



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

## NAFA ISLAMIC PENSION FUND

# QUARTERLY REPORT SEPTEMBER 30

# 2014



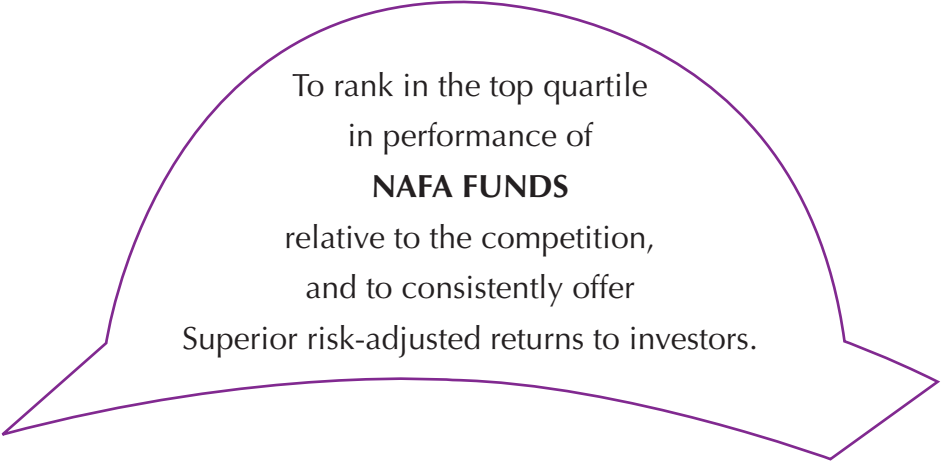
*Your investments & "NAFA" grow together*



**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

# 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 unaudited financial statements of **NAFA Islamic Pension Fund** for the quarter ended September 30, 2014.

### Fund's Performance

This is the 1st quarterly report of NAFA Islamic Pension Fund (NIPF) for the year 2014-15. Fund size of sub-funds as at September 30, 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.) September 30, 2014	Performance* Since Launch July 02, 2013
NIPF-Equity Sub-fund	63.7	100.7248	146.0972	34.8%
NIPF-Debt Sub-fund	59.0	100.9502	110.2680	7.3%
NIPF-Money Market Sub-fund	44.6	100.9426	109.7134	6.9%
*Annualized Return [Net of management fee & all other expenses]				

During 1QFY15, the stock market remained volatile and sideways as political uncertainty took its toll on investor sentiments. Positives like improvement in sovereign debt rating outlook, healthy foreign portfolio flows, controlled inflation, and stable interest rate were offset by the noise in the domestic politics. The benchmark KMI-30 Index inched up by 1.45% during the period to settle at 48,379 points. Automobile and Parts, Pharma and Biotech, Electricity, and General Industrials sectors performed better than the market. On the other hand, Oil & Gas and Fixed Line Telecommunication sectors lagged the market.

During the quarter under review, The State Bank of Pakistan kept the Policy Rate unchanged despite let-up in inflation expectation and improved external account position. All Sukuks in the Fund are floating rate linked to KIBOR. Therefore, they carry a relatively low interest rate risk as any increase in interest rates will increase the coupon income of the Sukuk portfolio.

The asset allocation of the Funds as on September 30, 2014 is as follows:

Asset Allocation (% of Net Assets)	
<b>Equity Sub-fund</b>	<b>30-Sep-14</b>
Equity	83.09%
Cash Equivalents - Net	16.91%
<b>Total</b>	<b>100.00%</b>
<b>Debt Sub-fund</b>	<b>30-Sep-14</b>
Cash Equivalents - Net	12.21%
Sukuk	87.79%
<b>Total</b>	<b>100.00%</b>
<b>Money Market Sub-fund</b>	<b>30-Sep-14</b>
Cash Equivalents - Net	11.62%
Short Term Sukuk	88.38%
<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: October 30, 2014

Place: Karachi.

# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT SEPTEMBER 30, 2014

Note	September 30, 2014 (Un-audited)					June 30, 2014 (Audited)				
	Equity	Debt	Money Market		Total	Equity	Debt	Money Market		Total
	Sub-Fund	Sub-Fund	Sub-Fund	Others		Sub-Fund	Sub-Fund	Sub-Fund	Others	
	-----Rupees-----					-----Rupees-----				
<b>ASSETS</b>										
Bank balances	11,263,450	6,536,941	4,748,992	1,040,578	23,589,961	7,367,812	18,881,853	12,226,947	146,000	38,622,612
Investments - net	52,894,946	51,774,600	39,379,700	-	144,049,246	47,250,444	33,693,900	29,453,100	-	110,397,444
Dividend receivable	474,925	-	-	-	474,925	134,800	-	-	-	134,800
Profit receivable	54,212	1,332,232	943,857	-	2,330,301	26,540	527,255	210,774	-	764,569
Preliminary Expenses and Floatation Cost	39,845	39,845	39,845	-	119,535	46,027	46,027	46,027	-	138,081
Receivable against sale of investments	-	-	-	-	-	3,862,494	-	-	-	3,862,494
Advances, deposits and other receivables	106,141	109,585	101,614	-	317,340	572,500	108,734	101,221	-	782,455
<b>Total assets</b>	<b>64,833,519</b>	<b>59,793,203</b>	<b>45,214,008</b>	<b>1,040,578</b>	<b>170,881,308</b>	<b>59,260,617</b>	<b>53,257,769</b>	<b>42,038,069</b>	<b>146,000</b>	<b>154,702,455</b>
<b>LIABILITIES</b>										
Payable to the Pension Fund Manager	287,318	249,985	191,279	1,040,578	1,769,160	188,978	163,557	137,592	146,000	636,127
Payable to the Central Depository Company of Pakistan Limited - Trustee	6,509	5,367	4,715	-	16,591	6,373	5,743	4,688	-	16,804
Payable to the Securities and Exchange Commission of Pakistan	4,360	4,600	3,589	-	12,549	15,013	13,972	12,642	-	41,627
Payable against purchase of investments	67,492	-	-	-	67,492	1,670,950	-	-	-	1,670,950
Payable against redemption of units	262,755	287,700	202,709	-	753,164	6,202,363	-	-	-	6,202,363
Accrued expenses and other liabilities	548,956	268,322	254,165	-	1,071,443	513,830	201,504	192,921	-	908,255
<b>Total liabilities</b>	<b>1,177,390</b>	<b>815,974</b>	<b>656,457</b>	<b>1,040,578</b>	<b>3,690,399</b>	<b>8,597,507</b>	<b>384,776</b>	<b>347,843</b>	<b>146,000</b>	<b>9,476,126</b>
<b>NET ASSETS</b>	<b>63,656,129</b>	<b>58,977,229</b>	<b>44,557,551</b>	<b>-</b>	<b>167,190,909</b>	<b>50,663,110</b>	<b>52,872,993</b>	<b>41,690,226</b>	<b>-</b>	<b>145,226,329</b>
<b>PARTICIPANTS' SUB-FUNDS (as per statement attached)</b>	<b>63,656,129</b>	<b>58,977,229</b>	<b>44,557,551</b>	<b>-</b>	<b>167,190,909</b>	<b>50,663,110</b>	<b>52,872,993</b>	<b>41,690,226</b>	<b>-</b>	<b>145,226,329</b>
Number of units in issue	435,710.72	534,853.48	406,126.64	-	1,376,691	368,992.48	484,292.00	384,230.38	-	1,237,514.86
Net asset value per unit	146.0972	110.2680	109.7134	-		137.3012	109.1759	108.5032	-	
Contingencies and commitments										

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director



# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

Note	For the Quarter ended September 30, 2014 (Un-audited)				For the Quarter ended September 30, 2013 (Un-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-----			
<b>INCOME</b>								
Profit on bank deposits	107,591	198,500	163,032	469,123	72,272	59,372	23,480	155,124
Income from Sukuk Certificate	-	2,722	864,959	867,681	-	636,455	678,626	1,315,081
Income from government securities	-	1,053,500	-	1,053,500	-	-	-	-
Dividend income	605,126	-	-	605,126	557,735	-	-	557,735
Net gain/(loss) on sale of investments at fair value through income statement	671,112	(24,500)	-	646,612	(206,363)	-	-	(206,363)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	2,302,147	(328,700)	(304,400)	1,669,047	-	-	-	-
<b>Total income</b>	<b>3,685,976</b>	<b>901,522</b>	<b>723,591</b>	<b>5,311,089</b>	<b>(149,756)</b>	<b>704,227</b>	<b>668,306</b>	<b>1,222,777</b>
<b>EXPENSES</b>								
Remuneration of Pension Fund Manager	198,197	174,258	108,761	481,216	121,187	96,537	77,079	294,803
Sindh sales tax on remuneration of the Pension Fund Manager	36,785	32,342	20,186	89,313	19,390	15,446	12,333	47,169
FED on remuneration of the Pension Fund Manager	31,712	27,881	17,402	76,995	19,390	15,446	12,333	47,169
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	30,647	31,350	24,765	86,762	12,118	11,584	11,561	35,263
Annual fee - Securities and Exchange Commission of Pakistan	4,360	4,600	3,589	12,549	2,666	2,549	2,543	7,758
Auditors' remuneration	13,068	13,068	13,068	39,204	12,604	12,604	12,604	37,812
Securities' transaction costs	32,689	2,225	1,000	35,914	59,524	1,500	325	61,349
Amortization of Formation cost	6,182	6,182	6,182	18,546	9,046	9,046	9,046	27,138
Others	16,776	16,776	16,760	50,312	-	-	-	-
Settlement and Bank charges	22,425	27,937	21,902	72,264	17,108	14,650	14,639	46,397
<b>Total Expenses</b>	<b>392,841</b>	<b>336,619</b>	<b>233,615</b>	<b>963,075</b>	<b>273,033</b>	<b>179,362</b>	<b>152,463</b>	<b>604,858</b>
<b>Net income / (loss) from operating activities</b>	<b>3,293,135</b>	<b>564,903</b>	<b>489,976</b>	<b>4,348,014</b>	<b>(422,789)</b>	<b>524,865</b>	<b>515,843</b>	<b>617,919</b>
Provision for Workers' Welfare Fund	7	(65,863)	(11,298)	(86,961)	-	(10,497)	(10,317)	(20,814)
<b>Net income / (loss) for the period before taxation</b>	<b>3,227,272</b>	<b>553,605</b>	<b>480,176</b>	<b>4,261,053</b>	<b>(422,789)</b>	<b>514,368</b>	<b>505,526</b>	<b>597,105</b>
Taxation	8	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>3,227,272</b>	<b>553,605</b>	<b>480,176</b>	<b>4,261,053</b>	<b>(422,789)</b>	<b>514,368</b>	<b>505,526</b>	<b>597,105</b>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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 QUARTER ENDED SEPTEMBER 30, 2014

	For the Quarter ended September 30, 2014 (Un-audited)				For the Quarter ended September 30, 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-----			
Net income / (loss) for the period after taxation	3,227,272	553,605	480,176	4,261,053	(422,789)	514,368	505,526	597,105
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>3,227,272</u>	<u>553,605</u>	<u>480,176</u>	<u>4,261,053</u>	<u>(422,789)</u>	<u>514,368</u>	<u>505,526</u>	<u>597,105</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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 QUARTER ENDED SEPTEMBER 30, 2014

Note	For the Quarter ended September 30, 2014 (Un-audited)				For the Quarter ended September 30, 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-----								
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	10 9,752,878	6,453,918	2,781,475	18,988,271	442,816	370,000	98,835	911,651
Amount paid on redemption of units	(794,101)	(287,482)	(203,158)	(1,284,741)	-	-	-	-
Effect of reallocation	806,970	(615,805)	(191,168)	(3)	-	-	-	-
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	605,255	30,537	11,334	647,126	-	-	-	-
Total comprehensive income for the period	3,227,272	553,605	480,176	4,261,053	(422,789)	514,368	505,526	597,105
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	(605,255)	(30,537)	(11,334)	(647,126)	-	-	-	-
<b>Net assets at the end of the period</b>	<b>63,656,129</b>	<b>58,977,229</b>	<b>44,557,551</b>	<b>167,190,909</b>	<b>30,280,670</b>	<b>31,156,600</b>	<b>30,890,769</b>	<b>92,328,039</b>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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 QUARTER ENDED SEPTEMBER 30, 2014

	For the Quarter ended September 30, 2014 (Un-audited)					For the Quarter ended September 30, 2013 (Un-audited)				
	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	3,227,272	553,605	480,176	-	4,261,053	(422,789)	514,368	505,526	-	597,105
<b>Adjustments</b>										
Net unrealised appreciation / Diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(2,302,147)	328,700	304,400	-	(1,669,047)	573,400	(8,400)	33,800	-	598,800
Preliminary Expenses & Floatation Cost	6,182	6,182	6,182	-	18,546	12,932	12,932	12,932	-	38,796
Gain on sale of investment-net	(671,112)	24,500	-	-	(646,612)	206,363	-	-	-	206,363
	<b>260,195</b>	<b>912,987</b>	<b>790,758</b>	-	<b>1,963,940</b>	<b>369,906</b>	<b>518,900</b>	<b>552,258</b>	-	<b>1,441,064</b>
<b>Decrease / (increase) in assets</b>										
Investments Net	(2,671,243)	(18,433,900)	(10,231,000)	-	(31,336,143)	(28,064,813)	(28,098,000)	(29,071,501)	-	(85,234,314)
Dividend receivable	(340,125)	-	-	-	(340,125)	(384,850)	-	-	-	(384,850)
Profit receivable	(27,672)	(804,977)	(733,083)	-	(1,565,732)	219,417	(863,731)	(824,352)	-	(1,468,666)
Receivable against sale of investments	3,862,494	-	-	-	3,862,494	-	-	-	-	-
Security deposit and other receivables	466,359	(851)	(393)	-	465,115	-	-	-	-	-
	<b>1,289,813</b>	<b>(19,239,728)</b>	<b>(10,964,476)</b>	-	<b>(28,914,391)</b>	<b>(28,230,246)</b>	<b>(28,961,731)</b>	<b>(29,895,853)</b>	-	<b>(87,087,830)</b>
<b>(Decrease) / increase in Liabilities</b>										
Payable against purchase of investments	(1,603,458)	-	-	-	(1,603,458)	132,869	1,500	325	-	134,694
Payable to the Pension Fund Manager	98,340	86,428	53,687	894,578	1,133,033	152,826	120,311	94,695	27,349	395,181
Payable to the Central Depository Company of Pakistan Limited	136	(376)	27	-	(213)	12,118	11,585	11,562	-	35,265
Payable to the Securities and Exchange Commission of Pakistan	(10,653)	(9,372)	(9,053)	-	(29,078)	2,666	2,548	2,544	-	7,758
Payable against redemption of units	(5,939,608)	287,700	202,709	-	(5,449,199)	-	-	-	-	-
Accrued expenses and other liabilities	35,126	66,818	61,245	-	163,189	7,301	27,434	26,624	-	61,359
	<b>(7,420,117)</b>	<b>431,198</b>	<b>308,615</b>	<b>894,578</b>	<b>(5,785,726)</b>	<b>307,780</b>	<b>163,378</b>	<b>135,750</b>	<b>27,349</b>	<b>634,257</b>
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(5,870,109)</b>	<b>(17,895,543)</b>	<b>(9,865,103)</b>	<b>894,578</b>	<b>(32,736,177)</b>	<b>(27,552,560)</b>	<b>(28,279,453)</b>	<b>(29,207,845)</b>	<b>27,349</b>	<b>(85,012,509)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Amount received on issue of units	9,752,878	6,453,918	2,781,475	-	18,988,271	442,816	370,000	98,835	-	911,651
Amount paid on redemption of units	(794,101)	(287,482)	(203,158)	-	(1,284,741)	-	-	-	-	-
Effect of reallocation	806,970	(615,805)	(191,168)	-	(3)	-	-	-	-	-
<b>Net cash generated from financing activities</b>	<b>9,765,747</b>	<b>5,550,631</b>	<b>2,387,149</b>	-	<b>17,703,527</b>	<b>442,816</b>	<b>370,000</b>	<b>98,835</b>	-	<b>911,651</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>3,895,638</b>	<b>(12,344,912)</b>	<b>(7,477,954)</b>	<b>894,578</b>	<b>(15,032,650)</b>	<b>(27,109,744)</b>	<b>(27,909,453)</b>	<b>(29,109,010)</b>	<b>27,349</b>	<b>(84,100,858)</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>11,263,450</b>	<b>6,536,941</b>	<b>4,748,992</b>	<b>1,040,578</b>	<b>23,589,961</b>	<b>3,056,651</b>	<b>2,247,670</b>	<b>1,048,113</b>	<b>27,349</b>	<b>6,379,783</b>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 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 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 listed equity securities, investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) of equity sub-fund or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV of equity sub-fund or index weight, subject to a maximum of 35% of NAV of equity sub-fund. Remaining assets of the equity sub-fund may be invested in government treasury bills or government securities having less than one year time to maturity, or be deposited with scheduled commercial banks having at least A rating.
- The Debt sub-fund consists of 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.

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

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 Principal accounting policies adopted for the preparation of this condensed interim financial statements for the quarter ended September 30, 2014 are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2014.

## 4 INVESTMENTS - NET

	Note	September 30, 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-----									
At fair value through profit or loss - held for trading									
Equity securities - listed	4.1	52,894,946	-	-	52,894,946	47,250,444	-	-	47,250,444
Government of Pakistan Ijara Sukuk	4.2	-	51,774,600	39,379,700	91,154,300	-	33,693,900	29,453,100	63,147,000
Sukuk	4.3	-	-	-	-	-	-	-	-
		<u>52,894,946</u>	<u>51,774,600</u>	<u>39,379,700</u>	<u>144,049,246</u>	<u>47,250,444</u>	<u>33,693,900</u>	<u>29,453,100</u>	<u>110,397,444</u>

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## 4.1 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 September 30, 2014	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) -----		----- % -----	
<b>Pharma and Bio Tech</b>								
Abbott Laboratories (Pakistan) Limited	2,800	-	-	-	2,800	1,697,976	2.67	0.00
GlaxoSmithKline (Pakistan) Limited	6,380	-	-	3,000	3,380	679,380	1.07	0.00
The Searle Company Limited	-	5,500	-	1,100	4,400	1,077,780	1.69	0.01
Ferozsons Laboratories Limited	-	2,300	-	400	1,900	772,065	1.21	0.01
<b>Construction and Material (Cement)</b>								
D.G. Khan Cement Limited	14,500	3,500	-	9,000	9,000	717,300	1.13	0.00
Lafarge Pakistan Cement Ltd	18,000	-	-	18,000	-	-	-	-
Lucky Cement Limited	7,200	2,100	-	1,700	7,600	3,052,084	4.79	0.00
Maple Leaf Cement Factory Limited	73,000	13,500	-	16,000	70,500	1,916,895	3.01	0.01
Akzo Nobel (Pakistan) Limited	12,200	-	-	2,700	9,500	1,818,110	2.86	0.02
Pioneer Cement Limited	48,000	25,500	-	34,500	39,000	2,060,370	3.24	
<b>Commerical Banks</b>								
Bank Islami Pakistan Limited	78,500	13,000	8,302	-	99,802	920,557	1.45	0.02
Meezan Bank Limited	55,000	9,500	-	-	64,500	2,644,500	4.15	0.01
<b>Chemicals</b>								
Fauji Fertilizer Company Limited	-	17,000	-	1,200	15,800	1,792,352	2.82	0.00
Dyneea Pakistan Limited (Face value of Rs.5 each)	-	39,500	-	-	39,500	1,807,125	2.84	0.42
<b>General Industries</b>								
Ghani Glass Mills Limited	23,000	-	-	-	23,000	1,242,000	1.95	0.02
Thal Limited (Face value of Rs.5 each)	12,400	-	-	2,600	9,800	2,361,800	3.71	0.02
<b>Automobile and Parts</b>								
Ghandhara Nissan Limited	77,500	23,500	-	56,500	44,500	2,268,610	3.56	0.10
Honda Atlas Cars (Pakistan) Limited	10,500	8,000	-	14,000	4,500	632,475	0.99	0.00
Pak Suzuki Motor Company Limited	7,400	2,000	-	5,100	4,300	1,222,404	1.92	0.01
Sazgar Engineering Works Limited	84,500	-	-	23,500	61,000	2,159,400	3.39	0.34
Exide Pakistan Limited	-	1,000	-	1,000	-	-	-	-
Agriautos Industries Limited (Face value of Rs.5 each)	-	6,500	-	-	6,500	827,385	1.30	0.05
Baluchistan Wheels Limited	-	24,500	-	-	24,500	1,249,500	1.96	0.18
<b>Electricity</b>								
The Hub Power Company Limited	31,000	6,000	-	-	37,000	2,367,260	3.72	0.00
Kot Addu Power Company Limited	38,500	2,000	-	-	40,500	2,603,745	4.09	0.00
K-Electric Limited (Face value of Rs.3.5 each)	64,000	-	-	-	64,000	494,080	0.78	0.00
<b>PERSONAL GOODS (TEXTILE)</b>								
Nishat Mills Limited	11,500	1,000	-	-	12,500	1,487,500	2.34	0.00
Bata Pakistan limited	-	160	-	-	160	496,400	0.78	0.00
<b>Oil &amp; Gas Development</b>								
Oil and Gas Development Company Limited	5,800	-	-	500	5,300	1,309,418	2.06	0.00
Pakistan Oilfields Limited	4,800	1,100	-	900	5,000	2,657,200	4.17	0.00
Pakistan Petroleum Limited	9,380	9,352	-	1,200	17,532	3,963,109	6.23	0.00
Pakistan State Oil Company Limited	4,270	1,600	-	2,800	3,070	1,106,582	1.74	0.00
<b>Industrial Transportation</b>								
Pakistan National Shipping Corporation Limited	15,500	8,500	-	3,500	20,500	1,668,700	2.62	0.02
<b>FIXED LINE TELECOMMUNICATION</b>								
Pakistan Telecommunication Company Limited	73,500	20,000	-	40,000	53,500	1,247,085	1.96	0.00
<b>HOUSEHOLD GOODS</b>								
Tariq Glass Industries Limited	19,000	-	-	-	19,000	573,800	0.90	0.03
						<b>52,894,946</b>	<b>83.09</b>	<b>1.28</b>
Carrying Value as at September 30, 2014						<b>50,592,799</b>		

# NAFA ISLAMIC PENSION FUND

## 4.2 Ijara Sukuks

### 4.2.1 Debt Sub-Fund

Issue	Issue date	As at July 1, 2014	Purchases during the period	Matured/ Sold during the period	As at September 30, 2014	Market Value	Market value as a % of net assets of the Sub-Fund
		----- Face value (Rupees) -----			-----Rupees-----		
Government of Pakistan Ijara Sukuk - 09	26-Dec-11	4,000,000	-	-	4,000,000	4,010,800	6.80
Government of Pakistan Ijara Sukuk - 11	30-Apr-12	28,000,000	-	-	28,000,000	28,372,400	48.11
Government of Pakistan Ijara Sukuk - 14	28-Mar-13	-	19,000,000	-	19,000,000	19,391,400	32.88
		<b>32,000,000</b>	<b>19,000,000</b>	<b>-</b>	<b>51,000,000</b>	<b>51,774,600</b>	<b>87.79</b>
Carrying Value as at September 30, 2014						<u><b>52,103,300</b></u>	

### 4.2.2 Money Market Sub-Fund

Issue	Issue date	As at July 1, 2014	Purchases during the period	Matured/ Sold during the period	As at September 30, 2014	Market Value	Market value as a % of net assets of the Sub-Fund
		----- Face value (Rupees) -----			-----Rupees-----		
Government of Pakistan Ijara Sukuk - 09	26-Dec-11	20,000,000	-	-	20,000,000	20,054,000	34.00
Government of Pakistan Ijara Sukuk - 11	30-Apr-12	9,000,000	-	-	9,000,000	9,119,700	15.46
Government of Pakistan Ijara Sukuk - 14	28-Mar-13	-	10,000,000	-	10,000,000	10,206,000	17.30
		<b>29,000,000</b>	<b>10,000,000</b>	<b>-</b>	<b>39,000,000</b>	<b>39,379,700</b>	<b>66.77</b>
Carrying Value as at September 30, 2014						<u><b>39,684,100</b></u>	

## 4.3 Sukuks

### 4.3.1 Debt Sub-Fund

Issue	Issue date	As at July 1, 2014	Purchases during the period	Matured/ Sold during the period	As at September 30, 2014	Market Value	Market value as a % of net assets of the Sub-Fund
		----- Face value (Rupees) -----			-----Rupees-----		
K-Electric	19-Mar-14	1,000,000	-	1,000,000	-	-	-
		<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>



# NAFA ISLAMIC PENSION FUND

## 5 PROFIT RECEIVABLE

	September 30, 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-----			
Debt Securities	-	1,259,429	902,787	2,162,216	-	466,961	173,065	640,026
Savings accounts	54,212	72,803	41,070	168,085	26,540	60,294	37,709	124,543
	<b>54,212</b>	<b>1,332,232</b>	<b>943,857</b>	<b>2,330,301</b>	<b>26,540</b>	<b>527,255</b>	<b>210,774</b>	<b>764,569</b>

## 6 ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 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-----			
Provision for Workers' Welfare Fund	337,701	77,483	65,103	480,287	272,025	66,474	55,314	393,813
Payable to the auditors	72,768	72,768	72,768	218,304	59,700	59,700	59,700	179,100
Bank charges Payable	3,407	21,674	21,916	46,997	2,306	1,261	4,182	7,749
Printing charges	62,604	62,604	62,604	187,812	49,950	49,950	49,950	149,850
Legal and professional	24,172	24,172	24,156	72,500	19,668	19,668	19,668	59,004
Brokerage payable	-	-	325	325	74,573	-	-	74,573
Other charges payable	48,304	9,621	7,293	65,218	35,608	4,451	4,107	44,166
	<b>548,956</b>	<b>268,322</b>	<b>254,165</b>	<b>1,071,443</b>	<b>513,830</b>	<b>201,504</b>	<b>192,921</b>	<b>908,255</b>

## 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.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 0.48 million (including Rs. 0.09 million for the current year) (2014: Rs 0.38 million for the last year) in these financial statements. Had the same not been made the net asset value per unit of the equity, debt and money market sub fund Funds as at September 30, 2014 would have been higher by Rs 0.772, Rs 0.1444, and Rs 0.1598 per unit.

## 8 TAXATION

No provision for taxation for the quarter ended September 30, 2014 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, 2014 (June 30, 2014: Nil).

# NAFA ISLAMIC PENSION FUND

## 10 CONTRIBUTION TABLE

	For the quarter ended September 30, 2014 (Un-audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	66,977	9,752,878	58,774	6,453,918	25,506	2,781,475	151,257	18,988,271
	<b>66,977</b>	<b>9,752,878</b>	<b>58,774</b>	<b>6,453,918</b>	<b>25,506</b>	<b>2,781,475</b>	<b>151,257</b>	<b>18,988,271</b>
	For the quarter ended September 30, 2013 (Un-audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	4,410	442,816	3,626	370,000	968	98,835	9,004	911,651
	<b>4,410</b>	<b>442,816</b>	<b>3,626</b>	<b>370,000</b>	<b>968</b>	<b>98,835</b>	<b>9,004</b>	<b>911,651</b>

## 11 TRANSACTIONS WITH CONNECTED PERSONS

11.1 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.

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

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

### 11.4 Details of the transactions with connected persons are as follows:

	For the quarter ended September 30, 2014 (Un-audited)				For the quarter ended September 30, 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	198,197	174,258	108,761	481,216	121,187	96,537	77,079	294,803
Sales tax on remuneration of Pension Fund Manager	36,785	32,342	20,186	89,313	19,390	15,446	12,333	47,169
FED on remuneration of the Pension Fund Manager	31,712	27,881	17,402	76,995	19,390	15,446	12,333	47,169
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration	30,647	31,350	24,765	86,762	12,118	11,584	11,561	35,263
<b>Taurus Securities Limited</b>								
Brokerage Paid	6,387	-	-	6,387	-	-	-	-
<b>Thal Limited</b>								
Dividend Received	24,142	-	-	24,142	-	-	-	-
Purchase of shares Nil	-	-	-	-	-	-	-	-
Sale of shares 2,600	483,040	-	-	483,040	-	-	-	-

# NAFA ISLAMIC PENSION FUND

## 11.5 Amounts outstanding as at period end

	For the quarter ended September 30, 2014 (Un-audited)				For the year ended 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	66,369	57,638	35,794	159,801	10,803	8,831	5,548	25,182
Sindh Sales tax payable on management fee	12,967	11,382	7,065	31,414	1,904	1,642	1,026	4,572
FED payable on management fee	132,982	105,965	73,420	312,367	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	22,820,444	21,418,870	21,445,337	65,684,650	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	15,213,629	14,279,246	14,296,891	43,789,767	14,297,723	14,137,842	14,139,160	42,574,725
Number of units issued (seed capital)	104,134	129,496	130,311	363,941	104,134	129,496	130,311	363,941
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee Fee payable	6,509	5,367	4,715	16,591	6,373	5,743	4,688	16,804
<b>Thal Limited</b>								
Ordinary shares held 9,800 (June 2014: 12,400)	2,361,800	-	-	2,361,800	-	-	-	-

## 12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 30, 2014 by the Board of Directors of the Management Company.

## 13 GENERAL

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

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

## Head Office

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