

**AM2+**  
Rated by FACA



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

## **NAFA ISLAMIC STOCK FUND**

# **QUARTERLY REPORT SEPTEMBER 30 2015**




*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

# 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:**

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 ISLAMIC STOCK FUND

## DIRECTORS' REPORT

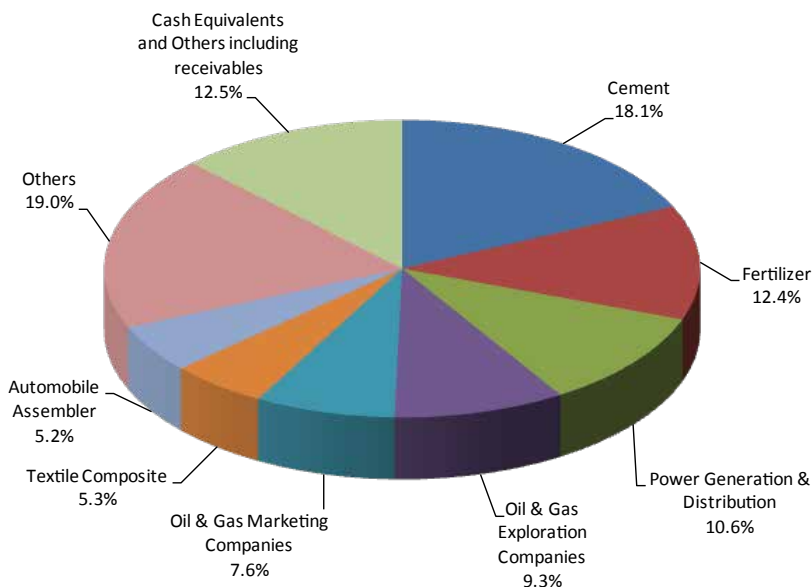
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Islamic Stock Fund (NISF) for the quarter ended September 30, 2015.

### Fund's Performance

During the first quarter the unit price of NAFA Islamic Stock Fund (NISF) has decreased from Rs. 10.8898 (Ex-Div) on June 30, 2015 to Rs. 10.5310 on September 30, 2015, thus showing a decline of 3.30%. The Benchmark (KMI-30 Index) for the same period decreased by 5.56%. Thus, the Fund has outperformed its Benchmark by 2.26% during the period under review. Since inception (January 09, 2015), the unit price of the Fund has shown a growth of 7.72% as compared to 3.13% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 4.59%. This performance is net of management fee and all other expenses. The Fund size of NISF at the end of the period stood at Rs.1,274 million, 1.8% higher compared to the previous quarter.

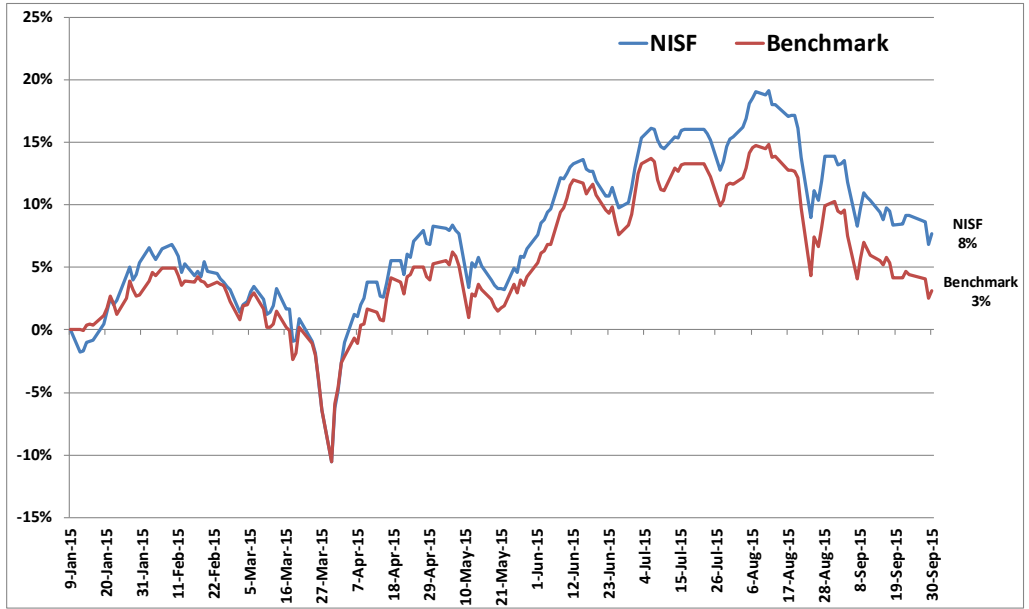
During 1QFY16, the stock market depicted a decline amidst foreign outflows and depreciating currency. Positives like IMF tranche, declining inflation, 50 bps cut in discount rate, and declining oil prices were offset by continuous foreign selling in the market. Oil & Gas Exploration and Oil & Gas Marketing sectors lagged the market. On the other hand Automobile & Parts, Cements, and Chemicals sectors performed better than the market.

The Fund has incurred loss of Rs.26.53 million during the period. After accounting for expenses of Rs.16.20 million, the total loss is Rs.42.73 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: October 21, 2015  
Place: Karachi.

# NAFA ISLAMIC STOCK FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2015

	Note	Un-Audited September 30, 2015	Audited June 30, 2015
------(Rupees in '000)-----			
<b>ASSETS</b>			
Balances with banks		135,269	133,821
Investments	4	1,114,683	1,061,806
Receivable against issue of units		50	97,656
Dividend and profit receivable	5	17,888	3,848
Receivable against sale of investments		25,253	-
Advances and deposits		2,685	2,633
<b>Total assets</b>		<b>1,295,828</b>	<b>1,299,764</b>
<b>LIABILITIES</b>			
Payable to NBP Fullerton Asset Management Limited - Management Company		15,301	10,900
Payable to the Central Depository Company of Pakistan Limited - Trustee		215	181
Payable to the Securities and Exchange Commission of Pakistan		326	398
Payable against redemption of units		1,197	28,454
Accrued expenses and other liabilities	6	4,898	8,326
<b>Total liabilities</b>		<b>21,937</b>	<b>48,259</b>
<b>NET ASSETS</b>		<b>1,273,891</b>	<b>1,251,505</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>1,273,891</b>	<b>1,251,505</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
		(Number of units)	
<b>Number of units in issue</b>		<b>120,966,178</b>	<b>113,552,481</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>10.5310</b>	<b>11.0214</b>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Chief Executive

For NBP Fullerton Asset Management Limited  
(Management Company)

Director



# NAFA ISLAMIC STOCK FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Note	Quarter ended September 30, 2015 (Rupees in '000)
<b>INCOME</b>		
Net gain on sale of investments		6,801
Dividend Income		17,927
Profit on bank deposits		1,812
Net unrealised (diminution) on re-measurement as 'financial assets at fair value through profit or loss'		(62,414)
<b>Total loss</b>		<b>(35,874)</b>
<b>EXPENSES</b>		
Remuneration of NBP Fullerton Asset Management Limited Management Company		10,282
Sindh sales tax on remuneration of the Management Company		1,670
FED on remuneration of the Management Company		1,645
Remuneration to Central Depository Company of Pakistan Limited- Trustee		594
Sindh sales tax on remuneration of Trustee		83
Annual fee - Securities and Exchange Commission of Pakistan		326
Securities transaction cost		1,190
Settlement and bank charges		281
Annual listing fee		10
Auditors' remuneration		101
Printing charges		25
<b>Total Expenses</b>		<b>16,207</b>
<b>Net (loss) from operating activities</b>		<b>(52,081)</b>
Net element of income/(loss) and capital gains/(losses) included 'in prices of units issued less those in units redeemed		9,347
Provision for Workers' Welfare Fund	8	-
<b>Net (loss) for the period before taxation</b>		<b>(42,734)</b>
Taxation	9	-
<b>Net (loss) for the period after taxation</b>		<b>(42,734)</b>
<b>Earnings per unit</b>	<b>10</b>	

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2015

Quarter ended  
September 30,  
2015  
(Rupees in '000)

Net (loss) for the period after taxation	(42,734)
Other Comprehensive Income	-
<b>Total comprehensive (loss) for the period</b>	<u><u>(42,734)</u></u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Chief Executive

For NBP Fullerton Asset Management Limited  
(Management Company)

Director

# NAFA ISLAMIC STOCK FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Quarter ended September 30, 2015 (Rupees in '000)
Undistributed income brought forward	
- Realised income	31,811
- Unrealised income	84,170
	<u>115,981</u>
Net (loss) for the period after taxation	(42,734)
Final distribution for the year ended June 30, 2015 : 1.369%	
- Bonus units	
- Cash distribution	(15,574)
	<u>57,673</u>
Undistributed income carried forward	<u><u>57,673</u></u>
Undistributed income comprising of:	
- Realised income	120,087
- Unrealised (loss)	(62,414)
	<u>57,673</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Chief Executive

For NBP Fullerton Asset Management Limited  
(Management Company)

Director

# NAFA ISLAMIC STOCK FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Quarter ended September 30, 2015 (Rupees in '000)
Net assets at the beginning of the period	1,251,505
Issue of 61,648,668 units	690,696
Redemption of 54,234,971 units	(600,655)
	90,041
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed	(9,347)
Net unrealised appreciation / (diminution) on re-measurement as 'financial assets at fair value through profit or loss'	(62,414)
Capital loss on sale of investments - net	6,801
Other income (net of expenses) for period	12,879
	(42,734)
Final distribution for the year ended June 30, 2015 : 1.369%	
- Cash Distribution	(15,574)
<b>Net assets at the end of the period</b>	<u><u>1,273,891</u></u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Chief Executive

For NBP Fullerton Asset Management Limited  
(Management Company)

Director

# NAFA ISLAMIC STOCK FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

Quarter ended  
September 30,  
2015  
(Rupees in '000)

### CASH FLOW FROM OPERATING ACTIVITIES

Net (loss) for the period before taxation (42,734)

#### Adjustments

Element of income and capital gains included in prices of units  
issued less those in units redeemed - net (9,347)

Net unrealised diminution on re-measurement  
as 'financial assets at fair value through profit or loss' 62,414

62,414

10,333

#### (Increase) / decrease in assets

Investments (115,291)

Dividend and profit receivable (14,040)

Receivable against sale of investments (25,253)

Advances and deposits (52)

(154,636)

#### Increase / (decrease) in liabilities

Payable to the Management Company 4,401

Payable to the Trustee 34

Payable to the Securities and Exchange Commission of Pakistan (72)

Accrued expenses and other liabilities (3,428)

935

Net cash (used in) operating activities (143,368)

### CASH FLOW FROM FINANCING ACTIVITIES

Net receipts from issue of units 788,302

Net payments on redemption of units (627,912)

Distributions made (15,574)

Net cash generated from financing activities 144,816

Net increase in cash and cash equivalents during the period 1,448

Cash and cash equivalents at the beginning of the period 133,821

Cash and cash equivalents at the end of the period 135,269

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2015

### 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 investors 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 these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

The directors of the 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 September 30, 2015.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

# NAFA ISLAMIC STOCK FUND

(Un-audited) (Audited)  
September 30, June 30,  
2015 2015  
(Rupees in '000)

## 4 INVESTMENTS

Financial assets 'at fair value through profit or loss'  
- Listed equity securities

Available for sale  
- Preference shares

### 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 September 30, 2015	Market value as at September 30, 2015	Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
(Rupees in '000) ----- % -----									
<b>OIL AND GAS</b>									
National Refinery Limited	59,700	-	-	59,700	-	-	-	-	-
Attock Refinery Limited	69,400	150,900	-	220,300	-	-	-	-	-
Attock Petroleum Limited	67,600	-	-	26,100	41,500	20,760	1.63	1.86	0.05
Hascol Petroleum Limited	148,640	-	208.00	147,600	1,248	149	0.01	0.01	0.00
Pakistan Oilfields Limited	118,200	115,800	-	69,700	164,300	48,293	3.79	4.34	0.07
Pakistan Petroleum Limited	167,400	323,800	-	50,000	441,200	52,565	4.13	4.72	0.02
Pakistan State Oil Company Limited	150,600	41,600	-	65,700	126,500	36,481	2.86	3.28	0.05
Mari Petroleum Limited	4,000	42,400	-	-	46,400	16,852	1.32	1.51	0.04
Shell Pakistan Limited	139,200	-	-	47,900	91,300	17,881	1.40	1.61	0.09
<b>FERTILIZER</b>									
Dawood Hercules Corporation Limited	71,500	-	-	37,200	34,300	3,614	0.28	0.32	0.01
Fauji Fertilizer Company Limited	-	198,400	-	198,400	-	-	-	-	-
Engro Fertilizers Limited	291,500	661,000	-	333,000	619,500	55,631	4.37	4.99	0.05
Engro Corporation Limited	342,500	86,100	-	180,600	248,000	73,998	5.81	6.64	0.05
Fatima Fertilizers company Limited	348,000	190,000	-	-	538,000	24,899	1.95	2.24	0.03
<b>AUTOMOBILE &amp; PARTS</b>									
Ghandhara Nissan Limited	78,500	76,000	-	154,500	-	-	-	-	-
Indus Motor Company Limited	49,150	6,000	-	23,640	31,510	31,554	2.48	2.83	0.04
Honda Atlas Cars (Pakistan) Limited	188,900	16,000	-	204,900	-	-	-	-	-
Baluchistan Wheels Limited	9,000	-	-	-	9,000	612	0.05	0.05	0.07
Pak Suzuki Motor Company Limited	40,300	70,900	-	33,000	78,200	32,419	2.54	2.91	0.10
Sazgar Engineering Works Limited	83,000	-	-	-	83,000	2,673	0.21	0.24	0.46
<b>GLASS AND CERAMICS</b>									
Tariq Glass Industries Limited	157,500	396,000	-	24,000	529,500	38,362	3.01	3.44	0.72
<b>CONSTRUCTION AND MATERIALS</b>									
Attock Cement Pakistan Limited	63,900	13,500	-	-	77,400	13,531	1.06	1.21	0.07
D.G. Khan Cement Company Limited	377,500	-	-	69,200	308,300	42,243	3.32	3.79	0.07
Kohat Cement Limited	58,300	-	-	54,700	3,600	688	0.05	0.06	0.00
Lucky Cement Limited	142,600	35,200	-	82,800	95,000	50,037	3.93	4.49	0.03
Fecto Cement Limited	225,000	76,000	-	-	301,000	24,035	1.89	2.16	0.60
Pioneer Cement Limited	47,000	355,000	-	-	402,000	34,870	2.74	3.13	0.18
Maple Leaf Cement Limited	375,500	174,000	-	143,000	406,500	27,862	2.19	2.50	0.08
Fauji Cement Company Limited	-	1,128,500	-	-	1,128,500	37,782	2.97	-	-
<b>GENERAL INDUSTRIALS</b>									
Thal Limited *	19,400	-	-	-	19,400	4,908	0.39	0.44	0.02
<b>PERSONAL GOODS</b>									
Kohinor Textile Mills Limited	816,000	77,000	-	24,500	868,500	61,273	4.81	5.50	0.35
Nishat Mills Limited	60,000	-	-	-	60,000	5,957	0.47	0.53	0.02
<b>Chemical</b>									
Ittehad Chemical Limited	408,000	-	-	3,000	405,000	18,023	1.41	1.62	0.81
<b>ELECTRICITY</b>									
The Hub Power Company Limited	644,500	70,500	-	273,500	441,500	43,373	3.40	3.89	0.04
Kot Addu Power Company Limited	556,000	75,000	-	34,500	596,500	56,518	4.44	5.07	0.07
K-Electric Limited *	500,000	1,194,500	-	-	1,694,500	11,963	0.94	1.07	0.07
Lalpir Power Limited	281,500	-	-	281,500	-	-	-	-	-
Pakgen Power Limited	-	956,000	-	148,500	807,500	22,570	1.77	2.03	0.22
<b>COMMERCIAL BANKS</b>									
Meezan Bank Limited	69,500	226,000	-	-	295,500	14,917	1.17	1.34	0.03
<b>MULTIUTILITIES (GAS AND WATER)</b>									
Sui Northern Gas Pipelines Limited	500,000	603,500	-	420,000	683,500	21,482	1.69	1.93	0.11
<b>ENGINEERING</b>									
Mughal Iron and Steel Industries Limited	448,500	229,000	-	51,000	626,500	40,703	3.20	3.65	0.57

# 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 September 31, 2015	Market value as at September 31, 2015	Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
						(Rupees in '000)		%	
<b>CABLE AND ELECTRIC GOODS</b>									
Pak Elektron Limited	345,000	186,500	-	40,000	491,500	35,431	2.78	3.18	0.12
<b>PHARMA AND BIO TECH</b>									
Abbott Laboratories (Pakistan) Limited	6,000	-	-	-	6,000	3,921	0.31	0.35	0.01
Ferozsons Laboratories Limited	15,500	-	-	-	15,500	11,732	0.92	1.05	0.05
The Searle Company Limited	37,000	8,000	-	8,000	37,000	14,812	1.16	1.33	0.04
<b>TECHNOLOGY AND COMMUNICATION</b>									
Avanceon Limited	386,000	314,500	-	67,500	633,000	20,788	1.63	1.87	0.60
Pakistan Telecommunication Company Limited	-	1,961,500	-	360,000	1,601,500	27,850	2.19	2.50	0.04
Service Industries Limited	-	10,000	-	-	10,000	8,050	0.63	0.72	0.08
<b>MISCELLANEOUS</b>									
Ecopack Limited	-	112,500	-	-	112,500	1,744	0.14	0.16	0.49
					<b>15,211,158</b>	<b>1,113,806</b>	<b>87.43</b>	<b>96.61</b>	
Carrying value as at September 30, 2015						<b>1,176,220</b>			

\* 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.

4.1.1 Investments include shares with market value of Rs 62.03 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.

4.2 In pursuant to 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 Extraordinary 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.

(Un-audited)	(Audited)
September 30,	June 30,
2015	2015
(Rupees in '000)	

## 5 DIVIDEND AND PROFIT RECEIVABLE

Accrued profit on profit and loss sharing accounts  
Dividend receivable

593	461
<u>17,295</u>	<u>3,387</u>
<u>17,888</u>	<u>3,848</u>

## 6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration  
Provision for Workers' Welfare Fund  
Payable against purchase of investment  
Brokerage payable  
Settlement charges  
Bank charges  
Withholding tax and capital gain tax  
Haram portion of dividend  
Other payables

380	278
2,403	2,403
-	2,263
-	203
106	64
86	33
1,089	2,472
687	388
147	222
<u>4,898</u>	<u>8,326</u>



# NAFA ISLAMIC STOCK FUND

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2015 and June 30, 2015.

## 8 PROVISION FOR WORKERS' WELFARE FUND

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

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements for the quarter ended September 30, 2015 which aggregates to Rs. 2.403 million. Had the same not been made the net asset value per unit of the Fund would have been higher by 0.0199 per unit respectively.

## 9 TAXATION

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

## 10 EARNINGS PER UNIT

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

## 11 TRANSACTIONS WITH CONNECTED PERSONS

- 11.1 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.
- 11.2 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.
- 11.3 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.4 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.
- 11.5 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

# NAFA ISLAMIC STOCK FUND

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

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

<b>NBP Fullerton Asset Management Limited - Management Company</b>	
Remuneration of the Management Company	10,282
Sindh sales tax on remuneration of the Management Company	1,670
FED on remuneration of the Management Company	1,645
<b>NBP Fullerton Asset Management Limited - Management Company</b>	
Units issued / transferred in (109,794 units)	1,245
<b>NAFA Islamic Principal Preservation Fund</b>	
Units issued / transferred In (11,199,563 units)	127,211
Units redeemed / transferred out (14,883,441 units)	160,638
<b>Employees of the Management Company</b>	
Units issued / transferred In (1,273,066 units)	14,091
Units redeemed / transferred out (1,010,222 units)	11,237
Cash distribution for the period	112
<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Remuneration	594
Sindh sales tax on remuneration of Trustee	83
<b>Taurus Securities Limited (Common Directorship)</b>	
Brokerage	105

## 11.7 Amounts outstanding as at period end

	Un-audited September 30, 2015	Audited June 30, 2015
	(Rupees in '000)	
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Payable to the Management Company	3,192	2,977
Sindh Sales Tax on remuneration of Management Company	518	518
Federal Excise Duty on remuneration of Management Company	3,655	2,010
Front-end load payable	5,239	2,698
Other Payable	2,697	2,697
Initial deposit on opening of bank accounts	44	44
Listing fee	20	20
Security deposit paid to National Clearing Company of Pakistan Limited	2,530	2,530
Security deposit paid to Central Depository Company of Pakistan Limited	103	103
<b>NAFA Islamic Principal Preservation Fund</b>		
Units held 34,521,015 (June 30, 2015 38,204,892 units)	363,541	421,071
Dividend payable	-	4,386
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Units held 10,504,650 (June 30, 2015 10,394,856 units)	110,625	114,566
<b>Employees of the Management Company</b>		
Units held 1,231,256 (June 30, 2015 958,513 units)	12,966	10,564

# NAFA ISLAMIC STOCK FUND

	Un-audited September 30, 2015	Audited June 30, 2015
	(Rupees in '000)	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee	188	181
Security deposit	103	103
Sindh Sales Tax on remuneration of Trustee	26	
<b>National Bank of Pakistan - Sponsor</b>		
Bank Balances	604	1,480
<b>Summit Bank Limited (Common Directorship)</b>		
Bank Balances	937	642
<b>Taurus Securities Limited (Common Directorship)</b>		
Brokerage Payable	50	-
<b>Amount receivable against issue of units from:</b>		
NAFA Islamic Asset Allocation Fund	-	93,671
NAFA Islamic Aggressive Income Fund	50	3,985
<b>Amount payable against redemption of units to:</b>		
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

## 12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 21, 2015.

## 13 GENERAL

13.1 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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