



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

*Your investments & "NAFA" grow together*



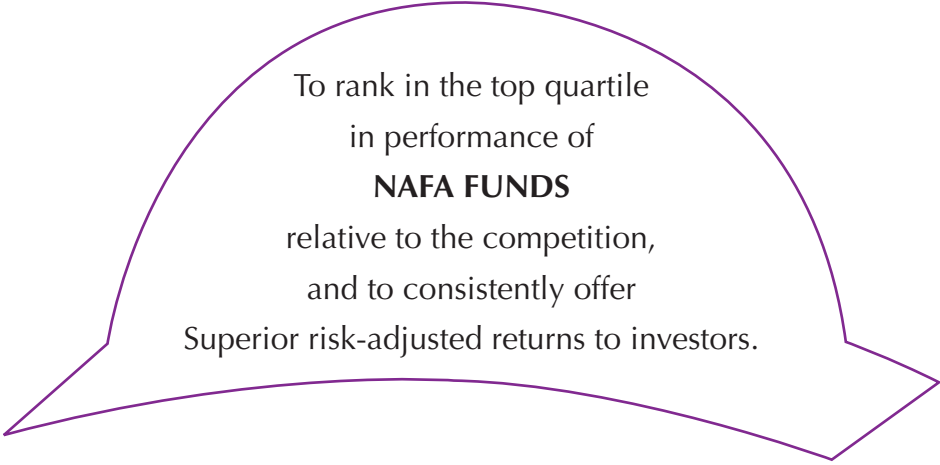
*Joint - Venture Partners*

# NAFA 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 PENSION FUND

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## 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

Allied Bank Limited  
Bank Alfalah Limited

# NAFA PENSION FUND

## **Auditors**

M. Yousuf Adil Saleem & Co.  
Chartered Accountants  
Cavish Court,  
A-35, Block 7 & 8,  
KCHSU, Sharae Faisal  
Karachi-75350 Pakistan

## **Legal Advisor**

M/s Jooma Law Associates  
205, E.I. Lines, Dr. Daudpota Road,  
Karachi.

## **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.

## **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 PENSION FUND

## DIRECTORS' REPORT

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

### Fund's Performance

This is the 1st quarterly report since launch of NAFA Pension Fund (NPF) 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
<b>NPF-Equity Sub-fund*</b>	<b>34</b>	<b>100.9836</b>	<b>101.6051</b>	<b>0.62%</b>
<b>NPF-Debt Sub-fund**</b>	<b>35</b>	<b>101.1781</b>	<b>103.1802</b>	<b>8.03%</b>
<b>NPF-Money Market Sub-fund**</b>	<b>33</b>	<b>101.2023</b>	<b>102.8666</b>	<b>6.67%</b>
<b>* Cumulative Return</b>				
<b>[Net of management fee &amp; all other expenses]</b>				
<b>** Simple Annualized Return</b>				

During the period, the stock market initially generated strong performance with a return of 7.7% 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 6.8% erosion in gains, thus the overall return during the period stood at 0.9%. Banking, Fixed Line Telecommunication, and Gas Water and Multi-utilities sectors performed better than the market. Oil & Gas, 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.

On the corporate debt sphere, trading activity in TFCs/Sukuku was skewed towards high quality issues, especially belonging to the financial sector. During the period under review, we have seen 50bps increase in the Policy Rate by the State Bank of Pakistan. Most TFCs/Sukuku 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 TFC/Sukuku portfolio and T-bills yield of Money Market portfolio.

<b>Asset Allocation (% of Net Assets)</b>	
<b>Equity Sub-fund</b>	
	<b>30-Sep-13</b>
Equity	90.54%
Cash Equivalents - Net	9.46%
<b>Total</b>	<b>100.00%</b>
<b>Debt Sub-fund</b>	
	<b>30-Sep-13</b>
Cash Equivalents - Net	14.18%
TFC/Sukuk	16.21%
T-Bills	69.61%
<b>Total</b>	<b>100.00%</b>
<b>Money Market Sub-fund</b>	
	<b>30-Sep-13</b>
Cash Equivalents - Net	8.29%
Short Term TFC/Sukuk	4.88%
T-Bills	86.83%
<b>Total</b>	<b>100.00%</b>

# NAFA 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 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 Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
-----Rupees-----										
<b>ASSETS</b>										
Bank balances	3,289,428	4,970,855	2,883,626	290,330	11,143,909	30,487,155	30,477,949	30,478,152	-	91,443,256
Investments - net	4 31,042,934	30,265,665	30,075,057	-	91,383,656	-	-	-	-	-
Dividend receivable	388,050	-	-	-	388,050	-	-	-	-	-
Profit receivable	5 17,861	269,493	106,982	-	394,336	-	-	-	-	-
Preliminary Expenses and Floatation Cost	57,960	57,960	57,960	-	173,880	70,959	70,959	70,959	-	212,877
Security deposit and other receivables	-	83,167	-	-	83,167	-	-	-	-	-
<b>Total assets</b>	<b>34,796,233</b>	<b>35,647,140</b>	<b>33,123,625</b>	<b>290,330</b>	<b>103,566,998</b>	<b>30,558,114</b>	<b>30,548,908</b>	<b>30,549,111</b>	<b>-</b>	<b>91,656,133</b>
<b>LIABILITIES</b>										
Payable against purchase of investments	108,555	-	325	-	108,880	-	-	-	-	-
Payable to the Pension Fund Manager	<b>345,429</b>	<b>294,875</b>	<b>248,900</b>	<b>290,330</b>	<b>889,204</b>	172,373	157,528	142,703	-	472,604
Payable to the Central Depository Company of Pakistan Limited - Trustee	20,345	19,695	19,240	-	59,280	7,317	7,317	7,318	-	21,952
Payable to the Securities and Exchange Commission of Pakistan	4,476	4,333	4,233	-	13,042	1,610	1,610	1,610	-	4,830
Accrued expenses and other liabilities	6 32,637	61,862	58,316	-	152,815	42,295	42,485	43,061	-	127,841
<b>Total liabilities</b>	<b>511,442</b>	<b>380,765</b>	<b>331,014</b>	<b>290,330</b>	<b>1,223,221</b>	<b>223,595</b>	<b>208,940</b>	<b>194,692</b>	<b>-</b>	<b>627,227</b>
<b>NET ASSETS</b>	<b>34,284,791</b>	<b>35,266,375</b>	<b>32,792,611</b>	<b>-</b>	<b>102,343,777</b>	<b>30,334,519</b>	<b>30,339,968</b>	<b>30,354,419</b>	<b>-</b>	<b>91,028,906</b>
<b>PARTICIPANTS' SUB-FUNDS (as per statement attached)</b>	<b>34,284,791</b>	<b>35,266,375</b>	<b>32,792,611</b>	<b>-</b>	<b>102,343,777</b>	<b>30,334,519</b>	<b>30,339,968</b>	<b>30,354,419</b>	<b>-</b>	<b>91,028,906</b>
Number of units in issue	337,432	341,794	318,788	-	998,014	300,060	299,970	299,970	-	900,000
Net asset value per unit	101.6051	103.1802	102.8666	-	-	101.0948	101.1433	101.1915	-	-
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 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-----				
<b>INCOME</b>				
Profit on bank deposits	61,466	235,225	122,955	419,646
Income from debt securities	-	79,034	5,929	84,963
Income from government securities	-	396,022	556,414	952,436
Dividend income	462,300	-	-	462,300
Net gain on sale of investments at fair value through income statement	142,400	-	-	142,400
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(429,699)	152,212	(2,057)	(279,544)
<b>Total income</b>	<b>236,467</b>	<b>862,493</b>	<b>683,241</b>	<b>1,782,201</b>
<b>EXPENSES</b>				
Remuneration of Pension Fund Manager	130,275	103,151	79,480	312,906
Sindh sales tax on remuneration of the Pension Fund Manager	20,844	16,504	12,717	50,065
FED on remuneration of the Pension Fund Manager	20,844	16,504	12,717	50,065
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	13,028	12,378	11,922	37,328
Annual fee - Securities and Exchange Commission of Pakistan	2,866	2,723	2,622	8,211
Auditors' remuneration	12,604	12,604	12,604	37,812
Securities' transaction costs	65,152	-	325	65,477
Amortization of Formation cost	9,046	9,046	9,046	27,138
Settlement and Bank charges	17,204	14,650	12,050	43,904
<b>Total Expenses</b>	<b>291,863</b>	<b>187,560</b>	<b>153,483</b>	<b>632,906</b>
<b>Net income / (loss) from operating activities</b>	<b>(55,396)</b>	<b>674,933</b>	<b>529,758</b>	<b>1,149,295</b>
Provision for Workers' Welfare Fund	-	(13,499)	(10,595)	(24,094)
<b>Net income / (loss) for the period before taxation</b>	<b>(55,396)</b>	<b>661,434</b>	<b>519,163</b>	<b>1,125,201</b>
Taxation	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>(55,396)</b>	<b>661,434</b>	<b>519,163</b>	<b>1,125,201</b>

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 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 / (loss) for the period after taxation	(55,396)	661,434	519,163	1,125,201
Other comprehensive income / (loss) for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(55,396)</b>	<b>661,434</b>	<b>519,163</b>	<b>1,125,201</b>

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 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	30,334,519	30,339,968	30,354,419	91,028,906	
Amount received on issuance of units	10	4,005,668	4,264,973	1,919,029	10,189,670
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	(429,699)	152,212	(2,057)	(279,544)	
Gain on sale of investments	142,400	-	-	142,400	
Other income (net of expenses)	231,903	509,222	521,220	1,262,345	
Total comprehensive income for the period	(55,396)	661,434	519,163	1,125,201	
Net assets at the end of the period	34,284,791	35,266,375	32,792,611	102,343,777	

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 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-----					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income for the period before taxation	(55,396)	661,434	519,163	-	1,125,201
<b>Adjustments</b>					
Net unrealised appreciation / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	429,699	(152,212)	2,057	-	279,544
Gain on sale of investment-net	(142,400)	-	-	-	(142,400)
	<b>231,903</b>	<b>509,222</b>	<b>521,220</b>	<b>-</b>	<b>1,262,345</b>
<b>Decrease / (increase) in assets</b>					
Investments Net	(31,330,233)	(30,113,453)	(30,077,114)	-	(91,520,800)
Dividend receivable	(388,050)	-	-	-	(388,050)
Preliminary Expenses & Floatation Cost	12,999	12,999	12,999	-	38,997
Profit receivable	(17,861)	(269,493)	(106,982)	-	(394,336)
Security deposit and other receivables	-	(83,167)	-	-	(83,167)
	<b>(31,723,145)</b>	<b>(30,453,114)</b>	<b>(30,171,097)</b>	<b>-</b>	<b>(92,347,356)</b>
<b>(Decrease) / increase in Liabilities</b>					
Payable against purchase of investments	108,555	-	325	-	108,880
Payable to the Pension Fund Manager	173,056	137,347	106,197	290,330	416,600
Payable to the Central Depository Company of Pakistan Limited	13,028	12,378	11,922	-	37,328
Payable to the Securities and Exchange Commission of Pakistan	2,866	2,723	2,623	-	8,212
Accrued expenses and other liabilities	(9,658)	19,377	15,255	-	24,974
	<b>287,847</b>	<b>171,825</b>	<b>136,322</b>	<b>290,330</b>	<b>595,994</b>
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(31,203,395)</b>	<b>(29,772,067)</b>	<b>(29,513,555)</b>	<b>290,330</b>	<b>(90,489,017)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Amount received on issue of units	4,005,668	4,264,973	1,919,029	-	10,189,670
<b>Net cash generated from financing activities</b>	<b>4,005,668</b>	<b>4,264,973</b>	<b>1,919,029</b>	<b>-</b>	<b>10,189,670</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(27,197,727)</b>	<b>(25,507,094)</b>	<b>(27,594,526)</b>	<b>290,330</b>	<b>(80,299,347)</b>
Cash and cash equivalents at the beginning of the period	30,487,155	30,477,949	30,478,152	-	91,443,256
<b>Cash and cash equivalents at the end of the period</b>	<b>3,289,428</b>	<b>4,970,855</b>	<b>2,883,626</b>	<b>290,330</b>	<b>11,143,909</b>

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

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

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

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

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

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

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

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

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

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

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

## 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 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 Principal 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 year ended June 30, 2013.

# NAFA 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-----				
<b>At fair value through profit or loss - held for trading</b>									
Equity securities - listed	4.1	31,042,934	-	-	31,042,934	-	-	-	-
Treasury Bills	4.2	-	24,547,350	28,474,926	53,022,276	-	-	-	-
Term Finance Certificates	4.3	-	5,718,315	1,600,131	7,318,446	-	-	-	-
		-	30,265,665	30,075,057	60,340,722	-	-	-	-
		31,042,934	30,265,665	30,075,057	91,383,656	-	-	-	-

### 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) -----		----- % -----	

#### SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs.10 each unless stated otherwise

Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.

<b>Oil and Gas</b>									
Attock Petroleum Limited	-	500	100	-	600	288,085	258,936	0.76	0.0007
Oil & Gas Development Company Limited	-	11,200	-	-	11,200	2,643,059	2,632,224	7.68	0.0003
Pakistan Oilfields Limited	-	5,100	-	300	4,800	2,465,588	2,057,904	6.00	0.0020
Pakistan Petroleum Limited	-	13,800	2,620	700	15,720	2,896,812	2,996,232	8.74	0.0008
Pakistan State Oil Company Limited	-	8,500	-	8,500	-	-	-	-	-
<b>Chemicals</b>									
Engro Corporation Limited	-	13,200	-	7,100	6,100	899,761	828,258	2.42	0.0012
<b>Construction and Materials (Cement)</b>									
D G Khan Cement Company Limited	-	22,000	-	13,500	8,500	736,578	585,395	1.71	0.0019
Pioneer Cement Company	-	36,000	-	-	36,000	1,039,930	1,029,600	3.00	0.0158
Cherat Cement Company Limited	-	29,000	-	20,500	8,500	542,630	420,410	1.23	0.0089
Maple Leaf Cement Factory	-	13,000	-	13,000	-	-	-	-	-
Kohat Cement Limited	-	23,500	-	13,000	10,500	971,585	971,985	2.84	0.0082
Lucky Cement Limited	-	5,500	-	2,600	2,900	634,074	670,741	1.96	0.0009
<b>Personal Goods (Textile)</b>									
Nishat (Chunian) Limited	-	28,500	-	1,000	27,500	1,660,812	1,547,700	4.51	0.0075
Nishat Mills Limited	-	17,400	-	1,600	15,800	1,581,281	1,464,186	4.27	0.0045
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication Company Limited	-	72,000	-	-	72,000	1,793,860	1,883,520	5.49	0.0019
<b>Electricity</b>									
Kot Addu Power Company Limited	-	43,000	-	-	43,000	2,613,775	2,742,540	8.00	0.0049
Nishat Power Limited	-	22,000	-	-	22,000	762,970	677,600	1.98	0.0062
The Hub Power Company Limited	-	45,500	-	16,500	29,000	1,855,490	1,848,170	5.39	0.0025
Balance Carry forward	-	409,700	2,720	98,300	314,120	23,386,290	22,615,401	65.96	

# NAFA 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) -----			----- % -----	
Balance brought forward	-	409,700	2,720	98,300	314,120	23,386,290	22,615,401	65.96	
Commercial Banks									
Bank ALHabit Limited	-	85,000	-	10,000	75,000	2,515,676	2,720,250	7.93	0.0074
Bank Alfalah Limited	-	146,000	-	16,000	130,000	2,845,687	2,722,200	7.94	0.0096
Habib Bank Limited	-	2,400	-	2,400	-	-	-	-	-
Meezan Bank Limited	-	19,500	-	-	19,500	594,750	723,645	2.11	0.0019
National Bank of Pakistan	-	18,500	-	18,500	-	-	-	-	-
United Bank Limited	-	14,500	-	8,400	6,100	715,030	809,043	2.36	0.0005
Industrial Corporation									
Pakistan National Shipping Corporation	-	23,500	-	13,000	10,500	532,455	610,365	1.78	0.0525
General Industrials									
Thal Limited	-	7,000	-	-	7,000	882,745	842,030	2.46	0.0173
	-	726,100	2,720	166,600	562,220	31,472,633	31,042,934	90.54	

## 4.2 Treasury Bills

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

Treasury Bills	-	66,000,000	41,000,000	25,000,000	<u>24,547,350</u>	<u>69.61</u>
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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
----- (Rupees) -----				----- % -----	

### 4.2.2 Money Market Sub-Fund

Treasury Bills	-	79,000,000	50,000,000	29,000,000	<u>28,474,926</u>	<u>86.83</u>
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# NAFA PENSION FUND

## 4.3 Term Finance Certificates

### 4.3.1 Debt Sub-Fund

Name of the investee company	Status	As at July 1, 2013	Purchases during the period	Sales / matured during the period	As at September 30, 2013	Carrying Value	Market Value	Market value as a % of net assets of the Sub-Fund
----- Number of shares -----					----- Rupees -----		----- % -----	
<b>Commercial Banks</b>								
Allied Bank Limited	Listed	-	9	-	9	32,238	33,836	0.10
Faysal Bank Limited - III	Listed	-	300	-	300	1,520,978	1,583,204	4.49
Standard Chartered Bank Limited - IV	Listed	-	470	-	470	2,361,750	2,394,631	6.79
United Bank Limited - III	Listed	-	100	-	100	237,774	166,614	0.47
<b>Communication</b>								
Pakistan Mobile Communication Limited	Listed	-	150	-	150	751,875	750,062	2.13
<b>Chemicals</b>								
Engro Fertilizers Limited PRP - I	Listed	-	165	-	165	744,150	789,968	2.24
						<u>5,648,765</u>	<u>5,718,315</u>	<u>16.22</u>
<b>Money Market Sub-Fund</b>								
<b>Communication</b>								
Pakistan Mobile Communication Limited	Listed	-	320	-	320	<u>1,601,600</u>	<u>1,600,131</u>	<u>4.88</u>

	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 -----							
<b>5 PROFIT RECEIVABLE</b>								
Debt Securities	-	206,880	77,068	283,948	-	-	-	-
Savings accounts	17,861	62,613	29,914	110,388	-	-	-	-
	<u>17,861</u>	<u>269,493</u>	<u>106,982</u>	<u>394,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>6 ACCRUED EXPENSES AND OTHER LIABILITIES</b>								
Provision for Workers' Welfare Fund	7,508	20,498	17,889	45,895	6,704	6,999	7,294	20,997
Payable to the auditors	22,604	22,604	22,604	67,812	10,000	10,000	10,000	30,000
Others	2,525	18,760	17,823	39,108	25,591	25,486	25,767	76,844
	<u>32,637</u>	<u>61,862</u>	<u>58,316</u>	<u>152,815</u>	<u>42,295</u>	<u>42,485</u>	<u>43,061</u>	<u>127,841</u>

## 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**".

# NAFA PENSION FUND

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 Honorable 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. 45,895 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).

## 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	37,372	4,005,668	41,824	4,264,973	18,818	1,919,029	10,189,670
	37,372	4,005,668	41,824	4,264,973	18,818	1,919,029	10,189,670

## 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 respectively.

# NAFA PENSION FUND

## 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-----				
<b>NBP Fullerton Asset Management Limited - Pension Fund Manager</b>				
Management fee	130,275	103,151	79,480	312,906
Sales tax on remuneration of Pension Fund Manager	20,844	16,504	12,717	50,065
FED on remuneration of the Pension Fund Manager	20,844	16,504	12,717	50,065
<b>Employees of the Company</b>				
Amount of units issued	9,600	2,400	-	12,000
Number of units issued	92	24	-	116
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee Fee	13,028	12,378	11,922	37,328

## 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-----								
<b>NBP Fullerton Asset Management Limited - Pension Fund Manager</b>								
Management fee payable	203,448	164,124	128,269	495,841	73,173	60,973	48,790	182,936
Sindh Sales tax payable on management fee	32,551	26,260	20,523	79,334	12,281	10,234	8,189	30,704
FED payable on management fee	24,429	19,492	15,108	59,029	3,585	2,988	2,391	8,964
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	10,000	10,000	10,000	30,000	8,334	8,333	8,333	25,000
Amount of units issued	18,292,576	18,570,579	18,514,136	55,377,291	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
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>								
Amount of units issued	12,195,051	12,380,386	12,342,758	36,918,195	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
<b>Employees of the Company</b>								
Amount of units issued	9,395	2,445	-	11,840	-	-	-	-
Number of units issued	92	24	-	116	-	-	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee Fee payable	20,345	19,695	19,240	59,280	7,317	7,317	7,318	21,952

## 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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