

AM2+
Rated by PACRA



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

NAFA STOCK FUND

ANNUAL REPORT 2015



Your investments & "NAFA" grow together

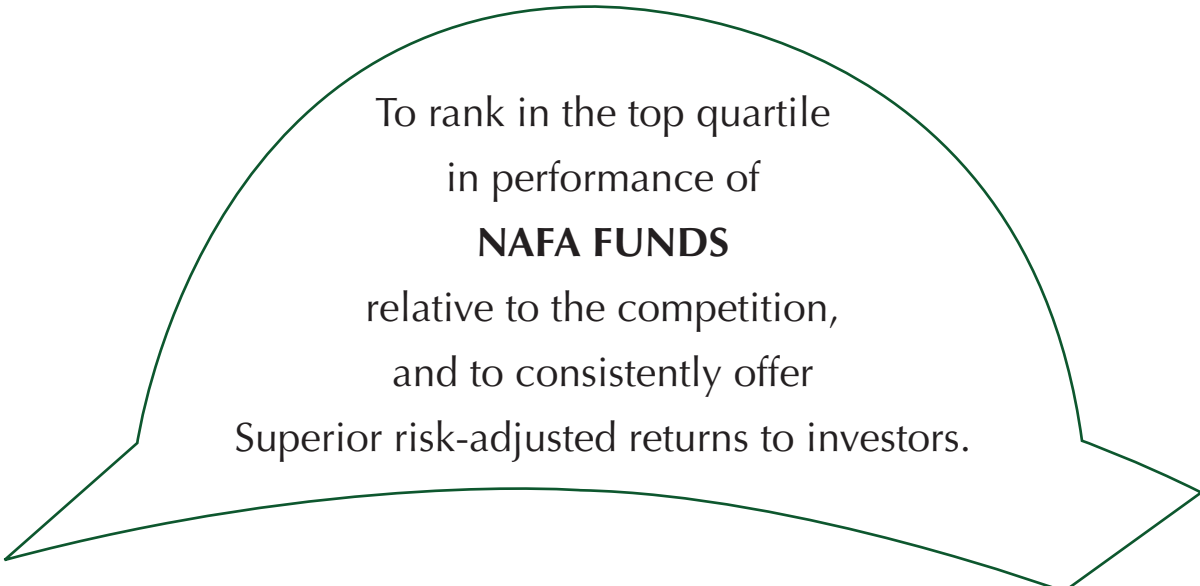


**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

NAFA STOCK FUND

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. 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 & 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 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 Shakra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
Dubai Islamic Bank Pakistan Limited
Sindh Bank Limited
JS Bank Limited

NAFA STOCK FUND

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.
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 STOCK FUND

Contents

DIRECTORS' REPORT	05
TRUSTEE REPORT TO THE UNIT HOLDERS	08
STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE	09
FUND MANAGER REPORT	12
REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE	14
INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS	15
STATEMENT OF ASSETS AND LIABILITIES	16
INCOME STATEMENT	17
STATEMENT OF COMPREHENSIVE INCOME	18
DISTRIBUTION STATEMENT	19
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	20
CASH FLOW STATEMENT	21
NOTES TO THE FINANCIAL STATEMENTS	22
PERFORMANCE TABLE	42

Board of Directors



Mr. Nausherwan Adil
Chairman



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Kamal Amir Chinoy
Director



Mr. Koh Boon San
Director



Mr. Aamir Sattar
Director



Mr. Shehryar Faruque
Director



Mr. Nigel Poh Cheng
Director



Mr. Abdul Hadi Palekar
Director

Senior Management*



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. M. Murtaza Ali
Chief Operating Officer
& Company Secretary



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Mr. Zeeshan
Chief - Strategy &
Business Development



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Samiuddin Ahmed
Country Head Corporate
Marketing



Mr. Ozair Khan
Chief Technology Officer



Mr. Muhammad Ali, CFA, FRM
Head of Fixed Income



Syed Suleman Akhtar CFA
Head of Research



Mr. Tahir Lateef
Head of Internal Audit



Mr. Ahmad Nouman CFA, PRM
Head of Risk Management



Mr. Asim Wahab Khan, CFA
Head of Equity

NAFA STOCK FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Ninth Annual Report of **NAFA Stock Fund** for the year ended June 30, 2015.

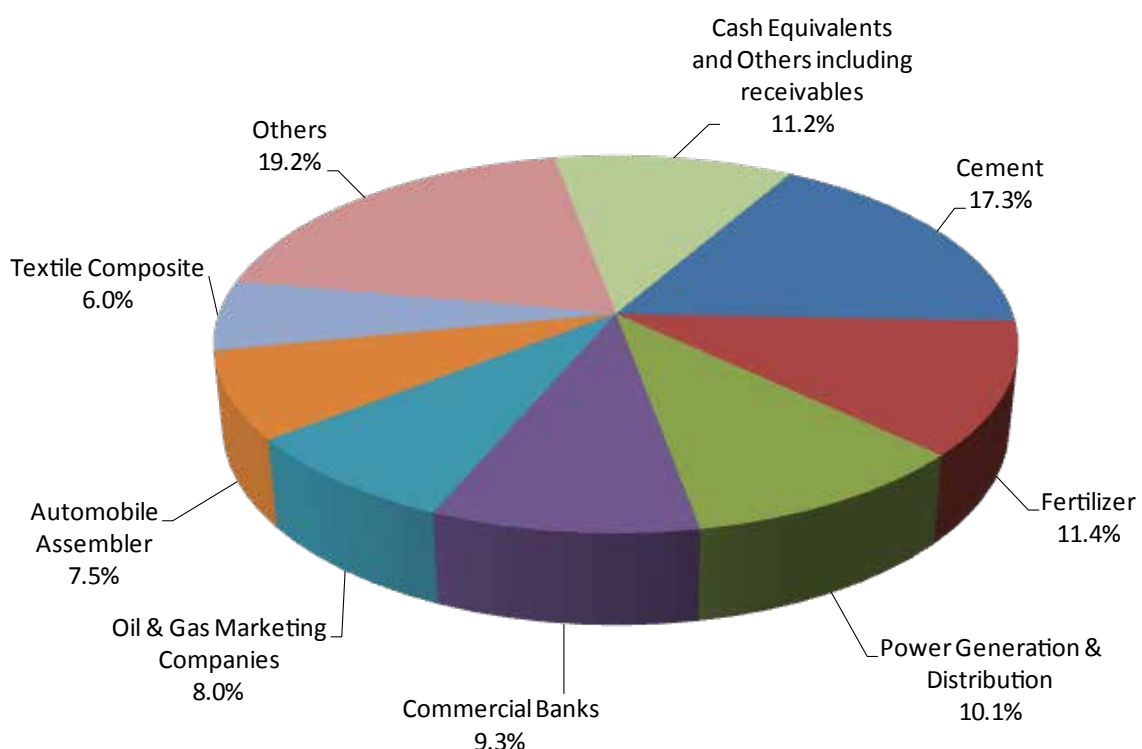
Fund's Performance

During FY2014-15, the stock market (KSE-100 Index) surged by 16.01%. Despite a challenging political environment which led to heightened volatility in the market, FY15 was the 6th consecutive year of double digit returns. The KSE-100 Index witnessed bullish momentum driven by strengthening foreign exchange reserves amid successful ongoing IMF and Privatization programs; issuance of international sukuk bonds; steep fall in oil prices and inflation and resultant 300bps cut in SBP discount rate to 7.0%; and rating upgrades by international rating agencies. Mutual Funds and foreigners remained net buyers in the market on the back of strong macroeconomic outlook, attractive valuations, and improving security situation.

During the fiscal year, NAFA Stock Fund delivered 36.94% return as against KSE-100 index return of 16.01%, outperforming the market by a whopping 20.93% during the year. The Fund outperformed on the back of timely asset allocation and sector rotation. Further, the Fund was over-weight in key stocks in Cements and Auto Assembler sector that outperformed the market and under-weight in key stocks in Banks that underperformed the market, thereby contributing to the out-performance. Since inception (January 22, 2007), NSF has risen by 299.32%, whereas the KSE-100 index has increased by 223.26%, thus to date out-performance is 76.06%. This outperformance is net of management fee and all other expenses.

The size of NAFA Stock Fund as on June 30, 2015 is Rs.4,113 million. The Fund has earned a total income of Rs.1,012.30 million during the year. After deducting total expenses of Rs.110.37 million, the net income is Rs.901.93 million. During the year, the unit price of NAFA Stock Fund has increased from Rs.9.2837 (Ex-Div) on June 30, 2014 to Rs.12.7128 (Ex-Div) on June 30, 2015. The resultant per unit gain is Rs.3.4291 (36.94%).

The asset allocation of NAFA Stock Fund as on June 30, 2015 is as follows:



NAFA STOCK FUND

Income Distribution

The Board of Directors of the Management Company has approved cash dividend of 11.26% of opening ex-NAV (11.36% of the par value) for the year.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, Messrs M. Yousuf Adil Saleem & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ended June 30, 2016.

Directors' Statement in Compliance with Code of Corporate Governance

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held six meetings during the current financial year. The attendance of all directors is disclosed in the note 24 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 23 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 20 to these financial statements.

NAFA STOCK FUND

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: September 30, 2015
Place: Karachi.

NAFA STOCK FUND

TRUSTEE REPORT TO THE UNIT HOLDERS NAFA STOCK FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V 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 year ended June 30, 2015 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: October 13, 2015

NAFA STOCK FUND

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (“the Code”) contained in Regulation No. 35 (Chapter XI) of Listing Regulations of Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

NBP Fullerton Asset Management Limited, the Management Company, is not listed and hence, the Code is not applicable to it. However, **NAFA Stock Fund**, being listed at the Lahore Stock Exchange, comes under the ambit of the Code. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), and Chief Financial Officer (CFO)/Company Secretary and other necessary personnel to manage the affairs of the Fund.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors on its Board of Directors. As present, the Board includes:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque
Executive Directors	Dr. Amjad Waheed (Chief Executive Officer)
Non- Executive Directors	1. Mr. Nausherwan Adil (Chairman) 2. Mr. Aamir Sattar 3. Mr. Abdul Hadi Palekar 4. Mr. Nigel Poh Cheng 5. Mr. Koh Boon San

The independent directors meet the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. One casual vacancy occurred on the board on February 17, 2015 which was filled up on the same date.
5. The Management Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.

NAFA STOCK FUND

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. In order to apprise the directors on their duties and responsibilities the Code requires every listed company to conduct formal orientation for directors. As per the Code, by June 30, 2015 a minimum of three directors should have attended director training program. As at the year end, three of the directors have attended the director's training program offered by Pakistan Institute of Corporate Governance. Other directors are also conversant with the relevant laws applicable to the Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. There was no new appointment of the Chief Financial Officer (CFO), Company Secretary, or Head of Internal Audit during the year.
11. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the units of the Fund other than that disclosed in note 20 to the financial statements "Transactions with Connected Persons".
14. The Management Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members. All the members are non-executive directors including an independent director and the chairman of the committee is a non-independent director.

NAFA STOCK FUND

18. The Board has set up an effective internal audit function headed by a full time Head of Internal Audit who is considered suitably qualified and experienced, and is conversant with the policies and procedures of the Fund.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. Since there is no practical implication of closed period on the announcement of interim and final results of open end Fund. Therefore, there was no 'closed period' prior to the announcement of interim/final results.
22. Material / price sensitive information has been disseminated amongst all market participants at once through the Stock Exchange.
23. We confirm that all other material principles contained in the CCG have been complied with. While the Code of Corporate Governance requires that a mechanism shall be put in place for the annual evaluation of the Board's own performance by April 2014, the Management Company has prepared a framework for this purpose and eventual approval by the Board of Directors of the Management Company will be obtained in forthcoming Board of Directors meeting, subsequent to year end.

For and behalf of the board

Karachi
September 30, 2015

Dr. Amjad Waheed
Chief Executive Officer

NAFA STOCK FUND

FUND MANAGER REPORT

NAFA Stock Fund

NAFA Stock Fund is an open-ended equity fund

Investment Objective of the Fund

The objective of NAFA Stock Fund is to provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund is moderate to high.

Benchmark

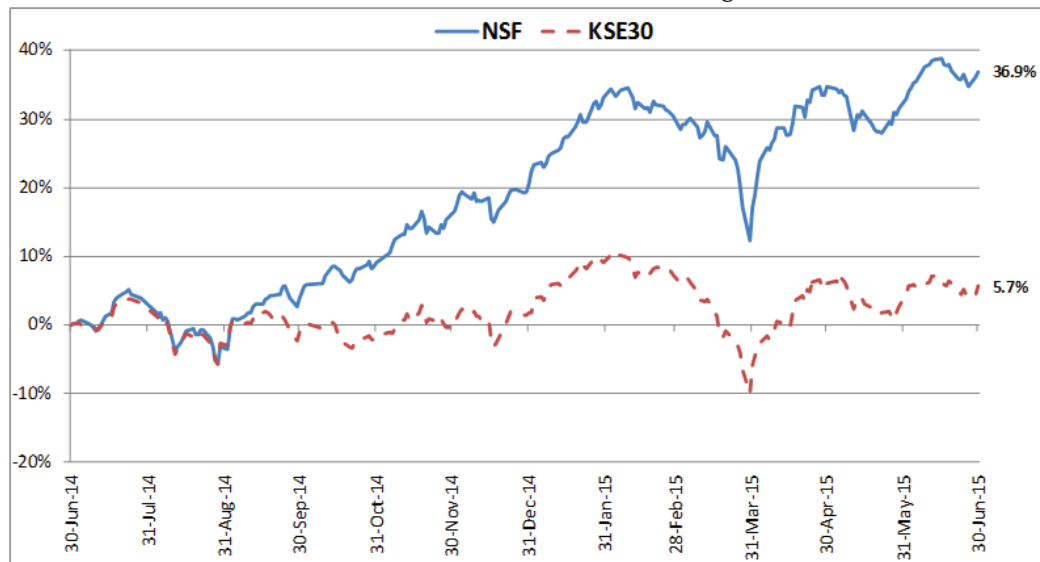
The Benchmark of the Fund is KSE-30 Index.

Fund performance review

This is the ninth annual report of the Fund. During the year under review, NAFA Stock Fund's (NSF) dividend adjusted Net Asset Value (NAV) increased by 36.94% whereas the Benchmark KSE-30 Index increased by 5.67%, thereby an out-performance of 31.27% was recorded. Since inception on January 22, 2007, the NAV of NSF has risen by 299.32% while the benchmark has increased by 61.08%, thus to date cumulative out-performance is 238.24%. The out-performance of the Fund is net of management fee and all other expenses. Thus, NSF has met its investment objective. During the year, the fund size of NSF increased by 128% to Rs 4,114mn.

NSF outperformed during the year as its key holdings in the Cement, Auto Assembler, Chemicals and Textile Composite performed better than the market. Moreover, contribution to the Fund's performance also came from its under-weight position in the selected companies of Oil and Gas Exploration companies, Oil and Gas Marketing companies and Banks sectors that lagged the market. The chart below shows the performance of NSF against the benchmark for the year.

NSF Performance vs. Benchmark during FY15



At the beginning of the year, NSF was around 89% invested in equities. During the year, we proactively adjusted our exposure in equities. At the end of the year, NSF was around 89% invested in equities.

During FY2014-15, the stock market (KSE-100 Index) surged by 16.01%. Despite a challenging political environment which led to heightened volatility in the market, FY15 was the 6th consecutive year of double digit returns. The Market witnessed bullish momentum due to strengthening FX reserves, successful ongoing IMF and Privatization programs, issuance of international sukuk bonds, steep fall in inflation and resultant 300bps cut in SBP discount rate to 7.0% and rating upgrades by international rating agencies. Mutual Funds and foreigners remained net buyers in the market on the back of strong macroeconomic outlook and improvement in political and security situation.

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. NAFA Stock Fund does not have any soft commission arrangement with any broker in the industry.

NAFA STOCK FUND

Asset Allocation of the Fund (% of NAV)

Particulars	30-Jun-15	30-Jun-14
Equities / Stock	88.81%	89.12%
Cash Equivalents	30.41%	15.64%
Other Net (Liabilities)	-19.20%	-4.76%
Total	100.00%	100.00%

Distribution for the Financial Year 2015

Interim / Final	Dividend as a % of Par Value (Rs.10)	Cum Dividend Price Per Unit (Rs.)	Ex- Dividend Price Per Unit (Rs.)
Interim	4.524%	13.6192	13.1668
Final	6.842%	13.3685	12.6843

Pattern of Unit Holders for NAFA STOCK FUND as on June 30, 2015

Size of Unit Holding (Units)		# of Unit Holders
1	1,000	112
1,001	5,000	360
5,001	10,000	165
10,001	50,000	342
50,001	100,000	115
100,001	500,000	118
500,001	1,000,000	30
1,000,001	5,000,000	32
5,000,001	10,000,000	6
10,000,001	100,000,000	5
Total:		1285

During the period under question:

- There have been no significant changes in the state of affairs of the Fund
- The Management Company or its delegates did not receive any soft commission (i.e. goods and services) from its broker(s)/dealer(s) by virtue of transactions conducted by the Fund.

Workers' Welfare Fund (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of 47.575 million. If the same were not made, the NAV per unit/last one year return of scheme would have been higher by Rs 0.155 / 1.156%. For details, investors are advised to read the Note 17 of the Financial Statements of the Scheme for the year ended June 30, 2015.

NAFA STOCK FUND

REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of the NBP Fullerton Asset Management Limited, the Management Company of **NAFA Stock Fund** (the Fund) for the year ended June 30, 2015, to comply with the requirements of Lahore Stock Exchange Limited where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund (the Board). Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirement of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2015.

Further, we highlight the below instances of non-compliances with the requirements of the Code as reflected in the paragraph references where these are stated in the Statement of Compliance:

- i) Paragraph 21 As per the Code, there should be announcement of 'close period' prior to the announcement of interim / final results, however there was no such 'close period' announced during the year ended June 30, 2015.
- ii) Paragraph 23 As per the Code, a mechanism was required to be put in place for an annual evaluation of the Board's own performance which has been approved by the Board of Directors of Management Company subsequent to year end.

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Karachi
Date: October 16, 2015

NAFA STOCK FUND

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

Report on the Financial Statements

We have audited the accompanying financial statements of NAFA Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2015, and the related income statement, statement of comprehensive income, cash flow statement, distribution statement and statement of movements in unit holders' funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Company's Responsibility for the Financial Statements

NBP Fullerton Asset Management Limited (the Management Company) is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at June 30, 2015, and of its financial performance, its cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non- Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non- Banking Finance Companies and Notified Entities Regulations, 2008.

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Engagement Partner:
Naresh Kumar

Date: September 30, 2015
Place: Karachi

NAFA STOCK FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2015

	Note	2015 -----Rupees in '000-----	2014 -----Rupees in '000-----
ASSETS			
Balances with banks	5	394,840	277,573
Investments	6	3,653,345	1,608,290
Dividend and profit receivable	7	13,265	4,570
Advances, deposits and other receivables	8	143,801	37,809
Total assets		4,205,251	1,928,242
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company	9	24,218	6,243
Payable to Central Depository Company of Pakistan Limited - Trustee	10	407	216
Payable to the Securities and Exchange Commission of Pakistan	11	2,755	1,207
Payable against purchase of investments		-	83,061
Accrued expenses and other liabilities	12	64,020	32,860
Total liabilities		91,400	123,587
NET ASSETS		4,113,851	1,804,655
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		4,113,851	1,804,655
Contingencies and commitments	13		
		-----Number of units-----	
Number of units in issue	14	307,726,184	178,714,888
		-----Rupees-----	
Net asset value per unit	15	13.3685	10.0980

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 -----Rupees in '000-----	2014 -----Rupees in '000-----
INCOME			
Net gain on sale of investments		267,669	218,319
Dividend income		117,474	62,375
Profit on bank deposits		19,933	13,392
Net unrealised gain on re-measurement of investments at fair value through profit or loss - held for trading	6.2	493,834	138,538
Total income		<u>898,910</u>	<u>432,624</u>
EXPENSES			
Remuneration of the NBP Fullerton Asset Management Limited - Management Company	9.1	58,005	25,423
Sales tax on remuneration of Management Company	9.2	10,093	4,749
Federal Excise Duty on remuneration of Management Company	9.3	9,281	4,068
Remuneration of the Central Depository Company of Pakistan- Trustee	10.1	3,900	2,271
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	2,755	1,208
Securities transaction cost		5,977	6,841
Settlement and bank charges		978	785
Auditors' remuneration	16	527	463
Fund rating fee		170	133
Legal and professional charges		125	100
Annual listing fee		40	40
Printing charges		108	122
Total expenses		<u>(91,959)</u>	<u>(46,203)</u>
Net income from operating activities		<u>806,951</u>	<u>386,421</u>
Element of income and capital gains included in prices of units issued less those in units redeemed - net	4	113,387	-
Provision for Workers' Welfare Fund	17	(18,407)	(7,728)
Net Income for the year before taxation		<u>901,931</u>	<u>378,693</u>
Taxation	18	-	-
Net income for the year after taxation		<u>901,931</u>	<u>378,693</u>
Earnings per unit	19		

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	-----Rupees in '000-----	
Net income for the year after taxation	901,931	378,693
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>901,931</u>	<u>378,693</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 -----Rupees in '000-----	2014
Undistributed income brought forward		108,917	58,709
Final distribution for the year ended June 30, 2014: Nil (2013: 23.98%) (Date of distribution: Nil) (2013: July 11, 2013)			
- Bonus units		-	(252,665)
- Cash distribution		-	(378)
Net income for the year		901,931	378,693
First Interim distribution 2015: 4.524% (2014: 1.685%) (Date of distribution: June 29, 2015) (2014: February 13, 2014)			
- Bonus units		-	(21,079)
- Cash distribution		(104,123)	(49)
Second Interim distribution 2015: Nil (2014: 1.685%) (Date of distribution: Nil) (2014: April 30, 2014)			
- Bonus units		-	(22,053)
- Cash distribution		-	(46)
Third Interim distribution 2015: Nil (2014: 12.975%) (Date of distribution: Nil) (2014: June 26, 2014)			
- Bonus units		-	(183,147)
- Cash distribution		-	(352)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	4	208,632	151,284
		104,509	(75,442)
Undistributed income carried forward		<u>1,115,357</u>	<u>108,917</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 -----Rupees in '000-----	2014
Net assets at the beginning of the year		1,804,655	1,122,681
Issuance of 465,183,467 units (2014: 192,461,104 units including 49,087,682 bonus units)		5,849,766	1,487,759
Redemption of 336,172,171 units (2014: 117,476,290 units)		(4,224,991)	(1,183,653)
		1,624,775	304,106
Final distribution (bonus) for the year ended June 30, 2014: Nil (2013: 26,609,457 units)		-	252,665
Net element of income and capital gains included in prices of units issued less those in units redeemed- transferred to Income statement	4	(113,387)	(151,284)
Net element of income and capital gains included in prices of units issued less those in units redeemed- transferred to distribution statement	4	(208,632)	-
Total Comprehensive Income for the year		901,931	378,693
Less: Distributions made during the year			
Final distribution for the year ended June 30, 2014: Nil (2013: 23.98%) (Date of distribution: Nil) (2013: July 11, 2013)			
- Bonus units		-	(252,665)
- Cash distribution		-	(378)
First Interim distribution 2015: 4.524% (2014: 1.685%) (Date of distribution: June 29, 2015) (2014: February 13, 2014)			
- Bonus units		-	(21,079)
- Cash distribution		(104,123)	(49)
Second Interim distribution 2015: Nil (2014: 1.685%) (Date of distribution: Nil) (2014: April 30, 2014)			
- Bonus units		-	(22,053)
- Cash distribution		-	(46)
Third Interim distribution 2015: Nil (2014: 12.975%) (Date of distribution: Nil) (2014: June 26, 2014)			
- Bonus units		-	(183,147)
- Cash distribution		-	(352)
		(104,123)	(479,769)
Interim distribution: Issue of bonus units		-	226,279
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing income that forms part of the unit holders fund		(208,632)	(151,284)
Net assets at the end of the year		<u>4,113,851</u>	<u>1,804,655</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 -----Rupees in '000-----	2014 -----Rupees in '000-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		901,931	378,693
Adjustments:			
Net unrealised gain on re-measurement of investments at fair value through profit or loss - held for trading		(493,834)	(138,538)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		(113,387)	-
		294,710	240,155
(Increase) / decrease in assets			
Investments - net		(1,551,221)	(662,965)
Dividend and profit receivable		(8,695)	(4,034)
Advances, deposits and other receivables		11,162	(14,270)
		(1,548,754)	(681,269)
Increase / (decrease) in liabilities			
Payable to the Management Company		17,975	3,626
Payable to the Trustee		191	9
Payable to the Securities and Exchange Commission of Pakistan		1,548	60
Payable against purchase of investments		(83,061)	83,061
Accrued expenses and other liabilities		25,394	11,209
		(37,953)	97,965
Net cash used in operating activities		(1,291,997)	(343,149)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash generated from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received from issuance of units		5,732,612	1,466,960
Amounts paid on redemption of units		(4,219,225)	(1,185,614)
Distributions paid		(104,123)	(825)
Net cash generated from financing activities		1,409,264	280,521
Net increase / (decrease) in cash and cash equivalents during the year		117,267	(62,628)
Cash and cash equivalents at the beginning of the year		277,573	340,201
Cash and cash equivalents at the end of the year	5	394,840	277,573

The annexed notes 1 to 32 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' to the Management Company. Based on the performance of the Fund for the year ended June 30, 2015, it has been assigned short and long term performance ranking of '5 star' and '5 star' respectively.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) and 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.

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

The Financial Statements 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 Adoption of new standards, amendments and interpretations to the published approved accounting standards:

2.4.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2015

The following standards, amendments and interpretations are effective for the year ended June 30, 2015. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IAS 19 Employee Benefits: Employee contributions

Effective from accounting period beginning on or after July 01, 2014

NAFA STOCK FUND

Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2014
IAS 36 Impairment of Assets - Recoverable amount disclosures for non-financial assets	Effective from accounting period beginning on or after January 01, 2014
IAS 39 Financial Instruments: Recognition and measurement - Novation of derivatives and continuation of hedge accounting	Effective from accounting period beginning on or after January 01, 2014
IFRIC 21 - Levies	Effective from accounting period beginning on or after January 01, 2014

2.4.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

- Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after January 01, 2016
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants	Effective from accounting period beginning on or after January 01, 2016
- IAS 27 (Revised 2011) – Separate Financial Statements	Effective from accounting period beginning on or after January 01, 2015. IAS 27 (Revised 2011) will concurrently apply with IFRS 10.
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	Effective from accounting period beginning on or after January 01, 2015
- IFRS 10 – Consolidated Financial Statements	Effective from accounting period beginning on or after January 01, 2015. Earlier adoption is encouraged.
- IFRS 11 – Joint Arrangements	Effective from accounting period beginning on or after January 01, 2015
- IFRS 12 – Disclosure of Interests in Other Entities	Effective from accounting period beginning on or after January 01, 2015
- IFRS 13 – Fair Value Measurement	Effective from accounting period beginning on or after January 01, 2015

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers

2.5 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying Fund's accounting policies. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

In the process of applying Fund's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

NAFA STOCK FUND

- a) classification of financial assets (note 3.2.1)
- b) impairment of financial assets (note 3.2.5)
- c) provisions (note 3.9)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.2 Financial assets

3.2.1 Classification

The management of the Fund determines the appropriate classification of its investments at the time of purchase and classifies these investments at fair value through profit or loss - held for trading, loans and receivables or available-for-sale.

a) Investments at fair value through profit or loss - held for trading

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as 'fair value through profit or loss - held for trading'.

b)

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Available for sale

c)

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as (i) loans and receivables, (ii) held to maturity investments or (iii) financial assets at fair value through profit and loss.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Purchases/sales of financial assets require delivery of securities within the time frame established by the regulations.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are recognized in the income statement.

3.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss - held for trading' is valued as follows:

a) Equity securities

The investment of the Fund in equity securities are valued on the basis of closing quoted market prices available at the stock exchange.

Investments of the Fund in unquoted equity securities are carried at lower of investment price or their break-up value as per the latest audited financial statements.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the 'income statement'.

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

b) Loans and receivables

Subsequent to initial recognition, financial assets classified as loans and receivables are carried at amortised cost using effective interest method.

NAFA STOCK FUND

3.2.5 Impairment of financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever, the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the 'Income Statement'.

a) Equity securities

For equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the security is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in 'income statement' is reclassified from 'unit holders' fund' to 'income statement'. Impairment losses recognised on equity instruments are not reversed through the 'income statement'.

b) Loans and Receivables

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and where the Fund has transferred substantially all risks and rewards of ownership.

3.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is re-measured to its fair value and the resultant gain or loss is recognised in the 'income statement'.

3.4 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the Statement of Assets and Liabilities. Amount paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

All reverse repo transactions are accounted for on the settlement date.

3.5 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

3.6 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the Net Asset Value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Currently, the Fund is charging sales load (front end load) at a rate of three percent of net asset value per unit. Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the Net Asset Value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

NAFA STOCK FUND

3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is determined based on the income earned during the period and on unrealised appreciation / (diminution) arising during the year on available for sale securities (AFS). From April 01, 2015, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed is now apportioned between the income statement and the distribution statement in proportion of the relative change in net assets for the period of available for sale investments and other net assets (Note 4).

3.9 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.10 Revenue recognition

Realised capital gains / (losses) arising on sale of investments are included in the 'income statement' on the date at which the transaction takes place.

Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss - held for trading' are included in the 'income statement' in the period in which they arise.

Dividend income is recognised when the right to receive the dividend is established.

Markup / return on government securities, term finance certificate, sukuks, commercial papers, clean placements, bank balances and term deposit receipts are recognized on a time proportionate basis using the effective interest method.

3.11 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders.

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

3.12 Proposed distributions

Distributions declared subsequent to the year end are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared, However for tax purpose it is considered of later year for which it is declared.

3.13 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.

4 CHANGE IN ACCOUNTING ESTIMATE

From April 1, 2015, the Fund has revised its methodology for recognition of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed. As per the revised methodology, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed is now apportioned between the income statement and the distribution statement in proportion of the relative change in net assets for the period of available for sale investments and other net assets. Previously, full amount of the element was taken directly to the distribution statement.

The revised methodology, in the opinion of management, reflects a more appropriate manner for recognition of element and moreover is in conformity with the general industry practice. The new methodology is being consistently implemented across all funds managed by the Management Company. Management has treated the revision in methodology as change in accounting estimate. Had there been no change in estimate, the net income after taxation for the year would have been lower by Rs. 111.119 million (net of WWF).

NAFA STOCK FUND

	Note	2015 -----Rupees in '000-----	2014
5 BALANCES WITH BANKS			
In current accounts		6,060	4,769
In savings accounts	5.1	388,780	272,804
		<u>394,840</u>	<u>277,573</u>

5.1 These accounts carry profit at rates ranging from 4.5% to 10.75% per annum (2014: 6.5% to 11% per annum).

6 INVESTMENTS

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

- Listed equity securities	6.1	3,653,345	1,608,290
		<u>3,653,345</u>	<u>1,608,290</u>

5.1 Investment in listed equity securities

Name of the investee company	As at July 1, 2014	Purchases during the year	Bonus / right shares	Sales during the year	As at June 30, 2015	Market value as at June 30, 2015	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)

SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs. 10 each unless stated otherwise

SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs. 10 each unless stated otherwise

OIL AND GAS

National Refinery Limited	100	190,400	-	6,300	184,200	42,746	1.04	1.17	0.23
Oil & Gas Development Company Limited Limited	152,681	234,500	-	178,300	208,881	37,435	0.91	1.02	-
Pakistan Oilfields Limited	140,130	249,600	-	141,600	248,130	100,200	2.44	2.74	0.10
Pakistan Petroleum Limited	253,776	829,350	-	546,700	536,425	88,113	2.14	2.41	0.03
Pakistan State Oil Company Limited	171,467	471,300	-	185,500	457,267	176,409	4.29	4.83	0.17
Shell Pakistan Limited	-	222,100	-	-	222,100	56,182	1.37	1.54	0.21
Attock Petroleum Limited	-	105,350	-	400	104,950	59,530	1.45	1.63	0.13
Hascol Petroleum Limited (6.2.1)	-	708,500	49,335	486,500	271,335	31,072	0.76	0.85	0.27
Attock Refinery Limited	-	195,500	-	-	195,500	44,662	1.09	1.22	0.23

CHEMICALS

Arif Habib Corporation Limited	420,000	-	-	420,000	-	-	-	-	-
Dawood Hercules Corporation Limited	18,500	-	-	18,500	-	-	-	-	-
Engro Corporation Limited	515,485	918,200	-	338,400	1,095,285	325,081	7.90	8.90	0.21
Engro Fertilizers	-	2,183,500	-	955,000	1,228,500	108,956	2.65	2.98	0.09
Fatima Fertilizer Company Limited	-	108,500	-	108,500	-	-	-	-	-
Fauji Fertilizer Company Limited	-	381,400	-	151,300	230,100	34,382	0.84	0.94	0.02

CONSTRUCTION AND MATERIALS

Attock Cement (Pakistan) Limited	114	-	-	113	1	-	-	-	-
Akzo Nobel Pakistan Limited	189,300	-	-	95,000	94,300	30,098	0.73	0.82	0.20
D.G. Khan Cement Company Limited	432,000	3,441,500	-	1,639,000	2,234,500	319,020	7.75	8.73	0.51
Fecto Cement Limited	-	313,500	-	-	313,500	21,798	0.53	0.60	0.63
Kohat Cement Limited	-	264,000	-	226,400	37,600	7,514	0.18	0.21	0.02
Lucky Cement Limited	178,633	303,100	-	100,500	381,233	198,096	4.82	5.42	0.12
Lafarge Pakistan Cement	1,050,000	-	-	1,050,000	-	-	-	-	-
Cherat Cement Company Limited	168	-	-	168	-	-	-	-	-
Pioneer Cement Limited	1,566,000	597,000	-	1,604,500	558,500	47,635	1.16	1.30	0.25
Maple Leaf Cement Factory Limited	1,964,000	1,135,000	-	2,110,000	989,000	77,696	1.89	2.13	0.19
Thatta Cement Company Limited	1,250,000	-	-	-	1,250,000	37,813	0.92	1.04	1.25

GENERAL INDUSTRIALS

Thal Limited*	247,089	28,900	-	15,000	260,989	74,494	1.81	2.04	0.32
Cherat Packaging Limited.	19,992	-	-	2,400	17,592	3,319	0.08	0.09	0.06
MACPAC Films Limited	5,500	-	-	5,500	-	-	-	-	-

AUTOMOBILE AND PARTS

Ghandara Nissan Limited	838,500	-	-	536,500	302,000	29,865	0.73	0.82	0.67
Honda Atlas Cars (Pakistan) Limited	593,500	447,000	-	751,000	289,500	63,308	1.54	1.73	0.20
Pak Suzuki Motor Company Limited	171,900	117,600	-	219,800	69,700	30,383	0.74	0.83	0.08
Baluchistan Wheels Limited	-	87,000	-	-	87,000	5,059	0.12	0.14	0.65
Indus Motor Company Limited	-	147,000	-	-	147,000	183,604	4.46	5.03	0.19

NAFA STOCK FUND

Name of the investee company	As at July 1, 2014	Purchases during the year	Bonus / right shares	Sales during the year	As at June 30, 2015	Market value as at June 30, 2015	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)									
PHARMA AND BIOTECH									
Abbot Laboratories (Pakistan) Limited	-	36,900	-	-	36,900	24,624	0.60	0.67	0.04
Ferozsons Laboratories Limited	-	29,000	-	-	29,000	18,547	0.45	0.51	0.10
GlaxoSmithKline (Pakistan) Limited	-	52,000	-	-	52,000	10,168	0.25	0.28	0.02
FORESTRY (PAPER AND BOARD)									
Century Paper and Board Mills Limited	356,500	689,000	-	746,000	299,500	17,647	0.43	0.48	0.20
INDUSTRIAL METALS AND MINING									
Crescent Steel & Allied Products Limited	377,500	472,000	-	795,000	54,500	2,832	0.07	0.08	0.09
International Industries Limited	709	1,052,500	-	709	1,052,500	70,665	1.72	1.93	0.88
ENGINEERING									
K.S.B Pumps Limited	6,000	-	-	-	6,000	834	0.02	0.02	0.05
Millat Tractors Limited	40	-	-	40	-	-	-	-	-
PERSONAL GOODS									
Azgard Nine Limited (Non-voting)	806,400	-	-	-	806,400	5,645	0.14	0.15	14.60
Nishat Chunian Limited	900	981,000	124,300	621,400	484,800	14,178	0.34	0.39	0.24
Nishat Mills Limited	333,700	866,600	-	617,100	583,200	66,619	1.62	1.82	0.17
Sapphire Fibres	-	47,200	-	15,100	32,100	18,939	0.46	0.52	0.16
Kohinoor Textile Mills Limited	-	2,647,000	-	476,000	2,171,000	141,028	3.43	3.86	0.88
FIXED LINE TELECOMMUNICATION									
Pakistan Telecommunication Company Limited	862,900	-	-	862,900	-	-	-	-	-
ELECTRICITY									
The Hub Power Company Limited	974,066	1,201,000	-	480,000	1,695,066	158,607	3.86	4.34	0.15
Kot Addu Power Company Limited	978,000	1,577,000	-	746,500	1,808,500	155,603	3.78	4.26	0.21
K-Electric Limited*	1,915,000	-	-	1,915,000	-	-	-	-	-
Nishat Power Limited	1,000	-	-	1,000	-	-	-	-	-
Pakgen Power Limited	-	177,000	-	177,000	-	-	-	-	-
Lalpir Power Limited	-	2,386,000	-	666,500	1,719,500	52,445	1.27	1.44	0.45
Saif Power Limited	-	1,367,500	-	45,500	1,322,000	49,311	1.20	1.35	0.34
COMMERCIAL BANKS									
Allied Bank Limited	481	1,239,400	-	20,380	1,219,501	121,877	2.96	3.34	0.11
Bank Al-falah Limited	1,977,847	2,652,500	-	3,366,847	1,263,500	31,967	0.78	0.87	0.08
Bank Al-Habib Limited	1,428,650	1,531,500	-	663,000	2,297,150	100,960	2.45	2.76	0.21
BankIslami Pakistan Limited	838,000	-	76,034	914,034	-	-	-	-	-
Faysal Bank Limited (6.1.2)	902,500	5,087,000	738,075	6,689,500	38,075	599	0.01	0.02	0.00
Habib Metropolitan Bank Limited	546,000	360,500	-	235,500	671,000	20,130	0.49	0.55	0.06
MCB Bank Limited	167,601	-	-	167,601	-	-	0.00	0.00	-
Meezan Bank Limited	240,752	588,500	-	631,500	197,752	8,108	0.20	0.22	0.02
National Bank of Pakistan	1,599,984	78,000	-	1,677,984	-	-	-	-	-
United Bank Limited	704,540	497,200	-	853,500	348,240	59,521	1.45	1.63	0.03
Habib Bank Limited	-	533,463	-	360,000	173,463	37,321	0.91	1.02	0.01
EQUITY INVESTMENT INSTRUMENTS									
Sindh Modaraba	-	1,337,000	-	-	1,337,000	9,346	0.23	0.26	2.97
MULTIUTILITIES (GAS AND WATER)									
Sui Northern Gas Pipelines Limited	-	1,159,000	-	868,000	291,000	7,752	0.19	0.21	0.05
GLASS AND CERAMICS									
Ghani Glass Mills Limited	6,869	-	-	6,869	-	-	-	-	-
FINANCIAL SERVICES									
NEXT Capital Limited	272,500	-	-	272,500	-	-	-	-	-
TECHNOLOGY HARDWARE AND EQUIPMENT									
Avanceon Limited	-	1,050,000	-	-	1,050,000	35,102	0.85	0.96	0.99
TPL Trakker Limited	2,996,500	-	-	2,996,500	-	-	-	-	-
INSURANCE									
TPL Direct Insurance Limited	87,626	-	-	87,626	-	-	-	-	-
HOUSEHOLD GOODS									
Tariq Glass Industries Limited	371,000	1,583,500	-	489,500	1,465,000	85,688	2.08	2.35	1.99
INDUSTRIAL TRANSPORTATION									
Pakistan National Shipping Corporation Limited	513,000	21,000	-	362,500	171,500	18,222	0.44	0.50	0.13
CABLE AND ELECTRIC GOODS									
Pak Elektron Limited	-	1,663,500	-	762,000	901,500	74,590	1.81	2.04	0.23
						3,653,345	89	100	
Carrying value before mark to market (listed ordinary shares) as at June 30, 2015						3,159,511			

* The face value of each share held of Thal Limited is Rs. 5 and K-Electric Limited is Rs.3.5.

NAFA STOCK FUND

6.1.1 Investments include shares with market value of Rs. 95.710 million (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 Securities and Exchange Commission of Pakistan.

6.1.2 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) has withheld the shares equivalent to 5% of bonus announcement amounting to Rs. 0.842 million (2014: Nil) and not deposited in CDC account of department of Income Tax.

		2015	2014
		-----Rupees in '000-----	
6.2	Net unrealised gain in the value of investments at 'fair value through profit or loss'		
	Market value of investments	3,653,345	1,608,290
	Less: carrying value before mark to market	<u>(3,159,511)</u>	<u>(1,469,752)</u>
		<u>493,834</u>	<u>138,538</u>
		2015	2014
		-----Rupees in '000-----	
7	DIVIDEND AND PROFIT RECEIVABLE		
	Profit accrued on bank deposits	490	118
	Dividend receivable	12,775	4,452
		<u>13,265</u>	<u>4,570</u>
8	ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
	Receivable against transfer of units	8.1 137,953	20,799
	Advance against investment in book building process	-	14,270
	Advances against right issue	8.2 3,108	-
	Security deposits with:		
	- National Clearing Company of Pakistan Limited	2,500	2,500
	- Central Depository Company of Pakistan Limited	100	100
	Other receivables	140	140
		<u>143,801</u>	<u>37,809</u>
8.1	This represents net receivable amount from NBP Fullerton Asset Management Limited - Income Fund, Asset Allocation Fund, Financial Sector Income Fund, Islamic Stock Fund, Government Securities Liquid Fund, Riba Free Savings Fund and Saving Plus Fund on account of conversion / switching of units on the request of investor. The amount has been received subsequently.		
8.2	This represents advance against Right Shares of Nishat Chunian Limited.		
		2015	2014
		-----Rupees in '000-----	
9	PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Management Fee	9.1 6,489	474
	Front end load payable	1,443	1,339
	Sindh sales tax payable on management remuneration	9.2 1,464	329
	FED payable to management company	9.3 14,822	4,101
		<u>24,218</u>	<u>6,243</u>

NAFA STOCK FUND

- 9.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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 January 22, 2012, the Fund completed its five years and accordingly management fee is currently being charged at the rate of 2 percent of the average annual net assets of the Fund from that date. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 9.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 15% (2014: 16%) on the remuneration of the Management Company as required by Sindh Sales Tax on Services Act, 2011 which is effective from July 1, 2011.
- 9.3 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. 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.

		2015	2014
		-----Rupees in '000-----	
10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE	Note	
	Trustee fee	10.1	407 216

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein based on the daily net assets of the Fund. The fee is payable to the Trustee monthly in arrears.

Tariff structure applicable to the Fund as at June 30, 2015 is as follows:

Amount of Funds Under Management (Average NAV)	Tariff per annum
Upto Rs. 1,000 million	Rs 0.7 million or 0.20% per annum of NAV, whichever is higher
On an amount exceeding Rs 1,000 million	Rs 2.0 million plus 0.10% per annum of NAV exceeding Rs 1,000 million

		2015	2014
		-----Rupees in '000-----	
11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	
	Annual Fee	11.1	2,755 1,207

- 11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as an equity scheme is required to pay an annual fee to the Securities and exchange Commission of Pakistan at an amount equal to 0.095 percent of the daily net assets of the scheme. The Fund has been categorised as an equity scheme by the Management Company.

		2015	2014
		-----Rupees in '000-----	
12	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	386	354
	Settlement charges	30	29
	Bank charges	18	23
	Provision for Workers' Welfare Fund (WWF)	17	47,575
	Payable against redemption of units	12.1	7,727
	Others	8,284	1,325
		<u>64,020</u>	<u>32,860</u>

- 12.1 This includes the amount payable to NBP Fullerton Asset Management Limited - Money Market Fund and the amount payable to investors against redemption of units. The amount has been paid subsequently.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2015 except as disclosed elsewhere in these financial statements.

NAFA STOCK FUND

	2015	2014
	-----Number of units-----	
14 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	178,714,888	103,730,074
Add: units issued during the year	465,183,467	143,373,422
Add: bonus units issued during the year	-	49,087,682
Less: units redeemed during the year	(336,172,171)	(117,476,290)
Total units in issue at the end of the year	<u>307,726,184</u>	<u>178,714,888</u>

15 NET ASSET VALUE PER UNIT

The Net Asset Value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

	2015	2014
	-----Number of units-----	
16 AUDITORS' REMUNERATION		
Audit fee	371	325
Half yearly review	121	105
Out of pocket expenses	35	33
	<u>527</u>	<u>463</u>

17 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 6 October 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 4 January 2011 has cancelled ab-initio clarificatory letter dated 6 October 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 Honorable 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, 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.

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.

NAFA STOCK FUND

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 till June 30, 2015 which aggregates to Rs. 47.575 million including charge for the year of Rs. 18.407 million. Had the same not been made the net asset value per unit / return of the Fund would have been higher by Rs. 0.155 / 1.156% (2014: Rs. 0.163 / 2.20%) per unit respectively.

18 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 capital gains whether realised or unrealised 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.

19 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.

20 TRANSACTIONS WITH CONNECTED PERSONS

20.1 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.

20.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market norms.

20.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the Regulations and the Trust Deed respectively.

20.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

20.5 Details of significant transactions carried out by the Fund with connected persons and balances with them, as at year end, are as follows:

20.5.1 Transactions during the year	June 30, 2015	June 30, 2014
	-----Rupees in '000-----	
NBP Fullerton Asset Management Limited - Management Company		
Management fee for the year	58,005	25,423
Front end load	9,003	4,396
Sales tax on remuneration of Management Company	10,093	4,749
Federal Excise Duty on remuneration of Management Company	9,281	4,068
National Bank of Pakistan - Sponsor		
78,000 Shares purchased	4,778	173,952
1,677,984 Shares sold	101,014	74,235
Alexandra Fund Management Pte. Limited - Sponsor		
Units redeemed: Nil units (2014: 11,306,142 units)	-	106,020
Bonus units issued: Nil units (2014: 2,279,614 units)	-	-
Employees of the Management Company		
Units issued: 4,337,691 units (2014: 3,948,552 units)	51,573	39,622
Units redeemed 4,114,119 units (2014: 3,961,210 units)	49,212	39,643
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	3,900	2,271
CDS Charges	312	272

NAFA STOCK FUND

	June 30, 2015	June 30, 2014
	-----Rupees in '000-----	
NAFA Employee Provident Fund - Provident Fund		
Units Issued: 136,959 units (2014: 1,013,487 units)	1,734	10,983
Units redeemed: 251,220 units (2014: 216,864 units)	2,967	2,160
Bonus units issued: Nil units (2014: 135,820 units)	-	-
Chief Executive Officer of the Management Company		
Units Issued: 2,134,102 units (2014: Nil units)	25,984	-
Units redeemed: 2,058,862 units (2014: Nil units)	27,911	-
Chief Financial Officer of the Management Company		
Units Issued: 32,758 units (2014: Nil units)	442	-
Units redeemed: 21,918 units (2014: Nil units)	291	-
Mr Kamal A Chinoy - Director		
Units Issued: 832,546 units (2014: Nil units)	11,246	-
NBP Employees Pension Fund - Pension Fund of the Sponsor		
Units issued: 1,682,902 units (2014: Nil units)	22,367	-
Bonus units issued: Nil units (2014: 15,604,111 units)	-	-
International Industries Limited Employees Provident Fund (Common Directorship)		
Bonus units issued: Nil units (2014: 218,363 units)	-	-
Units redeemed: 2,170,799 units (2014: 364,539 units)	24,836	4,142
Units issued: 378,146 units (2014: 1,938,829 units)	3,895	21,554
International Industries Limited (Common Directorship)		
1,052,500 shares purchased	77,463	-
709 shares sold	34	-
International Steels Limited-Employees Gratuity Fund (Common Directorship)		
Bonus units issued: Nil units (2014: 15,452 units)	-	-
Units redeemed: 7,018 units (2014: 64,484 units)	81	611
Units issued: Nil units (2014: 56,050 units)	-	622
International Steels Limited-Employees Provident Fund (Common Directorship)		
Bonus units issued: Nil units (2014: 50,224 units)	-	-
Units redeemed: 536,093 units (2014: 82,663 units)	1,301	939
Units issued: 124,016 units (2014: 444,516 units)	6,182	4,945
Sindh General Provident Investment Fund (unit holding more than 10%)		
Bonus Units issued: Nil units (2014: 10,107,580 units)	-	-
Units issued: 1,090,101 units (2014: Nil units)	14,488	-
BYCO Oil Pakistan Limited - Employee Provident Fund (entity managed by NAFA)		
Units redeemed: 750,108 units (2014: Nil units)	9,298	-
Units issued: 1,714,241 units (2014: Nil units)	22,580	-
BYCO Petroleum Pakistan Limited - Employee Provident Fund (entity managed by NAFA)		
Units redeemed: 1,867,053 units (2014: Nil units)	23,190	-
Units issued: 3,614,491 units (2014: Nil units)	47,523	-
Cherat Cement Company Limited (Common Directorship)		
Nil Shares purchased	-	10,068
168 Shares sold	11	96,083
Summit Bank Limited (Common Directorship)		
Bank Profit	3	79
Taurus Securities Limited (Subsidiary of the Sponsor)		
Brokerage charges	321	567

NAFA STOCK FUND

	June 30, 2015	June 30, 2014
	-----Rupees in '000-----	
20.5.2 Amounts outstanding as at year end		
NBP Fullerton Asset Management Limited - Management Company		
Management fee payable	6,489	474
Front-end load payable	1,443	1,339
Sales tax payable on management remuneration	1,129	88
Federal Excise Duty	13,009	3,728
Sales tax and FED payable on Sales Load	2,148	614
National Bank of Pakistan - Sponsor		
Deposits held by the Fund with the Sponsor	2,582	2,488
Ordinary shares held (2014: 1,599,984)	-	99,567
Summit Bank Limited (Common Directorship)		
Bank Balance	3,533	1,109
Employees of the Management Company		
Investment held in the Fund: 453,866 units (2014: 230,294 units)	6,068	2,326
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	407	216
CDS charges payable	30	29
Security deposit	100	100
NAFA Employee Provident Fund - Provident Fund		
Investment held in the Fund: 818,183 units (2014: 932,444 units)	10,938	9,416
NBP Employees Pension Fund - Pension Fund of the Sponsor		
Investment held in the Fund: 51,124,276 units (2014: 49,441,374 units)	683,455	499,259
Chief Executive Officer of the Management Company		
Investment in the Fund: 75,239 units (2014: Nil units)	1,006	-
Chief Financial Officer of the Management Company		
Investment in the Fund: 10,840 units (2014: Nil units)	145	-
Mr Kamal A Chinoy - Director		
Investment in the Fund: 832,547 units (2014: Nil units)	11,130	-
BYCO Oil Pakistan Limited - Employee Provident Fund (entity managed by NAFA)		
Investment in the Fund: 964,133 units (2014: Nil units)	12,889	-
BYCO Petroleum Pakistan Limited - Employee Provident Fund (entity managed by NAFA)		
Investment in the Fund: 1,747,438 units (2014: Nil units)	23,361	-
International Industries Limited Employees Provident Fund (Common Directorship)		
Investment in the Fund: Nil units (2014: 1,792,653 units)	-	18,102
International Industries Limited (Common Directorship)		
Ordinary shares held 1,052,500 (2014: Nil)	70,665	-
International Steels Limited-Employees Gratuity Fund (Common Directorship)		
Investment in the Fund: Nil units (2014: 7,018 units)	-	71
International Steels Limited-Employees Provident Fund (Common Directorship)		
Investment in the Fund: Nil units (2014: 412,077 units)	-	4,161
Sindh General Provident Investment Fund (unit Holding more than 10%)		
Investment in the Fund: 33,115,807 units (2014: 32,025,705 units)	442,709	323,396
Cherat Cement Company Limited (Common Directorship)		
Investment in the Fund: Nil units (2014: 168 units)	-	11
Taurus Securities Limited (Subsidiary of the Sponsor)		
Brokerage payable	-	24

NAFA STOCK FUND

	June 30, 2015	June 30, 2014
Net amount receivable / (payable) against transfer of units from:	-----Rupees in '000-----	
- NAFA Income Fund	47,935	-
- NAFA Income Opportunity Fund	-	13,500
- NAFA Asset Allocation Fund	60,637	-
- NAFA Financial Sector Income Fund	2,466	-
- NAFA Islamic Stock Fund	22,792	-
- NAFA Saving Plus Fund	490	-
- NAFA Government Securities Liquid Fund	56	7,299
- NAFA Riba Free Savings Fund	3,577	-
- NAFA Money Market Fund	(6,992)	(824)

21 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	MBA, Doctorate in Business Administration, CFA	27
2	Mr. Sajjad Anwar	MBA & CFA	15
3	Syed Sulaiman Akhtar	MBA & CFA	15
4	Muhammad Imran	CFA & FRM	9
5	Asim Wahab Khan	CFA	9

21.1 Mr. Asim Wahab Khan is the manager of the Nafa Stock Fund. Other Funds being managed by the fund manager are as follows ;

- NAFA Multi Asset Fund
- NAFA Islamic Asset Allocation Fund

22 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

	2015
1 Arif Habib Securities Limited	6.61%
2 Taurus Securities Limited	6.57%
3 Elixir Securities Pakistan Limited	6.15%
4 J.S. Global Capital Limited	5.06%
5 Foundation Securities	4.60%
6 Habib Metropolitan Financial Services	4.39%
7 BMA Capital Management Limited	3.75%
8 Topline Securities (Pvt) Limited	3.50%
9 Aqeel Karim Dehdi Securities Private Limited	3.45%
10 Concordaia Securities Private Limited	3.41%

2014

1 Taurus Securities Limited	10.10%
2 Arif Habib Securities Limited	6.96%
3 Topline Securities (Private) Limited	5.28%
4 Aqeel Karim Dehdi Securities (Private) Limited	5.22%
5 KASB Securities Limited	5.15%
6 Concordia Securities (Private) Limited	4.94%
7 Foundation Securities (Private) Limited	4.84%
8 Summit Capital (Private) Limited	4.78%
9 ELIXIR Securities Pakistan (Private) Limited	4.72%
10 OPTIMUS Capital Management Limited	4.39%

23 PATTERN OF UNIT HOLDING

Category	As at June 30, 2015		
	Number of unit holders	Investment amount	Percentage investment
	(Rupees in '000)		
Individuals	1,192	812,073	19.74%
Associated companies / Directors	3	705,523	17.15%
Insurance Companies	5	112,804	2.74%
Bank / DFIs	1	252,863	6.15%
Retirement Funds	52	1,724,238	41.91%
Others Corporate	2	4,339	0.11%
Others	30	502,011	12.20%
	<u>1,285</u>	<u>4,113,851</u>	<u>100%</u>

NAFA STOCK FUND

PATTERN OF UNIT HOLDING

Category	As at June 30, 2014		
	Number of unit holders	Investment amount	Percentage investment
	(Rupees in '000)		
Individuals	882	438,846	24.32%
Associated companies / Directors	-	-	0.00%
Insurance companies	3	64,262	3.56%
Bank / DFIs	1	151,380	8.39%
Retirement funds	21	1,064,184	58.97%
Other Corporate	2	3,183	0.18%
Others	15	82,801	4.59%
	924	1,804,655	100%

24 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 48th, 49th, 50th, 51st, 52nd and 53rd Board meetings were held on September 16, 2014, October 30, 2014, February 17, 2015 and April 21, 2015, June 29, 2015 and June 30, 2015, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of Meetings			Meetings not attended
	Held	Attended	Leave granted	
Mr. Nausherwan Adil	6	3	3	50th, 52nd & 53rd meeting
Mr. Aamir Sattar	6	5	1	51st meeting
Mr. Abdul Hadi Palekar	6	5	1	49th meeting
Mr. Wah Geok Sum*	3	0	3	48th & 49th & 50th meeting
Mr. Koh Boon San	6	4	2	52nd & 53rd meeting
Mr. Nigel Poh Cheng**	2	2	-	
Mr. Shehryar Faruque	6	5	1	52nd meeting
Mr. Kamal Amir Chinoy	6	4	2	50th & 51st meeting
Dr Amjad Waheed	6	6	-	

* Mr. Wah Geok Sum retired from Board with effect from February 17, 2015

** Mr. Nigel Poh Cheng was co-opted on the Board with effect from February 17, 2015

25 FINANCIAL INSTRUMENTS BY CATEGORY

-----As on June 30, 2015-----

Assets	Loans and receivables	Financial assets at fair value through profit or loss	Available for sale	Total
	-----Rupees in '000-----			
Balances with Banks	394,840	-	-	394,840
Investments	-	3,653,345	-	3,653,345
Dividend and profit receivable	13,265	-	-	13,265
Advances deposits and other receivables	143,561	-	-	143,561
	551,666	3,653,345	-	4,205,011

-----As on June 30, 2015-----

Liabilities	At fair value through profit or loss	Other financial liabilities	Total
	-----Rupees in '000-----		
Payable to the Management Company	-	24,218	24,218
Payable to the Trustee	-	407	407
Accrued expenses and other liabilities	-	8,829	8,829
Net assets attributable to redeemable units	-	4,113,851	4,113,851
	-	4,147,305	4,147,305

NAFA STOCK FUND

-----As on June 30, 2014-----

	Loans and receivables	Financial assets at fair value through profit or loss	Available for sale	Total
-----Rupess in '000-----				
Assets				
Balances with Banks	277,573	-	-	277,573
Investments	-	1,608,290	-	1,608,290
Dividend and profit receivable	4,570	-	-	4,570
Deposits and other receivables	37,569	-	-	37,569
	<u>319,712</u>	<u>1,608,290</u>	<u>-</u>	<u>1,928,002</u>

-----As on June 30, 2014-----

	At fair value through profit or loss	Other financial liabilities	Total
-----Rupess in '000-----			
Liabilities			
Payable to the Management Company	-	6,243	6,243
Payable to the Trustee	-	216	216
Payable against purchase of investments	-	83,061	83,061
Accrued expenses and other liabilities	-	2,581	2,581
Net assets attributable to redeemable units	-	1,804,655	1,804,655
		<u>1,896,756</u>	<u>1,896,756</u>

26 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

26.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

26.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all transactions are carried out in Pak Rupees.

26.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

Presently, the fund does not hold any fixed or variable rate instrument that has been designated at fair value through profit and loss. Therefore, a change in interest rate as at June 30, 2015, would not affect income statement.

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

NAFA STOCK FUND

As at June 30, 2015

Yield / Interest rate	Total	Exposed to yield/interest rate risk			Not exposed to Yield / Interest risk
		Upto three months	More than three months and upto one year	More than one year	

%

(Rupees in '000)

On-balance sheet financial instruments

Financial assets

Balances with banks	4.5 -10.75	394,840	388,780	-	-	6,060
Investments		3,653,345	-	-	-	3,653,345
Dividend and profit receivable		13,265	-	-	-	13,265
Deposits and other receivables		143,661	-	-	-	143,661
		4,205,111	388,780	-	-	3,816,331

Financial liabilities

Payable to the Management Company		24,218	-	-	-	24,218
Payable to the Trustee		407	-	-	-	407
Accrued expenses and other liabilities		8,829	-	-	-	8,829
Unit holders' fund		4,113,851	-	-	-	4,113,851
		4,147,305	-	-	-	4,147,305

On-balance sheet gap

57,806 388,780 - - (330,974)

Off-balance sheet financial instruments

- - - - -

Off-balance sheet gap

- - - - -

As at June 30, 2014

Yield / Interest rate	Total	Exposed to yield/interest rate risk			Not exposed to Yield / Interest risk
		Upto three months	More than three months and upto one year	More than one year	

%

(Rupees in '000)

On-balance sheet financial instruments

Financial Assets

Balances with banks	6.5 - 11.00	277,573	272,804	-	-	4,769
Investments		1,608,290	-	-	-	1,608,290
Dividend and profit receivable		4,570	-	-	-	4,570
Deposits and other receivables		37,669	-	-	-	37,669
		1,928,102	272,804	-	-	1,655,298

Financial Liabilities

Payable to the Management Company		6,243	-	-	-	6,243
Payable to the Trustee		216	-	-	-	216
Payable against purchase of investments		83,061	-	-	-	83,061
Accrued expenses and other liabilities		2,581	-	-	-	2,581
Unit holders' fund		1,804,655	-	-	-	1,804,655
		1,896,756	-	-	-	1,896,756

On-balance sheet gap

31,346 272,804 - - (241,458)

Off-balance sheet financial instruments

- - - - -

Off-balance sheet gap

- - - - -

26.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

The Fund is exposed to equity price risk because of the investments held by the Fund and classified in the 'Statement of Assets and Liabilities' as financial asset 'at fair value through profit or loss - held for trading'. The Fund manages price risk by limiting individual equity securities to not more than ten percent of net assets attributable to holders of the Fund's assets. Moreover, the sector limits have also been restricted to twenty five percent. The equity investments classified at 'fair value through profit or loss - held for trading' are listed in the Karachi Stock Exchange. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Manager and is reviewed on a regular basis by the investment committee as well as the Board of Directors.

NAFA STOCK FUND

In case of 5% increase / decrease in fair value on June 30, 2015, net income for the year would increase / decrease by Rs. 179.014 million (net of WWF) (2014: Rs. 78.806 million) and net assets of the Fund would increase / decrease by the same amount. The sensitivity analysis is based on the fund's equity securities as at the statement of assets and liabilities date with all other variables held constant.

26.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of dividends receivable on equity securities, receivable against sale of investments and accrued income on bank deposits. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's bank balances:

Bank balances by category

A1+, A-1+	99.10%
A-1	0.89%

The maximum exposure to credit risk before any credit enhancement as at June 30, 2015 is the carrying amount of the financial assets. Investments in equity securities, however, are not exposed to credit risk.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

26.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

For the purpose of making redemptions, the Fund has the ability to borrow in the short term. However, such need did not arise during the year. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

-----As at June 30, 2015-----

Total	Upto three months	Over three months and upto one year	Over one year
------(Rupees in '000)-----			

Financial liabilities

Payable to the Management Company	24,218	24,218	-	-
Payable to the Trustee	407	407	-	-
Payable against purchase of investments	-	-	-	-
Accrued expenses and other liabilities	8,829	8,829	-	-
Unit holders' fund	4,113,851	4,113,851	-	-
	4,147,305	4,147,305	-	-

NAFA STOCK FUND

-----As at June 30, 2014-----			
Total	Upto three months	Over three months and upto one year	Over one year
------(Rupees in '000)-----			

Financial liabilities

Payable to the Management Company	6,243	6,243	-	-
Payable to the Trustee	216	216	-	-
Payable against purchase of investments	83,061	83,061	-	-
Accrued expenses and other liabilities	2,581	2,581	-	-
Unit holders' fund	1,804,655	1,804,655	-	-
	<u>1,896,756</u>	<u>1,896,756</u>	-	-

27 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. Investments of the Fund in equity securities are revalued on the basis of closing quoted market prices available at the stock exchange. Investments of the Fund in government securities are revalued on the basis of rates announced by the Financial Markets Association of Pakistan. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced.

International Financial Reporting Standard (IFRS) 7, "Financial Instruments: Disclosures" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2) ; and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Assets	-----As at June 30, 2015-----			
	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
Financial assets at fair value through profit or loss - held for trading				
- Investment in listed equity securities	3,653,345	-	-	3,653,345
Assets	-----As at June 30, 2014-----			
	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
Financial assets at fair value through profit or loss - held for trading				
- Investment in listed equity securities	1,608,290	-	-	1,608,290

28 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the Statement of Movement in Unit Holders' Fund.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable on the Fund.

NAFA STOCK FUND

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 27, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests which would be augmented by short-term borrowings or disposal of investments where necessary.

29 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors have proposed cash dividend of 0.6842 per unit (June 30, 2014 : Nil) amounting to Rs. 213.498 million (June 30, 2014: Nil) in their meeting held on July 14, 2015.

30 RECLASSIFICATIONS

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparison, which are as follows:

Statement	Rupees	Reclassified	
		From	To
		-----Rupees in '000-----	
Statement of Assets and Liabilities	1,961,000	Payable against redemption of units	Accrued expense and other liabilities

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 30, 2015.

32 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

The bifurcation of undistributed income into realised and unrealised income at the beginning and at the end of the year, as required by the NBFC Regulations, 2008, has not been disclosed as such bifurcation is not practicable.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA STOCK FUND

PERFORMANCE TABLE

Particulars	For the Year Ended June 30, 2015	For the Year Ended June 30, 2014	For the Year Ended June 30, 2013	For the Year Ended June 30, 2012	For the Year Ended June 30, 2011	For the Year Ended June 30, 2010
Net assets (Rs. '000')	4,113,851	1,804,655	1,122,681	1,090,426	926,795	959,138
Net Income (Rs. '000')	901,931	378,693	513,061	192,215	207,399	137,552
Net Asset Value per units (Rs.)	13.3685	10.098	10.8231	7.9399	7.5427	7.0844
Selling price per unit	13.9035	10.5056	11.1478	8.1781	6.7048	6.3531
Redemption price per unit	13.3685	10.098	10.8231	7.9399	6.5095	6.1681
Highest offer price per unit (Rs.)	13.4008	10.6080	11.6423	8.7190	8.0146	8.1914
Lowest offer price per unit (Rs.)	9.1070	7.7911	7.3194	6.1570	5.9560	6.3501
Highest redemption price per unit (Rs.)	12.8852	10.1964	11.3032	8.4650	7.7812	7.9528
Lowest redemption price per unit (Rs.)	8.7536	7.4888	7.1062	5.9777	5.7825	6.1651
Fiscal Year Opening Ex Nav	9.2837	7.4072	6.9848	6.5095	5.8758	6.0685
Total return of the fund	36.94%	36.33%	54.95%	21.97%	28.37%	16.74%
Capital growth	24.69%	14.26%	14.36%	11.97%	4.49%	1.64%
Income distribution as % of Ex-NAV	12.24%	22.07%	40.59%	10.00%	23.88%	15.10%
Income distribution as % of Par Value	11.37%	16.35%	28.35%	6.51%	14.03%	9.16%
Distribution						
Interim Distribution per unit	0.4524	1.6345	0.4374	-	0.3700	-
Final distribution per unit	0.6842	-	2.3980	0.6510	1.0332	0.9163
Distribution dates						
Interim	29-Jun-15	13-Feb-14	26-Feb-13	Nil	18-Feb-11	Nil
Interim		30-Apr-14	26-Apr-13	Nil	19-Apr-11	Nil
Interim		26-Jun-14				
Final	14-Jul-15	Nil	11-Jul-13	9-Jul-12	4-Jul-11	5-Jul-10
Average annual return (launch date January 19, 2007)						
(Since inception to June 30, 2015)	17.80%					
(Since inception to June 30, 2014)		15.45%				
(Since inception to June 30, 2013)			12.51%			
(Since inception to June 30, 2012)				6.09%		
(Since inception to June 30, 2011)					2.82%	
(Since inception to June 30, 2010)						-3.59%

Portfolio Composition (see Fund Manager report)








Statement of past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



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

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20001

Sms: NAFA INVEST to 8080

Fax: 021-35825335

Email: info@nafafunds.com

Website: www.nafafunds.com

 /nafafunds