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NBP Fullerton  
Asset Management Ltd.  
A Subsidiary of  
National Bank of Pakistan

# NAFA ISLAMIC PENSION FUND

## QUARTERLY REPORT SEPTEMBER 30 2015




*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. Nigel Poh Cheng	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 & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

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

### Human Resource and Remuneration Committee

Mr. Nausherwan Adil	Chairman
Mr. Nigel Poh Cheng	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)  
Meezan Bank Limited  
Bank Islami (Pakistan) Limited  
Sindh Bank Limited (Sa'adat)  
MCB Bank Limited (Islamic)  
Dubai Islamic Bank Limited  
Bank Alfalah Limited (Islamic)

# NAFA ISLAMIC PENSION FUND

## **Auditors**

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No.02  
Beaumont Road,  
Karachi - 75530, 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, 2015.

### Fund's Performance

This is the 1st quarterly report of NAFA Islamic Pension Fund (NIPF) for the year 2015-16.

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) July 02, 2013	NAV Per Unit (Rs.) September 30, 2015	Performance* Since Launch July 02, 2013
NIPF-Equity Sub-fund	246.0	100.7248	204.7915	37.1%
NIPF-Debt Sub-fund	153.9	100.9502	116.5099	6.6%
NIPF-Money Market Sub-fund	87.3	100.9426	116.2727	6.5%
*Annualized Return [Net of management fee & all other expenses]				

During 1QFY16, the stock market depicted a decline amidst foreign outflows and depreciating currency. Positives like IMF tranche, declining inflation, 50 bps cut in discount rate, and declining oil prices were offset by continuous foreign selling in the market. Oil & Gas Exploration and Oil & Gas Marketing sectors lagged the market. On the other hand Automobile & Parts, Cements, and Chemicals sectors performed better than the market.

Trading activity in Sukuks remained skewed towards the high quality issues. Dearth of primary issuance versus elevated demand further depressed the yield on the high credit quality corporate bonds. During the quarter under review, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP alluded to following factors in arriving at its decision i) benign inflation readings and expectation ii) high real lending rates; and iii) comfortable external account position and (iv) improving law and order situation and macroeconomic stability. Sovereign securities responded to the loose monetary policy period with yields on the short term and long term sovereign bonds declining. All Sukuks in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

The asset allocation of the Funds as on September 30, 2015 is as follows:

Asset Allocation (% of Net Assets)	
<b>Equity Sub-fund</b>	<b>30-Sep-15</b>
Equity	88.84%
Cash Equivalents - Net	11.16%
<b>Total</b>	<b>100.00%</b>
<b>Debt Sub-fund</b>	<b>30-Sep-15</b>
Cash Equivalents - Net	31.41%
Sukuk	68.59%
<b>Total</b>	<b>100.00%</b>
<b>Money Market Sub-fund</b>	<b>30-Sep-15</b>
Cash Equivalents - Net	41.88%
Short Term Sukuk	58.12%
<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 21, 2015  
Place: Karachi.

# NAFA ISLAMIC PENSION FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2015

Note	September 30, 2015 (Un-audited)					June 30, 2015 (Audited)				
	Equity	Debt	Money Market	Others	Total	Equity	Debt	Money Market	Others	Total
	Sub-Fund	Sub-Fund	Sub-Fund			Sub-Fund	Sub-Fund	Sub-Fund		
	-----Rupees-----					-----Rupees-----				
<b>ASSETS</b>										
Bank balances	26,823,159	47,157,745	37,747,294	2,915,663	114,643,861	24,610,988	18,531,916	23,011,902	2,365,550	68,520,356
Investments - net	218,532,993	105,535,450	50,761,700	-	374,830,143	197,395,645	105,801,400	50,866,750	-	354,063,795
Dividend receivable	3,382,034	-	-	-	3,382,034	615,306	-	-	-	615,306
Profit receivable	98,746	3,341,098	934,063	-	4,373,907	124,696	2,212,356	602,720	-	2,939,772
Preliminary Expenses and Floatation Cost	16,440	16,440	16,440	-	49,320	21,027	21,027	21,027	-	63,081
Receivable against sale of investments	-	-	-	-	-	8,310,597	-	-	-	8,310,597
Advances, deposits and other receivables	144,024	326,946	162,761	-	633,731	107,626	10,494,621	6,393,769	-	16,996,016
<b>Total assets</b>	<b>248,997,396</b>	<b>156,377,679</b>	<b>89,622,258</b>	<b>2,915,663</b>	<b>497,912,996</b>	<b>231,185,885</b>	<b>137,061,320</b>	<b>80,896,168</b>	<b>2,365,550</b>	<b>451,508,923</b>
<b>LIABILITIES</b>										
Payable to the Pension Fund Manager	955,930	645,423	417,822	2,915,663	4,934,838	768,155	518,511	345,310	2,365,550	3,997,526
Payable to the Central Depository Company of Pakistan Limited - Trustee	34,325	21,150	12,049	-	67,524	26,651	15,314	8,707	-	50,672
Payable to the Securities and Exchange Commission of Pakistan	20,144	12,174	6,937	-	39,255	38,379	26,917	17,578	-	82,874
Payable against redemption of units	132,045	1,311,340	1,446,470	-	2,889,855	-	-	-	-	-
Accrued expenses and other liabilities	1,867,407	522,274	405,688	-	2,795,369	18,216,615	1,418,514	1,332,552	-	20,967,681
<b>Total liabilities</b>	<b>3,009,851</b>	<b>2,512,361</b>	<b>2,288,966</b>	<b>2,915,663</b>	<b>10,726,841</b>	<b>19,049,800</b>	<b>1,979,256</b>	<b>1,704,147</b>	<b>2,365,550</b>	<b>25,098,753</b>
<b>NET ASSETS</b>	<b>245,987,545</b>	<b>153,865,318</b>	<b>87,333,292</b>	<b>-</b>	<b>487,186,155</b>	<b>212,136,085</b>	<b>135,082,064</b>	<b>79,192,021</b>	<b>-</b>	<b>426,410,170</b>
<b>PARTICIPANTS' SUB-FUNDS (as per statement attached)</b>	<b>245,987,545</b>	<b>153,865,318</b>	<b>87,333,292</b>	<b>-</b>	<b>487,186,155</b>	<b>212,136,085</b>	<b>135,082,064</b>	<b>79,192,021</b>	<b>-</b>	<b>426,410,170</b>
Number of units in issue	1,201,161.13	1,320,620.61	751,107.61		3,272,889	1,019,817	1,171,662	687,571		2,879,050
Net asset value per unit	204.7915	116.5099	116.2727			208.0138	115.2910	115.1765		
<b>Contingencies and commitments</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 INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

Note	For the Quarter ended September 30, 2015				For the Quarter ended September 30, 2014			
	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	378,797	524,444	476,265	1,379,506	107,591	198,500	163,032	469,123
Income from Sukuk Certificate	-	2,146,756	931,822	3,078,578	-	2,722	864,959	867,681
Income from government securities	-	-	-	-	-	1,053,500	-	1,053,500
Dividend income	3,522,667	-	-	3,522,667	605,126	-	-	605,126
Net gain/(loss) on sale of investments at fair value through income statement	1,781,935	-	-	1,781,935	671,112	(24,500)	-	646,612
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(9,124,074)	(265,950)	(105,050)	(9,495,074)	-	-	-	-
Net element of income and capital gains included 'in prices of units issued less those in units redeemed'	1,118,426	69,766	37,173	1,225,365	2,302,147	(328,700)	(304,400)	1,669,047
Total income / (loss)	(2,322,249)	2,475,016	1,340,210	1,492,977	3,685,976	901,522	723,591	5,311,089
<b>EXPENSES</b>								
Remuneration of Pension Fund Manager	915,688	553,413	315,341	1,784,442	198,197	174,258	108,761	481,216
Sindh sales tax on remuneration of the Pension Fund Manager	149,237	90,199	51,401	290,837	36,785	32,342	20,186	89,313
FED on remuneration of the Pension Fund Manager	146,510	88,546	50,455	285,511	31,712	27,881	17,402	76,995
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	91,569	55,341	31,534	178,444	30,647	31,350	24,765	86,762
Sindh sales tax on remuneration of Trustee	12,556	7,590	4,326	24,472	-	-	-	-
Annual fee - Securities and Exchange Commission of Pakistan	20,145	12,175	6,937	39,257	4,360	4,600	3,589	12,549
Auditors' remuneration	26,598	26,598	26,598	79,794	13,068	13,068	13,068	39,204
Securities' transaction costs	139,221	-	-	139,221	32,689	2,225	1,000	35,914
Amortization of Formation cost	4,587	4,587	4,587	13,761	6,182	6,182	6,182	18,546
Others	3,762	3,762	3,762	11,286	16,776	16,776	16,760	50,312
Settlement and Bank charges	38,472	23,183	21,967	83,622	22,425	27,937	21,902	72,264
Total Expenses	1,548,345	865,394	516,908	2,930,647	392,841	336,619	233,615	963,075
Net income / (loss) from operating activities	(3,870,594)	1,609,622	823,302	(1,437,670)	3,293,135	564,903	489,976	4,348,014
Provision for Workers' Welfare Fund	7	-	-	-	(65,863)	(11,298)	(9,800)	(86,961)
Net income / (loss) for the period before taxation	(3,870,594)	1,609,622	823,302	(1,437,670)	3,227,272	553,605	480,176	4,261,053
Taxation	8	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation	(3,870,594)	1,609,622	823,302	(1,437,670)	3,227,272	553,605	480,176	4,261,053

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, 2015

	For the Quarter ended September 30, 2015				For the Quarter ended September 30, 2014			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
	-----Rupees-----							
Net income / (loss) for the period after taxation	(3,870,594)	1,609,622	823,302	(1,437,670)	3,227,272	553,605	480,176	4,261,053
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(3,870,594)</b>	<b>1,609,622</b>	<b>823,302</b>	<b>(1,437,670)</b>	<b>3,227,272</b>	<b>553,605</b>	<b>480,176</b>	<b>4,261,053</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 MOVEMENT IN PARTICIPANTS' SUB FUNDS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

Note	For the Quarter ended September 30, 2015				For the Quarter ended September 30, 2014			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
-----Rupees-----								
Net assets at the beginning of the period	212,136,085	135,082,064	79,192,021	426,410,170	50,663,110	52,872,993	41,690,226	145,226,329
Amount received on issuance of units	38,755,090	20,682,918	10,726,850	70,164,858	9,752,878	6,453,918	2,781,475	18,988,271
Amount paid on redemption of units	(1,819,535)	(2,263,372)	(3,035,548)	(7,118,455)	(794,101)	(287,482)	(203,158)	(1,284,741)
Effect of reallocation	1,904,925	(1,176,148)	(336,160)	392,617	806,970	(615,805)	(191,168)	(3)
Net element of (income)/ loss and capital ( gains)/ losses included in prices of units issued less those in units redeemed - transferred to income statement	(1,118,426)	(69,766)	(37,173)	(1,225,365)	-	-	-	-
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	(3,870,594)	1,609,622	823,302	(1,437,670)	3,227,272	553,605	480,176	4,261,053
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>245,987,545</b>	<b>153,865,318</b>	<b>87,333,292</b>	<b>487,186,155</b>	<b>63,656,129</b>	<b>58,977,229</b>	<b>44,557,551</b>	<b>167,190,909</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, 2015

	For the Quarter ended September 30, 2015					For the Quarter ended September 30, 2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund Rupees	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund Rupees	Others	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Net income for the period before taxation	(3,870,594)	1,609,622	823,302	-	(1,437,670)	3,227,272	553,605	480,176	-	4,261,053
<b>Adjustments</b>										
Net unrealised appreciation / Diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	9,124,074	265,950	105,050	-	9,495,074	(2,302,147)	328,700	304,400	-	(1,669,047)
Net element of (income)/loss and capital (gains)/loss included in prices of units issued less those in units redeemed	(1,118,426)	(69,766)	(37,173)	-	(1,225,365)	-	-	-	-	-
Preliminary Expenses & Floatation Cost	4,587	4,587	4,587	-	13,761	6,182	6,182	6,182	-	18,546
Gain / (loss) on sale of investment-net	(1,781,935)	-	-	-	(1,781,935)	(671,112)	24,500	-	-	(646,612)
	2,357,706	1,810,393	895,766	-	5,063,865	260,195	912,987	790,758	-	1,963,940
<b>Decrease / (increase) in assets</b>										
Investments Net	(28,479,487)	-	-	-	(28,479,487)	(2,671,243)	(18,433,900)	(10,231,000)	-	(31,336,143)
Dividend receivable	(2,766,728)	-	-	-	(2,766,728)	(340,125)	-	-	-	(340,125)
Profit receivable	25,950	(1,128,742)	(331,343)	-	(1,434,135)	(27,672)	(804,977)	(733,083)	-	(1,565,732)
Receivable against sale of investments	8,310,597	-	-	-	8,310,597	3,862,494	-	-	-	3,862,494
Advances, deposit and other receivables	(36,398)	10,167,675	6,231,008	-	16,362,285	466,359	(851)	(393)	-	465,115
	(22,946,066)	9,038,933	5,899,665	-	(16,318,065)	1,289,813	(19,239,728)	(10,964,476)	-	(28,914,391)
<b>(Decrease) / increase in Liabilities</b>										
Payable against purchase of investments	-	-	-	-	-	(1,603,458)	-	-	-	(1,603,458)
Payable to the Pension Fund Manager	187,775	126,912	72,512	550,113	937,312	98,340	86,428	53,687	894,578	1,133,033
Payable to the Central Depository Company of Pakistan Limited	7,674	5,836	3,342	-	16,852	136	(376)	27	-	(213)
Payable to the Securities and Exchange Commission of Pakistan	(18,235)	(14,743)	(10,641)	-	(43,619)	(10,653)	(9,372)	(9,053)	-	(29,078)
Payable against redemption of units	132,045	1,311,340	1,446,470	-	2,889,855	(5,939,608)	287,700	202,709	-	(5,449,199)
Accrued expenses and other liabilities	(16,349,208)	(896,240)	(926,864)	-	(18,172,312)	35,126	66,818	61,245	-	163,189
	(16,039,949)	533,105	584,819	550,113	(14,371,912)	(7,420,117)	431,198	308,615	894,578	(5,785,726)
<b>Net cash (outflow) / inflow from operating activities</b>	(36,628,309)	11,382,431	7,380,250	550,113	(17,315,515)	(5,870,109)	(17,895,543)	(9,865,103)	894,578	(32,736,177)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Amount received on issue of units	38,755,090	20,682,918	10,726,850	-	70,164,858	9,752,878	6,453,918	2,781,475	-	18,988,271
Amount paid on redemption of units	(1,819,535)	(2,263,372)	(3,035,548)	-	(7,118,455)	(794,101)	(287,482)	(203,158)	-	(1,284,741)
Effect of reallocation	1,904,925	(1,176,148)	(336,167)	-	392,617	806,970	(615,805)	(191,168)	-	(3)
<b>Net cash generated from financing activities</b>	38,840,480	17,243,398	7,355,142	-	63,439,020	9,765,747	5,550,631	2,387,149	-	17,703,527
<b>Net (decrease) / increase in cash and cash equivalents</b>	2,212,171	28,625,829	14,735,392	550,113	46,123,505	3,895,638	(12,344,912)	(7,477,954)	894,578	(15,032,650)
Cash and cash equivalents at the beginning of the period	24,610,988	18,531,916	23,011,902	2,365,550	68,520,356	7,367,812	18,881,853	12,226,946	146,000	38,622,611
<b>Cash and cash equivalents at the end of the period</b>	26,823,159	47,157,745	37,747,294	2,915,663	114,643,861	11,263,450	6,536,941	4,748,992	1,040,578	23,589,961

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, 2015

### 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.
- 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.

# NAFA ISLAMIC PENSION FUND

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 disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

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 these condensed interim financial statements for the quarter ended September 30, 2015 are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2015.

## 4 INVESTMENTS - NET

Note	September 30, 2015 (Un-audited)				June 30, 2015 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	-----Rupees-----				-----Rupees-----				
At fair value through profit or loss - held for trading									
Equity securities - listed	4.1	218,357,593	-	218,357,593	197,395,645	-	-	197,395,645	
Government of Pakistan Ijara Sukuk	4.2	-	105,535,450	50,761,700	156,297,150	-	105,801,400	50,866,750	156,668,150
Available for Sale		175,400	-	-	175,400	-	-	175,400	
Redeemable Preference Share		218,532,993	105,535,450	50,761,700	374,830,143	197,571,045	105,801,400	50,866,750	354,063,795

### 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 except for shares of Thal Limited and K-electric which have a face value of Rs. 5 and 3.5 each respectively.

Name of the investee company	As at July 1, 2015	Purchases during the period	Bonus / Right during the period	Sales during the period	As at September 30, 2015	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>Pharama and Bio tech</b>								
Abbott Laboratories (Pakistan) Limited	2,700	1,800	-	-	4,500	2,940,750	1.20	0.00
GlassSmithKline (Pakistan) Limited	4,480	-	-	-	4,480	957,421	0.39	0.01
Ferozsons Laboratories Limited	5,100	-	-	-	5,100	3,860,190	1.57	0.02
The Searle Company Limited	7,460	2,900	-	-	10,360	4,147,315	1.69	0.01
<b>Commercial Banks</b>								
Meezan Bank Limited	74,500	51,500	-	-	126,000	6,360,480	2.59	0.01
<b>Construction and Materials (Cement)</b>								
D.G. Khan Cement Company Limited	88,000	-	-	4,000	84,000	11,509,680	4.68	0.01
Lucky Cement Limited	22,600	1,700	-	6,300	18,000	9,480,600	3.85	0.01
Mayle Leaf Cement Factory Limited	57,000	22,500	-	8,000	71,500	4,900,610	1.99	0.01
Alkzo Nobel Pakistan Limited	3,400	400	-	-	3,800	903,526	0.37	0.01
Pioneer Cement Limited	32,500	42,000	-	6,500	68,000	5,898,320	2.40	0.01
Attock Cement (Pakistan) Limited	7,000	-	-	6,000	1,000	174,820	0.07	0.00
Fecto Cement Limited	54,500	10,000	-	-	64,500	5,150,325	2.09	0.13
Fauji Cement Company Limited	-	70,000	-	-	70,000	2,343,600	0.95	0.01



# NAFA ISLAMIC PENSION FUND

## 4.2 Ijara Sukuks

### 4.2.1 Debt Sub-Fund

Issue	Issue Date	As at July 01, 2015	Purchases during the period	Sales during the period	As at September 30, 2015	Market value	Market value as a % of net assets of the Sub-Fund
					Rupees in '000	-----%-----	
Government of Pakistan Ijara Sukuk - 09	26-Dec-11	4,000,000	-	-	4,000,000	4,013,600	
Government of Pakistan Ijara Sukuk - 11	30-Apr-12	28,000,000	-	-	28,000,000	28,134,400	2.61
Government of Pakistan Ijara Sukuk - 10	2-Mar-12	41,000,000	-	-	41,000,000	41,147,600	18.29
Government of Pakistan Ijara Sukuk - 12	28-Jun-12	4,500,000	-	-	4,500,000	4,517,100	26.74
Government of Pakistan Ijara Sukuk - 14	28-Mar-13	27,500,000	-	-	27,500,000	27,722,750	2.94
							18.02
		<b>105,000,000</b>	<b>-</b>	<b>-</b>	<b>105,000,000</b>	<b>105,535,450</b>	<b>68.59</b>
Carrying Value as at September 30, 2015						<b>105,801,400</b>	

### 4.2.2 Money Market Sub-Fund

Issue	Issue Date	As at July 01, 2015	Purchases during the period	Sales during the period	As at September 30, 2015	Market value	Market value as a % of net assets of the Sub-Fund
					Rupees in '000	-----%-----	
Government of Pakistan Ijara Sukuk - 09	26-Dec-11	20,000,000	-	-	20,000,000	20,068,000	22.98
Government of Pakistan Ijara Sukuk - 11	30-Apr-12	9,000,000	-	-	9,000,000	9,043,200	10.35
Government of Pakistan Ijara Sukuk - 14	28-Jun-12	5,500,000	-	-	5,500,000	5,520,900	6.32
	28-Mar-13	16,000,000	-	-	16,000,000	16,129,600	18.47
		<b>50,500,000</b>	<b>-</b>	<b>-</b>	<b>50,500,000</b>	<b>50,761,700</b>	<b>58.12</b>
Carrying Value as at September 30, 2015						<b>50,866,750</b>	

## 5 PROFIT RECEIVABLE

	September 30, 2015 (Un-audited)				June 30, 2015 (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	-	3,114,808	768,259	3,883,067	-	2,020,518	448,782	2,469,300
Savings accounts	98,746	226,290	165,804	490,840	124,696	191,838	153,938	470,472
	<b>98,746</b>	<b>3,341,098</b>	<b>934,063</b>	<b>4,373,907</b>	<b>124,696</b>	<b>2,212,356</b>	<b>602,720</b>	<b>2,939,772</b>

## 6 ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2015 (Un-audited)				June 30, 2015 (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	1,341,944	182,708	137,561	1,662,213	1,341,944	182,708	137,564	1,662,216
Payable to the auditors	84,182	84,182	84,182	252,546	57,584	57,584	57,584	172,752
Bank charges Payable	26,513	135,153	69,366	231,032	4,484	117,424	48,676	170,584
Printing charges	61,992	61,998	61,992	185,982	58,230	58,230	58,230	174,690
Legal and professional	41,666	41,666	41,666	124,998	41,666	41,666	41,666	124,998
Brokerage payable	76,923	-	325	77,248	68,172	-	325	68,497
Payable against redemption/ reallocation of units	-	-	-	-	16,555,127	953,627	980,512	18,489,266
Other charges payable	234,187	16,567	10,596	261,350	89,408	7,275	7,995	104,678
	<b>1,867,407</b>	<b>522,274</b>	<b>405,688</b>	<b>2,795,369</b>	<b>10,216,615</b>	<b>1,418,514</b>	<b>1,332,552</b>	<b>20,967,681</b>



# NAFA ISLAMIC PENSION FUND

## 7 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015. Accordingly no further provision for WWF has recorded subsequent to June 30, 2015.

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements for the quarter ended September 30, 2015 which aggregates to Rs. 1.66 million. Had the same not been made the net asset value per unit / return of the equity, debt and money market sub funds would have been higher by Rs.1.1172, Rs.0.1384, and Rs. 0.1831 (2014: Rs 0.772, Rs 0.1444, and Rs 0.1598) per unit respectively.

## 8 TAXATION

No provision for taxation for the period ended September 30, 2015 has been made in view of the exemption available under clause 57 (3) (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, 2015 and June 30, 2015.

## 10 CONTRIBUTION TABLE

		For the quarter ended September 30, 2015 (Un-audited)							
		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
		Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals		179,201	38,755,090	178,702	20,682,918	92,659	10,726,850	450,562	70,164,858
		<b>179,201</b>	<b>38,755,090</b>	<b>178,702</b>	<b>20,682,918</b>	<b>92,659</b>	<b>10,726,850</b>	<b>450,562</b>	<b>70,164,858</b>
		For the year ended June 30 2015 (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>

## 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 ISLAMIC PENSION FUND

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

	For the quarter ended 30 Sep 2015				For the quarter ended 30 Sep 2014			
	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	915,688	553,413	315,341	1,784,442	198,197	174,258	108,761	481,216
Sales tax on remuneration of Pension Fund Manager	149,237	90,199	51,401	290,837	36,785	32,342	20,186	89,313
FED on remuneration of the Pension Fund Manager	146,510	88,546	50,455	285,511	31,712	27,881	17,402	76,995
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration	91,569	55,341	31,534	178,444	30,647	31,350	24,765	86,762
Sales tax on remuneration of Trustee	12,556	7,590	4,326	24,472	-	-	-	-
<b>Employees of the Company</b>								
Amount of units issued	22,869	8,168	1,634	32,670	-	-	-	-
Number of units issued	107	71	14	192	-	-	-	-
<b>Taurus Securities Limited</b>								
Brokerage Paid	13,518	-	-	13,518	6,387	-	-	6,387
<b>Thal Limited</b>								
Dividend Received	-	-	-	-	24,142	-	-	24,142
Purchase of shares Nil	-	-	-	-	-	-	-	-
Sale of shares Nil	-	-	-	-	483,040	-	-	483,040

## 11.5 Amounts outstanding as at period end

	For the quarter ended 30 Sep 2015				For the year ended June 30 2015			
	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	304,203	187,383	106,742	598,328	266,497	153,128	87,060	506,685
Sindh Sales tax payable on management fee	49,831	31,086	17,522	98,439	46,271	26,975	15,146	88,392
FED payable on management fee	526,896	351,954	218,558	1,097,408	380,387	263,408	168,104	811,899
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	25,662,628	25,886,170	25,851,142	77,399,939	26,066,417	25,615,354	25,607,537	77,289,308
Number of units issued (seed capital)	125,311	222,180	222,332	569,823	125,311	222,180	222,333	569,824
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>								
Amount of units issued	17,108,487	17,257,446	17,234,172	51,600,105	17,377,889	17,076,903	17,071,576	51,526,368
Number of units issued (seed capital)	83,541	148,120	148,222	379,883	83,542	148,120	148,221	379,883
<b>Employees of the Company</b>								
Amount of units issued	587,342	211,932	42,323	841,597	351,959	201,644	40,312	593,915
Number of units issued	2,868	1,819	364	5,051	1,692	1,749	350	3,791
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee Fee payable	34,325	21,150	12,049	67,524	26,651	15,314	8,707	50,672

## 12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 21, 2015 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  
(Management Company)

Chief Executive

Director



NBP Fullerton  
Asset Management Ltd.  
A Subsidiary of  
National Bank of Pakistan

## Head Office

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