

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 PENSION FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Asif Hassan	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Khalid Mahmood	Director
Mr. Aamir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	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 Shehzad	Member

Human Resource Committee

Mr. Khalid Mahmood	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 Shakra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Bank Alfalah Limited

NAFA PENSION 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.

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Fax: (021) 35825329
Website: www.nafafunds.com

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UAN: (+92-42) 111-111-NFA (632)
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Islamabad Office:

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Industrial Area, 1-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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

Multan Office:

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

NAFA PENSION FUND

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NAFA PENSION FUND

TRUSTEE REPORT TO THE UNIT HOLDERS NAFA PENSION FUND

Report of the Trustee pursuant to Rule 31(h) of the Voluntary Pension System Rules, 2005

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Pension Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the period from May 02, 2013 to June 30, 2013 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

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

Karachi, October 14, 2013

NAFA PENSION FUND

AUDITORS' REPORT TO THE PARTICIPANTS OF THE NAFA PENSION FUND

We have audited the annexed financial statements comprising:

- i. Balance Sheet;
- ii. Income Statement;
- iii. Statement of Comprehensive Income;
- iv. Cashflow Statement; and
- v. Statement of Movement in Participants' Fund.

of NAFA Pension Fund ("theFund") as at June 30, 2013 together with the notes forming part thereof, for the period from May 02, 2013 to June 30, 2013.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal controls; and prepare and present the financial statements of the Fund in conformity with the International Accounting Standards notified under the sub-section(3) of section 234 of the Companies Ordinance, 1984, and technical releases issued by the Institute of Chartered Accountants of Pakistan from time to time and the requirements of the Voluntary Pensions System Rules, 2005 and the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- a) the accounts prepared for the period from May 02, 2013 to June 30, 2013 have been properly drawn in accordance with the relevant provisions of the trust deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund as at June 30, 2013 and of its financial performance, cash flows and transactions of the Fund for the period from May 02, 2013 to June 30, 2013;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) the accounts prepared are in agreement with the Fund's books and records;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of the audit; and
- g) no zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

Chartered Accountants

Engagement Partner
Nadeem Yousuf Adil

Place: Karachi
Date: September 18, 2013

NAFA PENSION FUND

BALANCE SHEET AS AT JUNE 30, 2013

		-----2013-----			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----					
ASSETS					
Balances with banks	4	30,487,155	30,477,949	30,478,152	91,443,256
Preliminary expenses and floatation costs	5	70,959	70,959	70,959	212,877
Total assets		30,558,114	30,548,908	30,549,111	91,656,133
LIABILITIES					
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	6	172,373	157,528	142,703	472,604
Payable to Central Depository Company of Pakistan Limited - Trustee	7	7,317	7,317	7,318	21,952
Payable to Securities and Exchange Commission of Pakistan	8	1,610	1,610	1,610	4,830
Accrued expenses and other liabilities	9	42,295	42,485	43,061	127,841
Total liabilities		223,595	208,940	194,692	627,227
NET ASSETS		30,334,519	30,339,968	30,354,419	91,028,906
Participants' sub-funds (as per statement attached)		30,334,519	30,339,968	30,354,419	91,028,906
Contingencies and commitments	10				
-----Number of units-----					
Number of units in issue	11	300,060	299,970	299,970	900,000
-----Rupees-----					
Net asset value per unit	3.9	101.0948	101.1433	101.1915	

The annexed notes 1 to 22 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA PENSION FUND

INCOME STATEMENT FOR THE PERIOD FROM MAY 02, 2013 TO JUNE 30, 2013

For the period from May 02, 2013 to June 30, 2013					
Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
-----Rupees-----					
INCOME					
Profit on bank deposits	473,821	473,816	473,819	1,421,456	
	473,821	473,816	473,819	1,421,456	
EXPENSES					
Remuneration of NBP Fullerton Asset Management Limited - Pension Fund Manager	6.1	73,173	60,973	48,790	182,936
Sales tax on remuneration of Pension Fund Manager	6.2	12,281	10,234	8,189	30,704
Federal excise duty on remuneration of Pension Fund Manager	6.3	3,585	2,988	2,391	8,964
Remuneration of Central Depository Company of Pakistan Limited - Trustee		7,317	7,317	7,318	21,952
Annual fee to Securities and Exchange Commission of Pakistan		1,610	1,610	1,610	4,830
Auditors' remuneration	9.1	10,000	10,000	10,000	30,000
Amortisation of preliminary expenses and floatation costs	5.1	4,041	4,041	4,041	12,123
Bank charges		5,680	5,475	5,457	16,612
Other charges		20,911	21,211	21,310	63,432
		138,598	123,849	109,106	371,553
Net income from operating activities		335,223	349,967	364,713	1,049,903
Provision for Workers' Welfare Fund	14	6,704	6,999	7,294	20,997
Net income for the period before taxation		328,519	342,968	357,419	1,028,906
Taxation	15	-	-	-	-
Net income for the period after taxation		328,519	342,968	357,419	1,028,906
Earnings per unit		1.09	1.14	1.19	

The annexed notes 1 to 22 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA PENSION FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM MAY 02, 2013 TO JUNE 30, 2013

	For the period from May 02, 2013 to June 30, 2013			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----			
Net income for the period after taxation	328,519	342,968	357,419	1,028,906
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	328,519	342,968	357,419	1,028,906

The annexed notes 1 to 22 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA PENSION FUND

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB - FUNDS FOR THE PERIOD FROM MAY 02, 2013 TO JUNE 30, 2013

	For the period from May 02, 2013 to June 30, 2013			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----			
Net assets at the beginning of the period	-	-	-	-
Amounts received on issuance of units to Pension Fund Sponsors *	30,006,000	29,997,000	29,997,000	90,000,000
Total comprehensive income	328,519	342,968	357,419	1,028,906
Net assets at the end of the period	30,334,519	30,339,968	30,354,419	91,028,906

	For the period from May 02, 2013 to June 30, 2013			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----			
* Units issued	300,060	299,970	299,970	900,000
Units redeemed	-	-	-	-

The annexed notes 1 to 22 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

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CASH FLOW STATEMENT FOR THE PERIOD FROM MAY 02, 2013 TO JUNE 30, 2013

For the period from May 02, 2013 to June 30, 2013				
Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	328,519	342,968	357,419	1,028,906
Adjustments				
Amortization of preliminary expenses and floatation costs	4,041	4,041	4,041	12,123
	332,560	347,009	361,460	1,041,029
Increase in liabilities				
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	97,373	82,528	67,703	247,604
Payable to Central Depository Company of Pakistan Limited - Trustee	7,317	7,317	7,318	21,952
Payable to Securities and Exchange Commission of Pakistan	1,610	1,610	1,610	4,830
Accrued expenses and other liabilities	42,295	42,485	43,061	127,841
	148,595	133,940	119,692	402,227
Net cash generated from operating activities	481,155	480,949	481,152	1,443,256
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	30,006,000	29,997,000	29,997,000	90,000,000
Net increase in cash and cash equivalents during the period	30,487,155	30,477,949	30,478,152	91,443,256
Cash and cash equivalents at the beginning of the period	-	-	-	-
Cash and cash equivalents at the end of the period	30,487,155	30,477,949	30,478,152	91,443,256

The annexed notes 1 to 22 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA PENSION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM MAY 02, 2013 TO JUNE 30, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Pension Fund ("the Fund") was established under a Trust Deed, dated October 12, 2012, between NBP Fullerton Asset Management Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on November 16, 2012.

The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

The Fund is an unlisted open end pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.

The objective of the Fund is to provide individuals with a portable, individualised, funded (based on defined contribution), flexible pension scheme, assisting and facilitating them to plan and provide for their retirement.

The Fund consists of three sub-funds namely, NAFA Pension Fund Equity Sub-Fund ("Equity Sub-Fund"), NAFA Pension Fund Debt Sub-Fund ("Debt Sub-Fund") and NAFA Pension Fund Money Market Sub-Fund ("Money Market Sub-Fund") (collectively the "Sub-Funds"). The Investment policy for each of the sub-funds are as follows:

- The Equity sub-fund consists of a minimum 90% of net assets invested in listed equity securities, investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) of equity sub-fund or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV of equity sub-fund or index weight, subject to a maximum of 35% of NAV of equity sub-fund. Remaining assets of the equity sub-fund may be invested in government treasury bills or government securities having less than one year time to maturity, or be deposited with scheduled commercial banks having at least A rating.

- The Debt Sub-Fund consist of tradable debt securities with weighted average duration of the investment portfolio of the Sub-Fund not exceeding five years. At least twenty five percent (25%) of the net assets of debt sub-fund shall be invested in securities issued by the Federal Government. Upto twenty five percent (25%) may be deposited with banks having not less than "AA Plus" rating with a stable outlook. Exposure to securities issued by companies of a single sector shall not exceed 20% except for banking sector for which the exposure limit shall be upto 30% of net assets of a debt sub-fund. Deposit in a single bank shall not exceed 10% of net asset of the debt sub-fund. Composition of the remaining portion of the investments shall be according to the criteria mentioned in the offering document.

- The Money Market sub-fund consists of short term debt instruments with weighted average time to maturity not exceeding ninety days. There is no restriction on the amount of investment in securities issued by the Federal Government and deposit with commercial banks having 'A Plus' or higher rating. Investment in securities issued by provincial or city government, government corporate entities with 'A' or higher rating or a government corporations with 'A plus' or higher rating shall be in proportion as defined in offering document.

The Fund offers five types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility & Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The Participant has the option to select any one from the Allocation Schemes or products being offered by the Pension Fund Manager at the date of opening his / her Individual Pension Account. The Participant may change the Allocation Scheme not more than twice a year thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis or with any other frequency.

Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of 'AM2' to the Pension Fund Manager while the Fund is currently not rated.

Title to the assets of the Fund are held in the name of CDC as the trustee of the Fund.

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2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the VPS Rules or directives issued by the SECP differ with the requirements of IFRS, the requirements of the VPS Rules or the directives issued by the SECP shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.4 New accounting standards / amendments and IFRS interpretations that are effective for the period ended June 30, 2013

The following standards, amendments and interpretations are effective for the year ended June 30, 2013. 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 - Presentation of Items of Other Comprehensive Income	Effective from accounting period beginning on or after July 01, 2012
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2.5 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 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
Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 19 - Employee Benefits	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 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2014
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

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IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine

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

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 SECP.

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 (Revised 2011) – Separate Financial Statements due to non-adoption of IFRS 10 and IFRS 11
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures due to non-adoption of IFRS 10 and IFRS 11

2.6 Critical accounting estimates and judgments

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

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

- (a) classification of investments (Note 3.2.1)
- (b) impairment (Note 3.2.5)
- (c) provisions (Note 3.5)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification

The 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 a regular basis.

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

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

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b) Loans and receivables

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

c) Available-for-sale

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

3.2.2 Regular way contracts

All regular purchases / sales of investments are recognized on the trade date i.e. the date that the Fund commits to purchase / sell the investments. Purchases / sales of investments 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 recognised in the 'income statement' immediately.

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 debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP).

b) Basis of valuation of equity securities

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

c) Basis of valuation of government securities

The investment of the Fund in government securities is 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.

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

3.2.5 Impairment of financial assets

Impairment loss on investments other than 'available-for-sale' is recognised in the income statement whenever the carrying amount of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases the impairment is reversed through the income statement.

In case of investments classified as 'available-for-sale', a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are 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 profit or loss is removed from other comprehensive income and recognised in the income statement. However, the decrease in impairment loss on equity securities classified as 'available-for-sale' is not reversed through the income statement.

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3.2.6 Derecognition

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

3.2.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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 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.

3.4 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 three years in accordance with the requirements set out in the Trust Deed of the Fund and the VPS Rules.

3.5 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

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

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

Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is determined based on the income earned during the period and on unrealised appreciation / (diminution) arising during the year on available for sale securities. The amount so determined is taken directly to the distribution statement.

3.7 Taxation

The income of the Fund is exempt from Income Tax under clause 57(1)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A(i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Issue and redemption of units

Contribution received in the individual pension account after deduction of insurance premium, if any, followed by deduction of applicable front end fee, is used to purchase the units of sub-funds of the pension fund according to the Allocation Scheme selected by the participant. The units are allotted at the net asset value notified by the Pension Fund Manager at the close of the business day for each sub-fund. The front end fee is payable to the distributors and the Pension Fund Manager.

The Pension Fund Manager makes reallocation of the sub-fund units between the sub-funds at least once a year to ensure that the allocation of the sub-fund units of all the participants are according to the allocation schemes selected by the participants. In case of withdrawal before retirement, units are redeemed at the net asset value of each of the sub-fund as of the close of the business day on which such request is received by the distributor before the cut off time. Redemption of units is recorded on acceptance of application for redemption. In case of retirement of the participant, units are redeemed at the net asset value of each of the sub-fund as of the close of the business day on which retirement age is reached.

In case of change of Pension Fund Manager, units are redeemed at the net asset value of each of the sub-fund as of the close of the business day corresponding to the date of change specified by the participant.

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3.9 Net Asset Value per unit

The Net Asset Value (NAV) per unit, as disclosed in the Balance Sheet, is calculated by dividing the net assets of each of the Sub-Fund by the number of units in circulation of that Sub-Fund at the period end.

3.10 Revenue recognition

-Realised capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.

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

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

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

		June 30, 2013				
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
-----Rupees-----						
4	BALANCES WITH BANKS					
	Savings accounts	4.1	30,487,155	30,477,949	30,478,152	91,443,256

4.1 These carry profits at the rates ranging from 8.9% to 9.45% per annum.

		June 30, 2013				
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
-----Rupees-----						
5	PRELIMINARY EXPENSES AND FLOATATION COSTS					
	Preliminary expenses and floatation costs incurred		75,000	75,000	75,000	225,000
	Less: Accumulated amortization for the period	5.1	(4,041)	(4,041)	(4,041)	(12,123)
			70,959	70,959	70,959	212,877

5.1 Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of three years in accordance with the requirements set out in the Trust Deed of the Fund and the VPS Rules.

		June 30, 2013				
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
-----Rupees-----						
6	PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER					
	Management fee	6.1	73,173	60,973	48,790	182,936
	Sindh Sales tax payable on management fee	6.2	12,281	10,234	8,189	30,704
	Federal excise duty payable on management fee	6.3	3,585	2,988	2,391	8,964
	Preliminary expenses and floatation costs on behalf of the Fund		75,000	75,000	75,000	225,000
	Other charges payable		8,334	8,333	8,333	25,000
			172,373	157,528	142,703	472,604

NAFA PENSION FUND

6.1 As per rule 11 of the VPS Rules and Trust deed, the Pension Fund Manager is allowed to charge maximum annual management fee of 1.5% of the average of the values of the net assets of each of the sub-funds calculated during the period. Accordingly, the management fee has been accrued at:

- 1.5% of the average annual net assets of Equity Sub-Fund.
- 1.25% of the average annual net assets of Debt Sub-Fund.
- 1.00% of the average annual net assets of Money Market Sub-Fund.

6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 16% on the management fee of the Pension Fund Manager as required by Sindh Sales Tax on Services Act, 2011.

6.3 During the year, the Federal Government of Pakistan amended Table II of the First schedule to the Federal Excise Act, 2005, and imposed excise duty on services provided by Asset Management Companies at the rate of 16% effective from June 13, 2013.

		June 30, 2013			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----					
7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE				
	Trustee Fee	7,317	7,317	7,318	21,952

7.1 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 there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2013 is as follows:

Amount of Funds Under Management (Average NAV)	Tariff per annum
Upto Rs. 1,000 million	Rs. 0.3 million or 0.15% p.a of NAV, whichever is higher
Exceeding Rs. 1,000 million upto Rs. 3,000 million	Rs. 1.5 million plus 0.10% p.a of NAV exceeding Rs. 1,000 million
Exceeding Rs. 3,000 million upto Rs. 6,000 million	Rs. 3.5 million plus 0.08% p.a of NAV exceeding Rs. 3,000 million
Exceeding Rs. 6,000 million	Rs. 5.9 million plus 0.06% p.a of NAV exceeding Rs. 6,000 million

However, the trustee has withdrawn minimum trusteeship tariff for the first year of operation and restricted to 0.15% p.a of the NAV in case the average NAV of the sub-fund is upto Rs. 1,000 million

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to the SECP in accordance with rule 36 of the VPS Rules whereby the Fund is required to pay SECP, an amount equal to one thirtieth of 1% of the average annual net asset value of each of the sub-funds.

		June 30, 2013			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----					
9	ACCRUED EXPENSES AND OTHER LIABILITIES				
	Auditors' remuneration	10,000	10,000	10,000	30,000
	Provision for Workers' Welfare Fund	6,704	6,999	7,294	20,997
	Other charges payable	20,911	21,211	21,310	63,432
	Bank charges Payable	4,680	4,275	4,457	13,412
		42,295	42,485	43,061	127,841
9.1	Annual audit fee	10,000	10,000	10,000	30,000

NAFA PENSION FUND

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2013.

11 NUMBER OF UNITS IN ISSUE

Total units outstanding at the beginning of the period
Add: Units issued during the period
Less: Units redeemed during the period

Total units in issue at the end of the period

June 30, 2013			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----			
-	-	-	-
300,060	299,970	299,970	900,000
-	-	-	-
300,060	299,970	299,970	900,000

12 CONTRIBUTION TABLE

Contributions received during the period are as follows:

For the period from May 02, 2013 to June 30, 2013

From:	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	-	-	-	-	-	-	-	-
Pension Fund Sponsor	300,060	30,006,000	299,970	29,997,000	299,970	29,997,000	900,000	90,000,000
	300,060	30,006,000	299,970	29,997,000	299,970	29,997,000	900,000	90,000,000

13 HIGHEST AND LOWEST ISSUE PRICE OF UNITS DURING THE PERIOD

There were no issuance of units other than against seed capital which were issued at par value.

14 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CIS) and Pension Funds, whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs and the Pension Funds, which is pending adjudication.

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

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 6, 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 04, 2011 has cancelled ab-initio clarificatory letter dated October 6, 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 Pension Fund Manager 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.

NAFA PENSION FUND

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

However, without prejudice to the above, the Pension Fund manager, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs. 20,997 in these financial statements.

15 TAXATION

No provision for taxation for the period ended June 30, 2013 has been made in view of the exemption available under clause 57 (1) (viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

16 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fullerton Asset Management Limited, being the Pension Fund manager, Central Depository Company of Pakistan Limited (being the Trustee), National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited, being the sponsors of the Fund / Pension Fund Manager and other collective investment schemes managed by the NBP Fullerton Asset Management Limited, directors and officers of the NBP Fullerton Asset Management Limited and employee benefit funds of the NBP Fullerton Asset Management Limited.

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

Remuneration payable to the Pension Fund manager and Trustee is determined in accordance with the provisions of the VPS Rules and the Trust Deed respectively.

16.1 Details of the transactions with connected persons are as follows:

	For the period from May 02, 2013 to June 30, 2013			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----				
NBP Fullerton Asset Management Limited - Pension Fund Manager				
Management fee	73,173	60,973	48,790	182,936
Sales tax on remuneration of Pension Fund Manager	12,281	10,234	8,189	30,704
Federal Excise Duty on remuneration of the Pension Fund Manager	3,585	2,988	2,391	8,964
Preliminary expenses and floatation costs paid on behalf of the Fund	75,000	75,000	75,000	225,000
Other charges paid	8,334	8,333	8,333	25,000
Amount of units issued	18,003,600	17,998,200	17,998,200	54,000,000
Number of units issued (seed capital)	180,036	179,982	179,982	540,000
Alexandra Fund Management Pte. Limited - Sponsor				
Amount of units issued	12,002,400	11,998,800	11,998,800	36,000,000
Number of units issued (seed capital)	120,024	119,988	119,988	360,000
Central Depository Company of Pakistan Limited - Trustee				
Trustee Fee	7,317	7,317	7,318	21,952
Amounts outstanding as at period end				
NBP Fullerton Asset Management Limited - Pension Fund Manager				
Management fee payable	73,173	60,973	48,790	182,936
Sindh Sales tax payable on management fee	12,281	10,234	8,189	30,704
Federal excise duty payable on management fee	3,585	2,988	2,391	8,964
Preliminary expenses and floatation cost payable	75,000	75,000	75,000	225,000
Other charges payable	8,334	8,333	8,333	25,000
Amount of units issued	18,003,600	17,998,200	17,998,200	54,000,000
Number of units issued (seed capital)	180,036	179,982	179,982	540,000
Alexandra Fund Management Pte. Limited - Sponsor				
Amount of units issued	12,002,400	11,998,800	11,998,800	36,000,000
Number of units issued (seed capital)	120,024	119,988	119,988	360,000
Central Depository Company of Pakistan Limited - Trustee				
Trustee Fee payable	7,317	7,317	7,318	21,952

NAFA PENSION FUND

17 FINANCIAL RISK MANAGEMENT

The Fund primarily invests in a portfolio of equity, debt and money market investments such as shares of listed companies, investment-grade debt securities, government securities and other money market instruments. These activities are exposed to a variety of financial risks i.e market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

17.1 Market risk

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices.

The Pension Fund Manager 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. The maximum risk resulting from financial instruments equals their fair values.

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

17.1.1 Currency risk

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

17.1.2 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.

a) Sensitivity analysis for variable rate instruments

Presently, neither of the Sub-Fund hold any variable rate instruments as at June 30, 2013, that could expose the Fund to cash flow interest rate risk.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2013, the Fund holds balances in deposit accounts with bank, exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR, with all other variables held constant, the net assets of the Fund as on June 30, 2013 and net income for the year then ended would have been higher / lower by Rs. 914,432.

The composition of Fund's investment portfolio and KIBOR rates is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2013 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

NAFA PENSION FUND

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 settlement date.

June 30, 2013																			
Equity Sub Fund						Debt Sub Fund					Money Market Sub Fund					Total			
Exposed to yield / interest rate risk						Exposed to yield / interest rate risk					Exposed to yield / interest rate risk								
Yield / Interest rate	More than three months and upto one year			Not exposed to yield / interest rate risk	Total	Yield / Interest rate	More than three months and upto one year			Not exposed to yield / interest rate risk	Total	Yield / Interest rate	More than three months and upto one year			Not exposed to yield / interest rate risk	Total		
	Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year				
-----%----- Rupees-----																			
On-balance sheet financial instruments																			
Financial assets																			
Balances with banks	8.90 - 9.45	30,487,155	-	-	-	30,487,155	8.90 - 9.45	30,477,949	-	-	-	30,477,949	8.90 - 9.45	30,478,152	-	-	-	30,478,152	91,443,256
		30,487,155	-	-	-	30,487,155		30,477,949	-	-	-	30,477,949		30,478,152	-	-	-	30,478,152	91,443,256
Financial liabilities																			
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	-	-	172,373	172,373	-	-	-	157,528	157,528	-	-	-	142,703	142,703	472,604			
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	7,317	7,317	-	-	-	7,317	7,317	-	-	-	7,318	7,318	21,952			
Payable to Securities and Exchange Commission of Pakistan	-	-	-	1,610	1,610	-	-	-	1,610	1,610	-	-	-	1,610	1,610	4,830			
Accrued expenses and other liabilities	-	-	-	35,591	35,591	-	-	-	35,486	35,486	-	-	-	35,767	35,767	106,844			
	-	-	-	216,891	216,891	-	-	-	201,941	201,941	-	-	-	187,398	187,398	606,230			
On-balance sheet gap		30,487,155	-	-	(216,891)	30,270,264		30,477,949	-	-	(201,941)	30,276,008		30,478,152	-	-	(187,398)	30,290,754	90,837,026
Off-balance sheet financial instruments																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

17.1.3 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 instruments traded in the market.

Presently, the Fund is not exposed to equity securities price risk as the Fund does not hold any equity securities at June 30, 2013.

17.1.4 Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from the inability of the relevant brokerage house or the counter party to fulfill their obligations.

The Fund's credit risk is primarily attributable to balances with banks only. The credit risk of the Fund is limited as the balances are maintained with counter parties that are financial institutions with reasonably high credit ratings.

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. In addition, the risk is managed through the assignment of credit limits and by following strict credit evaluation criteria laid down by the Pension Fund Manager.

The maximum exposure to credit risk is as follows:

	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----				
Balances with banks				
A1+	30,487,155	30,477,949	30,478,152	91,443,256

NAFA PENSION FUND

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. Currently the Fund has placed its money in saving account of a bank.

17.1.5 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 cash redemptions of its units on a regular basis. Units are redeemable at the participant's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP). The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and cannot be readily disposed and are considered readily realisable.

The Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of the total net asset value at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the period.

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

	June 30, 2013												
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund				Total
	Upto three months	Over three months and upto one year	Over one year	Total	Upto three months	Over three months and upto one year	Over one year	Total	Upto three months	Over three months and upto one year	Over one year	Total	
Rupees													
Financial liabilities													
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	72,373	-	-	72,373	57,528	-	-	57,528	42,703	-	-	42,703	472,604
Payable to Central Depository Company of Pakistan Limited - Trustee	7,37	-	-	7,37	7,37	-	-	7,37	7,38	-	-	7,38	21952
Payable to Securities and Exchange Commission of Pakistan	160	-	-	160	160	-	-	160	160	-	-	160	4,830
Accrued expenses and other liabilities	35,591	-	-	35,591	35,486	-	-	35,486	35,767	-	-	35,767	106,844
	216,891	-	-	216,891	201,941	-	-	201,941	187,398	-	-	187,398	606,230

18 FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2013												
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund				Total
	Loans and receivables	At fair value through profit or loss	Available for sale	Total	Loans and receivables	At fair value through profit or loss	Available for sale	Total	Loans and receivables	At fair value through profit or loss	Available for sale	Total	
Rupees													
Financial Assets													
Balances with banks	30,487,155	-	-	30,487,155	30,477,949	-	-	30,477,949	30,478,152	-	-	30,478,152	91,443,256
	30,487,155	-	-	30,487,155	30,477,949	-	-	30,477,949	30,478,152	-	-	30,478,152	91,443,256

NAFA PENSION FUND

	June 30, 2013										
	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund			Total	
	At fair value through profit or loss	Other financial Liabilities	Total	At fair value through profit or loss	Other financial Liabilities	Total	At fair value through profit or loss	Other financial Liabilities	Total		
Rupees											
Financial Liabilities											
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	72,373	72,373	-	57,528	57,528	-	12,703	12,703		472,604
Payable to Central Depository Company of Pakistan Limited - Trustee	-	7,37	7,37	-	7,37	7,37	-	7,38	7,38		21952
Payable to Securities and Exchange Commission of Pakistan	-	160	160	-	160	160	-	160	160		4,830
Accrued expenses and other liabilities	-	35,591	35,591	-	35,486	35,486	-	35,767	35,767		106,844
	-	216,891	216,891	-	201,941	201,941	-	187,398	187,398		606,230

19 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Fund is a going concern without any intension or requirement to curtail materiality the scale of its operations or to undertake a transaction on adverse terms. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value.

20 PARTICIPANTS' FUNDS RISK MANAGEMENT (CAPITAL RISK)

The participants' fund is represented by redeemable units. These units are entitled to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date.

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

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

In accordance with the risk management policies stated in note 17, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with long term objective, the possibility of a significant redemption pressure is limited, such liquidity is augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments, where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the fund and rank parri passu as their rights in the net assets and earning of the sub-fund are not tradeable or transferable. Each Participant has a beneficial interest in the sub fund proportionate to the units held by such participant in such sub-fund.

21 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 27 August, 2013.

22 GENERAL

22.1 Figures have been rounded off to the nearest Rupee.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director