


## 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

## FUND'S INFORMATION

### Management Company

NBP Fullerton Asset Management Limited – Management Company

### Board of Directors of the Management Company

Mr. Shahid Anwar Khan	Chairman
Mr. Amir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Asif A. Brohi	Director
Dr. Amjad Waheed	Chief Executive Officer

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Koh Boon San	Chairman
Mr. Shehryar Faruque	Member
Mr. Amir Shehzad	Member

### Trustee

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

### Bankers to the Fund

Allied Bank Limited  
Askari Bank Limited  
Summit Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Deutsche Bank  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
KASB Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Silk Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (PAK) Limited  
The Bank of Punjab  
United Bank Limited

**Auditors**

M. Yousuf Adil Saleem & Co.  
Chartered Accountants  
Cavish Court,  
A-35, Block 7 & 8,  
KCHSU, Sharae Faisal  
Karachi-75350 Pakistan

**Legal Advisor**

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

**Head Office:**

7<sup>th</sup> Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 111-111-NFA (111-111-632)  
Helpline (Toll Free): 0800-20001  
Fax: (021) 35825329

**Lahore Office:**

7-Noon Avenue, Canal Bank,  
Muslim Town Lahore.  
Contact: 042-35914272

**Islamabad Office:**

Plot No. 395, 396  
Industrial Area, 1-9/3 Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
Fax: 051-4859031

**Peshawar Office:**

1st Floor, Haji Tehmas Centre,  
Near KFC, Tehkal Payan  
University Road, Peshawar.  
Phone: 92-91-5711784, 5711782  
Fax: 92-91-5211780

**Multan Office:**

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

# NAFA STOCK FUND

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# NAFA STOCK FUND

## DIRECTORS' REPORT

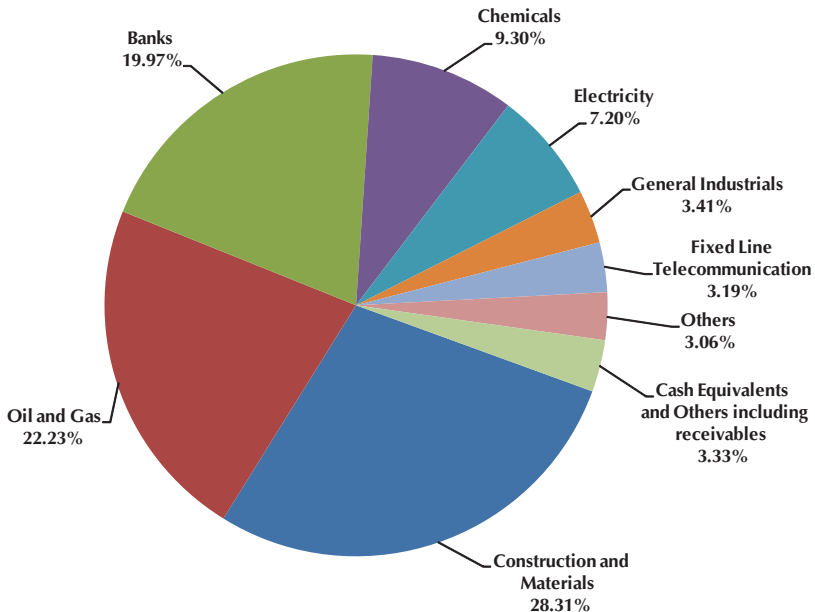
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the reviewed financial statements of NAFA Stock Fund for the half year ended December 31, 2012.

### Fund's Performance

During the first half, the unit price of NAFA Stock Fund (NSF) has increased from Rs.7.3095 (Ex-Div) on June 30, 2012 to Rs.9.0791 on December 31, 2012, thus showing an increase of 24.21%, as compared to its Benchmark's (KSE-30 Index) positive return of 15.45%, for the same period. Thus, the Fund has outperformed its Benchmark by 8.76% during the period under review. Since inception (January 22, 2007), the unit price of the Fund has shown a growth of 71.47% as compared to 2.77% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 68.70% since its inception. This out-performance is net of management fee and all other expenses. The Fund size of NSF at the end of the period stood at Rs.1,163 million, i.e. an increase of 6.70% compared to the June 30, 2012.

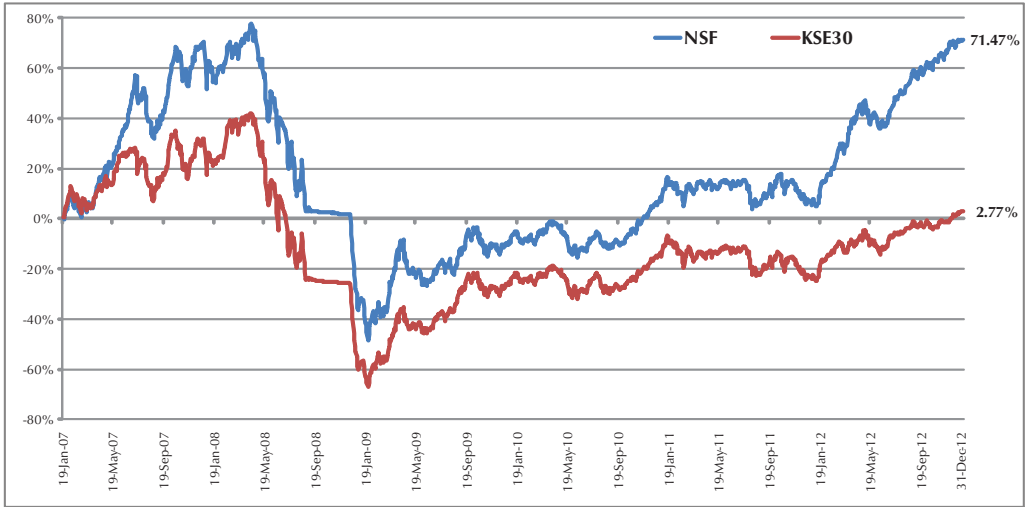
The stock market depicted upbeat performance during 1HFY2013 driven by: (i) the healthy corporate earnings growth and payouts; (ii) monetary easing by the SBP amid letup in inflation; (iii) healthy foreign investors' activity; and (iv) receipts on account of Coalition Support Fund (CSF). Construction & Material, General Industrial, Fixed Line Communication sectors performed better than the market. On the other hand, Banking, Chemicals and Automobile sectors lagged the market. Trading activity remained healthy with average daily trading volume was recorded at 120 million shares.

The Fund has earned total income of Rs.300.80 million during the period. After deducting expenses of Rs.27.06 million, the net income is Rs.273.74 million. The asset allocation of the Fund as on December 31, 2012 is as follows:



# NAFA STOCK FUND

NSF Performance versus Benchmark (Since Inception)



## Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 3.00% of opening ex-NAV (2.187% of the par value) for the period ended December 31, 2012.

## 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 26, 2013  
Place: Karachi.

# NAFA STOCK FUND

## TRUSTEE REPORT TO THE UNIT HOLDERS

### NAFA STOCK FUND

**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, 2012 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.

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 28, 2013

# NAFA STOCK FUND

## AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of NAFA STOCK FUND (the Fund) as at December 31, 2012, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and notes to the accounts for the six months period ended December 31, 2012 (here-in-after referred to as the 'interim financial information'). **NBP Fullerton Asset Management Limited** (the Management Company) is responsible for the preparation and fair 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. The figures of the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' fund for the three months period ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2012.

### *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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### **Chartered Accountants**

**Engagement Partner:**  
Nadeem Yousuf Adil

**Place:** Karachi  
**Date:** February 26, 2013



# NAFA STOCK FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT DECEMBER 31, 2012

		(Un-audited) December 31, 2012	(Audited) June 30, 2012
		-----Rupees in '000-----	
<b>ASSETS</b>	<b>Note</b>		
Balances with banks	4	56,956	77,043
Investments	5	1,124,418	1,079,439
Dividend and profit receivable	6	642	864
Deposits, prepayments and other receivables		2,839	2,740
<b>Total assets</b>		<u>1,184,855</u>	<u>1,160,086</u>
<b>LIABILITIES</b>			
Payable to NBP Fullerton Asset Management Limited - Management Company	7	2,693	2,171
Payable to Central Depository Company of Pakistan Limited - Trustee		240	181
Payable to Securities and Exchange Commission of Pakistan		616	953
Payable against purchase of investments		229	54,342
Payable against redemption of units		121	-
Accrued expenses and other liabilities	8	17,771	12,013
<b>Total Liabilities</b>		<u>21,670</u>	<u>69,660</u>
<b>NET ASSETS</b>		<u>1,163,185</u>	<u>1,090,426</u>
<b>UNIT HOLDERS' FUND (as per statement attached)</b>		<u>1,163,185</u>	<u>1,090,426</u>
Contingencies and commitments	10		
		-----Number of units-----	
<b>Number of units in issue</b>		<u>128,116,220</u>	<u>137,335,751</u>
		-----Rupees-----	
<b>Net asset value per unit</b>		<u>9.0791</u>	<u>7.9399</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Six months ended		Three months ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Note -----Rupees in '000-----				
<b>INCOME</b>				
Profit on bank deposits	2,436	3,734	1,623	1,823
Gain / (loss) on sale of investments - net	109,906	(47,380)	84,289	(19,855)
Income from Government Securities	89	1,036	-	548
Dividend Income	60,726	35,344	34,949	25,478
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss - held for trading - net	127,646	(52,567)	(16,198)	(71,506)
<b>Total income / (loss)</b>	<b>300,803</b>	<b>(59,833)</b>	<b>104,663</b>	<b>(63,512)</b>
<b>EXPENSES</b>				
Remuneration of NBP Fullerton Asset Management Limited -Management Company	12,970	14,124	6,304	7,619
Sindh sales tax on remuneration of the Management Company 7.1	2,075	2,260	1,009	1,220
Remuneration to Central Depository Company of Pakistan Limited-Trustee	1,153	929	568	495
Annual fee - Securities and Exchange Commission of Pakistan	616	447	299	241
Annual listing fee	20	20	10	10
Securities transaction cost	3,850	2,509	1,957	1,446
Settlement and bank charges	437	167	356	104
Auditors' remuneration	276	256	148	116
Fund rating fee	61	55	33	30
Amortisation of preliminary expenses and floatation costs	-	252	-	126
Printing charges	25	76	1	30
<b>Total expenses</b>	<b>21,483</b>	<b>21,095</b>	<b>10,685</b>	<b>11,437</b>
<b>Net income / (loss) from operating activities</b>	<b>279,320</b>	<b>(80,928)</b>	<b>93,978</b>	<b>(74,949)</b>
Provision for Workers' Welfare Fund 9	(5,586)	-	(1,879)	-
<b>Net income / (loss) for the period before taxation</b>	<b>273,734</b>	<b>(80,928)</b>	<b>92,099</b>	<b>(74,949)</b>
<b>Taxation</b> 11	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income / (loss) for the period after taxation</b>	<b>273,734</b>	<b>(80,928)</b>	<b>92,099</b>	<b>(74,949)</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2012

	Six months ended		Three months ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	-----Rupees in '000-----			
Net income / (loss) for the period after taxation	273,734	(80,928)	92,099	(74,949)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>273,734</u>	<u>(80,928)</u>	<u>92,099</u>	<u>(74,949)</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2012

	Six months ended		Three months ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
-----Rupees in '000-----				
Accumulated loss brought forward	(218,494)	(287,976)	(112,726)	(417,348)
Final distribution for the year ended June 30, 2012: 6.51% (2011: 10.33% units )				
- Bonus units	(80,880)	(101,560)	-	-
- Cash Distribution	(15,959)	(25,392)	-	-
Element of (loss) / income and capital (losses) / gains redeemed included in prices of units issued less those in units redeemed	(36,745)	19,633	(57,717)	16,074
Net income / (loss) for the period	273,734	(80,928)	92,099	(74,949)
	140,150	(188,247)	34,382	(58,875)
Accumulated loss carried forward	<u>(78,344)</u>	<u>(476,223)</u>	<u>(78,344)</u>	<u>(476,223)</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2012

	Six months ended		Three months ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
-----Rupees in '000-----				
Net assets at the beginning of the period	1,090,426	926,795	1,433,402	894,395
Issue of 58,798,471 units including 10,712,251 bonus units (2011: 91,541,782 units)	396,508	498,600	84,964	329,611
Redemption of 68,018,003 units (2011: 76,466,779 units)	(581,524) (185,016)	(482,416) 16,184	(447,281) (362,317)	(312,398) 17,213
Final Distribution (Bonus) for the year ended June 30, 2012 : 10,712,251 units (June 30, 2011 : 15,601,886 Units)	80,880	101,560	-	-
Element of loss / (income) and capital losses / (gains) redeemed included in prices of units issued less those in units redeemed transferred to distribution statement	36,745	(19,633)	57,718	(16,074)
Total comprehensive income / (loss) for the period	273,734	(80,928)	92,099	(74,949)
Final distribution for the year ended June 30, 2012: (6.51%) (2011:9.163% units)				
- Bonus units	(80,880)	(101,560)	-	-
- Cash distribution	(15,959)	(25,392)	-	-
Element of (loss) / income and capital gains / (losses) included in prices of units issued less those in units redeemed - net	(36,745)	19,633	(57,717)	16,074
Net assets as at the end of the period	1,163,185	836,659	1,163,185	836,659

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2012

	Six months ended		Three months ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
-----Rupees in '000-----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income / (loss) for the period before taxation	273,734	(80,928)	92,099	(74,949)
<b>Adjustments</b>				
Unrealised (gain) / loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(127,646)	52,567	16,198	71,506
Amortisation of preliminary expenses and floatation costs	-	252	-	126
	<u>146,088</u>	<u>(28,109)</u>	<u>108,297</u>	<u>(3,317)</u>
<b>Decrease / (increase) in assets</b>				
Receivable from sale of investments	-	(14,052)	-	(23,342)
Investments	82,667	62,736	269,542	41,265
Dividend and profit receivable	222	440	17,552	624
Deposits, Prepayments and other receivables	(99)	(74)	915	358
	<u>82,790</u>	<u>49,050</u>	<u>288,009</u>	<u>18,905</u>
<b>(Decrease) / increase in liabilities</b>				
Payable to the Management Company	522	(46)	(233)	241
Payable to the Trustee	59	(5)	41	15
Payable to Securities and Exchange Commission of Pakistan	(337)	(460)	300	242
Payable against purchase of investments	(54,113)	(43,732)	-	(9,182)
Payable against redemption of units	121	-	121	-
Accrued expenses and other liabilities	5,758	312	1,877	(195)
	<u>(47,990)</u>	<u>(43,931)</u>	<u>2,106</u>	<u>(8,879)</u>
<b>Net cash generated from / (used in) operating activities</b>	<u>180,888</u>	<u>(22,990)</u>	<u>398,412</u>	<u>6,709</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Amount received from issuance of units	396,508	498,600	84,965	329,611
Amount paid on redemption of units	(581,524)	(482,638)	(447,281)	(312,398)
Distribution paid	(15,959)	(25,392)	-	-
<b>Net cash (used in) / generated from operating activities</b>	<u>(200,975)</u>	<u>(9,430)</u>	<u>(362,316)</u>	<u>17,213</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(20,087)</u>	<u>(32,420)</u>	<u>36,096</u>	<u>23,922</u>
Cash and cash equivalents as at the beginning of the period	77,043	97,434	20,860	41,092
<b>Cash and cash equivalents as at the end of the period</b>	<u><u>56,956</u></u>	<u><u>65,014</u></u>	<u><u>56,956</u></u>	<u><u>65,014</u></u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA STOCK FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2012

### 1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Stock Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited, a company incorporated under the Companies Ordinance, 1984, as Management Company and Central Depository Company of Pakistan Limited (CDC), also incorporated under the Companies Ordinance, 1984, as Trustee. The Trust Deed was executed on December 06, 2006 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company was situated at 9th Floor, Adamjee House, I.I.Chundrigar Road, Karachi. From 4 February 2013, the registered office of the Management Company is shifted to 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of MUFAP.

The Fund is an open-ended mutual fund categorized as an equity scheme and its units are listed on the Lahore Stock Exchange. The units of the Fund are offered for public subscription on a continuous basis. These units are transferable and can be redeemed by surrendering them to the Fund.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company and has assigned short term performance ranking of '4 Star' and long term performance ranking of "3 Star" to the Fund.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement Of Compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of IAS 34 - "Interim Financial Reporting", provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). In case, the requirements differ, the provisions or directives of the Companies Ordinance, 1984, the Rules and the Regulations, 2008 shall prevail.

This condensed interim financial information comprises of condensed interim statement of assets and liabilities, condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim cash flow statement and the notes forming part thereof.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2012.

This condensed interim financial information is un-audited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of the Code of Corporate Governance. Accordingly, the Board of Directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund.

# NAFA STOCK FUND

## 2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

## 2.3 Functional and presentation currency

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

## 2.4 Critical accounting estimates and judgements

The Presentation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this Condensed interim financial information, saignificant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2012

## 2.5 Financial Risk Management

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Fund as at and year ended 30 June 2012

## 3 SIGNIFICANT ACCOUNTING POLICIES

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 published financial statements of the Fund for the year ended June 30, 2012.

		(Un-audited) December 31, 2012	(Audited) June 30, 2011
	Note	Rupees in '000	
<b>4 BALANCES WITH BANKS</b>			
In current accounts		1,260	770
In saving accounts	4.1	55,696	76,273
		<u>56,956</u>	<u>77,043</u>

4.1 These carry a rate of return ranging from 5% to 10% (2012: 5% to 10%) per annum.

## 5 INVESTMENTS

At fair value through profit or loss

- Listed equity securities	5.1	1,124,418	979,829
- Government securities	5.2	-	99,610
		<u>1,124,418</u>	<u>1,079,439</u>



# NAFA STOCK FUND

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

Name of the investee company	As at July 1, 2012	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2012	Market value as at December 31, 2012	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid up capital of investee company held
----- Number of shares -----					(Rupees in '000)		----- % -----		
Fully paid ordinary shares of Rs. 10 each unless stated otherwise.									
* The Face Value of shared held of Thal Limited & Millat Tractor Limited is Rs.5									
<b>OIL AND GAS</b>									
Attock Petroleum Limited	13,242	25,000	-	38,242	-	-	0.00%	0.00%	0.00%
Attock Refinery Limited	506	-	-	506	-	-	0.00%	0.00%	0.00%
Oil & Gas Development Company Limited	2,881	881,500	-	520,500	363,881	70,087	6.03%	6.23%	0.01%
Pakistan Oilfields Limited	225,180	290,600	-	269,400	246,380	107,801	9.27%	9.59%	0.10%
Pakistan Petroleum Limited	463,363	415,400	135,466	558,000	456,229	80,657	6.93%	7.17%	0.03%
Pakistan State Oil Company Limited	508	-	102	609	1	0	0.00%	0.00%	0
<b>CHEMICALS</b>									
Arif Habib Corporation Limited	5,500	-	550	6,050	-	-	-	-	-
Engro Corporation Limited	118,185	1,145,600	-	668,500	595,285	54,790	4.71%	4.87%	0.12%
Fatima Fertilizer Company Limited	2,000	1,695,534	-	1,697,534	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited	448,238	445,000	-	893,237	1	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	-	-	-	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	291,221	7,000	-	-	298,221	53,382	4.59%	4.75%	1.39%
<b>CONSTRUCTION AND MATERIALS</b>									
Attock Cement Pakistan Limited	626,521	-	93,978	368,500	351,999	35,133	3.02%	3.12%	0.35%
D.G. Khan Cement Company Limited	1,168,100	1,656,000	-	2,102,000	722,100	39,412	3.39%	3.51%	0.16%
Lucky Cement Limited	614,033	833,500	-	994,700	452,833	68,622	5.90%	6.10%	0.14%
Cheer Cement Company Limited	2,795,653	-	-	788,500	2,007,153	97,849	8.41%	8.70%	2.10%
Fauji Cement Company Limited	50,000	2,915,500	-	2,965,500	19,394	1,678	1.67%	1.72%	0.22%
Fecto Cement Limited	-	632,000	-	632,000	21,886	1,886	1.88%	1.95%	1.26%
Kohat Cement Limited	-	223,000	-	223,000	15,751	1,351	1.35%	1.40%	0.17%
Maple Leaf Cement Factory Limited	-	1,635,000	-	1,635,000	-	-	0.00%	0.00%	0.00%
Thatta Cement Company Limited	1,250,000	-	-	-	1,250,000	31,250	2.69%	2.78%	1.57%
<b>GENERAL INDUSTRIALS</b>									
Thal Limited *	327,627	-	32,763	69,000	291,390	31,141	2.68%	2.77%	0.36%
Ghani Glass Limited	27,757	-	2,476	27,500	2,733	168	0.01%	0.01%	0.00%
Cheer Packing Limited	264,492	-	-	41,500	222,992	8,256	0.71%	0.73%	1.30%
MACPAC Films Limited	5,500	-	-	-	5,500	136	0.01%	0.01%	0.01%
<b>INDUSTRIAL METALS AND MINING</b>									
Aysha Steel Mills Limited	550	-	550	-	1,100	-	0.00%	0.00%	0.01%
Crescent Steel and Allied Products Limited	176,500	-	-	176,500	-	-	0.00%	0.00%	0.00%
International Industries Limited	749,209	-	-	748,500	709	23	0.00%	0.00%	0.59%
<b>ENGINEERING</b>									
Al-Ghazi Tractors Limited	201	-	-	201	-	-	0.00%	0.00%	0.00%
K.S.B. Pumps Limited	-	38,000	-	2,000	36,000	2,340	0.20%	0.21%	0.27%
Millat Tractors Limited*	739	70,400	-	71,106	33	19	0.00%	0.00%	0.00%
<b>FOOD PRODUCERS</b>									
Engro Foods Limited	-	137,000	-	137,000	-	-	0.00%	0.00%	0.00%
<b>PERSONAL GOODS</b>									
Azgard Nine Limited (Non-voting)	806,400	-	-	-	806,400	5,645	0.49%	0.50%	0.18%
Nishat Chunian Limited	-	1,774,000	151,900	1,925,900	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	-	390,000	-	-	390,000	24,902	2.14%	2.21%	0.11%
<b>MEDIA</b>									
Hum Television Network Limited	860,779	-	-	860,779	-	-	0.00%	0.00%	0.00%
<b>FIXED LINE TELECOMMUNICATION</b>									
Pakistan Telecommunication Company Limited "A"	5,400	3,220,000	-	1,085,000	2,140,400	37,136	3.19%	3.30%	0.06%
Telecard Limited	-	8,650,000	-	8,650,000	-	-	0.00%	0.00%	0.00%
Wateen Telecom Limited	453,259	-	-	453,259	-	-	0.00%	0.00%	0.00%

# NAFA STOCK FUND

Name of the investee company	As at July 1, 2012	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2012	Market value as at December 31, 2012	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid up capital of investee company held
Number of shares					(Rupees in '000)		%		
<b>ELECTRICITY</b>									
The Hub Power Company Limited	1,963,066	1,420,000	-	1,531,000	1,852,066	83,787	7.20%	7.45%	0.16%
Kot Addu Power Company Limited	-	133,500	-	133,500	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	-	856,000	-	856,000	-	-	0.00%	0.00%	0.00%
<b>COMMERCIAL BANKS</b>									
Askari Bank Limited	-	1,755,000	-	975,000	780,000	13,431	1.15%	1.19%	0.10%
Allied Bank Limited	859,521	-	-	69,000	790,521	58,095	4.99%	5.17%	0.08%
Bank Alfalah Limited	2,318,347	2,582,000	-	3,199,500	1,700,847	28,608	2.46%	2.54%	0.13%
MCB Bank Limited	307,404	228,500	-	535,903	1	0	0.00%	0.00%	0.00%
Meezan Bank Limited	2,079,579	-	-	228,000	1,851,579	55,640	4.78%	4.95%	0.20%
National Bank of Pakistan	746,421	1,470,000	-	1,133,500	1,082,921	53,485	4.60%	4.76%	0.06%
United Bank Limited	210,963	511,000	-	446,500	275,463	23,048	1.98%	2.05%	0.02%
<b>NON-LIFE INSURANCE</b>									
TPL Direct Insurance Limited	96,626	-	-	3,500	93,126	929	0.08%	0.08%	0.20%
<b>FINANCIAL SERVICES</b>									
NEXT Capital Limited	500,000	-	-	170,500	329,500	1,615	0.14%	0.14%	1.65%
<b>SOFTWARE AND COMPUTER SERVICES</b>									
Netsol Technologies Limited	-	1,616,000	-	1,616,000	-	-	0.00%	0.00%	0.00%
<b>Total as at December 31, 2012</b>					<b>23,217,864</b>	<b>1,124,418</b>	<b>97%</b>	<b>100%</b>	
Carrying value as at December 31, 2012						<u>996,772</u>			

Investments include shares with market value of Rs 194.864 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

## 5.2 Investment in government securities - at fair value through profit or loss

Issue Date	Tenor	Face Value				Market value as at December 31, 2012	Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2012	Purchases during the period	Sales/ matured during the period	As at December 31, 2012			
July 14, 2011	12 Months	75,000	-	75,000	-	-	-	
April 19, 2012	12 Months	25,000	-	25,000	-	-	-	
July 20, 2012	12 Months	-	11,000	11,000	-	-	-	
<b>Total as at December 31, 2012</b>								
Carrying value as at December 31, 2012								

(Rupees in '000)

(Un-audited) (Audited)  
December 31, June 30,  
2012 2011  
-----Rupees in '000-----

## 6 DIVIDEND AND PROFIT RECEIVABLE

Profit accrued on bank deposits	5	682
Dividend receivable	637	182
	<u>642</u>	<u>864</u>

# NAFA STOCK FUND

	Note	(Un-audited) December 31, 2012	(Audited) June 30, 2011
-----Rupees in '000-----			
<b>7 PAYABLE TO NBP FULLERTION ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management fee		1,978	1,730
Front-end load payable		402	168
Sindh sales tax payable on management remuneration	7.1	313	273
		<u>2,693</u>	<u>2,171</u>

7.1 The provincial government has levied General Sales Tax at the rate of 16% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011, effective from July 1, 2011.

	(Un-audited) December 31, 2012	(Audited) June 30, 2011
Rupees in '000		
<b>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable	277	279
Settlement charges	35	-
Bank charges	57	-
Provision for Workers' Welfare Fund	16,555	10,963
Others	847	771
	<u>17,771</u>	<u>12,013</u>

## 9 PROVISION FOR WORKERS' WELFARE FUND

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. A petition has been filed with the Honourable High Court of Sindh by some of the Collective Investment Schemes through their Trustees on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated July 15, 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers' Welfare Fund under Section - 4 of the WWF Ordinance, 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*.

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 06, 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue (FBR) directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) vide its letter dated January 04, 2011 has cancelled ab-initio clarificatory letter dated October 06, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by the Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

# NAFA STOCK FUND

Furthermore, in 2011 the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the Honourable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honourable High Court of Sindh. However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution has made the provision against Workers ' Welfare Fund liability to the tune of Rs.16.55 million. If the same were not made the NAV per unit / return of the Fund would be higher by Rs.0.1292 / 1.42 %.

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2012 and at June 30, 2012.

## 11 TAXATION

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

## 12 TRANSACTIONS WITH CONNECTED PERSONS

12.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, associated companies of the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, NAFA Provident Fund Trust, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

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 and remuneration payable to the Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of Transactions with connected persons are as follows:

### 12.4 Transactions during the period

----- (Unaudited) -----			
Six months ended		Three months ended	
December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
-----Rupees in '000-----			

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

Management fee expenses for the period	12,970	14,124	6,304	7,620
Sindh sales tax on remuneration of the Management Company	2,075	-	1,009	-
Front-end Load	254	6	218	1

#### National Bank of Pakistan - Sponsor

Cash dividend	4,883	7,749	-	-
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#### Alexandra Fund Management Pte. Limited - Sponsor

Bonus units 876,664 units (December 31, 2011: 1,392,347 units)	-	-	-	-
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# NAFA STOCK FUND

	----- (Unaudited) -----			
	Six months ended		Three months ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
-----Rupees in '000-----				
<b>Executives of the Management Company</b>				
Units issued / transfered in units 1,833,610 (December 31, 2011 : 1,302,548 units)	15,442	8,464	6,851	5,453
Units redeemed / transfered out 1,764,564 units; (December 31, 2011: 958,804 units)	15,159	6,213	10,482	3,270
Bonus units 14,527 units (December 31, 2011: 34,583 units)				
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration	1,153	929	568	495
CDS charges	174	44	141	33
<b>NAFA Provident Fund Trust - Provident Fund</b>				
Units issued / transfered in 675,300 units; (December 31,2011: 2,823,053 units)	5,555	18,336	932	6,792
Units redeemed / transfered out 599,224 units; (December 31, 2011: 2,267,335 units)	5,042	17,331	3,233	6,777
Bonus units 61,094 (December 31, 2011: 81,397 units)				
<b>Taurus Securities Limited</b>				
Brokerage	259	128	227	50
<b>International Industries Limited - Employees Provident Fund</b>				
Units issued / transfered in 2,737,692 units (December 31, 2011: Nil units)	22,863	-	8,178	-
Units redeemed / transfered out 2,420,214 units (December 31, 2011: Nil units)	20,366	-	12,263	-
Bonus units 288,853 units (December 31, 2011: Nil units)				
<b>International Industries Limited - Employees Gratuity Fund</b>				
Units issued / transfered in 5,767,976 units (December 31, 2011: Nil units)	47,608	-	9,891	-
Units redeemed / transfered out units 4,648,574 (December 31, 2011: Nil units)	39,280	-	29,155	-
Bonus units 370,228 units (December 31,2011: Nil units)				
<b>International Steels Limited - Employees Gratuity Fund</b>				
Units Issued / transfered in 518,136 units (December 31, 2011: Nil units)	4,268	-	808	-
Units redeemed / transfered out 398,450 units (December 31 2011: Nil units)	3,363	-	2,433	-
Bonus units 33,995 units (December 31,2011: Nil units)				
<b>International Steels Limited - Employees Provident Fund</b>				
Units Issued / transfered in 662,228 units (December 31, 2011: Nil units)	5,482	-	1,285	-
Units redeemed / transfered out 693,384 units (December 31, 2011: Nil units)	5,833	-	3,479	-
Bonus units 83,012 units (December 31,2011: Nil units)				

# NAFA STOCK FUND

	(Un-audited) December 31, 2012	(Audited) June 30, 2012
	(Rupees in '000)	
<b>12.5 Balances outstanding as at period / year end</b>		
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Management Fee Payable	1,978	1,730
Front end load payable	402	168
Sales tax on Management Company	313	273
<b>National Bank of Pakistan - Sponsor</b>		
Investment held by the Sponsor in the Fund 7,500,000 units ( June 30, 2012: 7,500,000 units)	45,488	59,549
Balance in current account	717	762
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held by the Sponsor in the Fund 11,041,256 units; (June 30, 2012:10,164,592 units)	100,245	80,706
<b>Executives of the Management Company</b>		
Investment held in the Fund 227,824 units (June 30, 2012: 144,251 units)	2,068	1,145
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	240	168
CDS charges	44	13
Security Deposit	100	100
<b>NAFA Provident Fund Trust - Provident Fund</b>		
Investment held in the Fund 52,056 units (June 30, 2012: 314,885 units)	4,104	2,500
<b>National Bank of Pakistan Employees Pension Fund</b>		
Investment held in the Fund 32,334,026 units (June 30, 2012: 29,766,738 units)	293,564	236,345

## 13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 26, 2013 by the Board of Directors of the Management Company.

## 14 GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director