



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

## NAFA ISLAMIC PENSION FUND

# HALF YEARLY REPORT DECEMBER 31

# 2014




*Your investments & "NAFA" grow together*



**FULLERTON FUND  
MANAGEMENT**

*Joint - Venture Partners*

## MISSION STATEMENT



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

# NAFA ISLAMIC PENSION FUND

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

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

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

### Human Resource Committee

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

### Trustee

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

### Bankers to the Fund

Habib Bank Limited (Islamic)  
United Bank Limited (Ameen)  
Bank Al Habib Limited (Islamic)  
Standard Chartered Bank (Pakistan) Limited (Sadiq)  
Meezan Bank Limited  
MCB Bank Limited (Islamic)  
Dubai Islamic Bank

# NAFA ISLAMIC 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 ISLAMIC PENSION FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the reviewed financial statements of NAFA Islamic Pension Fund for the half year ended December 31, 2014.

### Fund's Performance

This is the half yearly report of NAFA Islamic Pension Fund (NIPF) for the financial year 2014-15. Fund size of sub-funds as at December 31, 2014 and performance for the period are as follows:

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) July 02, 2013	NAV Per Unit (Rs.) December 31, 2014	Annualized Return Since Launch July 02, 2013
<b>NIPF-Equity Sub-fund</b>	<b>101.0</b>	<b>100.7248</b>	<b>175.6651</b>	<b>44.9%</b>
<b>NIPF-Debt Sub-fund</b>	<b>71.5</b>	<b>100.9502</b>	<b>111.2110</b>	<b>6.7%</b>
<b>NIPF-Money Market Sub-fund</b>	<b>50.3</b>	<b>100.9426</b>	<b>111.1177</b>	<b>6.6%</b>
<b>Net of management fee &amp; all other expenses</b>				

The stock market extended its bull-run in 1HFY15, despite initial hiccups caused by protests of PTI and PAT, as the market participants focused on improving macros driven primarily by the steep fall in global oil and commodity prices. The tragic incident at the Army Public School in Peshawar united the nation in its fight against terrorism and also resulted in end of the PTI protests, further consolidating Pakistan's re-rating theme. The combination of sovereign debt rating upgrade by Moodys, falling inflation amid declining oil prices, 50bps cut in discount rate, improving external account position, easy liquidity conditions, and healthy foreign investment activity perked up investors' sentiments. The index heavy Oil & Gas and Banking sectors underperformed the market whereas almost all the other sectors outperformed during the period under review.

On the corporate debt sphere, trading activity in Sukuks remained skewed towards high quality issues, especially those belonging to the financial sector. Hunt for yields and limited primary issuance kept the yield on the high credit quality corporate bonds depressed. Furthermore, we have seen recoveries from many non-performing corporate bonds with pick-up in economic activity and declining interest rate environment. During the period under review, the State Bank of Pakistan reduced the policy rate by 50bps to 9.5% due to sharp decline in inflation and improved external account position. Sovereign securities responded to the beginning of loose monetary policy period with yields on the PIBs and T-bills declining sharply. All Sukuks in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

The asset allocation of the Funds as on December 31, 2014 is as follows:

<b>Asset Allocation (% of Net Assets)</b>	
<b>Equity Sub-fund</b>	<b>31-Dec-14</b>
Equity	94.12%
Cash Equivalents - Net	5.88%
<b>Total</b>	<b>100.00%</b>
<b>Debt Sub-fund</b>	<b>31-Dec-14</b>
Cash Equivalents - Net	16.58%
Sukuk	83.42%
<b>Total</b>	<b>100.00%</b>
<b>Money Market Sub-fund</b>	<b>31-Dec-14</b>
Cash Equivalents - Net	10.28%
Short Term Sukuk	89.72%
<b>Total</b>	<b>100.00%</b>

# NAFA ISLAMIC PENSION FUND

## Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Pension Fund Manager, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: February 17, 2015  
Place: Karachi.

# NAFA ISLAMIC PENSION FUND

## AUDITORS' REPORT TO THE PARTICIPANTS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA ISLAMIC PENSION FUND** ("the Fund") as at December 31, 2014 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' fund, condensed interim cash flow statement and notes to the accounts for the six months ended December 31, 2014 (here-in-after referred to as the "interim financial information"). **NBP Fullerton Asset Management Limited** ("Pension Fund Manager") is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' fund and condensed interim cash flow statement for the three months ended December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2014.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six months ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### Chartered Accountants

#### Engagement Partner:

Nadeem Yousuf Adil

Date: February 17, 2015

Place: Karachi



# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2014

Note	December 31, 2014 (Un-audited)					June 30, 2014 (Audited)					
	Equity	Debt	Money Market	Others	Total	Equity	Debt	Money Market	Others	Total	
	Sub-Fund	Sub-Fund	Sub-Fund			Sub-Fund	Sub-Fund	Sub-Fund			
	-----Rupees-----					-----Rupees-----					
<b>ASSETS</b>											
Bank balances	4	5,494,504	10,943,737	4,840,431	1,985,017	23,263,689	7,367,812	18,881,853	12,226,947	146,000	38,622,612
Investments - net	5	95,035,582	59,635,700	45,083,700	-	199,754,982	47,250,444	33,693,900	29,453,100	-	110,397,444
Dividend receivable		205,225	-	-	-	205,225	134,800	-	-	-	134,800
Profit receivable	6	122,593	1,295,210	683,277	-	2,101,080	26,540	527,255	210,774	-	764,569
Preliminary expenses and floatation costs	7	35,245	35,245	35,245	-	105,735	46,027	46,027	46,027	-	138,081
Receivable against sale of investment		1,208,831	-	-	-	1,208,831	3,862,494	-	-	-	3,862,494
Advances, deposits and other receivables	8	176,947	107,515	101,336	-	385,798	572,500	108,734	101,221	-	782,455
<b>Total assets</b>		102,278,927	72,017,407	50,743,989	1,985,017	227,025,340	59,260,617	53,257,769	42,038,069	146,000	154,702,455
<b>LIABILITIES</b>											
Payable to Pension Fund Manager	9	404,248	316,650	237,528	1,985,017	2,943,443	188,978	163,557	137,592	146,000	636,127
Payable to Central Depository Company of Pakistan Limited - Trustee		12,341	8,918	6,280	-	27,539	6,373	5,743	4,688	-	16,804
Payable to Securities and Exchange Commission of Pakistan		11,438	10,081	7,529	-	29,048	15,013	13,972	12,642	-	41,627
Payable against purchase of investment		47,131	-	-	-	-	1,670,950	-	-	-	1,670,950
Payable against redemption of units		830,129	-	18,324	-	65,455	6,202,363	-	-	-	6,202,363
Accrued expenses and other liabilities	10	-	195,162	223,381	-	1,248,672	513,830	201,504	192,921	-	908,255
<b>Total liabilities</b>		1,305,287	530,811	493,042	1,985,017	4,314,157	8,597,507	384,776	347,843	146,000	9,476,126
<b>NET ASSETS</b>		100,973,640	71,486,596	50,250,947	-	222,711,183	50,663,110	52,872,993	41,690,226	-	145,226,329
<b>PARTICIPANTS' SUB-FUNDS</b> (as per statement attached)		100,973,640	71,486,596	50,250,947	-	222,711,183	50,663,110	52,872,993	41,690,226	-	145,226,329
<b>Contingencies and commitments</b>	11										
Number of units in issue	14	574,807.67	642,801.70	452,231.51		1,669,840.88	368,992.48	484,292.00	384,230.38		1,237,514.86
Net asset value per unit		175.6651	111.2110	111.1177			137.3012	109.1759	108.5032		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

Note	For the six months ended December 31, 2014				For the six months ended December 31, 2013			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
-----Rupees-----								
<b>INCOME</b>								
Profit on bank deposits	265,604	429,227	306,443	1,001,274	140,617	164,464	279,105	584,186
Income from Sukuk certificates	-	2,372,122	1,873,048	4,245,170	-	1,303,996	-	2,373,920
Dividend income	1,641,641	-	-	1,641,641	1,223,287	-	-	1,223,287
Net gain/(loss) on sale of investments at fair value through income statement	4,581,952	(24,500)	-	4,557,452	580,678	-	-	580,678
Net unrealized appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	12,798,804	(967,600)	(600,400)	11,230,804	4,381,647	208,000	33,600	4,623,247
<b>Total income</b>	<b>19,288,001</b>	<b>1,809,249</b>	<b>1,579,091</b>	<b>22,676,341</b>	<b>6,326,229</b>	<b>1,676,460</b>	<b>1,382,629</b>	<b>9,385,318</b>
<b>EXPENSES</b>								
Remuneration of Pension Fund Manager	519,890	393,003	243,786	1,156,679	258,318	206,277	158,132	622,727
Sindh sales tax on remuneration of Pension Fund Manager	90,461	68,383	42,419	201,263	48,420	38,783	29,710	116,913
Federal excise duty on remuneration of Pension Fund Manager	83,182	62,880	39,006	185,068	41,330	33,004	25,301	99,635
Remuneration of Central Depository Company of Pakistan Limited - Trustee	65,960	59,359	45,049	170,368	25,832	24,753	23,720	74,305
Annual fee to Securities and Exchange Commission of Pakistan	11,438	10,081	7,529	29,048	5,683	5,446	5,218	16,347
Auditors' remuneration	45,761	45,761	45,761	137,283	51,086	51,086	51,086	153,258
Securities' transaction costs	112,097	3,075	1,600	116,772	78,331	1,500	325	80,156
Amortization of premium on investment	-	-	-	-	-	-	57,500	57,500
Amortization of preliminary expenses and floatation costs	10,782	10,782	10,782	32,346	17,532	17,532	17,532	52,596
Settlement and other charges	44,650	28,274	40,461	113,385	106,674	34,964	34,964	176,602
<b>Total expenses</b>	<b>984,221</b>	<b>681,598</b>	<b>476,393</b>	<b>2,142,212</b>	<b>633,206</b>	<b>413,345</b>	<b>403,488</b>	<b>1,450,039</b>
<b>Net income from operating activities</b>	<b>18,303,780</b>	<b>1,127,651</b>	<b>1,102,698</b>	<b>20,534,129</b>	<b>5,693,023</b>	<b>1,263,115</b>	<b>979,141</b>	<b>7,935,279</b>
Provision for Workers' Welfare Fund	(366,076)	(22,553)	(22,054)	(410,683)	(113,859)	(25,262)	(19,572)	(158,693)
<b>Net income for the period before taxation</b>	<b>17,937,704</b>	<b>1,105,098</b>	<b>1,080,644</b>	<b>20,123,446</b>	<b>5,579,164</b>	<b>1,237,853</b>	<b>959,569</b>	<b>7,776,586</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>17,937,704</b>	<b>1,105,098</b>	<b>1,080,644</b>	<b>20,123,446</b>	<b>5,579,164</b>	<b>1,237,853</b>	<b>959,569</b>	<b>7,776,586</b>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

Note	For the three months ended December 31, 2014				For the three months ended December 31, 2013			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
-----Rupees-----								
<b>INCOME</b>								
Profit on bank deposits	158,013	230,727	143,411	532,151	68,345	105,092	255,625	429,062
Income from Sukuk certificates	-	1,315,900	1,008,089	2,323,989	-	667,541	391,298	1,058,839
Dividend income	1,036,515	-	-	1,036,515	665,552	-	-	665,552
Net gain/(loss) on sale of investments at fair value through income statement	3,910,840	-	-	3,910,840	787,041	-	-	787,041
Net unrealized appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	10,496,657	(638,900)	(296,000)	9,561,757	4,955,047	199,600	67,400	5,222,047
<b>Total income</b>	<b>15,602,025</b>	<b>907,727</b>	<b>855,500</b>	<b>17,365,252</b>	<b>6,475,985</b>	<b>972,233</b>	<b>714,323</b>	<b>8,162,541</b>
<b>EXPENSES</b>								
Remuneration of Pension Fund Manager	321,693	218,745	135,025	675,463	137,131	109,740	81,053	327,924
Sindh sales tax on remuneration of Pension Fund Manager	53,676	36,041	22,233	111,950	29,030	23,337	17,377	69,744
Federal excise duty on remuneration of Pension Fund Manager	9.3	51,470	34,999	108,073	21,940	17,558	12,968	52,466
Remuneration of Central Depository Company of Pakistan Limited - Trustee	35,313	28,009	20,284	83,606	13,714	13,169	12,159	39,042
Annual fee to Securities and Exchange Commission of Pakistan	7,078	5,481	3,940	16,499	3,017	2,897	2,675	8,589
Auditors' remuneration	32,693	32,693	32,693	98,079	38,482	38,482	38,482	115,446
Securities' transaction costs	79,408	850	600	80,858	18,807	-	-	18,807
Amortization of premium on investment	-	-	-	-	-	-	57,500	57,500
Amortization of preliminary expenses and floatation costs	4,600	4,600	4,600	13,800	8,486	8,486	8,486	25,458
Settlement and bank charges	5,449	(16,439)	1,799	(9,191)	89,566	20,314	20,325	130,205
<b>Total expenses</b>	<b>591,380</b>	<b>344,979</b>	<b>242,778</b>	<b>1,179,137</b>	<b>360,173</b>	<b>233,983</b>	<b>251,025</b>	<b>845,181</b>
<b>Net income from operating activities</b>	<b>15,010,645</b>	<b>562,748</b>	<b>612,722</b>	<b>16,186,115</b>	<b>6,115,812</b>	<b>738,250</b>	<b>463,298</b>	<b>7,317,360</b>
Provision for Workers' Welfare Fund	12	(300,213)	(11,255)	(323,722)	(113,859)	(14,765)	(9,255)	(137,879)
<b>Net income for the period before taxation</b>	<b>14,710,432</b>	<b>551,493</b>	<b>600,468</b>	<b>15,862,393</b>	<b>6,001,953</b>	<b>723,485</b>	<b>454,043</b>	<b>7,179,481</b>
Taxation	13	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>14,710,432</b>	<b>551,493</b>	<b>600,468</b>	<b>15,862,393</b>	<b>6,001,953</b>	<b>723,485</b>	<b>454,043</b>	<b>7,179,481</b>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

	For the six months ended December 31, 2014				For the six months ended December 31, 2013			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----							
Net income for the period after taxation	17,937,704	1,105,098	1,080,644	20,123,446	5,579,164	1,237,853	959,569	7,776,586
Other comprehensive income								
Items that may be reclassified subsequently to income statement	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>17,937,704</u>	<u>1,105,098</u>	<u>1,080,644</u>	<u>20,123,446</u>	<u>5,579,164</u>	<u>1,237,853</u>	<u>959,569</u>	<u>7,776,586</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

	For the three months ended December 31, 2014				For the three months ended December 31, 2013			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----							
Net income for the period after taxation	14,710,432	551,493	600,468	15,862,393	6,001,953	723,485	454,043	7,179,481
Other comprehensive income								
Items that may be reclassified subsequently to income statement	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>14,710,432</u>	<u>551,493</u>	<u>600,468</u>	<u>15,862,393</u>	<u>6,001,953</u>	<u>723,485</u>	<u>454,043</u>	<u>7,179,481</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

	Note	For the six months ended December 31, 2014				For the six months ended December 31, 2013			
		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 period		50,663,110	52,872,993	41,690,226	145,226,329	30,260,643	30,272,232	30,286,408	90,819,283
Amount received on issuance of units	15	31,306,226	20,178,732	8,694,113	60,179,071	5,473,009	7,683,890	2,432,049	15,588,948
Amount paid on redemption of units		(976,541)	(993,547)	(844,327)	(2,814,415)	(145,925)	(227,904)	(50,778)	(424,607)
Effect of reallocation		2,043,141	(1,676,680)	(369,709)	(3,248)	-	-	-	-
Net element of income and capital gains - included in prices of units issued less those in units redeemed		4,114,154	203,068	101,736	4,418,958	161,929	201,428	65,131	428,488
Total comprehensive income for the period		17,937,704	1,105,098	1,080,644	20,123,446	5,579,164	1,237,853	959,569	7,776,586
Net element of income and capital gains - included in prices of units issued less those in units redeemed		(4,114,154)	(203,068)	(101,736)	(4,418,958)	(161,929)	(201,428)	(65,131)	(428,488)
<b>Net assets at the end of the period</b>		<b>100,973,640</b>	<b>71,486,596</b>	<b>50,250,947</b>	<b>222,711,183</b>	<b>41,166,891</b>	<b>38,966,071</b>	<b>33,627,248</b>	<b>113,760,210</b>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS (UN-AUDITED) FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

	For the three months ended December 31, 2014				For the three months ended December 31, 2013			
	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 period	63,656,129	58,977,229	44,557,551	167,190,909	30,280,670	31,156,600	30,890,769	92,328,039
Amount received on issuance of units	21,553,348	13,724,814	5,912,638	41,190,800	5,030,193	7,313,890	2,333,214	14,677,297
Amount paid on redemption of units	(182,440)	(706,065)	(641,169)	(1,529,674)	(145,925)	(227,904)	(50,778)	(424,607)
Effect of reallocation	1,236,171	(1,060,875)	(178,541)	(3,245)	-	-	-	-
Net element of income and capital gains - included in prices of units issued less those in units redeemed	3,508,899	172,531	90,402	3,771,832	159,224	197,236	64,091	420,551
Total comprehensive income for the period	14,710,432	551,493	600,468	15,862,393	6,001,953	723,485	454,043	7,179,481
Net element of income and capital gains - included in prices of units issued less those in units redeemed	(3,508,899)	(172,531)	(90,402)	(3,771,832)	(159,224)	(197,236)	(64,091)	(420,551)
Net assets at the end of the period	<u>100,973,640</u>	<u>71,486,596</u>	<u>50,250,947</u>	<u>222,711,183</u>	<u>41,166,891</u>	<u>38,966,071</u>	<u>33,627,248</u>	<u>113,760,210</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

	For the six months ended December 31, 2014					For the six months ended December 31, 2013				
	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-----				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Net income for the period before taxation	17,937,704	1,105,098	1,080,644	-	20,123,446	5,579,164	1,237,853	959,569	-	7,776,586
<b>Adjustments for non-cash items</b>										
(Gain) / loss on sale of investments - net	(4,581,952)	24,500	-	-	(4,557,452)	(580,678)	-	-	-	(580,678)
Net unrealized (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(12,798,804)	967,600	600,400	-	(11,230,804)	(4,381,647)	(208,000)	(33,600)	-	(4,623,247)
Amortization of premium on investment	-	-	-	-	-	-	-	57,500	-	57,500
Amortization of preliminary expenses and floatation costs	10,782	10,782	10,782	-	32,346	17,532	17,532	17,532	-	52,596
	<b>567,730</b>	<b>2,107,980</b>	<b>1,691,826</b>	<b>-</b>	<b>4,367,536</b>	<b>634,371</b>	<b>1,047,385</b>	<b>1,001,001</b>	<b>-</b>	<b>2,682,757</b>
<b>Decrease / (increase) in assets</b>										
Investments - net	(30,404,382)	(26,933,900)	(16,231,000)	-	(73,569,282)	(32,203,809)	(32,135,200)	(24,257,501)	-	(88,596,510)
Dividend receivable	(70,425)	-	-	-	(70,425)	(100,400)	-	-	-	(100,400)
Profit receivable	(96,053)	(767,955)	(472,503)	-	(1,336,511)	227,615	(246,037)	4,670	-	(13,752)
Receivable against sale of investment	2,653,663	-	-	-	2,653,663	-	-	-	-	-
Advances, deposits and other receivables	395,553	1,219	(115)	-	396,657	(100,000)	(100,000)	(100,000)	-	(300,000)
	<b>(27,521,644)</b>	<b>(27,700,636)</b>	<b>(16,703,618)</b>	<b>-</b>	<b>(71,925,898)</b>	<b>(32,176,594)</b>	<b>(32,481,237)</b>	<b>(24,352,831)</b>	<b>-</b>	<b>(89,010,662)</b>
<b>(Decrease) / increase in liabilities</b>										
Payable to Pension Fund Manager	215,270	153,093	99,936	1,839,017	2,307,316	13,800	5,695	(2,288)	462,718	479,925
Payable to Central Depository Company of Pakistan Limited - Trustee	5,968	3,175	1,592	-	10,735	(1,638)	482	941	-	(215)
Payable to Securities and Exchange Commission of Pakistan	(3,575)	(3,891)	(5,113)	-	(12,579)	5,684	5,446	5,219	-	16,349
Payable against purchase of investment	(1,670,950)	-	-	-	(1,670,950)	-	-	-	-	-
Payable against redemption of units	(6,155,232)	-	18,324	-	(6,136,908)	-	-	-	-	-
Accrued expenses and other liabilities	316,293	(6,342)	30,460	-	340,412	273,148	90,424	83,594	-	447,166
	<b>(7,292,220)</b>	<b>146,035</b>	<b>145,199</b>	<b>1,839,017</b>	<b>(5,161,969)</b>	<b>290,994</b>	<b>102,057</b>	<b>87,466</b>	<b>462,718</b>	<b>943,235</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(34,246,134)</b>	<b>(25,446,621)</b>	<b>(14,866,593)</b>	<b>1,839,017</b>	<b>(72,720,331)</b>	<b>(31,251,229)</b>	<b>(31,331,795)</b>	<b>(23,264,364)</b>	<b>462,718</b>	<b>(85,384,670)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Amount received on issue of units	31,306,226	20,178,732	8,694,113	-	60,179,071	5,473,009	7,683,890	2,432,049	-	15,588,948
Amount paid on redemption of units	(976,541)	(993,547)	(844,327)	-	(2,814,415)	(145,925)	(227,904)	(50,778)	-	(424,607)
Effect of reallocation	2,043,141	(1,676,680)	(369,709)	-	(3,249)	-	-	-	-	-
<b>Net cash generated from financing activities</b>	<b>32,372,826</b>	<b>17,508,505</b>	<b>7,480,077</b>	<b>-</b>	<b>57,361,408</b>	<b>5,327,084</b>	<b>7,455,986</b>	<b>2,381,271</b>	<b>-</b>	<b>15,164,341</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,873,308)</b>	<b>(7,938,116)</b>	<b>(7,386,516)</b>	<b>1,839,017</b>	<b>(15,358,923)</b>	<b>(25,924,145)</b>	<b>(23,875,809)</b>	<b>(20,883,093)</b>	<b>462,718</b>	<b>(70,220,329)</b>
Cash and cash equivalents at the beginning of the period	7,367,812	18,881,853	12,226,947	146,000	38,622,612	30,166,395	30,157,123	30,157,123	-	90,480,641
<b>Cash and cash equivalents at the end of the period</b>	<b>5,494,504</b>	<b>10,943,737</b>	<b>4,840,431</b>	<b>1,985,017</b>	<b>23,263,689</b>	<b>4,242,250</b>	<b>6,281,314</b>	<b>9,274,030</b>	<b>462,718</b>	<b>20,260,312</b>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director



# NAFA ISLAMIC PENSION FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

## 1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic 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 authorized by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on November 16, 2012.

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

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

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

The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Mufti Bilal Ahmed Qazi as Shariah Advisor to the Pension Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.

The Fund consists of three sub-funds namely, NAFA Islamic Pension Fund Equity Sub-Fund (Equity Sub-Fund), NAFA Islamic Pension Fund Debt Sub-Fund (Debt Sub-Fund) and NAFA Islamic 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 Shariah compliant listed equity securities. Investment in 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 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 any government treasury bills or government securities having less than one year time maturity, or be deposited with scheduled Islamic commercial banks having at least 'A' rating or Islamic windows of commercial banks having rating not less than 'AA' by a rating).
- The Debt sub-fund consists of Shariah compliant tradable debt securities with weighted average time to maturity 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 debt securities issued by the Federal Government. Upto twenty five percent (25%) may be deposited with scheduled Islamic banks having not less than 'A+' rating or Islamic windows of commercial banks having not less than 'AA' rating. Investment in securities issued by companies of a single sector shall not exceed 20% except for banking sector for which the exposure limit shall be up to 30% of net assets of Debt sub-fund. Composition of the remaining portion of the investments shall be as defined in the offering document.

# NAFA ISLAMIC PENSION FUND

- The Money Market sub-fund consists of Shariah compliant short-term money market securities with weighted average time to maturity not exceeding one year. There is no restriction on the amount of investment in securities issued by the Federal Government and Islamic windows of commercial banks having 'A+' rating provided that deposit with any one bank shall not exceed 20% of net assets Money Market Sub-Fund. Investment in securities issued by provincial government, city government, government corporation with 'A' or higher rating or a corporate entity with 'A+' 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 & 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.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2014.

This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules.

### 2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for the investments which are stated at fair value.

### 2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

# NAFA ISLAMIC PENSION FUND

## 2.4 Critical accounting estimates and judgments

The presentation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this Condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the period ended June 30, 2014.

## 2.5 Financial Risk Management

The Fund's financial risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Fund for the year ended June 30, 2014.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2014.

## 4. BANK BALANCES

Note	December 31, 2014 (Un-audited)					June 30, 2014 (Audited)					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (4.2)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (4.2)	Total	
	-----Rupees-----					-----Rupees-----					
Savings accounts	4.1	5,494,504	10,943,737	4,840,431	1,985,017	23,263,689	7,367,812	18,881,853	12,226,947	146,000	38,622,612
		<u>5,494,504</u>	<u>10,943,737</u>	<u>4,840,431</u>	<u>1,985,017</u>	<u>23,263,689</u>	<u>7,367,812</u>	<u>18,881,853</u>	<u>12,226,947</u>	<u>146,000</u>	<u>38,622,612</u>

## 5 INVESTMENTS - NET

Note	December 31, 2014 (Un-audited)				June 30, 2014 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	-----Rupees-----				-----Rupees-----				
At fair value through profit or loss - held for trading									
Equity securities - listed	5.1	95,035,582	-	-	95,035,582	47,250,444	-	-	47,250,444
Government of Pakistan - Ijara Sukuk	5.2	-	59,635,700	45,083,700	104,719,400	-	32,664,400	29,453,100	62,117,500
K-Electric Sukuk	5.3	-	-	-	-	-	1,029,500	-	1,029,500
		<u>95,035,582</u>	<u>59,635,700</u>	<u>45,083,700</u>	<u>199,754,982</u>	<u>47,250,444</u>	<u>33,693,900</u>	<u>29,453,100</u>	<u>110,397,444</u>

# NAFA ISLAMIC PENSION FUND

## 5.1 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 unless stated otherwise.

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 December 31, 2014	Market Value	Market value as a % of net assets of the Sub-Fund	Market value as a % of total investment of the Sub-Fund	Market value as a % of paid-up capital of the investee company
	Number of shares				(Rupees)			%	
<b>Pharama and Bio tech</b>									
Abbot Laboratories (Pakistan) Limited	2,800	600	-	700	2,700	1,918,836	1.90	2.02	0.20
GlaxoSmithKline (Pakistan) Limited	6,380	2,200	-	4,100	4,480	982,509	0.97	1.03	0.10
The Searle Company Limited	-	5,500	1,760*	3,100	4,160	1,006,054	1.00	1.06	0.10
Ferozsons Laboratories Limited	-	7,900	-	5,000	2,900	1,656,799	1.64	1.74	0.17
<b>Commercial Banks</b>									
Bank Islami Pakistan Limited	78,500	13,000	8,302	-	99,802	904,091	0.90	0.95	0.09
Meezan Bank Limited	55,000	19,500	-	-	74,500	3,501,500	3.47	3.68	0.36
<b>Construction and Materials (Cement)</b>									
Akzo Nobel Pakistan Limited	12,200	-	-	6,800	5,400	1,930,662	1.91	2.03	0.20
D.G. Khan Cement Company Limited	14,500	34,000	-	14,000	34,500	3,813,285	3.78	4.01	0.39
Fecto Cement Limited	-	11,500	-	-	11,500	911,950	0.90	0.96	0.09
Kohat Cement Limited	-	14,300	-	-	14,300	2,729,441	2.70	2.87	0.28
Lafarge Pakistan Cement Limited	18,000	-	-	18,000	-	-	-	-	-
Lucky Cement Limited	7,200	5,400	-	3,100	9,500	4,752,660	4.71	5.00	0.49
Maple Leaf Cement Factory Limited	73,000	45,000	-	22,000	96,000	4,248,000	4.21	4.47	0.43
Pioneer Cement Limited	48,000	31,500	-	54,000	25,500	2,183,055	2.16	2.30	0.22
<b>Chemicals</b>									
Dynea Pakistan limited (Face value of Rs. 5 each)	-	56,500	-	18,000	38,500	2,215,290	2.19	2.33	0.23
Engro Fertilizer Limited	-	28,000	-	-	28,000	2,186,800	2.17	2.30	0.22
Engro Corporation Limited	-	10,400	-	-	10,400	2,303,704	2.28	2.42	0.24
Fauji Fertilizer Company Limited	-	17,000	-	9,100	7,900	925,169	0.92	0.97	0.09
<b>General Industries</b>									
Ghani Glass Mills Limited	23,000	-	-	8,000	15,000	1,019,550	1.01	1.07	0.10
Thal Limited (Face value of Rs. 5 each)	12,400	3,200	-	5,500	10,100	2,717,203	2.69	2.86	0.28
<b>Automobile and Parts</b>									
Agriaautos Industries Limited (Face value of Rs. 5 each)	-	6,500	-	-	6,500	975,000	0.97	1.03	0.10
Baluchistan Wheels Limited	-	39,000	-	-	39,000	2,230,020	2.21	2.35	0.23
Exide Pakistan Limited	-	1,000	-	1,000	-	-	-	-	-
Ghandhara Nissan Limited	77,500	23,500	-	85,000	16,000	839,360	0.83	0.88	0.09
Honda Atlas Cars (Pakistan) Limited	10,500	8,000	-	14,000	4,500	891,810	0.88	0.94	0.09
Indus Motor Company Limited	-	4,750	-	-	4,750	4,181,520	4.14	4.40	0.43
Pak Suzuki Motor Company Limited	7,400	5,500	-	7,300	5,600	2,078,272	2.06	2.19	0.21
Sazgar Engineering Works Limited	84,500	18,500	-	23,500	79,500	2,704,590	2.68	2.85	0.28
<b>Electricity</b>									
Kot Addu Power Company Limited	38,500	36,500	-	-	75,000	5,920,500	5.86	6.23	0.60
K-Electric Limited (Face value of Rs. 3.5 each)	64,000	-	-	-	64,000	590,080	0.58	0.62	0.06
Lalpir Power Limited	-	104,000	-	-	104,000	3,109,600	3.08	3.27	0.32
Pakgen Power Limited	-	56,000	-	-	56,000	1,513,680	1.50	1.59	0.15
The Hub Power Company Limited	31,000	59,000	-	-	90,000	7,052,400	6.98	7.42	0.72
<b>Personal Goods (Textile)</b>									
Bata Pakistan Limited	-	160	-	-	160	558,400	0.55	0.59	0.06
Kohinoor Textile Mills Limited	-	136,500	-	87,000	49,500	1,734,975	1.72	1.83	0.18
Nishat Mills Limited	11,500	31,700	-	19,800	23,400	2,831,166	2.80	2.98	0.29
<b>Oil &amp; Gas Development</b>									
Attock Petroleum Limited	-	700	-	-	700	377,706	0.37	0.40	0.04
Hascol Petroleum Limited	-	28,000	-	-	28,000	2,074,800	2.05	2.18	0.21
Mari Petroleum Company Limited	-	2,000	-	-	2,000	950,900	0.94	1.00	0.10
Oil and Gas Development Company Limited	5,800	-	-	5,800	-	-	-	-	-
Pakistan Oilfields Limited	4,800	5,300	-	5,500	4,600	1,745,056	1.73	1.84	0.18
Pakistan Petroleum Limited	9,380	22,852	-	6,600	25,632	4,524,561	4.48	4.76	0.46
Pakistan State Oil Company Limited	4,270	6,700	-	6,500	4,470	1,539,858	1.58	1.68	0.16
Shell Pakistan Limited	-	1,500	-	-	1,500	388,320	0.38	0.41	0.04
<b>Industrial Transportation</b>									
Pakistan National Shipping Corporation Limited	15,500	8,500	-	17,000	7,000	1,122,450	1.11	1.18	0.11
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication Company Limited	73,500	20,000	-	69,000	24,500	564,235	0.56	0.59	0.06
<b>Household Goods</b>									
Tariq Glass Industries Limited	19,000	-	-	18,500	500	23,530	0.02	0.02	0.00
<b>Industrial Metals and Mining</b>									
Crescent Steel & Allied Product	-	8,500	-	-	8,500	430,610	0.43	0.45	0.04
<b>Technology Hardware and Equipment</b>									
Avanceon Limited	-	62,500	-	-	62,500	2,115,625	2.10	2.23	0.22
						<b>95,035,582</b>	<b>94.12</b>	<b>100.00</b>	<b>9.71</b>
						<b>82,236,778</b>			

Carrying Value as at December 31, 2014

# NAFA ISLAMIC PENSION FUND

\* This represents gross bonus shares as per Fund's entitlement declared by the investee company. 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 investee company 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 Fund Association of Pakistan, has filed a petition in Honourable 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 funds based on the premise of exemption given to mutual funds under clause 57 (3) (viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favour and accordingly has recorded the bonus shares on gross basis.

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

### 5.2.1 Ijara Sukuks - Debt Sub-Fund

Issue	Note	Tenor	As at July 1, 2014	Purchases during the period	Matured/ Sold during the period	As at December 31, 2014	Market Value	Market value as a % of net assets of the Sub-Fund	Market value as a % of total investment of the Sub-Fund	Value as a % of issue size
				----- Face value (Rupees) -----			-----Rupees-----			
December 26, 2011	5.2.3	3 Years	4,000,000	-	-	4,000,000	4,005,200	5.60	6.72	0.0057
April 30, 2012	5.2.3	3 Years	28,000,000	-	-	28,000,000	28,070,000	39.27	47.07	0.0945
March 28, 2013	5.2.3	3 Years	-	27,500,000	-	27,500,000	27,560,500	38.55	46.21	0.0639
			<b>32,000,000</b>	<b>27,500,000</b>	<b>-</b>	<b>59,500,000</b>	<b>59,635,700</b>	<b>83.42</b>	<b>100.00</b>	<b>0.1641</b>

Carrying Value as at December 31, 2014

60,603,300

### 5.2.2 Ijara Sukuks - Money Market Sub-Fund

Issue	Note	Tenor	As at July 1, 2014	Purchases during the period	Matured/ Sold during the period	As at December 31, 2014	Market Value	Market value as a % of net assets of the Sub-Fund	Market value as a % of total investment of the Sub-Fund	Value as a % of issue size
				----- Face value (Rupees) -----			-----Rupees-----			
December 26, 2011	5.2.3	3 Years	20,000,000	-	-	20,000,000	20,026,000	39.85	44.42	0.0285
April 30, 2012	5.2.3	3 Years	9,000,000	-	-	9,000,000	9,022,500	17.95	20.01	0.0304
March 28, 2013	5.2.3	3 Years	-	16,000,000	-	16,000,000	16,035,200	31.91	35.57	0.0372
			<b>29,000,000</b>	<b>16,000,000</b>	<b>-</b>	<b>45,000,000</b>	<b>45,083,700</b>	<b>89.72</b>	<b>100.00</b>	<b>0.0960</b>

Carrying Value as at December 31, 2014

45,684,100

5.2.3 These Government Ijara Sukuks yield ranging from 9.49% to 9.98% (June 2014: 9.43% to 9.98%) per annum.

### 5.3 Sukuks - at fair value through profit or loss - held for trading (listed)

All Sukuks have a face value of Rs.100 each.

Issue	Tenor	As at July 1, 2014	Purchases during the period	Matured/ Sold during the period	As at December 31, 2014	Market Value	Market value as a % of net assets of the Sub-Fund	Market value as a % of total investment of the Sub-Fund	Value as a % of issue size
				----- Face value (Rupees) -----			-----Rupees-----		
March 19, 2014	3 Years	1,000,000	-	1,000,000	-	-	-	-	-
			<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Carrying Value as at December 31, 2014

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# NAFA ISLAMIC PENSION FUND

	December 31, 2014 (Un-audited)				June 30, 2014 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
6 PROFIT RECEIVABLE								
Debt Securities	-	1,134,740	573,434	1,708,174	-	466,961	173,065	640,026
Savings accounts	122,593	160,470	109,843	392,906	26,540	60,294	37,709	124,543
	<u>122,593</u>	<u>1,295,210</u>	<u>683,277</u>	<u>2,101,080</u>	<u>26,540</u>	<u>527,255</u>	<u>210,774</u>	<u>764,569</u>

	December 31, 2014 (Un-audited)				June 30, 2014 (Audited)				
	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-----			
7 PRELIMINARY EXPENSES AND FLOATATION COST									
Preliminary expenses and floatation costs incurred	7.1	46,027	46,027	46,027	138,081	71,027	71,027	71,027	213,081
Less: Accumulated amortization		10,782	10,782	10,782	32,346	25,000	25,000	25,000	75,000
		<u>35,245</u>	<u>35,245</u>	<u>35,245</u>	<u>105,735</u>	<u>46,027</u>	<u>46,027</u>	<u>46,027</u>	<u>138,081</u>

7.1 Preliminary expenses and floatation cost represents expenditure incurred prior to the commencement of operation of the 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.

## 8 ADVANCES, DEPOSITS AND OTHER RECIEVABLES

	Note	December 31, 2014 (Un-audited)				June 30, 2014 (Audited)			
		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 right issue	8.1	69,322	-	-	69,322	-	-	-	-
Advance against book building process		-	-	-	-	472,500	-	-	472,500
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Advance tax		5,513	-	-	5,513	-	-	-	-
Other receivables		2,112	7,515	1,336	10,963	-	8,734	1,221	9,955
		<u>176,947</u>	<u>107,515</u>	<u>101,336</u>	<u>385,798</u>	<u>572,500</u>	<u>108,734</u>	<u>101,221</u>	<u>782,455</u>

8.1 This represents advance against right issue of Bank Islami Pakistan Limited announced on August 29, 2014 at a discount of Rs.1.65 per share. The Fund subscribed for 8,302 shares being the entitlement of the Fund at the book closure dated September 12, 2014 at the ex-right price of Rs. 8.35 per share which have been allotted to the Fund subsequent to the period end on January 2, 2015.

# NAFA ISLAMIC PENSION FUND

## 9 PAYABLE TO PENSION FUND MANAGER

Note	December 31, 2014 (Un-audited)					June 30, 2014 (Audited)				
	Equity	Debt	Money Market	Others	Total	Equity	Debt	Money Market	Others	Total
	Sub-Fund	Sub-Fund	Sub-Fund			Sub-Fund	Sub-Fund	Sub-Fund		
	-----Rupees-----					-----Rupees-----				
Management fee payable	123,421	85,482	57,502	-	266,405	10,803	8,831	5,548	-	25,182
Front end load payable	-	-	-	1,985,017	1,985,017	-	-	-	146,000	146,000
Sindh Sales tax payable on management fee	21,374	15,204	10,002	-	46,580	1,904	1,642	1,026	-	4,572
Federal excise duty payable on management fee	184,453	140,964	95,024	-	420,441	101,271	78,084	56,018	-	235,373
Preliminary expenses and floatation cost payable	75,000	75,000	75,000	-	225,000	75,000	75,000	75,000	-	225,000
	<b>404,248</b>	<b>316,650</b>	<b>237,528</b>	<b>1,985,017</b>	<b>2,943,443</b>	<b>188,978</b>	<b>163,557</b>	<b>137,592</b>	<b>146,000</b>	<b>636,127</b>

- 9.1 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 each of the Sub-Fund.
- 9.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 15% on the services provided by the Pension Fund Manager as required by Sindh Sales Tax on Services Act, 2011.
- 9.3 As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on services provided by the Pension Fund Manager has been applied effective from June 13, 2013. During the previous year demand notices were received by some asset management companies for collection of FED. Mutual Fund Association of Pakistan (MUFAP) has taken up the matter collectively and filed a petition with the Honourable Sindh High Court and has been granted stay in this regard. During the previous year, the Pension Fund Manager has also received a notice under section 14 of the Federal Excise Act, 2005 regarding payment of FED on management remuneration. The Pension Fund Manager is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. Therefore, the Pension Fund Manager has also filed a petition against the demand notice in the Honourable 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 on services provided by the Pension Fund Manager.

## 10. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	December 31, 2014 (Un-audited)				June 30, 2014 (Audited)			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
	-----Rupees-----				-----Rupees-----			
Provision for Workers' Welfare Fund	638,101	89,027	77,368	804,496	272,025	66,474	55,314	393,813
Payable to the auditors	47,961	47,961	47,961	143,883	59,700	59,700	59,700	179,100
Bank charges payable	28,759	5,236	42,487	76,482	2,306	1,261	4,182	7,749
Printing charges	50,809	50,815	50,809	152,433	49,950	49,950	49,950	149,850
Legal and professional	-	-	-	-	19,668	19,668	19,668	59,004
Brokerage payable	-	-	-	-	74,573	-	-	74,573
Other charges payable	64,499	2,123	4,756	71,378	35,608	4,451	4,107	44,166
	<b>830,129</b>	<b>195,162</b>	<b>223,381</b>	<b>1,248,672</b>	<b>513,830</b>	<b>201,504</b>	<b>192,921</b>	<b>908,255</b>

## 11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2014.

# NAFA ISLAMIC PENSION FUND

## 12. PROVISION FOR WORKERS' WELFARE FUND

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

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

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 6, 2010 to the Members (Domestic Operation) North and South FBR. In the letter, reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 4, 2011 has cancelled ab-initio clarificatory letter dated October 6, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

Furthermore, in 2011 the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The 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.

However, without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to record the provision for WWF amounting to Rs. 804,009 in aggregate including Rs. 410,683 for the six months ended December 31, 2014.

## 13. TAXATION

No provision for taxation for the period ended December 31, 2014 has been made in the view of exemption available under clause 57 (3) (viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001.

## 14. NUMBER OF UNITS IN ISSUE

	December 31, 2014 (Un-audited)				June 30, 2014 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees -----				----- Rupees -----			
Total units in issue at the beginning of the period	368,992.48	484,292.00	384,230.38	1,237,514.86	300,060.00	299,970.00	299,970.00	900,000.00
Add: Issue of units during the period	200,138.42	182,587.99	79,017.83	461,744.24	120,343.00	163,049.00	58,662.00	342,054.00
Less: Units redeemed during the period	(6,873.23)	(8,977.81)	(7,643.94)	(23,494.98)	(5,523.00)	(7,406.00)	(1,210.00)	(14,139.00)
Reallocation effect	12,550.00	(15,100.48)	(3,372.76)	(5,923.24)	(45,887.52)	28,679.00	26,808.38	9,599.86
<b>Total units in issue at the end of the period</b>	<b>574,807.67</b>	<b>642,801.70</b>	<b>452,231.51</b>	<b>1,669,840.88</b>	<b>368,992.48</b>	<b>484,292.00</b>	<b>384,230.38</b>	<b>1,237,514.86</b>



# NAFA ISLAMIC PENSION FUND

## 15. CONTRIBUTION TABLE

	For the six months ended December 31, 2014 (Un-audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	200,138	31,306,226	182,588	20,178,732	79,018	8,694,113	461,744	60,179,071
	For the year ended June 30, 2014 (Audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	120,343	14,242,087	163,049	17,284,098	58,662	6,199,358	342,054	37,725,543

## 16. TRANSACTIONS WITH CONNECTED PERSONS

- 16.1 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.
- 16.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 16.3 Remuneration payable to the Pension Fund Manager and Trustee is determined in accordance with the provisions of the VPS Rules and the Trust Deed.
- 16.4 Details of the transactions with connected persons are as follows:

	Six months ended December 31, 2014 (Un-audited)				Six months ended December 31, 2013 (Un-audited)			
	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	519,890	393,003	243,786	1,156,679	258,318	206,277	158,132	622,727
Sindh Sales tax on remuneration of the Management Company	90,461	68,383	42,419	201,263	48,420	38,783	29,710	116,913
Federal Excise Duty on remuneration of Pension Fund Manager	83,182	62,880	39,006	185,068	41,330	33,004	25,301	99,635
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration	65,960	59,359	45,049	170,368	25,832	24,753	23,720	74,305
CDS charges	12,328	5,643	6,072	24,043	4,600	2,850	2,850	10,300
<b>Employees of the Company</b>								
Amount of units issued	1,900,000	475,000	-	2,375,000	-	-	-	-
Number of units Issued	12,355	4,307	-	16,662	-	-	-	-
Reallocation in Amount	898,624	(898,624)	-	-	-	-	-	-
Reallocation (number of units)	5,127	8,082	-	13,209	-	-	-	-
<b>Taurus Securities Limited</b>								
Brokerage charges	8,544	-	-	8,544	9,921	-	-	9,921

# NAFA ISLAMIC PENSION FUND

## 16.5 Balances outstanding as at period / year end

	December 31, 2014 (Un-audited)				June 30, 2014 (Audited)			
	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 payable	123,421	85,482	57,502	266,405	10,803	8,831	5,548	25,182
Sindh Sales tax payable on management fee	21,374	15,204	10,002	46,580	1,904	1,642	1,026	4,572
Federal Excise Duty payable on management fee	184,453	140,964	95,024	420,441	101,271	78,084	56,018	235,373
Preliminary expenses and floatation cost payable	75,000	75,000	75,000	225,000	75,000	75,000	75,000	225,000
Amount of units issued	27,438,963	21,602,034	21,719,840	70,760,837	21,446,447	21,206,764	21,208,795	63,862,006
Number of units issued (seed capital)	156,200	194,244	195,467	545,911	156,200	194,244	195,467	545,911
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>								
Amount of units issued	18,292,642	14,401,356	14,479,893	47,173,891	14,297,723	14,137,842	14,139,160	42,574,726
Number of units issued (seed capital)	104,134	129,496	130,311	363,941	104,134	129,496	130,311	363,941
<b>Employees of the Company</b>								
Amount of units issued	5,203,468	-	-	5,203,468	1,666,699	412,139	-	2,078,838
Number of units issued	29,622	-	-	29,622	12,139	3,775	-	15,914
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee fee payable	12,341	8,918	6,280	27,539	6,373	5,743	4,688	16,804
CDS charges payable	5,855	1,152	3,622	10,629	1,100	550	550	2,200

## 17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 17, 2015 by the Board of Directors of the Pension Fund Manager.

## 18. GENERAL

18.1 Figures have been rounded off to the nearest rupee, unless otherwise specified.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of

National Bank of Pakistan

## Head Office

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