



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

NAFA STOCK FUND

HALF YEARLY REPORT DECEMBER 31

2014




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

FUND'S INFORMATION

Management Company

BNP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Wah Geok Sum	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 & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

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

Human Resource Committee

Mr. Nausherwan Adil	Chairman
Mr. Wah Geok Sum	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

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

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:

7th Floor Clifton Diamond Vuilding, Block No. 4,
Scheme No. 5, Clifton Karachi.
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(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:

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

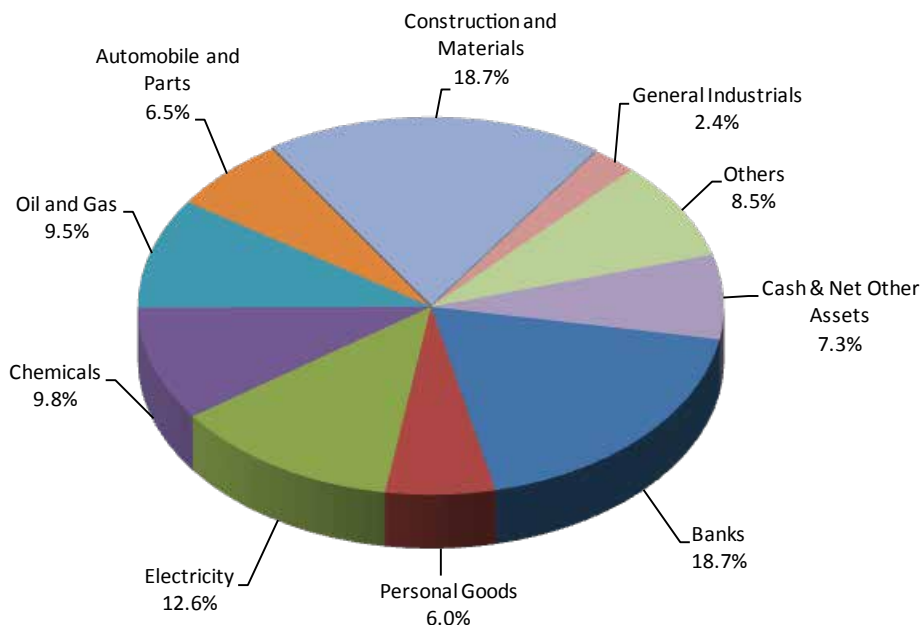
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the reviewed financial statements of NAFA Stock Fund for the half year ended December 31, 2014.

Fund's Performance

During the first half, the unit price of NAFA Stock Fund (NSF) has increased from Rs. 10.0980 on June 30, 2014 to Rs. 12.1763 on December 31, 2014, thus showing a growth of 20.58%. The Benchmark (KSE-30 Index) for the same period increased by 1.74%. Thus, the Fund has outperformed its Benchmark by 18.84% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.4629 (Ex-Div) on January 19, 2007 to Rs.12.1763 on December 31, 2014, thus showing an increase of 251.63%. During the said period, the Benchmark increased by 55.10%, translating into outperformance of 196.53%. This performance is net of management fee and all other expenses. The Fund size of NAFA Stock Fund has increased from Rs.1,805 million to Rs.2,854 million during the period, i.e. an increase of 58.1%.

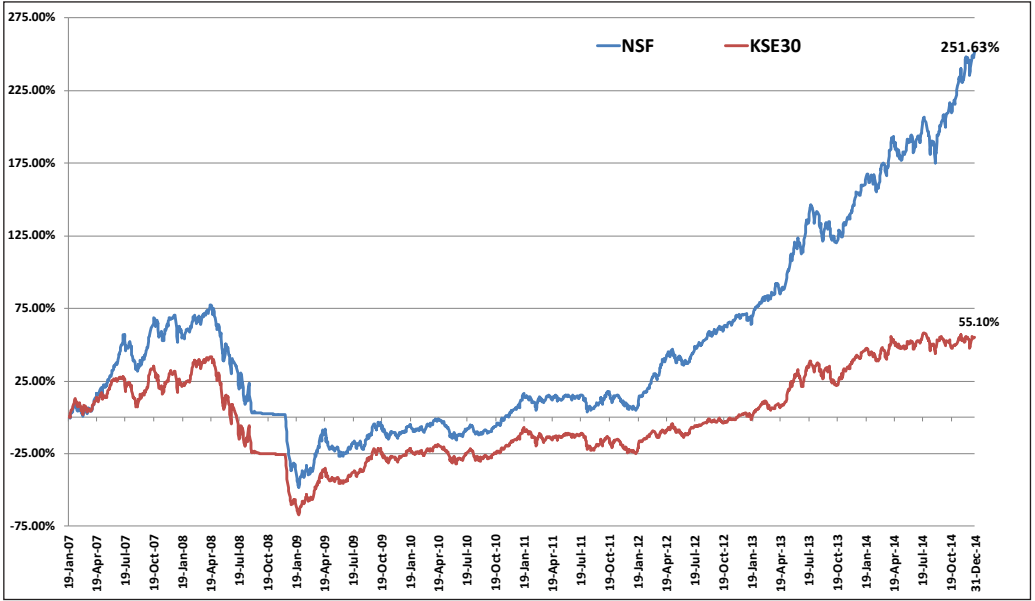
The stock market extended its bull-run in 1HFY15, despite initial hiccups caused by protests of PTI and PAT, as the market participants focused on improving macros driven primarily by the steep fall in global oil and commodity prices. The tragic incident at the Army Public School in Peshawar united the nation in its fight against terrorism and also resulted in end of the PTI protests, further consolidating Pakistan's re-rating theme. The combination of sovereign debt rating upgrade by Moodys, falling inflation amid declining oil prices, 50bps cut in discount rate, improving external account position, easy liquidity conditions, and healthy foreign investment activity perked up investors' sentiments. The index heavy Oil & Gas and Banking sectors underperformed the market whereas almost all the other sectors outperformed during the period under review.

The Fund has earned total income of Rs.440.47 million during the period. After deducting expenses of Rs.41.87 million, the net income is Rs.398.60 million. The asset allocation of the Fund as on December 31, 2014 is as follows:



NAFA STOCK FUND

NSF Performance versus Benchmark (Since Inception)



Acknowledgement

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

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

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: February 17, 2015
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, 2014 in accordance with the provisions of the following:

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

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

Karachi: February 26, 2015

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, 2014, 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, 2014 (here-in-after referred to as the 'interim financial information'). NBP Fullerton Asset Management Limited (the Management Company) is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. 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, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2014.

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

Date: February 17, 2015
Place: Karachi

NAFA STOCK FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2014

		(Un-audited) December 31, 2014	(Audited) June 30, 2014
	Note	-----Rupees in '000-----	
ASSETS			
Balances with banks	4	189,705	277,573
Investments	5	2,647,509	1,608,290
Dividend and profit receivable	6	2,271	4,570
Advances, deposits, prepayments and other receivables		91,408	37,809
Total assets		<u>2,930,893</u>	<u>1,928,242</u>
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company	7	18,651	6,243
Payable to Central Depository Company of Pakistan Limited - Trustee		311	216
Payable to Securities and Exchange Commission of Pakistan		994	1,207
Payable against purchase of investments		15,980	83,061
Payable against redemption of units		1,898	1,961
Accrued expenses and other liabilities	8	38,943	30,899
Total Liabilities		<u>76,777</u>	<u>123,587</u>
NET ASSETS		<u><u>2,854,116</u></u>	<u><u>1,804,655</u></u>
UNIT HOLDERS' FUND (as per statement attached)		<u>2,854,116</u>	<u>1,804,655</u>
-----Number of units-----			
Number of units in issue		<u>234,399,507</u>	<u>178,714,888</u>
-----Rupees-----			
Net assets value per unit		<u>12.1763</u>	<u>10.0980</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 (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

	Six months ended		Three months ended		
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	
Note -----Rupees in '000-----					
INCOME					
Profit on bank deposits	8,396	7,865	4,422	4,280	
Gain on sale of investments - net	66,563	46,761	65,177	6,834	
Dividend Income	41,206	31,710	27,067	18,153	
Unrealised gain on re-measurement of investments at "fair value through profit or loss - held for trading" - net	324,305	122,173	264,450	121,860	
Total income	440,470	208,509	361,116	151,127	
EXPENSES					
Remuneration of NBP Fullerton Asset Management Limited - Management Company	7.1	20,933	11,383	11,744	5,347
Sindh sales tax on remuneration of the Management Company	7.2	3,642	2,143	1,937	1,177
Federal Exercise Duty on Remuneration of Management Company	7.3	3,349	1,821	1,879	855
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,551	1,073	839	519
Annual fee - Securities and Exchange Commission of Pakistan		994	541	558	254
Annual listing fee		20	20	10	10
Securities transaction cost		2,437	3,226	1,450	1,185
Settlement and bank charges		368	393	106	172
Auditors' remuneration		313	298	187	175
Fund rating fee		85	67	51	37
Legal Fee		25	30	25	30
Printing charges		18	40	18	40
Total expenses		33,735	21,035	18,804	9,801
Net income from operating activities		406,735	187,474	342,312	141,326
Provision for Workers' Welfare Fund	10	(8,135)	(3,749)	(6,847)	(2,826)
Net income for the period before taxation		398,600	183,725	335,465	138,500
Taxation	11	-	-	-	-
Net income for the period after taxation		398,600	183,725	335,465	138,500

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, 2014

	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	-----Rupees in '000-----			
Net income for the period after taxation	398,600	183,725	335,465	138,500
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>398,600</u>	<u>183,725</u>	<u>335,465</u>	<u>138,500</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, 2014

	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
-----Rupees in '000-----				
Undistributed income / (accumulated loss) brought forward	108,917	58,709	180,742	(124,881)
Final distribution for the year ended June 30, 2014: Nil (2013: 23.98%)				
- Bonus units	-	(252,665)	-	-
- Cash Distribution	-	(378)	-	-
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	88,557	17,309	79,867	(6,919)
Net income for the period	398,600	183,725	335,465	138,500
	487,157	(52,009)	415,332	131,581
Undistributed income carried forward	596,074	6,700	596,074	6,700

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, 2014

	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
-----Rupees in '000-----				
Net assets at the beginning of the period	1,804,655	1,122,681	1,932,008	1,081,730
Issue of 139,583,341 units (2013: 76,876,164 units including 26,609,457 bonus units)	1,554,337	483,304	1,034,863	195,664
Redemption of 83,898,722 units (2013: 71,283,086 units)	(903,476)	(671,524)	(448,220)	(298,086)
	650,861	(188,220)	586,643	(102,422)
Final Distribution (bonus units) for the year ended June 30, 2014 : Nil units (June 30, 2013 : 26,609,457 units)	-	252,665	-	-
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed transferred to distribution statement	88,557	17,309	79,867	(6,919)
Total comprehensive income for the period	398,600	183,725	335,465	138,500
Final distribution for the year ended June 30, 2014: Nil (2013: 23.98%)				
- Bonus units	-	(252,665)	-	-
- Cash distribution	-	(378)	-	-
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	(88,557)	(17,309)	(79,867)	6,919
Net assets as at the end of the period	<u>2,854,116</u>	<u>1,117,808</u>	<u>2,854,116</u>	<u>1,117,808</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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
-----Rupees in '000-----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period before taxation	398,600	183,725	335,465	138,500
Adjustments				
Unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(324,305)	(122,173)	(264,450)	(121,860)
	74,295	61,552	71,015	16,640
(Increase) / decrease in assets				
Investments - net	(714,914)	(55,169)	(660,471)	(49,305)
Dividend and profit receivable	2,299	131	9,911	9,356
Advances, deposits, prepayments and other receivables	(53,599)	(32,886)	(59,933)	(29,847)
	(766,214)	(87,924)	(710,493)	(69,796)
(Decrease) / increase in liabilities				
Payable to the Management Company	12,408	1,964	7,007	536
Payable to the Trustee	95	(13)	77	21
Payable to Securities and Exchange Commission of Pakistan	(213)	(607)	558	254
Payable against purchase of investments	(67,081)	7,469	57,106	16,366
Accrued expenses and other liabilities	8,044	3,200	6,103	2,650
	(46,747)	12,012	70,851	19,827
Net cash used in operating activities	(738,666)	(14,359)	(568,627)	(33,329)
CASH FLOW FROM FINANCING ACTIVITIES				
Amount received from issuance of units	1,554,337	483,304	1,034,863	195,664
Amount paid on redemption of units	(903,539)	(671,524)	(455,339)	(302,504)
Distribution paid	-	(378)	-	-
Net cash generated from / (used in) operating activities	650,798	(188,597)	579,524	(106,840)
Net (decrease) / increase in cash and cash equivalents during the period	(87,868)	(202,956)	10,897	(140,169)
Cash and cash equivalents as at the beginning of the period	277,573	340,201	178,808	277,413
Cash and cash equivalents as at the end of the period	189,705	137,244	189,705	137,244

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, 2014

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 is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of MUFAP.

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 'AM-2' to the Management Company and has assigned short term and long term stability rating of "3 Star" and "4 Star" respectively 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 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, 2014.

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.stated.

2.4 Critical accounting estimates and judgements

The preparation of condensed interim financial information requires management to make judgments, 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, significant judgments 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 June 30, 2014.

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 for the year ended June 30, 2014.

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, 2014.

		(Un-audited) December 31, 2014	(Audited) June 30, 2014
	Note	Rupees in '000	
4 BALANCES WITH BANKS			
In current accounts		4,064	4,769
In saving accounts	4.1	185,641	272,804
		<u>189,705</u>	<u>277,573</u>

4.1 These carry a rate of return ranging from 6% to 11% (2013: 5% to 10%) per annum.

5 INVESTMENTS

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

- Listed equity securities	5.1	2,647,509	1,608,290
		<u>2,647,509</u>	<u>1,608,290</u>

NAFA STOCK FUND

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

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.

Name of the investee company	As at July 1, 2014	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2014	Market value as at December 31, 2014	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)		-----%-----		
OIL AND GAS									
National Refinery Limited	100	45,300	-	100	45,300	8,374	0.29	0.32	0.06
Attock Petroleum Limited	-	18,000	-	-	18,000	9,713	0.34	0.37	0.02
Hascol Petroleum Limited	-	437,500	-	-	437,500	32,419	1.14	1.22	0.48
Shell (Pakistan) Limited	-	58,600	-	-	58,600	15,170	0.53	0.57	0.05
Oil & Gas Development Company Limited	152,681	-	-	52,000	100,681	20,727	0.73	0.78	0.00
Pakistan Oilfields Limited	140,130	93,400	-	93,600	139,930	53,084	1.86	2.01	0.06
Pakistan Petroleum Limited	253,775	625,750	-	356,500	523,025	92,325	3.23	3.49	0.03
Pakistan State Oil Company Limited	171,467	70,500	-	133,500	108,467	38,821	1.36	1.47	0.04
CHEMICALS									
Arif Habib Corporation Limited	420,000	-	-	420,000	-	-	-	-	-
Dawood Hercules Corporation Limited	18,500	-	-	18,500	-	-	-	-	-
Fscij Fertilizer Company Limited	-	313,000	-	82,000	231,000	27,053	0.95	1.02	0.02
Engro Fertilizers Limited	-	955,000	-	-	955,000	74,586	2.61	2.82	0.07
Engro Corporation Limited	515,485	373,000	-	81,000	807,485	178,866	6.27	6.76	0.15
CONSTRUCTION AND MATERIALS									
Attock Cement Pakistan Limited	114	-	-	114	-	-	-	-	-
Akzo Nobel Pakistan Limited	189,300	-	-	95,000	94,300	33,715	1.18	1.27	0.20
D.G. Khan Cement Company Limited	432,000	1,247,000	-	647,000	1,032,000	114,067	4.00	4.31	0.24
Kohat Cement Limited	-	264,000	-	39,000	225,000	42,946	1.50	1.62	0.15
Lucky Cement Limited	178,633	122,800	-	100,500	200,933	100,523	3.52	3.80	0.06
Lafarge Pakistan Cement Limited	1,050,000	-	-	1,050,000	-	-	-	-	-
Cherat Cement Company Limited	168	-	-	168	-	-	-	-	-
Fecto Cement Limited	-	153,000	-	-	153,000	12,133	0.43	0.46	0.31
Pioneer Cement Limited	1,566,000	302,000	-	1,021,000	847,000	72,512	2.54	2.74	0.37
Maple Leaf Cement Limited	1,964,000	1,135,000	-	481,500	2,617,500	115,824	4.06	4.37	0.50
Thatta Cement Company Limited	1,250,000	-	-	-	1,250,000	41,250	1.45	1.56	1.25
GENERAL INDUSTRIALS									
Thal Limited	247,090	13,900	-	15,000	245,990	66,179	2.32	2.50	0.30
Ghani Glass Limited	6,870	-	-	-	6,870	467	0.02	0.02	0.01
Cherat Packing Limited	19,992	-	-	-	19,992	3,240	0.11	0.12	0.07
MACPAC Films Limited	5,500	-	-	5,500	-	-	-	-	-
AUTOMOBILE AND PARTS									
Ghandhara Nissan Limited	838,500	-	-	219,000	619,500	32,499	1.14	1.23	1.38
Indus Motor Company Limited	-	77,950	-	-	77,950	68,621	2.40	2.59	0.10
Honda Atlas Cars (Pakistan) Limited	593,500	89,000	-	581,000	101,500	20,115	0.70	0.76	0.07
Baluchistan Wheels Limited	-	87,000	-	-	87,000	4,975	0.17	0.19	0.65
Pak Suzuki Motor Company Limited	171,900	97,100	-	111,200	157,800	58,563	2.05	2.21	0.19
FORESTRY (PAPER AND BOARD)									
Century Paper & Board Mills Limited	356,500	-	-	350,000	6,500	352	0.01	0.01	0.00
INDUSTRIAL METALS AND MINING									
Crescent Steel and Allied Products Limited	377,500	472,000	-	-	849,500	43,036	1.51	1.63	1.37
International Industries Limited	709	-	-	709	-	-	-	-	-
ENGINEERING									
K.S.B Pumps Limited	6,000	-	-	-	6,000	919	0.03	0.03	0.05
Millat Tractors Limited	40	-	-	40	-	-	-	-	-
Balance carried forward						<u>1,383,074</u>			
Balance brought forward						<u>1,383,074</u>			
PERSONAL GOODS									
Azgard Nine Limited (Non-voting)	806,400	-	-	-	806,400	5,645	0.20	0.21	0.18
Nishat Chunian Limited	900	-	-	900	-	-	-	-	-
Kohinoor Textile Mills Limited	-	1,713,500	-	250,000	1,463,500	51,296	1.80	1.94	2.87
Sapphire Fibres Limited	-	47,200	-	-	47,200	21,240	0.74	0.80	0.24
Nishat Mills Limited	333,700	611,700	-	167,000	778,400	94,179	3.30	3.56	0.22

NAFA STOCK FUND

Name of the investee company	As at July 1, 2014	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2014	Market value as at December 31, 2014	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)		-----%-----		
FIXED LINE TELECOMMUNICATION									
Pakistan Telecommunication Company Limited "A"	862,900	-	-	-	862,900	19,873	0.70	0.75	0.02
ELECTRICITY									
The Hub Power Company Limited	974,066	658,500	-	140,000	1,492,566	116,958	4.10	4.42	0.13
Kot Addu Power Company Limited	978,000	650,000	-	285,000	1,343,000	106,016	3.71	4.00	0.15
K-Electric Limited	1,915,000	-	-	-	1,915,000	17,656	0.62	0.67	0.01
Lalpir Power Limited	-	2,386,000	-	-	2,386,000	71,341	2.50	2.69	0.63
Saif Power Limited	-	1,283,000	-	-	1,283,000	47,368	1.66	1.79	0.33
Nishat Power Limited	1,000	-	-	1,000	-	-	-	-	-
MULTIUTILITIES (GAS AND WATER)									
Sui Northern Gas Pipelines Limited	-	1,159,000	-	-	1,159,000	33,275	1.17	1.26	0.18
COMMERCIAL BANKS									
Allied Bank Limited	480	723,000	-	480	723,000	82,118	2.88	3.10	0.06
Bank Alfalah Limited	1,977,847	1,118,000	-	1,827,500	1,268,347	44,240	1.55	1.67	0.08
Bank Al-Habib Limited	1,428,650	937,000	-	217,000	2,148,650	104,317	3.65	3.94	0.19
Bank Islami Pakistan Limited	838,000	-	76,034	825,000	89,034	187	0.01	0.01	0.02
Faysal Bank Limited	902,500	5,087,000	-	580,000	5,409,500	98,453	3.45	3.72	0.52
Habib Metropolitan Bank Limited	546,000	360,500	-	-	906,500	33,813	1.18	1.28	0.09
MCB Bank Limited	167,600	-	-	62,700	104,900	32,063	1.12	1.21	0.01
Meezan Bank Limited	240,753	588,500	-	350,000	479,253	22,525	0.79	0.85	0.05
National Bank of Pakistan	1,599,984	78,000	-	1,677,500	484	34	0.00	0.00	0.00
United Bank Limited	704,540	217,000	-	266,300	655,240	115,788	4.06	4.37	0.05
PHARMA AND BIO TECH									
Abbott Laboratories (Pakistan) Limited	-	31,800	-	-	31,800	22,600	0.79	0.85	0.03
Ferozsons Laboratories Limited	-	29,000	-	-	29,000	16,568	0.58	0.63	0.10
GlaxoSmithKline (Pakistan) Limited	-	52,000	-	-	52,000	11,404	0.40	0.43	0.02
TECHNOLOGY HARDWARE AND EQUIPMENT									
TPL Trakker Limited	2,996,500	-	-	600,000	2,396,500	19,220	0.67	0.73	1.10
Avanceon Limited	-	832,500	-	-	832,500	28,180	0.99	1.06	0.79
HOUSEHOLD GOODS									
Tariq Glass Industries Limited	371,000	118,500	-	489,500	-	-	-	-	-
NON-LIFE INSURANCE									
TPL Direct Insurance Limited	87,626	-	-	-	87,626	2,256	0.08	0.09	0.19
FINANCIAL SERVICES									
NEXT Capital Limited	272,500	-	-	-	272,500	1,566	0.05	0.06	1.36
INDUSTRIAL TRANSPORTATION									
Pakistan National Shipping Corporation	513,000	21,000	-	258,000	276,000	44,256	1.55	1.67	0.21
Total as at December 31, 2014					41,323,123	2,647,509	92.76	100	
Carrying Value before mark to market as at December 31, 2014						2,323,204			

5.1.1 Investments include shares with market value of Rs 90.932 million (June 30, 2014: Rs. 90.987 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.

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
-----Rupees in '000-----			
6 DIVIDEND AND PROFIT RECEIVABLE			
Profit accrued on bank deposits		281	118
Dividend receivable		1,990	4,452
		<u>2,271</u>	<u>4,570</u>

NAFA STOCK FUND

		(Un-audited)	(Audited)
	Note	December 31, 2014	June 30, 2014
Rupees in '000			
7 PAYABLE TO NBP FULLERTION ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable to Management Company	7.1	4,518	474
Front end load payable		4,316	1,339
Sindh sales tax payable on management remuneration and front end load	7.2	1,571	329
Federal Excise Duty payable to Management Company	7.3	8,246	4,101
		18,651	6,243

7.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulation), the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. On Jan 22, 2012, the Fund has completed its five years and accordingly the management Company has charged its remuneration at the rate of 2% of the average annual net assets of the Fund from that date. Prior to January 22, 2012, the Management fee was being charged at the rate 2.5% of the average net assets of the Fund. The remuneration is paid to the management company on a monthly basis in arrears.

7.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 15% (June 30, 2014: 16%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.

7.3 As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services provided by the Management Company has been levied effective from June 13, 2013. During the year demand notices were received by some asset management companies for collection of FED. Mutual Fund Association of Pakistan (MUFAP) has taken up the matter collectively and filed a petition with the Honorable Sindh High Court and has been granted stay in this regard. In prior year, the Management Company has also received a notice under section 14 of the Federal Excise Act, 2005 regarding payment of FED on management remuneration. The Management Company is of the view that since the services are already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. Therefore, the Management Company has also filed a petition against the demand notice in the Honorable High Court of Sindh and has been granted stay on the basis of the pending constitutional petition from MUFAP in the said court as referred above. However, as a matter of abundant caution, the Fund has made the provision against FED.

		(Un-audited)	(Audited)
	Note	December 31, 2014	June 30, 2014
Rupees in '000			
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		292	354
Settlement charges		13	29
Bank charges		14	23
Provision for Workers' Welfare Fund (WWF)	10	37,303	29,168
Others		1,321	1,325
		38,943	30,899

NAFA STOCK FUND

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2014

10. 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 regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 15 July 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 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 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 vide letter 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 Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

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.

During the year ended June 30, 2013, the Larger Bench of the Sindh High Court (SHC) issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

During the year ended June 30, 2014, the Honourable Peshawar High Court on a petition filed by certain aggrieved parties (other than the mutual funds) have adjudicated that the amendments introduced in the Workers Welfare Fund Ordinance, 1971 through the Finance Acts of 1996 and 2009 lacks the essential mandate to be introduced and passed through the money bill under the Constitution of Pakistan and hence have been declared as ultra vires the Constitution.

However, without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF. Total provision for WWF as at December 31, 2014 amounting to Rs. 37.303 million (June 30, 2014: 29.168 million) including Rs. 8.135 million charge for the period has been recorded by the Fund. Had the same not been made the net asset value per unit/return of the Fund would have been higher by Rs. 0.16 / 1.31% (June 30, 2014: 0.1632 / 2.20%) per unit.

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 realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). 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 unrealised capital gains to the unit holders. The Fund intends to distribute such accounting income for the year ending June 30, 2015 to its unit holders. Accordingly, no liability has been recorded in the current period.

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, Taurus Securities being an entity having directorship common with that of the Management Company, NAFA Provident Fund Trust 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 are 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 Regulations and the Trust Deed.
- 12.5 Details of Transactions with connected persons are as follows:

Transactions during the period	----- (Unaudited) -----			
	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
-----Rupees in '000-----				
NBP Fullerton Asset Management Limited				
- Management Company				
Remuneration of the Management Company	20,933	11,383	11,744	5,347
Sindh sales tax on remuneration of the Management Company	3,642	2,143	1,937	1,177
Front-end load	4,978	2,106	2,592	861
Federal Excise Duty on remuneration of Management Company	3,349	1,821	1,879	855
National Bank of Pakistan - Sponsor				
Shares purchased: 78,000 shares (December 31, 2013 : 1,272,000 shares)	4,778	66,938	-	66,938
Shares sold: 1,677,500 shares (December 31, 2013 : 1,272,000 shares)	100,983	62,078	51,741	62,078
Alexandra Fund Management Pte. Limited - Sponsor				
Bonus units issued: Nil (December 31, 2013: 2,279,614 units)	-	-	-	-
Units redeemed / transferred out: Nil (December 31, 2013: 11,306,142 units)	-	106,020	-	106,020
Executives of the Management Company				
Units issued / transferred in: 3,558,902 units (December 31, 2013 : 2,651,371 units)	23,888	25,465	15,500	9,047
Units redeemed / transferred out 2,073,292 units (December 31, 2013: 2,617,966 units)	22,867	25,051	13,713	10,971
Bonus units issued: Nil (December 31, 2013: 47,583 units)	-	-	-	-
Chief Executive Officer				
Units Issued / transferred in: 1,372,637 units (December 31, 2013: Nil units)	15,984	-	15,984	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	1551	1,073	839	519
CDS charges	144	135	34	71
NAFA Provident Fund Trust - Provident Fund				
Units issued / transferred in: Nil (December 31, 2013: 50,924 units)	-	597	-	-
Units redeemed / transferred out 83,862 units (December 31, 2013: 45,701 units)	1,000	417	1,000	-
Bonus units: Nil (December 31, 2013: 12,861 units)	-	-	-	-

NAFA STOCK FUND

	----- (Unaudited) -----			
	Six months ended		Three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	-----Rupees in '000-----			
NBP Employees Pension Fund				
Bonus units: Nil (December 31, 2013: 8,545,465 units)	-	-	-	-
Taurus Securities Limited				
Brokerage	230	293	110	67
International Industries Limited - Employees Provident Fund				
Units issued / transferred in: 378,145 units (December 31, 2013: Nil)	3,895	-	-	-
Units redeemed / transferred out: 2,170,799 units (December 31, 2013: Nil)	24,837	-	24,837	-
International Steels Limited - Employees Gratuity Fund				
Units Issued / transferred in: Nil (December 31, 2013: 560,450 units)	-	622	-	-
Units redeemed / transferred out: 7,018 units (December 31, 2013: 45,601 units)	81	419	81	-
Bonus units issued: Nil (December 31, 2013: 14,155 units)	-	-	-	-
International Steels Limited - Employees Provident Fund				
Units Issued / transferred in: 124,016 units (December 31, 2013: Nil)	1,301	-	-	-
Units redeemed / transferred out: 536,094 units (December 31, 2013: Nil units)	6,182	-	6,182	-
Summit Bank Limited				
Bank Profit	-	79	-	-
Cherat Cement Company Limited				
Shares sold: 168 shares (December 31, 2013: Nil)	11	-	-	-
			(Un-audited) December 31, 2014	(Audited) June 30, 2014
			(Rupees in '000)	
12.6 Balances outstanding as at period / year end				
NBP Fullerton Asset Management Limited - Management Company				
Remuneration payable to Management Company			4,518	474
Front end load payable			4,316	1,339
Sindh sales tax payable on management remuneration and front end load			1,571	329
Federal Excise Duty payable to Management Company			8,246	4,101
National Bank of Pakistan - Sponsor				
Balance in current account			2,106	2,488
Ordinary shares held: 484 shares (June 30, 2014: 1,599,984 shares)			34	99,567
Summit Bank Limited				
Bank Balance			1,959	1,109
Executives of the Management Company				
Investment held in the Fund: 1,715,905 units (June 30, 2014: 230,294 units)			4,180	2,326
Chief Executive Officer				
Investment held in the Fund: 1,372,638 units (June 30, 2014: Nil units)			16,714	-

NAFA STOCK FUND

	(Un-audited) December 31, 2014	(Audited) June 30, 2014
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	311	216
CDS charges payable	21	29
Security Deposit	100	100
NAFA Provident Fund Trust - Provident Fund		
Investment held in the Fund: 848,582 units (June 30, 2014: 932,444 units)	10,333	9,416
National Bank of Pakistan Employees Pension Fund		
Investment held in the Fund: 49,441,374 units (June 30, 2014: 49,441,374 units)	602,013	499,259
Sindh General Provident Investment Fund		
Investment held in the Fund: 32,025,705 units (June 30, 2014: 32,025,705 units)	389,955	323,396
International Industries Limited - Employees Provident Fund		
Investment held in the Fund: Nil (June 30, 2014: 1,792,653 units)	-	18,102
International Steels Limited - Employees Gratuity Fund		
Investment held in the Fund: Nil (June 30, 2014: 7,018 units)	-	71
International Steels Limited - Employees Provident Fund		
Investment held in the Fund: Nil (June 30, 2014: 412,077 units)	-	412
Cherat Cement Company Limited		
Ordinary shares held: Nil (June 30, 2014: 168 shares)	-	11
Taurus Securities Limited (Common Directorship)		
Brokerage payable	28	24

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 17, 2015 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



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Head Office

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