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

NAFA ISLAMIC STOCK FUND

QUARTERLY REPORT MARCH 31 2016



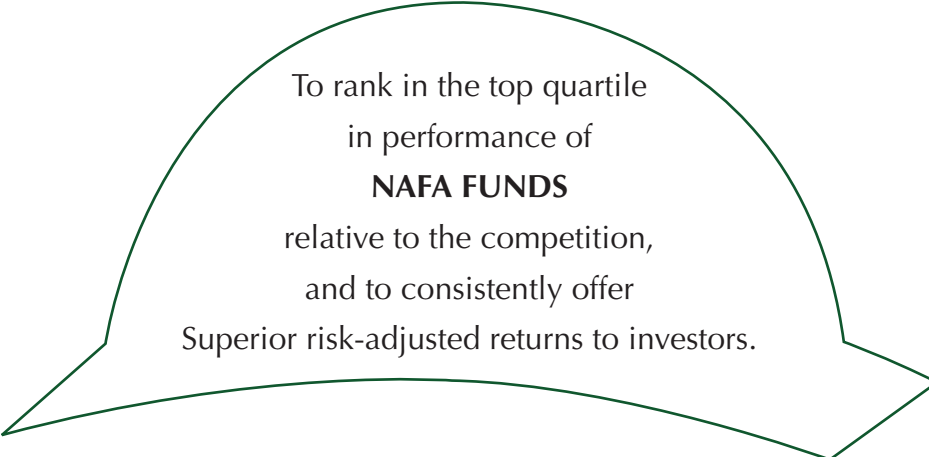
Your investments & "NAFA" grow together



**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 ISLAMIC STOCK FUND

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NAFA ISLAMIC STOCK FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nigel Poh Cheng	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & 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. Nausherwan Adil	Chairman
Mr. Nigel Poh Cheng	Member
Mr. Kamal Amir Chinoy	Member

Trustee

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

Bankers to the Fund

Summit Bank Limited
Bank Alfalah Limited
Habib Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
United Bank Limited
Burj Bank Limited
BankIslami Pakistan Limited
Meezan Bank Limited
Sindh Bank Limited
Bank Al Habib Limited
Dubai Islamic Bank Pakistan Limited

NAFA ISLAMIC STOCK FUND

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

NAFA ISLAMIC STOCK FUND

DIRECTORS' REPORT

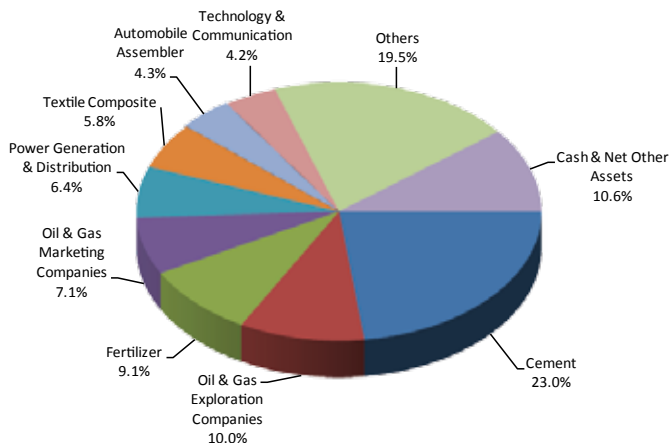
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Islamic Stock Fund** (NISF) for the period ended March 31, 2016.

Fund's Performance

The size of NAFA Islamic Stock Fund has increased from Rs.1,252 million to Rs.1,661 million during the period, i.e. an increase of 32.67%. During the third quarter, the unit price of NAFA Islamic Stock Fund (NISF) has increased from Rs.11.0232 on December 31, 2015 to Rs.11.2267 on March 31, 2016, thus showing an increase of 1.85%. The Benchmark (KMI-30 Index) for the same period increased by 4.70%. Thus, the Fund has underperformed its Benchmark by 2.85% during the period under review. For the nine months period ended March 31, 2016, the unit price of NAFA Islamic Stock Fund (NISF) has increased from Rs. 10.8898 (Ex-Div) on June 30, 2015 to Rs.11.2267 on March 31, 2016, thus showing an increase of 3.09%. The Benchmark (KMI-30 Index) for the same period increased by 1.65%. Thus, the Fund has outperformed its Benchmark by 1.44% during the period under review. Since Launch of the Fund, the unit price of NAFA Islamic Stock Fund (NISF) has increased from Rs. 9.7766 (Ex-Div) on January 09, 2015 to Rs.11.2267 on March 31, 2016, thus showing an increase of 14.83%. The Benchmark (KMI-30 Index) for the same period increase by 11.01%. Thus, the Fund has outperformed its Benchmark by 3.82% during the period under review. This performance is net of management fee and all other expenses.

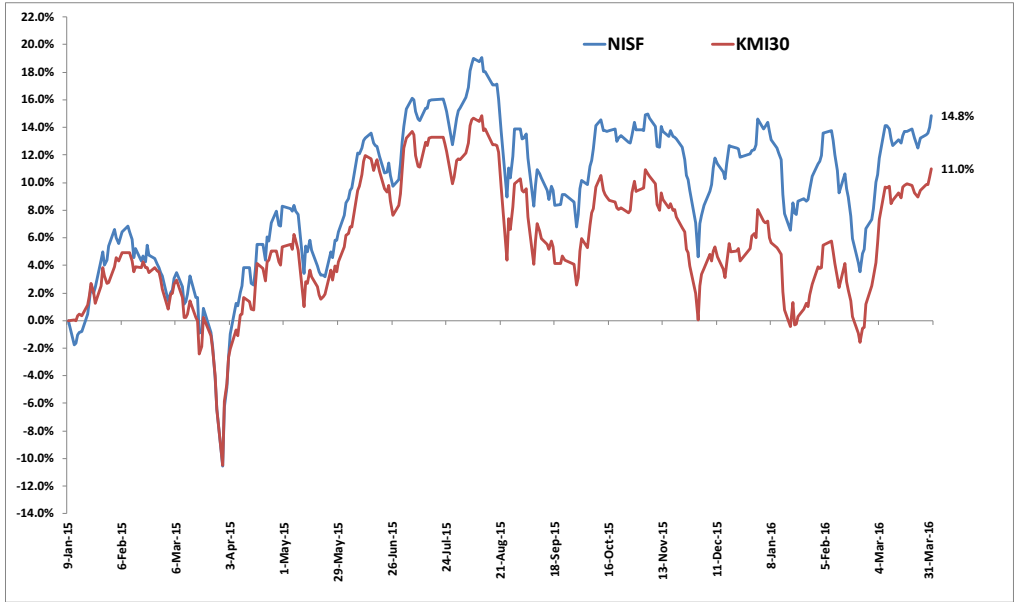
The stock market volatility remained elevated during the 3QFY16. The market started off the quarter on a weak note in January, posting -3.2% returns before taking a breather in February and finally making a strong recovery in March. Overall, the KMI-30 Index increased by 4.7% during the quarter driven by strong performance of the Cement sector on the back of robust volumetric growth, and recovery in Oil & Gas sector due to sharp rebound in international crude prices from their lows. Foreign investors remained large net sellers with net outflows of USD100mn during the quarter, though slowdown in foreign selling was evident as the cumulative selling during the first two months stood at USD 89 million as compared to just USD11 million in the third month. On the local side, NBFCs, Individuals, and Companies remained net buyers, absorbing the foreign selling, which was largely concentrated in Banks and Fertilizers sectors. Towards the end of the quarter, MSCI also initiated consultation process for potential reclassification of Pakistan to Emerging Markets which garnered significant investor interest. The Pharmaceuticals and Cement sectors outperformed the market whereas, Chemicals and Fertilizer sectors lagged behind.

The Fund has earned total income of Rs.97.45 million during the period. After deducting expenses of Rs.46.83 million, the net income is Rs.50.62 million. The below chart presents the asset allocation of NISF.



NAFA ISLAMIC STOCK FUND

NISF Performance versus Benchmark (Since Inception)



Acknowledgement

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

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

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: April 29, 2016
Place: Karachi.

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT MARCH 31, 2016

	(Un-Audited) March 31, 2016	(Audited) June 30, 2015
	----- Rupees in '000 -----	
Note		
ASSETS		
Balances with banks	177,224	133,821
Investments	1,482,562	1,061,806
Receivable against issue of units	11,476	97,656
Profit and Dividend receivable	15,819	3,848
Advances, deposits and other receivables	2,666	2,633
Total assets	1,689,747	1,299,764
LIABILITIES		
Payable to NBP Fullerton Asset Management Limited - Management Company	13,948	10,900
Payable to Central Depository Company of Pakistan Limited - Trustee	258	181
Payable to Securities and Exchange Commission of Pakistan	1,116	398
Payable against redemption of units	1,202	28,454
Payable against purchase of investment	8,043	-
Accrued expenses and other liabilities	4,346	8,326
Total liabilities	28,913	48,259
NET ASSETS	<u>1,660,834</u>	<u>1,251,505</u>
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)	<u>1,660,834</u>	<u>1,251,505</u>
CONTINGENCIES AND COMMITMENTS		
Number of units in issue	<u>147,935,445</u>	<u>113,552,481</u>
NET ASSET VALUE PER UNIT	<u>11.2267</u>	<u>11.0214</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

INCOME	Nine months ended		Quarter Ended
	March 31, 2016	March 31, 2016	March 31, 2015
	----- Rupees in '000 -----		
Capital (loss) on sale of investments - net	(19,401)	(24,409)	(4,488)
Dividend Income	55,824	20,036	8,639
Profit on bank deposits	6,664	2,429	917
Unrealised appreciation/ (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	10,341	19,231	(54,066)
Total income / (loss)	53,428	17,287	(48,998)
EXPENSES			
Remuneration of NBP Fullerton Asset Management Limited Management Company	29,227	8,400	4,909
Sindh sales tax on remuneration of the Management Company	4,746	1,364	854
FED on remuneration of the Management Company	4,676	1,344	785
Allocation of operational expenses from the Management Company	600	419	-
Remuneration to Central Depository Company of Pakistan Limited- Trustee	1,926	669	327
Sindh Sales Tax on remuneration of the Trustee	270	94	-
Annual fee - Securities and Exchange Commission of Pakistan	1,116	399	155
Securities transaction cost	3,302	978	928
Settlement and bank charges	573	217	122
Annual listing fee	29	9	11
Auditors' remuneration	317	91	139
Fund rating fee	-	-	34
Printing charges	50	1	24
Legal & Professional charges	-	-	23
Total Expenses	46,832	13,985	8,311
Net income / (loss) from operating activities	6,596	3,302	(57,309)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	44,020	23,436	-
Provision for Workers' Welfare Fund	9	-	-
Net income / (loss) for the period before taxation	50,616	26,738	(57,309)
Taxation	7	-	-
Net income / (loss) for the period after taxation	50,616	26,738	(57,309)

Note

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine months ended March 31, 2016	Quarter Ended March 31, 2016	Quarter Ended March 31, 2015
	----- Rupees in '000 -----		
Net income / (loss) for the period after taxation	50,616	26,738	(57,309)
Other Comprehensive Income	-	-	-
Total comprehensive income / (loss) for the period	<u>50,616</u>	<u>26,738</u>	<u>(57,309)</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine months ended March 31, 2016	Quarter Ended March 31, 2016	March 31, 2015
	----- Rupees in '000 -----		
Undistributed income at the beginning of the period			
Realised gain	31,811	133,175	-
Unrealised gain	84,170	(8,890)	-
	<u>115,981</u>	<u>124,285</u>	<u>-</u>
Net Income / (loss) for the period after taxation	50,616	26,738	(57,309)
Final distribution made during the period			
- Re 0.1369 per unit distribution for the year ended June 30, 2015	(15,574)	-	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	-	-	9,382
Undistributed income / (loss) carried forward	<u>151,023</u>	<u>151,023</u>	<u>(47,927)</u>
Undistributed income / (loss) at the end of the period comprising of:			
Realised gain	140,682	131,792	6,139
Unrealised gain / (loss)	10,341	19,231	(54,066)
	<u>151,023</u>	<u>151,023</u>	<u>(47,927)</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine months ended March 31, 2016	Quarter Ended March 31, 2016	Quarter Ended March 31, 2015
	----- Rupees in '000 -----		
Net assets at the beginning of the period	1,251,505	1,898,792	-
Issue of 228,480,985 units	2,516,454	820,856	1,006,280
Redemption of 194,098,019 units	(2,098,147)	(1,062,116)	(233,999)
	418,307	(241,260)	772,281
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	(44,020)	(23,436)	9,382
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	10,341	19,231	(54,066)
Capital loss on sale of investments - net	(19,401)	(24,409)	(4,488)
Other income (net of expenses) for period	59,676	31,916	1,245
	50,616	26,738	(57,309)
Final distribution made during the period			
- Re 0.1369 per unit distribution for the year ended June 30, 2015	(15,574)	-	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	-	-	(9,382)
Net assets at the end of the period	1,660,834	1,660,834	714,972

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine months ended March 31, 2016	Quarter Ended March 31, 2016	Quarter Ended March 31, 2015
	----- Rupees in '000 -----		
CASH FLOW FROM OPERATING ACTIVITIES			
Net income / (loss) for the period before taxation	50,616	26,738	(57,309)
Adjustments			
Unrealised appreciation/ (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(10,341)	(19,231)	54,066
Element of (income) / loss and capital (gain) / losses included in prices of units issued less those in units redeemed - net	(44,020)	(23,436)	-
	(3,745)	(15,929)	(3,243)
(Increase) / decrease in assets			
Investments	(410,415)	300,576	(687,289)
Profit and Dividend receivable	(11,971)	(13,134)	(8,128)
Advances, deposits and other receivables	(33)	8	(12,228)
Receivable against issue of units	86,180	(11,476)	(18,574)
	(336,239)	275,974	(726,219)
Increase / (decrease) in liabilities			
Payable to the Management Company	3,048	(1,571)	11,667
Payable to the Trustee	77	(12)	134
Payable to the Securities and Exchange Commission of Pakistan	718	399	155
Payable against purchase of investment	8,043	8,043	-
Accrued expenses and other liabilities	(3,980)	(208)	897
	7,906	6,651	12,853
Net cash generated from / (used in) operating activities	(332,078)	266,696	(716,609)
CASH FLOW FROM FINANCING ACTIVITIES			
Net receipts from issue of units	2,516,454	820,856	1,006,280
Net payments on redemption of units	(2,125,399)	(1,070,305)	(233,999)
Distributions made	(15,574)	-	-
Net cash generated from / (used in) financing activities	375,481	(249,449)	772,281
Net increase in cash and cash equivalents during the period	43,403	17,247	55,672
Cash and cash equivalents at the beginning of the period	133,821	159,977	-
Cash and cash equivalents at the end of the period	177,224	177,224	55,672

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Un-Audited) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Stock Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 18, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 21, 2014, under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The principal office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2015.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2016.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2015.

NAFA ISLAMIC STOCK FUND

	Note	(Un-Audited) March 31, 2016 (Rupees in '000)	(Audited) June 30, 2015 (Rupees in '000)
4 INVESTMENTS			
Financial assets at fair value through profit or loss			
- Listed equity securities	4.1	1,482,562	1,060,929
Available for sale			
- Preference shares	4.3	-	877
		<u>1,482,562</u>	<u>1,061,806</u>

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

Name of the investee company	As at July 1, 2015	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2016	Market value as at March 31, 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)	-----%		
OIL AND GAS									
Attock Petroleum Limited	67,600	1,900	-	26,100	43,400	18,699	1.13	1.26	0.05
Pakistan State Oil Company Limited	150,600	237,900	-	218,100	170,400	59,851	3.60	4.04	0.06
Shell Pakistan Limited	139,200	80,300	-	72,900	146,600	39,599	2.38	2.67	0.14
Hiscof Petroleum Limited	148,640	-	208	147,600	1,248	175	0.01	0.01	0.00
Pakistan Oilfields Limited	118,200	355,100	-	301,600	171,700	44,300	2.67	2.99	0.07
Pakistan Petroleum Limited	167,400	872,800	-	642,300	397,900	50,979	3.07	3.44	0.02
Mari Petroleum Company Limited	4,000	193,000	-	97,100	99,900	70,177	4.23	4.73	0.09
Attock Refinery Limited	69,400	337,800	-	308,400	98,800	22,761	1.37	1.54	0.09
National Refinery Limited	59,700	66,100	-	67,000	58,800	15,905	0.96	1.07	0.07
FERTILIZER									
Engro Fertilizers Limited	291,500	1,518,500	-	1,052,000	758,000	52,673	3.17	3.55	0.06
Engro Corporation Limited	342,500	334,300	-	444,000	232,800	73,495	4.43	4.96	0.04
Fatima Fertilizer Company Limited	348,000	565,000	-	166,000	747,000	24,860	1.50	1.68	0.04
Dawood Hercules Corporation Limited	71,500	-	-	71,500	-	-	-	-	-
Fauji Fertilizer Company Limited	-	198,400	-	198,400	-	-	-	-	-
Automobile & Parts									
Baluchistan Wheels Limited	9,000	1,000	-	-	10,000	800	0.05	0.05	0.07
Indus Motor Company Limited	49,150	22,000	-	29,500	41,650	39,453	2.38	2.66	0.05
Pak Suzuki Motor Company Limited	40,300	105,000	-	80,100	65,200	26,847	1.62	1.81	0.08
Ghandhara Nissan Limited	78,500	76,000	-	154,500	-	-	-	-	-
Sazgar Engineering Works Limited	83,000	76,000	-	-	159,000	4,900	0.30	0.33	0.88
Honda Atlas Cars (Pakistan) Limited	188,900	16,000	-	204,900	-	-	-	-	-
Industrial Metals and Mining									
Crescent Steel and Allied Products Limited	-	403,500	-	166,900	236,600	27,819	1.68	1.88	0.30
CONSTRUCTION AND MATERIALS									
D.G. Khan Cement Company Limited	377,500	462,800	-	464,500	375,800	65,322	3.93	4.41	0.09
Kohat Cement Company Limited	58,300	41,200	-	99,500	-	-	-	-	-
Lucky Cement Limited	142,600	122,000	-	149,400	115,200	61,990	3.73	4.18	0.04
Maple Leaf Cement Factory Limited	375,500	485,000	-	643,000	217,500	20,056	1.21	1.35	0.04
Pioneer Cement Limited	47,000	569,500	-	91,500	525,000	51,933	3.13	3.50	0.23
Attock Cement Pakistan Limited	63,900	212,800	-	15,000	261,700	53,387	3.21	3.60	0.23
FECTO Cement Limited	225,000	412,500	-	107,000	530,500	52,848	3.18	3.56	1.06
Fauji Cement Company Limited	-	2,744,000	-	930,500	1,813,500	76,004	4.58	5.13	0.14
GENERAL INDUSTRIALS									
Thal Limited	19,400	64,400	-	-	83,800	21,345	1.29	1.44	0.10
Ecopack Limited	-	328,500	-	-	328,500	3,416	0.21	0.23	1.43
PERSONAL GOODS									
Kohinoor Textile Mills Limited	816,000	96,000	96,225	335,000	673,225	47,644	2.87	3.21	0.27
Nishat Mills Limited	60,000	652,000	-	209,500	502,500	48,146	2.90	3.25	0.14
Service Industries Limited	-	10,150	-	-	10,150	9,047	0.54	0.61	0.08
Chemical									
Ittehad Chemical Limited	408,000	-	121,500	60,000	469,500	12,202	0.73	0.82	0.94
ELECTRICITY									
The Hub Power Company Limited	644,500	418,500	-	668,500	394,500	41,241	2.48	2.78	0.03
Kot Addu Power Company Limited	556,000	75,000	-	242,000	389,000	30,019	1.81	2.02	0.04
K-Electric Limited	500,000	3,154,500	-	1,176,000	2,478,500	17,597	1.06	1.19	0.11
Lalpir Power Limited	281,500	-	-	281,500	-	-	-	-	-
Pakgen Power Limited	-	956,000	-	304,500	651,500	17,578	1.06	1.19	0.18
COMMERCIAL BANKS									
Meezan Bank Limited	69,500	240,000	-	-	309,500	12,999	0.78	0.88	0.03
MULTIUTILITIES (GAS AND WATER)									
Sui Northern Gas Pipelines Limited	500,000	1,300,500	-	1,800,500	-	-	-	-	-
GLASS AND CERAMICS									
Tariq Glass Limited	157,500	544,000	-	24,000	677,500	38,279	2.30	2.58	0.92
CABLE AND ELECTRIC GOODS									
Pak Elektron Limited	345,000	1,071,000	175,750	1,004,000	587,750	35,541	2.14	2.40	0.15
ENGINEERING									
Mughal Iron and Steel Industries Limited	448,500	299,000	84,825	475,500	356,825	24,418	1.47	1.65	0.33

NAFA ISLAMIC STOCK FUND

Name of the investee company	As at July 1, 2015	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2016	Market value as at March 31, 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)	-----%		
PHARMA AND BIO TECH									
Ferozsons Laboratories Limited	15,500	14,450	-	5,300	24,650	21,563	1.30	1.45	0.08
Abbott Lab (Pakistan) Limited	6,000	950	-	6,000	950	629	0.04	0.04	0.00
The Searle Company Limited	37,000	26,000	12,026	35,800	39,226	17,239	1.04	1.16	0.05
INDUSTRIAL TRANSPORTATION									
Pakistan National Shipping Corporation	-	206,800	-	2,800	204,000	14,535	0.88	0.98	0.15
BEVERAGES									
Shezan International Limited	-	21,000	-	300	20,700	10,168	0.61	0.69	0.26
FOOD PRODUCERS									
Al Shaheer Corporation Limited	-	487,000	169,750	-	656,750	35,103	2.11	2.37	0.53
Technology & Communication									
Avanceon Limited	386,000	823,500	-	177,500	1,032,000	34,789	2.09	2.35	0.98
Pakistan Telecommunication Company Limited	-	2,607,500	-	1,238,500	1,369,000	20,562	1.24	1.39	0.04
Netsol Technologies	-	208,000	-	-	208,000	13,680	0.82	0.92	0.23
					<u>18,746,224</u>	<u>1,482,562</u>	<u>89.27</u>	<u>100.00</u>	
Carrying value as at March 31, 2016						<u>1,472,221</u>			

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

- 4.2 Investments include shares with market value of Rs 75.57 million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the SECP
- 4.3 In pursuance of the recommendations of Board of Directors of Mari Petroleum Company Limited at its meeting held on April 17, 2015 and resolution passed by the shareholders at the Extra Ordinary General Meeting held on May 21, 2015, the Fund has been allotted non-voting, non-cumulative, unlisted redeemable Preference Shares of Rs 10/- each in the proportion of 877.09761 Preference Shares for every 100 Ordinary shares held. During the half year ended December 31, 2015, the Fund has redeemed the shares on October 10, 2015.

5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2016 and June 30, 2015

6 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this connection, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 2.403 million in these condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at March 31, 2016 would have been higher by Rs 0.0162 per unit.

NAFA ISLAMIC STOCK FUND

The Finance Act, 2015 has excluded Collective Investment Schemes (CISs) from the definition of 'industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, the Management Company has discontinued further provisioning of WWF with effect from 1 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending before the Sindh High Court (SHC).

7 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 ninety percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The fund has not recorded a tax liability in respect of income relating to the current year as the management company intends to distribute the required minimum percentage of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

8 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 8.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan and Alexandra Fund Management Pte. Limited being the sponsors, NAFA provident Trust Fund being the employee contribution plan of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.
- 8.2 On March 31, 2010, NIB sold out its shareholding of NAFA to NBP. Accordingly, thereafter NIB is no longer a connected person for the Fund.
- 8.3 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 8.4 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 8.5 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

-----Unaudited-----		
Nine months ended	Quarter Ended	
March 31, 2016	March 31, 2016	March 31, 2015
----- (Rupees in '000) -----		

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

NBP Fullerton Asset Management Limited - Management Company			
Remuneration of the Management Company	29,227	8,400	4,909
Sindh sales tax on remuneration of the Management Company	4,746	1,364	854
FED on remuneration of the Management Company	4,676	1,344	785
Allocation of operational expenses from the Management Company	600	419	-
Sales load	3,772	825	2,965
Transfer load	2,135	147	1,411
NBP Fullerton Asset Management Limited - Management Company			
Units issued / transferred in (109,794 units)	1,245	-	103,000

NAFA ISLAMIC STOCK FUND

	-----Unaudited-----		
	Nine months ended March 31, 2016	Quarter Ended March 31, 2016	March 31, 2015
	------(Rupees in '000)-----		
NAFA Islamic Principal Preservation Fund			
Units issued / transferred In (24,704,010 units)	295,666	144,149	456,876
Units redeemed / transferred out (41,492,480 units)	433,609	211,759	164,097
Employees of the Management Company			
Units issued / transferred In (3,947,761 units)	42,899	11,115	15,971
Units redeemed / transferred out (3,550,375 units)	38,903	13,827	3,752
Cash distribution	112	-	-
Central Depository Company of Pakistan Limited - Trustee			
Remuneration	1,926	669	327
Sindh Sales Tax on remuneration of Trustee	270	94	-
Taurus Securities Limited (Common Directorship)			
Brokerage expense	185	43	91
Summit Capital Pvt Limited			
Brokerage expense	39	-	-
Security Papers Limited			
Units issued / transferred In (27,259,819 units)	300,645	-	-
Units redeemed / transferred out (15,989,036 units)	175,000	175,000	-
Cash Distribution	737	-	-
	(Un-audited)	(Audited)	
	March 31, 2016	June 30, 2015	
	------(Rupees in '000)-----		

8.7 Amounts outstanding as at period end

NBP Fullerton Asset Management Limited - Management Company

Management remuneration payable	2,687	2,977
Sindh sales tax payable	436	518
F.E.D on Management Fee	6,686	2,010
Sales load and transfer load to management company	3,518	2,698
Allocation of operational expenses from the Management Company	601	-
Other Payable	20	2,697

NAFA Islamic Principal Preservation Fund

Units held: 23,416,423 (June 30, 2015: 38,204,892)	262,889	421,071
Dividend payable	-	4,386

NBP Fullerton Asset Management Limited - Management Company

Units held: 10,504,651 (June 30, 2015: 10,394,856)	117,933	114,566
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Employees of the Management Company

Units held: 1,365,798 (June 30, 2015: 958,513)	15,333	10,564
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NAFA ISLAMIC STOCK FUND

(Un-audited) (Audited)
 March 31, June 30,
 2016 2015
 -----(Rupees in '000)-----

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	219	181
Security deposit	103	103
Sindh Sales Tax on remuneration of Trustee	31	-
CDS charges payable	8	-

Security Papers Limited

Units held: 16,655,070 (June 30, 2015: 5,384,287)	186,981	59,342
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Taurus Securities Limited (Common Directorship)

Brokerage payable	4	-
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National Bank of Pakistan

Bank Balances	974	1,480
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Summit Bank Limited (Common Directorship)

Bank Balances	3,003	642
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Amount receivable against issue of units from:

NAFA Islamic Asset Allocation Fund	-	93,671
NAFA Islamic Aggressive Income Fund	2,994	3,985
NAFA Riba Free Savings Fund	486	-
NAFA Income Opportunity Fund	7,996	-

Amount payable against redemption of units to:

NAFA Government Securities Liquid Fund	-	3,857
NAFA Income Opportunity Fund	-	733
NAFA Money Market Fund	-	67
NAFA Riba Free Savings Fund	-	462
NAFA Stock Fund	-	22,798
NAFA Income Fund	-	537
NAFA Islamic Asset Allocation Fund	35	-
NAFA Islamic Aggressive Income Fund	99	-

9 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on April 29, 2016.

10 GENERAL

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

For NBP Fullerton Asset Management Limited
 (Management Company)

Chief Executive

Director



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

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