

**AM2+**  
Rated by PACRA



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

## NAFA PENSION FUND

# ANNUAL REPORT 2015



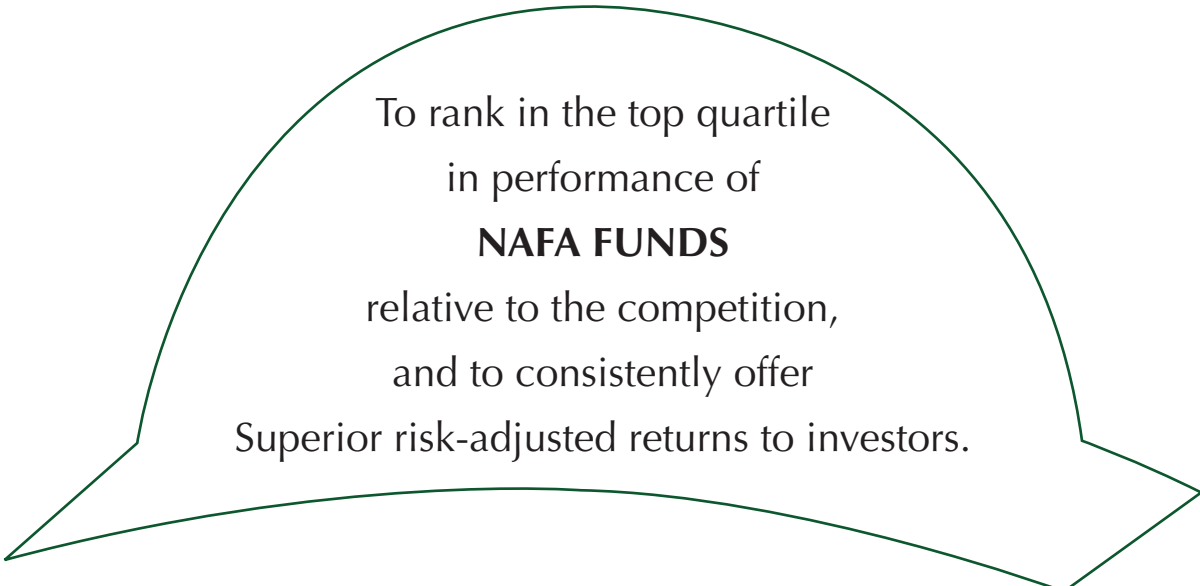
*Your investments & "NAFA" grow together*



**FULLERTON FUND  
MANAGEMENT**

*Joint - Venture Partners*

## MISSION STATEMENT



To rank in the top quartile  
in performance of  
**NAFA FUNDS**  
relative to the competition,  
and to consistently offer  
Superior risk-adjusted returns to investors.

# NAFA PENSION FUND

## FUND'S INFORMATION

### Management Company

NBP Fullerton Asset Management Limited – Management Company

### Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nigel Poh Cheng	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

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

### Human Resource and Remuneration Committee

Mr. Nausherwan Adil	Chairman
Mr. Nigel Poh Cheng	Member
Mr. Kamal Amir Chinoy	Member

### Trustee

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

### Bankers to the Fund

Allied Bank Limited  
Bank Alfalah Limited  
Habib Bank Limited  
Sindh Bank Limited  
JS Bank Limited  
NIB Bank Limited  
The Bank of Punjab

# 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.

## **Head Office:**

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 111-111NFA (111-111-632),  
(Toll Free): 0800-20001,  
Fax: (021) 35825329  
Website: [www.nafafunds.com](http://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 PENSION 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. Nigel Poh Cheng  
Director



Mr. Abdul Hadi Palekar  
Director



# Senior Management\*



Dr. Amjad Waheed, CFA  
Chief Executive Officer



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



Mr. Sajjad Anwar, CFA  
Chief Investment Officer



Mr. Zeeshan  
Chief - Strategy &  
Business Development



Mr. Khalid Mehmood  
Chief Financial Officer



Mr. Samiuddin Ahmed  
Country Head Corporate  
Marketing



Mr. Ozair Khan  
Chief Technology Officer



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



Syed Suleman Akhtar CFA  
Head of Research



Mr. Tahir Lateef  
Head of Internal Audit



Mr. Ahmad Nouman CFA, PRM  
Head of Risk Management



Mr. Asim Wahab Khan, CFA  
Head of Equity

# NAFA PENSION FUND

## DIRECTORS' REPORT

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

### Fund's Performance

	<b>Fund Size (Rs. in mln)</b>	<b>NAV Per Unit (Rs.) June 30, 2014</b>	<b>NAV Per Unit (Rs.) June 30, 2015</b>	<b>Performance Since Launch July 02, 2013</b>
NPF-Equity Sub-fund	354.4	140.4046	210.1034	44.39%
NPF-Debt Sub-fund	291.3	109.4204	128.3251	12.66%
NPF-Money Market Sub-fund	200.5	108.8416	117.2798	7.67%
Annualized Return	[Net of management fee & all other expenses]			

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

On the corporate debt sphere, trading activity in TFCs remains skewed towards the high quality issues. Dearth of primary issuance versus elevated demand further depressed the yield on the high credit quality corporate bonds. During the period under review, the State Bank of Pakistan reduced the discount rate by 300 bps bringing it to a 42 year low of 7.0%. SBP highlighted i) improving external account position; ii) benign inflation reading and anchored inflation outlook; and iii) continued increase in foreign exchange reserves as the key drivers for the expansionary monetary policy decision during the year. Sovereign securities responded to the loose monetary policy period with yields on the PIBs and T-bills declining sharply.

The equity sub-fund generated a return of 49.6% during FY15 against 16% return of the benchmark KSE-100 Index during the same period.

The debt sub-fund yielded 17.3% return during FY15 as declining PIB yields resulted in higher mark-to-market gains.

The money market sub-fund delivered a return of 7.8% during the year. These returns are net of management fee and all other expenses.

The asset allocation of the Funds as on June 30, 2015 is as follows:



# NAFA PENSION FUND

Asset Allocation (% of Net Assets)	
<b>Equity Sub-fund</b>	
Equity	88.87%
Cash Equivalents	14.63%
Others	-3.50%
<b>Total</b>	<b>100.00%</b>
<b>Debt Sub-fund</b>	
TFCs/Sukuks	2.88%
PIBs	14.77%
T-Bills	69.63%
Cash Equivalents	9.35%
Others	3.37%
<b>Total</b>	<b>100.00%</b>
<b>Money Market Sub-fund</b>	
T-Bills	60.32%
Cash Equivalents	34.59%
Others	5.09%
<b>Total</b>	<b>100.00%</b>

## Taxation

No provision for taxation for the year ended June 30, 2015 has been made in view of the exemption available under clause 57 (1) (viii) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001.

## Auditors

The present auditors Messrs M. Yousuf Adil Saleem & Co. Chartered Accountants, has completed their three year tenure in the capacity of Auditor of the Fund. As per the requirement of Rules 7(h) of Voluntary Pension System Rules, 2004 their replacement would be required. The Board has approved the appointment of Messrs KPMG Taseer Hadi & Co. Chartered Accountants, for the year ending June 30, 2016.

## 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  
Date: September 30, 2015  
Place: Karachi.

Director

# NAFA PENSION FUND

## TRUSTEE REPORT TO THE PARTICIPANTS 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 year ended June 30, 2015 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 20, 2015

# NAFA PENSION FUND

## FUND MANAGER REPORT

### NAFA Pension Fund

NAFA Pension Fund is an open-ended Pension Fund

### Investment Objective of the Fund

To provide a secure source of savings and regular income after retirement to the Participants.

### Fund performance review

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) June 30, 2014	NAV Per Unit (Rs.) June 30, 2015	Since Launch July 02, 2013 (p.a)
NPF-Equity Sub-fund	354.4	140.4046	210.1034	44.39%
NPF-Debt Sub-fund	291.3	109.4204	128.3251	12.66%
NPF-Money Market Sub-fund	200.5	108.8416	117.2798	7.67%
Annualized Return	[Net of management fee & all other expenses]			

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

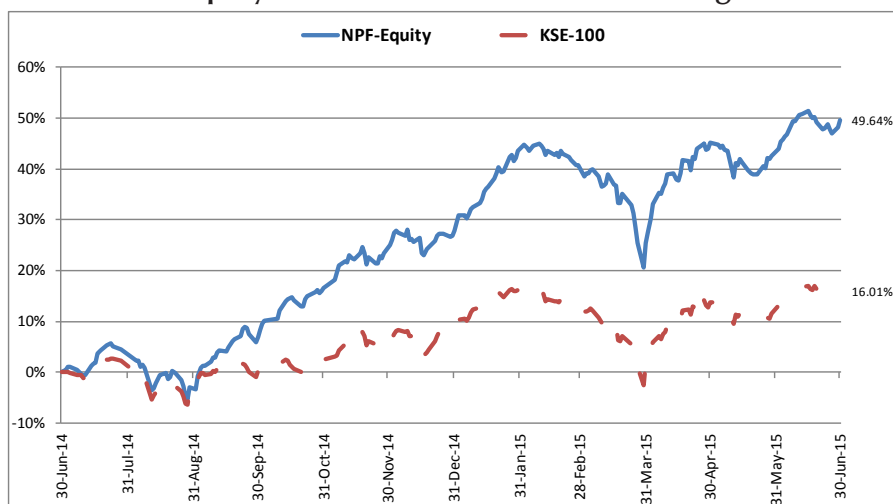
Trading activity in TFCs/Sukuks remains skewed towards the high quality issues. Dearth of primary issuance versus elevated demand kept the yield on the high credit quality corporate bonds depressed. During the period under review, the State Bank of Pakistan reduced the discount rate by 300 bps bringing it to a 42 year low of 7.0%. SBP highlighted i) improving external account position; ii) benign inflation reading and anchored inflation outlook; and iii) continued increase in foreign exchange as key drivers for the expansionary monetary policy decision during the year. Sovereign securities responded to the loose monetary policy period with yields on the short term and long term sovereign bonds declining sharply.

The equity sub-fund generated a return of 49.6% during FY15 against 16% return of the benchmark KSE-100 Index during the same period.

The debt sub-fund yielded 17.3% during FY15 on an annualized basis as declining PIB yields resulted in higher mark-to-market gains.

The money market sub-fund delivered an annualized return of 7.8% during the year. This return is net of management fee and all other expenses.

NPF-Equity Performance vs. KSE-100 during FY15



# NAFA PENSION FUND

## Asset Allocation of the Fund (% of NAV)

Asset Allocation (% of Net Assets)	
<b>Equity Sub-fund</b>	
Equity	88.87%
Cash Equivalents	14.69%
Others	-3.56%
<b>Total</b>	<b>100.00%</b>
<b>Debt Sub-fund</b>	
TFCs/Sukuks	2.88%
PIBs	14.77%
T-Bills	69.63%
Cash Equivalents	9.43%
Others	3.29%
<b>Total</b>	<b>100.00%</b>
<b>Money Market Sub-fund</b>	
T-Bills	60.32%
Cash Equivalents	34.44%
Others	5.24%
<b>Total</b>	<b>100.00%</b>

## Unit Holding Pattern of NAFA Pension Fund as on June 30, 2015

Size of Unit Holding (Units)		No. of Unit Holders (Equity)	No. of Unit Holders (Debt)	No. of Unit Holders (Money Market)
1	1,000	234	495	463
1,001	5,000	78	67	39
5,001	10,000	25	23	17
10,001	50,000	28	41	18
50,001	100,000	7	6	2
100,001	500,000	2	4	4
<b>Total</b>		<b>374</b>	<b>636</b>	<b>543</b>

## 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)

	Total amount Provided up till June 30, 2015	Amount Per Unit Rs	Last one year return would otherwise have been higher by:
Equity Sub-Fund	2,346,729	1.3911	0.99%
Debt Sub-Fund	809,223	0.3565	0.33%
Money Market Sub-Fund	351,954	0.2058	0.19%

For details investors are advised to read the Note 18 of the Financial Statements of the Scheme for the year ended June 30, 2015.

# NAFA PENSION FUND

## INDEPENDENT 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** ("the Fund") as at June 30, 2015 together with the notes forming part thereof, for the year ended June 30, 2015.

It is the responsibility of NBP Fullerton Asset Management Limited (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 . Our responsibility is to express an opinion on these financial 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 from 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 the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- a) the accounts prepared for the year ended June 30, 2015 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, 2015 and transactions of the Fund for the ended June 30, 2015 in accordance with approved accounting standards as applicable in Pakistan;
- 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, were 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).

**M. Yousuf Adil Saleem & Co.**  
Chartered Accountants

**Engagement Partner**  
Naresh Kumar  
**Date:** September 30, 2015  
**Place:** Karachi

# NAFA PENSION FUND

## BALANCE SHEET AS AT JUNE 30, 2015

Note	2015					2014					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	
-----Rupees-----											
<b>ASSETS</b>											
Bank balances	5	51,840,466	27,231,232	69,368,137	2,744,595	151,184,430	15,829,964	20,983,725	8,695,569	647,340	46,156,598
Investments - net	6	314,965,474	254,230,742	120,961,071	-	690,157,287	91,723,736	67,004,761	108,086,052	-	266,814,549
Dividend receivable		875,553	-	-	-	875,553	207,375	-	-	-	207,375
Profit receivable	7	107,089	2,371,536	189,263	-	2,667,888	-	2,447,198	31,457	-	2,478,655
Preliminary expenses and floatation cost	8	20,959	20,959	20,959	-	62,877	45,959	45,959	45,959	-	137,877
Receivable against sale of investments		10,859,225	-	-	-	10,859,225	3,289,832	-	-	-	3,289,832
Advances, deposits and other receivables	9	112,200	9,818,310	11,582,513	-	21,513,023	882,250	100,000	100,000	-	1,082,250
<b>Total assets</b>		<b>378,780,966</b>	<b>293,672,779</b>	<b>202,121,943</b>	<b>2,744,595</b>	<b>877,320,283</b>	<b>111,979,116</b>	<b>90,581,643</b>	<b>116,959,037</b>	<b>647,340</b>	<b>320,167,136</b>
<b>LIABILITIES</b>											
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	10	1,209,906	978,056	755,814	2,744,595	5,688,371	238,574	196,559	183,811	647,340	1,266,284
Payable to the Central Depository Company of Pakistan Limited - Trustee	11	41,551	34,592	22,172	-	98,315	11,633	9,338	13,679	-	34,650
Payable to the Securities and Exchange Commission of Pakistan	12	69,926	56,758	50,376	-	177,060	20,165	18,243	19,710	-	58,118
Payable against purchase of investments		-	-	-	-	-	5,400,602	-	-	-	5,400,602
Accrued expenses and other liabilities	13	23,031,553	1,342,743	767,007	-	25,141,303	587,571	227,963	230,707	-	1,046,241
<b>Total liabilities</b>		<b>24,352,936</b>	<b>2,412,149</b>	<b>1,595,369</b>	<b>2,744,595</b>	<b>31,105,049</b>	<b>6,258,545</b>	<b>452,103</b>	<b>447,907</b>	<b>647,340</b>	<b>7,805,895</b>
<b>NET ASSETS</b>		<b>354,428,030</b>	<b>291,260,630</b>	<b>200,526,574</b>	<b>-</b>	<b>846,215,234</b>	<b>105,720,571</b>	<b>90,129,540</b>	<b>116,511,130</b>	<b>-</b>	<b>312,361,241</b>
<b>PARTICIPANTS' SUB-FUNDS (as per statement attached)</b>		<b>354,428,030</b>	<b>291,260,630</b>	<b>200,526,574</b>	<b>-</b>	<b>846,215,234</b>	<b>105,720,571</b>	<b>90,129,540</b>	<b>116,511,130</b>	<b>-</b>	<b>312,361,241</b>
<b>Number of units in issue</b>		<b>1,686,922</b>	<b>2,269,709</b>	<b>1,709,814</b>		<b>5,666,445</b>	<b>752,971</b>	<b>823,700</b>	<b>1,070,465</b>		<b>2,647,136</b>
<b>Net asset value per unit</b>		<b>210.1034</b>	<b>128.3251</b>	<b>117.2798</b>			<b>140.4046</b>	<b>109.4204</b>	<b>108.8416</b>		

Contingencies and commitments 16

The annexed notes 1 to 28 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 YEAR ENDED 30 JUNE 2015

	2015				2014				
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----				
<b>INCOME</b>									
Return/ mark-up on;									
-bank deposits		1,380,331	1,308,407	4,114,397	6,803,135	557,148	664,789	627,680	1,849,617
-debt securities		-	1,282,689	669,262	1,951,951	-	676,003	19,267	695,270
-government securities		-	14,435,109	9,619,525	24,054,634	-	3,700,111	4,709,300	8,409,411
Dividend income		8,499,889	-	-	8,499,889	3,153,650	-	-	3,153,650
Capital gain / (loss) on sale of investments - Net		32,861,391	10,096,290	29,208	42,986,889	8,955,178	(8,850)	-	8,946,328
Net unrealized gain / (loss) on re-measurement of investments at through profit or loss <sup>1</sup> - held for trading		45,056,847	3,226,485	114,566	48,397,898	8,392,838	237,212	(47,802)	8,582,248
Net element of income/(loss) and capital gains/(losses) included <sup>1</sup> in prices of units issued less those in units redeemed		15,384,081	9,727,425	1,579,875	26,691,381	-	-	-	-
<b>Total income</b>		<b>103,182,539</b>	<b>40,076,405</b>	<b>16,126,833</b>	<b>159,385,777</b>	<b>21,058,814</b>	<b>5,269,265</b>	<b>5,308,445</b>	<b>31,636,524</b>
<b>EXPENSES</b>									
Remuneration of NBP Fullerton Asset Management Limited - Pension Fund Manager	10	3,178,444	2,456,896	2,011,092	7,646,432	843,430	630,047	548,475	2,021,952
Sindh sales tax on remuneration of the Pension Fund Manager	10	553,049	427,500	349,930	1,330,479	158,989	117,417	102,164	378,570
FED on remuneration of the Pension Fund Manager	10	508,551	393,103	321,775	1,223,429	134,949	100,807	87,756	323,512
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	11	317,844	257,994	228,983	804,821	84,343	75,606	82,271	242,220
Annual fee - The Securities and Exchange Commission of Pakistan	12	69,926	56,759	50,376	177,061	18,555	16,633	18,100	53,288
Auditors' remuneration	17	84,134	84,134	84,134	252,402	90,000	90,000	90,000	270,000
Securities' transaction costs		526,208	10,053	325	536,586	269,626	1,369	800	271,795
Amortization of formation cost	8	25,000	25,000	25,000	75,000	25,000	25,000	25,000	75,000
Printing expenses		14,980	14,980	14,980	44,940	49,950	49,950	49,950	149,850
Professional charges		41,666	41,666	41,666	124,998	19,968	19,968	19,968	59,904
Settlement and bank charges		127,458	305,898	22,002	455,358	91,144	33,680	27,078	151,902
<b>Total Expenses</b>		<b>5,447,260</b>	<b>4,073,983</b>	<b>3,150,263</b>	<b>12,671,506</b>	<b>1,785,954</b>	<b>1,160,477</b>	<b>1,051,562</b>	<b>3,997,993</b>
<b>Net income from operating activities</b>		<b>97,735,279</b>	<b>36,002,422</b>	<b>12,976,570</b>	<b>146,714,271</b>	<b>19,272,860</b>	<b>4,108,788</b>	<b>4,256,883</b>	<b>27,638,531</b>
Provision for Workers' Welfare Fund	18	(1,954,706)	(720,048)	(259,531)	(2,934,285)	(385,457)	(82,176)	(85,138)	(552,771)
<b>Net income for the year before taxation</b>		<b>95,780,573</b>	<b>35,282,374</b>	<b>12,717,039</b>	<b>143,779,986</b>	<b>18,887,403</b>	<b>4,026,612</b>	<b>4,171,745</b>	<b>27,085,760</b>
Taxation		-	-	-	-	-	-	-	-
<b>Net income for the year after taxation</b>		<b>95,780,573</b>	<b>35,282,374</b>	<b>12,717,039</b>	<b>143,779,986</b>	<b>18,887,403</b>	<b>4,026,612</b>	<b>4,171,745</b>	<b>27,085,760</b>
<b>Earnings per unit</b>	20								

The annexed notes 1 to 28 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 YEAR ENDED 30 JUNE 2015

	2015				2014			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Net income for the year after taxation	95,780,573	35,282,374	12,717,039	143,779,986	18,887,403	4,026,612	4,171,745	27,085,760
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>95,780,573</b>	<b>35,282,374</b>	<b>12,717,039</b>	<b>143,779,986</b>	<b>18,887,403</b>	<b>4,026,612</b>	<b>4,171,745</b>	<b>27,085,760</b>

The annexed notes 1 to 28 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 YEAR ENDED 30 JUNE 2015

	Note	2015				2014			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		-----Rupees-----				-----Rupees-----			
Net assets at the beginning of the year		105,720,571	90,129,540	116,511,130	312,361,241	30,334,519	30,339,968	30,354,419	91,028,906
Issuance of units	15	211,656,014	192,695,269	183,171,303	587,522,586	65,420,849	50,506,853	79,504,333	195,432,035
Redemption of units		(22,910,354)	(26,135,335)	(121,711,509)	(170,757,198)	(193,478)	(523,617)	(468,365)	(1,185,460)
Effect of reallocation		(20,434,693)	9,016,207	11,418,486	-	(8,728,722)	5,779,724	2,948,998	-
Net element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed		37,179,987	17,353,278	3,290,499	57,823,764	10,711,695	2,791,188	2,532,709	16,035,592
Net element of (income)/loss and capital (gains)/ losses included in prices of units issued less those in units redeemed - transferred to income statement		(15,384,081)	(9,727,425)	(1,579,875)	(26,691,381)	-	-	-	-
Total comprehensive income for the year		95,780,573	35,282,374	12,717,039	143,779,986	18,887,403	4,026,612	4,171,745	27,085,760
Net element of (income)/ loss and capital (gains) /losses included in prices of units issued less those in units redeemed		(37,179,987)	(17,353,278)	(3,290,499)	(57,823,764)	(10,711,695)	(2,791,188)	(2,532,709)	(16,035,592)
<b>Net assets at the end of the year</b>		<b>354,428,030</b>	<b>291,260,630</b>	<b>200,526,574</b>	<b>846,215,234</b>	<b>105,720,571</b>	<b>90,129,540</b>	<b>116,511,130</b>	<b>312,361,241</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA PENSION FUND

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	-----Rupees-----					-----Rupees-----				
Net income for the year before taxation	95,780,573	35,282,374	12,717,039	-	143,779,986	18,887,403	4,026,612	4,171,745	-	27,085,760
Adjustments										
Net unrealised gain / (loss) on re-measurement of investments through profit or loss <sup>1</sup> - held for trading	(45,056,847)	(3,226,485)	(114,566)	-	(48,397,898)	(8,392,838)	(676,003)	47,802	-	(9,021,039)
Gain on sale of investment-net	(32,861,391)	(10,096,290)	(29,208)	-	(42,986,889)	(8,955,178)	(237,212)	-	-	(9,192,390)
Net element of (income)/loss and capital (gains)/losses included <sup>1</sup> in prices of units issued less those in units redeemed	(15,384,081)	(9,727,425)	(1,579,875)	-	(26,691,381)	25,000	25,000	25,000	-	75,000
Preliminary expenses & floatation Cost	25,000	25,000	25,000	-	75,000					
	<b>2,503,254</b>	<b>12,257,174</b>	<b>11,018,390</b>	<b>-</b>	<b>25,778,818</b>	<b>1,564,387</b>	<b>3,138,397</b>	<b>4,244,547</b>	<b>-</b>	<b>8,947,331</b>
<b>Decrease / (increase) in assets</b>										
Investments Net	(145,323,500)	(173,903,206)	(12,731,245)	-	(331,957,951)	(74,375,720)	(66,091,546)	(108,133,854)	-	(248,601,120)
Dividend receivable	(668,178)	-	-	-	(668,178)	(207,375)	-	-	-	(207,375)
Profit receivable	(107,089)	75,662	(157,806)	-	(189,233)	-	(2,447,198)	(31,457)	-	(2,478,655)
Receivable against sale of investments	(7,569,393)	-	-	-	(7,569,393)	(3,289,832)	-	-	-	(3,289,832)
Security deposit and other receivables	770,050	-	-	-	770,050	(882,250)	(100,000)	(100,000)	-	(1,082,250)
	<b>(152,898,110)</b>	<b>(173,827,544)</b>	<b>(12,889,051)</b>	<b>-</b>	<b>(339,614,705)</b>	<b>(78,755,177)</b>	<b>(68,638,744)</b>	<b>(108,265,311)</b>	<b>-</b>	<b>(255,659,232)</b>
<b>(Decrease) / increase in Liabilities</b>										
Payable against purchase of investments	(5,400,602)	-	-	-	(5,400,602)	5,400,602	-	-	-	5,400,602
Payable to NBP Fullerton Asset Management Limited	971,332	781,497	572,003	2,097,255	4,422,087	66,201	39,031	41,108	647,340	793,680
Payable to the Central Depository Company of Pakistan Limited	29,918	25,254	8,493	-	63,665	4,316	2,021	6,361	-	12,698
Payable to the Securities and Exchange Commission of Pakistan	49,761	38,515	30,666	-	118,942	18,555	16,633	18,100	-	53,288
Accrued expenses and other liabilities	2,050,672	1,028,162	536,300	-	3,615,134	545,276	185,478	187,646	-	918,400
	<b>(2,298,919)</b>	<b>1,873,428</b>	<b>1,147,462</b>	<b>2,097,255</b>	<b>2,819,226</b>	<b>6,034,950</b>	<b>243,163</b>	<b>253,215</b>	<b>647,340</b>	<b>7,178,668</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(152,693,775)</b>	<b>(159,696,942)</b>	<b>(723,199)</b>	<b>2,097,255</b>	<b>(311,016,661)</b>	<b>(71,155,840)</b>	<b>(65,257,184)</b>	<b>(103,767,549)</b>	<b>647,340</b>	<b>(239,533,233)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Net cash generated from investing activities	-	-	-	-	-	-	-	-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Amount received on issue of units	211,656,014	182,976,959	171,688,790	-	566,321,763	65,420,849	50,506,853	79,504,333	-	195,432,035
Amount paid on redemption of units	(2,517,044)	(26,048,717)	(121,711,509)	-	(150,277,270)	(193,478)	(523,617)	(468,365)	-	(1,185,460)
Effect of reallocation	(20,434,693)	9,016,207	11,418,486	-	-	(8,728,722)	5,779,724	2,948,998	-	-
<b>Net cash generated from financing activities</b>	<b>188,704,277</b>	<b>165,944,449</b>	<b>61,395,767</b>	<b>-</b>	<b>416,044,493</b>	<b>56,498,649</b>	<b>55,762,960</b>	<b>81,984,966</b>	<b>-</b>	<b>194,246,575</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>36,010,502</b>	<b>6,247,507</b>	<b>60,672,568</b>	<b>2,097,255</b>	<b>105,027,832</b>	<b>(14,657,191)</b>	<b>(9,494,224)</b>	<b>(21,782,583)</b>	<b>647,340</b>	<b>(45,286,658)</b>
Cash and cash equivalents at the beginning of the year	15,829,964	20,983,725	8,695,569	647,340	46,156,598	30,487,155	30,477,949	30,478,152	-	91,443,256
<b>Cash and cash equivalents at the end of the year</b>	<b>51,840,466</b>	<b>27,231,232</b>	<b>69,368,137</b>	<b>2,744,595</b>	<b>151,184,430</b>	<b>15,829,964</b>	<b>20,983,725</b>	<b>8,695,569</b>	<b>647,340</b>	<b>46,156,598</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

# NAFA PENSION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 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 the 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 consists 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 six 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, Customized Allocation and 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.

# NAFA PENSION FUND

## 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, technical releases issued by the Institute of Chartered Accountants of Pakistan from time to time and the requirements of the Voluntary Pension System Rules, 2005 (the VPS Rules). Wherever the requirements of the VPS Rules differ with the requirements of IFRS, the requirements of the VPS Rules shall prevail.

### 2.2 Basis of Preparation

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

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 year ended June 30, 2015

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

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the 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 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants	Effective from accounting period beginning on or after January 01, 2016
IAS 27 (Revised 2011) – Separate Financial Statements	Effective from accounting period beginning on or after January 01, 2015. IAS 27 (Revised 2011) will concurrently apply with IFRS 10.
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	Effective from accounting period beginning on or after January 01, 2015
IFRS 10 – Consolidated Financial Statements	Effective from accounting period beginning on or after January 01, 2015. Earlier adoption is encouraged.
IFRS 11 – Joint Arrangements	Effective from accounting period beginning on or after January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	Effective from accounting period beginning on or after January 01, 2015
IFRS 13 – Fair Value Measurement	Effective from accounting period beginning on or after January 01, 2015



# NAFA PENSION FUND

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

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

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

## 2.6 Critical accounting judgments and estimates

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 3.9)

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 3.1 Cash and cash equivalents

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

### 3.2 Financial assets

#### 3.2.1 Classification

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

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

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

##### b) Loans and receivables

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

##### 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' - held for trading. Financial assets carried 'at fair value through profit or loss' - held for trading are initially recognised at fair value and transaction costs are recognised in the 'income statement'.

#### 3.2.4 Subsequent measurement

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

# NAFA PENSION FUND

## a) Debt securities (other than government 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) in accordance with the methodology prescribed by the SECP for valuation of debt securities vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012. In the determination of valuation rates, the MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

## b) 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.

## c) 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.

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

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' - held for trading 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

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

#### a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular no. 33 of 2012 dated October 24, 2012 issued by the SECP. Impairment losses recognised on debt securities can be reversed through the 'Income Statement'.

As allowed under circular no. 13 of 2009 dated May 4, 2009 issued by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circular, in accordance with a provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

#### b) 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'.

#### c) Loans and receivables

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

### 3.2.6 Derecognition

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

# NAFA PENSION FUND

## 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 Derivatives

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

## 3.4 Securities under repurchase / resale agreements

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

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

## 3.5 Financial liabilities

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

## 3.6 Preliminary expenses and floatation costs

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

## 3.7 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.

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

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

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

## 3.9 Provisions

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

# NAFA PENSION FUND

## 3.10 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' held for trading are included in the 'income statement' in the period in which they arise.
- Dividend income is recognised when the right to receive the dividend is established.
- Markup / return on government securities, term finance certificate, sukuks, commercial papers, clean placements, bank balances and term deposit receipts are recognized on a time proportion basis using the effective interest method.

## 3.11 Taxation

The income of the Fund is exempt from Income Tax under clause 57(3)(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.

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.

## 4 Change in accounting estimate

From April 01, 2015, the Fund has revised its methodology for recognition of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed. As per the revised methodology, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed is now apportioned between the income statement and the participants' sub-funds in proportion of the relative change in net assets for the period of available for sale investments and other net assets. Previously, full amount of the element was taken directly to the participants' sub-funds.

The revised methodology, in the opinion of management, reflects a more appropriate manner for recognition of element and moreover is in conformity with the general industry practice. The new methodology is being consistently implemented across all funds managed by the Management Company. The Management Company has treated the revision in methodology as change in accounting estimate. Had there been no change in estimate, the net profit for the year would have been lower by Rs. 26.157 million (net of WWF).

Note	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----					-----Rupees-----				

## 5 BALANCES WITH BANK

Savings accounts	5.1	51,840,466	27,231,232	69,368,137	2,744,595	151,184,430	15,829,964	20,983,725	8,695,569	647,340	46,156,598
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5.1 These carry a rate of return ranging from to 4.5% to 10.35% (2014: 8.4% to 9.95% ) per annum.

5.2 This represents collection account and redemption account maintained by the fund. The amount in this fund represents sales load payable to the pension fund manager.

6 INVESTMENTS - NET	Note	2015				2014			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
At fair value through profit or loss - held for trading		-----Rupees-----				-----Rupees-----			
Equity securities - listed	6.1	314,965,474	-	-	314,965,474	91,723,736	-	-	91,723,736
Government of Pakistan - Treasury Bills	6.2	-	202,816,055	120,961,071	323,777,126	-	11,447,510	108,086,052	119,533,562
Government of Pakistan - Pakistan Investment Bonds	6.2	-	43,028,860	-	43,028,860	-	43,602,363	-	43,602,363
Term Finance Certificates	6.3	-	8,385,827	-	8,385,827	-	11,954,888	-	11,954,888
		<u>314,965,474</u>	<u>254,230,742</u>	<u>120,961,071</u>	<u>690,157,287</u>	<u>91,723,736</u>	<u>67,004,761</u>	<u>108,086,052</u>	<u>266,814,549</u>

# NAFA PENSION FUND

## 6.1 Listed equity securities - at fair value through profit or loss / held for trading - Equity Sub-Fund

All shares have a nominal face value of Rs. 10 each except as otherwise stated

Name of the investee company	As at July 1, 2014	Purchases during the period	Bonus / Right during the period	Sales during the period	As at June 30, 2015	Market value	Market value as a % of		
							Net assets of the Sub-Fund	Total Investment of the Sub-Fund	Paid-up capital of the investee company
<b>Automobile and parts</b>							-----Number of shares----- Rupees----- %-----		
General Tyre and Rubber Company of Pakistan Limited.	22,000	-	-	22,000	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited.	26,500	73,900	-	61,200	39,200	8,572,256	2.42	2.72	0.01
Ghandara Nissan Limited	92,500	134,000	-	186,000	40,500	4,005,045	1.13	1.27	0.01
Sazgar Engineering Works Limited.	118,500	500	-	53,500	65,500	2,521,750	0.71	0.80	0.04
Pak Suzuki Motor Company Limited.	11,500	17,800	-	20,700	8,600	3,748,826	1.06	1.19	0.00
Agriautos Industries Company Limited (Face value of Rs. 5 each)	-	21,000	-	3,800	17,200	3,198,340	0.90	1.02	0.01
Baluchistan Wheels Limited	-	68,000	-	-	68,000	3,954,200	1.12	1.26	0.05
Exide Pakistan Limited	-	1,800	-	1,800	-	-	-	-	-
Indus Motor Company Limited	-	9,650	-	-	9,650	12,052,850	3.40	3.83	0.01
<b>Cable &amp; electrical goods</b>									
Pak Elektron Limited	-	124,000	-	46,000	78,000	6,453,720	1.82	2.05	0.01
<b>Pharma and bio tech</b>									
Abbot Laboratories (Pakistan) Limited.	3,400	1,200	-	-	4,600	3,069,626	0.87	0.97	0.01
Glaxosmithkline (Pak) Limited.	9,460	4,300	-	3,900	9,860	1,928,024	0.54	0.61	0.01
The Searle Company Limited (6.1.1)	-	15,500	4,480	9,400	10,580	3,392,900	0.96	1.08	0.01
Ferozsons Laboratories Limited	-	16,100	-	7,700	8,400	5,372,136	1.52	1.71	0.01
<b>Construction and material (Cement)</b>									
Pioneer Cement Limited	77,500	69,500	-	105,000	42,000	3,582,180	1.01	1.14	0.01
Fauji Cement Company Limited	-	92,000	-	-	92,000	3,208,040	0.91	1.02	0.01
Maple Leaf Cement Factory Limited	83,000	180,000	-	177,500	85,500	6,716,880	1.90	2.13	0.01
Kohat cement company Limited	-	29,400	-	29,400	-	-	-	-	-
Lucky Cement Limited	9,200	30,600	-	12,300	27,500	14,289,550	4.03	4.54	0.01
D. G. Khan Cement Company Limited	27,000	219,000	-	55,500	190,500	27,197,685	7.67	8.64	0.01
AkzoNobel Pakistan Limited	16,500	-	-	10,400	6,100	1,946,937	0.55	0.62	0.01
Fecto Cement Limited	-	83,000	-	-	83,000	5,770,990	1.63	1.83	0.02
Attock Cement (Pakistan) Limited	-	13,800	-	13,800	-	-	-	-	-
<b>Refinery</b>									
National Refinery Limited	-	13,000	-	100	12,900	2,993,574	0.84	0.95	0.01
<b>Commercial banks</b>									
United Bank Limited	44,060	32,100	-	52,300	23,860	4,078,151	1.15	1.29	0.01
Allied Bank Limited	200	66,600	-	200	66,600	6,656,004	1.88	2.11	0.01
MCB Bank Limited	9,900	-	-	9,900	-	-	-	-	-
Habib Metro Bank Limited	77,500	50,500	-	28,000	100,000	3,000,000	0.85	0.95	0.01
Habib Bank Limited	-	54,828	-	40,700	14,128	3,039,639	0.86	0.97	0.01
Faysal Bank Limited(6.1.1)	104,000	367,000	53,550	521,000	3,550	55,806	0.02	0.02	0.01
Bank Alfalah Limited	112,500	125,500	-	162,000	76,000	1,922,800	0.54	0.61	0.01
Bank Al-habib Limited	79,150	24,000	-	22,000	81,150	3,566,543	1.01	1.13	0.01
Meezan Bank Limited	-	23,000	-	5,000	18,000	738,000	0.21	0.23	0.01
JS Bank Limited	-	225,000	-	225,000	-	-	-	-	-
<b>Forestry (Paper and Board)</b>									
Century Paper and Board Mills Limited.	26,000	38,000	-	26,000	38,000	2,238,960	0.63	0.71	0.01
<b>Chemicals</b>									
Engro Fertilizer Limited	250	145,500	-	82,750	63,000	5,587,470	1.58	1.77	0.01
Engro Corporation Limited	24,000	63,500	-	15,800	71,700	21,280,560	6.00	6.76	0.01
DYNEA Pakistan Limited (Face value of Rs. 5 each)	-	41,000	-	-	41,000	2,009,000	0.57	0.64	0.04
Fauji Fertilizer Company Limited	-	36,500	-	36,500	-	-	-	-	-
Dawood Hercules Corporation Limited	-	12,500	-	-	12,500	1,459,625	0.41	0.46	0.01
Ittehad Chemical Limited	-	163,000	-	-	163,000	7,626,770	2.15	2.42	0.03
<b>General Industries</b>									
Thal Limited. (Face Value of Rs. 5 each)	20,200	700	-	5,700	15,200	4,338,536	1.22	1.38	0.01
Ghani Glass Mills Limited	32,500	-	-	32,500	-	-	-	-	-
Ecopack Limited	-	245,500	-	-	245,500	4,175,955	1.18	1.33	0.11
<b>Electricity</b>									
The Hub Power Company Limited	51,500	123,000	-	46,000	128,500	12,023,745	3.39	3.82	0.01
Kot Addu Power Company Limited	56,000	103,000	-	19,000	140,000	12,045,600	3.40	3.82	0.01
Nishat Power Limited	-	-	-	-	-	-	-	-	-
K-Electric Limited	112,000	-	-	112,000	-	-	-	-	-
Lalpir Power Limited	-	191,500	-	80,000	111,500	3,400,750	0.96	1.08	0.01
Saif Power Limited	-	90,000	-	-	90,000	3,357,000	0.95	1.07	0.01
<b>Personal goods (Textile)</b>									
Nishat (Chunian) Limited.	400	-	-	400	-	-	-	-	-
Nishat Mills Limited.	14,200	45,800	-	30,700	29,300	3,346,939	0.94	1.06	0.01
Bata Pakistan Limited	-	340	-	40	300	1,120,032	0.32	0.36	0.01
Kohinoor Textile Mills Limited	-	362,000	-	193,000	169,000	10,978,240	3.10	3.49	0.01
Sapphire Fibres Mills Limited	-	10,600	-	4,000	6,600	3,894,000	1.10	1.24	0.01
<b>Oil and gas</b>									
Attock Petroleum Limited	-	7,100	-	-	7,100	4,027,262	1.14	1.28	0.01
Byco Petroleum Pakistan Limited	-	-	-	-	-	-	-	-	-
Pakistan State Oil Co. Limited.	7,130	37,700	-	17,700	27,130	10,466,483	2.95	3.32	0.01
Pakistan Petroleum Limited.	12,120	59,658	-	22,100	49,678	8,160,108	2.30	2.59	0.01
Pakistan Oilfields Limited.	6,300	23,600	-	5,700	24,200	9,772,444	2.76	3.10	0.01
Oil and Gas Development Company Limited	7,500	-	-	-	7,500	1,344,300	0.38	0.43	0.01
Hascol Petroleum Limited(6.1.1)	-	39,000	2,750	28,500	13,250	1,517,258	0.43	0.48	0.01
Shell Pakistan Limited	-	19,000	-	-	19,000	4,806,240	1.36	1.53	0.01
Sui Northern Gas Pipelines Limited	-	143,000	-	-	143,000	3,809,520	1.07	1.21	0.01
Attock Refinery Limited	-	15,000	-	-	15,000	3,426,750	0.97	1.09	0.01
<b>Engineering</b>									
Mughal Iron and Steel Industries Limited	-	134,000	-	-	134,000	7,536,160	2.13	2.39	0.01
<b>Industrial transportation</b>									
Pakistan National Shipping Corporation	17,500	33,500	-	41,700	9,300	988,125	0.28	0.31	0.01
<b>Balance carried forward</b>						<b>301,770,284</b>	<b>85</b>	<b>96</b>	

# NAFA PENSION FUND

Name of the investee company	As at July 1, 2014	Purchases during the period	Bonus / Right during the period	Sales during the period	As at June 30, 2015	Market value	Market value as a % of		
							Net assets of the Sub-Fund	Total Investment of the Sub-Fund	Paid-up capital of the investee company
		-----Number of shares-----			-----Rupees-----		-----%-----		
<b>Balance brought forward</b>						301,770,284	85	96	-
<b>Fixed line telecommunication</b>									
Pakistan Telecommunication	51,000	-	-	51,000	-	-	-	-	-
<b>Food producers</b>									
Rafhan Maize Products Limited.	20	-	-	-	20	203,550	0.06	0.06	0.22
<b>Vanaspati &amp; allied industries</b>									
Punjab Oil Mills Limited	-	700	-	-	700	128,107	0.04	0.04	0.24
<b>Household goods</b>									
Tariq Glass Limited	38,000	82,500	-	37,500	83,000	4,854,670	1.37	1.54	0.66
<b>Technology hardware and equipment</b>									
Trakker Pakistan Limited	129,500	-	-	129,500	-	-	-	-	-
Avanceon Limited	-	192,500	-	50,000	142,500	4,763,775	1.34	1.51	0.45
<b>Industrial metals and mining</b>									
Crescent Steel & Allied Product	-	17,500	-	17,500	-	-	-	-	-
<b>Miscellaneous</b>									
Tri-Pack Films Limited	-	17,600	-	-	17,600	3,245,088	0.92	1.03	1.08
						<b>314,965,474</b>	<b>89</b>	<b>100</b>	
<b>Carrying Value as at June 30, 2015</b>						<b>269,908,627</b>			

6.1.1 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) has withheld the shares equivalent to 5 % of bonus announcement and not deposited in CDC account of department of Income Tax. The market value of shares withheld as on June 30, 2015 is Rs 0.129 million (2014: NIL)

## 6.2 Government securities - at fair value through profit or loss - held for trading

### 6.2.1 Debt Sub-Fund

Issue date	Note	Tenor	As at July 1, 2014	Purchased during the period	Matured / Sold during the period	As at June 30, 2015	Market value	Market value as a % of net assets of the Sub-Fund
<b>Treasury Bills</b>								
June 12, 2014	6.2.3	3 months	3,000,000	-	3,000,000	-	-	-
March 20, 2014	6.2.3	6 months	2,500,000	-	2,500,000	-	-	-
April 17, 2014	6.2.3	6 months	1,500,000	-	1,500,000	-	-	-
May 15, 2014	6.2.3	1 Year	5,000,000	-	5,000,000	-	-	-
May 2, 2014	6.2.3	3 months	-	7,000,000	7,000,000	-	-	-
September 4, 2014	6.2.3	3 months	-	3,800,000	3,800,000	-	-	-
March 5, 2015	6.2.3	1 Year	-	7,000,000	-	7,000,000	6,685,567	2.30%
February 6, 2015	6.2.3	1 Year	-	1,500,000	-	1,500,000	1,439,954	0.49%
January 8, 2015	6.2.3	1 Year	-	29,000,000	-	29,000,000	27,983,724	9.61%
July 10, 2014	6.2.3	3 months	-	1,500,000	1,500,000	-	-	-
November 13, 2014	6.2.3	1 Year	-	8,500,000	500,000	8,000,000	7,799,512	2.68%
November 13, 2014	6.2.3	6 months	-	25,000,000	25,000,000	-	-	-
March 19, 2015	6.2.3	1 Year	-	5,000,000	700,000	4,300,000	4,096,140	1.41%
February 20, 2014	6.2.3	6 months	-	1,000,000	1,000,000	-	-	-
January 22, 2015	6.2.3	1 Year	-	11,500,000	5,000,000	6,500,000	6,255,808	2.15%
November 27, 2014	6.2.3	3 months	-	1,200,000	1,200,000	-	-	-
November 27, 2014	6.2.3	6 months	-	130,000,000	130,000,000	-	-	-
May 28, 2015	6.2.3	3 months	-	150,000,000	-	150,000,000	148,555,350	51.00%
October 30, 2014	6.2.3	3 months	-	6,000,000	6,000,000	-	-	-
			<b>12,000,000</b>	<b>388,000,000</b>	<b>193,700,000</b>	<b>206,300,000</b>	<b>202,816,055</b>	<b>69.63%</b>



# NAFA PENSION FUND

Issue date	Note	Tenor	As at July 1, 2014	Purchased during the period	Matured / Sold during the period	As at June 30, 2015	Market value	Market value as a % of net assets of the Sub-Fund
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## Pakistan Investment Bonds

-----Rupees in '000-----

July 18, 2013	6.2.4	3 Year	32,000,000	-	-	32,000,000	33,354,240	11.45%
July 18, 2013	6.2.4	5 Year	7,500,000	25,000,000	32,500,000	-	-	-
July 19, 2012	6.2.4	10 Year	5,000,000	-	-	5,000,000	5,590,545	1.92%
July 17, 2014	6.2.4	3 Year	-	28,800,000	25,000,000	3,800,000	4,084,075	1.40%
July 17, 2014	6.2.4	5 Year	-	29,000,000	29,000,000	-	-	-

<b>44,500,000</b>	<b>82,800,000</b>	<b>86,500,000</b>	<b>40,800,000</b>	<b>43,028,860</b>	<b>14.77%</b>
<b>56,500,000</b>	<b>470,800,000</b>	<b>280,200,000</b>	<b>247,100,000</b>	<b>245,844,915</b>	<b>84%</b>

Carrying Value as at June 30, 2015

242,585,775

## 6.2.2 Money Market Sub-Fund

Issue date	Note	Tenor	As at July 1, 2014	Purchased during the period	Matured / Sold during the period	As at June 30, 2015	Market value	Market value as a % of net assets of the Sub-Fund
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-----Rupees in '000-----

## Treasury Bills

April 17, 2014	6.2.3	3 Months	36,000,000	-	36,000,000	-	-	-
May 15, 2014	6.2.3	3 Months	32,800,000	-	32,800,000	-	-	-
June 12, 2014	6.2.3	3 Months	3,000,000	-	3,000,000	-	-	-
April 17, 2014	6.2.3	6 Months	18,000,000	-	18,000,000	-	-	-
May 15, 2014	6.2.3	6 Months	20,000,000	-	20,000,000	-	-	-
July 24, 2014	6.2.3	3 Months	-	22,000,000	22,000,000	-	-	-
March 5, 2015	6.2.3	6 Months	-	9,000,000	-	9,000,000	8,889,815	4.43%
February 6, 2015	6.2.3	3 Months	-	20,000,000	20,000,000	-	-	0.00%
August 7, 2014	6.2.3	3 Months	-	54,500,000	54,500,000	-	-	0.00%
January 8, 2015	6.2.3	6 Months	-	50,000,000	-	50,000,000	49,914,450	24.89%
November 13, 2014	6.2.3	3 Months	-	37,000,000	37,000,000	-	-	0.00%
November 13, 2014	6.2.3	6 Months	-	22,000,000	22,000,000	-	-	0.00%
April 16, 2015	6.2.3	6 Months	-	25,000,000	-	25,000,000	24,500,826	12.22%
February 19, 2015	6.2.3	6 Months	-	10,000,000	-	10,000,000	9,903,690	4.94%
March 19, 2015	6.2.3	6 Months	-	12,000,000	-	12,000,000	11,822,160	5.90%
January 22, 2015	6.2.3	6 Months	-	16,000,000	-	16,000,000	15,930,130	7.94%
October 30, 2014	6.2.3	3 Months	-	54,000,000	54,000,000	-	-	0.00%

<b>109,800,000</b>	<b>331,500,000</b>	<b>319,300,000</b>	<b>122,000,000</b>	<b>120,961,071</b>	<b>60.32%</b>
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Carrying Value as at June 30, 2015

120,846,505

6.2.3 These Government treasury bills carry rate of return ranging from 6.62% to 9.97% per annum. (2014 : 8.77% to 10.4% per annum)

6.2.4 These Pakistan Investment bonds carry yield ranging from 12.01 % to 12.4% per annum. (2014 : 11.95 % to 12.90% per annum)

## 6.3 Term Finance Certificates - at fair value through profit or loss - held for trading (listed)

### 6.3.1 Debt Sub-Fund

All term finance certificates have a face value of Rs. 5,000 each.

Name of the investee company	Note	As at July 1, 2014	Purchases during the period	Sales during the period	As at June 30, 2015	Market value	Investment as a percentage of		
							Net assets	Market value of total investments	Issue Size
		-----Number of shares-----				-----Rupees-----		----- % -----	
Allied Bank Limited	6.3.3	9	-	9	-	-	-	-	-
Engro Fertilizers Limited PRP - I	6.3.3	315	-	-	315	1,602,563	0.55	0.63	0.05
Faysal Bank Limited - III	6.3.3	300	-	-	300	1,535,481	0.53	0.60	0.08
Jahangir Siddiqui and company Limited	6.3.3	1,600	-	-	1,600	2,924,199	1.00	1.15	0.40
K-Electric Azam Sukuk	6.3.3	280	-	280	-	-	-	-	0.00
Standard Chartered Bank Limited - IV	6.3.3	470	-	-	470	2,323,584	0.80	0.91	0.06
United Bank Limited - III	6.3.3	100	-	100	-	-	-	-	0.00
Hascol Petroleum Ltd	6.3.3	-	460	460	-	-	-	-	-
		<b>3,074</b>	<b>460</b>	<b>849</b>	<b>2,685</b>	<b>8,385,827</b>	<b>2.88</b>	<b>3.30</b>	<b>0.59</b>

Carrying Value as at June 30, 2015

8,418,486

# NAFA PENSION FUND

## 6.3.2 Money Market Sub-Fund

Name of the investee company	Note	As at July 1, 2014	Purchases during the period	Sales during the period	As at June 30, 2015	Market value	Investment as a percentage of		
							Net assets	Market value of total investments	Issue Size
		-----Number of shares-----		-----Rupees-----			-----%-----		
Hascol Petroleum Ltd	6.3.3	-	1,180	1,180	-	-	-	-	-
Bank AL Habib Limited II	6.3.3	-	2,520	2,520	-	-	-	-	-
			<u>3,700</u>	<u>3,700</u>	-	-	-	-	-

Carrying Value as at June 30, 2015

6.3.3 The Term Finance Certificates held by the fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

6.3.4 Other particulars of Term Finance Certificates and Sukuks outstanding as at June 30, 2015 are as follows:

Name of the investee company	Repayment frequency	Face value (unredeemed)	Profit rate per annum	Rating	Issue Date	Maturity Date
Engro Fertilizers Limited	Semi annually	1,575,000	6 months KIBOR ask rate plus 1.70%	AA-	18-Mar-08	18-Mar-18
Faysal Bank Limited	Semi annually	1,497,300	6 month KIBOR ask rate plus 2.25%	AA-	27-Dec-10	27-Dec-17
Jahangir Siddiqui and Company Limited	Semi annually	3,000,000	6 months KIBOR ask rate plus 2.4%	AA+	30-Oct-12	30-Oct-16
Standard Chartered Bank (Pakistan) Limited	Semi annually	2,350,000	6 months KIBOR ask rate plus 0.75%	AAA	29-Jun-12	29-Jun-22

## 7 PROFIT RECEIVABLE

	2015				2014			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Debt Securities	-	2,078,735	-	2,078,735	-	2,445,479	-	2,445,479
Savings accounts	107,089	292,801	189,263	589,153	-	1,719	31,457	33,176
	<u>107,089</u>	<u>2,371,536</u>	<u>189,263</u>	<u>2,667,888</u>	<u>-</u>	<u>2,447,198</u>	<u>31,457</u>	<u>2,478,655</u>

## 8 PRELIMINARY EXPENSES AND FLOATATION COST

	Note	2015				2014			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		-----Rupees-----				-----Rupees-----			
Preliminary Expenses and Floatation Costs incurred	8.1	45,959	45,959	45,959	137,877	70,959	70,959	70,959	212,877
Less: Accumulated amortization		(25,000)	(25,000)	(25,000)	(75,000)	(25,000)	(25,000)	(25,000)	(75,000)
		<u>20,959</u>	<u>20,959</u>	<u>20,959</u>	<u>62,877</u>	<u>45,959</u>	<u>45,959</u>	<u>45,959</u>	<u>137,877</u>

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

## 9 ADVANCES, DEPOSITS AND OTHER RECEIVABLE

	Note	2015				2014			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		-----Rupees-----				-----Rupees-----			
Advance against book buliding process		-	-	-	-	782,250	-	-	782,250
Security deposit with Central Depository Company of Pakistan Ltd.	9.1	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Other receivables		12,200	11,823	-	24,023	-	-	-	-
Receivable against issuance / reallocation of units		-	9,706,487	11,482,513	21,189,000	-	-	-	-
		<u>112,200</u>	<u>9,818,310</u>	<u>11,582,513</u>	<u>21,513,023</u>	<u>882,250</u>	<u>100,000</u>	<u>100,000</u>	<u>1,082,250</u>

9.1 The amount represents security deposit with central depository of Pakistan

# NAFA PENSION FUND

## 10 PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED PENSIO FUND MANAGER

	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----					-----Rupees-----				
Management fee payable	415,517	345,964	229,038	-	990,519	21,119	14,985	15,740	-	51,844
Front End Load Payable	-	-	-	2,744,595	2,744,595	-	-	-	647,340	647,340
Sindh Sales tax payable on management fee	72,304	60,193	39,854	-	172,351	3,921	2,779	2,924	-	9,624
Federal excise duty payable on management fee	10.3 647,085	496,899	411,922	-	1,555,906	138,534	103,795	90,147	-	332,476
Preliminary expenses and floatation cost payable	75,000	75,000	75,000	-	225,000	75,000	75,000	75,000	-	225,000
	<u>1,209,906</u>	<u>978,056</u>	<u>755,814</u>	<u>2,744,595</u>	<u>5,688,371</u>	<u>238,574</u>	<u>196,559</u>	<u>183,811</u>	<u>647,340</u>	<u>1,266,284</u>

10.1 As per rule 11 of the VPS Rules, 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-Fund calculated during the period. Accordingly, the Management fee has been accrued at:

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

10.2 The management fee of all sub funds of NAFA Pension Fund (NPF) is being charged at 1.5% per annum from December 9th, 2014, and fee prior to such amendment were as follows,

- 1.5% of the average annual net assets of Equity Sub-Fund
- 1.25% of the average annual net assets of Debt Sub-Fund
- 1.0% of the average annual net assets of Money Market Sub-Fund

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

	Note	2015				2014			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		-----Rupees-----				-----Rupees-----			
Trustee Fee	11.1	41,551	34,592	22,172	98,315	11,633	9,338	13,679	34,650

## 11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee Fee	11.1	41,551	34,592	22,172	98,315	11,633	9,338	13,679	34,650
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11.1 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, 2015 is as follows:

Note	2015				2014			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			

## 12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee	12.1	69,926	56,758	50,376	177,060	20,165	18,243	19,710	58,118
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# NAFA PENSION FUND

12.1 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.

Note	2015				2014			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
	-----Rupees-----				-----Rupees-----			

## 13 ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Workers' Welfare Fund	18	2,346,729	809,223	351,954	3,507,906	392,026	89,175	92,432	573,633
Payable against redemption of units		20,393,310	86,618	244,857	20,724,785	-	-	-	-
Auditors reueneration		57,584	57,584	57,584	172,752	59,700	59,700	59,700	179,100
Bank charges and settlement charges payable		68,037	287,416	14,597	370,050	45,439	9,170	8,657	63,266
Printing charges		56,190	56,190	56,190	168,570	49,950	49,950	49,950	149,850
Legal and professional charges		41,666	41,666	41,666	124,998	19,968	19,968	19,968	59,904
Brokerage expense payable		43,692	-	-	43,692	13,015	-	-	13,015
Other charges payable		24,345	4,046	159	28,550	7,473	-	-	7,473
		<b>23,031,553</b>	<b>1,342,743</b>	<b>767,007</b>	<b>25,141,303</b>	<b>587,571</b>	<b>227,963</b>	<b>230,707</b>	<b>1,046,241</b>

	2015				2014			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
	-----Rupees-----				-----Rupees-----			

## 14 NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	752,971	823,700	1,070,465	2,647,136	300,060	299,970	299,970	900,000
Add: Issue of units during the period	1,152,772	1,508,496	1,493,549	4,154,817	517,462	475,658	747,954	1,741,074
Less: Units redeemed during the period	(219,517)	(138,036)	(951,874)	(1,309,427)	(1,761)	(4,927)	(4,422)	(11,110)
Reallocation effect	696	75,549	97,674	173,919	(62,790)	52,999	26,963	17,172
<b>Total units in issue at the end of the year</b>	<b>1,686,922</b>	<b>2,269,709</b>	<b>1,709,814</b>	<b>5,666,445</b>	<b>752,971</b>	<b>823,700</b>	<b>1,070,465</b>	<b>2,647,136</b>

## 15 CONTRIBUTION TABLE

From:	For the year ended 30 June 2015							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	1,152,772	211,656,014	1,508,496	192,695,269	1,493,549	183,171,303	4,154,817	587,522,586

From:	For the year ended 30 June 2014							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	517,462	65,420,849	475,658	50,506,853	747,954	79,504,333	1,741,074	195,432,035

## 16 CONTINGENCIES AND COMMITMENTS

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

	2015				2014			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
	-----Rupees-----				-----Rupees-----			

## 17 AUDITOR'S REMUNERATION

Audit fee	50,000	50,000	50,000	150,000	50,000	50,000	50,000	150,000
Half yearly fee	25,000	25,000	25,000	75,000	25,000	25,000	25,000	75,000
Out of pocket expense	9,134	9,134	9,134	27,402	15,000	15,000	15,000	45,000
	<b>84,134</b>	<b>84,134</b>	<b>84,134</b>	<b>252,402</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>270,000</b>

# NAFA PENSION FUND

## Amount of Funds Under Management (Average NAV)

## Tariff per annum

Upto Rs. 1,000 million

Exceeding Rs. 1,000 million upto Rs. 3,000 million

Exceeding Rs. 3,000 million upto Rs. 6,000 million

Exceeding Rs. 6,000 million

Rs. 0.3 million or 0.15% p.a of NAV, whichever is higher

Rs. 1.5 million plus 0.10% p.a of NAV exceeding Rs. 1,000 million

Rs. 3.5 million plus 0.08% p.a of NAV exceeding Rs. 3,000 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.

## 18 PROVISION FOR WORKERS' WELFARE FUND

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

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 15 July 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 06, 2010 to the Members (Domestic Operation) North and South FBR. In the letter, reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 04, 2011 has cancelled *ab-initio* clarificatory letter dated October 06, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

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

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

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

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015.

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements till June 30, 2015 which aggregates to Rs. 3.51 million including charge for the year of Rs. 2.93 million. Had the same not been made the net asset value per unit / return of the equity, debt and money market sub funds would have been higher by Rs. 1.3911, Rs.0.3565 and Rs. 0.2058 (2014: 0.5206, Rs.0.1083 and Rs. 0.0863 ) per unit respectively.

## 19 TAXATION

No provision for taxation for the year ended June 30, 2015 has been made in view of the exemption available under clause 57 (3) (viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

## 20 EARNING PER UNIT

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

# NAFA PENSION FUND

## 21 TRANSACTIONS WITH CONNETED PERSONS

21.1 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.

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

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

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

	2015				2014			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
<b>NBP Fullerton Asset Management Limited - Pension Fund Manager</b>								
Management fee	3,178,444	2,456,896	2,011,092	7,646,432	843,430	630,047	548,475	2,021,952
Sales tax on remuneration of Pension Fund Manager	553,049	427,500	349,930	1,330,479	158,989	117,417	102,164	378,570
FED on remuneration of the Pension Fund Manager	508,551	393,103	321,775	1,223,429	134,949	100,807	87,756	323,512
Reallocation in Amount	(5,072,868)	1,517,944	3,554,924	-	(3,645,647)	1,768,910	1,876,737	-
Reallocation (number of units)	(24,582)	11,835	30,324	17,577	(26,144)	16,174	17,254	7,284
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>								
Reallocation in Amount								
Reallocation (number of units)	(3,381,912)	1,011,963	2,369,949	-	(2,430,431)	1,179,273	1,251,158	-
	(16,388)	7,889	20,216	11,717	(17,429)	10,782	11,503	4,856
<b>Amjad Waheed - Chief Executive - CEO</b>								
Amount of units issued								
Number of units issued (seed capital)	19,743,058	-	-	19,743,058	-	-	-	-
	108,678	-	-	108,678	-	-	-	-
<b>Key Management Personnel of Pension Fund Manager</b>								
Amount of units issued								
Number of units issued	4,495,782	2,232,963	1,864	6,730,609	11,700,000	-	-	11,700,000
Reallocation in Amount	28,125	18,110	17	46,252	84,923	-	-	84,923
Reallocation (number of units)	(7,475)	7,475	-	-	-	-	-	-
	(17)	28	-	11	-	-	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration	317,844	257,994	228,983	804,821	84,343	75,606	82,271	242,220
<b>Taurus Securities Limited</b>								
Brokerage Expense	34,393	-	-	34,393	28,992	-	-	28,992
<b>Amounts outstanding as at year end</b>								
<b>21.5 NBP Fullerton Asset Management Limited - Pension Fund Manager</b>								
Management fee payable								
Sindh Sales tax payable on management fee	415,517	345,964	229,038	990,519	21,119	14,985	15,740	51,844
FED payable on management fee	72,304	60,193	39,854	172,351	3,921	2,779	2,924	9,624
Preliminary expenses and floatation cost payable	647,085	496,899	411,922	1,555,906	138,534	103,795	90,147	332,476
Amount of units issued	75,000	75,000	75,000	225,000	75,000	75,000	75,000	225,000
Number of units issued	27,168,471	26,690,466	26,688,191	80,547,128	18,003,600	17,998,200	17,998,200	54,000,000
	129,310	207,991	227,560	564,861	153,892	196,156	197,236	547,284
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>								
Amount of units issued	18,112,384	17,793,430	17,792,167	53,697,980	12,002,400	11,998,800	11,998,800	36,000,000
Number of units issued	86,207	138,659	151,707	376,573	102,595	130,770	131,491	364,856
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee Fee payable	41,551	34,592	22,172	98,315	11,633	9,338	13,679	34,650
<b>Key Management personnel of the pension fund manager</b>								
Amount of units issued	5,507,726	2,327,561	2,001	7,837,288	11,923,580	-	-	11,923,580
Number of units issued	26,214	18,138	17	44,369	84,923	-	-	84,923
<b>Amjad Waheed - Chief Executive - CEO</b>								
Amount of units issued	40,676,315	-	-	-	-	-	-	-
Number of units issued (seed capital)	193,601	-	-	-	-	-	-	-



# NAFA PENSION FUND

## 22 FINANCIAL INSTRUMENTS BY CATEGORY

2015														
Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund			Others	Total		
Loans and receivables	At fair value through profit or loss - held for trading	Available for sale	Total	Loans and receivables	At fair value through profit or loss - held for trading	Available for sale	Total	Loans and receivables	At fair value through profit or loss - held for trading	Available for sale	Total	Others At fair value through profit or loss - held for trading	Total	
Rupees														
Financial Assets														
Balances with banks	51840,466	-	-	51840,466	27,231,232	-	-	27,231,232	69,368,137	-	-	69,368,137	2,744,595	151,184,430
Investments-net	-	314,965,474	-	314,965,474	-	254,230,742	-	254,230,742	-	120,961,071	-	120,961,071	-	690,157,287
Dividend receivable	875,553	-	-	875,553	-	-	-	-	-	-	-	-	-	875,553
Profit receivable	107,089	-	-	107,089	2,371,536	-	-	2,371,536	189,263	-	-	189,263	-	2,667,888
Receivable against sal	10,859,225	-	-	10,859,225	-	-	-	-	-	-	-	-	-	-
Advances, deposits and other receivables	12,200	-	-	12,200	9,718,310	-	-	9,718,310	11,482,513	-	-	11,482,513	-	21,213,023
	<b>63,694,533</b>	<b>314,965,474</b>	-	<b>378,660,007</b>	<b>39,321,078</b>	<b>254,230,742</b>	-	<b>293,551,820</b>	<b>81,039,913</b>	<b>120,961,071</b>	-	<b>202,000,984</b>	<b>2,744,595</b>	<b>866,098,181</b>

2014														
Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund			Others	Total		
Financial liabilities at amortized cost				Financial liabilities at amortized cost				Financial liabilities at amortized cost			Others - Financial liability at amortized cost	Total		
Rupees														
Financial Liabilities														
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager			1,209,906	1,209,906			978,056	978,056			755,814	755,814	2,744,595	5,688,371
Payable to Central Depository Company of Pakistan Limited - Trustee			41,551	41,551			34,592	34,592			22,172	22,172	-	98,315
Accrued expenses and other liabilities			20,684,824	20,684,824			533,520	533,520			415,053	415,053	-	21,633,397
Net assets attributable to redeemable units			354,428,030	354,428,030			291,260,630	291,260,630			200,526,574	200,526,574	-	846,215,234
	<b>376,364,311</b>	<b>376,364,311</b>			<b>292,806,798</b>	<b>292,806,798</b>			<b>201,719,613</b>	<b>201,719,613</b>	<b>2,744,595</b>	<b>873,635,317</b>		

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.

2015																			
Equity Sub Fund					Debt Sub Fund					Money Market Sub Fund				Others	Total				
Exposed to yield / interest rate risk					Exposed to yield / interest rate risk					Exposed to yield / interest rate risk				Others	Total				
Yield / Interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total	Yield / Interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total	Yield / Interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total	Others	Total
%						%						%							
Rupees																			
On-balance sheet financial instruments																			
Financial assets																			
Balances with banks	8.4 - 9.95	15,829,964	-	-	15,829,964	8.4 - 9.95	20,983,725	-	-	-	20,983,725	8.4 - 9.95	8,695,569	-	-	-	8,695,569	647,340	46,156,598
Investments-net	-	-	-	91,723,736	91,723,736	9.96-13.42	5,477,036	6,064,976	55,462,749	-	67,004,761	4.98-9.98	71,319,582	36,766,470	-	-	108,086,052	-	266,814,549
Dividend receivable	-	-	-	207,375	207,375	-	-	-	-	-	-	-	-	-	-	-	-	-	207,375
Profit receivable	-	-	-	-	-	-	-	-	2,447,198	2,447,198	-	-	-	-	-	31,457	31,457	-	2,478,655
Receivable against sale of Investment	-	-	-	3,289,832	3,289,832	-	-	-	-	-	-	-	-	-	-	100,000	100,000	-	3,289,832
Advances, deposits and other receivables	-	-	-	882,250	882,250	-	-	-	100,000	100,000	-	-	-	-	-	100,000	100,000	-	1,082,250
		15,829,964	-	96,103,193	111,933,157		26,460,761	6,064,976	55,462,749	2,547,198	90,535,684		80,015,151	36,766,470	-	116,781,621	116,913,078	647,340	320,029,259
Financial liabilities																			
Payable against purchase of investments	-	-	-	5,400,602	5,400,602	-	-	-	-	-	-	-	-	-	-	-	-	-	5,400,602
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	-	-	238,574	238,574	-	-	-	196,559	196,559	-	-	-	-	183,811	183,811	183,811	647,340	1,266,284
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	11,633	11,633	-	-	-	9,338	9,338	-	-	-	13,679	13,679	13,679	13,679	-	34,650
Accrued expenses and other liabilities	-	-	-	162,530	162,530	-	-	-	138,788	138,788	-	-	-	138,275	138,275	138,275	138,275	-	439,599
		-	-	5,813,339	5,813,339		-	-	344,685	344,685		-	-	335,765	335,765	335,765	647,340	7,141,129	
On-balance sheet gap		15,829,964	-	90,289,854	106,119,818		26,460,761	6,064,976	55,462,749	2,202,513	90,190,999		80,015,151	36,766,470	(204,308)	116,577,313	116,577,313	647,340	312,888,130
Off-balance sheet financial instruments																			
Off-balance sheet gap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# NAFA PENSION FUND

## 23 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.

### 23.1 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.

#### 23.1.1 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.

#### 23.1.2 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

###### *Debt Sub-fund*

As at June 30, 2015, the Fund holds KIBOR based interest bearing term finance certificates exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on June 30, 2015 with all other variables held constant, the net assets of the Fund and net income for the year would have been higher / lower by Rs.106,629 (2014: 119,549).

##### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2015, the debt sub-fund and money market sub-fund holds Pakistan Investment Bonds and Market Treasury Bills which are classified as financial assets at 'fair value through profit or loss' exposing this sub-fund to fair value interest rate risk. The impact of 100 basis points increase in rates announced by Financial Markets Association of Pakistan (FMAP) on 30 June 2015, with all variable held constant on the net income and net assets for the year is shown below:

Change in basis points	Effect on total comprehensive income		
	Debt Sub Fund	Money Market Sub Fund	Total
100	(2,160,677)	(172,961)	(2,333,638)
(100)	1,221,299	127,942	1,349,241

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.

# NAFA PENSION FUND

															2015														
Equity Sub Fund															Debt Sub Fund					Money Market Sub Fund					Others		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	Others	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																		%	Rupees			%	Rupees					
<b>On-balance sheet financial instruments</b>																													
<b>Financial assets</b>																													
Balances with banks	8.5 - 10.35	51,840,466	-	-	51,840,466	8.5 - 10.35	27,231,232	-	-	27,231,232	8.5 - 10.35	69,368,137	-	-	69,368,137	2,744,595	151,844,430												
Investments-net	-	-	-	314,965,474	314,965,474	6.62 - 12.4	-	-	-	254,230,742	6.62 - 12.4	-	-	-	120,961,071	-	690,157,287												
Dividend receivable	-	-	-	875,553	875,553	-	-	-	-	-	-	-	-	-	-	-	875,553												
Profit receivable	-	-	-	107,089	107,089	-	-	-	2,371,536	2,371,536	-	-	-	-	189,263	189,263	2,667,888												
Receivable against sale of Investment	10,859,225	-	-	10,859,225	10,859,225	-	-	-	-	-	-	-	-	-	-	-	10,859,225												
Advances, deposits and other receivables	-	-	-	12,200	12,200	-	-	-	9,718,310	9,718,310	-	-	-	-	11,482,513	11,482,513	212,13,023												
		62,699,691	-	315,960,316	378,660,007		27,231,232	54,260,705	199,970,037	12,089,846	293,551,820		69,368,137	120,961,071	-	11,671,776	202,000,984	2,744,595	876,957,406										
<b>Financial liabilities</b>																													
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	-	-	1209,904	1209,904	-	-	-	978,056	978,056	-	-	-	755,814	755,814	2,744,595	5,688,377												
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	41,551	41,551	-	-	-	34,592	34,592	-	-	-	22,172	22,172	-	98,315												
Accrued expenses and other liabilities	-	-	-	20,684,821	20,684,821	-	-	-	533,520	533,520	-	-	-	415,053	415,053	-	21,633,397												
	-	-	-	21,936,281	21,936,281	-	-	-	1,546,168	1,546,168	-	-	-	1,193,039	1,193,039	2,744,595	27,420,083												
<b>On-balance sheet gap</b>		62,699,691	-	294,024,035	356,723,726		27,231,232	54,260,705	199,970,037	10,543,678	292,005,652		69,368,137	120,961,071	-	10,478,737	200,807,945	-	849,537,323										
<b>Off-balance sheet financial instruments</b>																													
	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-										
<b>Off-balance sheet gap</b>		-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-										

															2014														
Equity Sub Fund					Debt Sub Fund					Money Market Sub Fund					Others		Total												
Loans and receivables	At fair value through profit or loss - held for trading	Available for sale	Total		Loans and receivables	At fair value through profit or loss - held for trading	Available for sale	Total		Loans and receivables	At fair value through profit or loss - held for trading	Available for sale	Total	Others At fair value through profit or loss - held for trading	Total														
<b>Financial Assets</b>																													
Balances with banks	15,829,964	-	-	15,829,964	20,983,725	-	-	20,983,725	8,695,569	-	-	-	8,695,569	647,340	46,156,598														
Investments-net	-	91,723,736	-	91,723,736	-	67,004,761	-	67,004,761	-	108,086,052	-	-	108,086,052	-	266,814,549														
Dividend receivable	207,375	-	-	207,375	-	-	-	-	-	-	-	-	-	-	207,375														
Interest Accrued	-	-	-	-	2,447,198	-	-	2,447,198	31,457	-	-	-	31,457	-	2,478,655														
Receivable against Sale of investment	3,289,832	-	-	3,289,832	-	-	-	-	-	-	-	-	-	-	3,289,832														
Advances, deposits and other receivables	882,250	-	-	882,250	100,000	-	-	100,000	100,000	-	-	-	100,000	-	1,082,250														
	20,209,421	-	-	111,933,157	23,530,923	-	-	90,535,684	8,827,026	-	-	-	116,913,078	647,340	320,029,259														

															2014														
Equity Sub Fund					Debt Sub Fund					Money Market Sub Fund					Others		Total												
Other financial Liabilities				Total	Other financial Liabilities				Total	Other financial Liabilities				Total	Others - Financial liability at amortized cost														
<b>Financial Liabilities</b>																													
Payable against purchase of investments			5,400,602	5,400,602				-	-					-	-	5,400,602													
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager			238,574	238,574			196,559	196,559				183,811	183,811	647,340.00	618,944														
Payable to Central Depository Company of Pakistan Limited - Trustee			11,633	11,633			9,338	9,338				13,679	13,679	-	34,650														
Accrued expenses and other liabilities			195,545	195,545			138,788	138,788				138,275	138,275	-	472,608														
Net assets attributable to redeemable units			105,720,571	105,720,571			90,129,540	90,129,540				116,511,130	116,511,130	-	312,361,241														
			111,566,925	111,566,925			90,474,225	90,474,225				116,846,895	116,846,895	647,340	318,888,045														

# NAFA PENSION FUND

The composition of the Fund's investment portfolio, KIBOR rates, rates announced by Mufap and rates announced by Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2015 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

## 23.1.3 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.

In case of 5% increase / decrease in KSE 100 index on June 30, 2015 net income for the year would increase / decrease by Rs. million 15.433 (2014: Rs. 4.494 ) 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 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, 2015 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

## 23.1.4 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-----			
<b>Balances with banks</b>				
A1+	51,840,466	27,231,232	69,363,137	148,434,835
<b>Term finance certificates</b>				
AAA	-	2,350,000	-	2,350,000
AA+	-	3,000,000	-	3,000,000
AA-	-	3,072,300	-	3,072,300
<b>Dividend receivable</b>	875,553	-	-	875,553
<b>Profit receivable</b>	107,089	292,801	189,263	589,153
<b>Advances, deposits and other receivables</b>	12,200	9,718,310	11,482,513	21,213,023

# 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.

### 23.1.5 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 year.

----- 2015 -----														
Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund			Others	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	Upto three months		
----- Rupees -----														
Financial liabilities														
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	1,209,906	-	-	1,209,906	978,056	-	-	978,056	755,814	-	-	755,814	2,744,595.00	5,688,371
Payable to Central Depository Company of Pakistan Limited - Trustee	41,551	-	-	41,551	34,592	-	-	34,592	22,172	-	-	22,172	-	98,315
Accrued expenses and other liabilities	20,684,824	-	-	20,684,824	533,520	-	-	533,520	415,053	-	-	415,053	-	21,633,397
Net assets attributable to redeemable units	354,428,030	-	-	354,428,030	291,260,630	-	-	291,260,630	200,526,574	-	-	200,526,574	-	846,215,234
	376,364,311	-	-	376,364,311	292,806,798	-	-	292,806,798	1,193,039	-	-	201,719,613	2,744,595.00	873,635,317

----- 2014 -----														
Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund			Others	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	Upto three months		
----- Rupees -----														
Payable against purchase of investments	5,400,602	-	-	5,400,602	-	-	-	-	-	-	-	-	-	5,400,602
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	238,574	-	-	238,574	196,559	-	-	196,559	183,811	-	-	183,811	2,744,595	3,363,539
Payable to Central Depository Company of Pakistan Limited - Trustee	11,633	-	-	11,633	9,338	-	-	9,338	13,679	-	-	13,679	-	34,650
Accrued expenses and other liabilities	195,545	-	-	195,545	138,788	-	-	138,788	138,275	-	-	138,275	-	472,608
Net assets attributable to redeemable units	105,720,571	-	-	105,720,571	90,129,540	-	-	90,129,540	116,511,130	-	-	116,511,130	-	312,361,241
	111,566,925	-	-	111,566,925	90,474,225	-	-	90,474,225	116,846,895	-	-	116,846,895	2,744,595	321,632,640

# NAFA PENSION FUND

## 24 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 23, 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 represents an undivided share in the pertinent sub-funds of the Fund and rank pari passu as their rights in the net assets and earning of the sub-fund are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

## 25 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 tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced.

According to the amendments to International Financial Reporting Standard 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall 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).

	2015				2014			
	Equity Sub Fund				Equity Sub Fund			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit and loss</b>								
Equity Securities	314,965,474	-	-	314,965,474	91,723,736	-	-	91,723,736
	June 30, 2015				June 30, 2014			
	Debt Sub Fund				Debt Sub Fund			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Pakistan Investment Bonds	-	43,028,860	-	43,028,860	-	43,602,363	-	43,602,363
Market Treasury Bills	-	202,816,055	-	202,816,055	-	11,447,510	-	11,447,510
Term Finance Certificates	-	8,385,827	-	8,385,827	-	11,954,888	-	11,954,888
	June 30, 2015				June 30, 2014			
	Money Mark Fund				Money Mark Fund			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Market Treasury Bills	-	120,961,071	-	120,961,071	-	108,086,052	-	108,086,052



# NAFA PENSION FUND

## 26 FINANCIAL PERFORMANCE

### 26.1 Equity sub-fund

Equity sub-fund						
2015	2014	% Change	*2013	2012	2011	
-----Rupees-----						
Net Income for the year	95,780,573	18,887,403	407%	328,519	-	-
Capital gain/ (loss) on sales of investments- net	32,861,391	8,955,178	267%	-	-	-
Net unrealised appreciation/ (diminution) on remeasurement of investments classified as fair value through Profit or loss	45,056,847	8,392,838	437%	-	-	-
Dividend Income	8,499,889	3,153,650	170%	-	-	-
Interest Income	1,380,331	557,148	148%	473,821	-	-
NAV per Unit	210.1034	140.4046	50%	101.0900	-	-
Transactions in Securities						
Purchases	340,495,186	153,502,045	122%	-	-	-
Sales	195,171,686	79,126,333	147%	-	-	-
Total Contribution Received	211,656,014	65,420,849	224%	30,006,000	-	-

### 26.2 Debt sub-fund

Debt sub-fund						
2015	2014	% Change	*2013	2012	2011	
-----Rupees-----						
Net Income for the year	35,282,374	4,026,612	776%	342,968	-	-
Capital gain/ (loss) on sales of investments- net	10,096,290	(8,850)	-114182%	-	-	-
Net unrealised appreciation/ (diminution) on remeasurement of investments classified as fair value through Profit or loss	3,226,485	237,212	1260%	-	-	-
Interest Income	17,026,205	5,040,903	238%	473,816	-	-
NAV per Unit	128.3251	109.4204	17%	101.14	-	-
Transactions in Securities						
Purchases	473,100,000	252,274,448	88%	-	-	-
Sales	125,600,000	188,500,000	-33%	-	-	-
Total Contribution Received	191,993,166	56,286,577	282%	29,997,000	-	-

### 26.3 Money market sub-fund

Money market sub-fund						
2015	2014	% Change	*2013	2012	2011	
-----Rupees-----						
Net Income for the year	12,717,039	4,171,745	205%	357,419	-	-
Net unrealised appreciation/ (diminution) on remeasurement of investments classified as fair value through Profit or loss	114,566	(47,802)	-340%	-	-	-
Interest Income	14,403,184	5,356,247	186%	-	-	-
NAV per Unit	117.2798	108.8416	8%	-	-	-
Transactions in Securities						
Purchases	343,682,360	106,789,360	222%	-	-	-
Sales	179,500,000	210,800,000	-15%	-	-	-
Total Contribution Received	183,107,276	82,453,331	130%	29,997,000	-	-

\* It represents period from May 02, 2013 to June 30, 2013.

### 26.4 Highest and Lowest issue price of Units during the Year

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money market Sub-Fund	
	2015	2014	2015	2014	2015	2014
-----Rupees-----						
Highest issue price	212.75	141.98	128.33	109.67	117.28	108.84
Lowest issue price	132.97	100.47	109.44	101.39	108.87	101.44

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:

# NAFA PENSION FUND

27 DATE OF AUTHORISATION FOR ISSUE

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

28 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive








Director



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