



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

NAFA PENSION FUND

QUARTERLY REPORT SEPTEMBER 30

2014



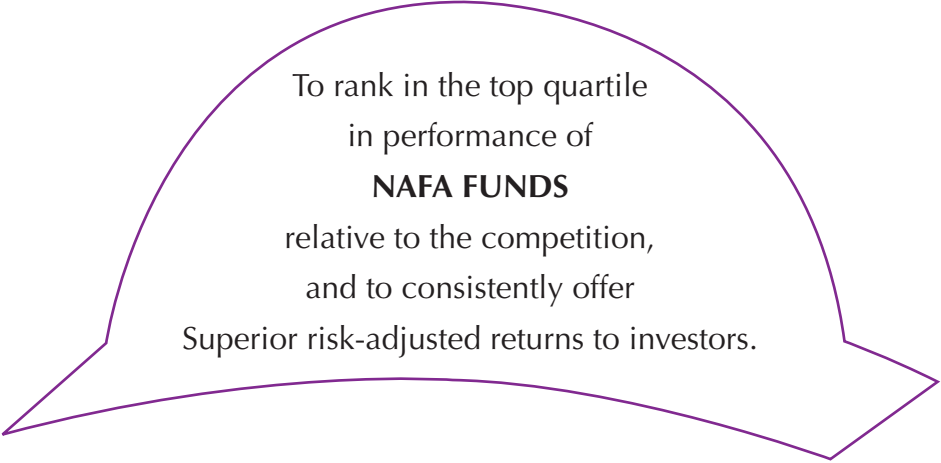
Your investments & "NAFA" grow together



**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 PENSION FUND

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NAFA PENSION FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. 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 Shakra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Standard Chartered Bank (Pakistan) 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

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

NAFA PENSION FUND

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, 2014.

Fund's Performance

This is the 1st quarterly report of NAFA Pension Fund (NPF) 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
NPF-Equity Sub-fund	135.1	100.9836	150.1592	37.5%
NPF-Debt Sub-fund	112.3	101.1781	111.9980	8.5%
NPF-Money Market Sub-fund	126.7	101.2023	111.1060	7.8%
* 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 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 KSE-100 Index inched up by just 0.25% during the period to settle at 29,726 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.

On the corporate debt sphere, trading activity in TFCs remained skewed towards high quality issues, especially those belonging to the financial sector. 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 TFCs in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period. Therefore, they carry a relatively low interest rate risk as any increase in interest rates will increase the coupon income of the TFC portfolio.

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

Asset Allocation (% of Net Assets)	
Equity Sub-fund 30-Sep-14	
Equity	95.29%
Cash Equivalents - Net	4.71%
Total	100.00%
Debt Sub-fund 30-Sep-14	
Cash Equivalents - Net	14.00%
TFC/Sukuk	11.33%
PIBs	74.67%
Total	100.00%
Money Market Sub-fund 30-Sep-14	
Cash Equivalents - Net	37.17%
Short Term TFC/Sukuk	9.63%
T-Bills	53.20%
Total	100.00%

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, 2014

Place: Karachi.

NAFA 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	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	5,994,957	14,095,016	47,884,094	2,257,733	70,231,800	15,829,964	20,983,725	8,695,569	647,340	46,156,598
Investments - net	128,692,833	96,545,249	79,585,793	-	304,823,875	91,723,736	67,004,761	108,086,052	-	266,814,549
Dividend receivable	1,038,350	-	-	-	1,038,350	207,375	-	-	-	207,375
Profit receivable	33,954	2,721,199	348,659	-	3,103,812	-	2,447,198	31,457	-	2,478,655
Preliminary Expenses and Floatation Cost	39,709	39,709	39,709	-	119,127	45,959	45,959	45,959	-	137,877
Receivable against sale of investments	-	-	-	-	-	3,289,832	-	-	-	3,289,832
Security deposit and other receivables	775,396	111,523	100,966	-	987,885	882,250	100,000	100,000	-	1,082,250
Total assets	136,575,199	113,512,696	127,959,221	2,257,733	380,304,849	111,979,116	90,581,643	116,959,037	647,340	320,167,136
LIABILITIES										
Payable to the Pension Fund Manager	474,057	365,427	340,164	2,257,733	3,437,381	238,574	196,559	183,811	647,340	1,266,284
Payable to the Central Depository Company of Pakistan Limited - Trustee	15,804	13,561	15,705	-	45,070	11,633	9,338	13,679	-	34,650
Payable to the Securities and Exchange Commission of Pakistan	9,828	8,483	10,243	-	28,554	20,165	18,243	19,710	-	58,118
Payable against redemption of units	176,992	511,352	558,820	-	1,247,164	-	-	-	-	-
Payable against purchase of investments	-	-	-	-	-	5,400,602	-	-	-	5,400,602
Accrued expenses and other liabilities	844,828	350,863	357,119	-	1,552,810	587,571	227,963	230,707	-	1,046,241
Total liabilities	1,521,509	1,249,686	1,282,051	2,257,733	6,310,979	6,258,545	452,103	447,907	647,340	7,805,895
NET ASSETS	135,053,690	112,263,010	126,677,170	-	373,993,870	105,720,571	90,129,540	116,511,130	-	312,361,241
PARTICIPANTS' SUB-FUNDS (as per statement attached)	135,053,690	112,263,010	126,677,170	-	373,993,870	105,720,571	90,129,540	116,511,130	-	312,361,241
Number of units in issue	899,403.51	1,002,365.93	1,140,147.33		3,041,917	752,971.00	823,699.90	1,070,465.00		2,647,136
Net asset value per unit	150.1592	111.9980	111.1060			140.4046	109.4204	108.8416		

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 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-----				
INCOME									
Profit on bank deposits	339,959	189,754	576,446	1,106,159	61,466	235,225	122,955	419,646	
Income from debt securities	-	351,183	82,781	433,964	-	79,034	5,929	84,963	
Income from government securities	-	2,287,781	2,538,532	4,826,313	-	396,022	556,414	952,436	
Dividend income	1,169,250	-	-	1,169,250	462,300	-	-	462,300	
Net gain/ (loss) on sale of investments at fair value through income statement	1,580,022	(38,179)	(2,915)	1,538,928	142,400	-	-	142,400	
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6,505,130	238,230	(49,058)	6,694,302	(429,699)	152,212	(2,057)	(279,544)	
Total income	9,594,361	3,028,769	3,145,786	15,768,916	236,467	862,493	683,241	1,782,201	
EXPENSES									
Remuneration of Pension Fund Manager	446,735	321,335	310,396	1,078,466	130,275	103,151	79,480	312,906	
Sindh sales tax on remuneration of the Pension Fund Manager	82,914	59,640	57,610	200,164	20,844	16,504	12,717	50,065	
FED on remuneration of the Pension Fund Manager	71,478	51,414	49,663	172,555	20,844	16,504	12,717	50,065	
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	44,673	38,560	46,560	129,793	13,028	12,378	11,922	37,328	
Annual fee - Securities and Exchange Commission of Pakistan	9,828	8,483	10,243	28,554	2,866	2,723	2,622	8,211	
Auditors' remuneration	13,068	13,068	13,068	39,204	12,604	12,604	12,604	37,812	
Securities' transaction costs	89,495	420	325	90,240	65,152	-	325	65,477	
Amortization of Formation cost	4,600	4,600	4,600	13,800	9,046	9,046	9,046	27,138	
Others	16,776	16,776	16,776	50,328	-	-	-	-	
Settlement and Bank charges	42,358	53,788	46,991	143,137	17,204	14,650	12,050	43,904	
Total Expenses	821,925	568,084	556,232	1,946,241	291,863	187,560	153,483	632,906	
Net income / (loss) from operating activities	8,772,436	2,460,685	2,589,554	13,822,675	(55,396)	674,933	529,758	1,149,295	
Provision for Workers' Welfare Fund	7	(175,449)	(49,214)	(51,791)	(276,454)	-	(13,499)	(10,595)	(24,094)
Net income / (loss) for the period before taxation	8,596,987	2,411,471	2,537,763	13,546,221	(55,396)	661,434	519,163	1,125,201	
Taxation	8	-	-	-	-	-	-	-	
Net income / (loss) for the period after taxation	8,596,987	2,411,471	2,537,763	13,546,221	(55,396)	661,434	519,163	1,125,201	

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 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	8,596,987	2,411,471	2,537,763	13,546,221	(55,396)	661,434	519,163	1,125,201
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	<u>8,596,987</u>	<u>2,411,471</u>	<u>2,537,763</u>	<u>13,546,221</u>	<u>(55,396)</u>	<u>661,434</u>	<u>519,163</u>	<u>1,125,201</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 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-----				-----Rupees-----				
Net assets at the beginning of the period	105,720,571	90,129,540	116,511,130	312,361,241	30,334,519	30,339,968	30,354,419	91,028,906	
Amount received on issuance of units	10	20,207,993	19,451,124	9,577,760	49,236,877	4,005,668	4,264,973	1,919,029	10,189,670
Amount paid on redemption of units		(175,401)	(863,188)	(622,339)	(1,660,928)	-	-	-	-
Effect of reallocation		703,540	1,134,063	(1,327,144)	510,459	-	-	-	-
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		176,330	172,292	43,941	392,563	-	-	-	-
Total comprehensive income for the period		8,596,987	2,411,471	2,537,763	13,546,221	(55,396)	661,434	519,163	1,125,201
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed		(176,330)	(172,292)	(43,941)	(392,563)	-	-	-	-
Net assets at the end of the period		135,053,690	112,263,010	126,677,170	373,993,870	34,284,791	35,266,375	32,792,611	102,343,777

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 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-----				
CASH FLOWS FROM OPERATING ACTIVITIES										
Net income for the period before taxation	8,596,987	2,411,471	2,537,763	-	13,546,221	(55,396)	661,434	519,163	-	1,125,201
Adjustments										
Net unrealised appreciation / Diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(6,505,130)	(238,230)	49,058	-	(6,694,302)	429,699	(152,212)	2,057	-	279,544
Preliminary Expenses & Floatation Cost	6,250	6,250	6,250	-	18,750	12,999	12,999	12,999	-	38,997
	2,098,107	2,179,491	2,593,071	-	6,870,669	244,902	522,221	534,219	-	1,301,342
Decrease / (increase) in assets										
Investments Net	(30,463,967)	(29,302,258)	28,454,116	-	(31,312,109)	(31,330,233)	(30,113,453)	(30,077,114)	-	(91,520,800)
Dividend receivable	(830,975)	-	-	-	(830,975)	(388,050)	-	-	-	(388,050)
Profit receivable	(33,954)	(274,001)	(317,202)	-	(625,157)	(17,861)	(269,493)	(106,982)	-	(394,336)
Receivable against sale of investments	3,289,832	-	-	-	3,289,832	-	-	-	-	-
Security deposit and other receivables	106,854	(11,523)	-	-	95,331	-	(83,167)	-	-	(83,167)
	(27,932,210)	(29,587,782)	28,136,914	-	(29,383,078)	(31,736,144)	(30,466,113)	(30,184,096)	-	(92,386,353)
(Decrease) / increase in Liabilities										
Payable against purchase of investments	(5,400,602)	-	-	-	(5,400,602)	108,555	-	325	-	108,880
Payable to the Pension Fund Manager	235,483	168,868	156,353	1,610,393	2,171,097	173,056	137,347	106,197	290,330	706,930
Payable to the Central Depository Company of Pakistan Limited	4,171	4,223	2,026	-	10,420	13,028	12,378	11,922	-	37,328
Payable to the Securities and Exchange Commission of Pakistan	(10,337)	(9,760)	(9,467)	-	(29,564)	2,866	2,723	2,623	-	8,212
Payable against redemption of units	176,992	511,352	558,820	-	1,247,164	-	-	-	-	-
Accrued expenses and other liabilities	257,256	129,900	122,531	-	509,687	(9,658)	19,377	15,255	-	24,974
	(4,737,037)	797,583	830,263	1,610,393	(1,498,798)	287,847	171,825	136,322	290,330	595,994
Net cash (outflow) / inflow from operating activities	(30,571,140)	(26,610,708)	31,560,248	1,610,393	(24,011,206)	(31,203,395)	(29,772,067)	(29,513,555)	290,330	(90,489,017)
CASH FLOWS FROM FINANCING ACTIVITIES										
Amount received on issue of units	20,207,993	19,451,124	9,577,760	-	49,236,877	4,005,668	4,264,973	1,919,029	-	10,189,670
Amount paid on redemption of units	(175,401)	(863,188)	(622,339)	-	(1,660,928)	-	-	-	-	-
Effect of reallocation	703,540	1,134,063	(1,327,144)	-	510,459	-	-	-	-	-
Net cash generated from financing activities	20,736,132	19,721,999	7,628,277	-	48,086,408	4,005,668	4,264,973	1,919,029	-	10,189,670
Net (decrease) / increase in cash and cash equivalents	(9,835,008)	(6,888,709)	39,188,525	1,610,393	24,075,202	(27,197,727)	(25,507,094)	(27,594,526)	290,330	(80,299,347)
Cash and cash equivalents at the beginning of the period	15,829,964	20,983,725	8,695,569	647,340	46,156,598	30,487,155	30,477,949	30,478,152	-	91,443,256
Cash and cash equivalents at the end of the period	5,994,957	14,095,016	47,884,094	2,257,733	70,231,800	3,289,428	4,970,855	2,883,626	290,330	11,143,909

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 PENSION FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

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.

NAFA PENSION FUND

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	Debt	Money Market	Total	Equity	Debt	Money Market	Total	
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund		
	-----Rupees-----				-----Rupees-----				
At fair value through profit or loss - held for trading									
Equity securities - listed	4.1	128,692,833	-	-	128,692,833	91,723,736	-	-	91,723,736
Government of Pakistan - Treasury Bills	4.2	-	-	67,388,079	67,388,079	-	11,447,510	108,086,052	119,533,562
Government of Pakistan - Pakistan Investment Bonds	4.2	-	83,821,413	-	83,821,413	-	43,602,363	-	43,602,363
Term Finance Certificates	4.3	-	12,723,836	12,197,714	24,921,550	-	11,954,888	-	11,954,888
		<u>128,692,833</u>	<u>96,545,249</u>	<u>79,585,793</u>	<u>304,823,875</u>	<u>91,723,736</u>	<u>67,004,761</u>	<u>108,086,052</u>	<u>266,814,549</u>

NAFA PENSION FUND

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 otherwise stated)

Name of the investee company	As at July 1, 2014	Purchases during the period	Bonus / Right during the period	Sales during the period	As at 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)		%	
Automobile and Parts								
General Tyre and Rubber company of Pakistan Limited.	22,000	-	-	-	22,000	2,237,620	1.66	0.04
Honda Atlas Cars (Pakistan) Limited	26,500	17,500	-	33,500	10,500	1,475,775	1.09	0.01
Ghandara Nissan Limited	92,500	23,000	-	60,500	55,000	2,803,900	2.08	0.12
Sagzor Engineering Works Limited	118,500	-	-	-	118,500	4,194,900	3.11	0.66
Pak Suzuki Motor Company Limited	11,500	8,200	-	11,500	8,200	2,331,096	1.73	0.01
Exide Pakistan Limited	-	1,800	-	1,800	-	-	-	-
Agriaautos Industries Limited (Face value of Rs. 5 each)	-	21,000	-	-	21,000	2,673,090	1.98	0.15
Baluchistan Wheels Limited	-	54,000	-	-	54,000	2,754,000	2.04	0.40
Pharma and Bio Tech								
Abbott Laboratories (Pakistan) Limited	3,400	-	-	-	3,400	2,061,828	1.53	0.00
Ferozsons Laboratories Limited	-	5,000	-	900	4,100	1,666,035	1.23	0.01
Construction and Material (Cement)								
Pioneer Cement Limited	77,500	69,500	-	65,500	81,500	4,305,645	3.19	0.04
Maple Leaf Cement Factory Limited	83,000	130,000	-	36,000	177,000	4,812,630	3.56	0.03
Kohat Cement Company Limited	-	5,000	-	5,000	-	-	-	-
Lucky Cement Limited	9,200	14,400	-	3,800	19,800	7,951,482	5.89	0.01
D. G. Khan Cement Company Limited	27,000	-	-	19,000	8,000	637,600	0.47	0.00
AkzoNobel (Pakistan) Limited	16,500	-	-	-	16,500	3,157,770	2.34	0.04
Commercial Banks								
United Bank Limited	44,060	5,100	-	3,000	46,160	8,693,774	6.44	0.00
Allied Bank Limited	200	-	-	200	-	-	-	-
MCB Bank Limited	9,900	-	-	-	9,900	2,797,443	2.07	0.00
Habibmetro Bank Limited	77,500	9,500	-	-	87,000	2,740,500	2.03	0.01
Habib Bank Limited	-	12,000	-	-	12,000	2,510,160	1.86	0.00
Faysal Bank Limited	104,000	209,000	-	-	313,000	5,627,740	4.17	0.03
Bank Alfalah Limited	112,500	10,500	-	-	123,000	3,490,740	2.58	0.01
Bank Al-habib Limited	79,150	-	-	-	79,150	3,383,121	2.65	0.01
Forestry (Paper and Board)								
Century Paper and Board Mills Ltd.	26,000	-	-	-	26,000	1,408,420	1.04	0.02
Chemicals								
Engro Fertilizer Limited	250	-	-	-	250	13,403	0.01	0.00
Engro Corporation Limited	24,000	-	-	-	24,000	3,963,360	2.93	0.00
Dynea Pakistan Limited (Face value of Rs. 5 each)	-	41,000	-	-	41,000	1,875,750	1.39	0.43
Fauji Fertilizer Company Limited	-	36,500	-	13,000	23,500	2,665,840	1.97	0.00
General Industries								
Thal Limited (Face value of Rs. 5 each)	20,200	-	-	-	20,200	4,868,200	3.60	0.05
Ghani Glass Mills Limited	32,500	-	-	-	32,500	1,755,000	1.30	0.03
Pharma and Bio Tech								
Glaxosmithkline (Pakistan) Limited	9,460	-	-	-	9,460	1,901,460	1.41	0.00
The Searle Company Limited	-	12,500	-	1,300	11,200	2,743,440	2.03	0.02
Electricity								
The Hub Power Company Limited	51,500	23,000	-	28,500	46,000	2,943,080	2.18	0.00
Kot Addu Power Company Limited	56,000	13,500	-	-	69,500	4,468,155	3.31	0.01
K-Electric Limited (Face value of Rs. 3.5 each)	112,000	-	-	-	112,000	864,640	0.64	0.00
Personal Goods (Textile)								
Nishat (Chunian) Limited	400	-	-	400	-	-	-	-
Nishat Mills Limited	14,200	8,500	-	-	22,700	2,701,300	2.00	0.01
Bata (Pakistan) Limited	-	340	-	-	340	1,054,850	0.78	0.00
Oil and Gas								
Pakistan State Oil Co. Ltd.	7,130	3,200	-	5,000	5,330	1,921,199	1.42	0.00
Pakistan Petroleum Limited	12,120	20,358	-	2,500	29,978	6,776,527	5.02	0.00
Pakistan Oilfields Limited	6,300	3,500	-	1,000	8,800	4,676,672	3.46	0.00
Oil and Gas Development Company Limited	7,500	-	-	-	7,500	1,852,950	1.37	0.00
Industrial Transportation								
Pakistan National Shipping Corporation Limited	17,500	33,500	-	-	51,000	4,151,400	3.07	0.04
Fixed Line Telecommunication								
Pakistan Telecommunication Company Limited	51,000	-	-	-	51,000	1,188,810	0.88	0.00
Food Producers								
Rafhan Maize Products Limited	20	-	-	-	20	222,909	0.17	0.00
Household Goods								
Tariq Glass Limited	38,000	-	-	-	38,000	1,147,600	0.85	0.05
Technology Hardware and Equipment								
TPL Trakker Limited	129,500	-	-	129,500	-	-	-	-
Avanceon Limited	-	76,500	-	38,000	38,500	1,021,020	0.76	0.04
						128,692,833	94.06	2.28
						122,187,703		

Carrying Value as at September 30, 2014

NAFA PENSION FUND

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

4.2.1 Debt Sub-Fund

Issue date	Note	Tenor	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-----					
Treasury Bills											
June 12, 2014	4.2.1	3 months	3,000,000	-	3,000,000	-	-	-			
January 24, 2013	4.2.1	6 months	-	-	-	-	-	-			
March 20, 2014	4.2.1	6 months	2,500,000	-	2,500,000	-	-	-			
April 17, 2014	4.2.1	6 months	1,500,000	-	1,500,000	-	-	-			
September 20, 2012	4.2.1	1 Year	-	-	-	-	-	-			
May 15, 2014	4.2.1	1 Year	5,000,000	-	5,000,000	-	-	-			
May 15, 2014	4.2.1	3 months	-	7,000,000	7,000,000	-	-	-			
September 4, 2014	4.2.1	3 months	-	3,800,000	3,800,000	-	-	-			
July 10, 2014	4.2.1	3 months	-	1,500,000	1,500,000	-	-	-			
February 20, 2014	4.2.1	6 months	-	1,000,000	1,000,000	-	-	-			
Pakistan Investment Bonds											
July 18, 2013	4.2.1	3 Year	32,000,000	-	-	32,000,000	31,861,172	28.38			
July 18, 2013	4.2.1	5 Year	7,500,000	25,000,000	-	32,500,000	31,395,122	27.97			
July 19, 2012	4.2.1	10 Year	5,000,000	-	-	5,000,000	4,692,510	4.18			
July 17, 2014	4.2.1	3 Year	-	16,300,000	-	16,300,000	15,872,609	14.14			
						56,500,000	54,600,000	25,300,000	85,800,000	83,821,413	74.67
Carrying Value as at September 30, 2014							<u>83,576,598</u>				

4.2.2 Treasury Bills - Money Market Sub-Fund

Issue date	Note	Tenor	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-----					
April 17, 2014	4.2.2	3 Months	36,000,000	-	36,000,000	-	-	-			
May 15, 2014	4.2.2	3 Months	32,800,000	-	32,800,000	-	-	-			
June 12, 2014	4.2.2	3 Months	3,000,000	-	3,000,000	-	-	-			
April 17, 2014	4.2.2	6 Months	18,000,000	-	18,000,000	-	-	-			
May 15, 2014	4.2.2	6 Months	20,000,000	-	6,500,000	13,500,000	13,338,083	10.53			
July 24, 2014	4.2.2	3 Months	-	22,000,000	22,000,000	-	-	-			
August 7, 2014	4.2.2	3 Months	-	54,500,000	-	54,500,000	54,049,996	48.15			
						109,800,000	76,500,000	118,300,000	68,000,000	67,388,079	58.68
Carrying Value as at September 30, 2014							<u>67,424,219</u>				

NAFA 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.

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 0.85 million (including Rs. 0.28 million for the current year) (2014: Rs 0.57 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 0.627, Rs 0.1371, and Rs 0.1256 per unit, respectively.

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).

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	143,940	20,207,993	176,266	19,451,124	87,216	9,577,760	407,422	49,236,877
	143,940	20,207,993	176,266	19,451,124	87,216	9,577,760	407,422	49,236,877
	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	37,372	4,005,668	41,824	4,264,973	18,818	1,919,029	98,014	10,189,670
	37,372	4,005,668	41,824	4,264,973	18,818	1,919,029	98,014	10,189,670

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.

NAFA PENSION FUND

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	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
----- Rupees -----				----- Rupees -----				
NBP Fullerton Asset Management Limited - Pension Fund Manager								
Management fee	446,735	321,335	310,396	1,078,466	130,275	103,151	79,480	312,906
Sales tax on remuneration of Pension Fund Manager	82,914	59,640	57,610	200,164	20,844	16,504	12,717	50,065
FED on remuneration of the Pension Fund Manager	71,478	51,414	49,663	172,555	20,844	16,504	12,717	50,065
Central Depository Company of Pakistan Limited - Trustee								
Remuneration	44,673	38,560	46,560	129,793	13,028	12,378	11,922	37,328
Employees of Management Company								
Amount of units issued	1,200,000	405,837	1,638	1,607,475	9,600	2,400	-	12,000
Number of units issued	7,976	3,633	15	11,624	92	24	-	116
Amount of units redeemed	7,475	-	-	7,475	-	-	-	-
Number of units redeemed	50	-	-	50	-	-	-	-
Taurus Securities Limited								
Brokerage Paid	10,626	-	-	10,626	-	-	-	-
Thal Limited								
Dividend Received	50,500	-	-	50,500	-	-	-	-

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	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
----- Rupees -----				----- Rupees -----				
NBP Fullerton Asset Management Limited - Pension Fund Manager								
Management fee payable	158,034	113,009	104,709	375,752	61,755	46,963	34,356	143,074
Sindh Sales tax payable on management fee	31,012	22,209	20,644	73,865	15,056	10,952	8,100	34,108
FED payable on management fee	210,011	155,209	139,811	505,031	49,816	40,008	30,440	120,264
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	-	-	-	-	-	-	-	-
Amount of units issued	23,108,371	21,969,045	21,914,114	66,991,530	21,607,212	21,463,434	21,467,492	64,538,138
Number of units issued (seed capital)	153,892	196,156	197,236	547,284	153,892	196,156	197,236	547,284
Alexandra Fund Management Pte. Limited - Sponsor								
Amount of units issued	15,405,581	14,646,030	14,609,409	44,661,020	14,404,808	14,308,956	14,311,662	43,025,425
Number of units issued (seed capital)	102,595	130,770	131,491	364,856	102,595	130,770	131,491	364,856
Employees of the Company								
Amount of units issued	1,203,480	410,107	1,638	1,615,225	-	-	-	-
Number of units issued	8,015	3,662	15	11,691	-	-	-	-
Dr AMJAD WAHEED - CHIEF EXECUTIVE - CEO								
Amount of units issued	12,751,925	-	-	12,751,925	-	-	-	-
Number of units issued	84,923	-	-	84,923	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
Trustee Fee payable	15,804	13,561	15,705	45,070	11,633	9,338	13,679	34,650
Thal Limited								
Ordinary shares held 20,200 (June 2014: 20,200)	4,868,200	-	-	4,868,200	4,189,278	-	-	-

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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