



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together




Joint - Venture Partners

NAFA ISLAMIC PENSION FUND

QUARTERLY REPORT
SEPTEMBER 30
2013



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. Khalid Mahmood	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

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

Human Resource Committee

Mr. Khalid Mahmood	Chairman
Mr. Wah Geok Sum	Member
Mr. Kamal Amir Chinoy	Member

Trustee

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

Bankers to the Fund

Burj bank Limited
Habib Bank Limited (Islamic)
United Bank Limited (Ameen)

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

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town,
Lahore.

Islamabad Office:

Plot No. 395, 396
Industrial Area, 1-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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

Multan Office:

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

NAFA ISLAMIC PENSION FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Islamic Pension Fund for the quarter ended September 30, 2013.

Fund's Performance

This is the 1st quarterly report since launch of NAFA Islamic Pension Fund (NIPF) on July 02, 2013, for the period ended September 30, 2013. Fund size of sub-funds as at September 30, 2013 and performance for the quarter are as follows:

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) July 02, 2013	NAV Per Unit (Rs.) September 30, 2013	Performance Since Launch July 02, 2013
NIPF-Equity Sub-fund*	30	100.7248	99.4537	(1.26%)
NIPF-Debt Sub-fund**	31	100.9502	102.6254	6.73%
NIPF-Money Market Sub-fund**	31	100.9426	102.6483	6.85%
* Cumulative Return	[Net of management fee & all other expenses]			
** Simple Annualized Return				

During the period, the KMI-30 Index initially generated strong performance with a return of 7.6% in July (from July 2, 2013 to July 31, 2013) as the euphoria of first democratic transfer of political power continued. However, realization of a tough IMF program, depreciating PKR, and rising interest rates led to 10.4% erosion in gains, thus the overall decline during the period stood at 2.8%. General Industrials, Fixed Line Telecommunication, and Pharma and Bio Tech sectors performed better than the market. Oil & Gas, Food Producers, Personal Goods, and Construction and Materials sectors lagged the market. Going forward, we feel that the single most important determinant of market direction will be the approach of the government in tackling key socio-economic challenges.

During the quarter under review, we have seen 50bps increase in the Policy Rate by the State Bank of Pakistan. All Sukuks in the Fund are floating rate linked to KIBOR. Therefore, they carry a relatively low risk and any increase in interest rates will increase the coupon income of the Sukuk portfolio. The asset allocation of the Funds as on September 30, 2013 is as follows:

Asset Allocation (% of Net Assets)	
Equity Sub-fund	30-Sep-13
Equity	90.11%
Cash Equivalents - Net	9.89%
Total	100.00%
Debt Sub-fund	30-Sep-13
Cash Equivalents - Net	9.79%
Sukuk	90.21%
Total	100.00%
Money Market Sub-fund	30-Sep-13
Cash Equivalents - Net	6.00%
Short Term Sukuk	94.00%
Total	100.00%

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: October 30, 2013
Place: Karachi.

NAFA ISLAMIC PENSION FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT SEPTEMBER 30, 2013

Note	September 30, 2013 (Un-audited)					June 30, 2013 (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-----				
ASSETS										
Bank balances	3,056,651	2,247,670	1,048,113	27,349	6,379,783	30,166,395	30,157,123	30,157,123	-	90,480,641
Investments - net	27,285,050	28,106,400	29,037,700	-	84,429,150	-	-	-	-	-
Dividend receivable	384,850	-	-	-	384,850	-	-	-	-	-
Profit receivable	28,608	1,118,400	1,079,021	-	2,226,029	248,025	254,669	254,669	-	757,363
Preliminary Expenses and Floatation Cost	58,095	58,095	58,095	-	174,285	71,027	71,027	71,027	-	213,081
Total assets	30,813,254	31,530,565	31,222,929	27,349	93,594,097	30,485,447	30,482,819	30,482,819	-	91,451,085
LIABILITIES										
Payable against purchase of investments	132,869	1,500	325	-	134,694	-	-	-	-	-
Payable to the Pension Fund Manager	336,952	289,831	249,679	27,349	903,811	184,126	169,520	154,984	-	508,630
Payable to the Central Depository Company of Pakistan Limited - Trustee	19,300	18,766	18,745	-	56,811	7,182	7,181	7,183	-	21,546
Payable to the Securities and Exchange Commission of Pakistan	4,246	4,128	4,124	-	12,498	1,580	1,580	1,580	-	4,740
Accrued expenses and other liabilities	39,217	59,740	59,288	-	158,245	31,916	32,306	32,664	-	96,886
Total liabilities	532,584	373,965	332,161	27,349	1,266,059	224,804	210,587	196,411	-	631,802
NET ASSETS	30,280,670	31,156,600	30,890,768	-	92,328,038	30,260,643	30,272,232	30,286,408	-	90,819,283
PARTICIPANTS' SUB-FUNDS (as per statement attached)	30,280,670	31,156,600	30,890,768		92,328,038	30,260,643	30,272,232	30,286,408	-	91,028,906
Number of units in issue	304,470	303,596	300,938		909,003	300,060	299,970	299,970		900,000
Net asset value per unit	99.4537	102.6254	102.6483			100.8486	100.9175	100.9648		
Contingencies and commitments				9						

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

Note	For the Quarter ended September 30, 2013 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----				
INCOME				
Profit on bank deposits	72,272	59,372	23,480	155,124
Income from Sukuk Certificate	-	636,455	678,626	1,315,081
Dividend income	557,735	-	-	557,735
Net (loss) on sale of investments at fair value through income statement	(206,363)	-	-	(206,363)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(573,400)	8,400	(33,800)	(598,800)
Total income	(149,756)	704,227	668,306	1,222,777
EXPENSES				
Remuneration of Pension Fund Manager	121,187	96,537	77,079	294,803
Sindh sales tax on remuneration of the Pension Fund Manager	19,390	15,446	12,333	47,169
FED on remuneration of the Pension Fund Manager	19,390	15,446	12,333	47,169
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	12,118	11,584	11,561	35,263
Annual fee - Securities and Exchange Commission of Pakistan	2,666	2,549	2,543	7,758
Auditors' remuneration	12,604	12,604	12,604	37,812
Securities' transaction costs	59,524	1,500	325	61,349
Amortization of Formation cost	9,046	9,046	9,046	27,138
Settlement and Bank charges	17,108	14,650	14,639	46,397
Total Expenses	273,033	179,362	152,463	604,858
Net income / (loss) from operating activities	(422,789)	524,865	515,843	617,919
Provision for Workers' Welfare Fund	-	(10,497)	(10,317)	(20,814)
Net income / (loss) for the period before taxation	(422,789)	514,368	505,526	617,919
Taxation	-	-	-	-
Net income / (loss) for the period after taxation	(422,789)	514,368	505,526	617,919

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

Note	For the Quarter ended September 30, 2013 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----			
Net income for the period after taxation	(422,789)	514,368	505,526	597,105
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive income for the period	(422,789)	514,368	505,526	597,105

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

Note	For the Quarter ended September 30, 2013 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	-----Rupees-----				
Net assets at the beginning of the period	30,260,643	30,272,232	30,286,408	90,819,283	
Amount received on issuance of units	10	442,816	370,000	98,835	911,651
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	(573,400)	8,400	(33,800)	(598,800)	
(Loss) on sale of investments	(206,363)	-	-	(206,363)	
Other income (net of expenses)	356,974	505,968	539,326	1,402,268	
Total comprehensive income for the period	(422,789)	514,368	505,526	597,105	
Net assets at the end of the period	30,280,670	31,156,600	30,890,769	92,328,039	

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	For the Quarter ended September 30, 2013 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation	(422,789)	514,368	505,526	-	597,105
Adjustments					
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	573,400	(8,400)	33,800	-	598,800
Loss on sale of investment-net	206,363	-	-	-	206,363
	356,974	505,968	539,326	-	1,402,268
Decrease / (increase) in assets					
Investments Net	(28,064,813)	(28,098,000)	(29,071,501)	-	(85,234,314)
Preliminary Expenses & Floatation Cost	12,932	12,932	12,932	-	38,796
Dividend receivable	(384,850)	-	-	-	(384,850)
Profit receivable	219,417	(863,731)	(824,352)	-	(1,468,666)
	(28,217,314)	(28,948,799)	(29,882,921)	-	(87,049,034)
(Decrease) / increase in liabilities					
Payable against purchase of investments	132,869	1,500	325	-	134,694
Payable to the Pension Fund Manager	152,826	120,311	94,695	27,349	395,181
Payable to the Central Depository Company of Pakistan Limited	12,118	11,585	11,562	-	35,265
Payable to the Securities and Exchange Commission of Pakistan	2,666	2,548	2,544	-	7,758
Accrued expenses and other liabilities	7,301	27,434	26,624	-	61,359
	307,780	163,378	135,750	27,349	634,257
Net cash outflow on operating activities	(27,552,560)	(28,279,453)	(29,207,845)	27,349	(85,039,858)
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units	442,816	370,000	98,835	-	911,651
Net cash generated from financing activities	442,816	370,000	98,835	-	911,651
Net (decrease) / increase in cash and cash equivalents	(27,109,744)	(27,909,453)	(29,109,010)	27,349	(84,128,207)
Cash and cash equivalents at the beginning of the period	30,166,395	30,157,123	30,157,123	-	90,480,641
Cash and cash equivalents at the end of the period	3,056,651	2,247,670	1,048,113	27,349	6,379,783

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

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

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and the requirements of the Trust Deed, the voluntary Pension system rules 2005 (The VPS Rules) and the directives / guidelines issued by the SECP. Wherever the requirements of the Trust Deed, the Rules or the directives / guidelines issued by the SECP differ with the requirements of this standard, the requirements of the Trust Deed, the Rules or the requirements of the said directives/guidelines prevail.

"The directors of the asset management company declare that condensed interim financial statements give a true and fair view of the fund."

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial statements for the quarter ended September 30, 2013 are the same as those applied in the preparation of the annual audited financial statements of the Fund for the period ended June 30, 2013.

NAFA ISLAMIC PENSION FUND

4 INVESTMENTS - NET

Note	September 30, 2013 (Un-audited)				June 30, 2013 (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	4.1	27,285,050	-	-	27,285,050	-	-	-	-
Held for trading									
Government of Pakistan Ijara Sukuk	4.2	-	28,106,400	29,037,700	57,144,100	-	-	-	-
		27,285,050	28,106,400	29,037,700	84,429,150	-	-	-	-

4.1 Investments in shares of listed companies at fair value through profit or loss

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus / Right during the period	Sales during the period	As at September 30, 2013	Carrying Value	Market Value	Market value as a % of net assets of the Sub-Fund	Market value as a % of paid-up capital of the investee company
	-----Number of shares-----					----- (Rupees in '000) -----		----- % -----	
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.									
Oil and Gas									
Oil & Gas Development Company Limited	-	12,300	-	700	11,600	2,744,410	2,726,232	9.00	0.0003
Pakistan Oilfields Limited	-	6,700	-	800	5,900	3,008,419	2,529,507	8.35	0.0025
Pakistan Petroleum Limited	-	14,400	2,480	2,000	14,880	2,767,407	2,836,128	9.37	0.0008
Pakistan State Oil Company Limited	-	13,100	-	12,900	200	63,201	52,420	0.17	0.0001
	-	-	-	-	-	-	-	-	-
Chemicals									
Engro Corporation Limited	-	25,100	-	-	25,100	2,665,374	2,544,387	8.40	0.0020
Lotte Pakistan PTA Limited	-	4,400	-	4,400	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Construction and Materials (Cement)									
D G Khan Cement Company Limited	-	23,000	-	20,000	3,000	263,256	206,610	0.68	0.0007
Pioneer Cement Company	-	53,500	-	11,000	42,500	1,255,474	1,215,500	4.01	0.0187
Cherat Cement Company Limited	-	36,500	-	29,000	7,500	452,203	370,950	1.23	0.0078
Maple Leaf Cement Factory	-	11,500	-	11,500	-	-	-	-	-
Kohat Cement Limited	-	26,000	-	15,500	10,500	965,284	971,985	3.21	0.0082
Lucky Cement Limited	-	7,500	-	3,400	4,100	918,275	948,289	3.13	0.0013
	-	-	-	-	-	-	-	-	-
Personal Goods (Textile)									
Nishat Mills Limited	-	31,400	-	800	30,600	3,058,577	2,835,702	9.36	0.0087
	-	-	-	-	-	-	-	-	-
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	-	101,500	-	-	101,500	2,530,205	2,655,240	8.77	0.0027
	-	-	-	-	-	-	-	-	-
Electricity									
The Hub Power Company Limited	-	55,500	-	17,500	38,000	2,440,303	2,421,740	8.00	0.0033
	-	-	-	-	-	-	-	-	-
Balance Carry forward	-	422,400	2,480	129,500	295,380	23,132,388	22,314,690	73.69	

NAFA ISLAMIC PENSION FUND

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus / Right during the period	Sales during the period	As at September 30, 2013	Carrying Value	Market Value	Market value as a % of net assets of the Sub-Fund	Market value as a % of paid-up capital of the investee company
	-----Number of shares-----					(Rupees in '000)		-----%	
Balance brought forward	-	422,400	2,480	125,500	295,380	23,132,388	22,314,690	73.69	
Commercial Banks									
Meezan Bank Limited	-	78,000	-	5,000	73,000	2,384,435	2,709,030	8.95	0.0073
Industrial Corporation									
Pakistan National Shipping Corporation	-	26,000	-	14,000	12,000	634,081	697,560	2.30	0.0600
General Industrials									
Thal Limited	-	13,000	-	-	13,000	1,707,545	1,563,770	5.16	0.0321
	-	539,400	2,480	148,500	393,380	27,858,449	27,285,050	90.11	

4.2 Sukuk Certificate

As at July 1, 2013	Purchases during the period	Matured/Sold during the period	As at September 30, 2013	Market Value	Market value as a % of net assets of the Sub-Fund
-----Face value (Rupees)-----				----- Rupees -----	

4.2.1 Debt Sub-Fund

Government of Pakistan Ijara Sukuk - 11	-	28,000,000	-	28,000,000	28,106,400	90.21
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As at July 1, 2013	Purchases during the period	Matured/Sold during the period	As at September 30, 2013	Market Value	Market value as a % of net assets of the Sub-Fund
-----Face value (Rupees)-----				----- Rupees -----	

4.2.2 Money Market Sub-Fund

Government of Pakistan Ijara Sukuk - 05	-	25,000,000	-	25,000,000	25,022,500	81.00
Government of Pakistan Ijara Sukuk - 11	-	4,000,000	-	4,000,000	4,015,200	13.00
					29,037,700	94.00

	September 30, 2013 (Un-audited)				June 30, 2013 (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-----			
5 PROFIT RECEIVABLE								
Debt Securities		1,113,796	1,056,816	2,170,612	-	-	-	-
Savings accounts	28,608	4,604	22,205	55,417	-	-	-	-
	28,608	1,118,400	1,079,021	2,226,029	-	-	-	-
6 ACCRUED EXPENSES AND OTHER LIABILITIES								
Provision for Workers' Welfare Fund	5,905	16,114	16,212	38,231	5,197	5,617	5,906	16,720
Payable to the auditors	22,604	22,604	22,604	67,812	10,000	10,000	10,000	30,000
Others	10,708	21,022	20,472	52,202	16,719	16,689	16,758	50,166
	39,217	59,740	59,288	158,245	31,916	32,306	32,664	96,886

NAFA ISLAMIC PENSION FUND

7 PROVISION FOR WORKERS' WELFARE FUND

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

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

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 6, 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 04, 2011 has cancelled ab-initio clarificatory letter dated October 6, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

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

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

However, without prejudice to the above, the Pension Fund manager, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs. 38,231 in these financial statements.

8 TAXATION

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

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2013 (June 30, 2013: Nil).

NAFA ISLAMIC PENSION FUND

10 CONTRIBUTION TABLE

For the Quarter ended 30 September 2012 (Un-audited)							
Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
Units	Rupees	Units	Rupees	Units	Rupees	Rupees	
Individuals	4,410	442,816	3,626	370,000	968	98,835	911,651
	4,410	442,816	3,626	370,000	968	98,835	911,651

11 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

For the Quarter ended 30 September 2013 (Un-audited)

	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----			
NBP Fullerton Asset Management Limited (Pension Fund Manager)				
Management Fee	121,187	96,537	77,079	294,803
Sales tax on remuneration of Pension Fund Manager	19,390	15,446	12,333	47,169
FED on remuneration of the Pension Fund Manager	19,390	15,446	12,333	47,169
Central Depository Company of Pakistan Limited - Trustee				
Trustee Fee	12,118	11,584	11,561	35,263

11.2 Amounts outstanding as at period end:

	For the Quarter ended 30 September 2013 (Un-audited)				June 30, 2013 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----							
NBP Fullerton Asset Management Limited - Pension Fund Manager								
Management fee payable	193,004	156,382	124,965	474,351	71,818	59,845	47,887	179,550
Sindh Sales tax payable on management fee	30,881	25,021	19,995	75,897	12,063	10,026	8,044	30,133
FED payable on management fee	22,967	18,428	14,719	56,114	3,577	2,982	2,386	8,945
Preliminary expenses and floatation cost payable	75,000	75,000	75,000	225,000	75,000	75,000	75,000	225,000
Other charges payable	15,100	15,000	15,000	45,100	21,668	21,667	21,667	65,002
Amount of units issued	17,905,246	18,470,725	18,474,846	54,850,817	18,003,600	17,998,200	17,998,200	54,000,000
Number of units issued (seed capital)	180,036	179,982	179,982	540,000	180,036	179,982	179,982	540,000
Alexandra Fund Management Pte. Limited - Sponsor								
Amount of units issued	11,936,831	12,313,816	12,316,564	36,567,211	12,002,400	11,998,800	11,998,800	36,000,000
Number of units issued (seed capital)	120,024	119,988	119,988	360,000	120,024	119,988	119,988	360,000
Central Depository Company of Pakistan Limited - Trustee								
Trustee Fee payable	19,300	18,766	18,745	56,811	7,182	7,181	7,183	21,546

NAFA ISLAMIC PENSION FUND

12 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant changes to corresponding figures have been made during the current period.

13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2013.

14 GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together



Joint - Venture Partners

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