

**AM1**  
Rated by PACRA



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

## NAFA STOCK FUND

**HALF YEARLY  
REPORT**  
December 31, 2017



*Your investments & "NAFA" grow together*




**NBP**

**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 STOCK FUND

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# NAFA 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. Humayun Bashir	Director
Ms. Anupama Sawhney*	Director
* SECP's approval is in process	

### 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
Ms. Anupama Sawhney*	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

Allied Bank Limited  
Askari Bank Limited  
Summit Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Silk Bank Limited  
Soneri Bank Limited  
The Bank of Punjab  
United Bank Limited  
Dubai Islamic Bank Pakistan Limited  
Sindh Bank Limited  
JS Bank Limited  
Zarai Taraqiati Bank Limited  
Bankislami Pakistan Limited  
Al-Baraka Bank (Pakistan) Limited  
Sindh Bank Limited  
Meezan Bank Limited

# NAFA STOCK FUND

## **Auditors**

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No.02  
Beaumont Road,  
Karachi - 75530, Pakistan.

## **Legal Advisor**

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

## **Head Office:**

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

## **Lahore Office:**

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

## **Islamabad Office:**

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

## **Peshawar Office:**

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 STOCK FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the reviewed financial statements of **NAFA Stock Fund (NSF)** for the half year ended December 31, 2017.

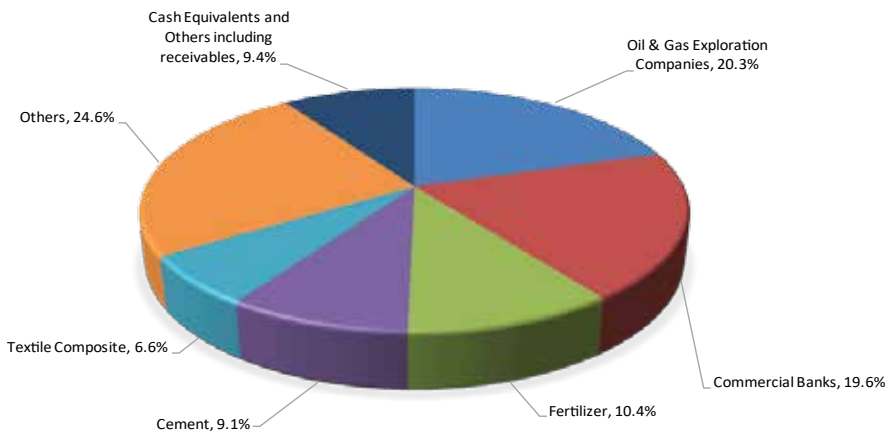
### Fund's Performance

The size of NAFA Stock Fund has decreased from Rs.16,858 million to Rs.14,790 million during the period, i.e. a decrease of 12%. During the period, the unit price of NAFA Stock Fund (NSF) has decreased from Rs. 16.2017 (Ex-Div) on June 30, 2017 to Rs. 14.0526 on December 31, 2017, thus showing a decrease of 13.26%. The Benchmark for the same period decreased by 13.73%. Thus, the Fund has outperformed its Benchmark by 0.47% during the period under review. Since inception the NAV of the Fund has increased from Rs.2.7226 (Ex-Div) on January 19, 2007 to Rs.14.0526 on December 31, 2017, thus showing an increase of 416.15%. During the said period, the Benchmark increased by 91.94%, translating into outperformance of 324.21%. This performance is net of management fee and all other expenses.

During 1HFY18, the stock market remained in a corrective mode. The euphoria surrounding the up-gradation of KSE-100 Index from MSCI Frontier Market to MSCI Emerging Market petered out and the ongoing heightened political noise took center stage. In addition to this, deteriorating external account position also weighed on investors' sentiments that resulted in a sizeable decline of 13% in the KSE-100 Index during the period under review. Political uncertainty, rising current account deficit, and tension in the US – Pakistan relationship were key reasons for the stock market decline.

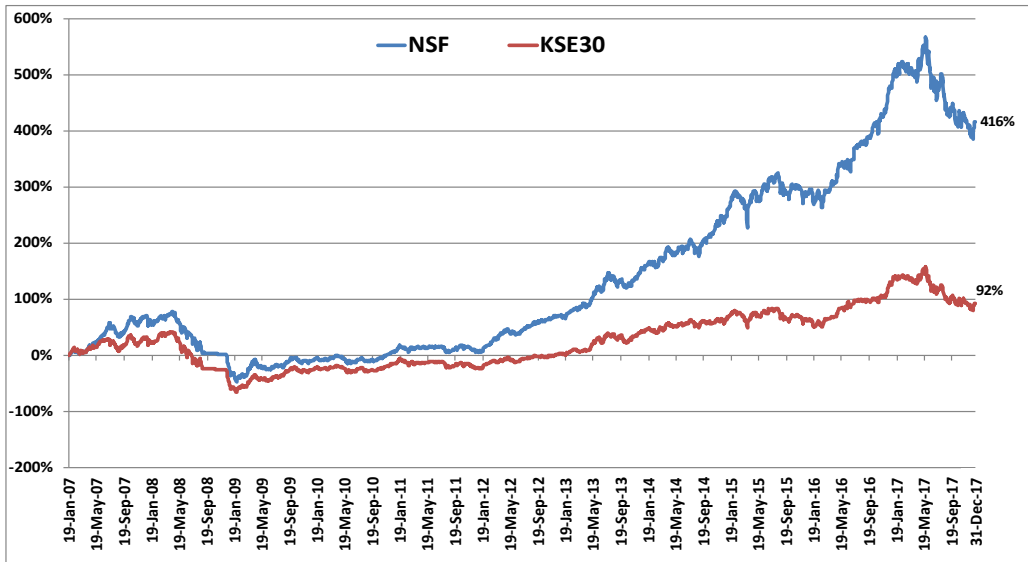
To augment the precarious external account position the government issued international bond of USD2.5bn in addition to the measured PKR devaluation of around 5% against the US Dollar, which allayed the concerns of the market to some extent. Foreign investors remained net sellers during the period with net foreign portfolio outflow of USD155 million while Companies, Insurance, and Banks/DFIs remained net buyers in the market. In terms of sector performance, Oil & Gas Exploration, Fertilizer, Commercial Banks, and Textile sectors fared better compared with the market, while Cement, Refinery, Engineering, and Chemical sectors lagged behind.

The Fund has incurred a loss of Rs. 2,077.95 million during the period. After accounting for expenses of Rs. 238.40 million, the net loss is Rs. 2,316.35 million. The asset allocation of the Fund as on December 31, 2017 is as follows:



# NAFA STOCK FUND

NSF Performance versus Benchmark (Since Inception)



## Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: February 22, 2018  
Place: Karachi.

# NAFA STOCK FUND

## ڈائریکٹرز رپورٹ

NBP فلٹرٹن ایسیٹ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2017ء کو ختم ہونے والی ششماہی کے لیے NAFA اسٹاک فنڈ (NSF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

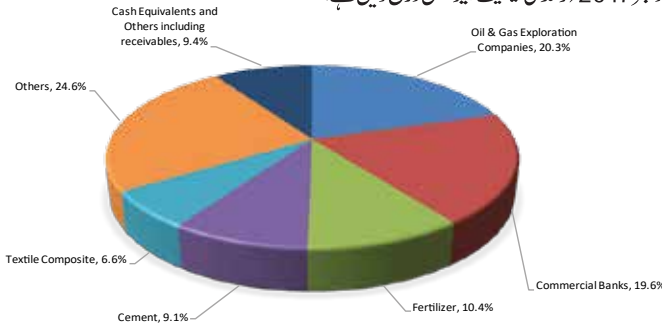
### فنڈ کی کارکردگی

اس مدت کے دوران NAFA اسٹاک فنڈ (NSF) کا فنڈ سائز 16,858 ملین روپے سے کم ہو کر 14,790 ملین روپے ہو گیا ہے، یعنی 12% کی کمی۔ اس مدت میں NSF کے یونٹ کی قیمت 30 جون 2017 کو 16.20 روپے (Ex-Div) سے کم ہو کر 31 دسمبر 2017 کو 14.0526 روپے تک پہنچ چکی ہے، لہذا 13.26% کی کمی۔ اسی مدت کے دوران بیچ مارک کم ہو کر 13.73% ہو گیا۔ اس طرح فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 0.47% بہتر کارکردگی دکھائی۔ اپنے قیام سے لے کر اب تک اس فنڈ کا NAV 19 جنوری 2007 کو 2.7226 روپے (Ex-Div) سے بڑھ کر 31 دسمبر 2017 کو 14.0526 روپے ہو گیا، یعنی 416.15% کا اضافہ۔ مذکورہ بالا مدت کے دوران بیچ مارک میں 91.94% کا اضافہ ہوا، یعنی فنڈ نے 324.21% سے بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالیاتی سال 18 کی پہلی ششماہی میں مارکیٹ میں مندی کا رجحان برقرار رہا۔ KSE 100 انڈیکس کی MSCI فرنیچر مارکیٹ سے MSCI ایئر جیگ مارکیٹ میں درجہ بندی کی خبر کا اثر مارکیٹ سے ختم ہو گیا اور اس کی جگہ زبردست سیاسی گرماگرمی نے مرکزی حیثیت اختیار کر لی۔ اس کے علاوہ بیرونی اکاؤنٹس کی بگڑتی ہوئی صورتحال سے سرمایہ کاروں پر ذہنی دباؤ پڑا جس کے نتیجے میں زیر جائزہ مدت میں KSE 100 انڈیکس نمایاں طور پر 13% نیچے آ گیا۔ سیاسی غیر یقینی کیفیت، بڑھتا ہوا کرنٹ اکاؤنٹ کا خسارہ اور امریکہ - پاکستان کے تعلقات میں کھچاؤ اسٹاک مارکیٹ میں انحطاط کی بنیادی وجوہات تھیں۔

بیرونی اکاؤنٹس کی غیر یقینی صورت حال کو تقویت دینے کیلئے امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں 5% کمی کی گئی اور ساتھ ہی حکومت نے 2.5 ملین امریکی ڈالر کے انٹرنیشنل بانڈ جاری کئے جس سے مارکیٹ میں کافی حد تک خدشات دور کرنے میں مدد ملی۔ اس عرصہ میں بیرونی سرمایہ کار بدستور خالص فروخت کنندہ رہے جس سے 155 ملین ڈالر کا سرمایہ بیرون ملک چلا گیا۔ جب کہ بیمہ کار کمپنیاں اور بینک DFIs خالص خریدار رہے۔ شعبہ جات کی کارکردگی کے لحاظ سے آئل اینڈ گیس ایکسپلوریشن، فرٹیلائزر، کمرشل بینکس اور ٹیکسٹائل بہتر رہے جبکہ سینٹ، ریٹائیز، ٹیکسٹائل اور کیمیکل کے شعبہ جات کی کارکردگی نسبتاً اتر رہی۔

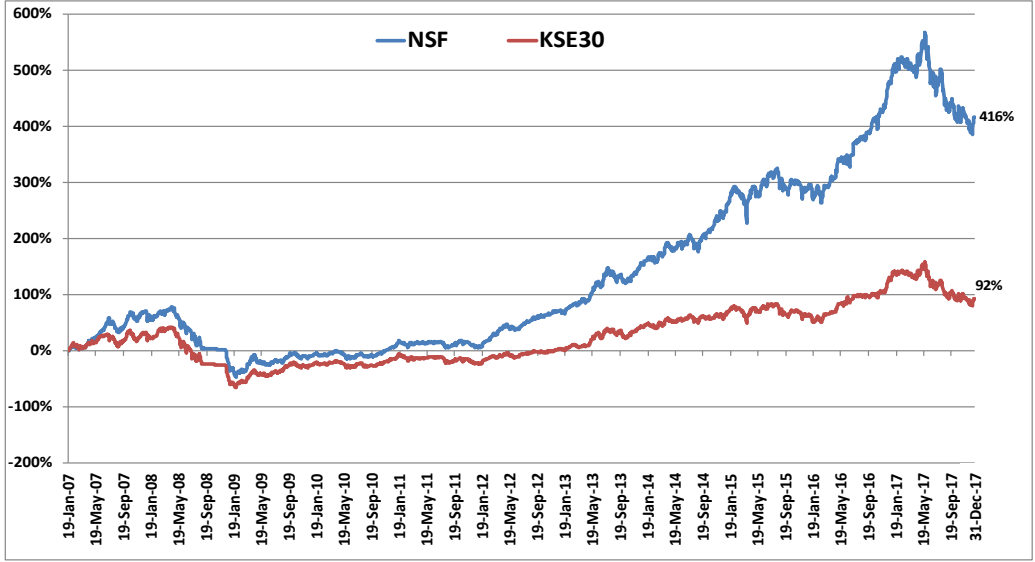
فنڈ کو اس مدت کے دوران 2,077.95 ملین روپے کا خسارہ ہوا۔ 238.40 ملین روپے کے اخراجات منہا کرنے کے بعد کل خسارہ 2,316.35 ملین روپے ہے۔ 31 دسمبر 2017ء کو فنڈ کی ایسیٹ ایلوکیشن درج ذیل ہے:





# NAFA STOCK FUND

NSF کی کارکردگی بمقابلہ بنچ مارک (قیام سے اب تک)



اظہار تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجھٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہار تشکر کرتا ہے۔ بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فلرٹن ایسٹ منجھٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

22 فروری 2018ء

مقام: کراچی

# NAFA STOCK FUND

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Stock Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2017 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Aftab Ahmed Diwan  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 26, 2018

# NAFA STOCK FUND

## Report on review of Condensed Interim Financial Information to the Unit Holders

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Stock Fund** ("the Fund") as at 31 December 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

### *Other matter*

The figures for the three months period ended 31 December 2017 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Date: February 22, 2018

Karachi

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KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Nadeem

# NAFA STOCK FUND

## Condensed Interim Statement of Assets and Liabilities As at 31 December 2017

	Note	31 December 2017 Unaudited	30 June 2017 Audited
(Rupees in '000)			
<b>Assets</b>			
Bank balances	7	1,801,336	1,681,511
Investments	8	13,395,639	15,414,375
Dividend and profit receivable		56,168	33,417
Receivable against sale of investments		-	172,593
Receivable against conversion of units		-	496
Advance, deposit and prepayment		7,205	7,191
<b>Total assets</b>		<u>15,260,348</u>	<u>17,309,583</u>
<b>Liabilities</b>			
Payable to NBP Fullerton Asset Management Limited - Management Company	9	69,296	75,957
Payable to Central Depository Company of Pakistan Limited - Trustee	10	1,421	1,750
Payable to Securities and Exchange Commission of Pakistan		7,272	13,318
Payable against purchase of investments - net		235,751	-
Payable against conversion of units		-	6,114
Payable against redemption of units		-	2,642
Dividend payable		-	106,716
Accrued expenses and other liabilities	11	156,664	245,334
<b>Total liabilities</b>		<u>470,404</u>	<u>451,831</u>
<b>Net assets</b>		<u>14,789,944</u>	<u>16,857,752</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>14,789,944</u>	<u>16,857,752</u>
<b>Contingency and commitment</b>	12		
(Number of units)			
<b>Number of units in issue</b>		<u>1,052,470,964</u>	<u>1,039,713,941</u>
(Rupees)			
<b>Net assets value per unit</b>		<u>14.0526</u>	<u>16.2138</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# NAFA STOCK FUND

## Condensed Interim Income Statement (Unaudited) For the six and three months period ended 31 December 2017

Note	Six months period ended		Three months period ended	
	December 31, 2017	2016	December 31, 2017	2016
------(Rupees in '000)-----				
<b>Income</b>				
Dividend income	412,805	293,818	305,773	194,465
(Loss) / gain on sale of investments - net	(552,808)	295,937	(275,358)	195,446
Income from government securities	3,789	-	3,789	-
Profit on bank deposits	48,156	33,261	23,537	19,615
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	8.2	(1,989,888)	2,725,332	(522,213)
<b>Total (loss) / income</b>		(2,077,946)	3,348,348	(464,472)
<b>Expenses</b>				
Remuneration of NBP Fullerton Asset Management Limited - Management Company	9.1	153,107	109,809	71,778
Sindh Sales Tax on remuneration of the Management Company	9.2	19,904	14,275	9,331
Remuneration to Central Depository Company of Pakistan Limited - Trustee		8,159	5,995	3,841
Sindh Sales Tax on remuneration of Trustee	10.1	1,061	779	500
Annual fee - Securities and Exchange Commission of Pakistan		7,273	5,216	3,410
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	7,655	5,490	3,589
Selling and marketing expenses	9.4	30,621	-	14,355
Auditors' remuneration		358	306	173
Securities transaction cost		8,508	5,879	3,653
Settlement and bank charges		1,573	995	1,019
Listing fee		14	27	-
Professional charges		69	12	44
Mutual fund rating fee		90	-	45
Printing and other charges		9	94	-
<b>Total expenses</b>		238,401	148,877	111,738
<b>Net (loss) / income from operating activities</b>		(2,316,347)	3,199,471	(576,210)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	3.2	-	505,294	-
Provision for Sindh Workers' Welfare Fund	11.1	-	-	-
<b>Net (loss) / income for the period before taxation</b>		(2,316,347)	3,704,765	(576,210)
Taxation	13	-	-	-
<b>Net (loss) / income for the period</b>		(2,316,347)	3,704,765	(576,210)
<b>Allocation of Net (loss) / income for the period:</b>				
Net loss for the period		(2,316,347)	(576,210)	-
Income already paid on units redeemed		-	-	-
		(2,316,347)	(576,210)	-
<b>Accounting Income available for distribution:</b>				
- Relating to capital gains		-	-	-
- Excluding capital gains		-	-	-

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

# NAFA STOCK FUND

## Condensed Interim Statement of Comprehensive Income (Unaudited) For the six and three months period ended 31 December 2017

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	December 31,		December 31,	
	2017	2016	2017	2016
	------(Rupees in '000)-----			
Net (loss) / income for the period	(2,316,347)	3,704,765	(576,210)	2,625,889
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<u>(2,316,347)</u>	<u>3,704,765</u>	<u>(576,210)</u>	<u>2,625,889</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# NAFA STOCK FUND

## Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited) For the six months period ended 31 December 2017

Note	Six months period ended					
	December 31, 2017			December 31, 2016		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	12,515,766	4,341,986	16,857,752	6,722,516	1,216,364	7,938,880
Issue of 304,775,087 units (2016: 492,325,845 units)						
- Capital value	4,940,060	-	4,940,060			
- Element of loss	(406,754)	-	(406,754)			
Total proceeds on issuance of units	4,533,306	-	4,533,306	6,502,443	1,057,418	7,559,861
Redemption of 292,018,064 units ( 2016: 232,210,500 units)						
- Capital value	(4,733,326)	-	(4,733,326)			
- Element of income	460,030	-	460,030			
Total payments on redemption of units	(4,273,296)	-	(4,273,296)	(3,066,943)	(552,124)	(3,619,067)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net 3.2	-	-	-	-	(505,294)	(505,294)
Total comprehensive (loss) / income for the period	-	(2,316,347)	(2,316,347)	-	3,704,765	3,704,765
Distribution during the period	-	(11,471)	(11,471)	-	-	-
<b>Net assets at end of the period</b>	<b>12,775,776</b>	<b>2,014,168</b>	<b>14,789,944</b>	<b>10,158,016</b>	<b>4,921,129</b>	<b>15,079,145</b>
Undistributed income brought forward						
- Realised		2,544,122			680,637	
- Unrealised		1,797,864			535,727	
		4,341,986			1,216,364	
Accounting (loss) / income available for distribution:						
- Relating to capital gains		-				
- Excluding capital gains		-				
Net (loss) / income for the period		(2,316,347)			3,704,765	
Distribution during the period		(11,471)			-	
Undistributed income carried forward		2,014,168			4,921,129	
Undistributed income carried forward						
- Realised		4,004,056			2,195,797	
- Unrealised		(1,989,888)			2,725,332	
		2,014,168			4,921,129	
----- (Rupees) -----						
Net assets value per unit at beginning of the period		16.2138			13.2076	
Net assets value per unit at end of the period		14.0526			17.5095	

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

# NAFA STOCK FUND

## Condensed Interim Cash Flow Statement (Unaudited) For the six months period ended 31 December 2017

		Six months period ended	
	Note	December 31, 2017	December 31, 2016
		-----Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (loss) / income for the period before taxation		(2,316,347)	3,704,765
<b>Adjustments</b>			
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		1,989,888	(2,725,332)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		-	(505,294)
		(326,459)	474,139
<b>Decrease / (increase) in assets</b>			
Investments - net		28,848	(3,749,448)
Dividend and profit receivable		(22,751)	(13,002)
Receivable against sale of investments		172,593	-
Advances, deposit and prepayment		(14)	(4,290)
		178,676	(3,766,740)
<b>Increase / (decrease) in liabilities</b>			
Payable to NBP Fullerton Asset Management Limited - Management Company		(6,661)	16,320
Payable to Central Depository Company of Pakistan Limited - Trustee		(329)	657
Payable to Securities and Exchange Commission of Pakistan		(6,046)	(476)
Payable against purchase of investments - net		235,751	10,009
Accrued expenses and other liabilities		(88,670)	(11,556)
		134,045	14,954
<b>Net cash (used in) operating activities</b>		(13,738)	(3,277,647)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amounts received on issue of units		4,533,802	7,594,217
Payments against redemption of units		(4,282,052)	(3,648,127)
Distribution paid		(118,187)	(11,664)
<b>Net cash flow from financing activities</b>		133,563	3,934,426
<b>Net increase in cash and cash equivalents during the period</b>		119,825	656,779
Cash and cash equivalents at beginning of the period		1,681,511	836,997
Cash and cash equivalents at end of the period	7	1,801,336	1,493,776

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director



# NAFA STOCK FUND

## Notes to and forming part of the Condensed Interim Financial Information (Unaudited) For the six months period ended 31 December 2017

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The NAFA 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 Trustee. The Trust Deed was executed on 06 December 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 20 December 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 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 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).
- 1.3 The Fund is an open-ended mutual fund classified as an "equity scheme" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan 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.
- 1.4 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.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and performance rating of '5-Star' to the Fund.
- 1.6 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 of the fund for the six months period ended 31 December 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Repealed Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (The NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail. (Refer 4.2.2)

- 2.1.1 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2017. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.
- 2.1.2 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (2) (f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).
- 2.2 **Functional and presentation currency**

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest thousand of rupees except otherwise stated.

# NAFA STOCK FUND

## 3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 3.2.
- 3.2 Up to 30 June 2017, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the accounting period is recognized in income statement and to the extent that it is represented by unrealised appreciation / (diminution) arising during the year on available for sale securities is included in distribution statement.

SECP through its SRO 756(I)/2017 dated 03 August 2017 has made certain amendments in NBFCs and Notified Entities Regulations, 2008. The SRO changed the definition of accounting income in regulation (63) sub-regulation (I) which excludes the element of income from "accounting income". As per SRO, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. It also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

The said SRO also deleted 'Distribution Statement' and requires additional disclosures with respect to "Income Statement" and "Statement of Movement in Unit Holders' Fund" and recording of element of income / loss included in price of unit issued or redeemed in Statement of movements in reserves or unit holders' fund.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from 01 July 2017 as clarified by SECP vide its email dated 7 February 2018. Accordingly, corresponding figures have not been restated.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs. 53.276 million. However, the change in accounting policy does not have any impact on NAV per unit.

## 4 NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS OF IFRS

### 4.1 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on 01 July 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

### 4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

- 4.2.1 During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from 1 July 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after 1 July 2018. The Fund is currently in the process of analysing the potential impact of changes required in classification and measurement of financial instruments and the other impact on adoption of the Standards. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.
- 4.2.2 The Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 23 of 2017 has clarified that the companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Hence, the provision of the Companies Act, 2017 will be applicable for the preparation of financial statements for the reporting periods ending after 31 December 2017. The Companies Act, 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. The amendments are not likely to have an impact on the Fund's financial statements except extended disclosures.

# NAFA STOCK FUND

## 5 USE OF JUDGEMENTS AND ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to annual financial statements as at and for the year ended 30 June 2017.

## 6 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2017.

## 7 BANK BALANCES

In current accounts  
In savings accounts

	31 December 2017 Unaudited	30 June 2017 Audited
	(Rupees in '000)	
	29,760	31,387
7.1	1,771,576	1,650,124
	<u>1,801,336</u>	<u>1,681,511</u>

7.1 These carry a rate of return ranging from 3.75% to 6.75% (30 June 2017: 3.75% to 6.77%) per annum.

## 8 INVESTMENTS

Financial assets at fair value through profit or loss - held for trading

Listed equity securities

	31 December 2017 Unaudited	30 June 2017 Audited
	(Rupees in '000)	
8.1	<u>13,395,639</u>	<u>15,414,375</u>

### 8.1 Investment in listed equity securities

All shares have a nominal face value of Rs.10 each except for the shares of Thal Limited, Al-Ghazi Tractor Limited and Shabbir Tiles and Ceramics Limited which have a face value of Rs.5.

Name of the Investee Company	As at 01 July 2017	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 31 December 2017	Market value /carrying value as at 31 December 2017	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of the paid up capital of the investee company held
	(Number of shares)						(Rupees in '000)	(%)		
<b>Refinery</b>										
Attock Refinery Limited	201,100	215,000	-	-	414,500	1,600	375	-	-	-
National Refinery Limited	9,350	-	-	-	-	-	-	-	-	-
	<u>210,450</u>	<u>215,000</u>	<u>-</u>	<u>-</u>	<u>423,850</u>	<u>1,600</u>	<u>375</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Oil and Gas Exploration Company</b>										
Pakistan Oilfields Limited	1,246,230	422,000	-	-	244,300	1,423,930	846,185	5.69	6.34	0.60
Pakistan Petroleum Limited	3,632,925	925,300	-	-	588,000	3,970,225	533	6.10	0.20	-
Mari Petroleum Company Limited	461,060	-	-	-	59,520	401,540	582,582	3.94	4.35	0.36
Oil & Gas Development Company Limited	3,145,381	2,004,000	-	-	494,000	4,655,381	757,850	5.12	5.66	0.11
	<u>8,485,596</u>	<u>3,351,300</u>	<u>-</u>	<u>-</u>	<u>1,385,820</u>	<u>10,451,076</u>	<u>3,004,126</u>	<u>20.28</u>	<u>22.45</u>	
<b>Oil and Gas Marketing Company</b>										
Pakistan State Oil Company Limited (refer note 8.1.2)	689,667	283,500	154,233	-	230,500	896,900	262,890	1.78	1.96	0.28
Attock Petroleum Limited	149,750	-	-	-	-	149,750	78,332	0.53	0.58	0.18
Shell Pakistan Limited	552,000	-	-	-	67,700	484,300	148,767	1.01	1.11	0.45
Hascol Petroleum Limited (refer note 8.1.2)	3,042	-	-	16	-	3,058	755	0.01	0.01	-
Sui Northern Gas Pipelines Limited	2,386,500	945,500	-	-	1,374,800	1,957,200	185,171	1.25	1.38	0.31
	<u>3,780,959</u>	<u>1,229,000</u>	<u>154,233</u>	<u>16</u>	<u>1,673,000</u>	<u>3,491,208</u>	<u>675,915</u>	<u>4.58</u>	<u>5.04</u>	
<b>Fertilizer</b>										
Dawood Hercules Corporation Limited	590,400	-	-	-	2,000	588,400	65,830	0.45	0.49	0.12
Engro Corporation Limited	1,690,085	1,869,800	-	-	682,500	2,877,385	790,562	5.35	5.90	0.55
Engro Fertilizers Limited	3,963,000	5,075,000	-	-	2,253,500	6,784,500	459,446	3.11	3.43	0.51
Fauji Fertilizer Bin Qasim Company Limited	1,404,000	-	-	-	1,404,000	-	-	-	-	-
Fauji Fertilizer Company Limited	-	3,851,000	-	-	986,000	2,865,000	226,650	1.53	1.69	0.23
	<u>7,647,485</u>	<u>10,795,800</u>	<u>-</u>	<u>-</u>	<u>5,328,000</u>	<u>13,115,285</u>	<u>1,542,488</u>	<u>10.44</u>	<u>11.51</u>	

# NAFA STOCK FUND

Name of the Investee Company	As at 01 July 2017	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/subscribed during the period	Sales during the period	As at 31 December 2017	Market value /carrying value as at 31 December 2017	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of the paid up capital of the investee company held
	(Number of shares)						(Rupees in '000)	(%)		
<b>Chemical</b>										
Engro Polymer & Chemicals Limited	7,893,500	500,000	-	-	6,149,000	2,244,500	64,103	0.43	0.48	0.34
<b>Automobile Parts and Accessories</b>										
Thal Limited	263,489	-	-	-	74,550	188,939	96,529	0.65	0.72	0.23
Baluchistan Wheels Limited	87,000	-	-	-	-	87,000	9,592	0.06	0.07	0.65
	<b>350,489</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,550</b>	<b>275,939</b>	<b>106,121</b>	<b>0.71</b>	<b>0.79</b>	
<b>Cement</b>										
D.G. Khan Cement Company Limited	1,611,900	859,600	-	-	789,500	1,682,000	224,917	1.52	1.68	0.38
Lucky Cement Limited	744,883	-	-	-	138,900	623,983	322,855	2.18	2.41	0.19
Maple Leaf Cement Factory Limited	1,288,700	-	-	121,213	1,113,000	296,913	20,321	0.14	0.15	0.05
Pioneer Cement Limited	1,015,300	212,000	-	-	388,500	838,800	52,945	0.36	0.40	0.37
Attock Cement Pakistan Limited	1,122,701	53,700	-	-	-	1,176,401	212,940	1.44	1.59	1.03
Fecsa Cement Limited	243,200	-	-	-	-	243,200	12,148	0.08	0.09	0.48
Fauji Cement Company Limited	5,857,000	409,000	-	-	4,394,500	1,871,500	46,806	0.32	0.35	0.14
Thatta Cement Company Limited	1,050,000	-	-	-	910,500	139,500	3,069	0.02	0.02	0.14
Kohat Cement Company Limited	883,500	127,900	-	-	-	1,011,400	143,578	0.97	1.07	0.65
Cheerat Cement Company Limited	2,403,000	383,700	-	-	-	2,786,700	309,073	2.09	2.31	1.58
	<b>16,220,184</b>	<b>2,045,900</b>	<b>-</b>	<b>121,213</b>	<b>7,716,900</b>	<b>10,670,397</b>	<b>1,348,652</b>	<b>9.12</b>	<b>10.07</b>	
<b>Paper and Board</b>										
Century Paper and Board Mills Limited	3,337,500	49,000	-	-	206,400	3,180,100	197,580	1.34	1.47	2.16
Cheer Packaging Limited	415,001	15,500	-	55,634	18,400	467,735	93,079	0.63	0.69	1.39
	<b>3,752,501</b>	<b>64,500</b>	<b>-</b>	<b>55,634</b>	<b>224,800</b>	<b>3,647,835</b>	<b>290,659</b>	<b>1.97</b>	<b>2.16</b>	
<b>Automobile Assembler</b>										
Al-Ghazi Tractors Limited	103,500	-	-	-	24,900	78,600	48,304	0.33	0.36	0.14
Indus Motor Company Limited	242,810	3,180	-	-	110,360	133,630	227,882	1.54	1.70	0.17
Millat Tractors Limited	299,900	-	-	-	91,980	207,920	243,605	1.65	1.82	0.47
Pak Suzuki Motor Company Limited	90,950	-	-	-	69,480	21,500	10,727	0.07	0.08	0.03
	<b>737,160</b>	<b>3,180</b>	<b>-</b>	<b>-</b>	<b>296,640</b>	<b>443,780</b>	<b>530,518</b>	<b>3.59</b>	<b>3.96</b>	
<b>Pharmaceuticals</b>										
Akzo Laboratories (Pakistan) Limited	163,900	-	-	-	24,750	139,150	97,072	0.66	0.72	0.14
GlaXoSmithKline (Pakistan) Limited	2,000	-	-	-	-	2,000	336	-	-	-
GlaXoSmithKline Consumer Healthcare Pakistan Limited*	15,600	-	-	-	-	15,600	5,059	0.03	0.04	0.02
The Searle Company Limited (refer note 8.1.2)	39,259	6,052	-	-	-	36,311	3,081	0.08	0.09	0.02
	<b>211,759</b>	<b>6,052</b>	<b>-</b>	<b>-</b>	<b>24,750</b>	<b>193,061</b>	<b>113,900</b>	<b>0.77</b>	<b>0.85</b>	
<b>Engineering</b>										
International Industries Limited	1,152,800	-	-	-	235,400	917,400	220,277	1.49	1.64	0.77
International Steel Limited	1,286,000	578,800	-	-	326,000	1,538,800	163,682	1.11	1.22	0.35
Anoreli Steels Limited	2,518,000	153,600	-	-	264,300	2,407,300	223,060	1.51	1.67	0.81
K.S.B Pumps Limited	4,200	-	-	-	-	4,200	1,285	0.01	0.01	0.03
Tefaco Iron Industries Limited	3,100,000	-	-	-	756,500	2,343,500	39,699	0.27	0.30	1.79
Mughal Iron and Steel Industries Limited (refer note 8)	2,072,887	311,500	-	-	356,500	2,027,887	117,820	0.80	0.88	0.81
	<b>10,133,887</b>	<b>1,043,900</b>	<b>-</b>	<b>-</b>	<b>1,938,700</b>	<b>9,239,087</b>	<b>765,823</b>	<b>5.19</b>	<b>5.72</b>	
<b>Textile Composite</b>										
Azgard Nine Limited (Non-voting)	806,400	-	-	-	-	806,400	5,645	0.04	0.04	0.18
Gul Ahmed Textile Mills Limited	5,793,200	-	-	-	1,534,000	4,259,200	157,911	1.07	1.18	1.19
Kohinoor Textile Mills Limited (refer note 8.1.2)	4,155,000	15,700	-	248,139	702,000	3,716,839	246,241	1.66	1.84	1.24
Nishat Channan Limited	4,502,300	3,249,500	-	-	5,093,500	2,658,300	121,670	0.82	0.91	1.11
Nishat Mills Limited	2,312,000	1,675,700	-	-	1,024,000	2,960,700	443,073	3.00	3.31	0.84
Sapphire Fibres Limited	40	-	-	-	-	40	33	-	-	-
	<b>17,568,940</b>	<b>4,940,900</b>	<b>-</b>	<b>248,139</b>	<b>8,353,500</b>	<b>14,404,479</b>	<b>974,593</b>	<b>6.59</b>	<b>7.28</b>	
<b>Food and Personal Care Products</b>										
Al-Shaheer Corporation Limited (refer note 8.1.2)	2,077,788	-	-	-	223,500	1,854,288	41,202	0.28	0.31	1.30
<b>Technology and Communication</b>										
Avanceon Limited (refer note 8.1.2)	955,250	-	-	-	-	955,250	33,052	0.22	0.25	0.72
System Limited	2,111,000	16,000	-	-	-	2,127,000	157,228	1.06	1.17	1.90
	<b>3,066,250</b>	<b>16,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,082,250</b>	<b>190,280</b>	<b>1.28</b>	<b>1.42</b>	
<b>Power Generation and Distribution</b>										
Kot Addu Power Company Limited	1,997,000	235,000	-	-	725,000	1,507,000	81,227	0.55	0.61	0.17
Sail Power Limited	477,000	-	-	-	-	477,000	13,800	0.09	0.10	0.12
The Hub Power Company Limited	3,451,466	2,026,700	-	-	1,014,000	4,464,166	406,239	2.75	3.03	0.39
	<b>5,925,466</b>	<b>2,261,700</b>	<b>-</b>	<b>-</b>	<b>1,739,000</b>	<b>6,448,166</b>	<b>501,266</b>	<b>3.39</b>	<b>3.74</b>	
<b>Commercial Banks</b>										
Allied Bank Limited	4,674,701	97,000	-	-	-	4,771,701	405,499	2.74	3.03	0.42
Bank Al-Falah Limited	1,065,000	10,261,500	-	-	828,500	10,490,000	446,165	3.02	3.33	0.65
Bank Al-Habab Limited	1,816,150	1,097,000	-	-	1,045,000	1,868,150	199,025	0.74	0.81	0.17
Faysal Bank Limited (refer note 8.1.2)	10,744,783	1,241,000	-	-	151,000	11,834,783	251,608	1.70	1.88	0.90
Habib Bank Limited	2,364,163	3,702,870	-	-	853,800	5,213,233	871,079	5.89	6.50	0.36
MCB Bank Limited	2,063,100	374,500	-	-	1,302,100	1,135,500	241,089	1.63	1.80	0.10
Mezban Bank Limited	52	-	-	3	-	55	4	-	-	-
United Bank Limited	2,930,840	1,700,100	-	-	1,559,200	3,071,740	577,395	3.90	4.31	0.25
	<b>25,658,789</b>	<b>18,473,970</b>	<b>-</b>	<b>3</b>	<b>5,739,600</b>	<b>38,393,162</b>	<b>2,901,864</b>	<b>19.62</b>	<b>21.66</b>	
<b>Insurance</b>										
Pakistan Reinsurance Company Limited	1,110,000	-	-	-	1,079,000	31,000	1,315	0.01	0.01	0.01
<b>Modarhas</b>										
Sindh Modaraba	1,337,000	-	-	-	13,000	1,324,000	6,977	0.05	0.05	2.94
<b>Glass and Ceramics</b>										
Shabbir Tiles & Ceramics Limited	2,032,500	86,000	-	-	182,500	1,936,000	28,517	0.19	0.21	0.81
Tariq Glass Industries Limited	2,038,400	-	-	-	-	-	193,620	1.31	1.45	2.77
	<b>4,070,900</b>	<b>86,000</b>	<b>-</b>	<b>-</b>	<b>182,500</b>	<b>3,974,400</b>	<b>222,145</b>	<b>1.50</b>	<b>1.66</b>	
<b>Transport</b>										
Pakistan National Shipping Corporation Limited	478,700	-	-	-	150,600	328,100	34,044	0.23	0.25	0.25
<b>Cable and Electric Goods</b>										
Pak Electron Limited	2,513,125	2,699,000	-	-	3,897,300	1,314,825	62,441	0.42	0.47	0.26
<b>Miscellaneous</b>										
Tri-Pack Films Limited	24	-	-	-	-	24	3	-	-	-
TPL Properties Limited	1,800,000	-	-	-	1,200,000	600,000	7,128	0.05	0.05	0.22
Synthetic Products Enterprises Limited	-	160,500	-	-	-	160,500	9,701	0.07	0.07	0.19
	<b>1,800,024</b>	<b>160,500</b>	<b>-</b>	<b>-</b>	<b>1,200,000</b>	<b>760,524</b>	<b>16,832</b>	<b>0.12</b>	<b>0.12</b>	
<b>Total - 31 December 2017</b>	<b>125,030,952</b>	<b>47,886,650</b>	<b>160,285</b>	<b>425,005</b>	<b>47,814,010</b>	<b>125,688,882</b>	<b>13,395,639</b>	<b>90.57</b>	<b>100.00</b>	
Carrying value before fair value adjustment as at 31 December 2017							15,385,527			

# NAFA STOCK FUND

8.1.1 Investments include shares with market value of Rs. 261.650 million (30 June 2017: Rs. 266.092 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

8.1.2 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has led a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) has withheld the shares equivalent to 5% of bonus announcement amounting to Rs. 6.630 million (30 June 2017: 6.082 million) and not deposited in CDC account of department of Income Tax.

\* This represents shares that have been issued to the Fund as a result of de-merger of consumer healthcare business of GlaxoSmithKline (GSK) Pakistan Limited as the Fund has investment in the shares of GlaxoSmithKline (GSK) Pakistan Limited.

8.2	Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	Note	31 December 2017	31 December 2016
			Unaudited	
			(Rupees in '000)	
	Market value of investments	8.1	13,395,639	13,711,845
	Less: carrying value of investments	8.1	(15,385,527)	(10,986,513)
			<u>(1,989,888)</u>	<u>2,725,332</u>

9	PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		31 December 2017	30 June 2017
			Unaudited	Audited
			(Rupees in '000)	
	Management remuneration	9.1	23,459	29,341
	Sindh sales tax on management remuneration	9.2	3,050	3,814
	Sales load and others		4,511	5,392
	Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	7,655	14,019
	Selling and marketing expenses	9.4	30,621	23,391
			<u>69,296</u>	<u>75,957</u>

9.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on 25 November 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. Accordingly, the Management Company has charged its remuneration at the rate of two percent of the average annual net assets of the Fund.

9.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2011. During the period, Sindh Sales Tax at the rate of 13% (30 June 2017: 13%) was charged on management remuneration and sales load.

9.3 Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated 25 November 2015 has revised the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In the revised regulations a new clause 60(s) has been introduced allowing the management company to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Fund or actual whichever is less" from the mutual funds managed by it. Accordingly, such expense has been charged at the rate of 0.1% of average annual net assets of the Fund.

9.4 Securities and Exchange Commission of Pakistan through its Circular No. SCD/PRDD/Circular/361/2016 (Circular No. 40 of 2016) dated 30 December 2016 introduced allowance for charging of selling and marketing expenses initially for three years (effective from 01 January 2017 till 31 December 2019) to the open end equity, asset allocation, and index funds maximum of 0.4% of the average annual net assets or the actual expenses, whichever is lower, subject to the conditions mentioned in the aforementioned Circular and its amendment of condition 05 through Circular No. SCD/PRDD/Circular/418/2016 (Circular No. 05 of 2017) dated 13 February 2017.

# NAFA STOCK FUND

Based on the requirements to fulfil for charging selling and marketing expense, the Management Company has started accruing the expense to the Fund at the rate of 0.4% per annum of the average annual net assets of the Fund.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	31 December	30 June
		2017	2017
		Unaudited	Audited
		(Rupees in '000)	
	Trustee Remuneration	1,258	1,549
	Sindh Sales Tax on Trustee remuneration	10.1 163	201
		1,421	1,750

- 10.1 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2015. During the period, Sindh Sales Tax at the rate of 13% (30 June 2017: 13%) was charged on trustee remuneration.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	31 December 2017 Unaudited (Rupees in '000)	30 June 2017 Audited
	Provision for Sindh Workers' Welfare Fund	11.1 108,972	108,972
	Federal Excise Duty on management remuneration	11.2 32,183	32,183
	Federal Excise Duty on sales load	11.2 3,904	3,904
	Auditors' remuneration	367	436
	Brokerage fee	1,244	5,212
	Bank charges	81	32
	Settlement charges	215	273
	Withholding tax	3,818	76,373
	Capital gain tax	2,652	17,210
	Printing charges	46	98
	Legal fees	74	8
	Mutual fund rating fee	-	90
	Time barred cheques	2,008	-
	Others	1,100	543
		<u>156,664</u>	<u>245,334</u>

- 11.1 The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. MUFAP reviewed the issue and based on an opinion decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

# NAFA STOCK FUND

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds and considering the legal opinion obtained on these matters, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against the Federal WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and
- the provision in respect of Sindh WWF should be made on 12 January 2017 with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from 21 May 2015).

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds. Accordingly, reversal of provision for WWF amounted to Rs. 47.575 million and recording of provision for SWWF of Rs. 107.215 million upto 12 January 2017 has been made. Thereafter, the provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.1035 (30 June 2017: Rs. 0.1048).

- 11.2 The status of Federal Excise Duty (FED) is same as disclosed in annual financial statements for the year ended 30 June 2017. Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 32.713 million out of which Rs. 0.530 million have been paid to the Management Company (30 June 2017: 32.713 million) . Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.0348 (30 June 2017: Rs. 0.0352) per unit.

## 12 CONTINGENCY AND COMMITMENT

There was no contingency and commitment outstanding as at 31 December 2017 (30 June 2017: Nil).

## 13 TAXATION

The Fund's income 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 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. 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 capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2018 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

## 14 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year ) is 3.11% per annum. Total expense ratio (excluding government levies) is 2.75% per annum.

## 15 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 15.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company (NAFA), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Alexandra Fund Management Pte. Limited being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding 10 percent or more units of the Fund.
- 15.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 15.3 Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 15.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at period end are as follows:

# NAFA STOCK FUND

## 15.5 Transactions during the period:

	Unaudited	
	Six months period ended	
	December 31, 2017	December 31, 2016
	-----Rupees in '000 -----	
<b>NBP Fullerton Asset Management Limited</b>		
<b>- Management Company</b>		
Issue of 5,154 units (2016: Nil units)	75	-
Redemption of 8,605,925 units (2016: Nil units)	130,465	-
Remuneration of NBP Fullerton Asset Management Limited - Management Company	153,107	109,809
Sindh Sales Tax on remuneration to Management Company	19,904	14,275
Allocation of expenses related to registrar services, accounting, operation and valuation services	7,655	5,490
Selling and marketing expenses	30,621	-
Sales load and others	4,118	5,316
<b>Employees of the Management Company</b>		
Units issued / transferred in: 517,223 units (2016: 698,381 units)	8,030	10,829
Units redeemed / transferred out: 610,947 units (2016: 1,215,091 units)	9,259	17,936
<b>Chief Executive Officer</b>		
Units issued / transferred in: 141,252 units (2016: 27,963 units)	2,002	400
Units redeemed / transferred out: 64,586 units (2016: 3,785 units)	1,000	61
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee Remuneration	8,159	5,995
Sales tax on remuneration to Trustee	1,061	779
CDS charges	773	305
<b>NAFA Provident Fund Trust - Provident Fund</b>		
Units issued / transferred in: 269,748 units (2016: Nil units)	3,999	-
Units redeemed / transferred out: 832,774 units (2016: 177,911 units)	12,280	3,000
<b>NBP Employees Pension Fund</b>		
Units issued / transferred in: 46,725 units (2016: Nil units)	689	-
<b>Taurus Securities Limited</b>		
Brokerage charges	484	375
<b>Cherat Packaging Limited</b>		
Shares purchased: 15,500 (2016: Nil shares)	3,412	-
Shares sold: 18,400 shares (2016: 52,900 shares)	4,195	19,926
Dividend income	2,885	1,037
Right issue: 55,634 shares (2016: Nil shares)	6,954	-



# NAFA STOCK FUND

Unaudited	
Six months period ended	
December 31, 2017	December 31, 2016
-----Rupees in '000 -----	

## Gul Ahmed Textile Mills Limited

Shares purchased: Nil (2016: Nil shares)	-	-
Shares sold: 1,534,000 shares (2016: Nil shares)	52,734	-
Dividend income	5,620	-

## International Industries Limited

Nil shares purchased (2016: 536,500 shares)	-	67,523
235,400 shares sold (2016: 2,381,500 shares)	78,113	285,005
Dividend income	1,835	6,400

## International Steels Limited

578,800 shares purchased (2016: 11,000 shares)	64,054	396
326,000 shares sold (2016: 5,641,500 shares)	36,999	291,641
Dividend income	1,148	5,027

## Summit Bank Limited

Units issued / transferred in 475 units (2016: Nil units)	7	-
Mark-up on bank balances	10	1

## Askari Bank Limited

Mark-up on bank balances	80	-
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## Bank Islami Pakistan Limited

Mark-up on bank balances	249	-
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## BYCO Petroleum Pakistan Limited - Employee Provident Fund (entity managed by NAFA)

Units issued / transferred in 805 units (2016: 323,730 units)	12	4,446
Units redeemed / transferred out 1,234,407 units (2016: 3,932,819 units)	17,455	57,959

## Pakistan Mobile Communications Limited Provident Fund

Units issued / transferred in 155,392 units (2016: Nil units)	2,185	-
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## Management Association of Pakistan

Units issued / transferred in 141,772 units (2016: Nil units)	2,136	-
Units redeemed / transferred out 238,136 units (2016: Nil units)	3,459	-

## Faruque Private Limited

Units issued / transferred in 767 units (2016: Nil units)	11	-
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# NAFA STOCK FUND

	Unaudited	
	Six months period ended	
	December 31, 2017	December 31, 2016
	-----Rupees in '000 -----	
<b>Telenor Pakistan Private Limited Employees Provident Fund (Conventional)</b>		
Units issued / transferred in 216,370 units (2016: Nil units)	3,184	-
<b>Telenor Employees Gratuity Fund</b>		
Units issued / transferred in 1,436,427 units (2016: Nil units)	20,702	-
<b>IGI Life Insurance Limited</b>		
Units issued / transferred in 1,225 units (2016: Nil units)	18	-
Units redeemed / transferred out 31,677 units (2016: Nil units)	450	-
<b>Pakistan Centre for Philanthropy</b>		
Units issued / transferred in 66,958 units (2016: Nil units)	1,007	
Units redeemed / transferred out 103,702 units (2016: Nil units)	1,515	-
<b>Gul Ahmed Textile Mills Limited Employees Provident Fund Trust</b>		
Units issued / transferred in 4,257 units (2016: Nil units)	63	-
<b>BYCO Oil Pakistan Limited - Employee Provident Fund (entity managed by NAFA)</b>		
Units issued / transferred in Nil units (2016: 101,443 units)	-	1,395
Units redeemed / transferred out Nil units (2016: 775,113 units)	-	11,423
<b>Jubilee Life Insurance Company Limited (Common Directorship with the Management Company)</b>		
Units redeemed / transferred out Nil units (2016: 6,177,729 units)	-	88,437
<b>Prosperity Weaving Mills</b>		
Units issued / transferred in 1,451,721 units (2016: Nil units)	20,008	-
<b>Company Secretary / Chief Operating Officer of the Management Company</b>		
Units issued / transferred in Nil units (2016: 821 units)	-	12

# NAFA STOCK FUND

	Unaudited	
	Six months period ended	
	December 31, 2017	December 31, 2016
	-----Rupees in '000 -----	
<b>Chief Financial Officer of the Management Company</b>		
Units issued / transferred in 43 units (2016: 69,162 units)	1	1,000
<b>Mr. Kamal. A. Chinoy - Director</b>		
Units issued / transferred in 1,646 units (2016: Nil units)	24	-
<b>Mr. Humayun Bashir - Director</b>		
Units issued / transferred in 1,869,312 units (2016: Nil units)	25,000	-
<b>Mr. Aamir Sattar - Director</b>		
Units issued / transferred in Nil units (2016: 147,245 units)	-	2,500
<b>15.6 Amounts outstanding as at period / year end:</b>	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>(Rupees in '000)</b>	
<b>NBP Fullerton Asset Management Limited (Management Company)</b>		
Units held: 1,941 (2017: 8,602,712 units)	27	139,483
Remuneration of the Management Company	23,459	29,341
Sindh Sales Tax on remuneration of the Management Company	3,050	3,814
Allocation of expenses related to registrar services, accounting, operation and valuation services	7,655	14,019
Selling and marketing expenses	30,621	23,391
Sales load	4,511	5,392
<b>National Bank of Pakistan</b>		
Units held: 31,347,445 (2017: 31,347,445 units)	440,513	508,261
Bank Balance	9,778	9,014
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration Payable	1,258	1,549
Sindh Sales Tax on Trustee remuneration	163	201
CDS charges	137	177
Security deposit	100	100
<b>Employees of the Management Company</b>		
Units held: 244,791 (2017: 338,516 units)	3,440	5,489
<b>Mr. Amjad Waheed - Chief Executive Officer</b>		
Units held: 339,902 (2017: 263,236 units)	4,777	4,268
<b>Mr. Khalid Mehmood - Chief Financial Officer</b>		
Units held: 65,397 (2017: 65,355 units)	919	1,060

# NAFA STOCK FUND

	31 December 2017 Unaudited (Rupees in '000)	30 June 2017 Audited
<b>Mr. Kamal. A. Chinoy - Director</b> Units held: 2,525,270 (2017: 2,523,624 units)	35,487	40,918
<b>Mr. Amir Sattar - Director</b> Units held: Nil (2017: 158,790 units)	-	2,575
<b>Mr. Humayun Bashir - Director</b> Units held: 1,869,312 (2017: Nil units)	26,269	-
<b>NBP Employees Pension Fund</b> Units held: 62,721,184 (2017: 62,674,460 units)	881,396	1,016,191
<b>NAFA Employee Provident Fund</b> Units held: 500,118 (2017: 1,063,144 units)	7,028	17,238
<b>Prosperity Weaving Mills</b> Units held: 2,316,259 (2017: 864,538 units)	32,549	14,017
<b>BYCO Petroleum Pakistan Limited - Employee Provident Fund</b> Units held: Nil (2017: 1,233,603 units)	-	20,001
<b>Pakistan Mobile Communications Limited Provident Fund</b> Units held: 1,391,127 (2017: 1,235,734 units)	19,549	20,036
<b>Management Association of Pakistan</b> Units held: 218,619 (2017: 314,983 units)	3,072	5,107
<b>Faruque Private Limited</b> Units held: 1,177,228 (2017: 1,176,461 units)	16,543	19,075
<b>Telenor Pakistan Private Limited Employees Provident Fund (Conventional)</b> Units held: 2,674,883 (2017: 2,458,514 units)	37,589	39,862
<b>Gul Ahmed Textile Mills Limited Employees Provident Fund Trust</b> Units held: 5,713,928 (2017: 5,709,671 units)	80,296	92,575
<b>Telenor Employees Gratuity Fund</b> Units held: 13,196,611 (2017: 11,760,184 units)	185,447	190,677
<b>Pakistan Centre for Philanthropy</b> Units held: 87,730 (2017: 124,474 units)	1,233	2,018
<b>IGI Life Insurance Limited</b> Units held: 1,612,576 (2017: 1,643,028 units)	22,661	26,640

# NAFA STOCK FUND

	31 December 2017 Unaudited (Rupees in '000)	30 June 2017 Audited
<b>International Industries Limited</b>		
Shares held: 917,400 (2017: 1,152,800 shares)	220,277	424,887
<b>International Steels Limited</b>		
Shares held: 1,538,800 (2017: 1,286,000 shares)	163,682	164,466
<b>Cherat Packaging Pakistan Limited</b>		
Shares held: 467,735 (2017: 415,001 shares)	93,079	98,679
<b>Gul Ahmed Textile Mills Limited</b>		
Shares held: 4,259,200 (2017: 5,793,200 shares)	157,931	237,405
<b>Cherat Cement Company Limited</b>		
Shares held: 2,786,700 (2017: 2,403,000 shares)	309,073	429,608
<b>Taurus Securities Limited</b>		
Brokerage payable	74	325
<b>Summit Bank Limited</b>		
Units held: 638,038 (2017: 637,562 units)	8,966	10,337
Bank balance	20,495	22,875
Mark-up on bank balance	1	1
<b>Askari Bank Limited</b>		
Bank balance	782	3,757
Mark-up on balance	12	2
<b>Bank Islami Pakistan Limited</b>		
Bank balance	348,048	2,657
Mark-up on balance	232	24
<b>NAFA Financial Sector Income Fund</b>		
Net receivable against conversion of units	-	295
<b>NAFA Income Fund</b>		
Net receivable against conversion of units	-	201
<b>NAFA Islamic Income Fund (Formerly: NAFA Islamic Aggressive Income Fund)</b>		
Net (payable) against conversion of units	-	(196)
<b>NAFA Income Opportunity Fund</b>		
Net (payable) / receivable against conversion of units	-	(3,281)

# NAFA STOCK FUND

	31 December 2017 Unaudited (Rupees in '000)	30 June 2017 Audited
<b>NAFA Money Market Fund</b>		
Net (payable) against conversion of units	-	(1,865)
<b>NAFA Islamic Stock Fund</b>		
Net (payable) / receivable against conversion of units	-	(47)
<b>NAFA Riba Free Savings Fund</b>		
Net (payable) / receivable against conversion of units	-	(669)
<b>NAFA Government Securities Liquid Fund</b>		
Net (payable) against conversion of units	-	(56)

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurement' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

# NAFA STOCK FUND

(Unaudited)							
31 December 2017							
Carrying amount				Fair Value			
At fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							

## On-balance sheet financial instruments

### Financial assets measured at fair value

#### Investments

- Listed equity securities

13,395,639	-	-	13,395,639	13,395,639	-	-	13,395,639
13,395,639	-	-	13,395,639	13,395,639	-	-	13,395,639

### Financial assets not measured at fair value

16.1

Bank balances

Dividend and profit receivable

Security deposits

-	1,801,336	-	1,801,336	-	-	-	-
-	56,168	-	56,168	-	-	-	-
-	2,600	-	2,600	-	-	-	-
-	1,860,104	-	1,860,104	-	-	-	-

### Financial liabilities not measured at fair value

16.1

Payable to NBP Fullerton Asset Management Limited -

Management Company

Payable to Central Depository Company of Pakistan

Payable against purchase of investments - net

Accrued expenses and other liabilities

-	-	69,296	69,296	-	-	-	-
-	-	1,421	1,421	-	-	-	-
-	-	235,751	235,751	-	-	-	-
-	-	5,135	5,135	-	-	-	-
-	-	311,603	311,603	-	-	-	-

(Audited)							
30 June 2017							
Carrying amount				Fair Value			
At fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							

## On-balance sheet financial instruments

### Financial assets measured at fair value

#### Investment

- Listed equity securities

15,414,375	-	-	15,414,375	15,414,375	-	-	15,414,375
15,414,375	-	-	15,414,375	15,414,375	-	-	15,414,375

### Financial assets not measured at fair value

Bank balances

Dividend and profit receivable

Receivable against sale of investments

Receivable against conversion of units

Security deposits

-	1,681,511	-	1,681,511	-	-	-	-
-	33,417	-	33,417	-	-	-	-
-	172,593	-	172,593	-	-	-	-
-	496	-	496	-	-	-	-
-	2,600	-	2,600	-	-	-	-
-	1,890,617	-	1,890,617	-	-	-	-

### Financial liabilities not measured at fair value

Payable to NBP Fullerton Asset Management Limited -

Management Company

Payable to Central Depository Company of Pakistan

Payable against conversion of units

Payable against redemption of units

Dividend payable

Accrued expenses and other liabilities

-	-	75,957	75,957	-	-	-	-
-	-	1,750	1,750	-	-	-	-
-	-	6,114	6,114	-	-	-	-
-	-	2,642	2,642	-	-	-	-
-	-	106,716	106,716	-	-	-	-
-	-	6,692	6,692	-	-	-	-
-	-	199,871	199,871	-	-	-	-

# NAFA STOCK FUND

- 16 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

17 **DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on February 22, 2018 by the Board of Directors of the Management Company.

**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

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