

## **NAFA ISLAMIC PENSION FUND**

# **ANNUAL REPORT 2016**




*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

## 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)  
Soneri Bank Limited (Mustaqeem)  
HabibMetro Bank Limited (Islamic)  
Allied Bank 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:**

Opposite Gul Haji Plaza, 2nd Floor  
National Bank Building  
University Road Peshawar,  
UAN: 091-111 111 632 (nfa)  
Fax: 091-5703202

## **Multan Office:**

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

# NAFA ISLAMIC PENSION FUND

## Contents

DIRECTORS' REPORT	05
TRUSTEE REPORT TO THE PARTICIPANTS	09
STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES	10
FUND MANAGER REPORT	11
REPORT OF THE SHARIAH ADVISOR	13
INDEPENDENT ASSURANCE REPORT TO THE PARTICIPANTS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES	15
INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS	16
STATEMENT OF ASSETS AND LIABILITIES	17
INCOME STATEMENT	18
STATEMENT OF COMPREHENSIVE INCOME	19
STATEMENT OF MOVEMENT IN PARTICIPANTS FUND	20
CASH FLOW STATEMENT	21
NOTES TO THE FINANCIAL STATEMENTS	22

# Board of Directors



Mr. Nausherwan Adil  
**Chairman**



Dr. Amjad Waheed, CFA  
**Chief Executive Officer**



Mr. Kamal Amir Chinoy  
**Director**



Mr. Koh Boon San  
**Director**



Mr. Aamir Sattar  
**Director**



Mr. Shehryar Faruque  
**Director**



Mr. Nigel Poh Cheng  
**Director**



Mr. Abdul Hadi Palekar  
**Director**



# Senior Management



Dr. Amjad Waheed, CFA  
Chief Executive Officer



Mr. Sajjad Anwar, CFA  
Chief Investment Officer



Mr. M. Murtaza Ali  
Chief Operating Officer  
& Company Secretary



Mr. Khalid Mehmood  
Chief Financial Officer



Mr. Samiuddin Ahmed  
Country Head Corporate  
Marketing



Mr. Ozair Khan  
Chief Technology Officer



Syed Suleman Akhtar CFA  
Head of Research



Mr. Muhammad Ali, CFA, FRM  
Head of Fixed Income



Mr. Asim Wahab Khan, CFA  
Head of Equity



Mr. Salman Ahmed  
Head of Risk Management



Mr. Raheel Rehman ACA, CICA  
Senior Manager Compliance

# NAFA ISLAMIC PENSION FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Fourth Annual Report of **NAFA Islamic Pension Fund** for the year ended June 30, 2016.

### Fund's Performance

	<b>Fund Size (Rs. in mln)</b>	<b>NAV Per Unit (Rs.) June 30, 2015</b>	<b>NAV Per Unit (Rs.) June 30, 2016</b>	<b>Performance Since Launch July 02, 2013</b>
NIPF-Equity Sub-fund	433.1	208.0138	243.0699	34.17%
NIPF-Debt Sub-fund	279.7	115.2910	119.6465	5.83%
NIPF-Money Market Sub-fund	152.4	115.1765	119.7025	5.85%
Annualized Return	[Net of management fee & all other expenses]			

The stock market started FY2015-16 on a lackluster note in sync with the regional and global markets, driven by a rout in commodities and concerns on global growth led by China. But in the aftermath of a strong rally in the second half of the year, the local bourse closed the year with a 9.8% return. During the first half of the year, the market remained under pressure led by Oil & Gas Sector amid sharp decline in crude oil prices and unabated foreign selling. However, the market more than made up for the losses in the second half as recovery in crude oil prices led to strong returns from the large cap energy stocks, and news of Pakistan's re-entry in the MSCI EM Index from next year. NBFCs, Individuals, and Mutual Funds remained net buyers, absorbing majority of the foreign selling. After a volatile FY2015-16, Pakistan equities are well poised to post stronger returns this fiscal year due to inclusion in MSCI Emerging Markets Index, relatively reasonable valuations, and improving growth prospects driven by government focus on infrastructure spending coupled with implementation of CPEC projects.

On the corporate debt sphere, trading activity in Sukuks remained skewed towards high quality issues with total trade value touching around Rs 8 billion. The trades were mainly concentrated in the Banking sector, making up 43% share. During the period under review (FY16), due to further abatement in inflationary pressures (average inflation of 2.9%), State Bank of Pakistan (SBP) reduced the policy rate by a cumulative 75 bps following a cumulative 300 bps reduction in FY15. SBP in its policy statement highlighted (i) improvement in the macroeconomic conditions, (ii) better law and order situation; and (iii) positive growth prospects underpinned by investment under China Pakistan Economic Corridor (CPEC). During the period under review, sovereign yields responded accordingly to policy rate cut of 75 bps. We see pickup in inflation to 6% by FY17 year-end due to partial recovery in commodity prices, measured PKR devaluation, and uptick in private sector borrowing.

The equity sub-fund generated a return of 16.85% during FY16 against the benchmark KMI-30 Index return of 15.53%.

The debt sub-fund yielded a return of 3.77% during FY16.

During FY16, the money market sub-fund posted a return of 3.92%. These returns are net of management fee and all other expenses.

The asset allocation of the Funds as on June 30, 2016 is as follows:



# NAFA ISLAMIC PENSION FUND

Asset Allocation (% of Net Assets)	
<b>Equity Sub-fund</b>	
Equity	91.23%
Cash Equivalents	9.24%
Others	-0.47%
<b>Total</b>	<b>100.00%</b>
<b>Debt Sub-fund</b>	
Sukuks	41.29%
Cash Equivalents	58.57%
Others	0.14%
<b>Total</b>	<b>100.00%</b>
<b>Money Market Sub-fund</b>	
Short Term Sukuks	9.92%
Cash Equivalents	90.05%
Others	0.03%
<b>Total</b>	<b>100.00%</b>

## Taxation

No provision for taxation for the year ended June 30, 2016 has been made in view of the exemption available under clause 57 (1) (viii) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001.

## Auditors

The present auditors, KPMG Taseer Hadi & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2017.

## Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, 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: September 23, 2016  
Place: Karachi.

# NAFA ISLAMIC PENSION FUND

## ڈائریکٹرز رپورٹ

NBP فلٹر ان ایسیٹ منجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز صدمسرت 30 جون 2016ء کو ختم ہونے والے سال کے لیے NAFA اسلامک پنشن فنڈ کی چوتھی سالانہ رپورٹ پیش کرتا ہے۔

### فنڈ کی پرفارمنس

02 جولائی 2013 کو لانچ سے اب تک کارکردگی	NAV فی یونٹ (روپے) 30 جون 2016	NAV فی یونٹ (روپے) 30 جون 2015	فنڈ کا حجم (ملین روپے)	
34.17%	243.0699	208.0138	433.1	NIIF کی یو بی سی سب فنڈ
5.83%	119.6465	115.2910	279.7	NIIF - ڈیٹ سب فنڈ
5.85%	119.7025	115.1765	152.4	NIIF منی مارکیٹ سب فنڈ
سالانہ بنیاد پر منافع				منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص

اسٹاک مارکیٹ نے کموڈٹیز میں زبردست مندی اور چین کی زیر قیادت عالمی نمو پر خدشات کے زیر اثر علاقائی اور عالمی مارکیٹس کے مطابق غیر متاثر کارکردگی سے مالی سال 16-2015 کا آغاز کیا۔ لیکن سال کے دوسرے نصف میں ایک زبردست بحالی کے نتیجے میں مقامی اسٹاک ایکسچینج سال کے آخر میں 9.8 فی صد منافع کے ساتھ بند ہوئے۔ سال کے پہلے نصف کے دوران مارکیٹ آئل اینڈ گیس سیکٹر میں خام تیل کی قیمتوں میں تیزی سے کمی اور غیر ملکی سرمایہ کاروں کی طرف سے بے روک ٹوک حصص کی فروخت کے نتیجے میں پروڈاؤ میں رہی۔ تاہم مارکیٹ نے دوسرے نصف میں خساروں سے کہیں زیادہ ازالہ کر لیا، جیسا کہ خام تیل کی قیمتوں کی بحالی کا نتیجہ بھاری سرمائے والے انرجی اسٹاکس کی طرف سے زبردست منافع جات کی صورت میں برآمد ہوا اور پاکستان کی آئندہ سال سے MSCI EM میں دوبارہ شمولیت کی خبر سامنے آئی۔ NBFCs، انفرادی اور میوچل فنڈز خالصتاً خریدار رہے اور انہوں نے غیر ملکی سرمایہ کاروں کی طرف سے حصص کی فروخت کے بڑے حصے کو جذب کر لیا۔ اتار چڑھاؤ سے بھرپور مالی سال 16-2015 کے بعد MSCI امریکہ مارکیٹس انڈیکس میں شمولیت، قیمتوں کے معقول تعین اور حکومت کی طرف سے سی پیک پریذیکٹس کے نفاذ کے ساتھ انفراسٹرکچر پروجیکٹ پر توجہ مرکوز کرنے کی وجہ سے پاکستانی ایکویٹیز زبردست منافع جات پیش کرنے کے لیے عمدہ پوزیشن میں ہیں۔ کاروباری قرض کے حلقے میں TFCs/سکوک میں تجارتی سرگرمیوں کے اعلیٰ کوالٹی اجرائی کارروائیوں کی طرف جھکاؤ کے ساتھ مجموعی تجارتی حجم تقریباً 8 ارب روپے کو پہنچ گیا۔ لیکن دین کا اصل ارتکاز بینکاری کے شعبے میں رہا جس کا حصہ 43% بنتا ہے۔ زیر جائزہ مدت (مالی سال 2016) کے دوران، افراط زر کے دباؤ میں مزید کمی کے ساتھ (اوسط افراط زر 2.9%)، اسٹیٹ بینک آف پاکستان نے مالی سال 2015 میں پالیسی ریٹ میں 300 بنیادی پوائنٹس کی مجموعی کمی کے بعد 75 بنیادی پوائنٹ مجموعی طور پر مزید کم کر دیے۔ SBP نے اپنے پالیسی بیان میں درج ذیل کی نشان دہی کی ہے (i) مجموعی معاشی حالات میں بہتری (ii) امن و امان کی بہتر صورت حال اور (iii) چین پاکستان اقتصادی راہداری (CPEC) کے تحت سرمایہ کاری کی بدولت نمو کے مثبت امکانات۔ زیر جائزہ مدت کے دوران آزاد منافع جات نے پالیسی ریٹ میں 75 بنیادی پوائنٹ کی کمی کے مطابق رد عمل دکھایا۔ ہم مالی سال 2017 کے آخر تک اشیائے صرف کی قیمتوں کی جزوی بحالی، پاکستانی روپے کی قدر میں محدود کمی اور نجی شعبے کے قرضوں میں اضافے کی وجہ سے افراط زر کو 6% تک بڑھتا دیکھ رہے ہیں۔

ایکویٹی سب فنڈ نے گزشتہ اسی مدت میں KMI-30 انڈیکس ٹینچ مارک 15.53% منافع کے مقابلے میں مالی سال 2016 کے دوران 16.85% منافع پیش کیا۔

ڈیٹ سب فنڈ نے مالی سال 2016 کے دوران 3.77% منافع کمایا۔

منی مارکیٹ سب فنڈ نے سال کے دوران 3.92% منافع پیش کیا۔ یہ منافع جات منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہیں۔

فنڈ کی ایسیٹ ایلوکیشن 30 جون 2016 کو بمطابق ذیل ہے:

# NAFA ISLAMIC PENSION FUND

ایسیٹ ایلوکیشن (نیٹ ایسیٹس کا %)	
ایکویٹی سب فنڈ	
ایکویٹی	91.23%
کیش کے مساوی	9.24%
دیگر	-0.47%
ڈیٹ سب فنڈ	100.00% ٹوٹل
صکوک	41.29%
کیش کے مساوی	58.57%
دیگر	0.14%
ڈیٹ سب فنڈ	100.00% ٹوٹل
منی مارکیٹ سب فنڈ	
مختصر مدتی صکوک	9.92%
کیش کے مساوی	90.05%
دیگر	0.03%
ڈیٹ سب فنڈ	100.00% ٹوٹل

## ٹیکسیشن

انکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ I کی شق (viii) (1) 57 کے تحت دستیاب چھوٹ کے پیش نظر 30 جون 2016 کو ختم ہونے والے سال کے لیے کوئی ٹیکس ادا نہیں کیا گیا۔

## آڈیٹرز

موجودہ آڈیٹرز KPMGMessurs تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہوئے ہیں اور برائے اہلیت، خود کو تختہ سال 30 جون 2017 کے لیے دوبارہ تقرری کے لیے پیش کرتے ہیں۔

## اعتراف

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجمنت کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہار تشکر کرتا ہے۔  
بورڈ اپنے اسٹاف اور آرٹسٹ کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فلرٹن ایسیٹ منجمنت لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

23 ستمبر 2016

مقام: کراچی

# NAFA ISLAMIC PENSION FUND

## TRUSTEE REPORT TO THE PARTICIPANTS NAFA ISLAMIC PENSION FUND

### Report of the Trustee pursuant to Rule 31(h) of the Voluntary Pension System Rules, 2005

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Islamic Pension Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2016 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, October 19, 2016

# NAFA ISLAMIC PENSION FUND

## STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

NAFA Islamic Pension Fund (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2016. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: September 23, 2016  
Karachi.

Dr. Amjad Waheed, CFA  
Chief Executive Officer

# NAFA ISLAMIC PENSION FUND

## FUND MANAGER REPORT

### NAFA Islamic Pension Fund

NAFA Islamic Pension Fund is an open-ended Shariah Compliant Voluntary Pension Scheme

### Investment Objective of the Fund

To provide a secure source of savings and regular income after retirement to the Participants.

### Fund performance review

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) June 30, 2015	NAV Per Unit (Rs.) June 30, 2016	Performance Since Launch July 02, 2013
NIPF-Equity Sub-fund	433.1	208.0138	243.0699	34.17%
NIPF-Debt Sub-fund	279.7	115.2910	119.6465	5.83%
NIPF-Money Market Sub-fund	152.4	115.1765	119.7025	5.85%
Annualized Return [Net of management fee & all other expenses]				

This is the fourth annual report of the Fund. The stock market started FY2015-16 on a lackluster note in sync with the regional and global markets, driven by a rout in commodities and concerns on global growth led by China. But in the aftermath of a strong rally in the second half of the year, the local bourse closed the year with 9.8% return. During the first half of the year, the market remained under pressure led by Oil & Gas Sector amid sharp decline in crude oil prices and unabated foreign selling. However, the market more than made up for the losses in the second half as recovery in crude oil prices led to strong returns from the heavy eight energy stocks and Pakistan's re-entry in MSCI EM Index from next year boosted general investor sentiment. NBFCs, Individuals, and Mutual Funds remained net buyers, absorbing majority of the foreign selling. After a volatile FY2015-16, Pakistan equities are well poised to post stronger return this year as inclusion in MSCI Emerging Markets Index, relatively reasonable valuations, and improving growth prospects driven by government focus on infrastructure spending coupled with implementation of CPEC projects will keep local & foreign investors' interest strong in the market.

On the corporate debt sphere, trading activity in Sukuks remained skewed towards high quality issues with total trade value touching around Rs 8 billion. The trades were mainly concentrated in the Banking sector, making up 43% share. Due to further abatement in inflationary pressures as captured in FY16 average inflation of 2.9%, State Bank of Pakistan (SBP) reduced the policy rate by a cumulative 75 bps in FY16 up on the heels of a cumulative 300 bps reduction in FY15. SBP in its policy statement highlighted (i) improvement in the macroeconomic conditions, (ii) better law and order situation; and (iii) positive growth prospects underpinned by investment under China Pakistan Economic Corridor (CPEC). During the period under review, sovereign yields responded accordingly to policy rate cut of 75 bps. We see pickup in inflation to 5.5% by year-end due to partial recovery in commodity prices, measured PKR devaluation, and uptick in private sector borrowing.

The equity sub-fund generated a return of 16.85% during FY16 against the benchmark KMI-30 Index return of 15.53%.

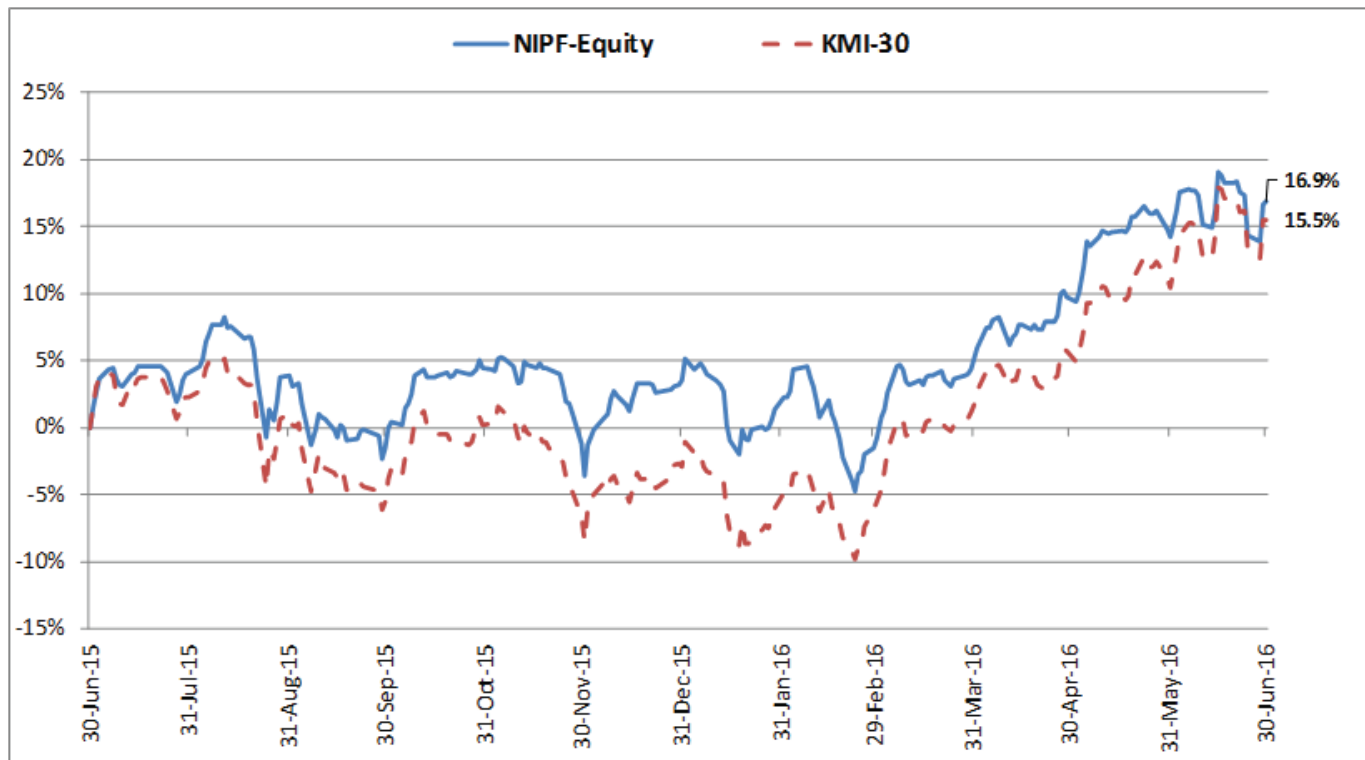
The debt sub-fund yielded a return of 3.77% during FY16.

During FY16, the money market sub-fund posted a return of 3.92%. These returns are net of management fee and all other expenses.



# NAFA ISLAMIC PENSION FUND

NIPF-Equity Performance vs. KMI-30 during FY16



Asset Allocation of the Fund (% of NAV)

Asset Allocation (% of Net Assets)	
<b>Equity Sub-fund</b>	
Equity	91.23%
Cash Equivalents	9.24%
Others	-0.47%
<b>Total</b>	<b>100.00%</b>
<b>Debt Sub-fund</b>	
Sukuks	41.29%
Cash Equivalents	58.57%
Others	0.14%
<b>Total</b>	<b>100.00%</b>
<b>Money Market Sub-fund</b>	
Short Term Sukuks	9.92%
Cash Equivalents	90.05%
Others	0.03%
<b>Total</b>	<b>100.00%</b>

# NAFA ISLAMIC PENSION FUND

## Report of the Shari'ah Supervisory Board – NAFA Islamic Pension Fund

Sep 20, 2016/Dhu al-Hijjah 17, 1437

**Alhamdulillah**, the period from July 1, 2015 to June 30, 2016 was the third year of operations of NAFA Islamic Pension Fund (NIPF). This report is being issued in accordance with clause 4.20 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shari'ah Compliance of the Fund's activity.

We have prescribed six criteria for Shari'ah compliance of equity investments which relate to (i) Nature of business, (ii) Debt to total assets, (iii) Investment in Shari'ah Non-Compliant activities (iv) Shari'ah Non-Income from Non-Compliant Investments, (v) Illiquid assets to total assets, and (vi) Net liquid assets per share vs. share price.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure Shari'ah compliance in line with the Shari'ah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries from the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

- i) We have reviewed and approved the modes of equity investments of NIPF in light of Shari'ah requirements. Following is a list of top investments of NIPF as on June 30, 2016 and their evaluation according to the screening criteria established by us. (December 31, 2015 accounts of the Investee companies have been used)

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	
Company Name	Nature of Business	Debt to Assets (<37%)	Non-Compliant Investments (<33%)	Non-Compliant Income to Gross Revenue (<5%)	Illiquid Assets to Total Assets (>25%)	Net Liquid Assets vs. Share Price (B>A)	
						Net Liquid Assets per Share (A)	Share Price (B)
Engro Corporation Ltd	Fertilizer	27.72	7.17	1.05	79	(131.58)	279.39
Dawood Hercules	Fertilizer	28.18	6.75	1.02	79	(151.34)	119.14
Lucky Cement Ltd	Cement	9.55	2.81	1.85	73	(30.12)	495.04
Fauji Cement Company Ltd	Cement	20.26	4.98	0.98	85	(5.49)	36.82
Mari Petroleum	Oil & Gas Exploration	21.28	0.00	0.45	43.99	(110.95)	697.14
Hub Power Co Ltd	Power Generation and Distribution	28.91	0.00	0.15	43	(25.00)	102.6

# NAFA ISLAMIC PENSION FUND

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	
Pakistan Petroleum Limited	Oil and Gas Exploration Companies	0.11	28	4.02	46	40.05	121.81
Kohinoor Textile Mills Ltd	Textile	19.55	2.31	0.15	91	(54.78)	71.50
Pakistan Oilfields Ltd	Oil and Gas Exploration Companies	0.00	0.23	1.50	73.89	(40.38)	268.02

- ii) On the basis of information provided by the management and the provisions of the Scheme, investments in equities made on account of NIPF are Shari'ah Compliant and in accordance with the criteria established by us.
- iii) There are investments made by NIPF where Investee companies have earned a part of their income from non-compliant sources (e.g. interest income received on bank deposits and etc). In such cases, the management company has been directed to set aside such proportion of the income from Investee companies as charity in order to purify the earnings of the Fund.

In light of the above, we hereby certify that nothing has come to our attention which causes to believe that the overall operations of NIPF for the year ended June 30, 2016 are not in compliance with the Shari'ah principles.

During the year a provision of Rupees 199,715/- was created and an amount of Rupees 132,522/- was available for disbursement into charity as of June 30, 2016. However, the provisional amount will be adjusted after the availability of the respective annual financial statements.

May Allah bless us with best Tawfeeq to accomplish our cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

**For and on behalf of Meezan Bank Limited**  
*Shar'iah Technical Services & Support Provider*

**Mufti Muhammad Naveed Alam**  
*Member*  
*Shariah Supervisory Board*

**Mufti Ehsan Waquar**  
*Shariah Advisor & Member*  
*Shariah Supervisory Board*

**Dr. Imran Ashraf Usmani**  
*Chairman*  
*Shariah Supervisory Board*

# NAFA ISLAMIC PENSION FUND

## INDEPENDENT ASSURANCE REPORT TO THE PARTICIPANTS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

We were engaged by the Board of directors of NBP Fullerton Asset Management Limited, Pension Fund Manager of NAFA Islamic Pension Fund (the Fund), to report on Fund's Compliance with the Shariah principles as set out in the annexed statement prepared by the Pension Fund Manager for the year ended 30 June 2016 in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly, in all material respects, the status of the Fund's compliance with Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor as required under clause 4.20 of the Trust Deed of the Fund.

### Pension Fund Manager Responsibilities

The Pension Fund Manager of the Fund is responsible for preparing the annexed statement that is free from material misstatement in accordance with the Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor. This responsibility includes designing, implementing and maintaining internal control relevant to the operations of the Fund in accordance with the Shariah principles and to ensure that Fund's investments and placements are made in compliance with Shariah principles.

The Pension Fund Manager is also responsible for preventing and detecting fraud and for identifying and ensuring that the Fund complies with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Fund's compliance with the Shariah principles are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

### Our Responsibilities

Our responsibility is to examine the annexed statement prepared by the Pension Fund Manager and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3000) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement fairly presents the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the International Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with Shariah principles whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the operations of the Fund in accordance with the Shariah principles in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Fund's internal control. Reasonable assurance is less than absolute assurance.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the statement of the management assessment of compliance with the Shariah principles nor of the underlying records or other sources from which the annexed statement was extracted.

### The procedures performed included:

1. Checking compliance of specific guidelines issued by the Shariah Advisor relating to charity, maintaining bank accounts and for making investments of the Fund.
2. Check that the Shariah Advisor has certified that investments made by the Fund during the year ended 30 June 2016 are in compliance with the Shariah principles and where required purification of income from non-compliant sources has been made in consultation with the Shariah Advisor.

### Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the annexed statement, in all material respects, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor for the year ended 30 June 2016.

Date: September 23, 2016

Karachi

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Nadeem

# NAFA ISLAMIC PENSION FUND

## INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS OF NAFA ISLAMIC PENSION FUND

We have audited the annexed financial statements comprising:

- i) Balance Sheet;
- ii) Income Statement;
- iii) Statement of Comprehensive Income;
- iv) Statement of Movement in Participants' Fund; and
- v) Cash Flow Statement

of **NAFA Islamic Pension Fund** ("the Fund") as at 30 June 2016 and for the year ended 30 June 2016 together with the notes forming part thereof.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal controls; and prepare and present the financial statements of the Fund in conformity with the Approved Accounting Standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements as at 30 June 2016 and for the year ended 30 June 2016 have been properly drawn up in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- (b) the financial statements give a true and fair view of the financial position of the Fund as at 30 June 2016 and of its financial performance, cash flows and transactions for the year ended 30 June 2016 in accordance with approved accounting standards as applicable in Pakistan;
- (c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- (d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- (e) the financial statements prepared are in agreement with the Fund's books and records;
- (f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit; and
- (g) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The financial statements of the Fund for the year ended 30 June 2015 were audited by another firm of Chartered Accountants, who vide their report dated 30 September 2015, addressed to the participants, had expressed an unmodified opinion thereon.

**Date: September 23, 2016**

**Karachi**

**Annual Report 2016**

**KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Nadeem**

Page 16

# NAFA ISLAMIC PENSION FUND

## Balance Sheet As at 30 June 2016

	Note	2016					2015				
		Equity Sub-Fund	Debt Sub-Fund	Money Market	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		(Rupees)									
Assets											
Bank balances	5	40,029,344	163,819,796	137,238,592	3,340,997	344,428,729	24,610,988	18,531,916	23,011,902	2,365,550	68,520,356
Investments	6	395,128,577	115,491,000	15,118,500	-	525,738,077	197,395,645	105,801,400	50,866,750	-	354,063,795
Dividend receivable		1,505,750	-	-	-	1,505,750	615,306	-	-	-	615,306
Mark-up receivables	7	182,456	1,928,955	1,041,937	-	3,153,348	124,696	2,212,356	602,720	-	2,939,772
Preliminary expenses and floatation costs	8	-	-	-	-	-	21,027	21,027	21,027	-	63,081
Recievable against sale of investment		-	-	-	-	-	8,310,597	-	-	-	8,310,597
Advance, deposit and other receivables	9	125,528	100,000	100,000	-	325,528	107,626	10,494,621	6,393,769	-	16,996,016
Total assets		436,971,655	281,339,751	153,499,029	3,340,997	875,151,432	231,185,885	137,061,320	80,896,168	2,365,550	451,508,923
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	10	1,784,805	1,181,109	703,936	3,155,986	6,825,836	768,155	518,511	345,310	1,952,672	3,584,648
Payable to the Central Depository Company of Pakistan Limited - Trustee	11	59,187	37,161	20,311	-	116,659	26,651	15,314	8,707	-	50,672
Payable to Securities and Exchange Commission of Pakistan	12	99,445	63,495	34,758	-	197,698	38,379	26,917	17,578	-	82,874
Accrued expenses and other liabilities	13	1,904,672	367,963	330,994	185,011	2,788,640	18,216,615	1,418,514	1,332,552	412,878	21,380,559
Total liabilities		3,848,109	1,649,728	1,089,999	3,340,997	9,928,833	19,049,800	1,979,256	1,704,147	2,365,550	25,098,753
Net assets		433,123,546	279,690,023	152,409,030	-	865,222,599	212,136,085	135,082,064	79,192,021	-	426,410,170
Participants' funds (as per statement attached)		433,123,546	279,690,023	152,409,030	-	865,222,599	212,136,085	135,082,064	79,192,021	-	426,410,170
Contingency and commitment	14										
Number of units in issue	15	1,781,889	2,337,636	1,273,232			1,019,817	1,171,662	687,571		
Net assets value per unit		243.0699	119.6465	119.7025			208.0138	115.2910	115.1765		

The annexed notes 1 to 24 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director



# NAFA ISLAMIC PENSION FUND

## Income Statement For the year ended 30 June 2016

		2016				2015			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market	Total
		----- (Rupees) -----							
<b>Income</b>									
Mark-up on bank deposits	5.1	1,599,504	6,199,090	4,606,485	12,405,079	760,381	1,085,411	784,974	2,630,766
Mark-up / return on government securities		-	6,080,038	2,220,871	8,300,909	-	6,163,829	4,106,785	10,270,614
Dividend income		14,696,771	-	-	14,696,771	4,677,308	-	-	4,677,308
Gain / (loss) on sale of investments - net		5,445,863	(803,480)	(366,750)	4,275,633	17,811,482	(24,500)	-	17,786,982
Net unrealized appreciation / (diminution) on re measurment of investments classified as 'financial assets at fair value through profit or loss'	6.3	38,840,657	(59,000)	118,500	38,900,157	24,960,581	(523,150)	(358,600)	24,078,831
		60,582,795	11,416,648	6,579,106	78,578,549	48,209,752	6,701,590	4,533,159	59,444,501
<b>Expenses</b>									
Remuneration of NBP Fullerton Asset Managemen Limited - Pension Fund Manager	10.1	4,520,266	2,886,190	1,579,936	8,986,392	1,744,471	1,158,277	700,536	3,603,284
Federal Excise Duty on remuneration of Pension Fund Manager	10.2	723,243	461,790	252,790	1,437,823	279,116	185,325	112,086	576,527
Sindh Sales Tax on remuneration of Pension Fund Manager	10.3	734,091	468,717	256,582	1,459,390	303,539	201,541	121,894	626,974
Remuneration to Central Depository Company of Pakistan Limited - Trustee	11.1	452,105	288,666	158,021	898,792	188,419	135,887	90,724	415,030
Sindh Sales Tax on remuneration of Central Depository Company of Pakistan Limited- Trustee	11.2	63,295	40,413	22,123	125,831	-	-	-	-
Annual fee - Securities and Exchange Commission of Pakistan	12	99,446	63,496	34,759	197,701	38,379	26,917	17,578	82,874
Auditors' remuneration	17	114,178	114,178	114,178	342,534	84,134	84,134	84,134	252,402
Amortization of preliminary expense and floatation costs	8.1	21,027	21,027	21,027	63,081	25,000	25,000	25,000	75,000
Charity expense		219,510	-	-	219,510	-	-	-	-
Securities transaction cost		448,710	14,527	-	463,237	319,448	10,552	3,105	333,105
Printing expenses		14,966	14,966	14,966	44,898	14,980	14,980	14,980	44,940
Legal and professional charges		160,979	7,140	7,140	175,259	41,666	41,666	41,666	124,998
Settlement and bank charges		139,501	86,581	70,588	296,670	95,907	48,041	37,015	180,963
		7,711,317	4,467,691	2,532,110	14,711,118	3,135,059	1,932,320	1,248,718	6,316,097
<b>Net income from operating activities</b>		52,871,478	6,948,957	4,046,996	63,867,431	45,074,693	4,769,270	3,284,441	53,128,404
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		9,594,490	3,232,694	1,715,629	14,542,813	8,430,583	1,056,848	828,457	10,315,888
Provision for Workers' Welfare Fund	13.1	-	-	-	-	(1,070,106)	(116,524)	(82,258)	(1,268,888)
<b>Net income for the year</b>		62,465,968	10,181,651	5,762,625	78,410,244	52,435,170	5,709,594	4,030,640	62,175,404

The annexed notes 1 to 24 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## Statement of Comprehensive Income For the year ended 30 June 2016

	2016				2015			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----							
Net income for the year	62,465,968	10,181,651	5,762,625	78,410,244	52,435,170	5,709,594	4,030,640	62,175,404
Other comprehensive income for the year	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>62,465,968</b>	<b>10,181,651</b>	<b>5,762,625</b>	<b>78,410,244</b>	<b>52,435,170</b>	<b>5,709,594</b>	<b>4,030,640</b>	<b>62,175,404</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## Statement of Movement in Participants' Funds For the year ended 30 June 2016

	2016				2015			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
<i>Note</i>								
	----- (Rupees) -----							
<b>Net assets at beginning of the year</b>	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	233,501,357	156,738,807	75,950,614	466,190,778	151,408,445	100,465,935	40,767,642	292,642,022
Amount paid on redemption of units	(22,154,842)	(42,145,560)	(26,945,378)	(91,245,780)	(17,462,345)	(33,148,544)	(12,706,808)	(63,317,697)
Reallocation among sub-funds	(43,230,532)	23,065,755	20,164,777	-	(16,477,712)	10,238,934	6,238,778	-
	168,115,983	137,659,002	69,170,013	374,944,998	117,468,388	77,556,325	34,299,612	229,324,325
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net								
- amount representing (income) transferred to income statement	(9,594,490)	(3,232,694)	(1,715,629)	(14,542,813)	(8,430,583)	(1,056,848)	(828,457)	(10,315,888)
- amount representing loss that form part of participants' fund	-	-	-	-	28,109,376	2,512,114	1,386,182	32,007,672
Gain / (loss) on sale of investments - net	5,445,863	(803,480)	(366,750)	4,275,633	17,811,482	(24,500)	-	17,786,982
Net unrealized appreciation / (diminution) on re-measurment of investments classified as 'financial assets at fair value through profit or loss'	38,840,657	(59,000)	118,500	38,900,157	24,960,581	(523,150)	(358,600)	24,078,831
Other net income for the year	18,179,448	11,044,131	6,010,875	35,234,454	9,663,107	6,257,244	4,389,240	20,309,591
<b>Total comprehensive income for the year</b>	62,465,968	10,181,651	5,762,625	78,410,244	52,435,170	5,709,594	4,030,640	62,175,404
Element of income / (loss) and capital gains / (loss) included in prices of units issued less those in units redeemed - amount representing income / (loss) that form part of participants' fund	-	-	-	-	(28,109,376)	(2,512,114)	(1,386,182)	(32,007,672)
<b>Net assets at end of the year</b>	<b>433,123,546</b>	<b>279,690,023</b>	<b>152,409,030</b>	<b>865,222,599</b>	<b>212,136,085</b>	<b>135,082,064</b>	<b>79,192,021</b>	<b>426,410,170</b>
<b>Net assets value per unit at beginning of the year</b>	<b>208.0138</b>	<b>115.2910</b>	<b>115.1765</b>		<b>137.3012</b>	<b>109.1759</b>	<b>108.5032</b>	
<b>Net assets value per unit at end of the year</b>	<b>243.0699</b>	<b>119.6465</b>	<b>119.7025</b>		<b>208.0138</b>	<b>115.2910</b>	<b>115.1765</b>	

The annexed notes 1 to 24 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## Cash Flow Statement For the year ended 30 June 2016

	2016					2015				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>----- (Rupees) -----</b>									
Net income for the year	62,465,968	10,181,651	5,762,625	-	78,410,244	52,435,170	5,709,594	4,030,640	-	62,175,404
<b>Adjustments:</b>										
(Gain) / loss on sale of investments - net	(5,445,863)	803,480	366,750	-	(4,275,633)	(17,811,482)	24,500	-	-	(17,786,982)
Net unrealized (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(38,840,657)	59,000	(118,500)	-	(38,900,157)	(24,960,581)	523,150	358,600	-	(24,078,831)
Amortization of preliminary expense and floatation costs	21,027	21,027	21,027	-	63,081	25,000	25,000	25,000	-	75,000
Element of (income)/loss and capital (gains)/loss included in prices of units issued less those in units redeemed - net	(9,594,490)	(3,232,694)	(1,715,629)	-	(14,542,813)	(8,430,583)	(1,056,848)	(828,457)	-	(10,315,888)
	8,605,985	7,832,464	4,316,273	-	20,754,722	1,257,524	5,225,396	3,585,783	-	10,068,703
<b>(Increase) / decrease in assets</b>										
Investments	(153,446,412)	(10,552,080)	35,500,000	-	(128,498,492)	(107,373,138)	(72,655,150)	(21,772,250)	-	(201,800,538)
Dividend receivable	(890,444)	-	-	-	(890,444)	(480,506)	-	-	-	(480,506)
Mark-up receivables	(57,760)	283,401	(439,217)	-	(213,576)	(98,156)	(1,685,101)	(391,946)	-	(2,175,203)
Receivable against sale of investment	8,310,597	-	-	-	8,310,597	(4,448,103)	-	-	-	(4,448,103)
Advance, deposit and other receivables	(17,902)	-	-	-	(17,902)	464,874	8,735	1,221	-	474,830
	(146,101,921)	(10,268,679)	35,060,783	-	(121,309,817)	(111,935,029)	(74,331,516)	(22,162,975)	-	(208,429,520)
<b>(Decrease) / increase in liabilities</b>										
Payable against purchase of investments	-	-	-	-	-	(1,670,950)	-	-	-	(1,670,950)
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	1,016,650	662,598	358,626	1,203,314	3,241,188	579,177	354,954	207,718	1,806,672	2,948,521
Payable to the Central Depository Company of Pakistan Limited - Trustee	32,536	21,847	11,604	-	65,987	20,278	9,571	4,019	-	33,868
Annual fee payable to Securities and Exchange Commission of Pakistan	61,066	36,578	17,180	-	114,824	23,366	12,945	4,936	-	41,247
Accrued expenses and other liabilities	243,184	(96,924)	(21,046)	(227,867)	(102,653)	1,147,658	263,383	159,119	412,878	1,983,038
	1,353,436	624,099	366,364	975,447	3,319,346	99,529	640,853	375,792	2,219,550	3,335,724
<b>Net cash (used in) / generated from operating activities</b>	<b>(136,142,500)</b>	<b>(1,812,116)</b>	<b>39,743,420</b>	<b>975,447</b>	<b>(97,235,749)</b>	<b>(110,577,976)</b>	<b>(68,465,267)</b>	<b>(18,201,400)</b>	<b>2,219,550</b>	<b>(195,025,093)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Amount received on issuance of units	233,501,357	167,133,428	82,244,383	-	482,879,168	151,408,445	90,071,313	34,473,873	-	275,953,631
Amount paid on redemption of units	(38,709,969)	(43,099,187)	(27,925,890)	-	(109,735,046)	(7,109,581)	(32,194,917)	(11,726,296)	-	(51,030,794)
Reallocation among sub-funds	(43,230,532)	23,065,755	20,164,777	-	-	(16,477,712)	10,238,934	6,238,778	-	-
<b>Net cash flow from financing activities</b>	<b>151,560,856</b>	<b>147,099,996</b>	<b>74,483,270</b>	<b>-</b>	<b>373,144,122</b>	<b>127,821,152</b>	<b>68,115,330</b>	<b>28,986,355</b>	<b>-</b>	<b>224,922,837</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>15,418,356</b>	<b>145,287,880</b>	<b>114,226,690</b>	<b>975,447</b>	<b>275,908,373</b>	<b>17,243,176</b>	<b>(349,937)</b>	<b>10,784,955</b>	<b>2,219,550</b>	<b>29,897,744</b>
Cash and cash equivalents at beginning of the year	24,610,988	18,531,916	23,011,902	2,365,550	68,520,356	7,367,812	18,881,853	12,226,947	146,000	38,622,612
<b>Cash and cash equivalents at end of the year</b>	<b>40,029,344</b>	<b>163,819,796</b>	<b>137,238,592</b>	<b>3,340,997</b>	<b>344,428,729</b>	<b>24,610,988</b>	<b>18,531,916</b>	<b>23,011,902</b>	<b>2,365,550</b>	<b>68,520,356</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

# NAFA ISLAMIC PENSION FUND

## Notes to and forming part of the Financial Statements For the year ended 30 June 2016

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Pension Fund ("the Fund") was established under a Trust Deed, dated 12 October 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 authorized by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on 16 November 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, distribution of income or dividend is not allowed from any of the sub-funds.

The objective of the Fund is to provide individuals with a portable, individualized, 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 Shariah compliant listed equity securities. Investment in single company is restricted to lower of 10% of Net Assets 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 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 any government treasury bills or government securities having less than one year time maturity, or be deposited with scheduled Islamic commercial banks having at least 'A' rating or Islamic windows of commercial banks having rating not less than 'AA' by 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 of 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 six 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, Customized Allocation & 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

Under the provisions of the Offering Document of the Fund, contributions received from or on behalf of any Participant by Trustee in cleared funds on any business day shall be credited to the Individual Pension Account of the Participant after deducting the front-end fees, bank charges, any premia payable in respect of any schemes selected by the Participant. The net contribution received in the Individual Pension Account shall be used to allocate such number of units of the relevant Sub-Funds in accordance with the Allocation Policy selected by the Participant as is determined in accordance with the Trust Deed and the units shall be allocated at Net Asset Value notified by the Pension Fund Manager at the close of that business day.

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 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 (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 the IFRS, the requirements of the VPS Rules or the directives issued by the SECP shall prevail.

### 2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value.

### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupees, except otherwise stated.

### 2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally related to classification and valuation of investments (note 4.1 and note 6).

## 3 NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS OF IFRSs

### 3.1 IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities' and IFRS 13 'Fair Value Measurements'. These standards became applicable from 1 July 2015, as per the adoption status of IFRS in Pakistan.

The application of IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the financial statements of the Fund.

IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 did not have an impact on the financial statements of the Fund, except certain additional disclosures.

### 3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 July 2016:



# NAFA ISLAMIC PENSION FUND

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on the Fund's financial statements.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) [effective for annual periods beginning on or after 1 January 2016] clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on the Fund's financial statements.
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on the Fund's financial statements.
- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on the Fund's financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on the Fund's financial statements.
- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on the Fund's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are not likely to have an impact on the Fund's financial statements.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and / or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on the Fund's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 July 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
- IFRS 7 'Financial Instruments - Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in the Fund's financial statements.

# NAFA ISLAMIC PENSION FUND

- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on the Fund's financial statements.

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented except for the additional disclosures (refer note 3.1).

### 4.1 Financial assets

#### 4.1.1 Classification

The Fund classifies its financial assets into the following categories: loans and receivables, at fair value through profit or loss and available for sale. The classification depends on the purpose for which the financial assets were acquired. The Pension Fund Manager determines the classification of its financial assets at initial recognition.

##### a) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

##### b) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the financial assets 'at fair value through profit or loss' category.

##### c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables and (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices.

All investments in the sub - funds as at 30 June 2016 are classified as 'financial assets at fair value through profit and loss'.

#### 4.1.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

#### 4.1.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

#### 4.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale are valued as follows:

##### a) Basis of valuation of Debt Securities (other than government)

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

##### b) Basis of valuation of Government Securities

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

##### c) Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange.

# NAFA ISLAMIC PENSION FUND

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

Net gains and losses arising from changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Subsequent to initial recognition, financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest method.

## 4.1.5 Impairment of financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

### a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular 33 of 2012 dated 24 October 2012 issued by SECP.

As allowed under circular no. 13 of 2009 dated 4 May 2009 and circular 33 of 2012 dated 24 October 2012 issued by SECP the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circular, in accordance with a provisioning policy approved by the Board of Directors and disseminated by the Pension Fund Manager on its website.

### b) Loans and receivables

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision and its subsequent reversal is determined based on the provisioning criteria specified by SECP.

## 4.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

## 4.1.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## 4.2 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

## 4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

## 4.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

## 4.5 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of three years in accordance with the requirements set out in the Trust Deed of the Fund and the VPS Rules.

## 4.6 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

# NAFA ISLAMIC PENSION FUND

## 4.7 Taxation

The income of the Fund is exempt from Income Tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A(i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 4.8 Issue and redemption of units

Contribution received in the individual pension account after deduction of takaful premia (for optional Takaful covers), If any, followed by deduction of applicable front end fee, is used to purchase the units of sub-fund's of the Pension Fund according to the Allocation Scheme selected by the participant. The units are allotted at the net asset value notified by the Pension Fund Manager at the close of the business day for each sub-fund. The front end fee is payable to the distributors and the Pension Fund Manager.

The Pension Fund Manager makes reallocation of the sub-fund units between the sub-funds at least once a year to ensure that the allocation of the sub-fund units of all the Participants are according to the allocation schemes selected by the Participants. In case of withdrawal before retirement, units are redeemed at the net asset value of each of the Sub-Fund as of the close of the business day on which such request is received by the distributor before the cut off time. Redemption of units is recorded on acceptance of application for redemption.

In case of retirement of the participant, units are redeemed at the net asset value of each of the Sub-Fund as of the close of the business day on which retirement age is reached.

In case of change of Pension Fund Manager, units are redeemed at the net asset value of each of the Sub-Fund as of the close of the business day corresponding to the date of change specified by the participant.

## 4.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The element of income and capital gains included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the year is recognised in the income statement and to the extent that it is represented by unrealized appreciation / (diminution) arising during the year on available for sale securities is included in the participants' sub-funds.

## 4.10 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

## 4.11 Net assets value per unit

The Net Asset Value (NAV) per unit, as disclosed in the balance sheet, is calculated by dividing the net assets of each of the Sub-Fund by the number of units in circulation of that Sub-Fund at the year end.

## 4.12 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which transactions take place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as 'available for sale' investments are included in the statement of comprehensive income in the period in which they arise.
- Dividend income is recognized when the right to receive the dividend is established.
- Markup / return on government securities, sukuks, bank balances and term deposit receipts are recognized on a time proportion basis using the effective interest method.

# NAFA ISLAMIC PENSION FUND

## 5 BANK BALANCES

	2016					2015				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (note 5.2)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
(Rupees)										
Savings accounts 5.1	<b>40,029,344</b>	<b>163,819,796</b>	<b>137,238,592</b>	<b>3,340,997</b>	<b>344,428,729</b>	24,610,988	18,531,916	23,011,902	2,365,550	68,520,356

5.1 These accounts carry mark-up rates ranging from 2.5% to 6.70% per annum (30 June 2015: 4.5% to 10.25% per annum).

5.2 These represent collection accounts maintained by the Fund. The balances in these accounts represent front-end fee alongwith Government levies and withholding tax payable to the Pension Fund Manager and the tax authorities respectively (refer note 1).

## 6 INVESTMENTS

	2016					2015				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
(Rupees)										
<b>Investments by category</b>										
<b>At fair value through profit and loss - held for trading</b>										
Equity securities 6.1	<b>395,128,577</b>	-	-	<b>395,128,577</b>		197,220,245	-	-		197,220,245
Government of Pakistan - Ijarah sukuk 6.2	-	<b>115,491,000</b>	<b>15,118,500</b>	<b>130,609,500</b>		-	105,801,400	50,866,750		156,668,150
<b>Available for Sale</b>										
Redeemable preference shares	-	-	-	-		175,400	-	-		175,400
	<b>395,128,577</b>	<b>115,491,000</b>	<b>15,118,500</b>	<b>525,738,077</b>		197,395,645	105,801,400	50,866,750		354,063,795

### 6.1 Listed equity securities

#### 6.1.1 Held by Equity Sub-Fund

All Share have a nominal face value of Rs. 10 each except for shares of Thal Limited and DYNEA Limited which have a face value of Rs. 5.

Name of the investee company	As at 01 July 2015	Purchases during the year	Bonus issue during the year	Right shares purchased / subscribed during the year	Merger / demerger adjusting effects	Sales during the year	As at 30 June 2016	Market value / carrying value as at 30 June 2016	Market value / carrying value as a percentage of net assets of sub-fund	Market value / carrying value as a percentage of investments of sub-fund	Percentage of paid-up capital of the investee company held
(Number of Shares)							(Rupees)		(%)		
<b>Commercial Bank</b>											
Meezan Bank Limited	74,500	51,500	-	-	-	-	126,000	5,355,000	1.24	1.36	0.53
<b>Cement</b>											
Fauji Cement Company Limited	-	437,000	-	-	-	58,000	379,000	13,568,200	3.13	3.44	
D.G.Khan Cement Company Limited	88,000	15,000	-	-	-	41,500	61,500	11,715,135	2.70	2.96	2.67
Lucky Cement Limited	22,600	19,100	-	-	-	11,400	30,300	19,649,853	4.54	4.98	6.08
Kohat Cement Limited	-	16,000	-	-	-	-	16,000	4,190,720	0.97	1.06	2.71
Maple Leaf Cement Factory Limited	57,000	31,500	-	-	-	42,000	46,500	4,906,215	1.13	1.24	0.93
Pioneer Cement Limited	32,500	58,500	-	-	-	32,000	59,000	6,336,600	1.46	1.60	2.79
Attock Cement (Pakistan) Limited	7,000	22,700	-	-	-	6,000	23,700	5,657,427	1.31	1.43	4.94
Fecto Cement Limited	54,500	18,000	-	-	-	37,000	35,500	4,100,250	0.95	1.04	8.17
	<b>261,600</b>	<b>617,800</b>	-	-	-	<b>227,900</b>	<b>651,500</b>	<b>70,124,400</b>	<b>16.19</b>	<b>17.75</b>	
<b>Power Generation &amp; Distribution</b>											
Kot Addu Power Company Limited	108,500	-	-	-	-	-	108,500	13,266,630	3.06	3.37	1.10
Hub Power Company Limited	89,000	30,000	-	-	-	8,500	110,500	9,683,625	2.24	2.45	1.15
Lalpir Power Limited	61,500	-	-	-	-	61,500	-	-	-	-	-
PAKGEN Power Limited	-	156,000	-	-	-	156,000	-	-	-	-	-
	<b>259,000</b>	<b>186,000</b>	-	-	-	<b>226,000</b>	<b>219,000</b>	<b>22,950,255</b>	<b>5.30</b>	<b>5.82</b>	
<b>Oil &amp; Gas Exploration Companies</b>											
Pakistan Oilfields Limited	15,400	54,700	-	-	-	22,800	47,300	16,435,804	3.79	4.16	6.95
Pakistan Petroleum Limited	30,132	147,300	-	-	-	41,900	135,532	21,014,237	4.85	5.33	1.07
Mari Petroleum Company Limited	-	33,400	-	-	-	8,400	25,000	22,705,500	5.24	5.76	20.59
	<b>45,532</b>	<b>235,400</b>	-	-	-	<b>73,100</b>	<b>207,832</b>	<b>60,155,541</b>	<b>13.88</b>	<b>15.25</b>	
<b>Oil &amp; Gas Marketing Companies</b>											
Pakistan State Oil Company Limited	20,870	63,000	-	-	-	10,800	73,070	27,434,862	6.33	6.95	10.10
Hascol Petroleum Limited (note 6.1.3)	8,530	-	106	-	-	8,348	288	56,267	0.01	0.01	0.06
Shell Pakistan Limited	22,900	19,300	-	-	-	15,300	26,900	7,806,649	1.80	1.98	7.30
Sui Northern Gas Pipelines Limited	177,000	87,000	-	-	-	264,000	-	-	-	-	-
Attock Petroleum Limited	12,400	500	-	-	-	4,200	8,700	3,806,598	0.88	0.96	4.59
	<b>241,700</b>	<b>169,800</b>	<b>106</b>	-	-	<b>302,648</b>	<b>108,958</b>	<b>39,104,376</b>	<b>9.02</b>	<b>9.90</b>	
<b>Refinery</b>											
Attock Refinery Limited	17,300	30,300	-	-	-	33,000	14,600	4,090,044	0.94	1.04	4.80
National Refinery Limited	14,400	10,300	-	-	-	24,700	-	-	-	-	-
	<b>31,700</b>	<b>40,600</b>	-	-	-	<b>57,700</b>	<b>14,600</b>	<b>4,090,044</b>	<b>0.94</b>	<b>1.04</b>	

# NAFA ISLAMIC PENSION FUND

Name of the investee company	As at 01 July 2015	Purchases during the year	Bonus issue during the year	Right shares purchased / subscribed during the year	Merger / demerger adjusting effects	Sales during the year	As at 30 June 2016	Market value / carrying value as at 30 June 2016	Market value / carrying value as a percentage of net assets of sub-fund	Market value / carrying value as a percentage of investments of sub-fund	Percentage of paid-up capital of the investee company held
	(Number of Shares)						---(Rupees)---		---(%)---		
<b>Personal Goods (Textile)</b>											
Nishat Mills Limited	26,800	77,000	-	-	-	-	103,800	11,200,020	2.59	2.83	3.19
Bata Pakistan Limited	140	-	-	-	-	140	-	-	-	-	-
Kohinoor Textile Mills Limited (note 6.1.3)	100,000	47,500	18,375	-	-	-	165,875	13,274,976	3.06	3.37	5.41
Service Industries Limited	-	3,000	-	-	-	-	3,000	2,652,750	0.61	0.67	-
	<b>126,940</b>	<b>127,500</b>	<b>18,375</b>	<b>-</b>	<b>-</b>	<b>140</b>	<b>272,675</b>	<b>27,127,746</b>	<b>6.26</b>	<b>6.87</b>	
<b>Chemical</b>											
Dynea Pakistan Limited	38,500	-	-	-	-	-	38,500	1,751,750	0.40	0.44	9.28
Ittehad Chemical Limited	104,500	-	-	24,300	-	39,500	89,300	2,332,516	0.54	0.59	4.67
Akzo Nobel Pakistan Limited	3,400	400	-	-	-	3,800	-	-	-	-	-
	<b>146,400</b>	<b>400</b>	<b>-</b>	<b>24,300</b>	<b>-</b>	<b>43,300</b>	<b>127,800</b>	<b>4,084,266</b>	<b>0.94</b>	<b>1.03</b>	
<b>Fertilizer</b>											
Engro Corporation Limited	51,400	66,600	-	-	-	22,300	95,700	31,865,229	7.36	8.07	6.08
Dawood Hercules Corporation Limited	19,500	75,500	-	-	-	-	95,000	14,142,650	3.27	3.58	2.94
Fauji Fertilizer Company Limited	24,400	16,700	-	-	-	41,100	-	-	2.76	-	-
Engro Fertilizers Limited	49,000	289,000	-	-	-	152,500	185,500	11,961,040	-	3.03	0.90
Fatima Fertilizer Company Limited	-	134,000	-	-	-	134,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	70,000	-	-	-	-	70,000	3,710,700	0.86	0.94	-
	<b>144,300</b>	<b>651,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>349,900</b>	<b>446,200</b>	<b>61,679,619</b>	<b>14.25</b>	<b>15.62</b>	
<b>Automobile and Parts</b>											
Ghandhara Nissan Limited.	17,000	37,500	-	-	-	54,500	-	-	-	-	6.34
Honda Atlas Cars (Pakistan)	23,100	25,200	-	-	-	23,100	25,200	9,049,068	2.09	2.29	-
Pak Suzuki Motor Company Limited	7,100	10,200	-	-	-	17,300	-	-	-	-	-
Sazgar Engineering Works Limited	52,000	87,500	-	-	-	-	139,500	4,359,375	1.01	1.10	24.26
Agriaautos Industries Limited	6,500	-	-	-	-	6,500	-	-	-	-	-
Baluchistan Wheels Limited	39,000	3,500	-	-	-	-	42,500	3,442,500	0.79	0.87	25.82
Exide Pakistan Limited	-	-	-	-	-	-	-	-	-	-	-
Indus Motor Company Limited	6,900	2,750	-	-	-	3,200	6,450	6,060,033	1.40	1.53	7.71
	<b>151,600</b>	<b>166,650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,600</b>	<b>213,650</b>	<b>22,910,976</b>	<b>5.29</b>	<b>5.79</b>	
<b>Paper &amp; Board</b>											
Packages Limited	-	3,500	-	-	-	-	3,500	2,226,770	0.51	0.56	-
<b>Food Producer</b>											
Faran Sugar Mills Limited	-	3,500	-	-	-	3,500	-	-	-	-	-
<b>Engineering</b>											
Crescent Steel & Allied Products Limited	29,000	54,500	-	-	-	29,000	54,500	6,246,245	1.44	1.58	-
Mughal Iron and Steel Industries Limited (note 6.	85,000	54,000	15,000	-	-	82,500	71,500	4,804,085	1.11	1.22	4.39
Amreli Steels Limited	-	69,000	-	-	-	20,500	48,500	2,280,470	0.53	0.58	-
	<b>114,000</b>	<b>177,500</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>132,000</b>	<b>174,500</b>	<b>13,330,800</b>	<b>3.08</b>	<b>3.38</b>	
<b>Industrial Transportation</b>											
Pakistan National Shipping Corporation Limited	5,500	38,000	-	-	-	-	43,500	4,075,950	0.94	1.03	3.09
<b>Fixed Line Telecommunication</b>											
Pakistan Telecommunication Company Limited	-	395,000	-	-	-	130,000	265,000	3,982,950	0.92	1.01	0.11
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	46,500	18,000	-	16,125	-	-	80,625	5,212,406	1.20	1.32	1.31
<b>Technology and Communication</b>											
Avanceon Limited	70,500	94,500	-	-	-	165,000	-	-	-	-	-
NetSol Technologies Limited	-	55,000	-	-	-	10,000	45,000	2,254,500	0.52	0.57	-
	<b>70,500</b>	<b>149,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,000</b>	<b>45,000</b>	<b>2,254,500</b>	<b>0.52</b>	<b>0.57</b>	
<b>Miscellaneous</b>											
Ecopack Limited	91,000	113,500	-	-	-	-	204,500	3,599,200	0.83	0.91	15.66
Synthetic Products Enterprises Limited	-	97,000	-	-	-	-	97,000	4,549,300	1.05	1.15	-
	<b>91,000</b>	<b>210,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>301,500</b>	<b>8,148,500</b>	<b>1.88</b>	<b>2.06</b>	
<b>Food And Personal Care</b>											
Al-Shaheer Corporation Limited (note 6.1.3)	-	142,500	22,400	-	-	-	164,900	8,609,429	1.99	2.18	-
Shezan International Limited	-	3,800	-	-	-	-	3,800	1,715,700	0.40	0.43	-
	<b>-</b>	<b>146,300</b>	<b>22,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,700</b>	<b>10,325,129</b>	<b>2.39</b>	<b>2.61</b>	
<b>Household Goods</b>											
Tariq Glass Industries Limited	-	109,500	-	-	-	-	109,500	8,097,525	1.87	2.05	-
<b>General Industries</b>											
Thal Limited	9,000	-	-	-	-	-	9,000	2,547,180	0.59	0.64	-
<b>Pharmaceuticals</b>											
Abbot Laboratories (Pakistan) Limited	2,700	3,100	-	-	-	-	5,800	4,373,200	1.01	1.11	4.47
GlaxoSmithKline (Pakistan) Limited (note 6.1.2)	4,480	7,000	-	-	-	-	11,480	2,377,623	0.55	0.60	0.81
GlaxoSmithKline Consumer Healthcare (Pakistan) Limited (note 6.1.2)	-	-	-	-	3,444	-	3,444	213,528	-	-	-
Ferozsons Laboratories Limited	5,100	-	-	-	-	2,650	2,450	2,525,803	0.59	0.64	8.37
The Searle Company Limited (note 6.1.3)	7460	4,700	3,990	-	-	1,500	14,650	7,854,490	1.82	1.99	9.15
	<b>19,740</b>	<b>14,800</b>	<b>3,990</b>	<b>-</b>	<b>3,444</b>	<b>4,150</b>	<b>37,824</b>	<b>17,344,644</b>	<b>3.97</b>	<b>4.34</b>	
<b>Total - 30 June 2016</b>	<b>1,839,512</b>	<b>3,513,550</b>	<b>59,871</b>	<b>40,425</b>	<b>3,444</b>	<b>1,829,938</b>	<b>3,626,864</b>	<b>395,128,577</b>	<b>91.18</b>	<b>100</b>	
Carrying value before fair value adjustment as at 30 June 2016								<b>356,287,920</b>			



# NAFA ISLAMIC PENSION FUND

**6.1.2** During the year, Glaxo Smith Kline Pakistan Limited (GSK) announced a de-merger scheme whereby 3 ordinary shares of GSK CHC were issued for every 10 ordinary shares held in GSK. The net assets of consumer health business on the said date were Rs. 956 million i.e. 7.67% and hence, the market price has been adjusted accordingly. GSK CHC is under the process of obtaining listing on the stock exchange.

**6.1.3** These represent gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Pension Fund Manager of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 57 (3) (viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement and not yet deposited with Government Treasury. Pension Fund Manager is of the view that the decision will be in the favour and accordingly has recorded the bonus shares on gross basis.

## 6.2 Government securities - Ijarah Sukuk

### 6.2.1 Held by Debt Sub-Fund

Issue date	Note	Tenor	Face value				Market value / carrying value as at 30 June 2016	Market value / carrying value as a percentage of net assets of	Market value / carrying value as a percentage of total investments of sub-fund
			As at 1 July 2015	Purchases during the year	Matured / sold during the year	As at 30 June 2016			
----- (Rupees) -----									
----- (%) -----									
26 December 2011		3 years	4,000,000	-	4,000,000	-	-	-	-
02 March 2012		3 years	41,000,000	-	41,000,000	-	-	-	-
30 April 2012		3 years	28,000,000	-	28,000,000	-	-	-	-
28 June 2012		3 years	4,500,000	-	4,500,000	-	-	-	-
28 March 2013		3 years	27,500,000	10,400,000	37,900,000	-	-	-	-
25 June 2014	6.2.1.1	3 years	-	25,000,000	-	25,000,000	24,740,000	8.85	21.42
18 December 2015	6.2.1.2	3 years	-	85,550,000	-	85,550,000	85,671,500	30.63	74.18
15 February 2016	6.2.1.3	3 years	-	5,000,000	-	5,000,000	5,079,500	1.82	4.40
			105,000,000	125,950,000	115,400,000	115,550,000	115,491,000	41.30	100.00

Carrying value before fair value adjustment as at 30 June 2016

**115,550,000**

**6.2.1.1** These carry mark-up at the rate of 3.89% per annum receivable semi-annually in arrears, maturing in 25 June 2017.

**6.2.1.2** These carry mark-up at the rate of 5.45% per annum receivable semi-annually in arrears, maturing in 18 December 2018.

**6.2.1.3** These carry mark-up at the rate of 6.10% per annum receivable semi-annually in arrears, maturing in 15 February 2019.

### 6.2.2 Held by Money Market Sub-Fund

Issue date	Note	Tenor	Face value				Market value / carrying value as at 30 June 2016	Market value / carrying value as a percentage of net assets of	Market value / carrying value as a percentage of total investments of sub-fund
			As at 1 July 2015	Purchases during the year	Matured / sold during the year	As at 30 June 2016			
(Rupees)							(%)		
26 December 2011		3 years	20,000,000	-	20,000,000	-	-	-	-
30 April 2012		3 years	9,000,000	-	9,000,000	-	-	-	-
28 June 2012		3 years	5,500,000	-	5,500,000	-	-	-	-
28 March 2013		3 years	16,000,000	-	16,000,000	-	-	-	-
18 December 2015	6.2.2.1	3 years	-	15,000,000	-	15,000,000	15,118,500	9.92	100.00
			50,500,000	15,000,000	50,500,000	15,000,000	15,118,500	9.92	100.00

Carrying value before fair value adjustment as at 30 June 2016

**15,000,000**

**6.2.2.1** These carry mark-up at the rate of 5.45% per annum receivable semi-annually in arrears, maturing in 18 December 2018.

# NAFA ISLAMIC PENSION FUND

## 6.3 Net unrealized appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

	2016				2015			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Market value / carrying value of investments	395,128,577	115,491,000	15,118,500	525,738,077	197,395,645	105,801,400	50,866,750	354,063,795
Less: Carrying cost of investments	(356,287,920)	(115,550,000)	(15,000,000)	(486,837,920)	(172,435,064)	(106,324,550)	(51,225,350)	(329,984,964)
	<b>38,840,657</b>	<b>(59,000)</b>	<b>118,500</b>	<b>38,900,157</b>	<b>24,960,581</b>	<b>(523,150)</b>	<b>(358,600)</b>	<b>24,078,831</b>

Market value / carrying value of investments  
Less: Carrying cost of investments

## MARK-UP RECEIVABLE

Mark-up on GoP Ijara sukuk	-	295,623	29,145	324,768	-	2,020,518	448,782	2,469,300
Mark-up on bank deposits	182,456	1,633,332	1,012,792	2,828,580	124,696	191,838	153,938	470,472
	<b>182,456</b>	<b>1,928,955</b>	<b>1,041,937</b>	<b>3,153,348</b>	<b>124,696</b>	<b>2,212,356</b>	<b>602,720</b>	<b>2,939,772</b>

## 8 PRELIMINARY EXPENSES AND FLOATATION COSTS

	2016				2015			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)							
Opening balance	21,027	21,027	21,027	63,081	46,027	46,027	46,027	138,081
Less: Accumulated amortization	(21,027)	(21,027)	(21,027)	(63,081)	(25,000)	(25,000)	(25,000)	(75,000)
Balance at end of the year	-	-	-	-	21,027	21,027	21,027	63,081

Opening balance  
Less: Accumulated amortization  
Balance at end of the year

8.1 Preliminary expenses and floatation cost represents expenditure incurred prior to the commencement of operation of the Fund and are being amortized over a period of three years in accordance with the requirements set out in the Trust Deed of the Fund and the VPS Rules.

## 9 ADVANCE, DEPOSIT AND OTHER RECEIVABLES

	2016				2015			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)							
Security deposit with the Central Depository Company of Pakistan Limited	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Receivable against sale / reallocation of units	-	-	-	-	-	10,394,621	6,293,769	16,688,390
Advance tax	25,528	-	-	25,528	7,626	-	-	7,626
	<b>125,528</b>	<b>100,000</b>	<b>100,000</b>	<b>325,528</b>	<b>107,626</b>	<b>10,494,621</b>	<b>6,393,769</b>	<b>16,996,016</b>

Security deposit with the Central Depository Company of Pakistan Limited  
Receivable against sale / reallocation of units  
Advance tax

## 10 PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER

	2016					2015				
	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)									
Remuneration of Pension Fund Manager	521,572	327,408	178,978	-	1,027,958	266,497	153,128	87,060	-	506,685
Federal Excise Duty	1,103,630	725,198	420,894	-	2,249,722	380,387	263,408	168,104	-	811,899
Sindh Sales Tax	84,603	53,503	29,064	-	167,170	46,271	26,975	15,146	-	88,392
Preliminary expenses and floatation cost	75,000	75,000	75,000	-	225,000	75,000	75,000	75,000	-	225,000
Sales load inclusive of Sales Tax and Federal Excise Duty	-	-	-	3,155,986	3,155,986	-	-	-	1,952,672	1,952,672
	<b>1,784,805</b>	<b>1,181,109</b>	<b>703,936</b>	<b>3,155,986</b>	<b>6,825,836</b>	<b>768,155</b>	<b>518,511</b>	<b>345,310</b>	<b>1,952,672</b>	<b>3,584,648</b>

Remuneration of Pension Fund Manager  
Federal Excise Duty  
Sindh Sales Tax  
Preliminary expenses and floatation cost  
Sales load inclusive of Sales Tax and Federal Excise Duty

10.1 As per rule 11 of the Voluntary Pension System Rules, 2005, the Pension Fund Manager has charged its remuneration at the rate of 1.5 percent per annum of the average annual net assets of each of the Sub-Fund for the current year. The remuneration is paid on a monthly basis in arrears.

10.2 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Pension Fund Manager has been applied effective 13 June 2013. The Pension Fund Manager is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The Honorable Sindh High Court (SHC) through its recent order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honourable Supreme Court against the Sindh High Court's decision dated 2 June 2016. Therefore, as a matter of abundant caution, the Pension Fund Manager has made a provision with effect from 13 June 2013, aggregating to Rs. 1.104 million, Rs. 0.725 million and Rs. 0.421 million (2015: Rs.0.380 million, Rs. 0.263, Rs. 0.168 million) for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the (NAV) per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at 30 June 2016 would have been higher by Rs. 0.6194, Rs. 0.3102 and Rs. 0.3306 (2015: Rs 0.3730, Rs. 0.2248, Rs. 0.2445) per unit respectively. However, after the exclusion pension scheme from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

# NAFA ISLAMIC PENSION FUND

- 10.3 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% on the remuneration of the Pension Fund Manager through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2014. However, the rate has been revised from 15% to 14% effective from 1 July 2015.

## 11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		2016				2015			
		Equity	Debt	Money	Total	Equity	Debt	Money	Total
		Sub-Fund	Sub-Fund	Market		Sub-Fund	Sub-Fund	Market	
				Sub-Fund				Sub-Fund	
----- (Rupees) -----									
Trustee remuneration	11.1	52,160	32,741	17,899	102,800	26,651	15,314	8,707	50,672
Sindh Sales Tax on trustee remuneration	11.2	7,027	4,420	2,412	13,859	-	-	-	-
		59,187	37,161	20,311	116,659	26,651	15,314	8,707	50,672

- 11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at 30 June 2016 is as follows:

Net assets	Tariff
Up to Rs. 1,000 million	Rs. 0.3 million or 0.15% p.a of NAV, whichever is higher
Exceeding Rs. 1,000 million up to Rs. 3,000 million	Rs. 1.5 million plus 0.10% p.a of NAV, exceeding Rs. 1,000 million
Exceeding Rs. 3,000 million up to Rs. 6,000 million	Rs. 3.5 million plus 0.08% p.a of NAV, exceeding Rs. 3,000 million
Exceeding Rs. 6,000 million	Rs. 5.9 million plus 0.06% p.a of NAV, exceeding Rs. 6,000 million

The remuneration is paid to the trustee monthly in arrears.

- 11.2 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 14% on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2015.

## 12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Rule 36 of the Voluntary Pension System Rules, 2005 whereby the Fund is required to pay SECP an amount equal to one thirtieth of 1% of the average annual net asset value of each of the Sub-Fund.

## 13 ACCRUED EXPENSES AND OTHER LIABILITIES

ACCRUED EXPENSES AND OTHER LIABILITIES		2016					2015				
		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) -----											
Provision for Workers' Welfare Fund	13.1	1,341,944	182,708	137,564	-	1,662,216	1,341,944	182,708	137,564	-	1,662,216
Auditors' remuneration		78,645	78,645	78,645	-	235,935	57,584	57,584	57,584	-	172,752
Bank charges		57,866	32,042	32,680	-	122,588	4,484	117,424	48,676	-	170,584
Printing charges		53,996	54,002	53,996	-	161,994	58,230	58,230	58,230	-	174,690
Legal and professional		76,311	8,055	8,055	-	92,421	41,666	41,666	41,666	-	124,998
Brokerage		-	-	-	-	-	68,172	-	325	-	68,497
Payable against redemption / reallocation of units		-	-	-	-	-	16,555,127	953,627	980,512	-	18,489,266
Withholding tax		-	-	-	185,011	185,011	-	-	-	412,878	412,878
Charity payable	13.2	270,835	-	-	-	270,835	86,889	-	-	-	86,889
Other charges		25,075	12,511	20,054	-	57,640	2,519	7,275	7,995	-	17,789
		1,904,672	367,963	330,994	185,011	2,788,640	18,216,615	1,418,514	1,332,552	412,878	21,380,559

- 13.1 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 and pension schemes whose income exceeds Rs. 0.5 million in 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 trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds and pension schemes are not liable to contribute to WWF on the basis of their income. However, on 14 December 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 in Court.

# NAFA ISLAMIC PENSION FUND

During the year ended 30 June 2012, the Honorable 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 Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act 2006 and 2008 respectively 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 CIS and pension schemes which is still pending before the Court. The decisions of SHC ( in against) and LHC ( in favour) are pending before Supreme Court. However, after the exclusion of the mutual funds and pension schemes from federal statue on WWF from 1 July 2015, the Fund has discontinued making the provision in this regard. As a matter of abundant caution, the Fund has decided to provision for WWF amounting to Rs. 1.3419 million, Rs. 0.1827 million and Rs. 0.1376 million (2015: Rs. 1.3419 million, Rs. 0.1827 million and Rs. 0.1376 million) for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the net assets value per unit of Equity Sub-Fund, Debt Sub-Fund as at 30 June 2016 would have been higher by Rs 0.7531, Rs. 0.0782 and Rs. 0.1080 (2015: Rs. 1.3159, Rs. 0.1559 and Rs. 0.2001) per unit respectively.

- 13.2 In accordance with the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby the portion of the investment of the investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund. During the year, Rs. 0.036 million (30 June 2015: Rs. 0.033 million) has been given out to charitable institutions.

## 14 CONTINGENCY AND COMMITMENT

There were no contingencies and commitments outstanding as at 30 June 2016 and 30 June 2015.

## 15 NUMBER OF UNITS IN ISSUE

	2016				2015			
	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 beginning of the year	1,019,817	1,171,662	687,571	2,879,050	368,992	484,292	384,230	1,237,514
Add: Units issued during the year	1,053,832	1,329,822	643,605	3,027,259	820,530	799,078	306,079	1,925,687
Less: Units redeemed during the year	(100,789)	(356,561)	(228,711)	(686,061)	(170,083)	(200,940)	(57,273)	(428,296)
Reallocation during the year	(190,971)	192,713	170,767	172,509	378	89,232	54,535	144,145
<b>Total units in issue at end of the year</b>	<b>1,781,889</b>	<b>2,337,636</b>	<b>1,273,232</b>	<b>5,392,757</b>	<b>1,019,817</b>	<b>1,171,662</b>	<b>687,571</b>	<b>2,879,050</b>

## 16 CONTRIBUTION TABLE

Contributions received during the year are as follows:

	2016							
From:	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Individuals	1,053,832	233,501,357	1,329,822	156,738,807	643,605	75,950,614	3,027,259	466,190,778

	2015							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Individuals	820,530	151,408,445	799,078	100,465,935	306,079	40,767,642	1,925,687	292,642,022

## 17 AUDITORS' REMUNERATION

	2016				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)			
Annual audit fee	55,000	55,000	55,000	165,000	50,000	50,000	50,000	150,000
Interim review fee	27,500	27,500	27,500	82,500	25,000	25,000	25,000	75,000
Out of pocket expenses and others including government levy	31,678	31,678	31,678	95,034	9,134	9,134	9,134	27,402
	<b>114,178</b>	<b>114,178</b>	<b>114,178</b>	<b>342,534</b>	<b>84,134</b>	<b>84,134</b>	<b>84,134</b>	<b>252,402</b>

# NAFA ISLAMIC PENSION FUND

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

As at 30 June 2016													
Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Others	Total
Loans and receivables	Available for sale	At fair value through profit n loss - held for trading	Total	Loans and receivables	Available for sale	At fair value through profit n loss - held for trading	Total	Loans and receivables	Available for sale	At fair value through profit n loss - held for trading	Total	Loans and receivables	
(Rupees)													
Financial assets													
Bank balances	40,029,344	-	40,029,344	163,819,796	-	-	163,819,796	137,238,592	-	-	137,238,592	3,340,997	344,428,729
Investments	-	395,128,577	395,128,577	-	-	115,491,000	115,491,000	-	-	15,118,500	15,118,500	-	525,738,077
Dividend receivable	1,505,750	-	1,505,750	-	-	-	-	-	-	-	-	-	1,505,750
Mark-up receivables	182,456	-	182,456	1,928,955	-	-	1,928,955	1,041,937	-	-	1,041,937	-	3,153,348
Security deposit	100,000	-	100,000	100,000	-	-	100,000	100,000	-	-	100,000	-	300,000
	41,817,550	395,128,577	436,946,127	165,848,751	-	115,491,000	281,339,751	138,380,529	-	15,118,500	153,499,029	3,340,997	875,125,904

As at 30 June 2016											Total
Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others		
Liabilities at fair value through profit or loss	At amortised cost	Total	Liabilities at fair value through profit or loss	At amortised cost	Total	Liabilities at fair value through profit or loss	At amortised cost	Total	At amortised cost		
(Rupees)											
Financial liabilities											
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	1,784,805	1,784,805	-	1,181,109	1,181,109	-	703,936	703,936	3,155,986	6,825,836
Payable to Central Depository Company of Pakistan Limited - Trustee	-	59,187	59,187	-	37,161	37,161	-	20,311	20,311	-	116,659
Accrued expenses and other liabilities	-	562,728	562,728	-	185,255	185,255	-	193,430	193,430	-	941,413
	-	2,406,720	2,406,720	-	1,403,525	1,403,525	-	917,677	917,677	3,155,986	7,883,908

As at 30 June 2015													
Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Others	Total
Loans and receivables	Available for sale	At fair value through profit n loss - held for trading	Total	Loans and receivables	Available for sale	At fair value through profit n loss - held for trading	Total	Loans and receivables	Available for sale	At fair value through profit n loss - held for trading	Total	Loans and receivables	
(Rupees)													
Financial assets													
Bank balances	24,610,988	-	24,610,988	18,531,916	-	-	18,531,916	23,011,902	-	-	23,011,902	2,365,550	68,520,356
Investments	-	17,400	197,220,245	197,237,645	-	105,801,400	105,801,400	-	-	50,866,750	50,866,750	-	353,905,795
Dividend receivable	615,306	-	615,306	-	-	-	-	-	-	-	-	-	-
Mark-up receivables	124,696	-	124,696	2,212,356	-	2,212,356	602,720	-	-	-	602,720	-	2,939,772
Receivable against sale of investments	8,310,597	-	8,310,597	-	-	-	-	-	-	-	-	-	8,310,597
Deposit and other receivable	100,000	-	100,000	10,494,621	-	10,494,621	6,393,769	-	-	-	6,393,769	-	16,988,390
	33,761,587	17,400	197,220,245	230,999,232	31,238,893	105,801,400	137,040,293	30,008,391	-	50,866,750	80,875,141	2,365,550	450,664,910

As at 30 June 2015											Total
Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others		
Liabilities at fair value through profit or loss	At amortised cost	Total	Liabilities at fair value through profit or loss	At amortised cost	Total	Liabilities at fair value through profit or loss	At amortised cost	Total	At amortised cost		
(Rupees)											
Financial liabilities											
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	768,155	768,155	-	518,511	518,511	-	345,310	345,310	1,952,672	3,584,648
Payable to Central Depository Company of Pakistan Limited - Trustee	-	26,651	26,651	-	15,314	15,314	-	8,707	8,707	-	50,672
Accrued expenses and other liabilities	-	16,874,671	16,874,671	-	1,235,806	1,235,806	-	1,194,988	1,194,988	-	19,305,465
	-	17,669,477	17,669,477	-	1,769,631	1,769,631	-	1,549,005	1,549,005	1,952,672	22,940,785

## 19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

19.1 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 Pension Fund Manager, directors and officers of the Pension Fund Manager and directors of connected persons and employee benefit funds of the NBP Fullerton Asset Management Limited.

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

19.3 Remuneration payable to Pension Fund Manager and the Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules, 2005 and the Trust Deed respectively.

The details of significant transactions carried out by the Fund with connected persons and balances with them for the year and at year end are as follows:

# NAFA ISLAMIC PENSION FUND

As at 30 June 2016																					2016			
Equity Sub-Fund					Debt Sub-Fund					Money Market Sub-Fund					Others					Total				
Effective yield / Interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / Interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
Up to three months	More than three months upto one year	More than one year			Up to three months	More than three months upto one year	More than one year			Up to three months	More than three months upto one year	More than one year			Up to three months	More than three months upto one year	More than one year			Up to three months	More than three months upto one year	More than one year		
%	(Rupees)				%	(Rupees)				%	(Rupees)				%	(Rupees)				%	(Rupees)			
2.50 - 6.70	40,029,344	-	-	-	40,029,344	2.50 - 6.70	163,819,796	-	-	-	163,819,796	2.50 - 6.70	137,238,592	-	-	-	137,238,592	2.50 - 6.70	3,340,997	-	-	-	3,340,997	344,428,729
	-	-	-	395,128,577	395,128,577	5.24 - 8.96	-	24,740,000	90,751,000	-	115,491,000	5.24 - 8.96	-	-	15,118,500	-	15,118,500	-	-	-	-	-	-	525,738,077
	-	-	-	1,505,750	1,505,750		-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	1,505,750
	-	-	-	182,456	182,456		-	-	-	1,928,955	1,928,955		-	-	-	1,041,937	1,041,937	-	-	-	-	-	-	3,153,348
	-	-	-	100,000	100,000		-	-	-	100,000	100,000		-	-	-	100,000	100,000	-	-	-	-	-	-	300,000
	40,029,344	-	-	396,916,783	436,946,127		163,819,796	24,740,000	90,751,000	2,028,955	281,339,751		137,238,592	-	15,118,500	1,141,937	153,499,029		3,340,997	-	-	-	3,340,997	875,125,904
Interest rate sensitivity	-	-	-	1,784,805	1,784,805		-	-	-	1,181,109	1,181,109		-	-	-	703,936	703,936		3,155,986	-	-	-	3,155,986	6,825,836
	-	-	-	59,187	59,187		-	-	-	37,161	37,161		-	-	-	20,311	20,311		-	-	-	-	-	116,659
	-	-	-	562,728	562,728		-	-	-	185,255	185,255		-	-	-	193,430	193,430		-	-	-	-	-	941,413
	-	-	-	2,406,720	2,406,720		-	-	-	1,403,525	1,403,525		-	-	-	917,677	917,677		-	-	-	-	-	7,883,908
	40,029,344	-	-	394,510,063	434,539,407		163,819,796	24,740,000	90,751,000	625,430	279,936,226		137,238,592	-	15,118,500	224,260	152,581,352		3,340,997	-	-	-	185,011	867,241,996
	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-		-	-	-	-	-
	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-		-	-	-	-	-
	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-		-	-	-	-	-
	40,029,344	-	-	394,510,063	434,539,407		163,819,796	24,740,000	90,751,000	625,430	279,936,226		137,238,592	-	15,118,500	224,260	152,581,352		3,340,997	-	-	-	185,011	867,241,996
	40,029,344	40,029,344	40,029,344				163,819,796	188,559,796	279,310,796				137,238,592	137,238,592	152,357,092				3,340,997	3,340,997	3,340,997			

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

As at 30 June 2015																					2015			
Equity Sub-Fund					Debt Sub-Fund					Money Market Sub-Fund					Others					Total				
Effective yield / Interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / Interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
Up to three months	More than three months upto one year	More than one year			Up to three months	More than three months upto one year	More than one year			Up to three months	More than three months upto one year	More than one year			Up to three months	More than three months upto one year	More than one year			Up to three months	More than three months upto one year	More than one year		
%	(Rupees)				%	(Rupees)				%	(Rupees)				%	(Rupees)				%	(Rupees)			
4.5 - 10.25	24,610,988	-	-	-	24,610,988	4.5 - 10.25	18,531,916	-	-	18,531,916	4.5 - 10.25	23,011,902	-	-	23,011,902	4.5 - 10.25	2,365,550	-	-	2,365,550	68,520,356			
	-	-	-	197,395,645	197,395,645	7.74 - 9.68	-	-	105,801,400	-	105,801,400	7.74 - 9.68	-	-	50,866,750	-	50,866,750	-	-	-	-	354,063,795		
	-	-	-	615,306	615,306		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	615,306		
	-	-	-	124,696	124,696		-	-	-	2,212,356	2,212,356	-	-	-	-	602,720	602,720	-	-	-	-	2,939,772		
	-	-	-	8,310,597	8,310,597		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,310,597		
	-	-	-	100,000	100,000		-	-	-	10,494,621	10,494,621	-	-	-	-	6,393,769	6,393,769	-	-	-	-	16,988,390		
	24,610,988	-	-	206,546,244	231,157,232		18,531,916	-	105,801,400	12,706,977	137,040,293		23,011,902	-	50,866,750	6,996,489	80,875,141		2,365,550	-	-	2,365,550	451,438,216	
	-	-	-	768,155	768,155		-	-	-	518,511	518,511		-	-	-	345,310	345,310		1,952,672	-	-	-	3,584,648	
	-	-	-	26,651	26,651		-	-	-	15,314	15,314		-	-	-	8,707	8,707		-	-	-	-	50,672	
	-	-	-	16,874,671	16,874,671		-	-	-	1,235,806	1,235,806		-	-	-	1,194,988	1,194,988		-	-	-	-	19,305,465	
	-	-	-	17,669,477	17,669,477		-	-	-	1,769,631	1,769,631		-	-	-	1,549,005	1,549,005		1,952,672	-	-	-	22,940,785	
	24,610,988	-	-	188,876,767	213,487,755		18,531,916	-	105,801,400	10,937,346	135,270,662		23,011,902	-	50,866,750	5,447,484	79,326,136		412,878	-	-	-	412,878	428,497,431
	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	
	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	
	24,610,988	-	-	188,876,767	213,487,755		18,531,916	-	105,801,400	10,937,346	135,270,662		23,011,902	-	50,866,750	5,447,484	79,326,136		412,878	-	-	-	412,878	428,497,431
	24,610,988	24,610,988	24,610,988				18,531,916	18,531,916	124,333,316				23,011,902	23,011,902	73,878,652				412,878	412,878	412,878			



# NAFA ISLAMIC PENSION FUND

## 19.4 Transactions during the year

Transactions during the year		2016				2015			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees) -----									
NBP Fullerton Asset Management Limited - Pension Fund Manager									
Remuneration of Pension Fund Manager		4,520,266	2,886,190	1,579,936	8,986,392	1,951,760	1,205,128	662,788	3,819,676
Federal Excise Duty on remuneration of Pension Fund Manager		723,243	461,790	252,790	1,437,823	312,282	192,821	106,046	611,149
Sindh Sales tax on remuneration of Pension Fund Manager		734,091	468,717	256,582	1,459,390	316,966	195,713	107,637	620,316
Number of units reallocated	Units	(11,451)	11,786	11,758	12,093	-	-	-	-
Amount of units reallocated		(2,816,742)	1,410,409	1,406,333	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee									
Remuneration of the Trustee		452,105	288,666	158,021	898,792	195,254	120,560	66,306	382,120
Sindh Sales Tax on remuneration of Trustee		63,295	40,413	22,123	125,831	27,061	16,714	9,190	52,965
Alexandra Fund Management Pte. Limited - Sponsor									
Reallocation of units	Units	(7,634)	7,857	7,839	8,062	(20,592)	18,624	17,910	15,942
Reallocation in amount		1,877,828	940,272	937,555	3,755,655	(4,209,194)	2,146,432	2,062,762	-
Taurus Securities Limited									
Brokerage charges		25,728	-	-	25,728	16,032	-	-	16,032
Employees of NBP Fullerton Asset Management Limited									
Number of units issued	Units	3,413	6,366	482	10,261	202	5,931	26	6,159
Amount of units issued		731,191	746,727	56,795	1,534,713	43,030	694,990	3,073	741,093
Number of units redeemed	Units	(3,075)	(5,840)	(377)	(9,292)	2,963	-	377	3,340
Amount of units redeemed		(650,712)	(689,550)	(44,001)	(1,384,263)	622,976	-	44,000	666,976

## 19.5 Amount outstanding as at year end

		2016				2015					
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Other	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Other	Total
----- (Rupees) -----											
<b>NBP Fullerton Asset Management Limited - Pension Fund Manager</b>											
Remuneration payable		521,572	327,408	178,978	-	1,027,958	359,122	232,019	117,313	-	708,454
Sindh Sales Tax payable		84,603	53,503	29,064	-	167,170	58,221	38,012	19,050	-	115,283
Federal Excise Duty payable		1,103,630	725,198	420,894	-	2,249,722	692,668	456,228	274,150	-	1,423,046
Preliminary expenses and floatation cost payable		75,000	75,000	75,000	-	225,000	75,000	75,000	75,000	-	225,000
Number of units held	Units	113,860	233,966	234,091	-	581,917	125,311	222,180	222,333	-	569,824
Amount of units held		27,675,921	27,993,222	28,021,264	-	83,690,407	26,982,097	26,176,582	26,122,409	-	79,281,088
Sales load inclusive of Sales Tax and Federal Excise Duty		-	-	-	3,155,986	3,155,986	-	-	-	1,952,672	1,952,672
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>											
Number of units held	Units	75,907	155,977	156,061	-	387,945	83,541	148,120	148,222	-	379,883
Amount of units held		18,450,614	18,662,148	18,680,842	-	55,793,604	17,988,064	17,451,055	17,414,939	-	52,854,058
<b>Employees of NBP Fullerton Asset Management Limited</b>											
Number of units held	Units	3,098	2,274	455	-	5,827	-	7,680	-	-	7,680
Amount of units held		753,082	272,123	54,479	-	1,079,684	-	904,798	-	-	904,798
<b>Central Depository Company of Pakistan Limited - Trustee</b>											
Remuneration payable		52,160	32,741	17,899	-	102,800	35,912	23,202	11,732	-	70,846
Sindh Sales Tax payable		7,027	4,420	2,412	-	13,859	4,753	3,084	1,550	-	9,387



# NAFA ISLAMIC PENSION FUND

## 20 FINANCIAL RISK MANAGEMENT

The Fund primarily invests in a portfolio of equity, debt and money market investments such as shares of listed companies, investment-grade debt securities, government securities and other money market instruments. These activities are exposed to a variety of financial risks i.e. market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

### 20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

Market risk comprises three types of risk; currency risk, interest rate risk and price risk.

#### 20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

#### 20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

##### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based interest bearing GoP Ijara Sukuk that expose the Fund to cash flow interest rate risk as at 30 June 2016. In case of 100 basis points increase in KIBOR on 30 June 2016, with all other variables held constant, the net assets of the Fund for the year would have been lower by Rs. 2.504 million and net income for the year would have been higher by Rs. 0.0363 million. In case of 100 basis points decrease in KIBOR on 30 June 2016, with all other variables held constant, the net assets of the Fund for the year would have been higher by Rs. 2.573 million and net income for the year would have been lower by Rs. 0.0363 million.

##### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds KIBOR based interest bearing GoP Ijara Sukuk that expose the Fund to fair value interest rate risk as at 30 June 2016. In case of 100 basis points increase in KIBOR on 30 June 2016, with all other variables held constant, the net assets of the Fund for the year would have been lower by Rs. 0.1203 million and net income for the year would have been higher by Rs. 0.0186 million. In case of 100 basis points decrease in KIBOR on 30 June 2016, with all other variables held constant, the net assets of the Fund for the year would have been higher by Rs. 0.1240 million and net income for the year would have been lower by Rs. 0.0186 million.

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2016 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

# NAFA ISLAMIC PENSION FUND

## 20.1.3 Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, industry environment and / or the economy in general.

The pension fund manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the participants from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the pension fund manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio. The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

The Fund's overall market positions are monitored on a quarterly basis by the board of directors of the Pension Fund Manager.

Details of the Fund's investment portfolio exposed to price risk, at the balance sheet date are disclosed in note 6 to these financial statements. At 30 June 2016 the Fund's overall exposure to price risk is limited to the fair value of those positions. The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the Karachi Meezan Index - 30 (KMI). The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

The net assets of the Fund will increase / decrease by approximately Rs. 3.951 million (2015: 1.974 million) if the prices of equity vary due to increase / decrease in the KMI. This is based on the assumption that the fair value of the Fund's portfolio moves according to their historical correlation with the KMI and that the KMI increases / decreases by 1% on KMI index with all other factors held constant.

The pension fund manager uses the KMI as a reference point in making investment decisions. However, the Pension Fund Manager does not manage the Fund's investment strategy to track the KMI or any other index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at 30 June 2016 and the historical correlation of the securities comprising the portfolio of the KMI. The composition of the Fund's investment portfolio and the correlation thereof to the KMI, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2016 is not necessarily indicative of the effect on the Fund's net assets attributed to units of future movements in the level of the KMI.

## 20.2 Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from the inability of the relevant brokerage house or the counter party to fulfill their obligations.

The Fund's credit risk is primarily attributable to balances with banks only. The credit risk of the Fund is limited as the balances are maintained with counter parties that are financial institutions with reasonably high credit ratings.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through the assignment of credit limits and by following strict credit evaluation criteria laid down by the Pension Fund Manager.

The maximum exposure to credit risk is as follows:

Ratings	As at 30 June 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
			(Rupees)		
AAA	7,164,896	68,070,539	37,224,129	1,675,908	114,135,472
AA+	3,957	48,298,334	27,274,183		75,576,474
AA	5,903,558	9,180,079	4,199,350	1,660,089	20,943,076
AA-			26,854,725		26,854,725
A+	26,956,933	38,270,844	41,686,205	5,000	106,918,982
	<u>40,029,344</u>	<u>163,819,796</u>	<u>137,238,592</u>	<u>3,340,997</u>	<u>344,428,729</u>
Dividend receivable	1,505,750	-	-	-	1,505,750
Mark-up receivables	182,456	1,928,955	1,041,937	-	3,153,348
Deposit and other receivable	100,000	100,000	100,000	-	300,000

# NAFA ISLAMIC PENSION FUND

Ratings	As at 30 June 2015				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	(Rupees)				
AAA	5,788,134	6,714,682	6,740,287	1,352,054	20,595,157
AA+	18,813,294	11,764,308	16,236,881	1,013,496	47,827,979
AA	4,660	48,500	30,308	-	83,468
AA-	-	-	-	-	-
A+	4,900	4,426	4,426	-	13,752
	<u>24,610,988</u>	<u>18,531,916</u>	<u>23,011,902</u>	<u>2,365,550</u>	<u>68,520,356</u>
Dividend receivable	615,306	-	-	-	615,306
Mark-up receivables	124,696	2,212,356	602,720	-	2,939,772
Deposit and other receivable	100,000	10,494,621	6,393,769	-	16,988,390

The maximum exposure to credit risk before any credit enhancement is the carrying amount of these financial assets.

## Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Currently the Fund has placed its money in saving accounts with highly rated financial institutions.

## 20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the participant's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP). The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and cannot be readily disposed and are considered readily realisable.

The Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of the total net asset value at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the period.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	As at 30 June 2016												2016
	Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Others
	Total	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Upto three months
	(Rupees)												Total
<b>Financial Liabilities (excluding participants' funds)</b>													
Payable to National Investment Limited - Pension Fund Manager	1,784,805	1,784,805	-	-	1,181,109	1,181,109	-	-	703,936	703,936	-	-	3,155,986
Payable to Central Depository Company of Pakistan Limited - Trustee	59,187	59,187	-	-	37,161	37,161	-	-	20,311	20,311	-	-	-
Accrued expenses and other liabilities	562,728	562,728	-	-	185,255	185,255	-	-	193,430	193,430	-	-	-
	<u>2,406,720</u>	<u>2,406,720</u>	<u>-</u>	<u>-</u>	<u>1,403,525</u>	<u>1,403,525</u>	<u>-</u>	<u>-</u>	<u>917,677</u>	<u>917,677</u>	<u>-</u>	<u>-</u>	<u>3,155,986</u>
													<u>7,883,908</u>
<b>Participants' funds</b>	<u>433,123,546</u>	<u>433,123,546</u>	<u>-</u>	<u>-</u>	<u>279,690,023</u>	<u>279,690,023</u>	<u>-</u>	<u>-</u>	<u>152,409,030</u>	<u>152,409,030</u>	<u>-</u>	<u>-</u>	<u>-</u>
													<u>865,222,599</u>

# NAFA ISLAMIC PENSION FUND

	As at 30 June 2015												2015
	Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Others
	Total	Upto three months	More than three months and	More than one year	Total	Upto three months	More than three months and upto one	More than one year	Total	Upto three months	More than three months and upto one	More than one year	Upto three months
(Rupees)													
Financial Liabilities (excluding participants' funds)													
Payable to National Investment Limited - Pension Fund Manager	768,155	768,155	-	-	518,511	518,511	-	-	345,310	345,310	-	-	1,952,672
Payable to Central Depository Company of Pakistan Limited - Trustee	26,651	26,651	-	-	15,314	15,314	-	-	8,707	8,707	-	-	-
Accrued expenses and other liabilities	16,874,671	16,874,671	-	-	1,235,806	1,235,806	-	-	1,194,988	1,194,988	-	-	19,305,465
	17,669,477	17,669,477	-	-	1,769,631	1,769,631	-	-	1,549,005	1,549,005	-	-	1,952,672
													22,940,785
Participants' funds	212,136,085	212,136,085	-	-	135,082,064	135,082,064	-	-	79,192,021	79,192,021	-	-	-
													426,410,170

The above mentioned financial liabilities do not carry any mark-up.

Units of the Fund are redeemable on demand at the participants' option. However, participants typically retain them from medium to long term.

## 21 PARTICIPANTS' FUNDS RISK MANAGEMENT (CAPITAL RISK)

The participants' fund is represented by redeemable units. These units are entitled to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund.

The Fund's objectives when managing participants' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to participants and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with a long term objective, the possibility of a significant redemption pressure is limited, such liquidity being augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the fund and rank parri passu as their rights in the net assets and earning of the sub-fund are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

## 22 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced.

According to the amendments to International Financial Reporting Standard 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

# NAFA ISLAMIC PENSION FUND

Equity Sub - Fund										Debt Sub - Fund										Money Market Sub - Fund										Others			Total		
Carrying value					Fair Value					Carrying value					Fair value					Carrying value					Fair value										
Available-for-sale	Held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	Available-for-sale	Held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	Available-for-sale	Held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	Loans and receivables	Other financial liabilities	Total						
(Rupees)																																			
On-balance sheet financial instruments																																			
Financial assets measured at fair value																																			
Investments																																			
- Equity securities	-	395,128,577	-	395,128,577	394,915,049	-	213,528	395,128,577	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	395,128,577					
- Government of Pakistan - Ijarah Sukuk	-	-	-	-	-	-	-	-	-	115,491,000	-	-	115,491,000	-	115,491,000	-	115,491,000	-	15,118,500	-	-	15,118,500	-	15,118,500	-	15,118,500	-	-	-	130,609,500					
-	395,128,577	-	-	395,128,577	394,915,049	-	213,528	395,128,577	-	115,491,000	-	-	115,491,000	-	115,491,000	-	115,491,000	-	15,118,500	-	-	15,118,500	-	15,118,500	-	15,118,500	-	-	-	525,738,077					
Financial assets not measured at fair value																																			
Bank balances	-	-	40,029,344	-	40,029,344	-	-	-	-	-	163,819,796	-	163,819,796	-	-	-	-	-	-	137,238,592	-	137,238,592	-	-	-	-	3,340,997	-	3,340,997	344,428,729					
Dividend receivable	-	-	1,505,750	-	1,505,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,505,750					
Mark-up receivables	-	-	182,456	-	182,456	-	-	-	-	-	1,928,955	-	1,928,955	-	-	-	-	-	-	1,041,937	-	1,041,937	-	-	-	-	-	-	-	3,153,348					
Deposit and other receivable	-	-	100,000	-	100,000	-	-	-	-	-	100,000	-	100,000	-	-	-	-	-	-	100,000	-	100,000	-	-	-	-	-	-	-	300,000					
22.1	-	-	41,817,550	-	41,817,550	-	-	-	-	-	165,848,751	-	165,848,751	-	-	-	-	-	-	138,380,529	-	138,380,529	-	-	-	-	3,340,997	-	3,340,997	349,387,827					
Financial liabilities not measured at fair value																																			
Payable to National Investment Trust Limited - Pension Fund Manager																																			
-	-	-	1,784,805	1,784,805	-	-	-	-	-	-	-	1,181,109	1,181,109	-	-	-	-	-	-	-	703,936	703,936	-	-	-	-	-	3,155,986	3,155,986	6,825,836					
Payable to Central Depository Company of Pakistan Limited - Trustee																																			
-	-	-	59,187	59,187	-	-	-	-	-	-	-	37,161	37,161	-	-	-	-	-	-	-	20,311	20,311	-	-	-	-	-	-	-	116,659					
Accrued expenses and other liabilities																																			
-	-	-	562,728	562,728	-	-	-	-	-	-	-	185,255	185,255	-	-	-	-	-	-	-	193,430	193,430	-	-	-	-	-	-	-	941,413					
22.1	-	-	2,406,720	2,406,720	-	-	-	-	-	-	-	1,403,525	1,403,525	-	-	-	-	-	-	-	917,677	917,677	-	-	-	-	-	3,155,986	3,155,986	7,883,908					
30 June 2015																																			
Equity Sub - Fund										Debt Sub - Fund										Money Market Sub - Fund										Others			Total		
Carrying value					Fair Value					Carrying value					Fair Value					Carrying value					Fair Value										
Available-for-sale	Held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	Available-for-sale	Held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	Available-for-sale	Held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	receivables	Other financial liabilities	Total						
(Rupees)																																			
On-balance sheet financial instruments																																			
Financial assets measured at fair value																																			
Investments																																			
- Equity securities	-	197,220,245	-	197,220,245	197,220,245	-	-	197,220,245	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	197,220,245					
- Government of Pakistan - Ijarah sukuk	-	-	-	-	-	-	-	-	-	105,801,400	-	-	105,801,400	-	105,801,400	-	105,801,400	-	50,866,750	-	-	50,866,750	-	50,866,750	-	50,866,750	-	-	-	156,668,150					
- Redeemable preference shares	175,400	-	-	175,400	-	-	175,400	175,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	175,400					
	175,400	197,220,245	-	197,395,645	197,220,245	-	175,400	197,395,645	-	105,801,400	-	-	105,801,400	-	105,801,400	-	105,801,400	-	50,866,750	-	-	50,866,750	-	50,866,750	-	50,866,750	-	-	-	354,063,795					
Financial assets not measured at fair value																																			
Bank balances	-	-	24,610,988	-	24,610,988	-	-	-	-	-	18,531,916	-	18,531,916	-	-	-	-	-	-	23,011,902	-	23,011,902	-	-	-	-	2,365,550	-	2,365,550	68,520,356					
Dividend receivable	-	-	615,306	-	615,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	615,306					
Mark-up receivables	-	-	124,696	-	124,696	-	-	-	-	-	2,212,356	-	2,212,356	-	-	-	-	-	-	602,720	-	602,720	-	-	-	-	-	-	-	2,939,772					
Receivable against sale of investments	-	-	8,310,597	-	8,310,597	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,310,597					
Deposit and other receivable	-	-	100,000	-	100,000	-	-	-	-	-	10,494,621	-	10,494,621	-	-	-	-	-	-	6,393,769	-	6,393,769	-	-	-	-	-	-	-	16,988,390					
	-	-	33,761,587	-	33,761,587	-	-	-	-	-	31,238,893	-	31,238,893	-	-	-	-	-	-	30,008,391	-	30,008,391	-	-	-	-	2,365,550	-	2,365,550	97,374,421					
Financial liabilities not measured at fair value																																			
Payable to National Investment Trust Limited - Pension Fund Manager																																			
-	-	-	768,155	768,155	-	-	-	-	-	-	-	518,511	518,511	-	-	-	-	-	-	-	345,310	345,310	-	-	-	-	-	1,952,672	1,952,672	3,584,648					
Payable to Central Depository Company of Pakistan Limited - Trustee																																			
-	-	-	26,651	26,651	-	-	-	-	-	-	-	15,314	15,314	-	-	-	-	-	-	-	8,707	8,707	-	-	-	-	-	-	-	50,672					
Accrued expenses and other liabilities																																			
-	-	-	16,874,671	16,874,671	-	-	-	-	-	-	-	1,235,806	1,235,806	-	-	-	-	-	-	1,194,988	1,194,988	-	-	-	-	-	-	-	19,305,465						
-	-	-	17,669,477	17,669,477	-	-	-	-	-	-	-	1,769,631	1,769,631	-	-	-	-	-	-	1,549,005	1,549,005	-	-	-	-	-	-	1,952,672	1,952,672	22,940,785					

# NAFA ISLAMIC PENSION FUND

## 23 FINANCIAL PERFORMANCE

### 23.1 Equity sub-fund

	Equity sub-fund					
	2016 ----- (Rupees) -----	2015	% Change	2014 ----- (Rupees) -----	2013	2012
Net income for the year	<b>62,465,968</b>	52,435,170	19%	13,074,583	254,643	-
Realized gains	<b>5,445,863</b>	17,811,482	-69%	7,151,944	-	-
Unrealized appreciation	<b>38,840,657</b>	24,960,581	56%	5,137,389	-	-
Dividend income	<b>14,696,771</b>	4,677,308	214%	2,121,162	-	-
Mark-up on bank deposits	<b>1,599,504</b>	760,381	110%	316,870	388,488	-
NAV per unit	<b>243.0699</b>	208.0138	17%	137.3012	101	-
Transactions in securities						
Purchases	<b>315,525,028</b>	223,091,819	41%	106,263,868	-	-
Sales	<b>163,386,816</b>	115,788,008	41%	7,151,939	-	-
Total contribution received	<b>233,501,357</b>	151,408,445	54%	14,242,087	30,006,000	-

### 23.2 Debt sub-fund

	Debt sub-fund					
	2016 ----- (Rupees) -----	2015	% Change	2014 ----- (Rupees) -----	2013	2012
Net income for the year	<b>10,181,651</b>	5,709,594	78%	2,967,848	275,232	-
Realized (loss)	<b>(803,480)</b>	(24,500)	3180%	-	-	-
Unrealized (diminution) / appreciation	<b>(59,000)</b>	(523,150)	-89%	558,700	-	-
Mark-up on bank deposits	<b>6,199,090</b>	1,085,411	471%	505,362	395,091	-
NAV per unit	<b>119.6465</b>	115.2910	4%	109.1759	101	-
Transactions in securities						
Purchases	<b>127,877,588</b>	73,660,150	74%	33,135,200	-	-
Sales	-	1,005,000	100%	-	-	-
Total contribution received	<b>156,738,807</b>	100,310,247	56%	20,492,900	29,997,000	-

### 23.3 Money market sub-fund

	Money market sub-fund					
	2016 ----- (Rupees) -----	2015	% Change	2014 ----- (Rupees) -----	2013	2012
Net income for the year	<b>5,762,625</b>	4,030,640	43%	2,421,001	289,408	-
Realized (loss)	<b>(366,750)</b>	-	100%	-	-	-
Unrealized appreciation / (diminution)	<b>118,500</b>	(358,600)	-133%	153,100	-	-
Mark-up on bank deposits	<b>4,606,485</b>	784,974	487%	562,048	395,091	-
NAV per unit	<b>119.7025</b>	115.1765	4%	108.5032	101	-
Transactions in securities						
Purchases	<b>15,000,000</b>	21,772,250	-31%	54,300,000	-	-
Sales	-	-	0%	-	-	-
Total contribution received	<b>75,950,614</b>	40,712,651	87%	9,157,220	29,997,000	-

### 23.4 Highest and lowest issue price of units during the period

	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2016	2015	2016	2015	2016	2015
----- (Rupees) -----						
Highest issue price	<b>247.6637</b>	210.8500	<b>119.6776</b>	115.2900	<b>119.7025</b>	115.1800
Lowest issue price	<b>198.2547</b>	128.5200	<b>115.3074</b>	109.1900	<b>115.1894</b>	108.5200

## 24 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Pension Fund Manager in their meeting held on September 23, 2016.

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director












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