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NBP Fullerton
Asset Management Ltd.
A Subsidiary of
National Bank of Pakistan

NAFA ISLAMIC STOCK FUND

QUARTERLY
REPORT September 30
2017




Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

MISSION STATEMENT



To rank in the top quartile
in performance of
NAFA FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.

NAFA ISLAMIC STOCK FUND

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NAFA ISLAMIC STOCK FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Mudassir Husain Khan	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tariq Jamali	Director
Mr. Abdul Hadi Palekar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Dr. Foo Chiah Shiung (Kelvin Foo)	Director
Mr. Lui Mang Yin (Martin Lui)	Director
Mr Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Tariq Jamali	Member
Dr. Foo Chiah Shiung (Kelvin Foo)	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Abdul Hadi Palekar	Member
Mr. Lui Mang Yin (Martin Lui)	Member

Trustee

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

Bankers to the Fund

Summit Bank Limited
Bank Alfalah Limited
Habib Bank Limited
National Bank of Pakistan
Silk Bank Limited
United Bank Limited
Al Baraka Bank Limited
BankIslami Pakistan Limited
Meezan Bank Limited
Sindh Bank Limited
Bank Al Habib Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
MCB Bank Limited
JS Bank Limited

NAFA ISLAMIC STOCK FUND

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

Legal Advisor

M/s Jooma Law Associates
205, E.I. Lines, Dr. Daudpota Road,
Karachi.

Head Office:

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, I-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632 (nfa)
Fax: 091-5703202

Multan Office:

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

NAFA ISLAMIC STOCK FUND

DIRECTORS' REPORT

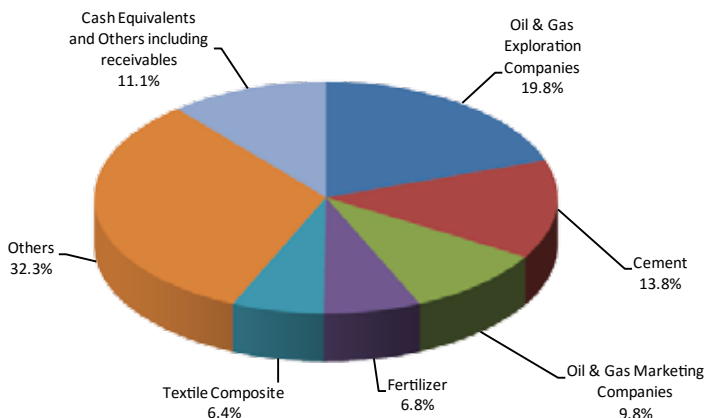
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Stock Fund (NISF)** for the quarter ended September 30, 2017.

Fund's Performance

During the first quarter the unit price of NAFA Islamic Stock Fund (NISF) has decreased from Rs. 13.0678 (Ex-Div) on June 30, 2017 to Rs. 11.6690 on September 30, 2017, thus showing a decrease of 10.7%. The Benchmark (KMI-30 Index) for the same period increased by 9.1%. Thus, the Fund has underperformed its Benchmark by 1.6% during the period under review. Since inception (January 09, 2015), the unit price of the Fund has shown a growth of 48.7% as compared to 36.2% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 12.5%. This performance is net of management fee and all other expenses. The Fund size of NISF at the end of the period stood at Rs.7,394 million, 10.8% lower compared to the previous quarter.

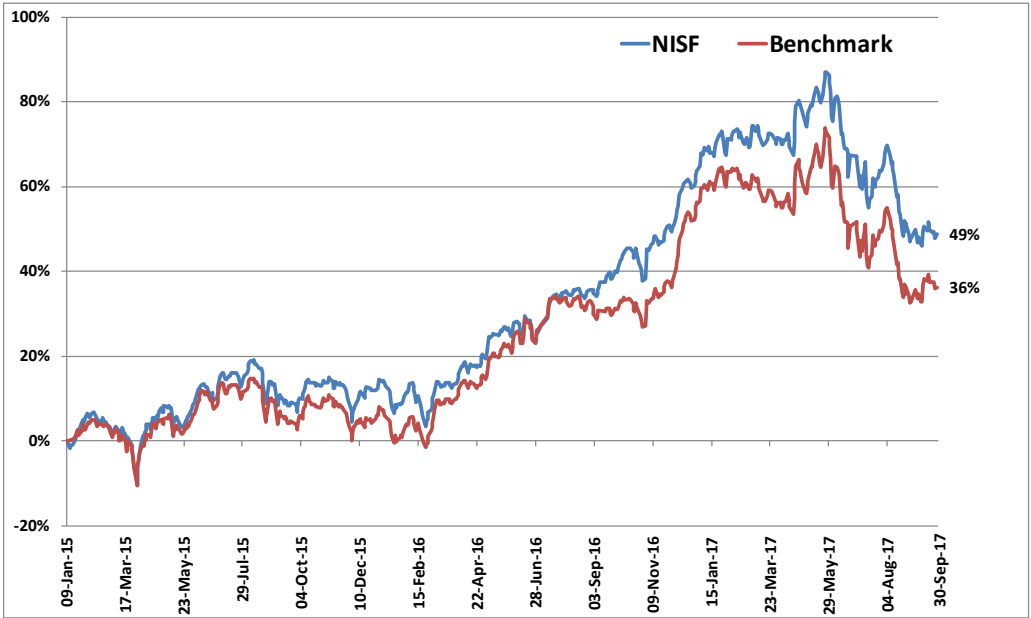
The market started FY18 on a frail note as non-materialization of highly anticipated net foreign inflows in June, post up-gradation of PSX into MSCI Emerging Index from Frontier Market, sapped investor's sentiments. Deteriorating Balance of Payment (BoP) position and its associated impact on other macro-economic indicators dampened investors' confidence in the market. Adding to the investor worries was elevated political incertitude. The growing tensions in the Pak-US relations also impacted the stock market. Resultantly, the benchmark KMI 30 Index declined by 9.1% during the period under review. Looking at the sector-wise performance, Oil & Gas Exploration, Oil & Gas Marketing Companies, Fertilizer, Power Generation & Distribution, and Banking sectors fared better than the market. Cement sector was a major index drag with under-performance of around 18.4%.

The Fund has incurred loss of Rs.904.97 million during the period. After accounting for expenses of Rs.64.54 million, the net loss is Rs.969.51 million. The below chart presents the asset allocation of NISF.



NAFA ISLAMIC STOCK FUND

NISF 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 27, 2017
Place: Karachi.

NAFA ISLAMIC STOCK FUND

ڈائریکٹر رپورٹ

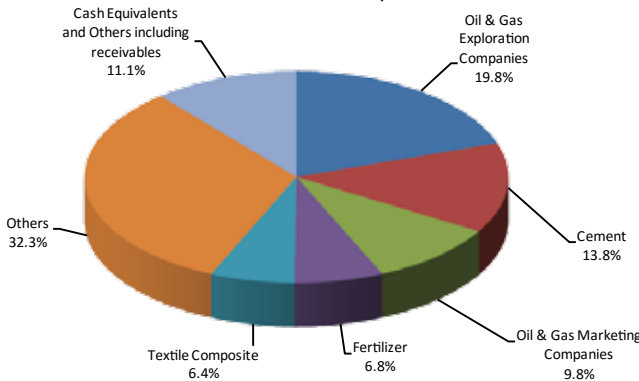
این بی پی فلرٹن ایسٹ پیمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز NAFA اسلامک اسٹاک فنڈ (NISF) کے غیر آڈٹ شدہ مالیاتی گوشوارے برائے نختہ ماہی 30 ستمبر 2017 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

فنڈ کی کارکردگی

پہلی ماہی کے دوران، NAFA اسلامک اسٹاک فنڈ کے یونٹ کی قیمت 30 جون 2017 کو 13.0678 روپے (Ex-Div) سے کم ہو کر 30 ستمبر 2017 کو 11.6690 روپے ہو گئی، جو کہ 10.7 فیصد کی کمی کی نشاندہی کرتا ہے۔ اس مدت کے دوران بیچ مارک (KMI-30 انڈیکس) میں 9.1 فیصد اضافہ ہوا۔ لہذا زیر جائزہ مدت کے دوران فنڈ کی کارکردگی بیچ مارک سے 1.6 فیصد کم رہی۔ فنڈ کے قیام (09 جنوری 2015ء) سے یونٹ کی قیمت میں 48.7 فیصد کا اضافہ ہوا جبکہ اس کے بیچ مارک میں 36.2 فیصد اضافہ ہوا۔ لہذا فنڈ کی کارکردگی بیچ مارک سے 12.5 فیصد بہتر رہی۔ یہ کارکردگی انتظامیہ کے معاوضہ اور دیگر تمام اخراجات نکالنے کے بعد ہے۔ مدت کے اختتام پر NISF کا حجم 7,394 ملین روپے رہا، جو کہ گزشتہ ماہی کے مقابلے میں 10.8 فیصد کم ہے۔

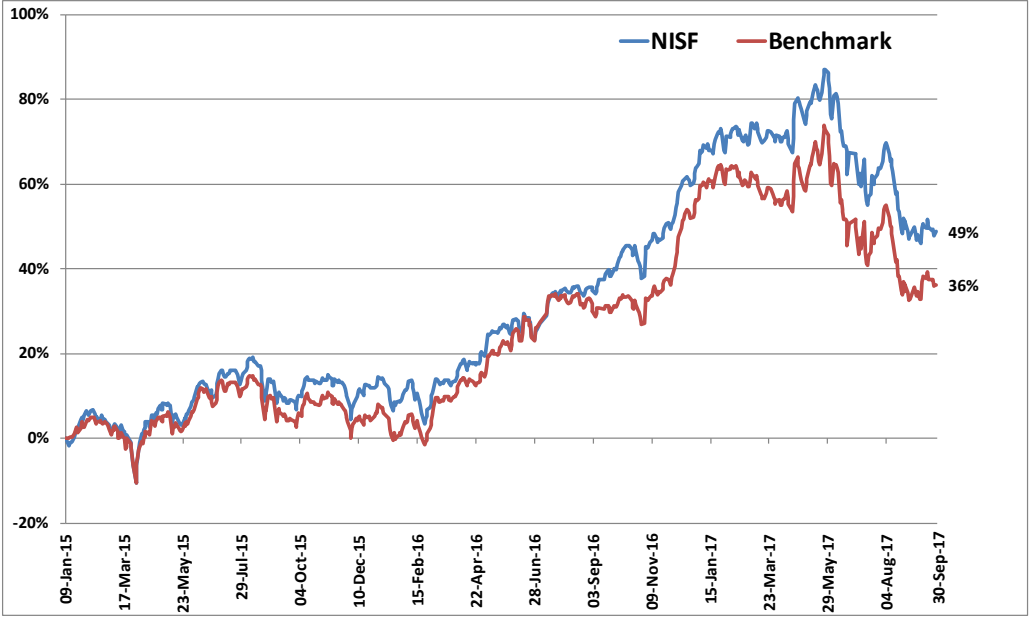
مالی سال 2018 میں مارکیٹ ایک نازک موڑ سے شروع ہوئی اسکی وجہ جون میں متوقع بیرونی ترسیلات کی عدم حصولی ہے۔ جس سے فرنیچر مارکیٹ میں PSX کی MSCI ایمریکنگ انڈیکس میں اپ گریڈیشن کے باوجود سرمایہ کاروں کے جذبہ متحرک کئے۔ توازن ادائیگی کے بڑھتی ہوئی صورتحال اور کلی معاشی اعداد و شمار کے متعلقہ اثرات نے مارکیٹ میں سرمایہ داروں کے اعتماد پر برا اثر ڈالا۔ غیر مستحکم سیاسی صورتحال نے سرمایہ کاروں کی پریشانی میں مزید اضافہ کر دیا۔ پاک۔ امریکہ تعلقات میں تناؤ کی وجہ سے بھی اسلامک مارکیٹ متاثر ہوئی۔ جس کے نتیجے میں بیچ مارک KMI-30 زیر جائزہ مدت کے دوران 9.1 فیصد گر گیا۔ اگر ہم صنعت و کارکردگی کا جائزہ لیں تو تیل و گیس کی تلاش، گیس و تیل کی اشتہاری کمپنیاں، کھاد، توانائی پیدا کرنے اور تقسیم کرنے والے اداروں اور بینکنگ سیکٹر بہتر رہی۔ البتہ سیمنٹ سیکٹر کے انڈیکس میں شدید مندی کا رجحان رہا جس میں 18.4 فیصد کمی دیکھی گئی۔

فنڈ کو اس مدت کے دوران 904.97 ملین روپے کا خسارہ ہوا۔ 64.54 ملین روپے کے اخراجات کے بعد خالص خسارہ 969.5 ملین روپے ہو گیا۔ مندرجہ ذیل چارٹ NISF کے اثاثوں کی تخصیص کرتا ہے:



NAFA ISLAMIC STOCK FUND

NISF کی کارکردگی بمقابلہ بیچ مارک (قیام سے اب تک)



اعتراف

اس موقع پر بورڈ اپنے تمام یونٹ ہولڈرز کا شکریہ ادا کرتا ہے جنہوں نے انتظامی کمپنی پر اپنے بھروسے اور اعتماد کا اظہار کیا اور ہمیں اپنی خدمت کا موقع دیا۔ بورڈ اپنی مخلصانہ ستائش میکورٹیز اینڈ ایگزیکیوٹو کمیشن آف پاکستان اور اسٹیٹ بینک کو ان کی سرپرستی اور رہنمائی پر پیش کرتا ہے۔

بورڈ بخوشی اس بات کا اعتراف کرتا ہے کہ ملازمین اور سٹیز نے انتھک محنت، جدوجہد اور لگن سے کام کیا۔

از طرف بورڈ

این بی بی فلرٹن ایسیٹ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ: اکتوبر 27، 2017

بمقام کراچی

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017

	Note	(Un- Audited) September 30' 2017	Audited June 30, 2017
(Rupees in '000)			
ASSETS			
Balances with banks		937,308	1,014,592
Investments	4	6,576,791	7,508,122
Receivable against issue of units		2,778	8,042
Receivable against sale of investments		61,358	28,893
Dividend and profit receivable	5	44,808	23,286
Advances and deposits		4,105	4,091
Total assets		7,627,148	8,587,026
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company		65,396	48,112
Payable to the Central Depository Company of Pakistan Limited - Trustee		782	886
Payable to the Securities and Exchange Commission of Pakistan		1,913	5,370
Payable against redemption of units		6,770	57,347
Dividend payable		1,643	10,050
Accrued expenses and other liabilities	6	156,721	172,568
Total liabilities		233,225	294,333
NET ASSETS		7,393,923	8,292,693
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		7,393,923	8,292,693
CONTINGENCIES AND COMMITMENTS	7		
-----Number of units-----			
Number of units in issue		633,639,856	632,814,636
------(Rupees)-----			
NET ASSET VALUE PER UNIT		11.6690	13.1045

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Note	Quarter Ended September 30' 2017	Quarter Ended September 30, 2016
(Rupees in '000)			
INCOME			
Net (loss) / gain on sale of investments		(129,049)	11,831
Dividend Income		42,048	27,529
Profit on bank deposits		13,009	5,414
Net unrealised (diminution) / appreciation on re-measurement as 'financial assets at fair value through profit or loss'		(830,982)	267,251
Total (loss) / Income		(904,974)	312,025
EXPENSES			
Remuneration of NBP Fullerton Asset Management Limited Management Company		40,275	13,845
Sindh sales tax on remuneration of the Management Company		5,236	1,800
Accounting and operational expenses		2,014	692
Selling and marketing expense	12	8,054	-
Remuneration to Central Depository Company of Pakistan Limited- Trustee		2,266	944
Sindh sales tax on remuneration of Trustee		295	123
Annual fee - Securities and Exchange Commission of Pakistan		1,913	658
Securities transaction cost		3,859	1,072
Settlement and bank charges		286	165
Annual listing fee		12	10
Auditors' remuneration		167	120
Shariah advisor fee		106	76
Fund rating fee		46	-
Printing charges		9	27
Total Expenses		64,538	19,532
Net (loss) / Income from operating activities		(969,512)	292,493
Net element of income and capital gains included 'in prices of units issued less those in units redeemed		-	52,517
Provision for Sindh Workers' Welfare Fund	8	-	-
Net (loss) / Income for the period before taxation		(969,512)	345,010
Taxation	9	-	-
Net (loss) / Income for the period after taxation		(969,512)	345,010
Earnings per unit	10	-	-
Allocation of Net income for the period:			
Income already paid on units redeemed		(2,586)	-
Accounting income available for distribution:			
- Relating to Capital Gains		-	-
- Excluding Capital Gains		-	-
		(972,098)	345,010

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter Ended September 30' 2017	Quarter Ended September 30, 2016
	(Rupees in '000)	
Accounting (loss) / income available for distribution	(972,098)	345,010
Other Comprehensive Income	-	-
Total comprehensive (loss) / Income for the period	<u>(972,098)</u>	<u>345,010</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter Ended September 30' 2017 (Rupees in '000)	Quarter Ended September 30, 2016
Net assets at the beginning of the period	8,292,693	1,752,387
Issue of 170,214,305 units (2016: 114,719,356 units)	2,173,243	1,381,588
Redemption of 169,389,087 units(2016: 20,519,336 units)	(2,081,522)	(251,365)
	91,721	1,130,223
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed	-	(52,517)
Accounting (loss) / Income for the period	(972,098)	345,010
Income already paid on units redeemed	2,586	-
Final distribution for the year ended June 30, 2017: 0.0332 per unit (2016 : Nil)		
- Cash Distribution	(20,979)	-
Net assets at the end of the period	7,393,923	3,175,103
Net Assets value per unit as at beginning of the period	13.1045	11.4401
Net Assets value per unit as at end of the period	11.6690	12.8350
Distribution during for the period:		
Accumulated income brought forward		
- Realised income	681,555	27,642
- Unrealised income	557,174	157,860
	1,238,729	185,502
Accounting income available for distribution for the period:		
- Relating to Capital Gains	-	-
- Excluding Capital Gains	-	-
	(972,098)	345,010
Final Distributions during the period:		
Final distribution for the year ended June 30, 2017: 0.0332 per unit (2016 : Nil)		
- Cash Distribution	(20,979)	-
Undistributed income carried forward	245,652	530,512
Undistributed income carried forward comprises of:		
- Realised Gain	1,076,634	263,261
- Unrealised (loss)	(830,982)	267,251
	245,652	530,512

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter Ended September 30' 2017 (Rupees in '000)	Quarter Ended September 30, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / Income for the period	(969,512)	345,010
Adjustments		
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(52,517)
Net unrealised diminution on re-measurement as 'financial assets at fair value through profit or loss'	830,982 (138,530)	(267,251) 25,242
Decrease / (Increase) in assets		
Investments	100,349	(711,582)
Dividend and profit receivable	(21,522)	(25,784)
Receivable against sale of investments	(32,465)	-
Advances and deposits	(14)	(207)
	46,348	(737,573)
(Decrease) / Increase in liabilities		
Payable to the Management Company	17,284	4,336
Payable to the Trustee	(104)	81
Payable to the Securities and Exchange Commission of Pakistan	(3,457)	(910)
Dividend payable	(8,407)	(14)
Payable against purchase of investment	-	25,457
Accrued expenses and other liabilities	(15,847)	(10,432)
	(10,531)	18,518
Net cash (used in) operating activities	(102,713)	(693,813)
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	2,178,507	1,379,949
Net payments on redemption of units	(2,132,099)	(587,797)
Distributions made	(20,979)	-
Net cash generated from financing activities	25,429	792,152
Net (decrease) / increase in cash and cash equivalents during the period	(77,284)	98,339
Cash and cash equivalents at the beginning of the period	1,014,592	240,619
Cash and cash equivalents at the end of the period	937,308	338,958

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Stock Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 18, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 21, 2014. under 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 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 a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund is categorized as an Open-End "Shariah Compliant Equity Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorization of Collective Investment Schemes (CIS).

The objective of NAFA Islamic Stock Fund is to provide with long term capital growth from an actively managed portfolio of Shariah Compliant listed equities.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of AM1 to the Management Company.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as 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 the 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 Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs.

NAFA ISLAMIC STOCK FUND

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed financial statements for the quarter ended September 30, 2017 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2017 except for element of income. Pursuant to SRO 756(I)/2017, management has changed its accounting policy whereby element of income / loss and capital gains / losses in prices of units issued less those in units redeemed during the year, previously transferred to the 'income statement' has now been taken to unit holders' fund. The above change has been applied from July 01, 2017 as clarified by MUFAP, therefore the comparative information have not been restated.

4 INVESTMENTS

Financial assets 'at fair value through profit or loss'

	Note	(Un-audited) September 30, 2017	Audited June 30, 2017
		----- Rupees in '000 -----	
- Listed equity securities	4.1	<u>6,576,791</u>	<u>7,508,122</u>

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

Name of the investee company	As at July 1, 2017	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2017	Market Value as at September 30, 2017	Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
Number of shares					(Rupees in '000)		%		
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	111,850	20,400	-	-	132,250	82,753	1.12	1.26	0.16
Pakistan State Oil Company Limited	624,300	340,500	-	299,900	664,900	293,726	3.97	4.47	0.20
Shell Pakistan Limited	267,600	2,400	-	1,450	268,550	111,679	1.51	1.70	0.25
Hascol Petroleum Limited	2,648	-	-	-	2,648	744	0.01	0.01	0.00
Sui Northern Gas Pipelines Limited	1,567,500	695,500	-	693,000	1,570,000	210,160	2.84	3.20	0.25
Sui Southern Gas Company Limited	2,124,500	197,500	-	1,637,500	684,500	24,799	0.34	0.38	0.08
OIL & GAS EXPLORATION COMPANIES									
Pakistan Oilfields Limited	741,000	237,000	-	55,100	922,900	491,020	6.64	7.47	0.39
Pakistan Petroleum Limited	2,333,800	350,000	-	363,800	2,320,000	405,281	5.48	6.16	0.12
Mari Petroleum Company Limited	243,270	-	-	57,400	185,870	279,736	3.78	4.25	0.17
Oil and Gas Development Company Limited	2,066,600	222,600	-	331,800	1,957,400	290,948	3.93	4.42	0.05
OIL REFINERY									
Attock Refinery Limited	176,500	153,300	-	145,000	184,800	76,361	1.03	1.16	0.22
CHEMICALS									
Engro Polymer and Chemicals Limited	3,666,000	1,330,500	-	3,339,000	1,657,500	55,377	0.75	0.84	0.25
FERTILIZERS									
Engro Fertilizers Limited	2,730,000	1,337,000	-	1,577,500	2,489,500	156,614	2.12	2.38	0.19
Engro Corporation Limited	649,400	655,100	-	303,600	1,000,900	303,363	4.10	4.61	0.19
Dawood Hercules Corporation Limited	330,000	-	-	-	330,000	40,709	0.55	0.62	0.07
CEMENT									
D.G. Khan Cement Company Limited	1,193,900	556,500	-	533,100	1,217,300	178,773	2.42	2.72	0.28
Kohat Cement Limited	537,700	85,900	-	-	623,600	93,515	1.26	1.42	0.40
Lucky Cement Limited	497,900	37,500	-	109,800	425,600	240,541	3.25	3.66	0.13
Maple Leaf Cement Factory Limited	809,200	-	55,088	756,000	108,288	5,449	0.07	0.08	0.02
Pioneer Cement Limited	988,900	193,400	-	266,700	915,600	82,349	1.11	1.25	0.40
Attock Cement (Pakistan) Limited	625,300	76,900	-	-	702,200	141,837	1.92	2.16	0.61
Fauji Cement Company Limited	3,144,000	764,000	-	1,894,500	2,013,500	65,479	0.89	1.00	0.15
Cherat Cement Company Limited	1,460,600	289,100	-	-	1,749,700	209,929	2.84	3.19	0.99
GENERAL INDUSTRIES									
Ecopack Limited	172,000	-	-	170,275	1,725	45	0.00	0.00	0.01
Synthetic Products Enterprises Limited	1,738,600	15,000	-	-	1,753,600	115,738	1.57	1.76	2.06

NAFA ISLAMIC STOCK FUND

Name of the investee company	As at July 1, 2017	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2017	Market Value as at September 30, 2017	Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
	Number of shares					(Rupees in '000)	%		
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited*	73,400	-	-	-	73,400	40,451	0.55	0.62	0.09
Agriaautos Industries Limited	112,600	-	-	-	112,600	35,469	0.48	0.54	0.39
AUTOMOBILES ASSEMBLER									
Baluchistan Wheels Limited	10,000	-	-	-	10,000	1,220	0.02	0.02	0.07
Indus Motor Company Limited	74,550	-	-	-	74,550	128,287	1.74	1.95	0.09
Sazgar Engineering Works Limited	98,500	-	-	98,100	400	65	0.00	0.00	0.00
Honda Atlas Cars (Pakistan) Limited	195,800	-	-	47,050	148,750	80,249	1.09	1.22	0.10
Millat Tractors Limited	157,950	-	-	28,100	129,850	162,091	2.19	2.46	0.29
Pak Suzuki Motor Company Limited	111,500	-	-	-	111,500	51,030	0.69	0.78	0.14
GLASS AND CERAMICS									
Tariq Glass Industries Limited	1,227,100	-	-	-	1,227,100	129,017	1.74	1.96	1.67
Shabbir Tiles and Ceramics Limited	6,928,000	-	-	2,053,000	4,875,000	63,814	0.86	0.97	2.04
CABLE AND ELECTRIC GOODS									
Pak Elektron Limited	1,475,750	77,000	-	644,900	907,850	68,951	0.93	1.05	0.18
ENGINEERING									
Mughal Iron and Steel Industries Limited	739,408	736,000	-	-	1,475,408	84,423	1.14	1.28	0.59
Amreli Steels Ltd.	1,888,500	146,000	-	203,000	1,831,500	186,758	2.53	2.84	0.62
International Steels Limited	710,500	375,000	-	312,000	773,500	93,694	1.27	1.42	0.18
Ittefaq Iron Industries Limited	2,500,000	-	-	832,000	1,668,000	41,517	0.56	0.63	1.27
TEXTILE COMPOSITE									
Kohinoor Textile Mills Limited	1,719,225	17,400	104,198	-	1,840,823	156,002	2.11	2.37	0.65
Nishat Mills Limited	1,334,700	1,101,100	-	474,000	1,961,800	284,657	3.85	4.33	0.56
Dawood Lawrancepur Limited	174,900	-	-	-	174,900	34,114	0.46	0.52	0.30
LEATHER & TANNERIES									
Service Industries Limited	9,830	-	-	-	9,830	8,965	0.12	0.14	0.08
PHARMACEUTICALS									
Ferozsons Laboratories Limited	186,500	-	-	-	186,500	56,172	0.76	0.85	0.62
Abbot Laboratories (Pakistan) Limited	62,250	-	-	-	62,250	49,115	0.66	0.75	0.06
The Searle Company Limited	49,189	-	-	-	49,189	19,869	0.27	0.30	0.03
GlaxoSmithKline (Pakistan) Limited	289,500	-	-	-	289,500	53,265	0.72	0.81	0.09
TECHNOLOGY AND COMMUNICATION									
Avanceon Limited	748,625	-	-	124,000	624,625	26,640	0.36	0.41	0.47
NetSol Technologies Limited	593,500	135,000	-	89,000	639,500	42,207	0.57	0.64	0.71
Pakistan Telecommunication Company Limited	4,500	-	-	-	4,500	66	0.00	0.00	0.00
Systems Limited	572,500	484,500	-	-	1,057,000	81,960	1.11	1.25	0.95
POWER GENERATION AND DISTRIBUTION									
Hub Power Company Limited	2,658,000	842,200	-	959,200	2,541,000	284,109	3.84	4.32	0.22
Kot Addu Power Company Limited	773,000	-	-	110,000	663,000	50,415	0.68	0.77	0.08
K-Electric Limited*	3,810,000	18,407,000	-	8,165,000	14,052,000	98,926	1.34	1.50	0.05
Pakgen Power Limited	500	-	-	-	500	11	0.00	0.00	0.00
COMMERCIAL BANKS									
Meezan Bank Limited	442,500	-	26,550.00	-	469,050	33,466	0.45	0.51	0.05
INDUSTRIAL METALS AND MINING									
Crescent Steel & Allied Products Limited	170,500	-	-	107,000	63,500	10,045	0.14	0.15	0.08
FOOD AND PERSONAL CARE PRODUCTS									
Al-Shaheer Corporation Limited	1,547,338	-	-	323,000	1,224,338	38,714	0.52	0.59	0.86
TRANSPORT									
Pakistan National Shipping Corporation Limited	150,000	-	-	-	150,000	19,472	0.26	0.30	0.11
PAPER & BOARD									
Century Paper and Board Mills Limited	489,000	439,500	-	-	928,500	62,070	0.84	0.94	0.63
Cherat Packaging Limited.	202,600	-	27,351	-	229,951	42,571	0.58	0.65	0.78
					64,524,495	6,576,791	88.95	100.00	
Carrying value as at September 30, 2017						7,407,773			

* All shares have a nominal face value of Rs 10 each except for shares of Thal Limited and K-Electric Limited which have a face value of Rs 5 and Rs. 3.5 each respectively.

NAFA ISLAMIC STOCK FUND

- 4.1.1 Investments include shares with market value of Rs 182.7936 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 SECP.

	(Un-audited) September 30, 2017	Audited June 30, 2017
	----- Rupees in '000 -----	
5 DIVIDEND AND PROFIT RECEIVABLE		
Accrued profit on profit and loss sharing accounts	4,799	3,997
Dividend receivable	40,009	19,289
	<u>44,808</u>	<u>23,286</u>
6 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	458	291
Provision against Sindh Workers' Welfare Fund	44,440	44,440
Brokerage payable	345	4,031
Settlement charges	34	13
Bank charges	2	4
Withholding tax on dividend	98,903	96,387
Capital gains tax	403	19,285
Withholding tax others	7,384	3,862
Haram portion of dividend	4,007	3,671
Other payables	745	584
	<u>156,721</u>	<u>172,568</u>

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2017 and June 30, 2017.

8 PROVISION FOR SINDH WORKERS' WELFARE FUND

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP on January 12, 2017 recommended all its members that as a matter of abundant caution the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at September 30, 2017 would have been higher by Re 0.0701 per unit.

NAFA ISLAMIC STOCK FUND

9 TAXATION

The income of the Fund is exempt from income tax as per 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 to the unit holders as cash dividend. The management intends to distribute 90 percent of the Fund's net accounting income earned by the year end as cash dividend to the unit holders. Accordingly, no provision in respect of taxation has been made in this condensed interim financial information.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

10 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.

11 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 3.20% p.a. including 0.37% representing government levies on collective Investment scheme such as Sales tax, Sindh Worker's Welfare Fund and Securities & Exchange Commission of Pakistan fee for the period.

12 SELLING AND MARKETING EXPENSES

In pursuance to Regulation 60(3)(V), selling and marketing expense is being charged to the fund having compliance with the conditions laid down by the regulator.

13 TRANSACTIONS WITH CONNECTED PERSONS

- 13.1 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.
- 13.3 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 13.4 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.
- 13.5 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

NAFA ISLAMIC STOCK FUND

Un-audited For the Quarter ended September 30, 2017	Un-audited For the Quarter ended September 30, 2016
(Rupees in '000)	

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

NBP Fullerton Asset Management Limited - Management Company		
Remuneration of the Management Company	40,275	13,845
Sindh sales tax on remuneration of the Management Company	5,236	1,800
Accounting and operational expenses	2,014	692
Selling and marketing expense	8,054	-
Units issued / transferred in 10,120 (2016: Nil units)	119	-
Units redeemed / transferred out 2,876,981 (2016: Nil units)	33,691	-
NAFA Islamic Principal Preservation Fund		
Units issued / transferred In 2,196 (2016: 6,177,180 units)	26	74,875
Employees of the Management Company		
Units issued / transferred In 3,057,794 (2016: 2,867,030 units)	38,203	35,644
Units redeemed / transferred out 3,953,211 (2016: 2,948,766 units)	48,848	36,311
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	2,266	944
Sindh sales tax on remuneration of Trustee	295	123
Security Papers Limited*		
Units issued / transferred In Nil (2016: 34,223,986 units)	-	406,533
Taurus Securities Limited (Common Directorship)		
Brokerage	248	52
Muhammad Murtaza Ali - Company Secretary / Chief Operating Officer		
Units issued / transferred In 190 (2016: Nil units)	2	-
Units redeemed / transferred out 59,608 (2016: Nil units)	700	-
Bank Islami Pakistan Limited**		
Profit on bank deposits	10,661	-
Cherat Cement Company Limited**		
Purchase of 289,100 shares	47,141	-
International Steel Limited**		
Purchase of 375,000 shares	47,631	-
Sale of 312,000 shares	37,227	-
NBP Fullerton Asset Management Limited - Employees Provident Fund		
Units issued / transferred In 190,779 (2016: Nil units)	2,519	-
Units redeemed / transferred out 831,208 (2016: Nil units)	10,065	-
Akhuwat**		
Units issued / transferred In 2,076 (2016: Nil units)	24	-
Units redeemed / transferred out 94,059 (2016: Nil units)	1,200	-

NAFA ISLAMIC STOCK FUND

13.7 Amounts outstanding as at period end

	Un-audited As at September 30, 2017	Audited As at June 30, 2017
	(Rupees in '000)	
NBP Fullerton Asset Management Limited - Management Company		
Remuneration payable to the Management Company	12,203	14,039
Sindh sales tax payable on remuneration of Management Company	1,586	1,825
Federal excise duty payable on remuneration of Management Company	8,209	8,209
Accounting and operational charges	7,666	5,653
Selling and marketing expense	18,965	10,910
Sales load payable	12,693	5,129
Sindh sales tax payable on sale load	1,727	-
Federal excise duty payable on sales load	2,327	2,327
Other payable	20	20
Units held: 1,238,434 units (2017: 4,105,294 units)	14,451	53,798
NAFA Islamic Principal Preservation Fund		
Units held 781,826 (June 30, 2017 779,630 units)	9,123	10,217
Employees of the Management Company		
Units held 3,096,647 (June 30, 2017 3,992,064 units)	36,135	52,314
NBP Fullerton Asset Management Limited - Employees Provident Fund		
Units held: 670,151 units (June 30, 2017 1,310,579 units)	7,820	17,174
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	692	784
Security deposit	103	102
Sindh Sales Tax on remuneration of Trustee	90	103
Muhammad Murtaza Ali - Company Secretary / Chief Operating Officer		
Units held: 17,816 units (2017: 77,233 units)	208	1,012
Akhuwat		
Units held: 738,898 units (2017: 830,882 units)	8,622	10,888
Bank Islami Pakistan Limited		
Bank balances	494,599	695,088
Profit receivable	3,699	3,619
Cherat Packaging Limited		
Shares held: 229,951	42,571	48,174
Cherat Cement Company Limited		
Shares held: 1,749,700	209,929	261,126
International Steel Limited		
Shares held: 773,500	93,694	90,866
Dividend income receivable	-	2,349
Taurus Securities Limited	23	269
National Bank of Pakistan - Sponsor		
Bank Balances	2,506	4,210

NAFA ISLAMIC STOCK FUND

	Un-audited As at September 30, 2017 (Rupees in '000)	Audited As at June 30, 2017
Summit Bank Limited (Common Directorship)		
Bank Balances	8,453	10,783
Amount receivable against issue of units from:		
NAFA Stock Fund	-	47
NAFA Islamic Income Fund	-	7,995
NAFA Financial Sector Income Fund	-	-
NAFA Islamic Energy Fund	-	-
NAFA Islamic Principal Preservation Fund	-	-
NAFA Islamic Principal Protected Fund II	-	-
Amount payable against redemption of units to:		
NAFA Government Securities Liquid Fund	-	65
NAFA Income Opportunity Fund	-	3,212
NAFA Stock Fund	-	-
NAFA Islamic Asset Allocation Fund	-	-
NAFA Islamic Income Fund	-	2,439
NAFA Asset Allocation Fund	-	-
NAFA Asset Allocation Plan Fund II- Plan VII	-	207

* Current balances with these parties have not been disclosed as they did not remain connected persons and the related parties as at period end.

** Comparative balances with these parties have not been disclosed as these parties were not related parties in last period.

14 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 27, 2017.

15 GENERAL

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

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

Chief Financial Officer

Chief Executive Officer

Director



NBP Fullerton
Asset Management Ltd.
A Subsidiary of
National Bank of Pakistan

Head Office

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