



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together




Joint - Venture Partners

NAFA STOCK FUND



QUARTERLY REPORT
MARCH 31
2014

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
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:

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

Lahore Office:

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

Islamabad Office:

Plot No. 395, 396
Industrial Area, 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

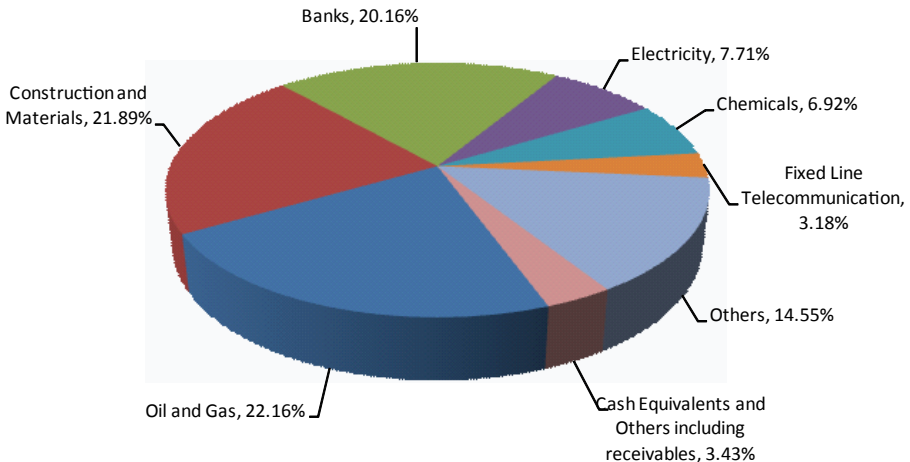
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Stock Fund** for the period ended March 31, 2014.

Fund's Performance

During the third quarter, the unit price of NAFA Stock Fund (NSF) has increased from Rs. 10.0649 (Ex-Div) on December 31, 2013 to Rs. 10.8374 on March 31, 2014, thus showing a growth of 7.68%. The stock market advanced by 7.52% during the same period. Thus, the Fund has outperformed the market by 0.16%. The benchmark (KSE 30 Index) has increased by 1.92% during the period under review. For the nine months period ended March 31, 2014, the NAV of the Fund has increased from Rs. 8.5057 (Ex-Div) on June 30, 2013 to Rs. 10.8374 on March 31, 2014, thus showing an increase of 27.41%. The stock market increased by 29.30%, translating into an underperformance of 1.89%. During the said period, benchmark has increased by 18.28%. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 172.54% as compared to 155.23% increase in stock market. Thus, the Fund has outperformed the stock market by 17.31%. Since inception of the Fund, the benchmark has increased by 43.14%. This 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.1,459 million, which is 30.53% higher as compared to the previous quarter.

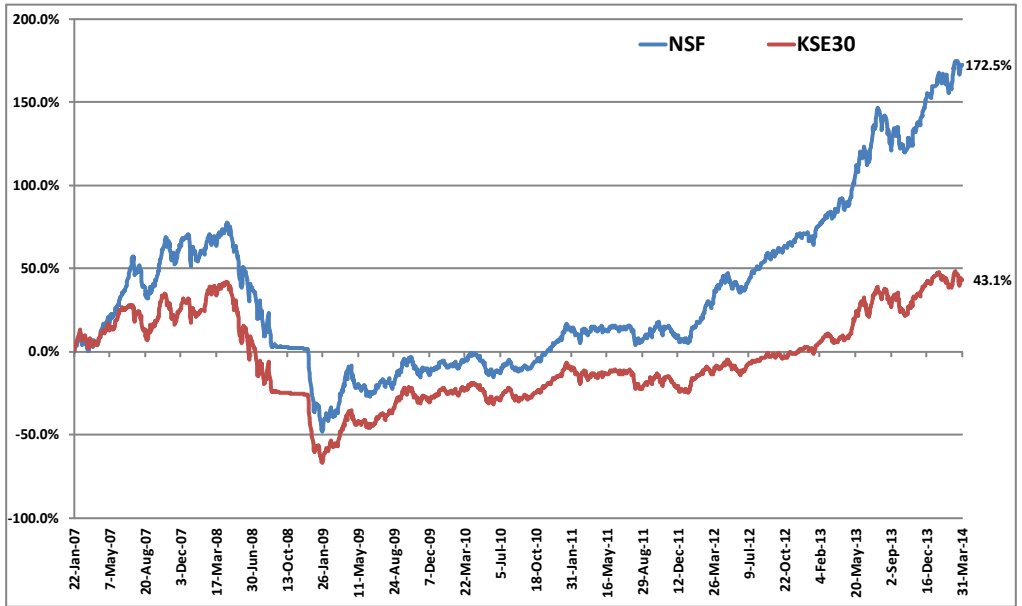
The stock market continued its bull-run in 3QFY14 driven by sanguine valuations, \$1.5bn inflow from Saudia Arabia and resultant improvement in foreign reserves, benign inflation outlook, and aggressive buying by mutual funds in the initial phase and foreign investors in the latter phase. Chemicals, Automobile and Parts, General Industrials, and Non-Life Insurance sectors outperformed the market whereas Oil & Gas, Electricity, and Personal Goods sectors lagged the market. The foreign participation has seen massive surge off late owing to improved macroeconomic outlook and increase in Pakistan's weight in MSCI Frontier Market Index to 8.2% from 4.3%. Going forward, we expect that upcoming 3G/4G license auction in April, implementation of revised MSCI weights in May, CSF inflows, and development funding from World Bank and ADB will further improve country's reserve position.

The Fund has earned total income of Rs.312.05 million during the period. After deducting expenses of Rs.38.27 million, the net income is Rs.273.78 million. The asset allocation of the Fund as on March 31, 2014 is as follows:



NAFA STOCK FUND

NSF Performance versus Benchmark (Since Inception)



Income Distribution

In addition to interim distribution of 2.00% of opening ex-NAV, the Board of Directors of the Management Company has approved further interim distribution of 2.00% of opening ex-NAV (1.685% of the par value) for the quarter ended March 31, 2014.

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: April 30, 2014
Place: Karachi.

NAFA STOCK FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

		Un-Audited March 31, 2014	Audited June 30, 2013
	Note	-----Rupees in '000-----	
Assets			
Balances with banks		84,984	340,201
Investments	4	1,409,012	806,787
Receivable against sale of investments		37,458	-
Dividend and profit receivable		17,881	536
Deposits, prepayments and other receivables		4,820	2,740
Total assets		1,554,155	1,150,264
Liabilities			
Payable to the Management Company		7,150	2,617
Payable to the Trustee		204	207
Payable to the Securities and Exchange Commission of Pakistan		842	1,147
Payable against purchase of investments		56,739	-
Payable against redemption of units		455	-
Accrued expenses and other liabilities		29,649	23,612
Total liabilities		95,039	27,583
Net assets		1,459,116	1,122,681
Unit holders' funds (As per Statement attached)		1,459,116	1,122,681
Contingencies and commitments			
	6		
		-----Number of units-----	
Number of units in issue		134,637,022	103,730,074
		-----Rupees-----	
Net asset value per unit		10.8374	10.8231

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
------(Rupees in '000)-----				
Income				
Net gain on sale of investments	126,760	172,967	79,999	63,061
Dividend Income	51,338	81,778	19,628	21,052
Profit on bank deposits	10,906	4,226	3,041	1,790
Income from government securities	-	89	-	-
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	123,044	132,120	871	4,474
Total income	312,048	391,180	103,539	90,377
Expenses				
Remuneration of NBP Fullerton Asset Management Limited Management Company	17,732	18,504	6,349	5,534
Sindh sales tax on remuneration of the Management Company	3,322	2,961	1,179	886
Federal Exercise Duty on Remuneration of Management Company	2,837	-	1,016	-
Remuneration to Central Depository Company of Pakistan Limited- Trustee	1,637	1,676	564	523
Annual fee - Securities and Exchange Commission of Pakistan	842	879	301	263
Securities transaction costs	5,094	5,654	1,868	1,804
Settlement and bank charges	636	622	243	185
Auditors' remuneration	380	360	82	84
Fund rating fee	99	88	32	27
Legal and professional charges	30	-	-	-
Annual listing fee	30	30	10	10
Printing charges	40	39	-	14
Total expenses	32,679	30,813	11,644	9,330
Net income from operating activities	279,369	360,367	91,895	81,047
Provision for Worker's Welfare Fund	5 (5,587)	(7,207)	(1,838)	(1,621)
Net income for the period before taxation	273,782	353,160	90,057	79,426
Taxation	7 -	-	-	-
Net income for the period after taxation	273,782	353,160	90,057	79,426

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	------(Rupees in '000)-----			
Net income for the period after taxation	273,782	353,160	90,057	79,426
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>273,782</u>	<u>353,160</u>	<u>90,057</u>	<u>79,426</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
------(Rupees in '000)-----				
Accumulated income / (loss) brought forward	58,709	(218,494)	6,700	(78,344)
Final distribution for the year ended June 30, 2013: 23.98% (2012: 6.51%)				
- Bonus units	(252,665)	(80,880)	-	-
- Cash Distribution	(378)	(15,959)	-	-
Interim distribution for the quarter ended December 31, 2013 1.685% (2012: 2.187%)				
- Bonus units	(21,079)	(22,828)	(21,079)	(22,828)
- Cash Distribution	(49)	(2,112)	(49)	(2,112)
Element of income / (loss) and capital gains / (losses) redeemed included in prices of units issued less those in units redeemed	76,415	(49,601)	59,106	(12,856)
Net Income for the period	273,782	353,160	90,057	79,426
	<u>76,025</u>	<u>181,780</u>	<u>128,035</u>	<u>41,630</u>
Accumulated income/ (loss) carried forward	<u>134,734</u>	<u>(36,714)</u>	<u>134,734</u>	<u>(36,714)</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP 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 MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
------(Rupees in '000)-----				
Net assets at the beginning of the period	1,122,681	1,090,426	1,117,808	1,163,185
Issue of 113,522,467 units (including 28,597,192 bonus units) (2013: 109,786,045 units)	854,387	845,186	371,083	448,678
Redemption of 82,615,519 units (2013: 128,404,357 units)	(791,307)	(1,134,202)	(119,783)	(552,678)
	63,080	(289,016)	251,300	(104,000)
Final Distribution (Bonus) for the year ended June 30, 2013 : 26,609,457 units (June 30, 2012 : 10,712,251 Units)	252,665	80,880	-	-
Interim distribution for the Half year ended December 31, 2013 1,987,735 units (Dec 31, 2012 : 2,420,887 units)	21,079	22,828	21,079	22,828
Element of (income) / loss and capital (gains) / losses redeemed in prices of units issued less those in units redeemed transferred to distribution statement	(76,415)	49,601	(93,724)	12,856
Total comprehensive income for the period	273,782	353,160	90,057	79,426
Final distribution for the year ended June 30, 2013: 23.98% (2012:6.51%)				
- Bonus units	(252,665)	(80,880)	-	-
- Cash distribution	(378)	(15,959)	-	-
Interim distribution for the Half year ended December 31, 2013 1.685% (2012: 2.187%)				
- Bonus units	(21,079)	(22,828)	(21,079)	(22,828)
- Cash Distribution	(49)	(2,112)	(49)	(2,112)
Element of income / (loss) and capital (losses) / gains included in prices of units issued less those in units redeemed - net	76,415	(49,601)	93,724	(12,856)
Net assets as at the end of the period	1,459,116	1,136,499	1,459,116	1,136,499

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
------(Rupees in '000)-----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period before taxation	273,782	353,160	90,057	79,426
Adjustments				
Unrealised (gain) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(123,044)	(132,120)	(871)	(4,474)
	150,738	221,040	89,186	74,952
Decrease / (increase) in assets				
Receivable from sale of investments	(37,458)	-	(37,458)	-
Investments - net	(479,181)	222,050	(424,012)	139,383
Dividend and profit receivable	(17,345)	(14,698)	(17,476)	(14,920)
Advances, deposits and prepayments	(2,080)	(42)	30,806	57
	(536,064)	207,310	(448,140)	124,520
(Decrease) / increase in Liabilities				
Payable to the Management Company	4,533	782	2,569	260
Payable to the Trustee	(3)	65	10	6
Payable to Securities and Exchange Commission of Pakistan	(305)	(74)	302	263
Payable against purchase of investments	56,739	(54,039)	49,270	74
Payable against redemption of units	455	8	455	(113)
Accrued expenses and other liabilities	6,037	7,535	2,837	1,777
	67,456	(45,723)	55,443	2,267
Net cash generated / (used in) from operating activities	(317,870)	382,626	(303,511)	201,738
CASH FLOW FROM FINANCING ACTIVITIES				
Net receipts from issue of units	854,387	845,186	371,083	448,678
Net payments on redemption of units	(791,307)	(1,134,202)	(119,783)	(552,678)
Distribution paid	(427)	(18,071)	(49)	(2,112)
Net cash (used in) / generated from operating activities	62,653	(307,087)	251,251	(106,112)
Net increase / (decrease) in cash and cash equivalents during the period	(255,217)	75,539	(52,260)	95,626
Cash and cash equivalents at the beginning of the period	340,201	77,043	137,244	56,956
Cash and cash equivalents at the end of the period	<u>84,984</u>	<u>152,582</u>	<u>84,984</u>	<u>152,582</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

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 (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Stock Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited, a company incorporated under the Companies Ordinance, 1984, as Management Company and Central Depository Company of Pakistan Limited (CDC), also incorporated under the Companies Ordinance, 1984, as Trustee. The Trust Deed was executed on December 06, 2006 and was authorised 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 the SECP. The registered and principal office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of MUFAP.

The Fund is an open-ended mutual fund categorized as an equity scheme and its units are listed on the Lahore Stock Exchange. The units of the Fund are offered for public subscription on a continuous basis. These 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 has assigned short term and long term performance ranking of '4 Star' to the Fund.

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

2 BASIS OF PREPARATION

2.1 Statement Of Compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2013.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2013.

4 INVESTMENTS

Note	Un-audited March 31, 2014	Audited June 30, 2013
------	---------------------------------	-----------------------------

Rupees in '000

At fair value through profit or loss - held for trading

- Listed equity securities	4.1	1,409,012	806,787
		<u>1,409,012</u>	<u>806,787</u>

NAFA STOCK FUND

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

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2014	Market value as at March 31, 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)	----- % -----		
SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise									
OIL AND GAS									
Oil & Gas Development Company Limited	190,581	385,000	-	461,500	114,081	27,508	1.89%	1.95%	0.00%
National Refinery Limited	-	64,100	-	-	64,100	14,667	1.01%	1.04%	0.08%
Pakistan Oilfields Limited	24,580	338,600	-	144,550	218,630	118,974	8.15%	8.44%	0.09%
Pakistan Petroleum Limited	188,430	414,800	52,946	570,500	85,676	19,171	1.31%	1.36%	0.00%
Pakistan State Oil Company Limited	351,561	429,500	-	446,000	335,061	142,974	9.80%	10.15%	0.14%
Shell Pakistan	-	36,000	-	36,000	-	-	0.00%	0.00%	0.00%
CHEMICALS									
Engro Corporation Limited	201,285	1,266,500	-	1,013,000	454,785	84,804	5.81%	6.02%	0.09%
Fatima Fertilizer Company Limited	-	2,382,000	-	2,382,000	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited	-	-	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	15,500	-	15,500	-	-	0.00%	0.00%	0.00%
Arif Habib Corporation	-	542,500	-	-	542,500	14,886	1.02%	1.06%	0.12%
Dawood Hercules Corporation	-	253,000	-	253,000	-	-	0.00%	0.00%	0.00%
Engro Fertilizers	-	974,500	20,379	974,500	20,379	1,217	0.08%	0.09%	0.00%
Engro Polymers & Chemicals	-	765,000	-	765,000	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	294,621	-	-	294,621	-	-	0.00%	0.00%	0.00%
Automobile & Parts									
Honda Atlas Cars (Pakistan)	-	697,000	-	-	697,000	38,447	2.63%	2.73%	0.49%
Industrial Metals and Mining									
International Industries Limited	709	-	-	-	709	41	0.00%	0.00%	0.00%
Crescent Steel & Allied Products	-	430,000	-	27,500	402,500	19,521	1.34%	1.39%	0.65%
CONSTRUCTION AND MATERIALS									
Attock Cement Pakistan Limited	5,499	-	15	5,400	114	16	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited	285,600	1,110,500	-	787,000	609,100	56,049	3.84%	3.98%	0.14%
Pioneer Cement Limited	-	2,726,000	-	1,795,500	930,500	43,445	2.98%	3.08%	0.41%
Lucky Cement Limited	191,433	224,000	-	237,200	178,233	56,491	3.87%	4.01%	0.19%
Cherat Cement Company Limited	1,338,653	185,000	15	1,523,500	168	13	0.00%	0.00%	0.00%
Kohat Cement Limited	586,000	420,500	82,900	796,500	292,900	34,275	2.35%	2.43%	0.19%
Maple Leaf Cement Factory Limited	-	2,976,000	-	754,000	2,222,000	65,394	4.48%	4.64%	0.42%
Thatta Cement Company Limited	1,250,000	-	-	-	1,250,000	31,875	2.18%	2.26%	1.25%
Fauji Cement Company Limited	-	1,865,000	-	-	1,865,000	31,873	2.18%	2.26%	0.14%
Fecto Cement Limited	40,000	-	-	40,000	-	-	0.00%	0.00%	0.00%
GENERAL INDUSTRIALS									
Thal Limited *	291,390	62,900	-	199,700	154,590	26,240	1.80%	1.86%	0.19%
Ghani Glass Limited	2,733	4,000	137	-	6,870	380	0.03%	0.03%	0.01%
Cherat Packing Limited	20,187	-	-	-	20,187	1,322	0.09%	0.09%	0.07%
MACPAC Films Limited	5,500	-	-	-	5,500	106	0.01%	0.01%	0.01%
Household Goods									
Tariq Glass Industries Limited	-	405,000	-	-	405,000	16,447	1.13%	1.17%	0.58%
ENGINEERING									
K.S.B. Pumps Limited	36,000	-	-	30,000	6,000	498	0.03%	0.04%	0.05%
Millat Tractors Limited	36	-	4	-	40	19	0.00%	0.00%	0.00%
PERSONAL GOODS									
Azgard Nine Limited (Non-voting)	806,400	-	-	-	806,400	5,645	0.39%	0.40%	14.60%
Nishat Chunian Limited	330,500	863,500	74,900	1,268,000	900	43	0.00%	0.00%	0.00%
Nishat Mills Limited	92,000	1,139,700	-	911,900	319,800	37,273	2.55%	2.65%	0.09%
FIXED LINE TELECOMMUNICATION									
Pakistan Telecommunication Company Limited "A"	400	3,957,000	-	2,441,500	1,515,900	46,341	3.18%	3.29%	0.04%

NAFA STOCK FUND

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2014	Market value as at March 31, 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)			
ELECTRICITY									
The Hub Power Company Limited	932,066	1,636,500	-	2,182,500	386,066	20,527	1.41%	1.46%	0.03%
Kot Addu Power Company Limited	-	1,702,500	-	402,500	1,300,000	77,324	5.30%	5.49%	0.15%
Pakgen Power Limited	-	1,211,000	-	454,000	757,000	14,587	1.00%	1.04%	0.20%
Nishat Chunian Power Limited	672,000	73,000	-	745,000	-	-	0.00%	0.00%	0.00%
Nishat Power Limited	96,500	879,000	-	974,500	1,000	32	0.00%	0.00%	0.00%
COMMERCIAL BANKS									
Allied Bank Limited	73	69,000	6,907	-	75,980	7,365	0.50%	0.52%	0.01%
Askari Bank Limited	-	750,000	-	746,000	4,000	69	0.00%	0.00%	0.00%
Bank Alfalah Limited	847	6,744,500	-	3,037,500	3,707,847	99,074	6.79%	7.03%	0.27%
Bank Al-Habib Limited	1,070,000	2,636,500	162,150	1,527,500	2,341,150	86,880	5.95%	6.17%	0.21%
BankIslami Pakistan Limited	-	2,001,500	-	350,000	1,651,500	17,308	1.19%	1.23%	0.31%
Habib Metropolitan Bank Limited	-	512,500	-	-	512,500	13,679	0.94%	0.97%	0.05%
MCB Bank Limited	-	239,000	-	-	239,000	60,044	4.12%	4.26%	0.02%
Meezan Bank Limited	1,989,751	68,000	-	1,810,500	247,251	9,779	0.67%	0.69%	0.02%
National Bank of Pakistan	484	1,272,000	-	1,272,000	484	26	0.00%	0.00%	0.00%
United Bank Limited	21,963	631,700	-	653,663	-	-	0.00%	0.00%	0.00%
Faysal Bank	-	1,053,000	-	1,053,000	-	-	0.00%	0.00%	0.00%
NON-LIFE INSURANCE									
TPL Direct Insurance Limited	87,626	-	-	-	87,626	911	0.06%	0.06%	0.19%
FINANCIAL SERVICES									
NEXT Capital Limited	272,500	-	-	-	272,500	1,343	0.09%	0.10%	1.36%
Technology Hardware & Equipment									
Avanceon Limited	-	358,000	-	358,000	-	-	0.00%	0.00%	0.00%
TPL Trakker Limited	-	2,996,500	-	-	2,996,500	26,399	1.81%	1.87%	1.38%
INDUSTRIAL TRANSPORTATION									
Pakistan National Shipping Corporation Limited	813,000	246,000	-	545,500	513,500	37,710	2.58%	2.68%	0.39%
28,618,527						1,409,012	96.57%	100%	
Carrying value as at March 31, 2014						<u>1,285,968</u>			

* The Face Value of shared held of Thal Limited is Rs.5

- 4.2 Investments include shares with market value of Rs 82.600 million (June 30, 2013: Rs 185.866 milion) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the SECP

5 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) / Pension Funds 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 Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

NAFA STOCK FUND

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on July 8, 2010 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 same. This response was contradictory to the earlier clarification issued by the Ministry. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several mutual funds (CISs) / pension funds for the collection of WWF. In respect of such show cause notices, certain mutual funds (CISs) / pension funds have been granted stay by the Honorable SHC on the basis of the pending Constitutional Petition as referred to above.

In March 2013, a three member bench of the Sindh High Court in its judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through the Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and pension funds, the issue of chargeability or otherwise of WWF levy to the CISs / pension funds is currently pending before the Honorable SHC

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has continued to maintain the provision for WWF amounting to Rs. 27.027 million (June 30, 2013 : Rs. 21.439 million) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund would have been higher by Re. 0.2007 per unit.

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the period end.

7. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The Fund intends to distribute such accounting income for the year ending June 30, 2013 to its unit holders. Accordingly, no liability has been recorded in the current period.

8. TRANSACTIONS WITH CONNECTED PERSONS

- 8.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, associated companies of the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, NAFA Provident Fund Trust, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.
- 8.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 8.3 Remuneration and front - end load payable to the Management Company and remuneration payable to the Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

NAFA STOCK FUND

-----Unaudited-----			
Nine month ended		Quarter ended	
March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
------(Rupees in '000)-----			

8.4 Transactions during the period

NBP Fullerton Asset Management Limited - Management Company

Management fee expenses for the period	17,732	18,504	6,349	5,534
Sindh sales tax on remuneration of the Management Company	3,322	2,961	1,179	886
Front-end Load	2,478	468	372	214
Federal Excise Duty on remuneration of Management Company	2,837	-	1,016	-

National Bank of Pakistan - Sponsor

Units redeemed / transferred out (Nil units; March 31, 2013 : 7,500,000 units)	-	69,881	-	69,881
Cash dividend	-	6,523	-	1,640
Shares purchased 1,272,000 (March 31, 2013 : 1,470,000)	66,938	71,023	-	-
Shares sold 1,272,000 (March 31, 2013: 2,216,000)	62,078	105,194	-	54,756

Alexandra Fund Management Pte. Limited - Sponsor

Bonus units issued (2,279,614 units; March 31, 2013: 1,132,428 units)	-	-	-	-
Units redeemed / transferred out (11,306,142 ; March 31, 2013: Nil units)	106,020	-	-	-

Employees of the Management Company

Units issued / transferred in (3,412,272 units ; March 31, 2013 :2,623,823 units)	33,582	22,709	8,117	7,267
Units redeemed / transferred out (3,416,066 units; March 31, 2013 : 2,731,689 units)	33,544	24,053	8,493	8,894
Bonus units issued (52,375 units; March 31, 2013 : 16,577 units)	-	-	-	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration of trustee	1,637	1,676	564	523
CDS Charges	225	201	90	27

NAFA Provident Fund Trust - Provident Fund

Units Issued / transferred in (966,088 units; March 31, 2013: 734,197 units)	10,456	6,092	9,859	537
Units redeemed / transferred out (216,864 units; March 31, 2013: 960,167 units)	2,160	8,291	1,743	3,249
Bonus units issued (16,116 units; March 31, 2013: 67,612 units)	-	-	-	-

NBP Employees Pension Fund

Bonus units issued (9,218,898 units; March 31, 2013: 3,316,287 units)	-	-	-	-
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Taurus Securities Limited

Brokerage	472	416	179	157
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NAFA STOCK FUND

	-----Unaudited-----			
	Nine month ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	----- (Rupees in '000) -----			
International Industries Limited - Employees Provident Fund				
Units issued / transferred in 468,861 units (March 31, 2013: 3,688,237 units)	5,041	31,265	5,041	8,402
Units redeemed / transferred out Nil units (March 31, 2013: 4,601,932 units)	-	39,970	-	19,604
Bonus units Nil (March 31, 2013: 327,043 units)	-	-	-	-
International Industries Limited - Employees Gratuity Fund				
Units issued / transferred in Nil units (March 31, 2013: 8,379,829 units)	-	71,115	-	23,507
Units redeemed / transferred out Nil units (March 31, 2013: 7,711,036 units)	-	66,907	-	27,627
Bonus units Nil (March 31, 2013: 467,194 units)	-	-	-	-
International Steels Limited - Employees Gratuity Fund				
Units Issued / transferred in 56,050 units (March 31, 2013: 750,354 units)	622	6,352	-	2,084
Units redeemed / transferred out 64,484 units (March 31, 2013: 784,741 units)	611	6,494	192	3,131
Bonus units 14,546 units (March 31, 2013: 40,931 units)	-	-	-	-
International Steels Limited - Employees Provident Fund				
Units Issued / transferred in 102,947 units (March 31, 2013: 894,883 units)	1,107	7,532	1,107	2,050
Units redeemed / transferred out Nil units (March 31, 2013: 1,296,973 units)	-	10,983	-	5,150
Bonus units Nil units (March 31, 2013: 89,796 units)	-	-	-	-
Summit Bank Limited				
Bank Profit	79	-	-	-
THAL Limited				
Shares purchased 62,900 March 31, 2013: Nil)	7,247	-	-	-
Shares sold 199,700 (March 31, 2013: 69,000)	29,679	6,671	9,017	6,671
Cherat Cement Company Limited				
Shares purchased 185,000 (March 31, 2013: Nil)	10,068	-	-	-
Shares sold 1,523,500 (March 31, 2013: 1,280,000)	96,083	60,238	-	25,275
International Industries Limited				
Shares purchased Nil (March 31, 2013: Nil)	-	-	-	-
Shares sold Nil (March 31, 2013: 748,500)	-	24,591	-	-

NAFA STOCK FUND

	(Un-audited) March 31, 2014	(Audited) June 30, 2013
	(Rupees in '000)	
8.5 Balances outstanding as at period / year end		
NBP Fullerton Asset Management Limited - Management Company		
Management Fee Payable	2,390	2,006
Front end load payable	1,504	69
Sales tax on Management Company	444	352
Federal Excise Duty	2,498	190
Sales tax and FED payable on Sales Load	314	-
National Bank of Pakistan - Sponsor		
Investment held by the Sponsor in the Fund Nil units (June 30, 2013: Nil units)	-	-
Deposit held by the Fund with the Sponsor	2,893	815
Ordinary shares held 484 (June 30, 2013: 484)	26	20
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund Nil units; (June 30, 2013:9,026,528 units)	-	97,695
Employees of the Management Company		
Investment held in the Fund 207,757 units (June 30, 2013: 146,897 units)	2,252	1,590
Central Depository Company of Pakistan Limited - Trustee		
Payable to Trustee	204	182
CDS charges payable	60	24
Security Deposit	100	100
NAFA Provident Fund Trust - Provident Fund		
Investment held in the Fund 765,340 units (June 30, 2013: Nil units)	8,294	-
National Bank of Pakistan Employees Pension Fund		
Investment held in the Fund 43,056,162 units (June 30, 2013: 33,287,263 units)	466,617	366,224
International Industries Limited - Employees Provident Fund		
Investment held in the Fund 468,861 units (June 30, 2013: Nil units)	5,081	-
International Steels Limited - Employees Gratuity Fund		
Investment held in the Fund 6,111 units (June 30, 2013: Nil units)	66	-
International Steels Limited - Employees Provident Fund		
Investment held in the Fund 102,947 units (June 30, 2013: Nil units)	1,116	-
Summit Bank Limited (Common Directorship)		
Bank Balance	1,113	5,474
The Hub Power Company Limited (Common Directorship)		
Ordinary shares held 386,066 (June 30, 2013: 486,066)	-	57,462
Taurus Securities Limited (Common Directorship)		
Brokerage payable	42	48
THAL Limited		
Ordinary shares held (154,590; June 30, 2013: 207,090)	26,240	37,149
Cherat Cement Company Limited		
Ordinary shares held (168; June 30, 2013: 1,338,653)	13	77,896
International Industries Limited		
Ordinary shares held (709; June 30, 2013: 709)	41	32

NAFA STOCK FUND

9 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 30, 2014.

10 GENERAL

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

10.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together



Joint - Venture Partners

Head Office

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