

**AM2++**  
Listed by SECP



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

## NAFA STOCK FUND

**QUARTERLY  
REPORT**  
**September  
30 2016**




*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 STOCK FUND

## Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM DISTRIBUTION STATEMENT	12
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	13
CONDENSED INTERIM CASH FLOW STATEMENT	14
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	15

# NAFA STOCK FUND

## FUND'S INFORMATION

### Management Company

NBP Fullerton Asset Management Limited – Management Company

### Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director
Mr. Koh Boon San	Director
Mr. Lui Mang Yin (Martin Lui)	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Saiyed Hashim Ishaque	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Aamir Sattar	Member

### Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Lui Mang Yin (Martin Lui)	Member
Mr. Abdul Hadi Palekar	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  
NIB Bank Limited  
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 Taraqati Bank Limited  
Bankislami Pakistan Limited  
Burj 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

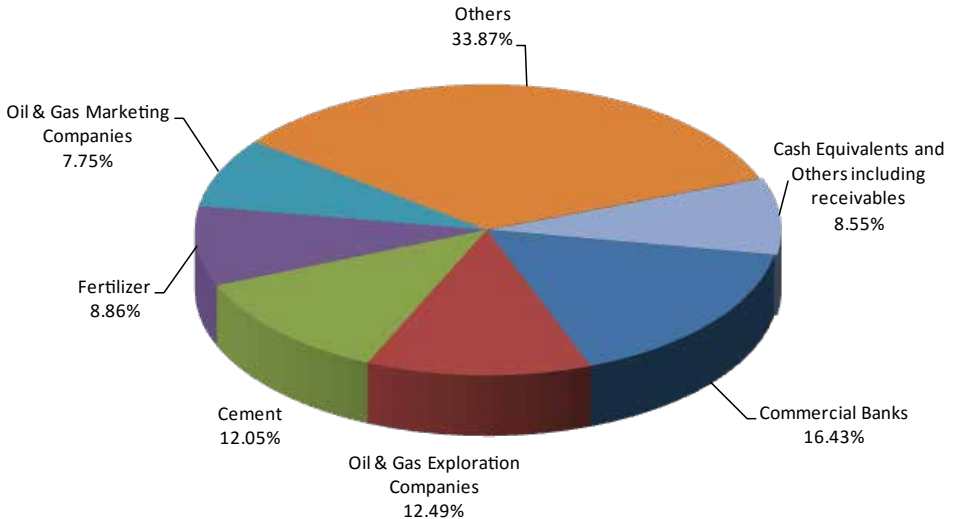
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Stock Fund (NSF)** for the quarter ended September 30, 2016.

### Fund's Performance

The Fund size of NAFA Stock Fund (NSF) at the end of the period stood at Rs.10,190 million, 28% higher compared to the previous quarter. During the first quarter, the unit price of NSF has increased from Rs. 13.2076 on June 30, 2016 to Rs. 14.7716 on September 30, 2016, thus showing an increase of 11.84%. The Benchmark (KSE-30 Total Return Index) for the same period increased by 4.75%. Thus, the Fund has outperformed its Benchmark by 7.09% during the period under review. Since inception (January 19, 2007), the unit price of the Fund has shown a growth of 397.66% as compared to 97.64% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 300.02%. This performance is net of management fee and all other expenses.

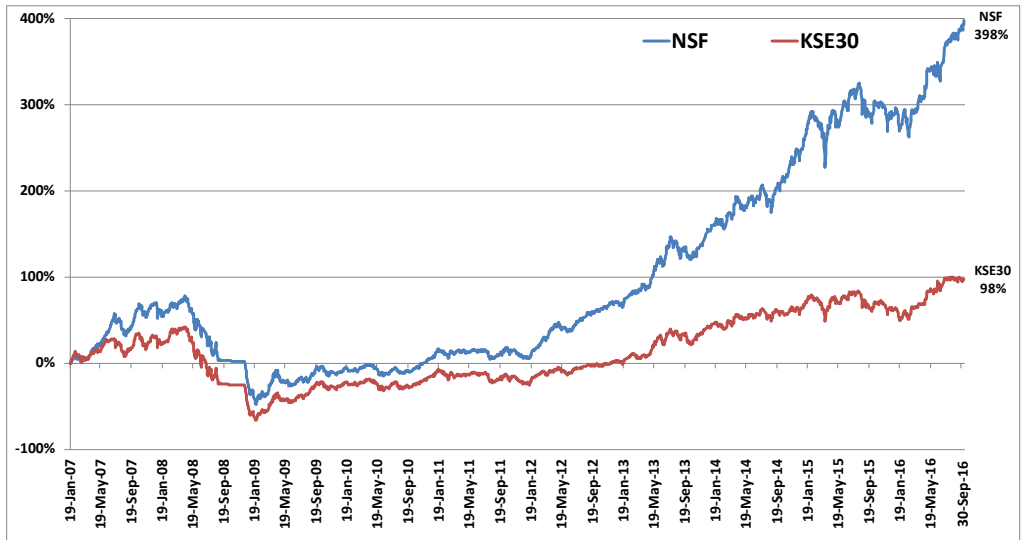
During Q1FY17, the stock market extended the rally that started from the lows hit at the end of February 2016, delivering a return of about 7.3%. Positives like improving economic prospects as captured in an all-time high foreign exchange reserves of US\$23.6bn, multi-year low inflation & interest rates, and pick-up in economic growth, albeit from low levels; attractive stock market valuations; and tepid returns on alternate investment avenues buoyed local investors' interest in the market. Better than expected corporate results announcements for the period ending June 30, 2016 provided the much needed confidence to the market participants. However, foreign investors remained sellers with outflows of US\$ 39.7 million recorded during the quarter. Automobile Assembler, Automobile Parts & Accessories, Engineering, and Textile Composite sectors performed better than the market whereas Cement and Fertilizer sectors lagged behind.

The Fund has earned total income of Rs.1,142.02 million during the period. After accounting for expenses of Rs.63.14 million, the net income is Rs.1,078.88 million. The asset allocation of the Fund as on September 30, 2016 is as follows:



# NAFA STOCK FUND

NSF Performance versus Benchmark (Since Inception)



## Acknowledgement

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

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

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: October 28, 2016

Place: Karachi.

# NAFA STOCK FUND

## ڈائریکٹرز رپورٹ

NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ، بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2016ء کو ختم ہونے والی سہ ماہی کے لیے NAFA اسٹاک فنڈ (NSF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتا ہے۔

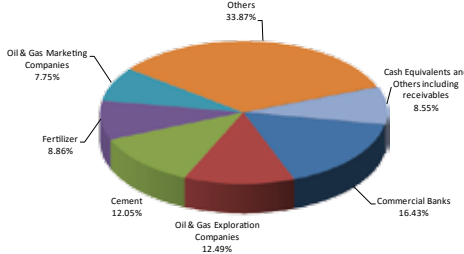
### فنڈ کی پرفارمنس

اس مدت کے اختتام پر NAFA اسٹاک فنڈ (NSF) کا فنڈ سائز 10,190 ملین روپے رہا یعنی گزشتہ سہ ماہی کے مقابلے میں 28% زیادہ۔ پہلی سہ ماہی کے دوران NSF کے یونٹ کی قیمت 30 جون 2016 کو 13.2076 روپے سے بڑھ کر 30 ستمبر 2016 کو 14.7716 روپے تک پہنچ چکی ہے، لہذا 11.84% اضافہ ہوا۔ اسی مدت کے دوران بیچ مارک (KSE-30 ٹوٹل ریٹرن انڈیکس) میں 4.75% کا اضافہ ہوا۔ اس طرح فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 7.09% بہتر کارکردگی دکھائی۔

اپنے قیام (19 جنوری 2007) سے اب تک اپنے بیچ مارک میں 97.64% اضافے کے مقابلے میں فنڈ کی یونٹ کی قیمت کی نمو 397.66% رہی۔ اس طرح فنڈ نے اپنے بیچ مارک کے مقابلے میں 300.02% بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

مالی سال 2017 کی پہلی سہ ماہی کے دوران اسٹاک مارکیٹ نے تیزی کا وہ رجحان آگے بڑھایا جس کا آغاز فروری 2016 کے اختتام پر پست سطح سے ہوا تھا اور لگ بھگ 7.3% منافع پیش کیا۔ مثبت عوامل مثلاً بہتر ہوتے اقتصادی امکانات، جن کی نشاندہی 23.6 ارب امریکی ڈالر پر مشتمل ملکی تاریخ کے سب سے بلند زرمبادلہ کے ذخائر سے ہوتی ہے، کئی سال پر محیط کم تر افراط زر اور شرح سود، اور معاشی نمونے میں تیزی، اسٹاک مارکیٹ میں پُرکشش آمدن اور سرمایہ کاری کے متبادل ذرائع سے بہتر نتائج کے باعث مقامی سرمایہ کاروں کی طرف سے اسٹاک مارکیٹ میں دل چسپی میں اضافہ ہوا۔ 30 جون 2016 کو ختم ہونے والی مدت کے لیے توقع سے بہتر کاروباری نتائج کے اعلانات نے مارکیٹ کے شرکاء کو درکار انتہائی ضروری اعتماد فراہم کیا۔ تاہم غیر ملکی سرمایہ کاروں کی طرف سے فروخت کا سلسلہ جاری رہا جس کے نتیجے میں سہ ماہی کے دوران 39.7 ملین ڈالر کا اخراج ریکارڈ کیا گیا۔ آٹوموبیل آسمبلرز، آٹوموبیل پارٹس اور ایسیریز، انجینئرنگ اور ٹیکسٹائل کمپوزٹ سیکٹرز نے مارکیٹ کے مقابلے میں بہتر کارکردگی کا مظاہرہ کیا جب کہ سیمنٹ اور فریٹلائزریں سیکٹرز پسماندگی کا شکار رہے۔

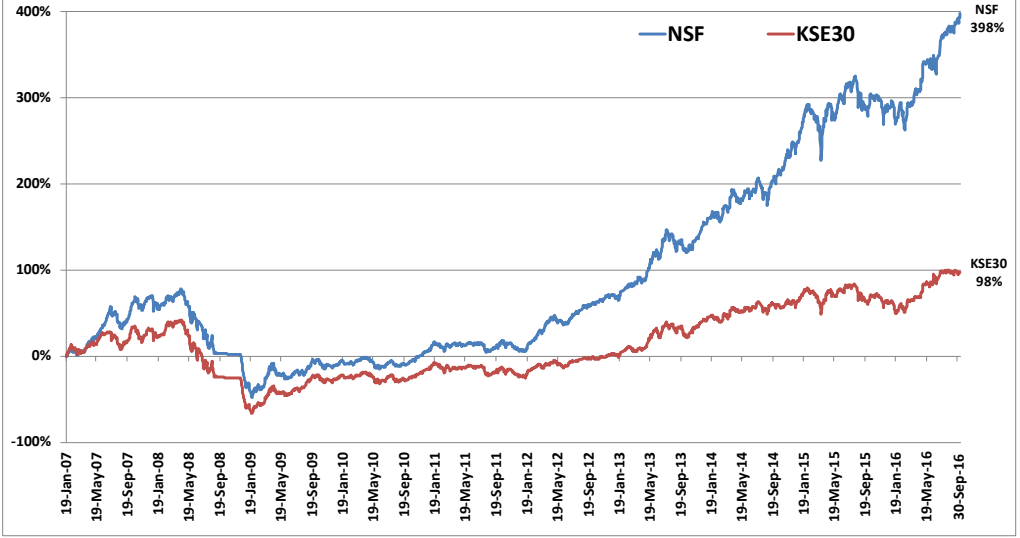
فنڈ نے اس مدت کے دوران 1,142.02 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 63.14 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1,078.88 ملین روپے ہے۔ 30 ستمبر 2016 کو فنڈ کی ایسیٹ الیکیشن درج ذیل ہے:





# NAFA STOCK FUND

NSF کی کارکردگی بمقابلہ بیچ 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 یونٹ 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 ایسیٹ منجھٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

28 اکتوبر 2016

مقام: کراچی

# NAFA STOCK FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016

	Note	Un-Audited September 30, 2016	Audited June 30, 2016
(Rupees in '000)			
<b>ASSETS</b>			
Balances with banks		945,881	836,997
Investments	4	9,318,530	7,237,065
Mark-up accrued and dividend receivable	5	101,021	10,609
Advances, deposits and other receivables		3,273	37,284
<b>Total assets</b>		<b>10,368,705</b>	<b>8,121,955</b>
<b>LIABILITIES</b>			
Payable to the NBP Fullerton Asset Management Limited - Management Company		64,514	56,625
Payable to the Central Depository Company of Pakistan Limited - Trustee		1,011	807
Payable to the Securities and Exchange Commission of Pakistan		2,228	5,692
Payable against purchase of investments		35,014	3,868
Dividend payable		-	11,664
Accrued expenses and other liabilities	6	75,617	104,419
<b>Total liabilities</b>		<b>178,384</b>	<b>183,075</b>
<b>NET ASSETS</b>		<u><u>10,190,321</u></u>	<u><u>7,938,880</u></u>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<u><u>10,190,321</u></u>	<u><u>7,938,880</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
(Number of units)			
<b>Number of units in issue</b>		<u><u>689,859,925</u></u>	<u><u>601,083,871</u></u>
(Rupees)			
<b>NET ASSET VALUE PER UNIT</b>		<u><u>14.7716</u></u>	<u><u>13.2076</u></u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	Note	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
(Rupees in '000)			
<b>INCOME</b>			
Net gain on sale of investments		100,491	9,021
Profit on bank deposits		13,646	10,099
Dividend income		99,353	60,066
Net unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net		860,226	(356,433)
<b>Total income / (loss)</b>		<b>1,073,716</b>	<b>(277,247)</b>
<b>EXPENSES</b>			
Remuneration of the NBP Fullerton Asset Management Limited - Management Company		46,915	25,687
Sales tax on remuneration of the Management Company		6,099	4,172
Federal Excise Duty on remuneration of the Management Company		-	4,110
Accounting and operational charges to the Management Company		2,346	-
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		2,598	1,536
Sales tax on Remuneration of the Trustee		338	215
Annual fee - Securities and Exchange Commission of Pakistan		2,228	1,220
Securities transaction cost		2,147	3,085
Settlement and bank charges		276	521
Annual listing fee		10	10
Auditors' remuneration		138	130
Fund rating fee		47	46
<b>Total Expenses</b>		<b>63,142</b>	<b>40,732</b>
<b>Net Income / (loss) from operating activities</b>		<b>1,010,574</b>	<b>(317,979)</b>
Net element of income and capital gains included in prices of units issued less those in units redeemed		68,302	81,168
Provision for Workers' Welfare Fund	11	-	-
<b>Net Income / (loss) for the period before taxation</b>		<b>1,078,876</b>	<b>(236,811)</b>
Taxation	8	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>1,078,876</b>	<b>(236,811)</b>
Earnings per unit	9		

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Net income / (loss) for the period after taxation	1,078,876	(236,811)
Other Comprehensive Income for the period	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>1,078,876</u>	<u>(236,811)</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Undistributed income brought forward comprising of:		
- realized income	680,637	621,523
- unrealized income	535,727	493,834
	1,216,364	1,115,357
Net (loss) / Income for the period	1,078,876	(236,811)
Final distribution for the year ended June 30, 2016: Nil (2015: Rs. 0.6824 per unit)		
- Cash distribution	-	(213,498)
Accumulated Income carried forward	<u>2,295,240</u>	<u>665,048</u>
<b>Undistributed income carried forward comprising:</b>		
- Realized income	1,435,014	1,021,481
- Unrealized income / (loss)	860,226	(356,433)
	<u>2,295,240</u>	<u>665,048</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Net assets at the beginning of the period	7,938,880	4,113,851
Issue of 143,742,388 units (2015: 205,486,401 units)	2,024,420	2,727,683
Redemption of 54,966,334 units (2015: 91,137,093 units)	(783,553)	(1,196,041)
	1,240,867	1,531,642
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to Condensed Interim Income Statement	(68,302)	(81,168)
Total comprehensive income / (loss) for the period	1,078,876	(236,811)
Final distribution for the year ended June 30, 2016: Nil (2015: Rs. 0.6824 per unit)		
- Cash distribution	-	(213,498)
<b>Net assets at the end of the period</b>	<b>10,190,321</b>	<b>5,114,016</b>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Income for the period before taxation	1,078,876	(236,811)
<b>Adjustments</b>		
Net element of income and capital gains included in prices of units issued less those in units redeemed	(68,302)	(81,168)
Net unrealised (appreciation) / diminution on re-measurement of investments at fair value through profit or loss	(860,226)	356,433
	<u>150,348</u>	<u>38,454</u>
<b>(Increase) / decrease in assets</b>		
Investments	(1,221,239)	(1,219,285)
Mark-up accrued and dividend receivable	(90,412)	(38,581)
Receivable against Sale of investments	-	(30,266)
Advances, deposits and other receivables	34,011	140,776
	<u>(1,277,640)</u>	<u>(1,147,356)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to the NBP Fullerton Asset Management Limited - Management Company	7,889	10,187
Payable to the Central Depository Company of Pakistan Limited - Trustee	204	177
Payable to the Securities and Exchange Commission of Pakistan	(3,464)	(1,535)
Payable against purchase of investments	31,146	-
Accrued expenses and other liabilities	(28,802)	(7,618)
	<u>6,973</u>	<u>1,211</u>
<b>Net cash (used in) operating activities</b>	<u>(1,120,319)</u>	<u>(1,107,691)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net receipts from issue of units	2,024,420	2,727,683
Net payments on redemption of units	(783,553)	(1,196,041)
Distributions made	(11,664)	(213,498)
<b>Net cash generated from financing activities</b>	<u>1,229,203</u>	<u>1,318,144</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>108,884</u>	<u>210,453</u>
Cash and cash equivalents at the beginning of the period	836,997	394,840
<b>Cash and cash equivalents at the end of the period</b>	<u><u>945,881</u></u>	<u><u>605,293</u></u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## NOTES TO AND FORMING PART OF THIS CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Stock Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on December 06, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No.4, Scheme No.5 Clifton Karachi. Due to fire incident at the registered office of the Management Company in the month of June 2016, its office has been temporary shifted to 2nd floor, Ex - NDFC Building, Tariq Road, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund classified as an "equity scheme" by the Management Company and is listed on the Pakistan Stock Exchange (formerly Lahore Stock Exchange). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2++' to the Management Company.

Title of the assets of the Fund is held in the name of CDC as a trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulation or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

The directors of the asset management company declare this condensed interim financial information gives a true and fair view of the fund

### 3 SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted for the preparation of the financial statements for the quarter ended September 30, 2016 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2016.



# NAFA STOCK FUND

## 4 INVESTMENTS

(Un-audited) (Audited)  
September 30, June 30,  
2016 2016  
Note

(Rupees in '000)

At fair value through profit or loss - held for trading

Listed equity securities	4.1	9,317,563	7,236,098
Unlisted equity securities	4.2	967	967
		9,318,530	7,237,065

### 4.1 Investment in listed equity securities

All shares have a nominal face value of Rs.10 each except for the shares of Thal Limited which have a face value of Rs.5.

Name of the investee company	Number of shares					Market value as at September 30, 2016	Investment as a percentage of		
	As at July 01, 2016	Purchases during the period	Bonus / Right Issue	Sales during the period	As at September 30, 2016		Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
						Rupees in '000	-----%-----		
<b>OIL AND GAS</b>									
Attock Petroleum Limited	123,850	25,000	-	-	148,850	77,402	0.76	0.83	0.18
Attock Refinery Limited	341,700	-	-	34,000	307,700	100,273	0.98	1.08	0.36
Hascal Petroleum Limited	3,042	-	-	-	3,042	670	0.01	0.01	0.00
Mari Petroleum Company Limited	350,100	-	-	-	350,100	334,181	3.28	3.59	0.32
Oil and Gas Development Company Limited	1,929,881	500,000	-	-	2,429,881	343,172	3.37	3.68	0.06
Pakistan Oilfields Limited	774,930	28,700	-	38,500	765,130	307,054	3.01	3.30	0.32
Pakistan Petroleum Limited	1,790,025	-	-	31,000	1,759,025	287,900	2.83	3.09	0.09
Pakistan State Oil Company Limited	1,128,667	165,400	-	56,500	1,237,567	512,526	5.03	5.50	0.46
Shell Pakistan Limited	352,000	132,800	-	-	484,800	198,797	1.95	2.13	0.45
<b>CHEMICALS</b>									
Dawood Hercules Corporation Limited	360,800	229,600	-	-	590,400	78,500	0.77	0.84	0.12
Engro Corporation Limited	1,531,585	80,000	-	-	1,611,585	469,374	4.61	5.04	0.31
Engro Fertilizers Limited	2,074,500	1,777,500	-	-	3,852,000	237,514	2.33	2.55	0.29
Fauji Fertilizer Bin Qasim Company Limited	822,500	1,470,500	-	-	2,293,000	117,814	1.16	1.26	0.25
<b>CONSTRUCTION AND MATERIALS</b>									
Akzo Nobel Pakistan Limited	6,300	-	-	-	6,300	1,568	0.02	0.02	0.01
Attock Cement (Pakistan) Limited	922,901	-	-	-	922,901	231,768	2.27	2.49	0.81
D.G. Khan Cement Company Limited	1,609,100	119,000	-	121,000	1,607,100	298,728	2.93	3.21	0.37
Fauji Cement Company Limited	4,576,500	-	-	-	4,576,500	161,413	1.58	1.73	0.33
Fecto Cement Company Limited	449,000	-	-	-	449,000	55,528	0.54	0.60	0.90
Lucky Cement Company Limited	417,733	31,700	-	30,500	418,933	283,727	2.78	3.04	0.13
Maple Leaf Cement Factory Limited	272,500	125,000	-	-	397,500	38,081	0.37	0.41	0.08
Pioneer Cement Limited	1,046,000	-	-	-	1,046,000	110,552	1.08	1.19	0.46
Thatta Cement Company Limited	1,250,000	-	-	1,250,000	48,063	0.47	0.52	1.25	
<b>GENERAL INDUSTRIALS</b>									
Cherat Packaging Limited.	180,974	-	-	32,900	148,074	57,007	0.56	0.61	0.50
Thal Limited*	397,889	-	-	39,000	358,889	145,584	1.43	1.56	0.44
Tri-Pack Films Limited	59,224	-	-	59,200	24	7	-	-	0.00
<b>AUTOMOBILE AND PARTS</b>									
Baluchistan Wheels Limited	87,000	-	-	-	87,000	12,375	0.12	0.13	0.65
Indus Motor Company Limited	214,170	29,600	-	-	243,770	365,748	3.59	3.92	0.31
<b>PHARMA AND BIO TECH</b>									
Abbot Laboratories (Pakistan) Limited	36,900	-	-	-	36,900	31,310	0.31	0.34	0.04
GlaxoSmithKline (Pakistan) Limited	52,000	-	-	-	52,000	11,227	0.11	0.12	0.02
The Searle Company Limited	270	-	-	-	270	155	-	-	0.00
<b>INDUSTRIAL METALS AND MINING</b>									
International Industries Limited	3,088,000	465,500	-	1,508,500	2,045,000	275,625	2.70	2.96	1.71
International Steel Limited	8,049,500	11,000	-	4,346,500	3,714,000	225,626	2.21	2.42	0.85
TPL Properties Ltd	-	2,000,000	-	-	2,000,000	20,600	0.20	0.22	0.96
<b>ENGINEERING</b>									
K.S.B Pumps Limited	6,000	-	-	-	6,000	1,614	0.02	0.02	0.05
Miltal Tractors	-	158,000	-	-	158,000	107,279	1.05	1.15	0.36
Mughal Iron and Steel Industries Limited	1,318,250	-	-	-	1,318,250	112,724	1.11	1.21	1.05

# NAFA STOCK FUND

Name of the investee company	Number of shares					Market value as at September 30, 2016	Investment as a percentage of		
	As at July 01, 2016	Purchases during the period	Bonus / Right Issue	Sales during the period	As at September 30, 2016		Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
						Rupees in '000	------%-----		
<b>PERSONAL GOODS</b>									
Azgard Nine Limited (Non-voting)	806,400	-	-	-	806,400	5,645	0.06	0.06	14.60
Kohinoor Textile Mills Limited	2,894,500	19,500	-	-	2,914,000	247,690	2.43	2.66	1.03
Nishat Chunian Limited	446,300	-	-	-	446,300	20,467	0.20	0.22	0.19
Nishat Mills Limited	3,030,400	197,000	-	-	3,227,400	454,741	4.46	4.88	0.92
Sapphire Fibres Limited	82,300	-	-	-	82,300	51,602	0.51	0.55	0.42
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>									
Al-Shaheer Corporation Limited	1,256,750	313,500	-	-	1,570,250	100,166	0.98	1.07	1.10
Engro Foods Limited	-	655,000	-	-	655,000	95,833	0.94	1.03	0.09
Shezan International Limited	36,700	-	-	-	36,700	18,453	0.18	0.20	0.46
<b>FIXED LINE TELECOMMUNICATION</b>									
Pakistan Telecommunication Company Limited	3,280,000	-	-	-	3,280,000	59,958	0.59	0.64	0.09
<b>ELECTRICITY</b>									
Kot Addu Power Company Limited	2,241,500	-	-	-	2,241,500	187,591	1.84	2.01	0.25
Saif Power Limited	998,500	-	-	-	998,500	30,963	0.30	0.33	0.26
The Hub Power Company Limited	1,076,166	89,000	-	20,000	1,145,166	136,469	1.34	1.46	0.10
<b>COMMERCIAL BANKS</b>									
Allied Bank Limited	1,342,401	1,750,000	-	-	3,092,401	303,581	2.98	3.26	0.27
Bank Al-falah Limited	3,838,500	-	-	-	3,838,500	110,280	1.08	1.18	0.24
Bank Al-Habib Limited	3,652,650	613,000	-	-	4,265,650	191,869	1.88	2.06	0.38
Faysal Bank Limited	38,075	-	-	-	38,075	603	0.01	0.01	0.00
Habib Bank Limited	1,195,263	467,000	-	-	1,662,263	367,044	3.60	3.94	0.11
MCB Bank Limited	574,700	979,000	-	-	1,553,700	343,057	3.37	3.68	0.14
Meezan Bank Limited	252	-	-	-	252	14	-	-	0.00
Silkbank Limited	4,250,000	-	-	-	4,250,000	7,735	0.08	0.08	0.05
United Bank Limited	1,280,440	480,000	-	-	1,760,440	349,940	3.43	3.76	0.14
<b>INSURANCE</b>									
Pakistan Reinsurance Company limited	-	1,939,000	-	-	1,939,000	70,774	0.69	0.76	0.65
<b>EQUITY INVESTMENT INSTRUMENTS</b>									
Sindh Modaraba	1,337,000	-	-	-	1,337,000	6,377	0.06	0.07	2.97
<b>TECHNOLOGY HARDWARE AND EQUIPMENT</b>									
Avanceon Limited	1,663,000	-	-	-	1,663,000	54,064	0.53	0.58	1.57
System Limited	869,500	549,500	-	-	1,419,000	99,500	0.98	1.07	1.28
<b>HOUSEHOLD GOODS</b>									
Tariq Glass Industries Limited	1,787,000	-	-	-	1,787,000	171,141	1.68	1.84	2.43
<b>INDUSTRIAL TRANSPORTATION</b>									
Pakistan National Shipping Corporation Limited	519,100	-	-	-	519,100	58,482	0.57	0.63	0.39
<b>CABLE AND ELECTRIC GOODS</b>									
Pak Elektron Limited	958,625	806,500	-	182,000	1,583,125	112,038	1.10	1.20	0.32
						<b>9,317,563</b>	<b>91.41</b>	<b>100.00</b>	
Carrying value before mark to market (listed ordinary shares) as at September 30, 2016						<b>8,457,337</b>			

4.1.1 Investments include shares with market value of Rs. 104.63 million (June 30, 2016: Rs. 103.65 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

## 4.2 Investment in unlisted equity securities

Name of the Investee Company	As at July 1, 2016	Purchases during the Period	Bonus / right shares	Sales during the Period	As at September 30, 2016	Market Value as at September 30, 2016	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid up capital of investee company
						(Rupees in '000)	------%-----		
GlaxoSmithKline Consumer Healthcare Pakistan Limited*	15,600	-	-	-	15,600	967	0.01	0.01	0.32
Carrying value before mark to market (unlisted ordinary shares) as at September 30, 2016						<b>967</b>			

\* 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.

# NAFA STOCK FUND

	(Un-audited) September 30, 2016	(Audited) June 30, 2016
	(Rupees in '000)	
<b>5 MARK-UP ACCURED AND DIVIDEND RECEIVABLE</b>		
Mark-up accrued on bank balances	558	95
Dividend receivable	100,463	10,514
	<u>101,021</u>	<u>10,609</u>
<b>6 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration	570	432
Brokerage charges	-	2,410
Settlement charges	107	91
Bank charges	47	20
Provision for Workers' Welfare Fund (WWF)	47,575	47,575
Payable against redemption of units	16,019	29,060
Withholding tax	10,146	23,814
Others	1,153	1,017
	<u>75,617</u>	<u>104,419</u>
<b>7 CONTINGENCIES AND COMMITMENTS</b>		

There were no contingencies and commitments as at september 30, 2016 and June 30 ,2016.

## 8 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current year as the management company has distributed more than 90 percent of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 9 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

## 10 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 2.69% p.a. including 0.37% representing government levies on collective Investment scheme such as Sales tax, Worker's Welfare Fund and Securities & Exchange Commission of Pakistan fee for the period.

## 11 PROVISION FOR WORKERS' WELFARE FUND PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015. Accordingly no further provision for WWF has recorded subsequent to June 30, 2015.

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements for the quarter ended September 30, 2016 which aggregates to Rs. 47.575 million. Had the same not been made the net asset value per unit / return of the Fund would have been higher by 0.069 per unit respectively.

# NAFA STOCK FUND

## 12 TRANSACTIONS WITH CONNECTED PERSONS

- 12.1 Connected persons include NBP Fullerton Asset Management Limited (formerly National 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.
- 12.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 12.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 12.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

Un-audited Quarter ended September 30, 2016	Un-audited Quarter ended September 30, 2015
----- (Rupees in '000) -----	

### 12.5 Details of the transactions with connected persons are as follows:

#### NBP Fullerton Asset Management Limited - Management Company

Management fee expense for the period	46,915	25,687
Sindh Sales Tax on remuneration of the Management Company	6,099	4,172
Federal Excise Duty on remuneration of Management Company	-	4,110
Accounting and operational charges to the Management Company	2,346	-
Sales load	-	7,560

#### Employees of the Management Company

Units issued / transferred In 202,289 units (September 30, 2015: 695,415 units)	2,880	8,959
Units redeemed / transferred out 571,994 units (September 30, 2015: 507,715 units)	7,880	6,735

#### Central Depository Company of Pakistan Limited - Trustee

Remuneration	2,598	1,536
Sales tax on remuneration	338	215
CDS Charges	184	194

#### NBP Employee Pension Fund

Units Issued / Transferred in Nil units (September 30, 2015: 2,633,779 units)	-	34,979
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#### Taurus Securities Limited

Brokerage	100	154
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#### Dr Amjad Waheed - CEO

Units Issued / Transferred in 27,963 units (September 30, 2014: 3,392 units)	400	45
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#### Mr Muhammad Murtaza Ali - Company secretary / COO

Units Issued / Transferred in 821 units (September 30, 2015: 489 units)	12	6
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# NAFA STOCK FUND

	Un-audited Quarter ended September 30, 2016 ------(Rupees in '000)-----	Un-audited Quarter ended September 30, 2015
<b>Mr Khalid Mehmood - CFO</b>		
Units Issued / Transferred in 69,162 units (September 30, 2015: Nil units)	1,000	-
<b>Mr Kamal. A. Chinoy - Director</b>		
Units Issued / Transferred in Nil units (September 30, 2014: 37,529 units)	-	498
<b>Jubilee Life Insurance Company Limited (Common Directorship with the Management Company)</b>		
Units issued: 6,177,729 units (2015: Nil units)	88,437	-
<b>National Fullerton Asset Management Limited - Employees provident Fund</b>		
Units Issued / Transferred in Nil units (September 30, 2015: 42,151 units)	-	560
<b>BYCO Oil Pakistan Limited - Employee Provident Fund (entity managed by NAFA)</b>		
Units Issued / Transferred in 101,443 units (September 30, 2015: 95,530 units)	1,395	6,684
<b>BYCO Petroleum Pakistan Limited - Employee Provident Fund (entity managed by NAFA)</b>		
Units Issued / Transferred in 323,730 units (September 30, 2015: 3,798,258 units)	4,446	50,173
Units redeemed / transferred out Nil units (September 30, 2015: 1,914,604 units)	-	23,686
<b>International Industries Limited</b>		
Shares purchased: Nil (September 30, 2015 : 302,500 shares)	-	22,599
<b>Summit Bank Limited</b>		
Bank Profit	-	7

	Un-audited September 30, 2016 ------(Rupees in '000)-----	Audited June 30, 2016
<b>12.6 Amounts outstanding as at period end</b>		
<b>NBP Fullerton Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	16,778	12,512
Sindh Sales Tax on remuneration of the Management Company	2,181	2,032
Federal Excise Duty on remuneration of the Management Company	32,183	32,183
Accounting and operational charges payable to the Management Company	6,179	3,833
Sales load	7,193	6,065
<b>National Bank of Pakistan (Parent of the Management Company)</b>		
Bank balance	3,459	2,564
<b>Summit Bank Limited (Common Directorship with the Management Company)</b>		
Bank balance	11,160	13,551
<b>Employees of the Management Company</b>		
Investment held in the Fund: 431,608 units (2016: 801,313 units)	6,376	10,583

# NAFA STOCK FUND

	Un-audited September 30, 2016	Audited June 30, 2016
	------(Rupees in '000)-----	
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the trustee	895	708
Sindh sales tax on remuneration of the trustee	116	99
CDS charges	107	91
Security deposit	100	100
<b>NAFA Employee Provident Fund (Provident Fund of the Management Company)</b>		
Investment held in the Fund: 1,237,797 units (2016: 1,237,797 units)	18,284	16,348
<b>NBP Employees Pension Fund (Pension Fund of the parent of the Management Company)</b>		
Investment held in the Fund: 57,520,024 units (2016: 57,520,024 units)	849,663	759,701
<b>Chief Executive Officer of the Management Company</b>		
Investment in the Fund: 103,469 units (2016: 75,505 units)	1,528	997
<b>Chief Operating Officer of the Management Company</b>		
Investment in the Fund: 11,201 units (2016: 12,022 units)	165	159
<b>Chief Financial Officer of the Management Company</b>		
Investment in the Fund: 69,162 units (2016: Nil units)	1,022	-
<b>Mr. Kamal A Chinoy (Director of the Management Company)</b>		
Investment in the Fund: 923,352 units (2016: 923,352 units)	13,639	12,195
<b>BYCO Oil Pakistan Limited - Employee Provident Fund (Portfolio managed by the Management Company)</b>		
Investment in the Fund: 948,605 units (2016: 847,161 units)	14,012	11,189
<b>BYCO Petroleum Pakistan Limited - Employee Provident Fund (Portfolio managed by the Management Company)</b>		
Investment in the Fund: 4,812,241 units (2016: 4,488,511 units)	71,085	59,282
<b>The Karachi Electric Provident Fund (Portfolio managed by the Management Company)</b>		
Dividend Payable	-	11,096
<b>Jubilee Life Insurance Company Limited (Common Directorship with the Management Company)</b>		
Investment in the Fund: 833,540 units (2016: 6,177,728 units)	12,313	81,593
<b>International Industries Limited (Common Directorship with the Management Company)</b>		
Ordinary shares held: Nil (2016: 3,088,000)	-	249,727
<b>International Steels Limited (Common Directorship with the Management Company)</b>		
Ordinary shares held: Nil (2016: 8,049,500)	-	286,723
<b>Cherat Packaging Pakistan Limited (Common Directorship with the Management Company)</b>		
Ordinary shares: 148,074 (2016: 180,974)	57,007	61,851
<b>Sindh General Provident Investment Fund (unit Holding more than 10%)</b>		
Investment in the Fund: Nil units (2016: 37,258,660 units)	-	492,097
<b>Taurus Securities Limited (Subsidiary of the parent of the Management Company)</b>		
Brokerage payable	22	229

# NAFA STOCK FUND

Un-audited September 30, 2016	Audited June 30, 2016
------(Rupees in '000)-----	

**Net amount receivable / (payable) against transfer of units from / to:**

- NAFA Income Opportunity Fund	-	8,501
- NAFA Islamic Energy Fund	-	14,205
- NAFA Asset Allocation Fund	-	8,069
- NAFA Islamic Stock Fund	-	2,739
- NAFA Islamic Aggressive Income Fund	-	(24,560)
- NAFA Government Securities Liquid Fund	-	(714)
- NAFA Riba Free Savings Fund	-	842
- NAFA Islamic Asset Allocation Fund	-	(2,662)
- NAFA Money Market Fund	-	(1,069)

### 13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 28, 2016.

### 14 GENERAL

- 14.1 Figures have been rounded off to the nearest thousand rupees.
- 14.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



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

## Head Office

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