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

NAFA ISLAMIC PENSION FUND

**HALF YEARLY
REPORT
December
31 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

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NAFA ISLAMIC PENSION FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director
Mr. Foo Chiah Shiung (Kelvin Foo)	Director
Mr. Lui Mang Yin (Martin Lui)	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Saiyed Hashim Ishaque	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Foo Chiah Shiung (Kelvin Foo)	Member
Mr. Aamir Sattar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Lui Mang Yin (Martin Lui)	Member
Mr. Abdul Hadi Palekar	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

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

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the reviewed financial statements of NAFA Islamic Pension Fund (NIPF) for the half year ended December 31, 2016.

Fund's Performance

This is the half yearly report of NAFA Islamic Pension Fund (NIPF) for the financial year 2016-17.

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) July 02, 2013	NAV Per Unit (Rs.) December 31, 2016	Annualized Return Since Launch July 02, 2013
NIPF-Equity Sub-fund	729.7	100.7248	319.8412	39.1%
NIPF-Debt Sub-fund	269.6	100.9502	122.5029	5.7%
NIPF-Money Market Sub-fund	178.0	100.9426	122.3625	5.6%
Net of management fee & all other expenses				

During 1HFY17, riding on the positive momentum built on the Pakistan Stock Exchange (PSX) reclassification into MSCI Emerging Market and driven primarily by the price-to-earnings (PE) re-rating, the stock market delivered a handsome return of about 27%. Positives on the macroeconomic front such as improved economic growth outlook coupled with benign inflation reading and anchored near-term expectations; and stable exchange rate helped the market achieve historic highs. Domestic liquidity unleashed amid low interest rates that helped counter heavy foreign selling of USD298mn. Automobile Assembler, Engineering, Oil & Gas Marketing Companies, and Textile Composite sectors performed better than the market whereas, Power Generation & Distribution Companies and Fertilizer sectors lagged behind. Going forward, expected domestic and foreign liquidity flows amid low interest rates, expected amnesty scheme, and MSCI upgrade theme are likely to keep the market strong while, rising global policy uncertainty pose downside risk.

State Bank of Pakistan (SBP) maintained discount rate and policy rate at 6.25% and 5.75% respectively during the period under review. SBP cited improvement in macroeconomic stability, comfortable liquidity conditions coupled with healthy reserve accumulation, manageable in-flationary backdrop, and CPEC related projects gathering momentum being balanced against latent risks to external accounts/factors. However, there are risks to the external account emanating from expected increase in commodity/global oil prices, confluence of declining remittances, challenged exports outlook and mounting external debt levels that may imperil the medium-term sustainability of the Balance of Payments position and warrant decisive policy action. Long-term sovereign yields witnessed an average increase of around 50 basis points, reflecting an uptick in inflation and interest rates.

Trading activity in corporate debt securities (TFCs & Sukuks) remained thin and was recorded at around Rs.5 billion during the reported period. Demand for the high credit quality corporate bonds issuance was again witnessed. All TFCs/Sukuks in the Fund are floating rate linked to KIBOR, mitigating the interest rate risk.

The asset allocation of the Funds as on December 31, 2016 is as follows:

Asset Allocation (% of Net Assets)	
Equity Sub-fund	
	31-Dec-16
Equity	94.28%
Cash Equivalents - Net	5.72%
Total	100.00%
Debt Sub-fund	
	31-Dec-16
Cash Equivalents - Net	56.50%
Sukuks	43.50%
Total	100.00%
Money Market Sub-fund	
	31-Dec-16
Cash Equivalents - Net	91.36%
Short Term Sukuks	8.64%
Total	100.00%

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Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Pension Fund Manager, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: February 28, 2017
Place: Karachi.

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ڈائریکٹرز رپورٹ

NBP فلٹرن ایسٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2016ء کو ختم ہونے والی ششماہی کے لیے NAFA اسلامک پنشن فنڈ (NIPF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

یہ NAFA اسلامک پنشن فنڈ (NIPF) کی مالی سال 2017 کے لیے پہلی ششماہی کی رپورٹ ہے۔

02 جولائی 2013 کو لانچ سے	NAFA پنشن (روپے) 31 دسمبر 2016	NAFA پنشن (روپے) 02 جولائی 2013	فنڈ کا حجم (ملین روپے)	
ایسٹیک کارکردگی	319.8412	100.7248	729.7	NIPF ایکویٹی سب فنڈ
	122.5029	100.9502	269.6	NIPF ڈیٹ سب فنڈ
	122.3625	100.9426	178.0	NIPF منی مارکیٹ سب فنڈ
مینیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص				سالانہ بنیاد پر منافع

مالی سال 2017 کی پہلی ششماہی کے دوران مثبت رجحان کے ساتھ MSCI ایشیا مارکیٹ میں پاکستان اسٹاک انڈیکس (PSX) کی از سر نو تشکیل ہوئی اور اس میں نرخ آمدن تناسب کی دوبارہ درجہ بندی بنیادی طور پر کارفرما تھی، اسٹاک مارکیٹ نے تقریباً 27% کا شاندار منافع فراہم کیا۔ کلیاتی معاشیات کے مثبت پہلو جیسے ترقی کے بہتر امکانات، افراط زر میں کمی، مستقبل قریب میں بہتری کی توقعات اور مستحکم شرح مبادلہ مارکیٹ کو تاریخی اونچائی حاصل کرنے میں معاون ثابت ہوئی۔ گھریلو لیکویڈیٹی کم شرح سود کا باعث بنا جس کی بدولت USD298mn کی بھاری غیر ملکی فروخت کے اثر کو زائل کرنے میں مدد ملی۔ آٹوموبیل اسمبلرز، انجینئرنگ، آئل اور گیس کی مارکیٹنگ کمپنیاں اور ٹیکسٹائل کمپوزٹ سیکٹرز نے مارکیٹ کے مقابلے میں بہتر کارکردگی کا مظاہرہ کیا جب کہ پاور جنریشن، ڈسٹری بیوشن کمپنیاں اور فریٹ لائزر سیکٹرز کی کارکردگی نسبتاً اتر رہی۔ آگے بڑھتے ہوئے، متنوع ملکی لیکویڈیٹی کا بہاؤ، کم شرح سود کی متوقع رعایتی اسکیموں اور MSCI کی اسٹوٹھولیت مارکیٹ کو مضبوط کرنے کا باعث ہے، جبکہ بڑھتی ہوئی عالمی منصوبہ سازی کی غیر یقینی صورت حال خطرے کے منحنی پہلو کو ظاہر کرتی ہے۔

اسٹیٹ بینک آف پاکستان (SBP) نے مذکورہ بالا مدت کے دوران ڈسکونٹ ریٹ اور پالیسی ریٹ بالترتیب 6.25% اور 5.75% برقرار رکھی۔ SBP کے منکوفت کے مطابق مستحکم کلیاتی معیشت، لیکویڈیٹی کی باسہولت صورت حال کے ساتھ زرمبادلہ کے ذخیرہ میں خاطر خواہ اضافہ، محدود افراط زر اور CPEC سے متعلقہ منصوبے بیرونی اکاؤنٹ اور مواصلات کے پوشیدہ خطرات سے نبرد آزما ہونے کے لئے برسر پیکار ہیں۔ تاہم بیرونی اکاؤنٹ کو عالمی تیل اور ایشیا، صرف فی قیمتوں میں متوقع اضافہ، گرتی ہوئی تریلا، برآمدات سے متعلق چیلنجز اور بڑھتی ہوئی بیرونی قرض کی سطح سے خطرات لاحق ہیں جو کہ ادائیگی کے توازن کو وسط مدتی دورانیہ میں متاثر کر سکتا ہے جس کے لئے منصوبہ سازی کی ضرورت ہوگی۔ طویل المیعاد خود مختار منافع میں تقریباً 50 بیسیس پوائنٹ کا اوسط اضافہ دیکھا گیا، جو افراط زر اور سود کی شرح میں معتدل اضافے کی عکاسی کرتا ہے۔

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کارپوریٹ ڈیپٹ سیکیورٹیز ریٹیز (TFCS اور سکوک) میں ہونے والی تجارتی سرگرمیوں میں جھکاؤ دیکھنے میں آیا اور تقریباً 5 بلین روپے پر ریکارڈ کیا۔ اعلیٰ کریڈٹ معیاری کارپوریٹ بانڈ کی اجراء کے مطالبہ کارُ حجان دوبارہ دیکھنے میں آیا۔ فنڈ میں تمام TFCS اور سکوک رواں شرح ہیں جو کہ KIBOR سے منسلک ہیں، جو سود کی شرح میں خطرے کی کمی کا باعث ہے۔

فنڈ کی ایسیٹ ایلوکیشن 31 دسمبر 2016 کو برطابق ذیل ہے:

ایسیٹ ایلوکیشن (میںٹ ایسیٹس کا %)	
ایسیٹس سب فنڈ	
ایسیٹس	94.28%
کیش کے مساوی - خالص	5.72%
ٹوٹل	100.00%
ڈیٹ سب فنڈ	
کیش کے مساوی - خالص	56.50%
سکوک	43.50%
ٹوٹل	100.00%
مٹی مارکیٹ سب فنڈ	
کیش کے مساوی - خالص	91.36%
مختصر مدتی GOP اجارہ سکوک	8.64%
ٹوٹل	100.00%

اظہار تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد اور اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکیورٹیز اینڈ انویسٹمنٹ 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 ٹرسٹی کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فلٹرن ایسیٹ مینجمنٹ کمپنی لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

28 فروری 2017ء

مقام: کراچی

NAFA ISLAMIC PENSION FUND

Report on review of Condensed Interim Financial Information to the Participants

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Islamic Pension Fund** ("the Fund") as at 31 December 2016 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' funds, condensed interim cash flow statement and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Pension Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matters

The figures for the three months period ended 31 December 2016 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Date: February 28, 2017

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Nadeem

NAFA ISLAMIC PENSION FUND

Condensed Interim Statement of Assets and Liabilities As at 31 December 2016

		31 December 2016 (Un-audited)					June 30, 2016 (Audited)				
Note	Equity	Debt	Money Market	Others	Total	Equity	Debt	Money Market	Others	Total	
	Sub-Fund	Sub-Fund	Sub-Fund			Sub-Fund	Sub-Fund	Sub-Fund			
-----Rupees-----											
Assets											
	Bank balances	37,907,640	151,851,159	162,163,286	3,139,330	355,061,415	40,029,344	163,819,796	137,238,592	3,340,997	344,428,729
6	Investments	687,958,342	117,260,500	15,367,500	-	820,586,342	395,128,577	115,491,000	15,118,500	-	525,738,077
	Dividend receivable	2,118,101	-	-	-	2,118,101	1,505,750	-	-	-	1,505,750
	Profit receivables	136,473	2,040,660	1,469,282	-	3,646,415	182,456	1,928,955	1,041,937	-	3,153,348
8	Receivable against sale of investments	11,054,639	-	-	-	11,054,639	-	-	-	-	-
	Advance and deposit	451,925	100,000	100,000	-	651,925	125,528	100,000	100,000	-	325,528
9	Total assets	739,627,120	271,252,319	179,100,068	3,139,330	1,193,118,837	436,971,655	281,339,751	153,499,029	3,340,997	875,151,432
Liabilities											
	Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	2,171,737	1,203,435	738,330	3,139,330	7,252,832	1,784,805	1,181,109	703,936	3,155,986	6,825,836
10	Payable to Central Depository Company of Pakistan Limited - Trustee	99,050	40,128	28,702	-	167,880	59,187	37,161	20,311	-	116,659
11	Payable to Securities and Exchange Commission of Pakistan	94,800	50,686	27,299	-	172,785	99,445	63,495	34,758	-	197,698
	Payable against purchase of investments	5,488,215	-	-	-	5,488,215	-	-	-	-	-
	Accrued expenses and other liabilities	2,061,866	404,477	344,844	-	2,811,187	1,904,672	367,963	330,994	185,011	2,788,640
12	Total liabilities	9,915,668	1,698,726	1,139,175	3,139,330	15,892,899	3,848,109	1,649,728	1,089,999	3,340,997	9,928,833
Net assets		729,711,452	269,553,593	177,960,893	-	1,177,225,938	433,123,546	279,690,023	152,409,030	-	865,222,599
Participants' funds (as per statement attached)		729,711,452	269,553,593	177,960,893	-	1,177,225,938	433,123,546	279,690,023	152,409,030	-	865,222,599
Contingency and commitment											
13	Number of units in issue	2,281,481	2,200,386	1,454,375			1,781,889	2,337,636	1,273,232		
14	Net assets value per unit	319.8412	122.5029	122.3625			243.0699	119.6465	119.7025		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

Condensed Interim Income Statement (Unaudited) For the six months period ended 31 December 2016

Note	2016				2015				
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total	
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund		
	-----Rupees-----				-----Rupees-----				
Income									
Dividend income	15,083,973	-	-	15,083,973	7,216,474	-	-	7,216,474	
Gain / (loss) on sale of investments - net	16,351,254	-	-	16,351,254	2,836,368	(628,150)	(265,950)	1,942,268	
Markup on bank deposits	1,021,973	5,690,070	4,708,532	11,420,575	775,054	2,243,046	1,416,645	4,434,745	
Income from sukuk certificates	-	2,981,840	412,463	3,394,303	-	3,434,444	1,547,704	4,982,148	
Net unrealized appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	7.3	133,680,304	1,769,500	249,000	135,698,804	413,669	337,085	134,254	885,008
Other income	-	-	-	1,187,570	-	-	-	-	-
Total income		167,325,074	10,441,410	5,369,995	183,136,479	11,241,565	5,386,425	2,832,653	19,460,643
Expenses									
Remuneration of NBP Fullerton Asset Management Limited - Pension Fund Manager	10.1	4,309,107	2,303,877	1,240,859	7,853,843	1,951,760	1,205,128	662,788	3,819,676
Sindh Sales Tax on remuneration of Pension Fund Manager	10.2	560,184	299,504	161,312	1,021,000	316,966	195,713	107,637	620,316
Federal Excise Duty on remuneration of Pension Fund Manager	10.3	-	-	-	-	312,282	192,821	106,046	611,149
Remuneration of Central Depository Company of Pakistan Limited - Trustee	-	430,911	230,388	132,585	793,684	195,254	120,560	66,306	382,120
Sindh Sales Tax on remuneration of Trustee	-	56,018	29,950	17,236	103,204	27,061	16,714	9,190	52,965
Annual fee - Securities and Exchange Commission of Pakistan	11.1	94,800	50,685	27,299	172,784	42,938	26,512	14,581	84,031
Auditors' remuneration	-	91,816	91,816	91,816	275,448	70,338	70,338	70,338	211,014
Amortization of preliminary expenses and flotation costs	-	-	-	-	-	9,174	9,174	9,174	27,522
Charity expense	-	-	-	-	-	131,876	-	-	131,876
Securities transaction costs	-	383,000	-	-	383,000	233,288	-	-	233,288
Printing and stationery expenses	-	7,544	7,544	7,544	22,632	7,524	7,524	7,524	22,572
Settlement and bank charges	-	95,855	61,272	51,668	208,795	67,730	51,662	32,257	151,649
Legal and professional charges	-	15,088	15,088	15,088	45,264	72,839	-	-	72,839
Total expenses		6,285,675	3,090,124	1,745,407	11,121,206	3,439,030	1,896,146	1,085,841	6,421,017
Net income from operating activities		161,039,399	7,351,286	3,624,588	172,015,273	7,802,535	3,490,279	1,746,812	13,039,626
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	-	14,112,799	(1,066,257)	244,075	13,290,617	2,059,054	453,748	150,106	2,662,908
Provision for Workers' Welfare Fund	12.1	-	-	-	-	-	-	-	-
Net income for the period		175,152,198	6,285,029	3,868,663	185,305,890	9,861,589	3,944,027	1,896,918	15,702,534

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

Condensed Interim Income Statement (Unaudited) For the three months period ended 31 December 2016

Note	2016				2015			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
-----Rupees-----								
Income								
Dividend income	9,543,044	-	-	9,543,044	3,619,851	-	-	3,619,851
Gain / (loss) on sale of investments - net	13,379,045	-	-	13,379,045	1,054,433	(628,150)	(265,950)	160,333
Markup on bank deposits	514,285	2,770,735	2,272,962	5,557,982	396,257	1,718,602	940,380	3,055,239
Income from sukuk certificates	-	1,490,998	206,208	1,697,206	-	1,287,688	615,882	1,903,570
Net unrealized appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss	77,050,782	1,445,000	205,500	78,701,282	9,537,743	603,035	239,304	10,380,082
Total income	100,487,156	5,706,733	2,684,670	108,878,559	14,608,284	2,981,175	1,529,616	19,119,075
Expenses								
Remuneration of NBP Fullerton Asset Management Company - Pension Fund Manager	2,379,042	1,146,969	615,123	4,141,134	1,036,072	651,715	347,447	2,035,234
Sindh Sales Tax on remuneration of Pension Fund Manager	309,276	149,106	79,966	538,348	167,729	105,514	56,236	329,479
Federal Excise Duty on remuneration of Pension Fund Manager	-	-	-	-	165,772	104,275	55,591	325,638
Remuneration of Central Depository Company of Pakistan Limited - Trustee	237,904	114,697	70,011	422,612	103,685	65,219	34,772	203,676
Sindh Sales Tax on remuneration of Trustee	30,927	14,910	9,101	54,938	14,505	9,124	4,864	28,493
Annual fee - Securities and Exchange Commission of Pakistan	52,339	25,233	13,533	91,105	22,793	14,337	7,644	44,774
Auditors' remuneration	45,908	45,908	45,908	137,724	43,740	43,740	43,740	131,220
Amortization of preliminary expenses and flotation costs	-	-	-	-	4,587	4,587	4,587	13,761
Charity Expense	152,694	-	-	152,694	57,920	-	-	57,920
Securities transaction costs	223,020	-	-	223,020	94,067	-	-	94,067
Printing and stationary expenses	7,544	7,544	7,544	22,632	3,762	3,762	3,762	11,286
Settlement and bank charges	62,074	30,637	21,034	113,745	29,258	28,479	10,290	68,027
Legal and professional charges	3,772	3,772	3,772	11,316	72,839	-	-	72,839
Total expenses	3,504,500	1,538,776	865,992	5,909,268	1,816,729	1,030,752	568,933	3,416,414
Net income from operating activities	96,982,656	4,167,957	1,818,678	102,969,291	12,791,555	1,950,423	960,683	15,702,661
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	12,301,781	(1,174,576)	424,750	11,551,955	940,628	383,982	112,933	1,437,543
Provision for Workers' Welfare Fund	-	-	-	-	-	-	-	-
Net income for the period	109,284,437	2,993,381	2,243,428	114,521,246	13,732,183	2,334,405	1,073,616	17,140,204

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

Condensed Interim Statement of Comprehensive Income (Unaudited) For the six months period ended 31 December 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-----				-----Rupees-----			
Net income for the period	175,152,198	6,285,029	3,868,663	185,305,890	9,861,589	3,944,027	1,896,918	15,702,534
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	<u>175,152,198</u>	<u>6,285,029</u>	<u>3,868,663</u>	<u>185,305,890</u>	<u>9,861,589</u>	<u>3,944,027</u>	<u>1,896,918</u>	<u>15,702,534</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

Condensed Interim Statement of Comprehensive Income (Unaudited) For the three months period ended 31 December 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-----				-----Rupees-----			
Net income for the period	109,284,437	2,993,381	2,243,428	114,521,246	13,732,183	2,334,405	1,073,616	17,140,204
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	<u>109,284,437</u>	<u>2,993,381</u>	<u>2,243,428</u>	<u>114,521,246</u>	<u>13,732,183</u>	<u>2,334,405</u>	<u>1,073,616</u>	<u>17,140,204</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

Condensed Interim Statement of Movement In Participants' Funds (Unaudited) For the six months period ended 31 December 2016

Note	2016				2015			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
	-----Rupees-----				-----Rupees-----			
Net assets at beginning of the period	433,123,546	279,690,023	152,409,030	865,222,599	212,136,085	135,082,064	79,192,021	426,410,170
Amount received on issuance of units	161,738,593	84,875,439	62,803,726	309,417,758	84,495,590	67,737,870	24,149,976	176,383,436
Amount paid on redemption of units	(48,957,785)	(82,696,181)	(37,775,726)	(169,429,692)	(10,584,644)	(21,452,666)	(12,973,270)	(45,010,581)
Reallocation among sub-funds	22,767,699	(19,666,974)	(3,100,725)	-	(3,236,202)	(902,544)	4,117,684	(21,062)
	135,548,507	(17,487,716)	21,927,275	139,988,066	70,674,744	45,382,660	15,294,390	131,351,794
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(14,112,799)	1,066,257	(244,075)	(13,290,617)	(2,059,054)	(453,748)	(150,106)	(2,662,908)
Gain / (loss) on sale of investments - net	16,351,254	-	-	16,351,254	2,836,368	(628,150)	(265,950)	1,942,268
Net unrealized appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	133,680,304	1,769,500	249,000	135,698,804	413,669	337,085	134,254	885,008
Other net income for the period	25,120,640	4,515,529	3,619,663	33,255,832	6,611,552	4,235,092	2,028,614	12,875,258
Total comprehensive income for the period	175,152,198	6,285,029	3,868,663	185,305,890	9,861,589	3,944,027	1,896,918	15,702,534
Net assets at end of the period	729,711,452	269,553,593	177,960,893	1,177,225,938	290,613,364	183,955,003	96,233,223	570,801,590
Net assets value per unit at beginning of the period	243.0699	119.6465	119.7025		208.0138	115.2910	115.1765	
Net assets value per unit at end of the period	319.8412	122.5029	122.3625		215.3205	117.8170	117.4925	

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

Condensed Interim Statement of Movement In Participants' Sub Funds (Unaudited) For the three months period ended 31 December 2016

	2016				2015			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
	-----Rupees-----				-----Rupees-----			
Net assets at beginning of the period	565,829,740	324,524,589	151,595,420	1,041,949,749	245,987,545	153,865,318	87,333,292	487,186,155
Amount received on issuance of units	77,075,325	25,419,739	29,092,681	131,587,745	45,740,500	47,054,952	13,423,126	106,218,578
Amount paid on redemption of units	(29,996,969)	(56,776,937)	(12,506,941)	(99,280,847)	(8,765,109)	(19,189,294)	(9,937,722)	(37,892,126)
Reallocation among sub-funds	19,820,700	(27,781,755)	7,961,055	-	(5,141,127)	273,604	4,453,844	(413,679)
	66,899,056	(59,138,953)	24,546,795	32,306,898	31,834,264	28,139,262	7,939,248	67,912,774
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(12,301,781)	1,174,576	(424,750)	(11,551,955)	(940,628)	(383,982)	(112,933)	(1,437,543)
Gain / (loss) on sale of investments - net	13,379,045	-	-	13,379,045	1,054,433	(628,150)	(265,950)	160,333
Net unrealized appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	77,050,782	1,445,000	205,500	78,701,282	9,537,743	603,035	239,304	10,380,082
Other net income for the period	18,854,610	1,548,381	2,037,928	22,440,919	3,140,007	2,359,520	1,100,262	6,599,789
Total comprehensive income for the period	109,284,437	2,993,381	2,243,428	114,521,246	13,732,183	2,334,405	1,073,616	17,140,204
Net assets at end of the period	729,711,452	269,553,593	177,960,893	1,177,225,938	290,613,364	183,955,003	96,233,223	570,801,590
Net assets value per unit at beginning of the period	275.0933	120.8725	120.9997		204.7915	116.5099	116.2727	
Net assets value per unit at end of the period	319.8412	122.5029	122.3625		215.3205	117.8170	117.4925	

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

Condensed Interim Cash Flow Statement (Unaudited) For the six months period ended 31 December 2016

Note	2016					2015				
	Equity	Debt	Money Market	Others	Total	Equity	Debt	Money Market	Others	Total
	Sub-Fund	Sub-Fund	Sub-Fund			Sub-Fund	Sub-Fund	Sub-Fund		
	-----Rupees-----					-----Rupees-----				
CASH FLOWS FROM OPERATING ACTIVITIES										
Net income for the period	175,152,198	6,285,029	3,868,663	-	185,305,890	9,861,589	3,944,027	1,896,918	-	15,702,534
Adjustments:										
(Gain) / loss on sale of investments - net	(16,351,254)	-	-	-	(16,351,254)	(2,836,368)	628,150	265,950	-	(1,942,268)
Net unrealized (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(133,680,304)	(1,769,500)	(249,000)	-	(135,698,804)	(413,669)	(337,085)	(134,254)	-	(885,008)
Amortization of preliminary expenses and flotation costs	-	-	-	-	-	9,174	9,174	-	-	27,522
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	(14,112,799)	1,066,257	(244,075)	-	(13,290,617)	(2,059,054)	(453,748)	(150,106)	-	(2,662,908)
(Increase) / decrease in assets	11,007,841	5,581,786	3,375,588	-	19,965,215	4,561,672	3,790,518	1,887,682	-	10,239,872
Investments	(142,798,207)	-	-	-	(142,798,207)	(75,000,715)	17,504,835	19,501,554	-	(37,994,326)
Dividend receivable	(612,351)	-	-	-	(612,351)	219,206	-	-	-	219,206
Profit receivables	45,983	(111,705)	(427,345)	-	(493,067)	(67,599)	505,690	(239,225)	-	198,866
Receivable against sale of investment	(11,054,639)	-	-	-	(11,054,639)	8,310,597	-	-	-	8,310,597
Advance, deposit and other receivables	(326,397)	-	-	-	(326,397)	(17,902)	-	-	-	(17,902)
Increase / (decrease) in liabilities	(154,745,611)	(111,705)	(427,345)	-	(155,284,661)	(66,556,413)	18,010,525	19,262,329	-	(29,283,559)
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	386,932	22,326	34,394	(16,656)	426,996	416,856	282,748	140,203	(446,048)	393,759
Payable to Central Depository Company of Pakistan Limited - Trustee	39,863	2,967	8,391	-	51,221	14,014	10,972	4,575	-	29,561
Payable to Securities and Exchange Commission of Pakistan	(4,645)	(12,809)	(7,459)	-	(24,913)	4,559	(405)	(2,997)	-	1,157
Payable against purchase of investment	5,488,215	-	-	-	5,488,215	3,052,113	-	-	-	3,052,113
Accrued expenses and other liabilities	157,194	36,514	13,850	(185,011)	22,547	163,853	(131,480)	(77,194)	(240,177)	(284,998)
	6,067,559	48,998	49,176	(201,667)	5,964,066	3,651,395	161,835	64,587	(686,225)	3,191,592
Net cash (used in) / generated from operating activities	(137,670,211)	5,519,079	2,997,419	(201,667)	(129,355,380)	(58,343,346)	21,962,878	21,214,598	(686,225)	(15,852,095)
CASH FLOWS FROM FINANCING ACTIVITIES										
Amount received on issuance of units	161,738,593	84,875,439	62,803,726	-	309,417,758	84,495,590	78,122,106	30,430,084	-	193,047,781
Amount paid on redemption of units	(48,957,785)	(82,696,181)	(37,775,726)	-	(169,429,692)	(25,310,673)	(15,223,508)	(13,944,675)	-	(54,478,857)
Reallocation among sub-funds	22,767,699	(19,666,974)	(3,100,725)	-	-	(3,236,202)	(902,544)	4,117,684	-	(21,062)
Net cash (used in) / generated from financing activities	135,548,507	(17,487,716)	21,927,275	-	139,988,066	55,948,715	61,996,054	20,603,093	-	138,547,862
Net (decrease) / increase in cash and cash equivalents during the period	(2,121,704)	(11,968,637)	24,924,694	(201,667)	10,632,686	(2,394,631)	83,958,932	41,817,691	(686,225)	122,695,767
Cash and cash equivalents at beginning of the period	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
Cash and cash equivalents at end of the period	37,907,640	151,851,159	162,163,286	3,139,330	355,061,415	22,216,357	102,490,848	64,829,593	1,679,325	191,216,123

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

Notes to and forming part of the Condensed Interim Financial Information For the six and three months period ended 31 December 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. In case securities issued by Federal Government are not available to comply with the above requirement, the assets of Shariah Compliant Debt Sub-Fund may be invested in Islamic bonds or sukuks issued by entities wholly owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government so that these investments shall make up a minimum fifty per cent (50%) of net assets of the debt sub-fund. Composition of the remaining portion of the investments shall be according to the criteria mentioned in the offering document.

NAFA ISLAMIC PENSION FUND

- 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.

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

2.1.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Voluntary Pension Rules, 2005 (the VPS Rules), and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the VPS Rules or directives issued by the SECP differ with the requirements of the IFRS, the requirements of the VPS Rules or the directives issued by the SECP shall prevail.

- 2.1.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended 30 June 2016. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.2 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest of rupees, except otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2016.

NAFA ISLAMIC PENSION FUND

4 USE OF JUDGEMENTS AND ESTIMATES

The preparation of condensed interim financial information requires management to make judgements, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2016.

5 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2016.

6 BANK BALANCES

Note	31 December 2016 (Unaudited)					June 30, 2016 (Audited)					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (6.2)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (6.2)	Total	
	-----Rupees-----					-----Rupees-----					
Savings accounts	6.1	37,907,640	151,851,159	162,163,286	3,139,330	355,061,415	40,029,344	163,819,796	137,238,592	3,340,997	344,428,729

- 6.1 These accounts carry markup rates ranging from 2.40% to 6.25% (30 June 2016: 2.50% to 6.70%) per annum.
- 6.2 This represents collection accounts maintained by the Fund. The balances in these accounts represent front-end fee along with Government levies and withholding tax payable to the Pension Fund Manager and the tax authorities respectively (refer note 1).

7 INVESTMENTS

Note	31 December 2016 (Unaudited)				June 30, 2016 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	-----Rupees-----				-----Rupees-----				
Investments by category									
At fair value through profit or loss - held for trading									
Listed equity securities	7.1	687,958,342	-	-	687,958,342	395,128,577	-	-	395,128,577
Government securities - Ijarah sukuks	7.2	-	117,260,500	15,367,500	132,628,000	-	115,491,000	15,118,500	130,609,500
		687,958,342	117,260,500	15,367,500	820,586,342	395,128,577	115,491,000	15,118,500	525,738,077

7.1 Listed equity securities

7.1.1 Held by Equity Sub-Fund

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 1, 2016	Purchases during the period	Bonus / Right during the period	Sales during the period	As at 31 December 2016	Market value as at 31 December 2016	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of investment of the sub-fund	Market value as a percentage of issued capital of the investee company
	-----Number of shares-----				----- (Rupees) -----		----- % -----		
Pharmaceuticals									
Abbot Laboratories (Pakistan) Limited	5,800	3,850	-	-	9,650	9,235,919	1.27	1.34	0.94
GlaxoSmithKline (Pakistan) Limited	11,480	16,600	-	-	28,080	6,551,064	0.90	0.95	0.67
GlaxoSmithKline Consumer Healthcare (Pakistan) Limited	3,444	-	-	-	3,444	213,528	0.03	0.03	0.02
The Searle Company Limited (note 7.1.2)	14,650	-	2,051	-	16,701	10,918,796	1.50	1.59	1.12
Ferozsons Laboratories Limited	2,450	-	-	-	2,450	1,834,438	0.25	0.27	0.19
	37,824	20,450	2,051	-	60,325	28,753,745	3.95	4.18	
Commercial Banks									
Mezzan Bank Limited	126,000	-	-	22,500	103,500	7,049,385	0.97	1.02	0.72
	126,000	-	-	22,500	103,500	7,049,385	0.97	1.02	

NIFA ISLAMIC PENSION FUND

Name of the investee company	As at July 1, 2016	Purchases during the period	Bonus / Right during the period	Sales during the period	As at 31 December 2016	Market value as at 31 December 2016	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of investment of the sub-fund	Market value as a percentage of capital of the investee company
	Number of shares				(Rupees)		%		
Cement									
D.G. Khan Cement Company Limited	61,500	47,500	-	-	109,000	24,168,570	3.31	3.51	2.47
Fecto Cement Limited	35,500	-	-	-	35,500	4,228,405	0.58	0.61	0.43
Lucky Cement Limited	30,300	7,700	-	5,400	32,600	28,240,076	3.87	4.10	2.88
Macleef Cement Factory Limited	46,500	27,000	-	-	73,500	9,377,130	1.29	1.36	0.96
Kohat Cement Limited	16,000	-	-	-	16,000	4,666,240	0.64	0.68	0.48
Pioneer Cement Limited	59,000	87,300	-	-	146,300	20,787,767	2.85	3.02	2.12
Attock Cement (Pakistan) Limited	23,700	30,700	-	-	54,400	18,292,544	2.51	2.66	1.87
Fauji Cement Company Limited	379,000	84,500	-	87,000	376,500	16,973,620	2.33	2.47	1.73
	<u>651,500</u>	<u>284,700</u>	<u>-</u>	<u>92,400</u>	<u>843,800</u>	<u>126,733,352</u>	<u>17.38</u>	<u>18.41</u>	
Chemical									
Dynea Pakistan Limited	38,500	-	-	5,000	33,500	1,788,900	0.25	0.26	0.18
(Face value of Rs. 5 each)									
Itehad Chemical Limited	89,300	74,500	-	163,800	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	743,500	-	743,500	-	-	-	-	-
	<u>127,800</u>	<u>812,000</u>	<u>-</u>	<u>912,300</u>	<u>33,500</u>	<u>1,788,900</u>	<u>0.25</u>	<u>0.26</u>	
Fertilizer									
Engro Fertilizer Limited	185,500	96,500	-	-	282,000	19,170,360	2.63	2.79	1.96
Ergo Corporation Limited	95,700	26,500	-	-	122,200	38,626,198	5.29	5.61	3.95
Fauji Fertilizer Bin Qasim Limited	70,000	85,000	-	155,000	-	-	-	-	-
Dawood Hercules Corporation Limited	95,000	14,000	-	-	109,000	15,731,970	2.16	2.29	1.61
	<u>446,200</u>	<u>222,000</u>	<u>-</u>	<u>155,000</u>	<u>513,200</u>	<u>73,528,528</u>	<u>10.08</u>	<u>10.69</u>	
Food & Personal Care Products									
Al Shaeer Corporation Limited (note 7.1.2)	164,900	86,000	37,635	65,500	223,035	12,802,209	1.75	1.86	1.31
Shezan International Limited	3,800	-	-	3,800	-	-	-	-	-
	<u>168,700</u>	<u>86,000</u>	<u>37,635</u>	<u>69,300</u>	<u>223,035</u>	<u>12,802,209</u>	<u>1.75</u>	<u>1.86</u>	
Automobile parts and accessories									
Thal Limited (Face value of Rs. 5 each)	9,000	2,500	-	1,100	10,400	5,288,712	0.72	0.77	0.54
Agriautos Industries Limited	-	22,000	-	-	22,000	7,875,780	1.08	1.14	0.80
(Face value of Rs. 5 each)									
Baluchistan Wheels Limited	42,500	-	-	-	42,500	5,532,225	0.76	0.80	0.57
	<u>51,500</u>	<u>24,500</u>	<u>-</u>	<u>1,100</u>	<u>74,900</u>	<u>18,696,717</u>	<u>2.56</u>	<u>2.71</u>	
Automobile assembler									
Honda Atlas Cars (Pakistan) Limited	25,200	11,000	-	7,700	28,500	19,056,240	2.61	2.77	1.95
Indus Motor Company Limited	6,450	2,300	-	-	8,750	14,127,138	1.94	2.05	1.44
Pak Suzuki Motor Company Limited	-	11,000	-	11,000	-	-	-	-	-
Sazgar Engineering Works Limited	139,500	43,500	-	119,500	63,500	6,030,595	0.83	0.88	0.62
HinoPak Motors Limited	-	8,240	-	2,000	6,240	11,313,931	1.55	1.64	1.16
Muller Tractors Limited	-	16,700	-	-	16,700	15,107,822	2.07	2.20	1.54
	<u>171,150</u>	<u>92,740</u>	<u>-</u>	<u>140,200</u>	<u>123,690</u>	<u>65,635,726</u>	<u>9.00</u>	<u>9.54</u>	
Paper & Board									
Packages Limited	3,500	3,600	-	-	7,100	6,035,355	0.83	0.88	0.62
	<u>3,500</u>	<u>3,600</u>	<u>-</u>	<u>-</u>	<u>7,100</u>	<u>6,035,355</u>	<u>0.83</u>	<u>0.88</u>	
Leather and tanneries									
Service Industries Limited	3,000	-	-	1,900	1,100	1,646,821	0.23	0.24	0.17
	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>1,100</u>	<u>1,646,821</u>	<u>0.23</u>	<u>0.24</u>	
Power generation and distribution									
Kot Addu Power Company Limited	108,500	39,000	-	-	147,500	11,623,000	1.59	1.69	1.19
The Hub Power Company Limited	110,500	57,000	-	52,000	115,500	5,426,940	1.95	2.07	1.46
	<u>219,000</u>	<u>96,000</u>	<u>-</u>	<u>52,000</u>	<u>263,000</u>	<u>25,884,940</u>	<u>3.54</u>	<u>3.76</u>	
Textile composite									
Kohinoor Textile Mills Limited	165,875	15,000	-	-	180,875	21,017,675	2.88	3.06	2.15
Nishat Mills Limited	103,800	103,200	-	-	207,000	31,519,890	4.32	4.58	3.22
Dawood Lawrencepur Limited	-	41,000	-	-	41,000	10,373,000	1.42	1.51	1.06
	<u>269,675</u>	<u>159,200</u>	<u>-</u>	<u>-</u>	<u>428,875</u>	<u>62,910,565</u>	<u>8.62</u>	<u>9.15</u>	
Refinery									
Attock Refinery Limited	14,600	3,900	-	8,800	9,700	4,125,410	0.57	0.60	0.42
	<u>14,600</u>	<u>3,900</u>	<u>-</u>	<u>8,800</u>	<u>9,700</u>	<u>4,125,410</u>	<u>0.57</u>	<u>0.60</u>	
Oil & Gas Marketing Companies									
Pakistan State Oil Company Limited	73,070	25,800	-	15,600	83,270	36,156,667	4.95	5.26	3.69
Attock Petroleum Limited	8,700	-	-	-	8,700	5,956,194	0.82	0.87	0.61
Shell Pakistan Limited	26,900	19,000	-	-	45,900	23,744,070	3.25	3.45	2.43
Hascol Petroleum Limited (note 7.1.2)	288	-	-	-	288	97,205	0.01	0.01	0.01
Sui Southern Gas Company Limited	-	162,000	-	162,000	-	-	-	-	-
	<u>108,958</u>	<u>206,800</u>	<u>-</u>	<u>177,600</u>	<u>138,158</u>	<u>65,954,136</u>	<u>9.03</u>	<u>9.59</u>	
Oil & Gas exploration companies									
Oil and Gas Development Company Limited	-	74,800	-	-	74,800	12,368,180	1.69	1.80	1.26
Pakistan Oilfields Limited	47,300	3,300	-	2,500	48,100	25,715,222	3.52	3.74	2.63
Pakistan Petroleum Limited	135,532	29,500	-	8,000	157,032	29,550,282	4.05	4.30	3.02
Mari Petroleum Company Limited	25,000	-	-	-	25,000	34,372,750	4.71	5.00	3.51
	<u>207,832</u>	<u>107,600</u>	<u>-</u>	<u>10,500</u>	<u>304,932</u>	<u>102,006,434</u>	<u>13.97</u>	<u>14.84</u>	
Transport									
Pakistan National Shipping Corporation Limited	43,500	-	-	10,000	33,500	5,406,230	0.74	0.79	0.55
	<u>43,500</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>33,500</u>	<u>5,406,230</u>	<u>0.74</u>	<u>0.79</u>	
Technology and Communication									
Pakistan Telecommunication Company Limited	265,000	-	-	95,000	170,000	2,920,600	0.40	0.42	0.30
NetSol Technologies Limited	45,000	24,000	-	69,000	-	-	-	-	-
	<u>310,000</u>	<u>24,000</u>	<u>-</u>	<u>164,000</u>	<u>170,000</u>	<u>2,920,600</u>	<u>0.40</u>	<u>0.42</u>	
Cable and electrical goods									
Pak Elektron Limited	80,625	70,000	-	15,000	135,625	9,667,350	1.32	1.41	0.99
	<u>80,625</u>	<u>70,000</u>	<u>-</u>	<u>15,000</u>	<u>135,625</u>	<u>9,667,350</u>	<u>1.32</u>	<u>1.41</u>	

NAFA ISLAMIC PENSION FUND

Name of the investee company	As at July 1, 2016	Purchases during the period	Bonus / Right during the period	Sales during the period	As at 31 December 2016	Market value as at 31 December 2016	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of investment of the sub-fund	Market value as a percentage of issued capital of the investee company
	----- Number of shares -----				----- (Rupees) -----		----- % -----		
Glass and ceramics									
Tariq Glass Industries Limited	109,500	30,000	-	-	139,500	14,012,775	1.92	2.04	1.43
Shabbir Tiles and Ceramics Limited	-	1,050,000	-	-	1,050,000	11,718,000	1.61	1.70	1.20
	<u>109,500</u>	<u>1,080,000</u>	<u>-</u>	<u>-</u>	<u>1,189,500</u>	<u>25,730,775</u>	<u>3.53</u>	<u>3.74</u>	
Engineering									
Crescent Steel & Allied Products	54,500	-	-	-	54,500	8,402,810	1.15	1.22	0.86
Mughal Iron and Steel Industries Limited (note 7.1.2)	71,500	34,000	-	10,000	95,500	8,419,280	1.15	1.22	0.86
Amreli Steels Limited	48,500	136,000	-	36,000	148,500	9,888,614	1.36	1.44	1.01
	<u>174,500</u>	<u>170,000</u>	<u>-</u>	<u>46,000</u>	<u>298,500</u>	<u>26,710,704</u>	<u>3.66</u>	<u>3.88</u>	
Miscellaneous									
Ecopack Limited	204,500	-	-	204,500	-	-	-	-	-
Synthetic Products Enterprises Limited	97,000	163,000	-	43,000	217,000	13,970,460	1.91	2.03	1.43
	<u>301,500</u>	<u>163,000</u>	<u>-</u>	<u>247,500</u>	<u>217,000</u>	<u>13,970,460</u>	<u>1.91</u>	<u>2.03</u>	
	<u>3,626,864</u>	<u>3,632,490</u>	<u>39,686</u>	<u>2,126,100</u>	<u>5,172,940</u>	<u>607,958,342</u>	<u>94.29</u>	<u>100.00</u>	
Carrying value before fair value adjustment as at 31 December 2016						<u>554,278,038</u>			

7.1.2 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.

7.2 Government securities - Ijarah sukuks

7.2.1 Held by Debt Sub-Fund

Issue date	Tenor	As at July 1, 2016	Purchases during the period	Matured/ Sold during the period	As at December 31, 2016	Market value as at 31 December 2016	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of total investment of sub-fund
		----- Face value (Rupees) -----					----- Rupees -----	
25 June 2014	7.2.3 3 Years	25,000,000	-	-	25,000,000	25,015,000	9.28	21.33
18 December 2015	7.2.3 3 Years	85,550,000	-	550,000	85,000,000	87,082,500	32.31	74.26
15 February 2016	7.2.3 3 Years	5,000,000	-	-	5,000,000	5,163,000	1.93	4.41
		<u>115,550,000</u>	<u>-</u>	<u>550,000</u>	<u>115,000,000</u>	<u>117,260,500</u>	<u>43.51</u>	<u>100.00</u>
Carrying value before fair value adjustment as at 31 December 2016						<u>115,491,000</u>		

7.2.2 Ijarah Sukuks held by Money Market Sub-Fund

Issue date	Tenor	As at July 1, 2016	Purchases during the period	Matured/ Sold during the period	As at December 31, 2016	Market value as at 31 December 2016	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of total investment of sub-fund
		----- Face value (Rupees) -----					----- Rupees -----	
18 December 2015	7.2.3 3 Years	15,000,000	-	-	15,000,000	15,367,500	17.27	100.00
		<u>15,000,000</u>	<u>-</u>	<u>-</u>	<u>15,000,000</u>	<u>15,367,500</u>	<u>17.27</u>	<u>100.00</u>
Carrying value before fair value adjustment as at 31 December 2016						<u>15,118,500</u>		

NAFA ISLAMIC PENSION FUND

7.2.3 Government Ijarah Sukuks yield ranging from 3.89% to 6.10% (30 June 2016: 3.89% to 6.10%) per annum.

7.3 Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

	2016				(Unaudited)				2015			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Market value of investments	687,958,342	117,260,500	15,367,500	820,586,342	275,646,397	88,005,500	31,233,500	394,885,397	(554,278,038)	(115,491,000)	(15,118,500)	(684,887,538)
Less: carrying value of investments					(275,232,728)	(87,668,415)	(31,099,246)	(394,000,389)				
	133,680,304	1,769,500	249,000	135,698,804	413,669	337,085	134,254	885,008				

8 PROFIT RECEIVABLES

	31 December 2016				30 June 2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
On:								
- Debt securities	-	312,836	31,340	344,176	-	295,623	29,145	324,768
- Savings accounts	136,473	1,727,824	1,437,942	3,302,239	182,456	1,633,332	1,012,792	2,828,580
	136,473	2,040,660	1,469,282	3,646,415	182,456	1,928,955	1,041,937	3,153,348

9 ADVANCE AND DEPOSIT

	31 December 2016				30 June 2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Advance tax	351,925	-	-	351,925	25,528	-	-	25,528
	451,925	100,000	100,000	651,925	125,528	100,000	100,000	325,528

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

	Note	31 December 2016				30 June 2016					
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (6.2)	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (6.2)		
Remuneration of Pension Fund Manager	10.1	878,944	356,553	214,548	-	1,450,045	521,572	327,408	178,978	-	1,027,958
Sindh Sales Tax	10.2	114,163	46,684	27,888	-	188,735	84,603	53,503	29,064	-	167,170
Federal Excise Duty	10.3	1,103,630	725,198	420,894	-	2,249,722	1,103,630	725,198	420,894	-	2,249,722
Preliminary expenses and flotation 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		-	-	-	3,139,330	3,139,330	-	-	-	3,155,986	3,155,986
		2,171,737	1,203,435	738,330	3,139,330	7,252,832	1,784,805	1,181,109	703,936	3,155,986	6,825,836

10.1 As per rule 11 of the VPS Rules, the Pension Fund Manager is allowed to charge maximum annual management fee of 1.5% of the average of the values of the net assets of each of the Sub-Fund calculated during the period. Accordingly, the remuneration of Pension Fund manager has been accrued at 1.5% of the average annual net assets of each of the Sub-Fund.

10.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 14% on the remuneration of the Pension Fund Manager through Sindh Sales Tax on Services Act, 2011, (effective from 1 July 2015). However, the rate has been revised from 14% to 13% effective from 1 July 2016.

10.3 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 interalia 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.

NAFA ISLAMIC PENSION FUND

12.1 Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honorable Supreme Court against the Sindh High Court's decision dated 2 June 2016. Therefore, as a matter of abundant caution, without prejudice to the above, the Pension Fund Manager has made a provision with effect from 16 June 2015, aggregating to Rs. 1.104 million, 0.725 million and 0.421 million (30 June 2016: Rs. 1.104 million, Rs. 0.725 million and Rs. 0.421 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 the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at 31 December 2016 would have been higher by Rs. 0.4837, Rs. 0.3296 and Rs. 0.2894 (30 June 2016: Rs. 0.6194, Rs. 0.3102 and Rs. 0.3306) per unit respectively. However after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

11 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	31 December 2016				30 June 2016			
		Unaudited				Audited			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)							
Trustee remuneration		87,898	35,658	25,481	149,037	52,160	32,741	17,899	102,800
Sindh Sales Tax on trustee remuneration	11.1	11,152	4,470	3,221	18,843	7,027	4,420	2,412	13,859
		<u>99,050</u>	<u>40,128</u>	<u>28,702</u>	<u>167,880</u>	<u>59,187</u>	<u>37,161</u>	<u>20,311</u>	<u>116,659</u>

11.1 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2016 (30 June 2016: 14%).

12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December 2016					30 June 2016				
		Unaudited					Audited				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (6.2)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (6.2)	Total
		(Rupees)									
Provision for Workers' Welfare Fund	12.1	1,341,944	182,708	137,564	-	1,662,216	1,341,944	182,708	137,564	-	1,662,216
Auditors' remuneration		104,194	104,194	104,196	-	312,584	78,645	78,645	78,645	-	235,935
Bank charges		88,916	65,397	52,354	-	206,667	57,866	32,042	32,680	-	122,588
Printing charges		15,700	15,706	15,700	-	47,106	53,996	54,002	53,996	-	161,994
Legal and professional		91,399	19,490	19,491	-	130,380	76,311	8,055	8,055	-	92,421
Withholding tax		24,150	6,633	10,859	-	41,642	-	-	-	185,011	185,011
Charity payable		379,674	-	-	-	379,674	270,835	-	-	-	270,835
Other charges		15,889	10,349	4,680	-	30,918	25,075	12,511	20,054	-	57,640
		<u>2,061,866</u>	<u>404,477</u>	<u>344,844</u>	<u>-</u>	<u>2,811,187</u>	<u>1,904,672</u>	<u>367,963</u>	<u>330,994</u>	<u>185,011</u>	<u>2,788,640</u>

12.1 The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014.

MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF. In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds and considering the legal opinion obtained on these matters, MUFAP has recommended the following to all its members on 12 January 2017:

- The entire provision of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund amounted against the Federal WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017;
- The provision in respect of Sindh WWF of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund should be made on a prudent basis on 12 January 2017 with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from 21 May 2015).

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The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CIFS / mutual funds. Accordingly, reversal of provision of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund amounted to Rs. 1.342 million, Rs. 0.183 million and Rs. 0.138 million respectively upto 31 December 2016 and recording of provision for SWWF of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund Rs. 5.160 million, Rs. 0.359 million and Rs.0.216 million respectively upto 31 December 2016 have been made on 12 January 2017. The net effect of these adjustments as at 31 December 2016 of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund amounted to Rs. 3.818 million, Rs. 0.177 million and 0.078 million respectively.

Had above adjustments been made on 31 December 2016 the net assets value per unit of the Equity Sub-Fund, Debt Sub-Fund, and Money Market Sub-Fund would have been lower by Rs. 1.6733, Rs. 0.0803, and Rs. 0.0538 respectively.

13 CONTINGENCY AND COMMITMENT

There was no contingency and commitment as at 31 December 2016 (30 June 2016: Nil).

14 NUMBER OF UNITS IN ISSUE

	31 December 2016 Unaudited			30 June 2016 Audited		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	----- (Number of units) -----					
Total units in issue at beginning of the period / year	1,781,889	2,337,636	1,273,232	1,019,817	1,171,662	687,571
Add: Issue of units during the period / year	597,732	704,259	519,732	1,053,832	1,329,822	643,605
Less: Units redeemed during the period / year	(174,819)	(681,520)	(312,412)	(100,789)	(356,561)	(228,711)
Reallocation effect	76,679	(159,989)	(26,177)	(190,971)	192,713	170,767
Total units in issue at end of the period / year	2,281,481	2,200,386	1,454,375	1,781,889	2,337,636	1,273,232

15 CONTRIBUTION TABLE

Contribution received during the period / year is as follows:

From:	31 December 2016 Unaudited							
	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Total	
	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)
Individuals	597,732	135,548,507	704,259	(17,487,716)	519,732	21,927,275	1,821,723	139,988,066
	30 June 2016 Audited							
	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

16 TRANSACTIONS AND BALANCES WITH CONNETED PERSONS

16.1 Connected persons include NBP Fullerton Asset Management Limited, being the Pension Fund Manager, Central Depository Company of Pakistan Limited, being the Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited, being the sponsors of the Fund / Pension Fund Manager and other collective investment schemes managed by the NBP Fullerton Asset Management Limited, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Pension Fund Manager or the net assets of the Fund and directors and officers of the NBP Fullerton Asset Management Limited and employee benefit funds of the NBP Fullerton Asset Management Limited.

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- 16.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 16.3 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:

16.4 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	4,309,107	2,303,877	1,240,859	7,853,843	1,951,760	1,205,128	662,788	3,819,676
Sindh Sales tax on remuneration of Pension Fund Manager	560,184	299,504	161,312	1,021,000	316,966	195,713	107,637	620,316
Federal Excise Duty on remuneration of Pension Fund Manager	-	-	-	-	312,282	192,821	106,046	611,149
Number of units issued	Units 86,799	75,546	21,301	183,646	-	-	-	-
Amount of units issued	24,770,264	9,138,613	2,591,037	36,499,914	-	-	-	-
Number of units redeemed	Units 88,246	309,512	224,317	622,075	-	-	-	-
Amount of units redeemed	25,136,221	37,751,912	27,144,396	90,032,529	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of Trustee	430,911	230,388	132,585	793,884	195,254	120,560	66,306	382,120
Sindh Sales Tax on remuneration of Trustee	56,018	29,950	17,236	103,204	27,061	16,714	9,190	52,965
CDS Charges	12,361	6,072	6,072	24,505	12,328	6,056	6,056	24,440
Taurus Securities Limited								
Brokerage charges	21,362	-	-	21,362	16,393	-	-	16,393
Amjad Waheed - Chief Executive - CEO								
Number of units issued	Units 2,405	-	-	2,405	-	-	-	-
Amount of units issued	750,000	-	-	750,000	-	-	-	-
Employees of NBP Fullerton Asset Management Limited								
Number of units issued	Units 103	79	16	198	202	5,931	26	6,159
Amount of units issued	26,645	9,516	1,903	38,064	43,030	694,990	3,073	741,093
Number of units reallocated	Units -	-	-	-	2,963	-	377	3,340
Amount of units reallocated	-	-	-	-	622,976	-	44,000	666,976

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16.5 Balances outstanding as at period / year end

	31 December 2016					30 June 2016				
	Unaudited					Audited				
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Others	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	other	Total
----- (Rupees) -----										
NBP Fullerton Asset Management Limited - Pension Fund Manager										
Remuneration payable	878,944	356,553	214,548	-	1,450,045	521,572	327,408	178,978	-	1,027,958
Sindh Sales Tax payable	114,163	46,684	27,888	-	188,735	84,603	53,503	29,064	-	167,170
Federal Excise Duty payable	1,103,630	725,198	420,894	-	2,249,722	1,103,630	725,198	420,894	-	2,249,722
Preliminary expenses and flotation cost payable	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	-	-	-	3,139,330	3,139,330	-	-	-	3,155,986	3,155,986
Number of units held (seed capital) Units	112,412	-	31,075	-	143,487	113,860	233,966	234,091	-	581,917
Amount of units held	35,954,098	-	3,802,423	-	39,756,521	27,675,921	27,993,222	28,021,264	-	83,690,407
Alexandra Fund Management Pte. Limited - Sponsor										
Number of units held (seed capital) Units	75,907	155,977	156,061	-	387,945	75,907	155,977	156,061	-	387,945
Amount of units held	24,278,064	19,107,682	19,095,964	-	62,481,710	18,450,614	18,662,148	18,680,842	-	55,793,604
Employees of NBP Fullerton Asset Management Limited										
Number of units held Units	3,201	2,354	471	-	6,026	3,098	2,274	455	-	5,827
Amount of units held	1,023,808	288,319	57,626	-	1,369,753	753,082	272,123	54,479	-	1,079,684
Amjad Waheed - Chief Executive - CEO										
Number of units issued	2,405	-	-	-	2,405	-	-	-	-	-
Amount of units issued	769,232	-	-	-	769,232	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee										
Remuneration payable	87,898	35,658	25,481	-	149,037	52,160	32,741	17,899	-	102,800
Sindh Sales Tax payable	11,152	4,470	3,221	-	18,843	7,027	4,420	2,412	-	13,859

17 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.

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)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

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31 December 2016

On-balance sheet financial instruments	Equity Sub - Fund												Debt Sub - Fund						Money Market Sub - Fund							Others		Total	
	Carrying value				Fair value				Carrying value				Fair value				Carrying value				Fair value				Loans and receivables	Other financial liabilities	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	Available-for-sale	Held for trading	Loans and receivables	Other financial liabilities	Total	Level 1					Level 2
(Rupees)																													
Financial assets measured at fair value																													
Investments																													
- Equity securities	-	687,958,342	-	-	687,958,342	687,744,814	-	213,528	687,958,342	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	687,958,342
- Government of Pakistan - Ijarah Sukuk	-	-	-	-	-	-	-	-	-	117,260,500	-	-	-	117,260,500	-	-	-	117,260,500	-	-	-	-	15,367,500	-	-	-	15,367,500	-	132,628,000
Total	-	687,958,342	-	-	687,958,342	687,744,814	-	213,528	687,958,342	-	-	-	-	117,260,500	-	-	-	117,260,500	-	-	-	-	15,367,500	-	-	-	15,367,500	-	820,586,342
Financial assets not measured at fair value																													
17.1	-	-	37,907,640	-	37,907,640	-	-	-	151,851,159	-	151,851,159	-	-	-	-	-	-	-	-	-	-	162,163,286	-	-	-	-	-	319,330	355,061,415
Bank balances	-	-	2,118,101	-	2,118,101	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,118,101
Dividend receivable	-	-	136,473	-	136,473	-	-	-	2,040,660	-	2,040,660	-	-	-	-	-	-	-	-	-	-	1,469,282	-	-	-	-	-	-	3,646,415
Mark-up receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivable against sale of investments	-	-	11,054,639	-	11,054,639	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,054,639
Deposit and other receivable	-	-	100,000	-	100,000	-	-	-	100,000	-	100,000	-	-	-	-	-	-	-	-	-	-	100,000	-	-	-	-	-	-	300,000
Total	-	-	31,316,853	-	31,316,853	-	-	-	153,991,819	-	153,991,819	-	-	-	-	-	-	-	-	-	-	163,732,568	-	-	-	-	-	3,139,330	372,180,570
Financial liabilities not measured at fair value																													
17.1	-	-	2,171,737	-	2,171,737	-	-	-	1,203,435	-	1,203,435	-	-	-	-	-	-	-	-	-	-	738,330	-	-	-	-	-	3,139,330	7,252,832
Payable to National Investment Trust Limited - Pension Fund Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	99,050	-	99,050	-	-	-	40,128	-	40,128	-	-	-	-	-	-	-	-	-	-	28,702	-	-	-	-	-	-	167,880
Payable against purchase of investments	-	-	5,488,215	-	5,488,215	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,488,215
Accrued expenses and other liabilities	-	-	695,772	-	695,772	-	-	-	215,136	-	215,136	-	-	-	-	-	-	-	-	-	-	196,421	-	-	-	-	-	-	1,107,329
Total	-	-	8,454,774	-	8,454,774	-	-	-	1,458,609	-	1,458,609	-	-	-	-	-	-	-	-	-	-	963,453	-	-	-	-	-	3,139,330	14,016,256

30 June 2016

On-balance sheet financial instruments	Equity Sub - Fund							Debt Sub - Fund						Money Market Sub - Fund							Others		Total						
	Carrying value				Fair value				Carrying value				Fair value				Carrying value				Fair value				Loans and receivables	Other financial liabilities	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	Available-for-sale	Held for trading	Loans and receivables	Other financial liabilities		Total				Level 1	Level 2
(Rupees)																													
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	-	-	-	-	15,118,500	-	-	-	15,118,500	-	130,609,500
Total	-	395,128,577	-	-	395,128,577	394,915,049	-	213,528	395,128,577	-	-	-	-	115,491,000	-	-	-	115,491,000	-	-	-	-	15,118,500	-	-	-	15,118,500	-	525,738,077
Financial assets not measured at fair value																													
17.1	-	-	40,029,344	-	40,029,344	-	-	-	163,819,796	-	163,819,796	-	-	-	-	-	-	-	-	-	-	137,238,592	-	-	-	-	-	3,340,997	344,428,729
Bank balances	-	-	1,505,750	-	1,505,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,505,750
Dividend receivable	-	-	182,456	-	182,456	-	-	-	1,928,955	-	1,928,955	-	-	-	-	-	-	-	-	-	-	1,041,937	-	-	-	-	-	-	3,153,348
Mark-up receivables	-	-	100,000	-	100,000	-	-	-	100,000	-	100,000	-	-	-	-	-	-	-	-	-	-	100,000	-	-	-	-	-	-	300,000
Deposit and other receivable	-	-	41,817,550	-	41,817,550	-	-	-	165,848,751	-	165,848,751	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	41,817,550	-	41,817,550	-	-	-	165,848,751	-	165,848,751	-	-	-	-	-	-	-	-	-	-	138,380,529	-	-	-	-	-	3,340,997	349,387,827
Financial liabilities not measured at fair value																													
17.1	-	-	1,784,805	-	1,784,805	-	-	-	1,181,109	-	1,181,109	-	-	-	-	-	-	-	-	-	-	703,936	-	-	-	-	-	3,155,986	6,825,836
Payable to National Investment Trust Limited - Pension Fund Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	59,187	-	59,187	-	-	-	37,161	-	37,161	-	-	-	-	-	-	-	-	-	-	20,311	-	-	-	-	-	-	116,659
Accrued expenses and other liabilities	-	-	562,728	-	562,728	-	-	-	185,255	-	185,255	-	-	-	-	-	-	-	-	-	-	193,430	-	-	-	-	-	-	941,413
Total	-	-	2,406,720	-	2,406,720	-	-	-	1,403,525	-	1,403,525	-	-	-	-	-	-	-	-	-	-	917,677	-	-	-	-	-	3,155,986	7,883,908

17.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

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18 DATE OF AUTHORISATION FOR ISSUE

18.1 These condensed interim financial information were authorised for issue on February 28, 2017 by the Board of directors of the Pension fund manager.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director



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

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: NAFA INVEST to 8080

Fax: 021-35825335

Email: info@nafafunds.com

Website: www.nafafunds.com

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