

**AM2++**  
Rated by PACRA



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

## NAFA PENSION FUND

# ANNUAL REPORT 2016



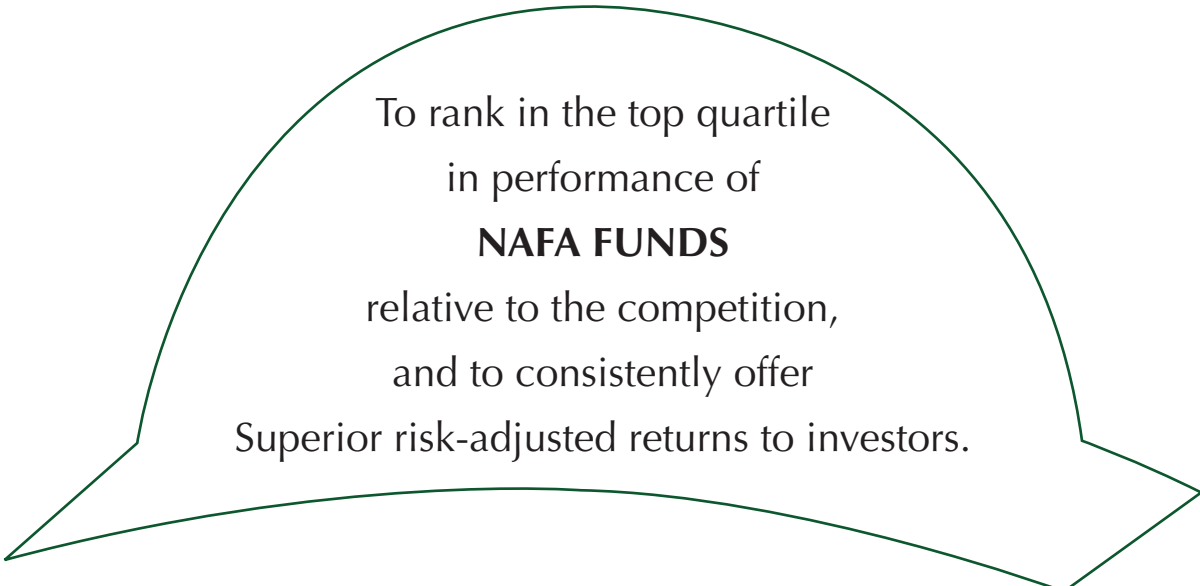
*Your investments & "NAFA" grow together*



**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 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

Allied Bank Limited  
Bank Alfalah Limited  
Habib Bank Limited  
Sindh Bank Limited  
JS Bank Limited  
NIB Bank Limited  
The Bank of Punjab  
BankAlHabib Limited  
Zarai Taraqiati Bank Limited  
Soneri Bank Limited  
United Bank Limited  
BankIslami (Pakistan) Limited  
Dubai Islamic Bank Limited  
HabibMetro Bank Limited

# NAFA 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 PENSION FUND

## Contents

DIRECTORS' REPORT	05
TRUSTEE REPORT TO THE PARTICIPANTS	09
FUND MANAGER REPORT	10
INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS	12
STATEMENT OF ASSETS AND LIABILITIES	13
INCOME STATEMENT	14
STATEMENT OF COMPREHENSIVE INCOME	15
STATEMENT OF MOVEMENT IN PARTICIPANTS' FUND	16
CASH FLOW STATEMENT	17
NOTES TO THE FINANCIAL STATEMENTS	18

# 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 PENSION FUND

## DIRECTORS' REPORT

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

### Fund's Performance

	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
NPF-Equity Sub-fund	562.9	210.1034	241.2424	33.72%
NPF-Debt Sub-fund	377.8	128.3251	135.4476	10.22%
NPF-Money Market Sub-fund	332.0	117.2798	122.9843	6.72%
<b>Annualized Return</b>	<b>[Net of management fee &amp; all other expenses]</b>			

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 TFCs/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 14.82% during FY16 against 9.84% return of the benchmark KSE-100 Index during the same period.

The debt sub-fund yielded 5.53% return during FY16.

The money market sub-fund delivered a return of 4.85% during the year. 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 PENSION FUND

Asset Allocation (% of Net Assets)	
<b>Equity Sub-fund</b>	
Equity	94.43%
Cash Equivalents	6.30%
Others	-0.73%
<b>Total</b>	<b>100.00%</b>
<b>Debt Sub-fund</b>	
TFCs/Sukuks	11.87%
PIBs	12.32%
T-Bills	61.54%
Cash Equivalents	14.23%
Others	0.04%
<b>Total</b>	<b>100.00%</b>
<b>Money Market Sub-fund</b>	
Bank Placement	18.28%
Cash Equivalents	82.10%
Others	-0.38%
<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  
Date: September 23, 2016  
Place: Karachi.

Director

# NAFA PENSION FUND

## ڈائریکٹرز رپورٹ

NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز بصد مسرت 30 جون 2016ء کو ختم ہونے والے سال کے لیے NAFA پینشن فنڈ کی چوتھی سالانہ رپورٹ پیش کرتا ہے۔

فنڈ کی پرفارمنس

02 جولائی 2013 کو لانچ سے اب تک کارکردگی	NAV یونٹ (روپے) 30 جون 2016	NAV یونٹ (روپے) 30 جون 2015	فنڈ کا حجم (ملین روپے)	
33.72%	241.2424	210.1034	562.9	NIPF ایکویٹی سب فنڈ
10.22%	135.4476	128.3251	377.8	NIPF-ڈیٹ سب فنڈ
6.72%	122.9843	117.2798	332.0	NIPF منی مارکیٹ سب فنڈ
منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص				سالانہ بنیاد پر منافع

اسٹاک مارکیٹ نے کموڈٹی 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 2015-16 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 پر دباؤ 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 ہماری 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 سنانے 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 2015-16 کے بعد MSCI ایئر جگ مارکیٹس انڈیکس میں شمولیت، قیمتوں کے معقول تعین اور حکومت کی طرف سے سی بی سی پریکٹس کے نفاذ کے ساتھ انفراسٹرکچر پر توجہ مرکوز کرنے کی وجہ سے پاکستانی ایکویٹی زبردست منافع جات پیش کرنے کے لیے عمدہ پوزیشن میں ہیں۔ کاروباری قرض کے حلقے میں TFCs/صکوک میں تجارتی سرگرمیوں کے اعلیٰ کوالٹی اجراء کی کارروائیوں کی طرف جھکاؤ کے ساتھ مجموعی تجارتی حجم تقریباً 8 ارب روپے کو پہنچ گیا۔ لین 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 پوائنٹس 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 آزادانہ منافع جات نے پالیسی ریٹ میں 75 بنیادی پوائنٹس 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۔

ایکیویٹی سب فنڈ نے گزشتہ اسی مدت میں KSE-100 انڈیکس کے 9.84% منافع کے مقابلے میں مالی سال 2016 کے دوران 14.82% منافع پیش کیا۔

ڈیٹ سب فنڈ نے مالی سال 2016 کے دوران 5.53% منافع کمایا۔

منی مارکیٹ سب فنڈ نے سال کے دوران 4.85% منافع پیش کیا۔ یہ منافع جات منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہیں۔

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

# NAFA PENSION FUND

ایسٹیبلیشمنٹ (نیٹ ایسٹس کا %)	
ایکیویٹی سب فنڈ	
94.43%	ایکیویٹی
6.30%	کیش کے مساوی
-0.73%	دیگر
<b>100.00%</b>	<b>ٹوٹل</b>
ڈیٹ سب فنڈ	
11.87%	صکوک/TFCs
12.32%	PIBs
61.54%	T-بلز
14.23%	کیش کے مساوی
0.04%	دیگر
<b>100.00%</b>	<b>ٹوٹل</b>
منی مارکیٹ سب فنڈ	
18.28%	بینک پلیسمنٹ
82.10%	کیش کے مساوی
-0.38%	دیگر
<b>100.00%</b>	<b>ٹوٹل</b>

## ٹیکسیشن

آئی 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 KPMG/S تاثر بادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہوئے ہیں اور برنئے اہلیت، خود کو مختتمہ 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 یونٹ 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 آرٹسٹری 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 ایسٹیبلیشمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

23 ستمبر 2016

مقام: کراچی

# NAFA PENSION FUND

## TRUSTEE REPORT TO THE PARTICIPANTS NAFA 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 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 PENSION FUND

## FUND MANAGER REPORT

### NAFA Pension Fund

NAFA Pension Fund is an Open-ended 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
NPF-Equity Sub-fund	562.9	210.1034	241.2424	33.72%
NPF-Debt Sub-fund	377.8	128.3251	135.4476	10.22%
NPF-Money Market Sub-fund	332.0	117.2798	122.9843	6.72%
<b>Annualized Return</b>	<b>[Net of management fee &amp; all other expenses]</b>			

This is the fourth annual report of the Fund. During FY2015-16, 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 TFCs/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.

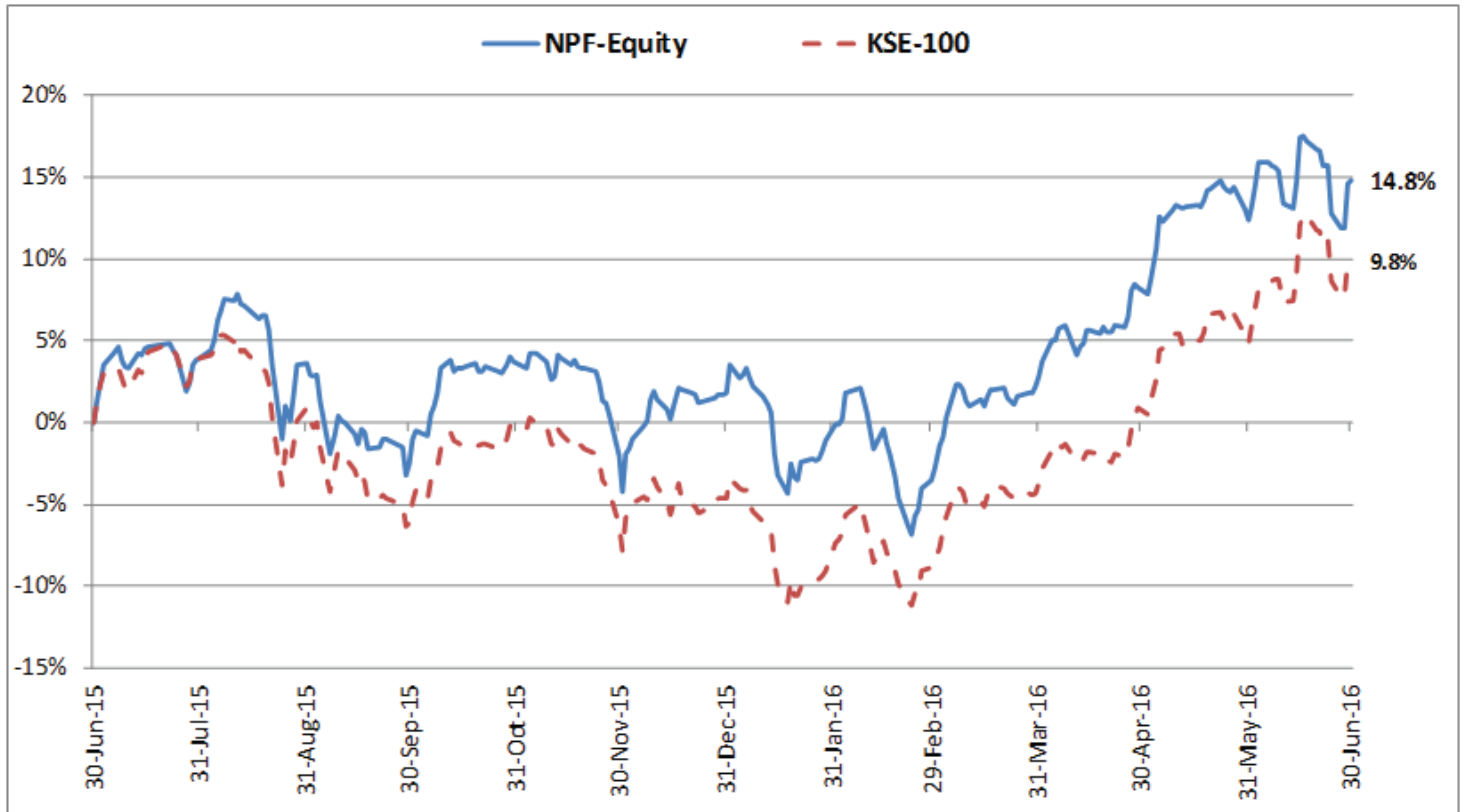
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The debt sub-fund yielded 5.53% return during FY16.

The money market sub-fund delivered a return of 4.85% during the year. These returns are net of management fee and all other expenses.

# NAFA PENSION FUND

## NPF-Equity Performance vs. KSE-100 during FY16



### Asset Allocation of the Fund (% of NAV)

Asset Allocation (% of Net Assets)	
<b>Equity Sub-fund</b>	
Equity	94.43%
Cash Equivalents	6.30%
Others	-0.73%
<b>Total</b>	<b>100.00%</b>
<b>Debt Sub-fund</b>	
TFCs/Sukuks	11.87%
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<b>Money Market Sub-fund</b>	
Bank Placement	18.28%
Cash Equivalents	82.10%
Others	-0.38%
<b>Total</b>	<b>100.00%</b>



# NAFA PENSION FUND

## INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS OF NAFA 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 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**

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

# NAFA PENSION FUND

## Balance Sheet As at 30 June 2016

	Note	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-----											
<b>Assets</b>											
Bank balances	5	35,484,998	53,743,959	272,598,669	2,533,728	364,361,354	51,840,466	27,231,232	69,368,137	2,744,595	151,184,430
Investments	6	531,571,296	323,879,168	60,690,068	-	916,140,532	314,965,474	254,230,742	120,961,071	-	690,157,287
Dividend receivable		1,236,830	-	-	-	1,236,830	875,553	-	-	-	875,553
Profit receivables	7	57,334	3,196,007	915,858	-	4,169,199	107,089	2,371,536	189,263	-	2,667,888
Preliminary expenses and floatation cost	8	-	-	-	-	-	20,959	20,959	20,959	-	62,877
Receivable against sale of investments		-	-	-	-	-	10,859,225	-	-	-	10,859,225
Advance, deposit and other receivables	9	112,150	100,000	100,000	-	312,150	112,200	9,818,310	11,582,513	-	21,513,023
<b>Total assets</b>		<u>568,462,608</u>	<u>380,919,134</u>	<u>334,304,595</u>	<u>2,533,728</u>	<u>1,286,220,065</u>	<u>378,780,966</u>	<u>293,672,779</u>	<u>202,121,943</u>	<u>2,744,595</u>	<u>877,320,283</u>
-----Rupees-----											
<b>Liabilities</b>											
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	10	2,658,613	1,927,216	1,590,845	2,467,659	8,644,333	1,209,906	978,056	755,814	2,153,902	5,097,678
Payable to Central Depository Company of Pakistan Limited - Trustee	11	79,076	50,754	44,812	-	174,642	41,551	34,592	22,172	-	98,315
Payable to Securities and Exchange Commission of Pakistan	12	154,464	114,434	88,422	-	357,320	69,926	56,758	50,376	-	177,060
Accrued expenses and other liabilities	13	2,626,953	1,034,044	547,518	66,069	4,274,584	23,031,553	1,342,743	767,007	590,693	25,731,996
<b>Total liabilities</b>		<u>5,519,106</u>	<u>3,126,448</u>	<u>2,271,597</u>	<u>2,533,728</u>	<u>13,450,879</u>	<u>24,352,936</u>	<u>2,412,149</u>	<u>1,595,369</u>	<u>2,744,595</u>	<u>31,105,049</u>
<b>Net assets</b>		<u>562,943,502</u>	<u>377,792,686</u>	<u>332,032,998</u>	<u>-</u>	<u>1,272,769,186</u>	<u>354,428,030</u>	<u>291,260,630</u>	<u>200,526,574</u>	<u>-</u>	<u>846,215,234</u>
<b>Participants' funds (as per statement attached)</b>		<u>562,943,502</u>	<u>377,792,686</u>	<u>332,032,998</u>	<u>-</u>	<u>1,272,769,186</u>	<u>354,428,030</u>	<u>291,260,630</u>	<u>200,526,574</u>	<u>-</u>	<u>846,215,234</u>
<b>Contingency and commitment</b>	14										
<b>Number of units in issue</b>	15	<u>2,333,518</u>	<u>2,789,217</u>	<u>2,699,800</u>			<u>1,686,922</u>	<u>2,269,709</u>	<u>1,709,814</u>		
<b>Net assets value per unit</b>		<u>241.2424</u>	<u>135.4476</u>	<u>122.9843</u>			<u>210.1034</u>	<u>128.3251</u>	<u>117.2798</u>		

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 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 Sub-Fund	Total
	-----Rupees-----								
<b>Income</b>									
Mark-up / return on bank deposits	5.1	2,247,247	2,251,142	13,748,017	18,246,406	1,380,331	1,308,407	4,114,397	6,803,135
Mark-up / return on government securities		-	21,668,786	5,139,869	26,808,655	-	14,435,109	9,619,525	24,054,634
Mark-up / return from term finance certificates		-	2,127,276	-	2,127,276	-	1,282,689	669,262	1,951,951
Dividend income		23,022,617	-	-	23,022,617	8,499,889	-	-	8,499,889
Gain on sale of investments - net		17,918,683	689,001	104,417	18,712,101	32,861,391	10,096,290	29,208	42,986,889
Net unrealized appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.6	39,454,311	(338,201)	-	39,116,110	45,056,847	3,226,485	114,566	48,397,898
<b>Total income</b>		<u>82,642,858</u>	<u>26,398,004</u>	<u>18,992,303</u>	<u>128,033,165</u>	<u>87,798,458</u>	<u>30,348,980</u>	<u>14,546,958</u>	<u>132,694,396</u>
<b>Expenses</b>									
Remuneration of NBP Fullerton Asset Management Limited - Pension Fund Manager	10.1	7,021,112	5,201,537	4,019,188	16,241,837	3,178,444	2,456,896	2,011,092	7,646,432
Federal Excise Duty on remuneration of Pension Fund Manager	10.2	1,123,378	832,246	643,070	2,598,694	508,551	393,103	321,775	1,223,429
Sindh Sales Tax on remuneration of Pension Fund Manager	10.3	1,140,229	844,730	652,716	2,637,675	553,049	427,500	349,930	1,330,479
Remuneration to Central Depository Company of Pakistan Limited - Trustee	11.1	702,111	520,154	401,919	1,624,184	317,844	257,994	228,983	804,821
Sindh Sales Tax on remuneration of Central Depository Company of Pakistan Limited- Trustee	11.2	98,296	72,822	56,269	227,387	-	-	-	-
Annual fee - Securities and Exchange Commission of Pakistan	12	154,464	114,434	88,422	357,320	69,926	56,759	50,376	177,061
Auditors' remuneration	17	114,178	114,178	114,178	342,534	84,134	84,134	84,134	252,402
Securities transaction costs		796,638	27,186	680	824,504	526,208	10,053	325	536,586
Amortization of preliminary expense and flotation costs	8.1	20,959	20,959	20,959	62,877	25,000	25,000	25,000	75,000
Legal and professional charges		160,979	7,140	7,140	175,259	41,666	41,666	41,666	124,998
Printing expenses		14,966	14,966	14,966	44,898	14,980	14,980	14,980	44,940
Settlement and bank charges		143,742	82,180	335,018	560,940	127,458	305,898	22,002	455,358
<b>Total expenses</b>		<u>11,491,052</u>	<u>7,852,532</u>	<u>6,354,525</u>	<u>25,698,109</u>	<u>5,447,260</u>	<u>4,073,983</u>	<u>3,150,263</u>	<u>12,671,506</u>
<b>Net income from operating activities</b>		<u>71,151,806</u>	<u>18,545,472</u>	<u>12,637,778</u>	<u>102,335,056</u>	<u>82,351,198</u>	<u>26,274,997</u>	<u>11,396,695</u>	<u>120,022,890</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		1,511,648	1,320,668	2,763,286	5,595,602	15,384,081	9,727,425	1,579,875	26,691,381
Provision for Workers' Welfare Fund	13.1	-	-	-	-	(1,954,706)	(720,048)	(259,531)	(2,934,285)
<b>Net income for the year</b>		<u>72,663,454</u>	<u>19,866,140</u>	<u>15,401,064</u>	<u>107,930,658</u>	<u>95,780,573</u>	<u>35,282,374</u>	<u>12,717,039</u>	<u>143,779,986</u>

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 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-----				-----Rupees-----			
Net income for the year	72,663,454	19,866,140	15,401,064	107,930,658	95,780,573	35,282,374	12,717,039	143,779,986
Other comprehensive income for the year	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<u>72,663,454</u>	<u>19,866,140</u>	<u>15,401,064</u>	<u>107,930,658</u>	<u>95,780,573</u>	<u>35,282,374</u>	<u>12,717,039</u>	<u>143,779,986</u>

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 PENSION FUND

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

Note	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 assets at beginning of the year	354,428,030	291,260,630	200,526,574	846,215,234	105,720,571	90,129,540	116,511,130	312,361,241
Amount received on issuance of units	211,119,845	157,547,612	176,811,815	545,479,272	211,656,014	192,695,269	183,171,303	587,522,586
Amount paid on redemption of units	(36,491,367)	(90,251,576)	(94,517,433)	(221,260,376)	(22,910,354)	(26,135,335)	(121,711,509)	(170,757,198)
Reallocation among sub-funds	(37,264,812)	690,548	36,574,264	-	(20,434,693)	9,016,207	11,418,486	-
	137,363,666	67,986,584	118,868,646	324,218,896	168,310,967	175,576,141	72,878,280	416,765,388
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	(1,511,648)	(1,320,668)	(2,763,286)	(5,595,602)	37,179,987	17,353,278	3,290,499	57,823,764
- amount representing loss that form part of participants' fund	-	-	-	-	(15,384,081)	(9,727,425)	(1,579,875)	(26,691,381)
Gain on sale of investments - net	17,918,683	689,001	104,417	18,712,101	32,861,391	10,096,290	29,208	42,986,889
Net unrealized appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	39,454,311	(338,201)	-	39,116,110	45,056,847	3,226,485	114,566	48,397,898
Other net income for the year	15,290,460	19,515,340	15,296,647	50,102,447	17,862,335	21,959,599	12,573,265	52,395,199
<b>Total comprehensive income for the year</b>	<b>72,663,454</b>	<b>19,866,140</b>	<b>15,401,064</b>	<b>107,930,658</b>	<b>95,780,573</b>	<b>35,282,374</b>	<b>12,717,039</b>	<b>143,779,986</b>
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 - net	-	-	-	-	(37,179,987)	(17,353,278)	(3,290,499)	(57,823,764)
<b>Net assets at end of the year</b>	<b>562,943,502</b>	<b>377,792,686</b>	<b>332,032,998</b>	<b>1,272,769,186</b>	<b>354,428,030</b>	<b>291,260,630</b>	<b>200,526,574</b>	<b>846,215,234</b>
Net assets value per unit at beginning of the year	210.1034	128.3251	117.2798		140.4046	109.4204	108.8416	
Net assets value per unit at end of the year	241.2424	135.4476	122.9843		210.1034	128.3251	117.2798	

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 PENSION FUND

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

Note	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-----											
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>											
Net income for the year	72,663,454	19,866,140	15,401,064	-	107,930,658	95,780,573	35,282,374	12,717,039	-	143,779,986	
<b>Adjustments:</b>											
Net unrealized (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(39,454,311)	338,201	-	-	(39,116,110)	(45,056,847)	(3,226,485)	(114,566)	-	(48,397,898)	
(Gain) on sale of investments - net	(17,918,683)	(689,001)	(104,417)	-	(18,712,101)	(32,861,391)	(10,096,290)	(29,208)	-	(42,986,889)	
Amortization of preliminary expenses and floatation costs	20,959	20,959	20,959	-	62,877	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	(1,511,648)	(1,320,668)	(2,763,286)	-	(5,595,602)	(15,384,081)	(9,727,425)	(1,579,875)	-	(26,691,381)	
	13,799,771	18,215,631	12,554,320	-	44,569,722	2,503,254	12,257,174	11,018,390	-	25,778,818	
<b>(Increase) / decrease in assets</b>											
Investments	(159,232,828)	(69,297,626)	60,375,420	-	(168,155,034)	(145,323,500)	(173,903,206)	(12,731,245)	-	(331,957,951)	
Dividend receivable	(361,277)	-	-	-	(361,277)	(668,178)	-	-	-	(668,178)	
Profit receivables	49,755	(824,471)	(726,595)	-	(1,501,311)	(107,089)	75,662	(157,806)	-	(189,233)	
Receivable against sale of investments	10,859,225	-	-	-	10,859,225	(7,569,393)	-	-	-	(7,569,393)	
Advance, deposit and other receivables	50	11,823	-	-	11,873	770,050	-	-	-	770,050	
	(148,685,075)	(70,110,274)	59,648,825	-	(159,146,524)	(152,898,110)	(173,827,544)	(12,889,051)	-	(339,614,705)	
<b>Increase / (decrease) in liabilities</b>											
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	1,448,707	949,160	835,031	313,757	3,546,655	971,332	781,497	572,003	2,097,255	4,422,087	
Payable to Central Depository Company of Pakistan Limited - Trustee	37,525	16,162	22,640	-	76,327	29,918	25,254	8,493	-	63,665	
Payable to Securities and Exchange Commission	84,538	57,676	38,046	-	180,260	49,761	38,515	30,666	-	118,942	
Payable against purchase of investments	-	-	-	-	-	(5,400,602)	-	-	-	(5,400,602)	
Accrued expenses and other liabilities	(11,290)	(222,081)	25,368	(524,624)	(732,627)	2,050,672	1,028,162	536,300	-	3,615,134	
	1,559,480	800,917	921,085	(210,867)	3,070,615	(2,298,919)	1,873,428	1,147,462	2,097,255	2,819,226	
<b>Net cash (used in) / generated from operating activities</b>	(133,325,824)	(51,093,726)	73,124,230	(210,867)	(111,506,187)	(152,693,775)	(159,696,942)	(723,199)	2,097,255	(311,016,661)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Amount received on issuance of units	211,119,845	167,254,099	188,294,328	-	566,668,272	211,656,014	182,976,959	171,688,790	-	566,321,763	
Amount paid on redemption of units	(56,884,677)	(90,338,194)	(94,762,290)	-	(241,985,161)	(2,517,044)	(26,048,717)	(121,711,509)	-	(150,277,270)	
Reallocation among sub-funds	(37,264,812)	690,548	36,574,264	-	-	(20,434,693)	9,016,207	11,418,486	-	-	
<b>Net cash flow from financing activities</b>	116,970,356	77,606,453	130,106,302	-	324,683,111	188,704,277	165,944,449	61,395,767	-	416,044,493	
<b>Net (decrease) / increase in cash and cash equivalents</b>	(16,355,468)	26,512,727	203,230,532	(210,867)	213,176,924	36,010,502	6,247,507	60,672,568	2,097,255	105,027,832	
Cash and cash equivalents at beginning of the year	51,840,466	27,231,232	69,368,137	2,744,595	151,184,430	15,829,964	20,983,725	8,695,569	647,340	46,156,598	
<b>Cash and cash equivalents at end of the year</b>	5	35,484,998	53,743,959	272,598,669	2,533,728	364,361,354	51,840,466	27,231,232	69,368,137	2,744,595	151,184,430

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

For NBP Fullerton Asset Management Limited  
(Pension Fund Manager)



# NAFA 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 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 authorised 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 the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

The Fund is an unlisted open end pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.

The objective of the Fund is to provide individuals with a portable, individualised, funded (based on defined contribution), flexible pension scheme, assisting and facilitating them to plan and provide for their retirement.

The Fund consists of three sub-funds namely, NAFA Pension Fund Equity Sub-Fund ("Equity Sub-Fund"), NAFA Pension Fund Debt Sub-Fund ("Debt Sub-Fund") and NAFA Pension Fund Money Market Sub-Fund ("Money Market Sub-Fund") (collectively the "Sub-Funds"). The Investment policy for each of the sub-funds are as follows:

- The Equity sub-fund consists of a minimum 90% of net assets invested in listed equity securities, investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) of equity sub-fund or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV of equity sub-fund or index weight, subject to a maximum of 35% of NAV of equity sub-fund. Remaining assets of the equity sub-fund may be invested in government treasury bills or government securities having less than one year time to maturity, or be deposited with scheduled commercial banks having at least 'A' rating.
- The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the Sub-Fund not exceeding five years. At least twenty five percent (25%) of the net assets of debt sub-fund shall be invested in securities issued by the Federal Government. Up to twenty five percent (25%) may be deposited with banks having not less than "AA Plus" rating with a stable outlook. Exposure to securities issued by companies of a single sector shall not exceed 20% except for banking sector for which the exposure limit shall be up to 30% of net assets of a debt sub-fund. Deposit in a single bank shall not exceed 10% of net asset of the debt sub-fund. Composition of the remaining portion of the investments shall be according to the criteria mentioned in the offering document.
- The Money Market sub-fund consists of short term debt instruments with weighted average time to maturity not exceeding ninety days. There is no restriction on the amount of investment in securities issued by the Federal Government and deposit with commercial banks having 'A Plus' or higher rating. Investment in securities issued by provincial or city government, government corporate entities with 'A' or higher rating or a government corporations with 'A plus' or higher rating shall be in proportion as defined in offering document.

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 and 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, any premia payable in respect of any schemes selected by the Participant pursuant to the offering document and any bank charges in respect of the receipt of such Contributions. 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.

# NAFA PENSION FUND

Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of 'AM2++' to the Pension Fund Manager while the Fund is currently not rated.

Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with 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:

- 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.

# NAFA PENSION FUND

- 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.
- 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.

# NAFA PENSION FUND

## 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 Sub-Funds as at 30 June 2016 are classified as 'financial assets at fair value through profit and loss' and 'loans and receivables'.

## 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 October 24, 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.

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.

# NAFA PENSION FUND

## 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 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the Statement of Assets and Liabilities. Amount paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement. All reverse repo transactions are accounted for on the settlement date.

## 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.

## 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 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 insurance premium, if any, followed by deduction of applicable front end fee, is used to purchase the units of sub-funds 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.



# NAFA PENSION FUND

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-fund.

## 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 recognised when the right to receive the dividend is established.
- Discount on purchase of Market Treasury Bills is amortised to income statement using the straight line method.
- Mark-up / return on bank deposits, term deposit receipts, reverse repo transactions and certificates of investments is recognised using the effective interest method.

Note	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-----					-----Rupees-----				

## 5 BALANCES WITH BANK

Savings accounts	5.1	35,484,998	53,743,959	272,598,669	2,533,728	364,361,354	51,840,466	27,231,232	69,368,137	2,744,595	151,184,430
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5.1 These accounts carry mark-up rates ranging from 4.50% to 9.00% per annum (30 June 2015: 4.50% to 10.35% per annum).

5.2 This represents 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 - NET	Note	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-----			
Investments by category									
<b>At fair value through profit or loss - held for trading</b>									
Listed equity securities	6.1	531,571,296	-	-	531,571,296	314,965,474	-	-	314,965,474
Government securities - Market Treasury Bills	6.2	-	232,486,725	-	232,486,725	-	202,816,055	120,961,071	323,777,126
Government securities - Pakistan									
Investment Bonds	6.3	-	46,547,791	-	46,547,791	-	43,028,860	-	43,028,860
Term finance certificates	6.4	-	44,844,652	-	44,844,652	-	8,385,827	-	8,385,827
		531,571,296	323,879,168	-	855,450,464	314,965,474	254,230,742	120,961,071	690,157,287
<b>Loans and receivables</b>									
Term deposit receipts	6.7	-	-	60,690,068	60,690,068	-	-	-	-
		531,571,296	323,879,168	60,690,068	916,140,532	314,965,474	254,230,742	120,961,071	690,157,287



# NAFA PENSION FUND

## 6.1 Listed equity securities

### 6.1.1 Held by Equity Sub-Fund

All shares have a nominal face value of Rs. 10 each except stated otherwise.

Name of the investee company	As at July 1, 2015	Purchases during the period	Bonus issue during the year	Right shares 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 as a % of		
									Market value / carrying value as a percentage of net assets of sub-fund	Market value / carrying value as a percentage of investments of the sub-fund	Par value as a percentage of issued capital of the investee company
-----Number of shares-----      -----Rupees-----      -----%-----											
<b>Automobile assembler</b>											
Honda Atlas Cars (Pakistan) Limited	39,200	19,400	-	-	-	39,200	19,400	6,966,346	1.24	1.31	0.01
Chandara Nissan Limited	40,500	20,000	-	-	-	60,500	-	-	0.00	0.00	0.00
Sazgar Engineering Works Limited	65,500	160,500	-	-	-	-	226,000	7,062,500	1.25	1.33	1.26
Pak Suzuki Motor Company Limited	8,600	7,000	-	-	-	15,600	-	-	0.00	0.00	0.00
Agriaautos Industries Company Limited (Face value of Rs. 5 each)	17,200	-	-	-	-	17,200	-	-	0.00	0.00	0.00
Baluchistan Wheels Limited	68,000	-	-	-	-	-	68,000	5,508,000	0.98	1.04	0.51
Exide Pakistan Limited	-	-	-	-	-	-	-	-	0.00	0.00	0.00
Indus Motor Company Limited	9,650	3,100	-	-	-	4,600	8,150	7,657,251	1.36	1.44	0.01
	<u>248,650</u>	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,100</u>	<u>321,550</u>	<u>27,194,097</u>	<u>4.8</u>	<u>5.12</u>	
<b>Cable &amp; electrical goods</b>											
Pak Elektron Limited	78,000	29,000	-	26,750	-	48,500	85,250	5,511,413	0.98	1.04	0.02
<b>Pharmaceuticals</b>											
Abbot Laboratories (Pakistan) Limited.	4,600	2,800	-	-	-	-	7,400	5,579,600	0.99	1.05	0.01
Glaxosmithkline (Pakistan) Limited (note 6.1.2)	9,860	11,000	-	-	-	-	20,860	4,320,315	0.77	0.81	0.01
GlaxoSmithKline Consumer Healthcare Pakistan Limited (note 6.1.2)	-	-	-	-	6,258	-	6,258	387,996	0.07	0.07	
The Searle Company Limited (note 6.1.3)	10,580	10,200	3,985	-	-	7,400	17,365	9,866,983	1.75	1.86	0.01
Ferozsons Laboratories Limited	8,400	100	-	-	-	5,950	2,550	2,628,897	0.47	0.49	0.01
Highnoon Laboratories Limited (note 6.1.3)	-	4,500	540	-	-	5,000	40	23,056	0.00	0.00	0.00
	<u>33,440</u>	<u>28,600</u>	<u>4,525</u>	<u>-</u>	<u>6,258</u>	<u>18,350</u>	<u>54,473</u>	<u>22,806,847</u>	<u>4.05</u>	<u>4.28</u>	
<b>Construction and materials (Cement)</b>											
Pioneer Cement Limited	42,000	82,500	-	-	-	42,500	82,000	8,806,800	1.56	1.66	0.04
Fauji Cement Company Limited	92,000	635,500	-	-	-	320,500	407,000	14,570,600	2.59	2.74	0.03
Maple Leaf Cement Factory Limited	85,500	37,000	-	-	-	77,000	45,500	4,800,705	0.85	0.90	0.01
Lucky Cement Limited	27,500	42,500	-	-	-	37,400	32,600	21,141,426	3.76	3.98	0.01
D. G. Khan Cement Company Limited	190,500	54,900	-	-	-	180,500	64,900	12,362,801	2.20	2.33	0.01
AkzoNobel Pakistan Limited	6,100	2,900	-	-	-	9,000	-	-	0.00	0.00	0.00
Fecto Cement Limited	83,000	36,000	-	-	-	69,000	50,000	5,775,000	1.03	1.09	0.10
Attock Cement (Pakistan) Limited	-	26,200	-	-	-	-	26,200	6,254,202	1.11	1.18	0.02
	<u>526,600</u>	<u>917,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>735,900</u>	<u>708,200</u>	<u>73,711,534</u>	<u>13.10</u>	<u>13.88</u>	
<b>Refinery</b>											
National Refinery Limited	12,900	16,900	-	-	-	29,800	-	-	0.00	0.00	0.00
<b>Commerical banks</b>											
United Bank Limited	23,860	89,000	-	-	-	8,400	104,460	18,481,063	3.28	3.48	0.01
Allied Bank Limited	66,600	-	-	-	-	4,500	62,100	5,586,516	0.99	1.05	0.01
MCB Bank Limited	-	48,700	-	-	-	-	48,700	10,714,974	1.90	2.02	0.00
Habib Metro Bank Limited	100,000	-	-	-	-	100,000	-	-	0.00	0.00	0.00
Habib Bank Limited	14,128	109,400	-	-	-	14,100	109,428	21,618,596	3.84	4.07	0.01
Faysal Bank Limited	3,550	-	-	-	-	-	3,550	46,541	0.01	0.01	0.00
Bank Alfalah Limited	76,000	160,000	-	-	-	14,500	221,500	5,663,755	1.01	1.07	0.01
Bank Al-habib Limited	81,150	53,000	-	-	-	-	134,150	5,784,548	1.03	1.09	0.01
Meezan Bank Limited	18,000	67,000	-	-	-	31,500	53,500	2,273,750	0.40	0.43	0.01
JS Bank Limited	-	-	-	-	-	-	-	-	0.00	0.00	0.00
	<u>383,288</u>	<u>527,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,000</u>	<u>737,388</u>	<u>70,169,743</u>	<u>12.46</u>	<u>13.22</u>	
<b>Forestry (Paper and Board)</b>											
Century Paper and Board Mills Limited.	38,000	8,000	-	-	-	46,000	-	-	0.00	0.00	0.00
<b>Chemicals</b>											
Engro Fertilizer Limited	63,000	430,000	-	-	-	394,500	98,500	6,351,280	1.13	1.19	0.01
Engro Corporation Limited	71,700	63,900	-	-	-	29,600	106,000	35,294,820	6.27	6.64	0.02
DYNEA Pakistan Limited (Face value of Rs. 5 each)	41,000	-	-	-	-	41,000	-	-	0.00	0.00	0.00
Fauji Fertilizer Company Limited	-	37,500	-	-	-	37,500	-	-	0.00	0.00	0.00
Dawood Hercules Corporation Limited	12,500	82,000	-	-	-	12,500	82,000	12,207,340	2.17	2.30	0.02
Ittehad Chemical Limited	163,000	-	-	38,400	-	74,000	127,400	3,327,688	0.59	0.63	0.20
Fauji Fertilizer Bin Qasim Limited	-	102,500	-	-	-	-	102,500	5,433,525	0.97	1.02	0.01
	<u>351,200</u>	<u>715,900</u>	<u>-</u>	<u>38,400</u>	<u>-</u>	<u>589,100</u>	<u>516,400</u>	<u>62,614,653</u>	<u>11.13</u>	<u>11.78</u>	
<b>General Industrials</b>											
Thal Limited. (Face Value of Rs. 5 each)	15,200	-	-	-	-	-	15,200	4,301,904	0.76	0.81	0.04
Ecopack Limited	245,500	207,000	-	-	-	-	452,500	7,964,000	1.41	1.50	1.97
	<u>260,700</u>	<u>207,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>467,700</u>	<u>12,265,904</u>	<u>2.17</u>	<u>2.31</u>	
<b>Electricity</b>											
The Hub Power Company Limited	128,500	46,000	-	-	-	39,400	135,100	16,220,106	2.88	3.05	0.01
Kot Addu Power Company Limited	140,000	54,000	-	-	-	8,000	186,000	16,600,500	2.95	3.12	0.02
Lalpir Power Limited	111,500	-	-	-	-	111,500	-	-	0.00	0.00	0.00
Saif Power Limited	90,000	-	-	-	-	90,000	-	-	0.00	0.00	0.00
	<u>470,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,900</u>	<u>321,100</u>	<u>32,820,606</u>	<u>5.83</u>	<u>6.17</u>	
<b>Textile Composite</b>											
Nishat (Chunian) Limited.	-	32,000	-	-	-	32,000	-	-	0.00	0.00	0.00
Nishat Mills Limited.	29,300	190,200	-	-	-	-	219,500	23,684,050	4.21	4.46	0.06
Kohinoor Textile Mills Limited (note 6.1.3)	169,000	-	23,475	-	-	12,500	179,975	14,403,399	2.56	2.71	0.06
Sapphire Fibres Mills Limited	6,600	-	-	-	-	400	6,200	3,472,000	0.62	0.65	0.03
	<u>204,900</u>	<u>222,200</u>	<u>23,475</u>	<u>-</u>	<u>-</u>	<u>44,900</u>	<u>405,675</u>	<u>41,559,449</u>	<u>7.39</u>	<u>7.82</u>	

# NAFA PENSION FUND

Name of the investee company	As at July 1, 2015	Purchases during the period	Bonus issue during the year	Right shares 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 as a % of		
									Market value / carrying value as a percentage of net assets of sub-fund	Market value / carrying value as a percentage of investments of the sub-fund	Par value as a percentage of issued capital of the investee company
-----Number of shares-----      -----Rupees-----      ----- % -----											
<b>Oil and gas</b>											
Attock Petroleum Limited	7,100	700	-	-	-	-	7,800	3,412,812	0.61	0.64	0.01
Pakistan State Oil Company Limited	27,130	50,300	-	-	-	16,200	61,230	22,989,416	4.08	4.32	0.02
Pakistan Petroleum Limited.	49,678	179,800	-	-	-	91,700	137,778	21,362,479	3.79	4.02	0.01
Pakistan Oilfields Limited.	24,200	81,500	-	-	-	48,700	57,000	19,806,360	3.52	3.73	0.02
Oil and Gas Development Company Limited	7,500	145,300	-	-	-	46,000	106,800	14,745,876	2.62	2.77	-
Hascal Petroleum Limited (note 6.1.3)	13,250	-	50	-	-	13,000	300	58,611	0.01	0.01	-
Shell Pakistan Limited	19,000	4,200	-	-	-	4,200	19,000	5,513,990	0.98	1.04	0.02
Attock Refinery Limited	15,000	55,700	-	-	-	52,800	17,900	5,014,506	0.89	0.94	0.02
Mari Petroleum Company Limited	-	48,500	-	-	-	19,700	28,800	26,156,736	4.65	4.92	0.03
	<u>162,858</u>	<u>566,000</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>292,300</u>	<u>436,608</u>	<u>119,060,786</u>	<u>21.15</u>	<u>22.39</u>	
<b>Oil and gas marketing companies</b>											
Sui Northern Gas Pipelines Limited	143,000	111,500	-	-	-	254,500	-	-	-	-	-
Sui Southern Gas Company Limited	-	559,000	-	-	-	559,000	-	-	-	-	-
	<u>143,000</u>	<u>670,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>813,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Engineering</b>											
Mughal Iron and Steel Industries Limited (note 6.1.3)	134,000	83,500	25,800	-	-	165,500	77,800	5,227,382	0.93	0.98	0.06
Amreli Steels Limited	-	85,000	-	-	-	28,000	57,000	2,680,140	0.48	0.50	0.02
K.S.B. Pumps Company Limited	-	700	-	-	-	700	-	-	-	0.00	-
	<u>134,000</u>	<u>169,200</u>	<u>25,800</u>	<u>-</u>	<u>-</u>	<u>194,200</u>	<u>134,800</u>	<u>7,907,522</u>	<u>1.41</u>	<u>1.48</u>	
<b>Industrial transportation</b>											
Pakistan National Shipping Corporation	9,300	54,100	-	-	-	-	63,400	5,940,580	1.06	1.12	0.05
<b>Fixed line telecommunication</b>											
Pakistan Telecommunication	-	472,500	-	-	-	112,500	360,000	5,410,800	0.96	1.01	0.01
<b>Food producers</b>											
Rafhan Maize Products Limited.	20	-	-	-	-	-	20	144,400	0.03	0.03	-
Faran Sugar Mills Limited	-	41,500	-	-	-	-	41,500	4,482,000	0.80	0.84	0.17
Punjab Oil Mills Limited	700	2,200	-	-	-	2,900	-	-	-	-	-
Al-Shaheer Corporation Limited (note 6.1.3)	-	146,000	35,350	-	-	-	181,350	9,468,284	1.68	1.78	0.15
	<u>720</u>	<u>189,700</u>	<u>35,350</u>	<u>-</u>	<u>-</u>	<u>2,900</u>	<u>222,870</u>	<u>14,094,684</u>	<u>2.51</u>	<u>2.65</u>	
<b>Household goods</b>											
Tariq Glass Limited	83,000	71,500	-	-	-	-	154,500	11,425,275	2.03	2.15	0.21
<b>Leather and tanneries</b>											
Bata Pakistan Limited	300	-	-	-	-	300	-	-	-	-	-
<b>Non life insurance</b>											
IGI Insurance Limited	-	22,800	-	-	-	22,800	-	-	-	-	-
<b>Technology hardware and equipment</b>											
Trakker Pakistan Limited	-	-	-	-	-	-	-	-	-	-	-
Avanceon Limited	142,500	151,000	-	-	-	293,500	-	-	-	-	-
	<u>142,500</u>	<u>151,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Software and computer services</b>											
NetSol Technologies Limited	-	102,000	-	-	-	22,000	80,000	4,008,000	0.71	0.75	0.09
Systems Limited	-	181,500	-	-	-	-	181,500	10,461,660	1.86	1.97	0.16
	<u>-</u>	<u>283,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,000</u>	<u>261,500</u>	<u>14,469,660</u>	<u>2.57</u>	<u>2.72</u>	
<b>Miscellaneous</b>											
Tri-Pack Films Limited	17,600	20,500	-	4,663	-	42,700	63	11,543	-	-	-
Synthetic Products Enterprises Limited	-	98,000	-	-	-	-	98,000	4,596,200	0.82	0.86	0.13
	<u>17,600</u>	<u>118,500</u>	<u>-</u>	<u>4,663</u>	<u>-</u>	<u>42,700</u>	<u>98,063</u>	<u>4,607,743</u>	<u>0.82</u>	<u>0.86</u>	
<b>Total 30 June 2016</b>	<b>3,300,956</b>	<b>5,751,500</b>	<b>89,200</b>	<b>69,813</b>	<b>6,258</b>	<b>3,868,250</b>	<b>5,349,477</b>	<b>531,571,296</b>	<b>94.45</b>	<b>100.00</b>	
Carrying value before fair value adjustment as at 30 June 2016								<u>492,116,985</u>			

**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 the 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 Pakistan 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 amendment 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 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.

# NAFA PENSION FUND

## 6.2 Government securities - Market Treasury bills

### 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 sub-fund	Market value / carrying value as a percentage of total investments of sub-fund
			As at July 1, 2015	Purchases during the year	Sales / matured during the year	As at June 30, 2016			
13 November 2014	6.2.2	1 Year	8,000,000	-	8,000,000	-	-	-	
08 January 2015	6.2.2	1 Year	29,000,000	-	29,000,000	-	-	-	
22 January 2015	6.2.2	1 Year	6,500,000	-	6,500,000	-	-	-	
06 February 2015	6.2.2	1 Year	1,500,000	-	1,500,000	-	-	-	
19 February 2015	6.2.2	6 months	-	18,000,000	18,000,000	-	-	-	
05 March 2015	6.2.2	1 Year	7,000,000	-	7,000,000	-	-	-	
05 March 2015	6.2.2	6 months	-	14,500,000	14,500,000	-	-	-	
19 March 2015	6.2.2	1 Year	4,300,000	-	4,300,000	-	-	-	
19 March 2015	6.2.2	6 months	-	10,000,000	10,000,000	-	-	-	
16 April 2015	6.2.2	6 months	-	4,000,000	4,000,000	-	-	-	
28 May 2015	6.2.2	3 months	150,000,000	-	150,000,000	-	-	-	
28 May 2015	6.2.2	3 months	-	58,000,000	58,000,000	-	-	-	
20 August 2015	6.2.2	1 Year	-	190,000,000	24,000,000	166,000,000	164,699,775	43.60	50.85
03 September 2015	6.2.2	1 Year	-	18,000,000	18,000,000	-	-	-	
29 October 2015	6.2.2	3 months	-	4,100,000	4,100,000	-	-	-	
29 October 2015	6.2.2	1 Year	-	9,000,000	9,000,000	-	-	-	
21 January 2016	6.2.2	1 Year	-	70,000,000	-	70,000,000	67,786,950	17.94	20.93
			<b>206,300,000</b>	<b>395,600,000</b>	<b>365,900,000</b>	<b>236,000,000</b>	<b>232,486,725</b>	<b>61.54</b>	<b>71.78</b>

232,326,255

Carrying value before fair value adjustment as at 30 June 2016

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 sub-fund	Market value / carrying value as a percentage of total investments of sub-fund
			As at July 1, 2015	Purchases during the year	Sales / matured during the year	As at June 30, 2016			
08 January 2015	6.2.2	6 Months	50,000,000	-	50,000,000	-	-	-	
22 January 2015	6.2.2	6 Months	16,000,000	-	16,000,000	-	-	-	
19 February 2015	6.2.2	6 Months	10,000,000	-	10,000,000	-	-	-	
05 March 2015	6.2.2	6 Months	9,000,000	-	9,000,000	-	-	-	
19 March 2015	6.2.2	6 Months	12,000,000	-	12,000,000	-	-	-	
16 April 2015	6.2.2	6 Months	25,000,000	-	25,000,000	-	-	-	
			<b>122,000,000</b>	<b>-</b>	<b>122,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Carrying value before fair value adjustment as at 30 June 2016

-

6.2.2 These Government Treasury Bills carry rate of return ranging from 6.62% to 9.97% per annum. (2015: 6.62% to 9.97% per annum)

## 6.3 Government securities - Pakistan Investment Bonds

### 6.3.1 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 sub-fund	Market value / carrying value as a percentage of total investments of sub-fund
			As at July 1, 2015	Purchases during the year	Sales / matured during the year	As at June 30, 2016			
19 July 2012	6.3.2	10 Year	5,000,000	-	-	5,000,000	6,252,363	1.655	1.93
18 July 2013	6.3.2	3 Year	32,000,000	-	-	32,000,000	32,079,963	8.491	9.90
17 July 2014	6.3.2	3 Year	3,800,000	4,000,000	-	7,800,000	8,215,465	2.175	2.54
26 March 2015	6.3.2	3 Year	-	68,000,000	68,000,000	-	-	-	-
			<b>40,800,000</b>	<b>72,000,000</b>	<b>68,000,000</b>	<b>44,800,000</b>	<b>46,547,791</b>	<b>12.32</b>	<b>14.37</b>

Carrying value before fair value adjustment as at 30 June 2016

47,263,478

# NAFA PENSION FUND

6.3.2 These Pakistan Investment Bonds carry yield ranging from 12.01 % to 12.4% per annum. (2015: 12.01 % to 12.4% per annum)

## 6.4 Government securities - Term Finance Certificates

### 6.4.1 Held by Debt Sub-Fund

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

Name of the investee company	Note	As at 01 July 2015	Purchases during the year	Disposals during the year	As at June 30, 2016	Market value / carrying value	Market value / carrying value as a percentage of net assets of sub-fund	Market value / carrying value as a percentage of total investments of sub-fund
		-----Number of shares-----			-----Rupees-----		----- % -----	
Engro Fertilizers Limited PRP - I	6.4.2	315		315	-	-	0.55	0.63
Faysal Bank Limited - III	6.4.2	300			300	1,135,811	0.53	0.60
Jahangir Siddiqui Company Limited - I	6.4.2	1,600	-	1,600	-	-	1.00	1.15
Standard Chartered Bank Limited - IV	6.4.2	470	-	-	470	2,355,337	0.80	0.91
Jahangir Siddiqui Company Limited - II	6.4.2	-	5,000	-	5,000	20,004,520	-	-
Jahangir Siddiqui Company Limited - III	6.4.2	-	600	-	600	3,000,000	-	-
Askari Commercial Bank Limited	6.4.2	-	3,600	-	3,600	18,348,984	-	-
		<b>2,685</b>	<b>9,200</b>	<b>1,915</b>	<b>9,970</b>	<b>44,844,652</b>	<b>2.88</b>	<b>3.29</b>

Carrying value before fair value adjustment as at 30 June 2016

44,627,636

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

6.5 Significant terms and conditions of term finance certificates outstanding at the year end are as follows:

Name of security	Number of certificates	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue Date	Tenor	Secured / unsecured	Rating
Faysal Bank Limited - III	300	1,122,750	6 month KIBOR + 2.25%	27-Dec-10	7 years	Secured	AA-
Jahangir Siddiqui Company Limited - II	5,000	20,000,000	6 months KIBOR + 2.4%	8-Apr-14	5 years	Secured	AA+
Standard Chartered Bank Limited - IV	470	2,350,000	6 months KIBOR + 0.75%	29-Jun-12	10 years	Secured	AAA
Askari Commercial Bank Limited	3,600	17,989,200	6 months KIBOR + 1.20%	30-Sep-14	10 years	Secured	AA
Jahangir Siddiqui Company Limited - III	600	3,000,000	6 months KIBOR + 1.65%	24-Jun-16	5 years	Secured	AA+

Note	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-----			

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

Market value / carrying value of investments	531,571,296	323,879,168	-	855,450,464	314,965,474	254,230,742	120,961,071	690,157,287
Less: Carrying cost of investments	(492,116,985)	(324,217,369)	-	(816,334,354)	(269,908,627)	(251,004,257)	(120,846,505)	(641,759,389)
	<u>39,454,311</u>	<u>(338,201)</u>	<u>-</u>	<u>39,116,110</u>	<u>45,056,847</u>	<u>3,226,485</u>	<u>114,566</u>	<u>48,397,898</u>

6.7 This represents TDRs placed with JS Bank Limited carrying mark-up at the rate of 7.75% per annum and matures on 29 September 2016.

## 7 PROFIT RECEIVABLES

Profit receivable on:

-debt securities	-	3,040,121	-	3,040,121	-	2,078,735	-	2,078,735
-savings accounts	57,334	155,886	896,450	1,109,670	107,089	292,801	189,263	589,153
-term deposit	-	-	19,408	19,408	-	-	-	-
	<u>57,334</u>	<u>3,196,007</u>	<u>915,858</u>	<u>4,169,199</u>	<u>107,089</u>	<u>2,371,536</u>	<u>189,263</u>	<u>2,667,888</u>

## 8 PRELIMINARY EXPENSES AND FLOATATION COST

Opening balance	20,959	20,959	20,959	62,877	45,959	45,959	45,959	137,877
Less: Accumulated amortization	8.1 (20,959)	(20,959)	(20,959)	(62,877)	(25,000)	(25,000)	(25,000)	(75,000)
Balance at end of the year	-	-	-	-	20,959	20,959	20,959	62,877

# NAFA PENSION FUND

- 8.1 Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operation of 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.

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	

## 9 ADVANCE, DEPOSIT AND OTHER RECEIVABLES

	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
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
Receivable against issuance / reallocation of units	-	-	-	-	-	9,706,487	11,482,513	21,189,000
Advance Tax	12,150	-	-	12,150	-	-	-	-
Other receivables	-	-	-	-	12,200	11,823	-	24,023
	112,150	100,000	100,000	312,150	112,200	9,818,310	11,582,513	21,513,023

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

	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		
Remuneration of Pension Fund Manager	10.1	699,541	449,996	396,467	-	1,546,004	415,517	345,964	229,038	-	990,519
Federal Excise Duty	10.2	1,770,463	1,329,145	1,054,992	-	4,154,600	647,085	496,899	411,922	-	1,555,906
Sindh Sales Tax	10.3	113,609	73,075	64,386	-	251,070	72,304	60,193	39,854	-	172,351
Preliminary expenses and floatation 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		-	-	-	2,467,659	2,467,659	-	-	-	2,153,902	2,153,902
		2,658,613	1,927,216	1,590,845	2,467,659	8,644,333	1,209,906	978,056	755,814	2,153,902	5,097,678

- 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 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 13 June 2013, aggregating to Rs. 1.770 million, 1.329 million and 1.055 million (2015: Rs. 0.647 million, Rs.0.497 million and Rs. 0.412 million) for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the net assets value (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 Re. 0.7587, Re. 0.4765 and Re. 0.3908 (2015: Re. 0.3835, Re. 0.2189 and Re. 0.2409) per unit respectively. However, after the exclusion of the pension scheme from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

- 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.



# NAFA PENSION FUND

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		Sub-Fund	
-----Rupees-----										
<b>11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>										
Trustee remuneration	11.1	69,952	44,995	39,647	154,594	41,551	34,592	22,172	98,315	
Sindh Sales Tax on trustee remuneration	11.2	9,124	5,759	5,165	20,048	-	-	-	-	
		<u>79,076</u>	<u>50,754</u>	<u>44,812</u>	<u>174,642</u>	<u>41,551</u>	<u>34,592</u>	<u>22,172</u>	<u>98,315</u>	

**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
Upto Rs. 1,000 million	Rs. 0.3 million or 0.15% p.a of NAV, whichever is higher
Exceeding Rs. 1,000 million upto 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 upto 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** As per the requirement of Finance Act 2015, Sindh Sales Tax (SST) at the rate of 14% on the remuneration of the Trustee has been applied 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

	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-----											
Provision for Workers' Welfare Fund	13.1	2,346,729	809,223	351,954	-	3,507,906	2,346,729	809,223	351,954	-	3,507,906
Auditors remuneration		78,645	78,645	78,646	-	235,936	57,584	57,584	57,584	-	172,752
Payable against redemption of units		-	-	-	-	-	20,393,310	86,618	244,857	-	20,724,785
Legal and professional charges		76,311	8,055	8,055	-	92,421	41,666	41,666	41,666	-	124,998
Brokerage expense payable		-	-	-	-	-	43,692	-	-	-	43,692
Bank charges and settlement charges payable		72,328	33,828	55,140	-	161,296	68,037	287,416	14,597	-	370,050
Printing charges		46,106	46,106	46,106	-	138,318	56,190	56,190	56,190	-	168,570
Withholding tax		-	-	-	66,069	-	-	-	-	590,693	590,693
Other payable		6,834	58,187	7,617	-	138,707	24,345	4,046	159	-	28,550
		<u>2,626,953</u>	<u>1,034,044</u>	<u>547,518</u>	<u>66,069</u>	<u>4,274,584</u>	<u>23,031,553</u>	<u>1,342,743</u>	<u>767,007</u>	<u>590,693</u>	<u>25,731,996</u>

**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 a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the 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 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

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 Honorable 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 favor) are pending before Supreme Court. However, after the exclusion of the mutual funds and pension schemes from federal statute on WWF from 1 July 2015, the Fund has discontinued making the provision in this regard. As a matter of abundant caution, has decided to maintain the provision for WWF amounting to Rs. 2.347 million, Rs. 0.809 million and Rs. 0.352 million (2015: Rs. 2.347 million, Rs. 0.809 million and Rs. 0.352 million) for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively for the current year. Had the same not been made the net assets of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher by Re. 1.0056, Re. 0.2901 and Re. 0.1303 (2015: Re. 1.3911, Re. 0.3565 and Re. 0.2058) per unit respectively.



# NAFA PENSION FUND

## 14 CONTINGENCY AND COMMITMENT

There is no contingency and commitment outstanding as at 30 June 2016.

## 15 NUMBER OF UNITS IN ISSUE

	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-----				
Total units in issue at beginning of the year	1,686,922	2,269,709	1,709,814	5,666,445	752,971	823,700	1,070,465	2,647,136
Units issued during the year	973,547	1,197,189	1,466,195	3,636,931	1,152,772	1,508,496	1,493,549	4,154,817
Units redeemed during the year	(168,670)	(677,651)	(777,209)	(1,623,530)	(219,517)	(138,036)	(951,874)	(1,309,427)
Reallocation during the year	(158,281)	(30)	301,000	142,689	696	75,549	97,674	173,919
Total units in issue at end of the year	<u>2,333,518</u>	<u>2,789,217</u>	<u>2,699,800</u>	<u>7,822,535</u>	<u>1,686,922</u>	<u>2,269,709</u>	<u>1,709,814</u>	<u>5,666,445</u>

## 16 CONTRIBUTION TABLE

Contributions received during the year are as follows:

	For the year ended 30 June 2016							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	<u>973,547</u>	<u>211,119,845</u>	<u>1,197,189</u>	<u>157,547,612</u>	<u>1,466,195</u>	<u>176,811,815</u>	<u>3,636,931</u>	<u>545,479,272</u>

	For the year ended 30 June 2015							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	<u>1,152,772</u>	<u>211,656,014</u>	<u>1,508,496</u>	<u>192,695,269</u>	<u>1,493,549</u>	<u>183,171,303</u>	<u>4,154,817</u>	<u>587,522,586</u>

	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-----				
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
	<u>114,178</u>	<u>114,178</u>	<u>114,178</u>	<u>342,534</u>	<u>84,134</u>	<u>84,134</u>	<u>84,134</u>	<u>252,402</u>

## 17 AUDITORS' REMUNERATION

# NAFA 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	At fair value through profit or loss - held for trading	Total	Loans and receivables	At fair value through profit or loss - held for trading	Total	Loans and receivables	At fair value through profit or loss - held for trading	Total	Loans and receivables	Total	
(Rupees)											
<b>Financial assets</b>											
Bank balances	35,484,998	-	35,484,998	53,743,959	-	53,743,959	272,598,669	-	272,598,669	2,533,728	364,361,354
Investments	-	531,571,296	531,571,296	-	323,879,168	323,879,168	60,690,068	-	60,690,068	-	916,140,532
Dividend receivable	1,236,830	-	1,236,830	-	-	-	-	-	-	-	1,236,830
Profit receivables	57,334	-	57,334	3,196,007	-	3,196,007	915,858	-	915,858	-	4,169,199
Security deposits	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	-	300,000
	<b>36,879,162</b>	<b>531,571,296</b>	<b>568,450,458</b>	<b>57,039,966</b>	<b>323,879,168</b>	<b>380,919,134</b>	<b>334,304,595</b>	<b>-</b>	<b>334,304,595</b>	<b>2,533,728</b>	<b>1,286,207,915</b>

As at 30 June 2016											
Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others	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	Liabilities at fair value through profit or loss	At amortised cost	Total	At amortised cost	Total	
(Rupees)											
<b>Financial liabilities</b>											
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	2,658,613	2,658,613	-	1,927,216	1,927,216	-	1,590,845	1,590,845	2,467,659	8,644,333
Payable to Central Depository Company of Pakistan Limited - Trustee	-	79,076	79,076	-	50,754	50,754	-	44,812	44,812	-	174,642
Accrued expenses and other liabilities	-	280,224	280,224	-	224,821	224,821	-	195,564	195,564	-	700,609
	<b>-</b>	<b>3,017,913</b>	<b>3,017,913</b>	<b>-</b>	<b>2,202,791</b>	<b>2,202,791</b>	<b>-</b>	<b>1,831,221</b>	<b>1,831,221</b>	<b>2,467,659</b>	<b>9,519,584</b>

As at 30 June 2015											
Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others	Total	
Loans and receivables	At fair value through profit or loss - held for trading	Total	Loans and receivables	At fair value through profit or loss - held for trading	Total	Loans and receivables	At fair value through profit or loss - held for trading	Total	Loans and receivables	Total	
(Rupees)											
<b>Financial assets</b>											
Bank balances	51,840,466	-	51,840,466	27,231,232	-	27,231,232	69,368,137	-	69,368,137	2,744,595	151,184,430
Investments	-	314,965,474	314,965,474	-	254,230,742	254,230,742	-	120,961,071	120,961,071	-	690,157,287
Dividend receivable	875,553	-	875,553	-	-	-	-	-	-	-	875,553
Profit receivables	107,089	-	107,089	2,371,536	-	2,371,536	189,263	-	189,263	-	2,667,888
Receivable against sale of investments	10,859,225	-	10,859,225	-	-	-	-	-	-	-	10,859,225
Security deposits	112,200	-	112,200	9,818,310	-	9,818,310	11,582,513	-	11,582,513	-	21,513,023
	<b>63,794,533</b>	<b>314,965,474</b>	<b>378,760,007</b>	<b>39,421,078</b>	<b>254,230,742</b>	<b>293,651,820</b>	<b>81,139,913</b>	<b>120,961,071</b>	<b>202,100,984</b>	<b>2,744,595</b>	<b>877,257,406</b>

As at 30 June 2015											
Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others	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	Liabilities at fair value through profit or loss	At amortised cost	Total	At amortised cost	Total	
(Rupees)											
<b>Financial liabilities</b>											
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	1,209,906	1,209,906	-	978,056	978,056	-	755,814	755,814	2,153,902	5,097,678
Payable to Central Depository Company of Pakistan Limited - Trustee	-	41,551	41,551	-	34,592	34,592	-	22,172	22,172	-	98,315
Accrued expenses and other liabilities	-	20,684,824	20,684,824	-	533,520	533,520	-	415,053	415,053	-	21,633,397
	<b>-</b>	<b>21,936,281</b>	<b>21,936,281</b>	<b>-</b>	<b>1,546,168</b>	<b>1,546,168</b>	<b>-</b>	<b>1,193,039</b>	<b>1,193,039</b>	<b>2,153,902</b>	<b>26,829,390</b>

## 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** 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 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 PENSION FUND

## 19.4 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-----								
<b>NBP Fullerton Asset Management Limited - Pension Fund Manager</b>								
Remuneration of Pension Fund Manager	7,021,112	5,201,537	4,019,188	16,241,837	3,178,444	2,456,896	2,011,092	7,646,432
Federal Excise Duty on remuneration of Pension Fund Manager	1,123,378	832,246	643,070	2,598,694	508,551	393,103	321,775	1,223,429
Sindh Sales Tax on remuneration of Pension Fund Manager	1,140,229	844,730	652,716	2,637,675	553,049	427,500	349,930	1,330,479
Reallocation in units	Units (9,974)	8,459	10,603	9,088	(24,582)	11,835	30,324	17,577
Reallocation in amount	(2,445,935)	1,143,360	1,302,575	-	(5,072,868)	1,517,944	3,554,924	-
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>								
Reallocation in units	Units (6,649)	5,639	7,069	6,059	(16,388)	7,889	20,216	11,717
Reallocation in amount	(1,630,623)	762,240	868,383	-	(3,381,912)	1,011,963	2,369,949	-
<b>Employees of NBP Fullerton Asset Management Limited</b>								
Number of units issued	Units 12,740	27,466	1,408	41,614	-	-	-	-
Amount of units issued	2,797,624	3,688,627	170,000	6,656,251	-	-	-	-
Number of units redeemed	Units (15,206)	(8,838)	(1,425)	(25,469)	-	-	-	-
Amount of units redeemed	(3,538,627)	(1,145,576)	(172,191)	(4,856,394)	-	-	-	-
<b>Amjad Waheed - Chief Executive - CEO</b>								
Number of units issued	Units 67,146	-	-	67,146	108,678	-	-	108,678
Amount of units issued	14,799,475	-	-	14,799,475	19,743,058	-	-	19,743,058
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration of Trustee	702,111	520,154	401,919	1,624,184	317,844	257,994	228,983	804,821
Sindh Sales Tax on remuneration of Trustee	98,296	72,822	56,269	227,387	-	-	-	-
<b>Taurus Securities Limited</b>								
Brokerage Expense	43,337	-	-	43,337	34,393	-	-	34,393

## 19.5 Amounts outstanding as at year end

	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-----										
<b>NBP Fullerton Asset Management Limited - Pension Fund Manager</b>										
Remuneration payable	699,541	449,996	396,467	-	1,546,004	415,517	345,964	229,038	-	990,519
Federal Excise Duty payable	1,770,463	1,329,145	1,054,992	-	4,154,600	647,085	496,899	411,922	-	1,555,906
Sindh Sales Tax payable	113,609	73,075	64,386	-	251,070	72,304	60,193	39,854	-	172,351
Preliminary expenses and floatation 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 Payable	-	-	-	2,467,659	2,467,659	-	-	-	2,153,902	2,153,902
Number of units issued	Units 119,336	216,449	238,164	-	573,949	129,310	207,991	227,560	-	564,861
Amount of units issued	28,789,018	29,317,560	29,290,427	-	87,397,005	27,168,471	26,690,466	26,688,191	-	80,547,128
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>										
Number of units issued	Units 79,558	144,299	158,776	-	382,633	86,207	138,659	151,707	-	376,573
Amount of units issued	19,192,679	19,545,040	19,526,951	-	58,264,670	18,112,384	17,793,430	17,792,167	-	53,697,981
<b>Employees of NBP Fullerton Asset Management Limited</b>										
Number of units issued	Units 23,748	36,767	-	-	60,515	-	-	-	-	-
Amount of units issued	5,728,988	4,979,994	-	-	10,708,982	-	-	-	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>										
Remuneration payable	69,952	44,995	39,647	-	154,594	41,551	34,592	22,172	-	98,315
Sindh Sales Tax payable	9,124	5,759	5,165	-	20,048	-	-	-	-	-
<b>Amjad Waheed - Chief Executive - CEO</b>										
Number of units issued	Units 260,747	-	-	-	260,747	193,601	-	-	-	193,601
Amount of units issued	62,903,375	-	-	-	62,903,375	40,676,315	-	-	-	40,676,315

# NAFA 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 cashflows 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.

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 as a result of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all transactions are carried out in Pakistani 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 as a result of changes in market interest rates.

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

As at 30 June 2016, the Fund holds KIBOR based interest bearing term finance certificates exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on 30 June 2016, with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.444 million (30 June 2015: Rs. 0.107 million).

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

As at 30 June 2016, the Fund holds market treasury bills and Pakistan investment bonds that expose the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by Financial Markets Association of Pakistan for market treasury bills and 100 basis points increase in effective interest rate of term finance certificates on 30 June 2016 with all other variables held constant, the net income for the year and net assets of the Fund would have been lower by Rs. 0.955 million (30 June 2015: Rs 2.333 million). In case of 100 basis points decrease in those rates, the net income for the year and net assets of the Fund would have been higher by Rs. 0.973 million (30 June 2015: Rs. 1.349 million).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Markets Association of Pakistan is 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.

Yield / 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 the settlement date.

# NAFA PENSION FUND

As at 30 June 2016

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						
		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			
<b>On-balance sheet financial instruments</b>																									
<b>Financial assets</b>																									
Bank balances	4.50 - 9.00	35,484,998	-	-	-	35,484,998	4.50 - 9.00	53,743,959	-	-	-	53,743,959	4.50 - 9.00	272,598,669	-	-	-	272,598,669	4.50 - 9.00	2,533,728	-	-	-	2,533,728	364,361,354
Investments	-	-	-	531,571,296	531,571,296	6.00 - 11.00	196,779,738	67,786,950	59,312,480	-	323,879,168	7.75	60,690,068	-	-	-	60,690,068	-	-	-	-	-	-	916,140,532	
Dividend receivable	-	-	-	1,236,830	1,236,830	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,236,830	
Profit receivables	-	-	-	57,334	57,334	-	-	-	-	3,196,007	3,196,007	-	-	-	-	915,858	915,858	-	-	-	-	-	-	4,169,199	
Security deposits	-	-	-	100,000	100,000	-	-	-	-	100,000	100,000	-	-	-	-	100,000	100,000	-	-	-	-	-	-	300,000	
		35,484,998	-	532,965,460	568,450,458		250,523,697	67,786,950	59,312,480	3,296,007	380,919,134		333,288,737	-	-	1,015,858	334,304,595		2,533,728	-	-	-	2,533,728	1,286,207,915	
<b>Financial liabilities</b>																									
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	-	-	2,658,613	2,658,613	-	-	-	-	1,927,216	1,927,216	-	-	-	1,590,845	1,590,845	-	-	-	-	-	-	2,467,659	2,467,659	8,644,333
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	79,076	79,076	-	-	-	-	50,754	50,754	-	-	-	44,812	44,812	-	-	-	-	-	-	-	-	174,642
Accrued expenses and other liabilities	-	-	-	280,224	280,224	-	-	-	-	224,821	224,821	-	-	-	195,564	195,564	-	-	-	-	-	-	-	-	700,609
		35,484,998	-	529,947,547	565,432,545		250,523,697	67,786,950	59,312,480	1,093,216	378,716,343		333,288,737	-	-	(815,363)	332,473,374		2,533,728	-	-	(2,467,659)	66,069	1,276,688,331	
<b>On-balance sheet gap</b>																									
		35,484,998	-	529,947,547	565,432,545		250,523,697	67,786,950	59,312,480	1,093,216	378,716,343		333,288,737	-	-	(815,363)	332,473,374		2,533,728	-	-	(2,467,659)	66,069	1,276,688,331	
<b>Off-balance sheet financial instruments</b>																									
		-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-
<b>Off-balance sheet gap</b>																									
		-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-
<b>Total interest rate sensitivity gap</b>																									
		35,484,998	-	529,947,547	565,432,545		250,523,697	67,786,950	59,312,480	1,093,216	378,716,343		333,288,737	-	-	(815,363)	332,473,374		2,533,728	-	-	(2,467,659)	66,069	1,276,688,331	
<b>Cumulative interest rate sensitivity gap</b>																									
		35,484,998	35,484,998	35,484,998		250,523,697	318,310,647	377,623,127				333,288,737	333,288,737	333,288,737					2,533,728	2,533,728	2,533,728				

As at 30 June 2015

2015

	Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Money Market Sub-Fund				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				
<b>On-balance sheet financial instruments</b>																										
<b>Financial assets</b>																										
Bank balances	4.50 - 10.35	51,840,466	-	-	51,840,466	4.50 - 10.35	27,231,232	-	-	-	27,231,232	4.50 - 10.35	69,368,137	-	-	-	69,368,137	4.50 - 10.35	2,744,595	-	-	-	2,744,595	151,184,430		
Investments	-	-	-	314,965,474	314,965,474	-	54,260,705	199,970,037	-	254,230,742	550,230,742	-	120,961,071	-	-	120,961,071	-	-	-	-	-	-	-	690,157,287		
Dividend receivable	-	-	-	875,553	875,553	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	875,553	
Profit receivables	-	-	-	107,089	107,089	-	-	-	-	2,371,536	2,371,536	-	-	-	189,263	189,263	-	-	-	-	-	-	-	-	2,667,888	
Receivable against sale of investments	10,859,225	-	-	-	10,859,225	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,859,225	
Security deposits	-	-	-	112,200	112,200	-	-	-	-	9,818,310	9,818,310	-	-	-	11,582,513	11,582,513	-	-	-	-	-	-	-	-	21,513,023	
		62,699,691	-	316,060,316	378,760,007		27,231,232	54,260,705	199,970,037	12,189,846	293,651,820		69,368,137	120,961,071	-	11,771,776	202,100,984		2,744,595	-	-	-	2,744,595	877,257,406		
<b>Financial liabilities</b>																										
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	-	-	1,209,906	1,209,906	-	-	-	-	978,056	978,056	-	-	-	755,814	755,814	-	-	-	-	-	-	2,153,902	2,153,902	5,097,678	
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	41,551	41,551	-	-	-	-	34,592	34,592	-	-	-	22,172	22,172	-	-	-	-	-	-	-	-	98,315	
Accrued expenses and other liabilities	-	-	-	20,684,824	20,684,824	-	-	-	-	533,520	533,520	-	-	-	415,053	415,053	-	-	-	-	-	-	-	-	21,633,397	
		62,699,691	-	294,124,035	356,823,726		27,231,232	54,260,705	199,970,037	10,643,678	292,105,652		69,368,137	120,961,071	-	10,578,737	200,907,945		2,744,595	-	-	(2,153,902)	590,693	850,428,016		
<b>On-balance sheet gap</b>																										
		62,699,691	-	294,124,035	356,823,726		27,231,232	54,260,705	199,970,037	10,643,678	292,105,652		69,368,137	120,961,071	-	10,578,737	200,907,945		2,744,595	-	-	(2,153,902)	590,693	850,428,016		
<b>Off-balance sheet financial instruments</b>																										
		-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-	
<b>Off-balance sheet gap</b>																										
		-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-	
<b>Total interest rate sensitivity gap</b>																										
		62,699,691	-	294,124,035	356,823,726		27,231,232	54,260,705	199,970,037	10,643,678	292,105,652		69,368,137	120,961,071	-	10,578,737	200,907,945		2,744,595	-	-	(2,153,902)	590,693	850,428,016		
<b>Cumulative interest rate sensitivity gap</b>																										
		62,699,691	62,699,691	62,699,691		27,231,232	81,491,937	281,461,974				69,368,137	190,329,208	190,329,208					2,744,595	2,744,595	2,744,595					

# NAFA PENSION FUND

## 20.2 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 KSE 100 index. 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. 5.3157 million (2015: Rs. 3.1496 million) if the prices of equity vary due to increase / decrease in the KSE 100 index. This is based on the assumption that the fair value of the Fund's portfolio moves according to their historical correlation with the KSE 100 index and that the KSE 100 index increases / decreases by 1% on KSE 100 index with all other factors held constant.

The Pension Fund Manager uses the KSE 100 index as a reference point in making investment decisions. However, the pension fund manager does not manage the Fund's investment strategy to track the KSE 100 index 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 KSE 100 index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, 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 KSE 100 Index.

## 20.3 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:

Bank balances	As at 30 June 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	(Rupees)				
AAA	-	233,775	648,912	-	882,687
AA+	610,870	53,505,427	67,250,510	2,533,728	123,900,535
AA-	-	-	63,487,724	-	63,487,724
AA	34,874,128	4,757	19,046,551	-	53,925,436
A+	-	-	122,164,972	-	122,164,972
	<u>35,484,998</u>	<u>53,743,959</u>	<u>272,598,669</u>	<u>2,533,728</u>	<u>364,361,354</u>
Dividend receivable	<u>1,236,830</u>	-	-	-	<u>1,236,830</u>
Profit receivables	<u>57,334</u>	<u>3,196,007</u>	<u>915,858</u>	-	<u>4,169,199</u>
Security deposits	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	-	<u>300,000</u>



# NAFA PENSION FUND

Bank balances	As at 30 June 2015				Total
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	
	----- (Rupees ) -----				
AAA	-	656,492	298,577	-	955,069
AA+	9,810,126	26,574,740	38,564,025	2,744,595	77,693,486
AA-	-	-	24,835,532	-	24,835,532
AA	42,030,340	-	4,367,060	-	46,397,400
A+	-	-	1,302,943	-	1,302,943
	<u>51,840,466</u>	<u>27,231,232</u>	<u>69,368,137</u>	<u>2,744,595</u>	<u>151,184,430</u>
Dividend receivable	875,553	-	-	-	875,553
Profit receivables	107,089	2,371,536	189,263	-	2,667,888
Security deposits	112,200	9,818,310	11,582,513	-	21,513,023

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 of banks of highly rated financial institutions.

## 20.4 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 year.

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:

# NAFA PENSION FUND

As at 30 June 2016															2016		
Total	Equity Sub-Fund			Total	Debt Sub-Fund			Total	Money Market Sub-Fund			Total	Others			Total	
	Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		
( Rupees )																	
<b>Financial Liabilities (excluding participants' funds)</b>																	
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	2,658,613	2,658,613	-	-	1,927,216	1,927,216	-	-	1,590,845	1,590,845	-	-	2,467,659	2,467,659	-	-	8,644,333
Payable to Central Depository Company of Pakistan Limited - Trustee	79,076	79,076	-	-	50,754	50,754	-	-	44,812	44,812	-	-	-	-	-	-	174,642
Accrued expenses and other liability	280,224	280,224	-	-	224,821	224,821	-	-	195,564	195,564	-	-	-	-	-	-	700,609
	<b>3,017,913</b>	<b>3,017,913</b>	<b>-</b>	<b>-</b>	<b>2,202,791</b>	<b>2,202,791</b>	<b>-</b>	<b>-</b>	<b>1,831,221</b>	<b>1,831,221</b>	<b>-</b>	<b>-</b>	<b>2,467,659</b>	<b>2,467,659</b>	<b>-</b>	<b>-</b>	<b>9,519,584</b>
Participants' funds	<b>562,943,502</b>	<b>562,943,502</b>	<b>-</b>	<b>-</b>	<b>377,792,686</b>	<b>377,792,686</b>	<b>-</b>	<b>-</b>	<b>332,032,998</b>	<b>332,032,998</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,272,769,186</b>
As at 30 June 2015															2015		
Total	Equity Sub-Fund			Total	Debt Sub-Fund			Total	Money Market Sub-Fund			Total	Others			Total	
	Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		
( Rupees )																	
<b>Financial Liabilities (excluding participants' funds)</b>																	
Payable to National Investment Limited - Pension Fund Manager	1,209,906	1,209,906	-	-	978,056	978,056	-	-	755,814	755,814	-	-	2,153,902	2,153,902	-	-	5,097,678
Payable to Central Depository Company of Pakistan Limited - Trustee	41,551	41,551	-	-	34,592	34,592	-	-	22,172	22,172	-	-	-	-	-	-	98,315
Accrued expenses and other liability	20,684,824	20,684,824	-	-	533,520	533,520	-	-	415,053	415,053	-	-	-	-	-	-	21,633,397
	<b>21,936,281</b>	<b>21,936,281</b>	<b>-</b>	<b>-</b>	<b>1,546,168</b>	<b>1,546,168</b>	<b>-</b>	<b>-</b>	<b>1,193,039</b>	<b>1,193,039</b>	<b>-</b>	<b>-</b>	<b>2,153,902</b>	<b>2,153,902</b>	<b>-</b>	<b>-</b>	<b>26,829,390</b>
Participants' funds	<b>354,428,030</b>	<b>354,428,030</b>	<b>-</b>	<b>-</b>	<b>291,260,630</b>	<b>291,260,630</b>	<b>-</b>	<b>-</b>	<b>200,526,574</b>	<b>200,526,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>846,215,234</b>

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 long term objective, the possibility of a significant redemption pressure is limited, such liquidity is 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 represents an undivided share in the pertinent sub-funds of the Fund and rank pari 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. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

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

# NAFA PENSION FUND

																								30 June 2016												2016														
																								Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Others				Total										
																								Carrying value		Fair Value		Carrying value		Fair Value		Carrying value		Fair Value		Carrying value		Fair Value		Carrying value		Fair Value		Others		Total				
																								At fair value through profit or loss - held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss - held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss - 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 )																										
<b>On-balance sheet financial instruments</b>																																																		
<b>Financial assets measured at fair value</b>																																																		
Investments																																																		
- Listed equity securities	531,571,296	-	-	531,571,296	531,183,300	-	387,996	531,571,296	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	531,571,296																							
- Government securities - Market Treasury Bills	-	-	-	-	-	-	-	-	232,486,725	-	-	232,486,725	-	232,486,725	-	232,486,725	-	-	-	-	-	-	-	-	-	-	-	232,486,725																						
- Government securities - Pakistan	-	-	-	-	-	-	-	-	46,547,791	-	-	46,547,791	-	46,547,791	-	46,547,791	-	-	-	-	-	-	-	-	-	-	-	46,547,791																						
- Term finance certificates	-	-	-	-	-	-	-	-	44,844,652	-	-	44,844,652	-	44,844,652	-	44,844,652	-	-	-	-	-	-	-	-	-	-	-	44,844,652																						
	<b>531,571,296</b>	<b>-</b>	<b>-</b>	<b>531,571,296</b>	<b>531,183,300</b>	<b>-</b>	<b>387,996</b>	<b>531,571,296</b>	<b>323,879,168</b>	<b>-</b>	<b>-</b>	<b>323,879,168</b>	<b>-</b>	<b>323,879,168</b>	<b>-</b>	<b>323,879,168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>855,450,464</b>																						
<b>Financial assets not measured at fair value</b>																																																		
22 Bank balances																																																		
	-	35,484,998	-	35,484,998	-	-	-	-	-	53,743,959	-	53,743,959	-	-	-	-	-	-	272,598,669	-	272,598,669	-	-	-	-	2,533,728	2,533,728	364,361,354																						
Investments in term deposit receipts																																																		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,690,068	-	60,690,068	-	-	-	-	-	-	60,690,068																						
Dividend receivable																																																		
	-	1,236,830	-	1,236,830	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,236,830																							
Profit receivables																																																		
	-	57,334	-	57,334	-	-	-	-	-	3,196,007	-	3,196,007	-	-	-	-	-	-	915,858	-	915,858	-	-	-	-	-	4,169,199																							
Security deposits																																																		
	-	100,000	-	100,000	-	-	-	-	-	100,000	-	100,000	-	-	-	-	-	-	100,000	-	100,000	-	-	-	-	-	300,000																							
	<b>-</b>	<b>36,879,162</b>	<b>-</b>	<b>36,879,162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,039,966</b>	<b>-</b>	<b>57,039,966</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>334,304,595</b>	<b>-</b>	<b>334,304,595</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,533,728</b>	<b>2,533,728</b>	<b>430,757,451</b>																						
<b>Financial liabilities not measured at fair value</b>																																																		
22 Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager																																																		
	-	-	2,658,613	2,658,613	-	-	-	-	-	1,927,216	1,927,216	-	-	-	-	-	-	-	1,590,845	1,590,845	-	-	-	-	-	2,467,659	2,467,659	8,644,333																						
Payable to Central Depository Company of Pakistan Limited - Trustee																																																		
	-	-	79,076	79,076	-	-	-	-	-	50,754	50,754	-	-	-	-	-	-	-	44,812	44,812	-	-	-	-	-	-	174,642																							
Accrued expenses and other liabilities																																																		
	-	-	280,224	280,224	-	-	-	-	-	224,821	224,821	-	-	-	-	-	-	-	195,564	195,564	-	-	-	-	-	-	700,609																							
	<b>-</b>	<b>-</b>	<b>3,017,913</b>	<b>3,017,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,202,791</b>	<b>2,202,791</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,831,221</b>	<b>1,831,221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,467,659</b>	<b>2,467,659</b>	<b>9,519,584</b>																						
30 June 2015																																																		
																								Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Others				2015										
																								Carrying value		Fair Value		Carrying value		Fair Value		Carrying value		Fair Value		Carrying value		Fair Value		Carrying value		Fair Value		Others		Total				
																								At fair value through profit or loss - held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss - held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss - 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 )																										
<b>On-balance sheet financial instruments</b>																																																		
<b>Financial assets measured at fair value</b>																																																		
Investments																																																		
- Listed equity securities	314,965,474	-	-	314,965,474	314,965,474	-	-	314,965,474	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	314,965,474																						
- Government securities - Market Treasury Bills	-	-	-	-	-	-	-	-	202,816,055	-	202,816,055	-	202,816,055	-	202,816,055	-	202,816,055	-	120,961,071	-	120,961,071	-	120,961,071	-	120,961,071	-	-	323,777,126																						
- Government securities - Pakistan	-	-	-	-	-	-	-	-	43,028,860	-	43,028,860	-	43,028,860	-	43,028,860	-	43,028,860	-	-	-	-	-	-	-	-	-	-	43,028,860																						
- Term finance certificates	-	-	-	-	-	-	-	-	8,385,827	-	8,385,827	-	8,385,827	-	8,385,827	-	8,385,827	-	-	-	-	-	-	-	-	-	-	8,385,827																						
	<b>314,965,474</b>	<b>-</b>	<b>-</b>	<b>314,965,474</b>	<b>314,965,474</b>	<b>-</b>	<b>-</b>	<b>314,965,474</b>	<b>254,230,742</b>	<b>-</b>	<b>254,230,742</b>	<b>-</b>	<b>254,230,742</b>	<b>-</b>	<b>254,230,742</b>	<b>-</b>	<b>254,230,742</b>	<b>-</b>	<b>120,961,071</b>	<b>-</b>	<b>120,961,071</b>	<b>-</b>	<b>120,961,071</b>	<b>-</b>	<b>120,961,071</b>	<b>-</b>	<b>-</b>	<b>690,157,287</b>																						
<b>Financial assets not measured at fair value</b>																																																		
Bank balances																																																		
	-	51,840,466	-	51,840,466	-	-	-	-	27,231,232	-	27,231,232	-	-	-	-	-	-	-	69,368,137	-	69,368,137	-	-	-	-	2,744,595	2,744,595	151,184,430																						
Dividend receivable																																																		
	-	875,553	-	875,553	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	875,553																							
Profit receivables																																																		
	-	107,089	-	107,089	-	-	-	-	2,371,536	-	2,371,536	-	-	-	-	-	-	-	189,263	-	189,263	-	-	-	-	-	2,667,888																							
Receivable against sale of investments																																																		
	-	10,859,225	-	10,859,225	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,859,225																							
Security deposits																																																		
	-	112,200	-	112,200	-	-	-	-	9,818,310	-	9,818,310	-	-	-	-	-	-	-	11,582,513	-	11,582,513	-	-	-	-	-	21,513,023																							
	<b>-</b>	<b>63,794,533</b>	<b>-</b>	<b>63,794,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,421,078</b>	<b>-</b>	<b>39,421,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,139,913</b>	<b>-</b>	<b>81,139,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,744,595</b>	<b>2,744,595</b>	<b>187,100,119</b>																						
<b>Financial liabilities not measured at fair value</b>																																																		
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager																																																		
	-	-	1,209,906	1,209,906	-	-	-	-	978,056	978,056	-	-	-	-	-	-	-	-	755,814	755,814	-	-	-	-	-	2,153,902	2,153,902	5,097,678																						
Payable to Central Depository Company of Pakistan Limited - Trustee																																																		
	-	-	41,551	41,551	-	-	-	-	34,592	34,592	-	-	-	-	-	-	-	-	22,172	22,172	-	-	-	-	-	-	98,315																							
Accrued expenses and other liabilities																																																		
	-	-	20,684,824	20,684,824	-	-	-	-	533,520	533,520	-	-	-	-	-	-	-	-	415,053	415,053	-	-	-	-	-	-	21,633,397																							
	<b>-</b>	<b>-</b>	<b>21,936,281</b>	<b>21,936,281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,546,168</b>	<b>1,546,168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,193,039</b>	<b>1,193,039</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,153,902</b>	<b>2,153,902</b>	<b>26,829,390</b>																						

# NAFA PENSION FUND

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

## 23 PERFORMANCE TABLE

### 23.1 Highest and lowest issue price of units during the year

	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2016	2015	2016	2015	2016	2015
	----- (Rupees) -----					
Highest issue price	<b>246.9716</b>	212.7500	<b>135.4476</b>	128.3300	<b>122.9843</b>	117.2800
Lowest issue price	<b>195.8105</b>	132.9700	<b>128.3423</b>	109.4400	<b>117.2946</b>	108.8700

### 23.2 Financial performance of pension fund

#### 23.3 Equity sub-fund

	Equity Sub-Fund					
	2016	2015	% change	2014	2013	2012
	----- (Rupees) -----					
Net income for the year	<b>72,663,454</b>	95,780,573	-24.14%	18,887,403	328,519	-
Realized gains	<b>17,918,683</b>	32,861,391	-45.47%	8,955,178	-	-
Unrealized appreciation / (diminution)	<b>39,454,311</b>	45,056,847	-12.43%	8,392,838	-	-
Dividend income	<b>23,022,617</b>	8,499,889	170.86%	3,153,650	-	-
Mark-up / return on bank deposits	<b>2,247,247</b>	1,380,331	62.80%	557,148	473,821	-
NAV per unit	<b>241.2424</b>	210.1034	14.82%	140.4046	101.0900	-
Transactions in securities						
Purchases	<b>511,112,302</b>	340,495,186	50.11%	153,502,045	-	-
Sales	<b>354,508,009</b>	195,171,686	81.64%	79,126,333	-	-
Total contribution received	<b>211,119,845</b>	211,656,014	-0.25%	65,420,849	30,006,000	-

#### 23.4 Debt sub-fund

	Debt Sub-Fund					
	2016	2015	% change	2014	2013	2012
	----- (Rupees) -----					
Net income for the year	<b>19,866,140</b>	35,282,374	-43.69%	4,026,612	342,968	-
Realized gains	<b>689,001</b>	10,096,290	-93.18%	(8,850)	-	-
Unrealized appreciation / (diminution)	<b>(338,201)</b>	3,226,485	-110.48%	237,212	-	-
Mark-up / return on bank deposits	<b>2,251,142</b>	1,308,407	72.05%	5,040,903	473,816	-
NAV per unit	<b>135.4476</b>	128.3251	5.55%	109.4204	101.1400	-
Transactions in securities						
Purchases	<b>496,246,576</b>	473,100,000	4.89%	252,274,448	-	-
Sales	<b>214,075,445</b>	125,600,000	70.44%	188,500,000	-	-
Total contribution received	<b>157,547,612</b>	192,695,269	-18.24%	56,286,577	29,997,000	-

#### 23.5 Money market sub-fund

	Money Market Sub-Fund					
	2016	2015	% change	2014	2013	2012
	----- (Rupees) -----					
Net income for the year	<b>15,401,064</b>	12,717,039	21.11%	4,171,745	357,419	-
Realized gains	<b>104,417</b>	29,208	257.49%	-	-	-
Unrealized appreciation / (diminution)	-	114,566	-100.00%	(47,802)	-	-
Mark-up / return on bank deposits	<b>13,748,017</b>	4,114,397	234.14%	5,356,247	-	-
NAV per unit	<b>122.9843</b>	117.2798	4.86%	108.8416	-	-
Transactions in securities						
Purchases	-	343,682,360	-100.00%	106,789,360	-	-
Sales	-	179,500,000	-100.00%	210,800,000	-	-
Total contribution received	<b>176,811,815</b>	183,171,303	-3.47%	82,453,331	29,997,000	-

## 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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\*Mobile apps are also available for download for android and ios devices





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

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