



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together



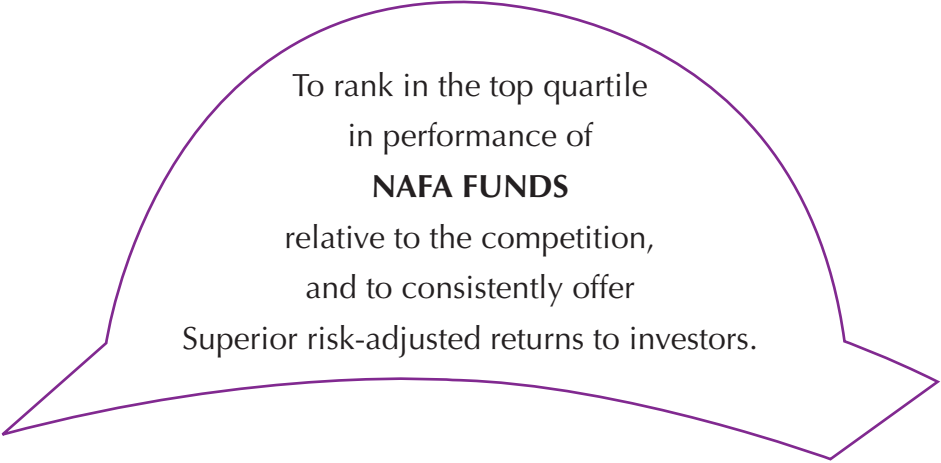
Joint - Venture Partners

NAFA PENSION FUND

QUARTERLY REPORT
MARCH 31
2014



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.

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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

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, 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 period ended March 31, 2014.

Fund's Performance

This is the first nine month report for the period ended March 31, 2014 since launch of NAFA Pension Fund (NPF) on July 02, 2013. Fund size of sub-funds as at March 31, 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.) March, 31, 2014	Performance Since Launch July 02, 2013
NPF-Equity Sub-fund*	68.9	100.9836	126.6042	25.37%
NPF-Debt Sub-fund**	64.1	101.1781	108.1723	9.28%
NPF-Money Market Sub-fund**	48.7	101.2023	106.6287	7.20%
* Cumulative Return	[Net of management fee & all other expenses]			
** Simple Annualized Return				

The stock market continued its bull-run in 3QFY14 driven by sanguine valuations, \$1.5bn inflow from Saudia Arabia and resultant improvement in foreign reserves, benign inflation outlook, and aggressive buying by mutual funds in the initial phase and foreign investors in the latter phase. Chemicals, Automobile and Parts, General Industrials, and Non-Life Insurance sectors outperformed the market whereas Oil & Gas, Electricity, and Personal Goods sectors lagged the market. The foreign participation has seen massive surge off late owing to improved macroeconomic outlook and increase in Pakistan's weight in MSCI Frontier Market Index to 8.2% from 4.3%. Going forward, we expect that upcoming 3G/4G license auction in April, implementation of revised MSCI weights in May, CSF inflows, and development funding from World Bank and ADB will further improve country's reserve position.

On the corporate debt sphere, we have witnessed primary issuance of corporate bonds amid pick up in economy activity. Trading activity in TFCs/Sukuks was skewed towards high quality issues, especially belonging to the financial sector. Most TFCs/Sukuks in the Fund are floating rate linked to KIBOR. Therefore, increase in interest rates will increase the coupon income of the TFCs/Sukuks portfolio.

The State Bank of Pakistan has increased the policy rate by 100bps to 10% during the period under review; citing upside risks to the external account, depleting FX reserves, and rising inflation expectations. The return of the Debt and Money Market Sub Funds are expected to improve in line with increase in the interest rates. The asset allocation of the Funds as on March 31, 2014 is as follows:

Asset Allocation (% of Net Assets)	
Equity Sub-fund	
Equity	95.52%
Cash Equivalents - Net	3.32%
Others	1.16%
Total	100.00%
Debt Sub-fund	
Sukuk	9.73%
PIBs	68.45%
T-Bills	15.27%
Cash Equivalents - Net	5.13%
Others	1.42%
Total	100.00%

NAFA PENSION FUND

Money Market Sub-fund	
T-Bills	98.79%
Cash Equivalents - Net	1.72%
Others	-0.51%
Total	100.00%

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: April 30, 2014
Place: Karachi.

NAFA PENSION FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

Note	March 31, 2014 (Un-audited)					June 30, 2013 (Audited)					
	Equity	Debt	Money Market	Others	Total	Equity	Debt	Money Market	Others	Total	
	Sub-Fund	Sub-Fund	Sub-Fund			Sub-Fund	Sub-Fund	Sub-Fund			Sub-Fund
	-----Rupees-----					-----Rupees-----					
ASSETS											
	3	2,289,663	3,288,689	838,717	764,413	7,181,482	30,487,155	30,477,949	30,478,152	-	91,443,256
Bank balances		318,914	83,167	-	-	402,081	-	-	-	-	-
Receivable against sale of investments	4	65,797,951	59,902,819	48,149,384	-	173,850,154	-	-	-	-	-
Investments - net		952,475	-	-	-	952,475	-	-	-	-	-
Dividend receivable	5	21,379	1,237,244	85,583	-	1,344,206	-	-	-	-	-
Profit receivable		48,859	48,859	48,859	-	146,577	70,959	70,959	70,959	-	212,877
Preliminary expenses and floatation cost		100,000	100,000	100,472	-	300,472	-	-	-	-	-
Security deposit and other receivables											
Total assets		69,529,241	64,660,778	49,223,015	764,413	184,177,447	30,558,114	30,548,908	30,549,111	-	91,656,133
LIABILITIES											
		272,557	237,390	187,539	764,413	1,461,899	172,373	157,528	142,703	-	472,604
Payable to the Pension Fund Manager		8,355	7,811	11,360	-	27,526	7,317	7,317	7,318	-	21,952
Payable to the Central Depository Company of Pakistan Limited - Trustee		13,015	12,431	11,184	-	36,630	1,610	1,610	1,610	-	4,830
Payable to the Securities and Exchange Commission of Pakistan		-	145,473	145,001	-	290,474	-	-	-	-	-
Payable against redemption of units		348,209	160,466	130,111	-	638,786	42,295	42,485	43,061	-	127,841
Accrued expenses and other liabilities	6	642,136	563,571	485,195	764,413	2,455,315	223,595	208,940	194,692	-	627,227
Total liabilities		68,887,105	64,097,207	48,737,820	-	181,722,132	30,334,519	30,339,968	30,354,419	-	91,028,906
NET ASSETS											
PARTICIPANTS' SUB-FUNDS		68,887,105	64,097,207	48,737,820	-	181,722,132	30,334,519	30,339,968	30,354,419	-	91,028,906
(as per statement attached)											
Number of units in issue	11	544,114	592,547	457,080	-	1,593,741	300,060	299,970	299,970	-	900,000
Net asset value per unit		126.6042	108.1723	106.6287	-		101.0948	101.1433	101.1915	-	
Contingencies and commitments	7										

The annexed notes 1 to 14 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 NINE MONTHS ENDED MARCH 31, 2014

Note	Nine months ended March 31, 2014				Three months ended March 31, 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-----			
INCOME								
Profit on bank deposits	317,352	477,007	402,664	1,197,023	118,335	78,304	88,265	284,904
Income from debt securities	-	368,009	19,267	388,076	-	153,334	-	153,334
Income from treasury bills	-	1,962,168	2,266,200	4,228,368	-	936,899	1,022,487	1,959,386
Income from PIBs	-	232,551	-	232,551	-	232,551	-	232,551
Dividend income	2,400,375	-	-	2,400,375	1,117,975	-	-	1,117,975
Gain / (loss) on sale of investments - net	2,259,118	(9,036)	-	2,250,082	1,823,232	(9,036)	-	1,814,196
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6,847,611	994,719	(31,160)	7,811,170	1,506,472	921,174	(3,063)	2,424,583
Total income	11,824,456	4,026,218	2,656,971	18,507,645	4,566,014	2,313,226	1,107,689	7,986,929
EXPENSES								
Remuneration of Pension Fund Manager	518,436	409,934	290,134	1,218,504	229,494	178,556	114,826	522,876
Sindh sales tax on remuneration of the Pension Fund Manager	98,669	76,564	54,216	229,449	42,593	33,140	21,311	97,044
Federal Excise Duty on remuneration of the Pension Fund Manager	82,949	65,589	46,421	194,959	36,718	28,569	18,372	83,659
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	51,843	49,192	43,520	144,555	22,949	21,427	17,224	61,600
Annual fee - Securities and Exchange Commission of Pakistan	11,405	10,822	9,574	31,801	5,048	4,714	3,789	13,551
Auditors' remuneration	75,326	75,326	75,326	225,978	24,240	24,240	24,240	72,720
Securities' transaction costs	142,396	-	325	142,721	58,117	-	-	58,117
Amortization of preliminary expenses and floatation cost	18,146	18,146	18,146	54,438	547	547	547	1,641
Settlement and other charges	89,368	31,951	29,350	150,669	(17,295)	(2,946)	(2,947)	(23,188)
Total Expenses	1,088,538	737,524	567,012	2,393,074	402,411	288,247	197,362	888,020
Net income from operating activities	10,735,918	3,288,694	2,089,959	16,114,571	4,163,603	2,024,979	910,327	7,098,909
Provision for Workers' Welfare Fund	8	(214,714)	(65,774)	(41,799)	(322,287)	(83,272)	(40,500)	(141,978)
Net income for the period before taxation	10,521,204	3,222,920	2,048,160	15,792,284	4,080,331	1,984,479	892,121	6,956,931
Taxation	-	-	-	-	-	-	-	-
Net income for the period after taxation	10,521,204	3,222,920	2,048,160	15,792,284	4,080,331	1,984,479	892,121	6,956,931

The annexed notes 1 to 14 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 NINE MONTHS ENDED MARCH 31, 2014

	Nine months ended March 31, 2014				Three months ended March 31, 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-----			
Net income for the period after taxation	10,521,204	3,222,920	2,048,160	15,792,284	4,080,331	1,984,479	892,121	6,956,931
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	10,521,204	3,222,920	2,048,160	15,792,284	4,080,331	1,984,479	892,121	6,956,931

The annexed notes 1 to 14 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 NINE MONTHS ENDED MARCH 31, 2014

Note	Nine months ended March 31, 2014				Three months ended March 31, 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-----			
Net assets at the beginning of the period	30,334,519	30,339,968	30,354,419	91,028,906	53,885,962	52,840,676	44,905,315	151,631,953
Amount received on issuance of units	11 28,565,538	31,054,797	17,714,956	77,335,290	10,920,812	9,719,393	4,306,266	24,946,470
Amount paid on redemption of units	(534,156)	(520,478)	(1,379,714)	(2,434,348)	-	(447,341)	(1,365,881)	(1,813,222)
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	3,358,780	942,068	437,058	4,737,907	1,921,709	403,816	123,188	2,448,714
Total comprehensive income for the period	10,521,204	3,222,920	2,048,160	15,792,284	4,080,331	1,984,479	892,121	6,956,931
Net element of (loss) / income and capital gains / (losses) included in prices of units issued less those in units redeemed	(3,358,780)	(942,068)	(437,058)	(4,737,907)	(1,921,709)	(403,816)	(123,188)	(2,448,714)
Net assets at the end of the period	<u>68,887,105</u>	<u>64,097,207</u>	<u>48,737,820</u>	<u>181,722,132</u>	<u>68,887,105</u>	<u>64,097,207</u>	<u>48,737,820</u>	<u>181,722,132</u>

The annexed notes 1 to 14 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 NINE MONTHS ENDED MARCH 31, 2014

	Nine months ended March 31, 2014					Three months ended March 31, 2014				
	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	10,521,204	3,222,920	2,048,160	-	15,792,284	4,080,331	1,984,479	892,121	-	6,956,931
Adjustments										
Net unrealised appreciation / Diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(6,847,611)	(994,719)	31,160	-	(7,811,170)	(1,506,472)	(921,174)	3,063	-	(2,424,583)
(Gain)/ loss on sale of investments-net	(2,259,118)	9,036	-	-	(2,250,082)	(1,823,232)	9,036	-	-	(1,814,196)
	1,414,475	2,237,237	2,079,320	-	5,731,032	750,627	1,072,341	895,184	-	2,718,152
Decrease / (increase) in assets										
Investments - net	(56,691,222)	(58,917,136)	(48,180,544)	-	(163,788,902)	(14,905,852)	(15,772,948)	(15,737,207)	-	(46,416,007)
Receivable against sale of investments	(318,914)	(83,167)	-	-	(402,081)	(318,914)	(83,167)	-	-	(402,081)
Dividend receivable	(952,475)	-	-	-	(952,475)	(920,475)	-	-	-	(920,475)
Preliminary expenses & floatation cost	22,100	22,100	22,100	-	66,300	4,501	4,501	4,501	-	13,503
Profit receivable	(21,379)	(1,237,244)	(85,583)	-	(1,344,206)	49,517	(1,047,514)	8,792	-	(989,205)
Security deposit and other receivables	(100,000)	(100,000)	(100,472)	-	(300,472)	-	-	(472)	-	(472)
	(58,061,890)	(60,315,447)	(48,344,499)	-	(166,721,836)	(16,091,223)	(16,899,128)	(15,724,386)	-	(48,714,737)
(Decrease) / increase in Liabilities										
Payable against purchase of investments	-	-	-	-	-	(2,619,818)	-	-	-	(2,619,818)
Payable to the Pension Fund Manager	100,184	79,862	44,836	764,413	989,295	60,930	54,467	29,643	(664,988)	(519,948)
Payable to the Central Depository Company of Pakistan Limited	1,038	494	4,042	-	5,574	1,638	(1,378)	4,192	-	4,452
Payable to the Securities and Exchange Commission of Pakistan	11,405	10,821	9,574	-	31,800	5,049	4,713	3,789	-	13,551
Payable against redemption of units	-	145,473	145,001	-	290,474	(18,717)	145,473	145,001	-	271,757
Accrued expenses and other liabilities	305,914	117,981	87,050	-	510,945	(9,839)	36,264	10,351	-	36,776
	418,541	354,631	290,503	764,413	1,828,088	(2,580,757)	239,539	192,976	(664,988)	(2,813,230)
Net cash (used in) / from operating activities	(56,228,874)	(57,723,579)	(45,974,676)	764,413	(159,162,715)	(17,921,353)	(15,587,248)	(14,636,226)	(664,988)	(48,809,814)
CASH FLOWS FROM FINANCING ACTIVITIES										
Amount received on issue of units	28,565,538	31,054,797	17,714,956	-	77,335,290	10,920,812	9,719,393	4,306,266	-	24,946,470
Amount paid on redemption of units	(534,156)	(520,478)	(1,379,714)	-	(2,434,348)	-	(447,341)	(1,365,881)	-	(1,813,222)
Net cash from financing activities	28,031,382	30,534,319	16,335,241	-	74,900,942	10,920,812	9,272,052	2,940,385	-	23,133,248
Net (decrease) / increase in cash and cash equivalents	(28,197,492)	(27,189,260)	(29,639,435)	764,413	(84,261,773)	(7,000,541)	(6,315,196)	(11,695,841)	(664,988)	(25,676,566)
Cash and cash equivalents at the beginning of the period	30,487,155	30,477,949	30,478,152	-	91,443,256	9,290,204	9,603,885	12,534,559	1,429,401	32,858,049
Cash and cash equivalents at the end of the period	2,289,663	3,288,689	838,717	764,413	7,181,482	2,289,663	3,288,689	838,717	764,413	7,181,482

The annexed notes 1 to 14 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 NINE MONTHS ENDED MARCH 31, 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

NAFA PENSION FUND

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3 BANK BALANCES

Note	March 31, 2014 (Un-audited)					June 30, 2013 (Audited)					
	Equity	Debt	Money Market	Others	Total	Equity	Debt	Money Market	Others	Total	
	Sub-Fund	Sub-Fund	Sub-Fund	(3.1)		Sub-Fund	Sub-Fund	Sub-Fund			
	-----Rupees-----					-----Rupees-----					
Savings accounts	3.2	2,289,663	3,288,689	838,717	764,413	7,181,482	30,487,155	30,477,949	30,478,152	-	91,443,256

3.1 These represent collection and redemption accounts maintained by the Fund and carries a rate of return of 9.50% per annum (June 30, 2013: Nil)

3.2 These carry a rate of return ranging from 6.0% to 9.50% (June 2013: 8.9 % to 9.45%) per annum.

4 INVESTMENTS - NET

Note	March 31, 2014 (Un-audited)				June 30, 2013 (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	65,797,951	-	-	65,797,951	-	-	-	-	-
Government of Pakistan - Treasury Bills	4.2	-	9,789,703	48,149,384	57,939,087	-	-	-	-	-
Pakistan Investment Bonds	4.3	-	43,877,168	-	43,877,168	-	-	-	-	-
Term Finance Certificates	4.4	-	6,235,948	-	6,235,948	-	-	-	-	-
		65,797,951	59,902,819	48,149,384	173,850,154	-	-	-	-	-

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 except for shares of Thal Limited which have a face value of Rs. 5 each.

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 March 31, 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)	%	
Oil and Gas								
Attock Petroleum Limited	-	500	100	-	600	324,558	0.47	0.00
Oil & Gas Development Company Limited	-	22,800	-	17,000	5,800	1,398,554	2.03	0.00
Pakistan Oilfields Limited	-	9,900	-	300	9,600	5,224,128	7.58	0.00
Pakistan Petroleum Limited	-	16,300	2,620	12,800	6,120	1,369,411	1.99	0.00
Pakistan State Oil Company Limited	-	23,800	-	8,500	15,300	6,528,663	9.48	0.01
Pharma and Bio Tech								
GlaxoSmithKline (Pakistan) Limited	-	4,400	-	-	4,400	715,528	1.04	0.00
Technology Hardware and Equipment								
TPL Trakker Limited	-	129,500	-	-	129,500	1,140,895	1.66	0.06
Automobile and Parts								
Honda Atlas Cars (Pakistan) Limited	-	25,500	-	-	25,500	1,406,580	2.04	0.02
Sazgar Engineering Works Limited	-	78,500	-	-	78,500	2,119,500	3.08	0.44
Chemicals								
Abbot Laboratories (Pakistan) Limited	-	1,600	-	-	1,600	670,512	0.97	0.00
Engro Corporation Limited	-	29,700	-	9,900	19,800	3,692,106	5.36	0.00
Engro Fertilizers Limited	-	-	1,250	-	1,250	74,625	0.11	0.00
Construction and Materials (Cement)								
D C Khan Cement Company Limited	-	34,500	-	13,500	21,000	1,932,420	2.81	0.00
Fajji Cement Company Limited	-	82,000	-	-	82,000	1,401,380	2.03	0.01
Pioneer Cement Company Limited	-	84,500	-	10,000	74,500	3,478,405	5.05	0.03
Cherat Cement Company Limited	-	29,000	850	20,500	9,350	694,331	1.01	0.01
Maple Leaf Cement Factory Limited	-	137,000	-	13,000	124,000	3,649,320	5.30	0.02
Kohat Cement Limited	-	29,000	2,100	13,000	18,100	2,118,062	3.07	0.01
Lucky Cement Limited	-	13,800	-	2,600	11,200	3,549,840	5.15	0.01
Personal Goods (Textile)								
Nishat (Chunian) Limited	-	35,000	3,400	37,500	900	42,651	0.06	0.00
Nishat Mills Limited	-	36,400	-	26,100	10,300	1,200,465	1.74	0.00
Fixed Line Telecommunication								
Pakistan Telecommunication Company Limited	-	87,000	-	10,000	77,000	2,353,890	3.42	0.00
Food Producers								
Rathan Maize Products Limited	-	20	-	-	20	182,200	0.26	0.00
Electricity								
Kot Addu Power Company Limited	-	73,000	-	-	73,000	4,342,040	6.30	0.01
Nishat Power Limited	-	22,000	-	-	22,000	695,420	1.01	0.01
The Hub Power Company Limited	-	45,500	-	31,500	14,000	744,380	1.08	0.00
Commercial Banks								
Allied Bank Limited	-	7,000	700	-	7,700	746,361	1.08	0.00
Bank Al-Habib Limited	-	123,000	8,650	36,500	95,150	3,531,017	5.13	0.01
Bank Alfalah Limited	-	190,000	-	52,000	138,000	3,687,360	5.35	0.01
Bank Islami Pakistan Limited	-	37,000	-	-	37,000	387,760	0.56	0.01
Faysal Bank Limited	-	42,000	-	42,000	-	-	-	-
Habib Bank Limited	-	2,400	-	2,400	-	-	-	-
Habib Metropolitan Bank Limited	-	44,500	-	3,500	41,000	1,094,290	1.59	0.00
Meezan Bank Limited	-	19,500	-	19,500	-	-	-	-
National Bank of Pakistan	-	18,500	-	18,500	-	-	-	-
United Bank Limited	-	23,600	-	23,600	-	-	-	-
MCB Bank Limited	-	8,300	-	-	8,300	2,085,209	3.03	0.00
Industrial Corporation								
Pakistan National Shipping Corporation	-	30,500	-	13,000	17,500	1,285,200	1.87	0.01
General Industrials								
Thal Limited	-	10,000	-	4,000	6,000	1,018,440	1.48	0.01
Ghani Glass Mills Limited	-	16,500	-	-	16,500	912,450	1.32	0.01
						65,797,951	95.64	0.73
Carrying Value as at March 31, 2014						58,950,340		

NAFA PENSION FUND

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

4.2.1 Treasury Bills - Debt Sub-Fund

Issue date	Tenor	As at July 1, 2013	Purchases during the period	Matured/ Sold during the period	As at March 31, 2014	Market Value	Market value as a % of net assets of the Sub-Fund
----- Face value (Rupees) -----						-----Rupees-----	
January 24, 2013	3 months	-	28,000,000	28,000,000	-	-	-
December 12, 2013	3 months	-	29,000,000	29,000,000	-	-	-
September 19, 2013	3 months	-	25,000,000	25,000,000	-	-	-
December 12, 2013	3 months	-	10,000,000	10,000,000	-	-	-
September 20, 2012	1 Year	-	13,000,000	13,000,000	-	-	-
February 20, 2014	3 months	-	6,000,000	-	6,000,000	5,925,774	8.60
March 6, 2014	3 months	-	1,500,000	-	1,500,000	1,475,811	2.14
March 20, 2014	6 months	-	2,500,000	-	2,500,000	2,388,118	3.47
		-	115,000,000	105,000,000	10,000,000	9,789,703	14.21

Carrying Value as at March 31, 2014

9,795,079

4.2.2 Treasury Bills - Money Market Sub-Fund

Issue date	Tenor	As at July 1, 2013	Purchases during the period	Matured/ Sold during the period	As at March 31, 2014	Market Value	Market value as a % of net assets of the Sub-Fund
----- Face value (Rupees) -----						-----Rupees-----	
September 19, 2013	3 months	-	29,000,000	29,000,000	-	-	-
December 12, 2013	3 months	-	33,000,000	33,000,000	-	-	-
September 20, 2012	3 months	-	25,000,000	25,000,000	-	-	-
July 26, 2012	3 months	-	25,000,000	25,000,000	-	-	-
January 23, 2014	3 months	-	12,000,000	-	12,000,000	11,943,372	24.51
February 20, 2014	3 months	-	1,800,000	-	1,800,000	1,777,732	3.65
March 6, 2014	3 months	-	33,000,000	-	33,000,000	32,467,842	66.62
March 20, 2014	3 months	-	2,000,000	-	2,000,000	1,960,438	4.02
		-	160,800,000	112,000,000	48,800,000	48,149,384	98.79

Carrying Value as at March 31, 2014

48,178,944

4.3 Pakistan Investment Bonds - Debt Sub-Fund

Issue date	Tenor	As at July 1, 2013	Purchases during the period	Matured/ Sold during the period	As at March 31, 2014	Market Value	Market value as a % of net assets of the Sub-Fund
----- Face value (Rupees) -----						-----Rupees-----	
July 18, 2013	3 Years	-	31,500,000	-	31,500,000	31,657,581	
July 18, 2013	5 Years	-	7,500,000	-	7,500,000	7,410,525	
July 19, 2012	10 Years	-	5,000,000	-	5,000,000	4,809,062	
		-	44,000,000	-	44,000,000	43,877,168	

Carrying Value as at March 31, 2014

42,992,113

NAFA PENSION FUND

4.4 Term Finance Certificates - at fair value through profit or loss - held for trading (listed)

4.4.1 Debt Sub-Fund

All term finance certificates have a face value of Rs. 5,000 each.

Name of the investee company	As at July 1, 2013	Purchases during the period	Sales / matured during the period	As at March 31, 2014	Market Value	Investment as % of	
						Net Assets	Market value as a % of net assets of the Sub-Fund
----- Number of certificates -----					Rupees	----- % -----	
Allied Bank Limited	-	9	-	9	22,627	0.04	0.04
Faysal Bank Limited - III	-	300	-	300	1,549,076	2.42	2.59
Standard Chartered Bank Limited - IV	-	470	-	470	2,359,635	3.68	3.94
United Bank Limited - III	-	100	-	100	83,360	0.13	0.14
Pakistan Mobile Communication Limited	-	150	150	-	-	-	-
Engro Fertilizers Limited PRP - I	-	165	-	165	821,250	1.28	1.37
K Electric AZM Sukuk	-	280	-	280	1,400,000	2.18	2.34
		<u>1,474</u>	<u>150</u>	<u>1,324</u>	<u>6,235,948</u>	<u>9.73</u>	<u>10.41</u>
Carrying Value as at March 31, 2014					<u>6,199,714</u>		

4.4.2 Money Market Sub-Fund

All term finance certificates have a face value of Rs. 5,000 each.

Name of the investee company	As at July 1, 2013	Purchases during the period	Sales / matured during the period	As at March 31, 2014	Market Value	Investment as % of		
						Net Assets	Market value as a % of net assets of the Sub-Fund	Issue Size
----- Number of certificates -----					Rupees	----- % -----		
Communication								
Pakistan Mobile Communication Limited	-	320	320	-	-	-	-	-
		<u>320</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying Value as at March 31, 2014					<u>-</u>			

4.4.3 The Term Finance Certificates held by the fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

5 PROFIT RECEIVABLE

March 31, 2014 (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 -----			
Debt Securities	-	190,275	-	190,275	-	-	-
Pakistan Investment Bonds	-	999,607	-	999,607	-	-	-
Savings accounts	21,379	47,362	85,583	154,324	-	-	-
	<u>21,379</u>	<u>1,237,244</u>	<u>85,583</u>	<u>1,344,206</u>	<u>-</u>	<u>-</u>	<u>-</u>

6 ACCRUED EXPENSES AND OTHER LIABILITIES

March 31, 2014 (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 -----			
Provision for Workers' Welfare Fund	221,284	72,773	49,093	343,150	6,704	6,999	7,294
Payable to the auditors	45,026	45,026	45,026	135,078	10,000	10,000	30,000
Bank charges Payable	8,883	2,708	3,195	14,786	4,680	4,275	13,412
Brokerage Payable	-	-	-	-	-	-	-
Other charges payable	73,016	39,959	32,797	145,772	20,911	21,211	21,310
	<u>348,209</u>	<u>160,466</u>	<u>130,111</u>	<u>638,786</u>	<u>42,295</u>	<u>42,485</u>	<u>43,061</u>
							<u>127,841</u>

NAFA PENSION FUND

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2014 (June 2013; Nil).

8 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) 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, 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 WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 06, 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 06, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

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

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. 343,150 in aggregate including Rs. 322,287 for the nine months ended March 31, 2014.

9 TAXATION

No provision for taxation for the period ended March 31, 2014 has been made in the view of exemption available under clause 57(3) (viii) of Part I of the second Schedule to the Income Tax Ordinance, 2010.

10 NUMBER OF UNITS IN ISSUE

	March 31, 2014 (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
	-----Number of units-----				-----Number of units-----			
Total units in issue at the beginning of the period	300,060	299,970	299,970	900,000	-	-	-	-
Add: Issue of units during the period	248,880	297,508	170,180	716,568	300,060	299,970	299,970	900,000
Less: Units redeemed during the period	4,825	4,931	13,070	22,827	-	-	-	-
Total units in issue at the end of the period	544,114	592,547	457,080	1,593,741	300,060	299,970	299,970	900,000

NAFA PENSION FUND

11 CONTRIBUTION TABLE

	For the nine months ended March 31, 2014 (Un-audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	248,880	28,565,538	297,508	31,054,797	170,180	17,714,956	716,568	77,335,290
	248,880	28,565,538	297,508	31,054,797	170,180	17,714,956	716,568	77,335,290

12 TRANSACTIONS WITH CONNECTED PERSONS

- 12.1 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.
- 12.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 12.3 Remuneration payable to the Pension Fund manager and Trustee is determined in accordance with the provisions of the VPS Rules and the Trust Deed.
- 12.4 Details of the transactions with connected persons are as follows:

	Nine months ended March 31, 2014 (Un-audited)				Three months ended (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			
NBP Fullerton Asset Management Limited - Pension Fund Manager								
Management fee	518,436	409,934	290,134	1,218,504	388,161	306,783	210,654	905,598
Sales tax on remuneration of Pension Fund Manager	98,669	76,564	54,216	229,449	77,825	60,060	41,499	179,384
FED on remuneration of the Pension Fund Manager	82,949	65,589	46,421	194,959	62,105	49,085	33,704	144,894
Central Depository Company of Pakistan Limited - Trustee								
Remuneration	51,843	49,192	43,520	144,555	38,815	36,814	31,598	107,227
Taurus Securities Limited								
Brokerage charges	15,234	-	-	15,234	5,956	-	-	5,956
Thal Limited								
Purchase of Shares 10,000	1,251,945	-	-	1,251,945	369,200	-	-	369,200
National Bank of Pakistan								
Purchase of Shares 18,500	1,004,325	-	-	1,004,325	1,004,325	-	-	1,004,325
Sales of Shares 18,500	1,003,850	-	-	1,003,850	1,003,850	-	-	1,003,850

NAFA PENSION FUND

12.4 Amounts outstanding as at period end

	March 31, 2014 (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-----			
NBP Fullerton Asset Management Limited - Pension Fund Manager								
Management fee payable	85,207	66,477	41,099	192,783	73,173	60,973	48,790	182,936
Sindh Sales tax payable on management fee	15,816	12,336	7,629	35,780	12,281	10,234	8,189	30,704
FED payable on management fee	86,535	68,577	48,812	203,924	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	15,000	15,000	40,000	8,334	8,333	8,333	25,000
Amount of units issued	21,317,217	18,834,090	18,827,557	58,978,864	18,003,600	17,998,200	17,998,200	54,000,000
Number of units issued (seed capital)	180,036	179,982	179,982	540,000	180,036	179,982	179,982	540,000
Alexandra Fund Management Pte. Limited - Sponsor								
Amount of units issued	14,211,478	12,556,060	12,551,705	39,319,243	12,002,400	11,998,800	11,998,800	36,000,000
Number of units issued (seed capital)	120,024	119,988	119,988	360,000	120,024	119,988	119,988	360,000
Central Depository Company of Pakistan Limited - Trustee								
Trustee Fee payable	8,355	7,811	11,360	27,526	7,317	7,317	7,318	21,952
Thal Limited								
Shares held (6,000 Shares)	1,018,440	-	-	1,018,440	-	-	-	-

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 30, 2014 by the Board of Directors of the Pension Fund Manager.

14 GENERAL

14.1 Figures have been rounded off to the nearest rupee, 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

Your investments & "NAFA" grow together



Joint - Venture Partners

Head Office

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