pakistan - Sponsor</b>		
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2009: 7,500,000 units)	57,554	45,514
Deposit held by the Fund with the Sponsor	569	282
<b>NIB Bank Limited - Sponsor</b>		
Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2009: 7,500,000 units)	57,554	45,514
Deposit held by the Fund with the Sponsor	602	2,800
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held by the Sponsor in the Fund (12,444,856 units; June 30, 2009: 12,444,856 units)	95,501	75,522



# NAFA STOCK FUND

	Un-audited March 31, 2010	Audited June 30, 2009
	----- Rupees in '000 -----	
<b>Chief Executive Officer</b> Investment held by the Chief Executive Officer (Nil units; June 30, 2009: 49,864 units)	-	303
<b>Employees of NAFA Employee</b> Investment held by the Fund (879,541 units; June 30, 2009: 489,884 units)	6,750	2,972
<b>Chief Financial Officer</b> Investment held in the Fund (Nil units; June 30, 2009: 112,815 units)	-	685
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Payable to Trustee	191	190
CDS charges payable	32	69
Security Deposit	100	100
<b>NAFA Provident Fund Trust - Provident Fund</b> Investment held in the Fund (633,535 units; June 30, 2009: 620,149 units)	4,862	3,763

## 11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 29, 2010 by the Board of Directors of the Management Company.

## 12 GENERAL

- 12.1** Figures have been rounded off to the nearest thousand rupees.
- 12.2** Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison. There were no significant rearrangements or reclassifications except as required because of the change in accounting policy as more fully explained in note 3.1 to these financial statements.
- 12.3** 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 National Fullerton Asset Management Limited  
(Management Company)**

Chief Executive

Director

