



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

NAFA STOCK FUND

ANNUAL REPORT 2014



Your investments & "NAFA" grow together

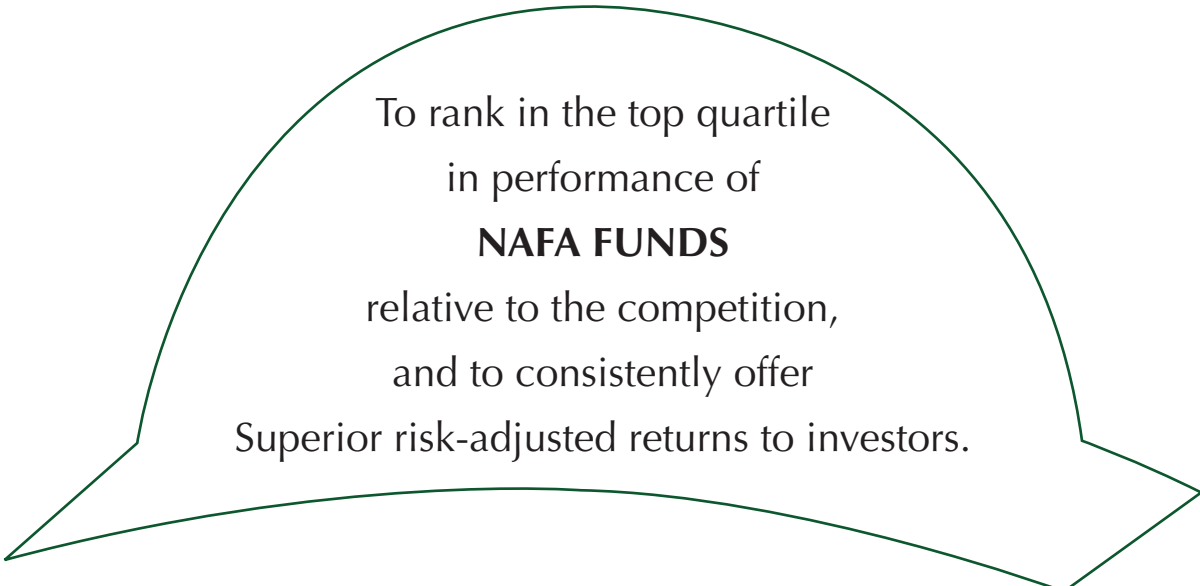


**FULLERTON FUND
MANAGEMENT**

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. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

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

Human Resource Committee

Mr. Nausherwan Adil	Chairman
Mr. Wah Geok Sum	Member
Mr. Kamal Amir Chinoy	Member

Trustee

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

Bankers to the Fund

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

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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. Wah Geok Sum
Director



Mr. Abdul Hadi Palekar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



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



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Mr. Zeeshan
Chief – Strategy &
Business Development



Mr. Samiuddin Ahmed
Country Head Corporate
Marketing & Sales



Mr. Ozair Khan
Chief Technology Officer



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



Mr. Ahmad Nouman CFA, PRM
Head of Risk Management



Syed Suleman Akhtar CFA
Head of Research



Mr. Tahir Lateef
Head of Internal Audit

NAFA STOCK FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Eighth Annual Report of **NAFA Stock Fund** for the year ended June 30, 2014.

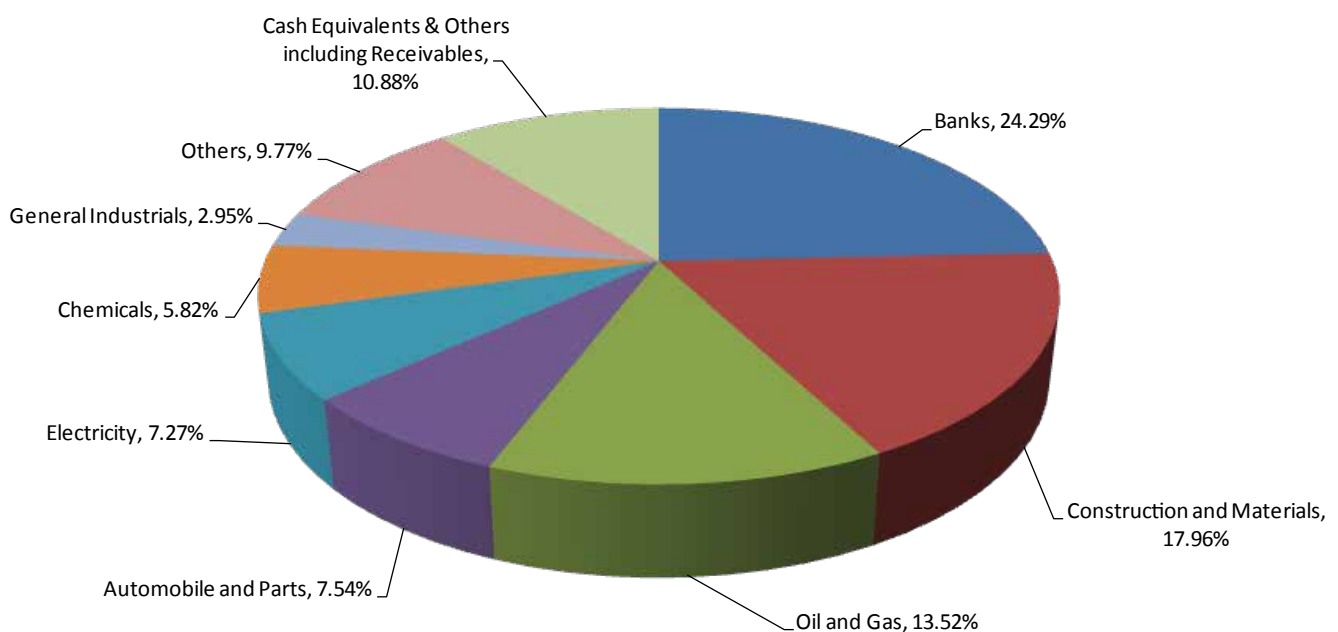
Fund's Performance

During FY2013-14, the stock market (KSE-100 Index) surged by 41.2%. The aforesaid solid performance was driven by positive developments on the economic front, such as Pakistan's entry into a fresh IMF program, significant improvement in country's external account which buttressed foreign exchange reserves and Pak rupee, controlled inflation, lower fiscal deficit and higher GDP growth supported by a revival in the industrial sector. The improvements on the economic front coupled with increase in Pakistan's weight in the MSCI Frontier Market Index resulted in sizable foreign buying in the local bourse, helping the Index touch new highs.

During the fiscal year, the return on NAFA Stock Fund was 36.33% as against KSE-100 index return of 41.16%. Thus the Fund underperformed by 4.83% during the year. This underperformance was due to multifold jump in prices of some narrowly held sideboard stocks which the fund could not invest in due to liquidity constraints/extremely rich valuations. In addition to this, drag on the Fund performance was due to subdued performance by some Index heavy weights in which the fund had sizable exposure. However, among its peer group (AM2 rated), the fund performed exceptionally well. Since inception (January 22, 2007), NSF has risen by 191.61%, whereas the KSE-100 index has increased by 178.65%, thus to date out-performance is 12.96%.

NAFA Stock Fund has earned a total income of Rs.432.62 million during the year. After deducting total expenses of Rs.53.93 million, the net income is Rs.378.69 million.

The asset allocation of NAFA Stock Fund as on June 30, 2014 is as follows:



NAFA STOCK FUND

Income Distribution

The Board of Directors of the Management Company has approved distribution of 19.40% of opening ex-NAV (16.35% of the par value) during the year.

Taxation

As the above distribution 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, 2015.

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 23 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 22 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 19 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 16, 2014
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, 2014 in accordance with the provisions of the following:.

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

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

Karachi: October 10, 2014

NAFA STOCK FUND

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2014

This statement is being presented by the Board of Directors of NBP Fullerton Asset Management Limited (Company), the Management Company of **NAFA Stock Fund** (the Fund) to comply with the Best Practices of Code of Corporate Governance (CCG) 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, though an un-listed Public Limited Company complies with the CCG as the Fund under its management is listed on Lahore Stock Exchange.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board of Directors. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2014, the Board included:

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. Wah Geok Sum 5. Mr. Koh Boon San

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

2. The directors have confirmed that none of them is serving as a director of 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 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 was occurred on the board on October 10, 2013 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 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 have been taken by the Board. There is no other executive-director of the Company besides CEO.
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, 2014 a minimum of two directors should have attended director training program. As at year end, one of the directors has attended the director's training program offered by Pakistan Institute of Corporate Governance. The Company has started the process for training of other directors and it is expected that some of other directors may also obtain certification of the director's training program in the next year. However, the directors are 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) and Company Secretary during the year. However, the Head of Internal Audit left the Company on March 07, 2014 and in his place a new appointment was made on April 08, 2014 with the approval of audit and risk committee including remuneration and terms and conditions. The appointment of the Head of Internal Audit has been ratified by the Board in its meeting held on September 16, 2014, subsequent to the year end.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO 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 19 to the financial statements "Transactions with Connected Persons".
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
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. 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 CCG. The committee has formed the terms of reference for compliance.
17. 17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members. All the members are non-executive directors 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.
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 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 is in the process of preparing a framework for this purpose and eventual approval by the Board of Directors of the Management Company.

For and behalf of the board

Karachi
September 16, 2014

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

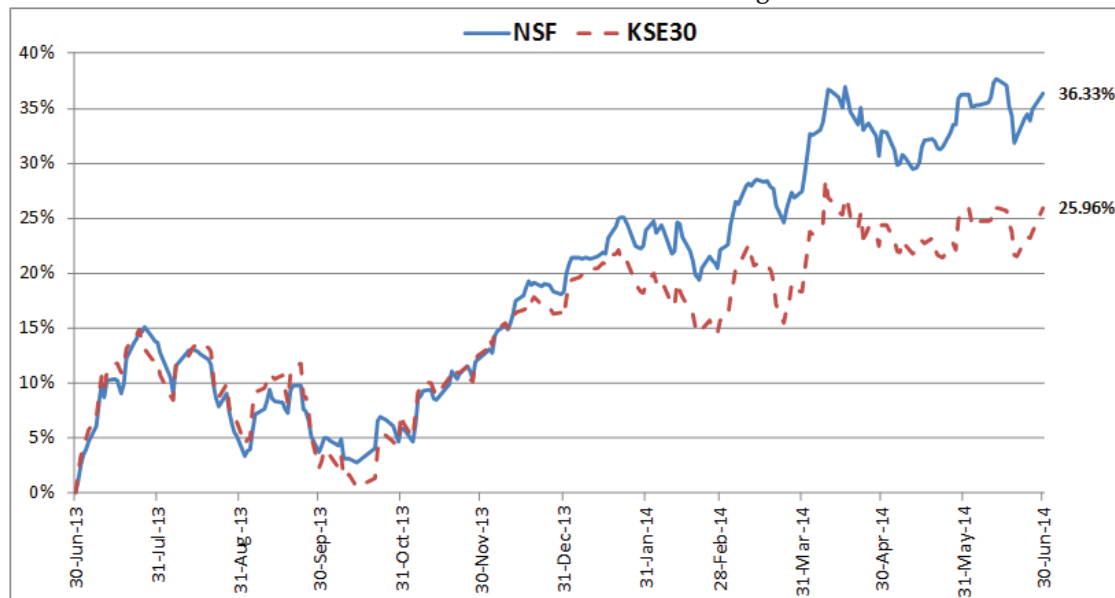
The Benchmark of the Fund is KSE-30 Index.

Fund performance review

This is the eighth annual report of the Fund. During the year under review, NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 36.33% whereas the Benchmark KSE-30 Index increased by 25.96%, thereby an out-performance of 10.37% was recorded. Since inception on January 22, 2007, the NAV of NSF has risen by 191.61% while the benchmark has increased by 52.44%, thus to date cumulative out-performance is 139.17%. 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 60.76% to Rs 1,805mn.

NSF outperformed during the year as its key holdings in the Construction & Materials, Automobile and Parts, General Industrials, and Banking sectors performed better than the market. Moreover, contribution to the Fund's performance also came from its under-weight position in the selected companies of Chemicals and Oil and Gas sectors that lagged the market. The chart below shows the performance of NSF against the benchmark for the year.

NSF Performance vs. Benchmark during FY14



At the beginning of the year, NSF was around 72% 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.

The solid performance of the stock market was driven by positive developments on the economic front, such as Pakistan's entry into a fresh IMF program, significant improvement in country's external account which buttressed foreign exchange reserves and Pak rupee, controlled inflation, lower fiscal deficit and higher GDP growth supported by a revival in the industrial sector. The improvements on the economic front coupled with increase in Pakistan's weight in the MSCI Frontier Market Index resulted in sizable foreign buying in the local bourse, helping the Index touch new highs.

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-14	30-Jun-13
Equities / Stock	89.12%	71.86%
Cash Equivalents	15.38%	30.30%
Other Net (Liabilities)	-4.50%	-2.16%
Total	100.00%	100.00%

Distribution for the Financial Year 2014

Interim Period / Quarter	Dividend as a % of Par Value	Cum Dividend Price Per Unit (Rs.)	Ex- Dividend Price Per Unit (Rs.)
Half year ended Dec-2013	1.685	10.7731	10.6046
Qtr ended March-2014	1.685	11.1156	10.9471
Qtr ended June-2014	12.975	11.2102	9.9127

Pattern of Unit Holders for NAFA STOCK FUND as on June 30, 2014

Size of Unit Holding (Units)	# of Unit Holders
1	65
1,001	323
5,001	115
10,001	240
50,001	73
100,001	74
500,001	18
1,000,001	9
5,000,001	4
10,000,001	3
Total:	924

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 29,167,814/- .If the same were not made, the NAV per unit/return of scheme would have been higher by Rs 0.1632/2.20%.For details, investors are advised to read the Note 16 of the Financial Statements of the Scheme for the year ended June 30, 2014.

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 NBP Fullerton Asset Management Limited, the Management Company of **NAFA Stock Fund** (the Fund) for the year ended June 30, 2014 to comply with the requirements of the Listing Regulation No. 35 (Chapter XI) of the 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, 2014.

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 9 As per the Code, at least two directors were required to obtain training by June 30, 2014, however, only one director has obtained training so far.
- ii) 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, 2014.
- iii) 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 is in process of development.

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Date: September 16, 2014
Place: Karachi

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, 2014, 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'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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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, 2014, 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:
Nadeem Yousuf Adil

Date: September 16, 2014
Place: Karachi

NAFA STOCK FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2014

	Note	2014 -----Rupees in '000-----	2013 -----Rupees in '000-----
ASSETS			
Balances with banks	4	277,573	340,201
Investments	5	1,608,290	806,787
Dividend and profit receivable	6	4,570	536
Advances, deposits and other receivables	7	37,809	2,740
Total assets		1,928,242	1,150,264
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited -Management Company	8	6,243	2,617
Payable to Central Depository Company of Pakistan Limited -Trustee	9	216	207
Payable to the Securities and Exchange Commission of Pakistan	10	1,207	1,147
Payable against purchase of investments		83,061	-
Payable against redemption of units		1,961	-
Accrued expenses and other liabilities	11	30,899	23,612
Total liabilities		123,587	27,583
NET ASSETS		1,804,655	1,122,681
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,804,655	1,122,681
CONTINGENCIES AND COMMITMENTS			
	12	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	13	178,714,888	103,730,074
		-----Rupees-----	
NET ASSETS VALUE PER UNIT	14	10.0980	10.8231

The annexed notes 1 to 29 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, 2014

	Note	2014 -----Rupees in '000-----	2013
INCOME			
Net gain on sale of investments		218,319	289,526
Dividend income		62,375	83,354
Profit on bank deposits		13,392	6,527
Income from government securities		-	89
Net unrealised gain on re-measurement of investments at "fair value through profit or loss - held for trading" - net	5.2	138,538	183,878
Total income		<u>432,624</u>	<u>563,374</u>
EXPENSES			
Remuneration of NBP Fullerton Asset Management Limited - Management Company	8.1	25,423	24,151
Sales tax on remuneration of Management Company	8.2	4,749	3,895
Federal Excise Duty on remuneration of Management Company	8.3	4,068	190
Remuneration of the Central Depository Company of Pakistan- Trustee	9.1	2,271	2,207
Annual fee to Securities and Exchange Commission of Pakistan	10.1	1,208	1,147
Securities transaction cost		6,841	6,779
Settlement and bank charges		785	776
Auditors' remuneration	15	463	444
Fund rating fee		133	121
Legal and professional charges		100	40
Annual listing fee		40	40
Printing charges		122	52
Total expenses		<u>(46,203)</u>	<u>(39,842)</u>
Net income from operating activities		<u>386,421</u>	<u>523,532</u>
Provision for Workers' Welfare Fund	16	(7,728)	(10,471)
Net Income for the year before taxation		<u>378,693</u>	<u>513,061</u>
Taxation	17	-	-
Net income for the year after taxation		<u>378,693</u>	<u>513,061</u>
Earnings per unit	18		

The annexed notes 1 to 29 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, 2014

	2014	2013
	-----Rupees in '000-----	
Net income for the year after taxation	378,693	513,061
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss account	-	-
Items that will not be reclassified subsequently to profit and loss account	-	-
Total comprehensive income for the year	<u>378,693</u>	<u>513,061</u>

The annexed notes 1 to 29 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, 2014

	2014	2013
	-----Rupees in '000-----	
Undistributed income / (accumulated loss) brought forward	58,709	(218,494)
Final distribution for the year ended June 30, 2013: 23.98% (2012: 6.51%) (Date of distribution: Jul 11, 2013) (2012: Jul 09, 2012)		
- Bonus units	(252,665)	(80,880)
- Cash distribution	(378)	(15,959)
Net income for the year	378,693	513,061
First Interim distribution: 1.685 % (2012: 2.187%) (Date of distribution: Feb 13, 2014) (2013: Feb 26, 2013)		
- Bonus units	(21,079)	(22,828)
- Cash distribution	(49)	(2,112)
Second Interim distribution: 1.685% (2013: 2.187%) (Date of distribution: April 30, 2014) (2013: April 26, 2013)		
- Bonus units	(22,053)	(23,332)
- Cash distribution	(46)	(34)
Third Interim distribution for the year ended June 30, 2014: 12.975% (Date of distribution: June 26, 2014)		
- Bonus units	(183,147)	-
- Cash distribution	(352)	-
Element of income / (loss) and capital gains / losses included in prices of units issued less those in units redeemed - net	151,284	(90,713)
	(75,442)	(139,019)
Undistributed income carried forward	<u>108,917</u>	<u>58,709</u>

The annexed notes 1 to 29 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, 2014

	2014	2013
	-----Rupees in '000-----	
Net assets at the beginning of the year	1,122,681	1,090,426
Issuance of 192,461,104 units (2013: 137,765,199 units) including bonus units of 49,087,682 (2013: 15,565,393 units)	1,487,759	1,114,152
Redemption of 117,476,290 units (2013: 171,370,876 units)	(1,183,653) 304,106	(1,576,853) (462,701)
Final distribution (bonus) for the year ended June 30, 2013: 26,609,457 units (2012: 10,712,251 units)	252,665	80,880
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed- transferred to distribution statement	(151,284)	90,713
Total Comprehensive Income for the period	378,693	513,061
Less: Distributions made during the year		
Final distribution for the year ended June 30, 2013: 23.98% (2012: 6.51%) (Date of distribution: Jul 11, 2013) (2012: Jul 09, 2012)		
- Bonus units	(252,665)	(80,880)
- Cash distribution	(378)	(15,959)
First Interim distribution: 1.685 % (2012: 2.187%) (Date of distribution: Feb 13, 2014) (2013: Feb 26, 2013)		
- Bonus units	(21,079)	(22,828)
- Cash distribution	(49)	(2,112)
Second Interim distribution: 1.685% (2013: 2.187%) (Date of distribution: April 30, 2014) (2013: April 26, 2013)		
- Bonus units	(22,053)	(23,332)
- Cash distribution	(46)	(34)
Third Interim distribution for the year ended June 30, 2014: 12.975% (Date of distribution: June 26, 2014)		
- Bonus units	(183,147)	-
- Cash distribution	(352)	-
Interim distribution: Issue of bonus units	(479,769) 226,279	(145,145) 46,160
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income that forms part of the unit holders fund	151,284	(90,713)
Net assets at the end of the year	<u>1,804,655</u>	<u>1,122,681</u>

The annexed notes 1 to 29 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, 2014

	Note	2014 -----Rupees in '000-----	2013 -----Rupees in '000-----
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the year before taxation		378,693	513,061
Adjustments:			
Net unrealised gain on re-measurement of investments at "fair value through profit or loss - held for trading" - net		(138,538)	(183,878)
		<u>240,155</u>	<u>329,183</u>
(Increase) / decrease in assets			
Investments		(662,965)	456,530
Dividend and profit receivable		(4,034)	328
Deposits, prepayments and other receivables		(35,069)	-
		<u>(702,068)</u>	<u>456,858</u>
(Decrease) / Increase in liabilities			
Payable to the Management Company		3,626	446
Payable to the Trustee		9	26
Payable to the Securities and Exchange Commission of Pakistan		60	194
Payable against purchase of investments		83,061	(54,342)
Payable against redemption of units		1,961	-
Accrued expenses and other liabilities		7,287	11,599
		<u>96,004</u>	<u>(42,077)</u>
Net cash (used in) / generated by operating activities		<u>(365,909)</u>	<u>743,964</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts from issue of units		1,487,759	1,114,152
Payments against redemption of units		(1,183,653)	(1,576,853)
Distributions paid		(825)	(18,105)
Net cash generated by / (used in) financing activities		<u>303,281</u>	<u>(480,806)</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(62,628)</u>	<u>263,158</u>
Cash and cash equivalents at the beginning of the year		340,201	77,043
Cash and cash equivalents at the end of the year	4	<u><u>277,573</u></u>	<u><u>340,201</u></u>

The annexed notes 1 to 29 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, 2014

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 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 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 'AM-2' to the Management Company and a performance ranking of 4-Star long term and 4- star short term to the Fund based on the performance of the Fund for the year ended June 30, 2014.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the 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

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

2.4 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, 2014

The following standards, amendments and interpretations are effective for the year ended June 30, 2014. 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 1 - Presentation of Financial Statements –
Clarification of Requirements for Comparative information

Effective from accounting period beginning
on or after January 01, 2013

NAFA STOCK FUND

Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment	Effective from accounting period beginning on or after January 01, 2013
The amendments to IAS 19 - Employee Benefits – treatment of actuarial gains and losses	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities	Effective from accounting period beginning on or after January 01, 2013
Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	Effective from accounting period beginning on or after January 01, 2013

2.4.2 New accounting standards 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 Funds'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
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
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after July 01, 2014
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	Effective from accounting period beginning on or after July 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 July 01, 2014
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
IFRIC 21 - Levies	Effective from accounting period beginning on or after July 01, 2014

NAFA STOCK FUND

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

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 judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (note 3.2 and note 5).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

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 Fund classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss
- loans and receivables
- available for sale

The classification depends on the purpose for which the financial assets were acquired. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on regular basis.

a) Loans and receivables

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

b) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short term profit making exists.

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 (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are investments which are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or changes in prices.

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 expensed in the Income Statement.

NAFA STOCK FUND

3.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss' and 'available for sale' are valued as follows:

a) Basis of valuation of equity securities

Investments of the Fund in equity securities are valued on the basis of closing quoted market prices available at the stock exchanges.

b) Basis of valuation of government securities

Investments of the Fund in government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

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'.

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

Gain or loss is also recognised in the Income Statement when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

c) Loans and receivables

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

3.2.5 Spread transactions (ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. A security purchased in the ready market is classified as 'Investment at fair value through profit or loss' and carried on the Statement of Assets and Liabilities at fair value till its eventual disposal, with the resulting gain / loss taken to the Income Statement. A forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the Income Statement.

3.2.6 Impairment of financial assets

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets 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 the 'Income Statement' is reclassified from 'Unit Holders' Fund' to 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) Financial assets other than equity securities

For financial assets other than equity securities, 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 determined based on the provisioning criteria specified by SECP.

3.2.7 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.

NAFA STOCK FUND

3.2.8 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 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.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.5 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 NBFC Regulations, 2008.

3.6 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.

3.7 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the 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.

3.8 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

3.9 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.

3.10 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 un realized appreciation/(diminution) arises during the period on available for sale securities. The amount so determined is taken directly to the distribution statement.

3.11 Revenue recognition

- Capital gains / losses arising on sale of investments are included in the Income Statement on the date at which the transaction takes place."
- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank deposits is recognised on an accrual basis.
- Income from government securities is recognised on an time apportionment basis using the effective interest method.
 - Unrealised gains / losses arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

NAFA STOCK FUND

	Note	2014 -----Rupees in '000-----	2013
4 BALANCES WITH BANKS			
In current accounts		4,769	1,938
In savings accounts	4.1	272,804	338,263
		<u>277,573</u>	<u>340,201</u>

4.1 These accounts carry profit at rates ranging from 6.5% to 11 % (2013: 6 % to 11 %) per annum.

5 INVESTMENTS

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

- Listed equity securities	5.1	1,608,290	806,787
		<u>1,608,290</u>	<u>806,787</u>

5.1 Investment in listed equity securities

Name of the investee company	As at July 1, 2013	Purchases during the year	Bonus / right shares	Sales during the year	As at June 30, 2014	Market value as at June 30, 2014	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid up capital of investee company held
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----- Number of shares ----- (Rupees in '000)

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

OIL AND GAS									
National Refinery Limited	-	80,600	-	80,500	100	22	0.00%	0.00%	0.00%
Oil & Gas Development Company Limited	190,581	448,100	-	486,000	152,681	39,892	2.21%	2.48%	0.00%
Pakistan Oilfields Limited	24,580	357,400	-	241,850	140,130	80,477	4.46%	5.00%	0.06%
Pakistan Petroleum Limited	188,429	612,200	52,946	599,800	253,775	56,932	3.15%	3.54%	0.02%
Pakistan State Oil Company Limited	351,561	459,000	33,506	672,600	171,467	66,675	3.69%	4.15%	0.07%
Shell Pakistan Limited	-	36,000	-	36,000	-	-	0.00%	0.00%	0.00%
CHEMICALS									
Arif Habib Corporation	-	542,500	-	122,500	420,000	11,693	0.65%	0.73%	0.09%
Dawood Hercules Corporation Limited	-	353,500	-	335,000	18,500	1,291	0.07%	0.08%	0.00%
Engro Corporation Limited	201,285	1,606,700	-	1,292,500	515,485	92,019	5.10%	5.72%	0.02%
Engro Fertilizers Limited	-	974,500	20,379	994,879	-	-	0.00%	0.00%	0.00%
Engro Polymer & Chemicals Limited	-	765,000	-	765,000	-	-	0.00%	0.00%	0.00%
Fatima Fertilizer Company Limited	-	2,382,000	-	2,382,000	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	15,500	-	15,500	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	294,621	-	-	294,621	-	-	0.00%	0.00%	0.00%
CONSTRUCTION AND MATERIALS									
Attock Cement Pakistan Limited	5,499	-	15	5,400	114	18	0.00%	0.00%	0.00%
Akzo Nobel Pakistan Limited	-	189,300	-	-	189,300	31,984	1.77%	1.99%	0.41%
D.G. Khan Cement Company Limited	285,600	1,735,500	-	1,589,100	432,000	37,999	2.11%	2.36%	0.10%
Fecto Cement Limited	40,000	-	-	40,000	-	-	0.00%	0.00%	0.00%
Kohat Cement Limited	586,000	420,500	82,900	1,089,400	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited	191,433	346,700	-	359,500	178,633	73,293	4.06%	4.56%	0.06%
Lafarge Pakistan Cement Limited	-	1,050,000	-	-	1,050,000	16,779	0.93%	1.04%	0.08%
Cherat Cement Company Limited	1,338,653	185,000	15	1,523,500	168	11	0.00%	0.00%	0.00%
Fauji Cement Company Limited	-	1,865,000	-	1,865,000	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited	-	3,789,000	-	2,223,000	1,566,000	73,070	4.05%	4.54%	0.69%
Maple Leaf Cement Limited	-	3,881,000	-	1,917,000	1,964,000	59,018	3.27%	3.67%	0.37%
Thatta Cement Company Limited	1,250,000	-	-	-	1,250,000	31,925	1.77%	1.99%	1.25%
GENERAL INDUSTRIALS									
Thal Limited *	291,390	155,400	-	199,700	247,090	51,244	2.84%	3.19%	0.30%
Ghani Glass Limited	2,733	4,000	137	-	6,870	371	0.02%	0.02%	0.01%
Cherat Packing Limited	19,992	-	-	-	19,992	1,484	0.08%	0.09%	0.07%
MACPAC Films Limited	5,500	-	-	-	5,500	93	0.01%	0.01%	0.01%
AUTOMOBILE AND PARTS									
Ghandhara Nissan Limited	-	838,500	-	-	838,500	33,725	1.87%	2.10%	1.86%
Honda Atlas Cars (Pakistan) Limited	-	859,500	-	266,000	593,500	55,250	3.06%	3.44%	0.99%
Pak Suzuki Motor Company Limited	-	171,900	-	-	171,900	47,082	2.61%	2.93%	0.21%
FORESTRY (PAPER AND BOARD)									
Century Paper & Board Mills Limited	-	362,000	-	5,500	356,500	19,002	1.05%	1.18%	0.24%
INDUSTRIAL METALS AND MINING									
Crescent Steel and Allied Products Limited	-	430,000	-	52,500	377,500	16,425	0.91%	1.02%	0.00%
International Industries Limited	709	-	-	-	709	35	0.00%	0.00%	0.00%
ENGINEERING									
K.S.B Pumps Limited	36,000	-	-	30,000	6,000	499	0.03%	0.03%	0.05%
Millat Tractors Limited	36	-	4	-	40	20	0.00%	0.00%	0.00%
Balance Carried Forward						<u>898,328</u>	50%	55.86%	

NAFA STOCK FUND

Name of the investee company	As at July 1, 2013	Purchases during the year	Bonus / right shares	Sales during the year	As at June 30, 2014	Market value as at June 30, 2014	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of paid up capital of investee company held
----- Number of shares -----						(Rupees in '000)			
SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise									
Balance Brought Forward						898,328	50%	55.86%	
PERSONAL GOODS									
Azgard Nine Limited (Non-voting)	806,400	-	-	-	806,400	5,645	0.31%	0.35%	0.18%
Nishat Chunian Limited	330,500	863,500	74,900	1,268,000	900	38	0.00%	0.00%	0.00%
Nishat Mills Limited	92,000	1,420,600	-	1,178,900	333,700	37,348	2.07%	2.32%	0.09%
FIXED LINE TELECOMMUNICATION									
Pakistan Telecommunication Company Limited	400	3,957,000	-	3,094,500	862,900	21,978	1.22%	1.37%	0.02%
ELECTRICITY									
The Hub Power Company Limited	932,066	2,224,500	-	2,182,500	974,066	57,217	3.17%	3.56%	0.08%
Kot Addu Power Company Limited	-	1,702,500	-	724,500	978,000	57,741	3.20%	3.59%	0.00%
K-Electric Limited *	-	1,915,000	-	-	1,915,000	16,258	0.90%	1.01%	0.01%
Nishat Chunian Power Limited	672,000	73,000	-	745,000	-	-	0.00%	0.00%	0.00%
Nishat Power Limited	96,500	879,000	-	974,500	1,000	36	0.00%	0.00%	0.00%
Pakgen Power Limited	-	1,211,000	-	1,211,000	-	-	0.00%	0.00%	0.00%
COMMERCIAL BANKS									
Allied Bank Limited	73	69,000	6,907	75,500	480	66	0.00%	0.00%	0.00%
Askari Bank Limited	-	750,000	-	750,000	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited	847	7,216,000	-	5,239,000	1,977,847	54,391	3.01%	3.38%	0.15%
Bank Al-Habib Limited	1,070,000	2,718,500	162,150	2,522,000	1,428,650	64,261	3.56%	4.00%	0.13%
BankIslami Pakistan Limited	-	2,001,500	-	1,163,500	838,000	8,263	0.46%	0.51%	0.16%
Faysal Bank Limited	-	1,955,500	-	1,053,000	902,500	14,575	0.81%	0.91%	0.09%
Habib Metropolitan Bank Limited	-	692,500	-	146,500	546,000	17,576	0.97%	1.09%	0.05%
MCB Bank Limited	-	350,100	-	182,500	167,600	50,506	2.80%	3.14%	0.02%
Meezan Bank Limited	1,989,753	68,000	-	1,817,000	240,753	10,410	0.58%	0.65%	0.02%
National Bank of Pakistan	484	3,077,000	-	1,477,500	1,599,984	99,567	5.52%	6.19%	0.08%
United Bank Limited	21,963	1,446,240	-	763,663	704,540	118,757	6.58%	7.38%	0.06%
FINANCIAL SERVICES									
NEXT Capital Limited	272,500	-	-	-	272,500	1,232	0.07%	0.08%	1.36%
TECHNOLOGY HARDWARE AND EQUIPMENT									
Avanceon Limited	-	358,000	-	358,000	-	-	0.00%	0.00%	0.00%
TPL Trakker Limited	-	2,996,500	-	-	2,996,500	24,841	1.38%	1.54%	1.38%
INSURANCE									
TPL Direct Insurance Limited	87,626	-	-	-	87,626	1,122	0.06%	0.07%	0.19%
HOUSEHOLD GOODS									
Tariq Glass Industries Limited	-	405,000	-	34,000	371,000	11,649	0.65%	0.72%	0.51%
INDUSTRIAL TRANSPORTATION									
Pakistan National Shipping Corporation	813,000	246,000	-	546,000	513,000	36,485	2.02%	2.27%	0.39%
						1,608,290	89%	100%	
Carrying value before mark to market (listed ordinary shares) as at June 30, 2014						1,469,752			

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

Investments include shares with market value of Rs. 90.987 million (2013: Rs. 185.866 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.

NAFA STOCK FUND

		2014	2013
		-----Rupees in '000-----	
5.2	Net unrealised gain in the value of investments at 'fair value through profit or loss'		
	Market value of investments	1,608,290	806,787
	Less: carrying value before mark to market	<u>(1,469,752)</u>	<u>(622,909)</u>
		<u>138,538</u>	<u>183,878</u>
		2014	2013
		-----Rupees in '000-----	
6	DIVIDEND AND PROFIT RECEIVABLE		
	Profit accrued on bank deposits	118	-
	Dividend receivable	4,452	536
		<u>4,570</u>	<u>536</u>
7	ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
	Receivable against transfer of units	20,799	-
	Advances against investment in book building process	7.1 14,270	-
	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>37,809</u>	<u>2,740</u>
7.1	This represents advance against investment in book building process of Pakistan Petroleum Limited.		
		2014	2013
		-----Rupees in '000-----	
8	PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Management fee	8.1 474	2,006
	Front end load payable	1,339	69
	Sindh sales tax payable to Management company	8.2 329	352
	Federal Excise Duty payable to management company	8.3 4,101	190
		<u>6,243</u>	<u>2,617</u>
8.1	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 has 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. Prior to January 22, 2012, Management fee was being charged at the rate of 2.5 percent of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.		
8.2	This represents amount payable in respect of Sindh Sales Tax at the rate of 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.		
8.3	"As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on management remuneration has been applied effective from June 13, 2013. During the year demand notices were received by some asset management companies for collection of FED. Mutual Fund Association of Pakistan (MUFAP) has taken up the matter collectively and filed a petition with the Honorable Sindh High Court and has been granted stay in this regard. During the 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 remuneration is 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.		

NAFA STOCK FUND

		2014	2013
		-----Rupees in '000-----	
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE	Note	
	Trustee fee	9.1	<div style="display: flex; justify-content: space-around;"> 216 207 </div>
9.1	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.		
	Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2014 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% p.a. of NAV, whichever is higher	
	On an amount exceeding Rs 1,000 million	Rs 2.0 million plus 0.10% p.a. of NAV exceeding Rs 1,000 million	
	The fee is payable to the Trustee monthly in arrears.		
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	
	Annual Fee	10.1	<div style="display: flex; justify-content: space-around;"> 1,207 1,147 </div>
10.1	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 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.		
11	ACCRUED EXPENSES AND OTHER LIABILITIES		<div style="display: flex; justify-content: space-around;"> 2014 2013 </div> <div style="text-align: center;">-----Rupees in '000-----</div>
	Auditors' remuneration		<div style="display: flex; justify-content: space-around;"> 354 330 </div>
	Settlement charges		<div style="display: flex; justify-content: space-around;"> 29 28 </div>
	Bank charges		<div style="display: flex; justify-content: space-around;"> 23 35 </div>
	Provision for Workers' Welfare Fund (WWF)	16	<div style="display: flex; justify-content: space-around;"> 29,168 21,439 </div>
	Others		<div style="display: flex; justify-content: space-around;"> 1,325 1,780 </div>
			<div style="display: flex; justify-content: space-around;"> <u>30,899</u> <u>23,612</u> </div>
12	CONTINGENCIES AND COMMITMENTS		
	There were no contingencies and commitments outstanding as at June 30, 2014 and June 30, 2013.		
13	NUMBER OF UNITS IN ISSUE		<div style="display: flex; justify-content: space-around;"> 2014 2013 </div> <div style="text-align: center;">-----Number of units-----</div>
	Total units in issue at the beginning of the year	103,730,074	137,335,751
	Add: units issued during the year	143,373,422	122,199,806
	Add: bonus units issued during the year	49,087,682	15,565,393
	Less: units redeemed during the year	(117,476,290)	(171,370,876)
	Total units in issue at the end of the year	<u>178,714,888</u>	<u>103,730,074</u>
14	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 circulation at the year end.		
15	AUDITORS' REMUNERATION		<div style="display: flex; justify-content: space-around;"> 2014 2013 </div> <div style="text-align: center;">-----Rupees in '000-----</div>
	Audit fee		<div style="display: flex; justify-content: space-around;"> 325 285 </div>
	Half yearly review		<div style="display: flex; justify-content: space-around;"> 105 113 </div>
	Out of pocket expenses		<div style="display: flex; justify-content: space-around;"> 33 46 </div>
			<div style="display: flex; justify-content: space-around;"> <u>463</u> <u>444</u> </div>

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16 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, 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 Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

Furthermore, in 2011 the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the Honourable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honourable High Court of Sindh.

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

However, without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs. 29.168 million (June 30, 2013: 21.439 million). Had the same not been made the net asset value per unit / return of the Fund would have been higher by Rs. 0.1632 / 2.20% (June 30, 2013: Rs. 0.2067 / 0.932%) per unit respectively.

17 TAXATION

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

18 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.

19 TRANSACTIONS WITH CONNECTED PERSONS

19.1 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.

19.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in

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accordance with market rates.

- 19.3 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.
- 19.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 19.5 Details of significant transactions carried out by the Fund with connected persons and balances with them, as at year end, are as follows:

	June 30, 2014	June 30, 2013
	-----Rupees in '000-----	
Transactions during the year		
NBP Fullerton Asset Management Limited - Management Company		
Management fee for the year	25,423	24,151
Front end load	4,396	887
Sales tax on remuneration of Management Company	4,749	3,895
Federal Excise Duty on remuneration of Management Company	4,068	190
National Bank of Pakistan - Sponsor		
Units redeemed: Nil units (2013: 7,500,000 units)	-	69,881
3,077,000 shares purchased	173,952	71,023
1,477,500 shares sold	74,235	105,194
Alexandra Fund Management Pte. Limited - Sponsor		
Units redeemed: 11,306,142 units (2013: 2,528,045 units)	106,020	24,000
Bonus units issued: 2,279,614 units (2013: 1,389,982 units)	-	-
Employees of the Management Company		
Units issued: 3,948,552 units (2013: 3,610,280 units)	39,622	33,121
Units redeemed 3,961,210 units (2013: 3,625,293 units)	39,643	33,475
Bonus units issued: 83,776 units (2013: 17,759 units)	-	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	2,271	2,207
CDS Charges	272	292
NAFA Provident Fund Trust - Provident Fund		
Units Issued: 1,013,487 units (2013: 734,197 units)	10,983	6,092
Units redeemed: 216,864 units (2013: 1,120,262 units)	2,160	10,021
Bonus units issued: 135,820 units (2013: 71,181 units)	-	-
NBP Employees Pension Fund		
Bonus units issued: 15,604,111 units (2013: 4,070,525 units)	-	-
Sindh General Provident Investment Fund		
Bonus units issued: 10,107,580 units (2013: Nil units)	-	-
Gul Ahmed Textile Mills Limited Employees Provident Fund (Common Directorship)		
Bonus units issued: Nil units (2013: 4,394 units)	-	-
Units redeemed: Nil units (2013: 55,336 units)	-	482
International Industries Limited Employees Provident Fund (Common Directorship)		
Bonus units issued: 218,363 units (2013: 350,243 units)	-	-
Units redeemed: 364,539 units (2013: 5,642,766 units)	4,142	51,213
Units issued: 1,938,829 units (2013: 3,746,491 units)	21,554	31,841
International Industries Limited Employees Gratuity Fund (Common Directorship)		
Bonus units issued: Nil units (2013: 553,827 units)	-	-
Units redeemed: Nil units (2013: 12,095,576 units)	-	114,706
Units issued: Nil units (2013: 9,633,733 units)	-	83,799
International Steels Limited-Employees Gratuity Fund (Common Directorship)		
Bonus units issued: 15,452 units (2013: 47,129 units)	-	-
Units redeemed: 64,484 units (2013: 969,603 units)	611	9,516
Units issued: 56,050 units (2013: 804,438 units)	622	6,890

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	June 30, 2014	June 30, 2013
	-----Rupees in '000-----	
International Steels Limited-Employees Provident Fund (Common Directorship)		
Bonus units issued: 50,224 units (2013: 94,640 units)	-	-
Units redeemed: 82,663 units (2013: 1,487,312 units)	939	13,332
Units issued: 444,516 units (2013: 767,698 units)	4,945	6,483
Taurus Securities Limited		
Brokerage expense	567	557
Summit Bank Limited		
Bank Profit	79	-
THAL Limited		
155,400 shares purchased	25,937	-
199,700 shares sold	29,679	-
Cherat Cement Company Limited		
185,000 shares purchased	10,068	-
1,523,500 shares sold	96,083	-
19.6 Amounts outstanding as at year end		
NBP Fullerton Asset Management Limited - Management Company		
Management fee payable	474	2,006
Front-end load payable	1,339	69
Sales tax payable on management remuneration	88	352
Federal Excise Duty	3,728	190
Sales tax and FED payable on Sales Load	614	-
National Bank of Pakistan - Sponsor		
Deposits held by the Fund with the Sponsor	2,488	815
Ordinary shares held	99,567	20
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund: Nil units (2013: 9,026,528 units)	-	97,695
Summit Bank Limited (Common Directorship)		
Bank Balance	1,109	5,474
Employees of the Management Company		
Investment held in the Fund: 230,294 units (2013: 146,897 units)	2,326	1,590
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	216	182
CDS charges payable	29	24
Security deposit	100	100
NAFA Provident Fund Trust - Provident Fund		
Investment held in the Fund: 932,444 units (2013: Nil units)	9,416	-
NBP Employees Pension Fund		
Investment held in the Fund: 49,441,374 units (2013: 33,287,263 units)	499,259	366,224
Sindh General Provident Investment Fund		
Investment held in the Fund: 32,025,705 units (2013: 21,918,125 units)	323,396	237,222
International Industries Limited Employees Provident Fund (Common Directorship)		
Investment held in the Fund: 1,792,653 units (2013: Nil units)	18,102	-
International Steels Limited-Employees Gratuity Fund (Common Directorship)		
Investment held in the Fund: 7,018 units (2013: Nil units)	71	-
International Steels Limited-Employees Provident Fund (Common Directorship)		
Investment held in the Fund: 412,077 units (2013: Nil units)	412	-
THAL Limited		
Ordinary shares held	51,244	-
Cherat Cement Company Limited		
Ordinary shares held	11	-
Taurus Securities Limited		
Brokerage payable	24	48

NAFA STOCK FUND

20 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	26
2	Mr. Sajjad Anwar	MBA, CFA	14
3	Syed Sulaiman Akhtar	MBA, CFA	13
4	Muhammad Imran	CFA, ACCA	8
5	Asim Wahab Khan	CFA	8

20.1 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
- Islamic Multi Asset Fund

21 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

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%

2013

1	Taurus Securities Limited	9.91%
2	Foundation Securities (Private) Limited	6.12%
3	OPTIMUS Capital Management Limited	5.57%
4	KASB Securities Limited	5.45%
5	Aqeel Karim Dehdi Securities (Private) Limited	5.17%
6	Arif Habib Securities Limited	4.97%
7	J.S. Global Capital Limited.	4.83%
8	Topline Securities (Private) Limited	4.58%
9	Habib Metropolitan Financial Services Limited	4.28%
10	ELIXIR Securities Pakistan (Private) Limited	4.20%

22 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%
NBFCs	-	-	0.00%
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	100.00%

Category	As at June 30, 2013		
	Number of unit holders	Investment amount	Percentage investment

(Rupees in '000)

Individuals	808	254,014	22.63%
Associated companies / Directors	2	463,919	41.32%
Insurance companies	2	7,072	0.63%
Bank / DFIs	-	-	0.00%
NBFCs	-	-	0.00%
Retirement funds	14	389,854	34.73%
Public limited companies	-	-	0.00%
Others	10	7,822	0.70%
	836	1,122,681	100.00%

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23 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 42nd, 43rd, 44th, 45th, 46th and 47th Board meetings were held on July 11, 2013, August 27, 2013, October 30, 2013, February 13, 2014, April 30, 2014 and June 26, 2014 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. Wah Geok Sum	6	2	4	43rd, 44th, 46th & 47th Meeting
Mr. Koh Boon San	6	6	0	
Mr. Kamal Chinoy	6	5	1	42nd Meeting
Mr. Shehryar Faruque	6	3	3	42nd, 44th & 45th Meeting
Dr. Amjad Waheed	6	6	0	
Mr. Asif Hassan *	1	0	1	42nd Meeting
Mr. Amir Shehzad **	1	0	1	42nd Meeting
Mr. Aamir Sattar ***	5	5	0	
Mr. Abdul Hadi Palekar ****	5	4	1	45th Meeting
Mr. Nausherwan Adil *****	4	2	2	44th & 46th Meeting
Mr. Khalid Mahmood *****	2	2	0	

* Mr. Asif Hasan retired in EOGM Held on August 07, 2013

** Mr. Aamir Shehzad retired in EOGM Held on August 07, 2013

*** Mr. Aamir Sattar elected in EOGM Held on August 07, 2013

**** Mr. Abdul Hadi Palekar elected in EOGM Held on August 07, 2013

***** Mr. Khalid Mahmood retired from Board with effect from October 10, 2013

***** Mr. Nausherwan Adil was co-opted on the Board with effect from October 10, 2013

24 FINANCIAL INSTRUMENTS BY CATEGORY

-----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	-	1,608,292	-	1,608,292
Dividend and profit receivable	4,570	-	-	4,570
Deposits and other receivables	37,669	-	-	37,669
	<u>319,812</u>	<u>1,608,292</u>	<u>-</u>	<u>1,928,104</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
Payable against redemption of units	-	1,961	1,961
Accrued expenses and other liabilities	-	1,731	1,731
	<u>-</u>	<u>93,212</u>	<u>93,212</u>

NAFA STOCK FUND

-----As on June 30, 2013-----

	Loans and receivables	Financial assets at fair value through profit or loss	Available for sale	Total
-----Rupess in '000-----				
Assets				
Balances with Banks	340,201	-	-	340,201
Investments	-	806,787	-	806,787
Dividend and profit receivable	536	-	-	536
Deposits and other receivables	2,600	-	-	2,600
	<u>343,337</u>	<u>806,787</u>	<u>-</u>	<u>1,150,124</u>

-----As on June 30, 2013-----

	At fair value through profit or loss	Other financial liabilities	Total
-----Rupess in '000-----			
Liabilities			
PPayable to the Management Company	-	2,617	2,617
Payable to the Trustee	-	207	207
Accrued expenses and other liabilities	-	2,173	2,173
	<u>-</u>	<u>4,997</u>	<u>4,997</u>

25 FINANCIAL RISK MANAGEMENT

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

25.1 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.

25.1.1 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.

25.1.2 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, 2014, would not affect profit and loss account.

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, 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	6.50 - 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
		<u>1,928,102</u>	<u>272,804</u>	<u>-</u>	<u>-</u>	<u>1,655,298</u>

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
Payable against redemption of units		1,961	-	-	-	1,961
Accrued expenses and other liabilities		30,899	-	-	-	30,899
		<u>122,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,380</u>
On-balance sheet gap		<u>1,805,722</u>	<u>272,804</u>	<u>-</u>	<u>-</u>	<u>1,532,918</u>

Off-balance sheet financial instruments

Off-balance sheet gap

		-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

----- As at June 30, 2013 -----

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	6.00 - 11.00	340,201	338,263	-	-	1,938
Investments		806,787	-	-	-	806,787
Dividend and profit receivable		536	-	-	-	536
Deposits and other receivables		2,600	-	-	-	2,600
		<u>1,150,124</u>	<u>338,263</u>	<u>-</u>	<u>-</u>	<u>811,861</u>

Financial Liabilities

Payable to the Management Company		2,617	-	-	-	2,617
Payable to the Trustee		207	-	-	-	207
Accrued expenses and other liabilities		2,173	-	-	-	2,173
		<u>4,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,997</u>
On-balance sheet gap		<u>1,145,127</u>	<u>338,263</u>	<u>-</u>	<u>-</u>	<u>806,864</u>

Off-balance sheet financial instruments

Off-balance sheet gap

		-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

25.1.3 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's equity securities are exposed to price risk because of investments held by the Fund and classified on the Statement of Assets and Liabilities as financial assets 'at fair value through profit or loss'. To manage the risk, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The Fund's constitutive documents / NBFC Regulations also limit exposure to individual equity securities to no more than 10% of net assets, or issued capital of the investee company and sector exposure limit to 25% of the net assets or index weight of securities whichever is higher, subject to maximum of 35% of net assets.

In case of 5% increase / decrease in fair value on June 30, 2014, net income for the year would increase / decrease by Rs. 134.368 million (2013: Rs. 40.339 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss. 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.

NAFA STOCK FUND

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2014 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

25.2 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+	89.47%
A2, A-2	5.26%
A-3	5.26%

The maximum exposure to credit risk before any credit enhancement as at June 30, 2014 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.

25.3 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 settlement of equity securities and to daily cash redemptions, if any, 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 damage 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 off. The Fund's equity securities are considered readily realisable as they are listed on the Karachi Stock Exchange.

The Fund has the ability to borrow in the short term to ensure settlement. However, during the current year, no borrowing was obtained by the Fund. The maximum amount available to the Fund from borrowings would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Funds. 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 redemptions during the year ended June 30, 2014.

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.

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)-----			
			-
			-
Payable to the Management Company	6,243	6,243	
Payable to the Trustee	216	216	
Payable against purchase of investments	83,061	83,061	-
Payable against redemption of units	1,961	1,961	-
Accrued expenses and other liabilities	30,899	30,899	
	122,380	122,380	

-----As at June 30, 2013-----

Total	Upto three months	Over three months and upto one year	Over one year
------(Rupees in '000)-----			
			-
			-
Payable to the Management Company	2,617	2,617	
Payable to the Trustee	207	207	
Accrued expenses and other liabilities	2,173	2,173	-
	4,997	4,997	-

26 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.

NAFA STOCK FUND

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				
- Investment in listed equity securities	1,608,290	-	-	1,608,290

Assets	-----As at June 30, 2013-----			
	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
Financial assets at fair value through profit or loss				
- Investment in listed equity securities	806,787	-	-	806,787

27 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.

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 25, 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.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 16, 2014.

29 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, 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	For the year ended June 30, 2009	For the year ended June 30, 2008	For the period ended from January 15 to June 30,
Net assets (Rs. '000')	1,804,655	1,122,681	1,090,426	926,795	959,138	1,331,311	2,565,736	1,460,323
Net Income (Rs. '000')	378,693	513,061	192,215	207,399	137,552	(1,117,474)	(86,957)	442,474
Net Asset Value per units (Rs.)	10.098	10.8231	7.9399	7.5427	7.0844	6.0685	11.4643	14.3471
Selling price per unit	10.5056	11.1478	8.1781	6.7048	6.3531	6.2506	11.2038	12.5175
Redemption price per unit	10.098	10.8231	7.9399	6.5095	6.1681	6.0685	10.8599	12.0871
Highest offer price per unit (Rs.)	10.6080	11.6423	8.7190	8.0146	8.1914	11.4503	15.0971	14.7783
Lowest offer price per unit (Rs.)	7.7911	7.3194	6.1570	5.9560	6.3501	4.2803	11.0660	10.2638
Highest redemption price per unit (Rs.)	10.1964	11.3032	8.4650	7.7812	7.9528	11.1168	14.6574	14.3479
Lowest redemption price per unit (Rs.)	7.4888	7.1062	5.9777	5.7825	6.1651	4.1556	10.7437	9.9649
Fiscal Year Opening Ex Nav	7.4072	6.9848	6.5095	5.8758	6.0685	11.1621	11.8407	10
Total return of the fund	36.33%	54.95%	21.97%	28.37%	16.74%	-45.63%	-3.18%	43.47%
Capital growth	14.26%	14.36%	11.97%	4.49%	1.64%	-45.63%	-8.28%	20.87%
Income distribution as % of Ex-NAV	22.07%	40.59%	10.00%	23.88%	15.10%	0.00%	5.10%	22.60%
Income distribution as % of Par Value	16.35%	28.35%	6.51%	14.03%	9.16%	0.00%	6.04%	22.60%
Distribution								
Interim Distribution per unit	1.6345	0.4374	0	0.3700	0	0	0.3022	0
Final distribution per unit	0	2.3980	0.6510	1.0332	0.9163	0	0.3022	2.2600
Distribution dates								
Interim	13-Feb-14	26-Feb-13	Nil	18-Feb-11	Nil	Nil	15-Apr-08	Nil
Interim	30-Apr-14	26-Apr-13	Nil	19-Apr-11	Nil	Nil	Nil	Nil
Interim	26-Jun-14							
Final	Nil	11-Jul-13	9-Jul-12	4-Jul-11	5-Jul-10	Nil	3-Jul-08	5-Jul-07
Average annual return (launch date January 22, 2007)								
(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%			
(Since inception to June 30, 2009)						-10.84%		
(Since inception to June 30, 2008)							25.51%	
(Since inception to June 30, 2007)								97.94%
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.								



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

Fax: 021-35825335

Email: info@nafafunds.com

Website: www.nafafunds.com