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

NAFA ISLAMIC PENSION FUND

ANNUAL REPORT 2015



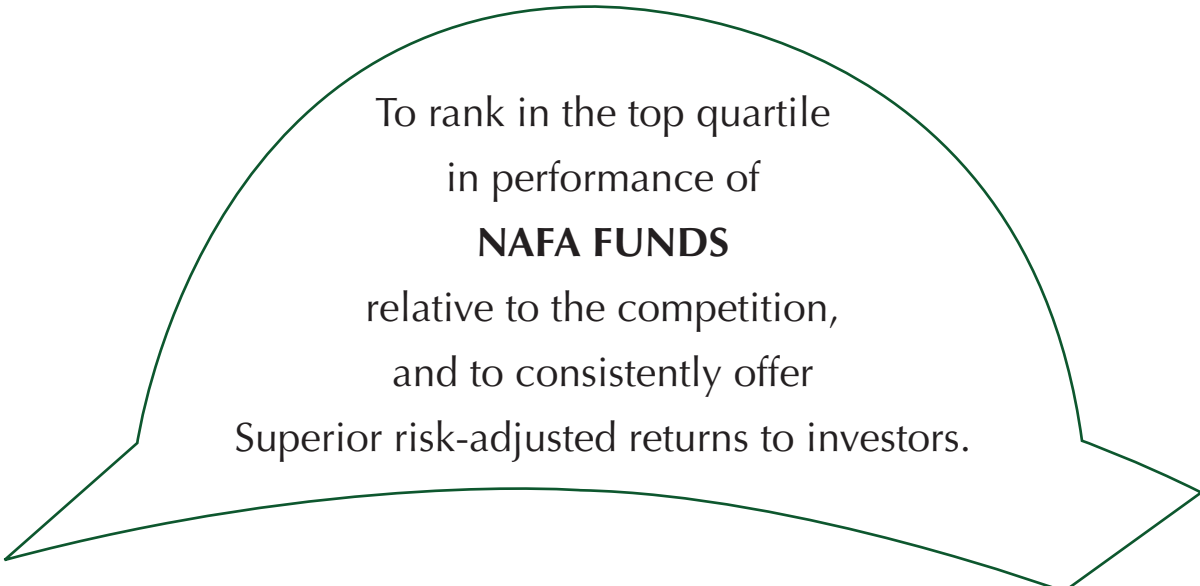
Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

MISSION STATEMENT



To rank in the top quartile
in performance of
NAFA FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.

NAFA ISLAMIC PENSION FUND

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 & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

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

Human Resource 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 Shahr-e-Faisal, Karachi.

Bankers to the Fund

Habib Bank Limited (Islamic)
United Bank Limited (Ameen)
Bank Al Habib Limited (Islamic)
Meezan Bank Limited
Bank Islami (Pakistan) Limited
Sindh Bank Limited (Sa'adat)
MCB Bank Limited (Islamic)
Dubai Islamic Bank Limited
Bank Alfalah Limited (Islamic)

NAFA ISLAMIC PENSION FUND

Auditors

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan

Legal Advisor

M/s Jooma Law Associates
205, E.I. Lines, Dr. Daudpota Road,
Karachi.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 111-111NFA (111-111-632),
(Toll Free): 0800-20001,
Fax: (021) 35825329
Website: www.nafafunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

Plot No. 395, 396
Industrial Area, I-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

1st Floor, Haji Tehmas Centre,
Near KFC, Tehkal Payan
University Road, Peshawar.
Phone: 92-91-5711784, 5711782
Fax: 92-91-5211780

Multan Office:

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

NAFA ISLAMIC PENSION FUND

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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. M. Murtaza Ali
Chief Operating Officer
& Company Secretary



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Mr. Zeeshan
Chief - Strategy &
Business Development



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Samiuddin Ahmed
Country Head Corporate
Marketing



Mr. Ozair Khan
Chief Technology Officer



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



Syed Suleman Akhtar CFA
Head of Research



Mr. Tahir Lateef
Head of Internal Audit



Mr. Ahmad Nouman CFA, PRM
Head of Risk Management



Mr. Asim Wahab Khan, CFA
Head of Equity

NAFA ISLAMIC PENSION FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Third Annual Report of NAFA Islamic Pension Fund for the year ended June 30, 2015.

Fund's Performance

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) June 30, 2014	NAV Per Unit (Rs.) June 30, 2015	Performance Since Launch July 02, 2013
NIPF-Equity Sub-fund	212.1	137.3012	208.0138	43.85%
NIPF-Debt Sub-fund	135.1	109.1759	115.2910	6.89%
NIPF-Money Market Sub-fund	79.2	108.5032	115.1765	6.84%
Annualized Return	[Net of management fee & all other expenses]			

During FY2014-15, the benchmark KMI-30 Index soared by 20.10%. Despite a challenging political environment which led to heightened volatility in the market, FY15 was the 6th consecutive year of double digit returns. The KSE-100 Index witnessed bullish momentum driven by strengthening foreign exchange reserves amid successful ongoing IMF and Privatization programs; issuance of international sukuk bonds; steep fall in oil prices and inflation and resultant 300bps cut in SBP discount rate to 7.0%; and rating upgrades by international rating agencies. Mutual Funds and foreigners remained net buyers in the market on the back of strong macroeconomic outlook, attractive valuations, and improving security situation.

Trading activity in Sukuks remained skewed towards the high quality issues. Dearth of primary issuance versus elevated demand further depressed the yield on the high credit quality corporate bonds. During the period under review, the State Bank of Pakistan reduced the discount rate by 300 bps bringing it to a 42 year low of 7.0%. SBP highlighted i) improving external account position; ii) benign inflation reading and anchored inflation outlook; and iii) continued increase in foreign exchange reserves as the key drivers for the expansionary monetary policy decision during the year. Sovereign securities responded to the loose monetary policy period with yields on the short term and long term sovereign bonds declining sharply. All Sukuks in the Fund are floating rate linked to KIBOR with three to six month coupon resetting period.

The equity sub-fund generated a return of 51.50% during FY15 against the benchmark KMI-30 Index return of 20.10%.

The debt sub-fund yielded a return of 5.60% during FY15.

During FY15, the money market sub-fund posted a return of 6.15%. The sub-funds have considerable allocation in GOP Ijara which are floating instrument with six-month coupon resetting. These returns are net of management fee and all other expenses.

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

NAFA ISLAMIC PENSION FUND

Asset Allocation (% of Net Assets)	
Equity Sub-fund	
Equity	93.05%
Cash Equivalents	11.60%
Others	-4.65%
Total	100.00%
Debt Sub-fund	
Sukuks	78.32%
Cash Equivalents	13.72%
Others	7.96%
Total	100.00%
Money Market Sub-fund	
Short Term Sukuks	64.23%
Cash Equivalents	29.06%
Others	6.71%
Total	100.00%

Taxation

No provision for taxation for the year ended June 30, 2015 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 Messrs M. Yousuf Adil Saleem & Co. Chartered Accountants, has completed their three year tenure in the capacity of Auditor of the Fund. As per the requirement of Rules 7(h) of Voluntary Pension System Rules, 2004 their replacement would be required. The Board has approved the appointment of Messrs KPMG Taseer Hadi & Co. Chartered Accountants, for the year ending June 30, 2016.

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 30, 2015
Place: Karachi.

Director

NAFA ISLAMIC PENSION FUND

TRUSTEE REPORT TO THE PARTICIPANTS NAFA ISLAMIC PENSION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Islamic Pension Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 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 20, 2015

NAFA ISLAMIC PENSION FUND

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

NAFA Islamic Pension Fund (the Fund) has fully complied with the Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2015. This has been duly confirmed by the Shariah Advisor of the Fund.

Date: September 30, 2015
Karachi.

Dr. Amjad Waheed, CFA
Chief Executive Officer

NAFA ISLAMIC PENSION FUND

FUND MANAGER REPORT

NAFA Islamic Pension Fund

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

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, 2014	NAV Per Unit (Rs.) June 30, 2015	Performance Since Launch July 02, 2013 (p.a)
NIPF-Equity Sub-fund	212.1	137.3012	208.0138	43.85%
NIPF-Debt Sub-fund	135.1	109.1759	115.2910	6.89%
NIPF-Money Market Sub-fund	79.2	108.5032	115.1765	6.84%
Annualized Return	[Net of management fee & all other expenses]			

This is the Third annual report of the Fund. During FY2014-15, the benchmark KMI-30 Index soared by 20.10%. Despite a challenging political environment which led to heightened volatility in the market, FY15 was the 6th consecutive year of double digit returns. The market witnessed bullish momentum due to strengthening FX reserves, successful ongoing IMF and Privatization programs, issuance of international sukuk bonds, steep fall in inflation and resultant 300bps cut in SBP discount rate to 7.0% and rating upgrades by international rating agencies. Mutual Funds and foreigners remained net buyers in the market on the back of strong macroeconomic outlook and improvement in political and security situation.

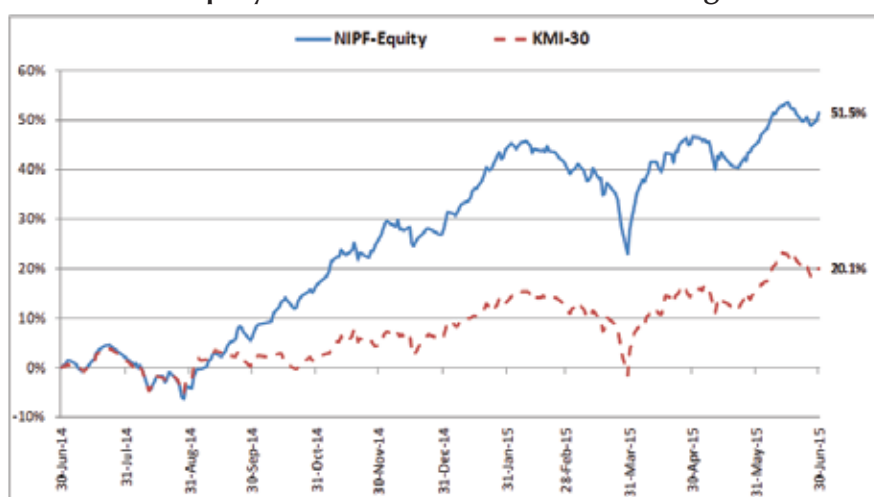
Trading activity in Sukuks remains skewed towards the high quality issues. Dearth of primary issuance versus elevated demand kept the yield on the high credit quality corporate bonds depressed. During the period under review, the State Bank of Pakistan reduced the discount rate by 300 bps bringing it to a 42 year low of 7.0%. SBP highlighted i) improving external account position; ii) benign inflation reading and anchored inflation outlook; and iii) continued increase in foreign exchange as key drivers for the expansionary monetary policy decision during the year. Sovereign securities responded to the loose monetary policy period with yields on the short term and long term sovereign bonds declining sharply.

The equity sub-fund generated a return of 51.50% during FY15 against the benchmark KMI-30 Index return of 20.10%.

The debt sub-fund yielded annualized return of 5.60% during FY15.

During FY15, the money market sub-fund posted an annualized return returned 6.15%. The debt and money market sub-funds have considerable allocation in GOP Ijara which are floating instrument with six-month coupon resetting.

NIPF-Equity Performance vs. KMI-30 during FY15



NAFA ISLAMIC PENSION FUND

Asset Allocation of the Fund (% of NAV)

Asset Allocation (% of Net Assets)	
Equity Sub-fund	
Equity	93.05%
Cash Equivalents	11.40%
Others	-4.45%
Total	100.00%
Debt Sub-fund	
GOP Ijara Sukuks	78.32%
Cash Equivalents	13.60%
Others	8.08%
Total	100.00%
Money Market Sub-fund	
GOP Ijara Sukuks	64.23%
Cash Equivalents	28.95%
Others	6.82%
Total	100.00%

Unit Holding Pattern of NAFA Islamic Pension Fund as on June 30, 2015

Size of Unit Holding (Units)		No. of Unit Holders (Equity)	No. of Unit Holders (Debt)	No. of Unit Holders (Money Market)
1	1,000	259	258	234
1,001	5,000	131	101	52
5,001	10,000	17	25	11
10,001	50,000	18	12	4
50,001	100,000	1	1	1
100,001	500,000	1	2	1
Total		427	399	303

During the period under question:

- There have been no significant changes in the state of affairs of the Fund
- The Management Company or its delegates did not receive any soft commission (i.e. goods and services) from its broker(s)/dealer(s) by virtue of transactions conducted by the Fund.

Workers' Welfare Fund (WWF)

	Total amount Provided upto June 30, 2015	Amount Per Unit Rs	Last one year return would otherwise have been higher by:
Equity Sub-Fund	1,341,944	1.3159	0.96%
Debt Sub-Fund	182,708	0.1559	0.14%
Money Market Sub-Fund	137,564	0.2001	0.18%

For details investors are advised to read the Note 18 of the Financial Statements of the Scheme for the year ended June 30, 2015.

NAFA ISLAMIC PENSION FUND

Report of the Shari'ah Advisor – NAFA Islamic Pension Fund

Sep 01, 2015/ Ziaqad 16, 1436

Alhamdulillah, the period from July 1, 2014 to June 30, 2015 was the second year of operations of NAFA Islamic Pension Fund (NIPF). This report is being issued in accordance with clause 4.20 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shari'ah Compliance of the Fund's activity.

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

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

- i. We have reviewed and approved the modes of equity investments of NIPF in light of Shari'ah requirements. Following is a list of top investments of NIPF as on June 30, 2015 and their evaluation according to the screening criteria established by us. (December 31, 2014 accounts of the Investee companies have been used)

Company Name	(i) Nature of Business	(ii)*** Debt to Assets (<37%)	(iii) Non-Compliant Investments (<33%)	(iv) Non-Compliant Income to Gross Revenue (<5%)	(v) Illiquid Assets to Total Assets (>25%)	(vi) Net Liquid Assets vs. Share Price (B>A)	
						Net Liquid Assets per Share (A)	Share Price (B)
Engro Corporation Ltd	Fertilizer	31.09	13.35	1.45	71	(-165.63)	221.51
DG Khan Cement Co Ltd****	Cement	9.73	12	5.13	85	(8.5)	110.53
Lucky Cement Ltd	Cement	13.24	0	0.85	82	(55.52)	500.28
Kot Addu Power Co Ltd****	Power Generation and Distribution	24.44	0.00	5.37	20.96	73.18	78.94
Indus Motor Company Ltd	Automobile Assembler	0.00	12.54	2.09	33.00	82.63	880.32
Hub Power Co Ltd	Power Generation and Distribution	20.94	0.04	0.06	30	5.42	78.36

NAFA ISLAMIC PENSION FUND

	(i)	(ii)***	(iii)	(iv)	(v)	(vi)	
Pakistan State Oil Co Ltd****	Oil and Gas Marketing Companies	34.69	13.01	0.87	21.30	18.09	357.91
Attock Petroleum	Oil and Gas Marketing Companies	0.00	3.71	0.49	26.96	69.2	539.58
Kohinoor Textile Mills Ltd	Textile	31.03	2.74	0.13	86.32	(61.57)	35.05
Pakistan Oilfields Ltd	Oil and Gas Exploration Companies	0.00	5.39	1.99	70.32	30.419	379.36

* ii, iii, iv & v are in percentages while vi & vii are in Rs.

** These ratios are for the calculation of non-Shari'ah Compliant Element in the business and are not relevant for Islamic Banks & Islamic Financial Institutions.

*** All interest based debts.

**** On Watch List due to being forced to invest in TFCs/PIBs by Government of Pakistan to settle their long standing circular debt resulting in surpassing the 'Non Compliant Income to Total Income' ratio and not meeting the minimum criteria of 'Illiquid Assets to Total Assets Ratio'.

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

In light of the above, we hereby certify that nothing has come to our attention which causes to believe that the overall operations of NIPF for the period ended June 30, 2015 are not in compliance with the Shari'ah principles.

During the year a provision of Rupees 86,665/- was created and an amount of Rupees 35,564/- was available for disbursement into charity as of June 30, 2015. However, the provisional amount will be adjusted after the availability of the respective annual financial statements.

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

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

Bilal Ahmed Qazi
Shar'iah Advisor

NAFA ISLAMIC PENSION FUND

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

We were engaged to report on NAFA Islamic Pension Fund's (the Fund) compliance with the Shariah principles as set out in the annexed statement prepared by the Pension Fund Manager for the year ended June 30, 2015, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly, in all material respects, the status of the Fund's compliance with Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor, as required under clause 4.20 of the Trust Deed of the Fund.

Pension Fund Manager's responsibility

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

Our responsibility

Our responsibility is to examine the annexed statement prepared by the Pension Fund Manager and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with international Standard on Assurance Engagements (ISAE 3000) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor.

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

The procedure performed included:

- Checking compliance of specific guidelines issued by the Shariah Advisor relating to charity, maintaining bank accounts and for making investments of the Fund; and
- Checking that the Shariah Advisor has certified that investments made by the Fund during the period ended June 30, 2015 are in compliance with the Shariah principles and where required, purification of income from non-compliant sources has been made in consultation with the Shariah Advisor.

Conclusion

In our opinion, the annexed statement, in all material respects, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor for the year ended June 30, 2015.

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Karachi

Date: October 15, 2015

NAFA ISLAMIC PENSION FUND

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

We have audited the annexed financial statements comprising:

- i. Balance Sheet;
- ii. Income Statement;
- iii. Statement of Comprehensive Income;
- iv. Cashflow Statement; and
- v. Statement of Movement in Participants' Fund

of **NAFA ISLAMIC Pension Fund** ("the Fund") as at June 30, 2015 together with the notes forming part thereof, for the year ended June 30, 2015.

It is the responsibility of NBP Fullerton Asset Management Limited (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 International Accounting Standards notified under the sub-section(3) of section 234 of the Companies Ordinance, 1984, and technical releases issued by the Institute of Chartered Accountants of Pakistan from time to time and the requirements of the Voluntary Pensions System Rules, 2005 . Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 the 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 accounts prepared for the year ended June 30, 2015 have been properly drawn in accordance with the relevant provisions of the trust deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund as at June 30, 2015 and transactions of the Fund for the ended June 30, 2015 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 accounts 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 Usher Ordinance, 1980 (XVIII of 1980).

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Engagement Partner
Naresh Kumar
Date: September 30, 2015
Place: Karachi

NAFA ISLAMIC PENSION FUND

BALANCE SHEET AS AT JUNE 30, 2015

Note	2015					2014					
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Others	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Others	Total	
	Rupees					Rupees					
ASSETS											
Bank balances	5	24,610,988	18,531,916	23,011,902	2,365,550	68,520,356	7,367,812	18,881,853	12,226,947	146,000	38,622,612
Investments - net	6	197,395,645	105,801,400	50,866,750	-	354,063,795	47,250,444	33,693,900	29,453,100	-	110,397,444
Dividend receivable		615,306	-	-	-	615,306	134,800	-	-	-	134,800
Profit receivable	7	124,696	2,212,356	602,720	-	2,939,772	26,540	527,255	210,774	-	764,569
Preliminary expenses and floatation cost	8	21,027	21,027	21,027	-	63,081	46,027	46,027	46,027	-	138,081
Receivable against sale of investment		8,310,597	-	-	-	8,310,597	3,862,494	-	-	-	3,862,494
Advances, deposits and other receivables	9	107,626	10,494,621	6,393,769	-	16,996,016	572,500	108,734	101,221	-	782,455
Total assets		231,185,885	137,061,320	80,896,168	2,365,550	451,508,923	59,260,617	53,257,769	42,038,069	146,000	154,702,455
LIABILITIES											
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	10	768,155	518,511	345,310	2,365,550	3,997,526	188,978	163,557	137,592	146,000	636,127
Payable to the Central Depository Company of Pakistan Limited - Trustee	11	26,651	15,314	8,707	-	50,672	6,373	5,743	4,688	-	16,804
Payable to the Securities and Exchange Commission of Pakistan	12	38,379	26,917	17,578	-	82,874	15,013	13,972	12,642	-	41,627
Payable against purchase of investment		-	-	-	-	-	1,670,950	-	-	-	1,670,950
Accrued expenses and other liabilities	13	18,216,615	1,418,514	1,332,552	-	20,967,681	6,716,193	201,504	192,921	-	7,110,618
Total liabilities		19,049,800	1,979,256	1,704,147	2,365,550	25,098,753	8,597,507	384,776	347,843	146,000	9,476,126
NET ASSETS		212,136,085	135,082,064	79,192,021	-	426,410,170	50,663,110	52,872,993	41,690,226	-	145,226,329
PARTICIPANTS' SUB-FUNDS (as per statement attached)		212,136,085	135,082,064	79,192,021	-	426,410,170	50,663,110	52,872,993	41,690,226	-	145,226,329
Contingencies and commitments	16										
Number of units in issue		1,019,817	1,171,662	687,571		2,879,050	368,992	484,292	384,230		1,237,515
Net asset value per unit		208.0138	115.2910	115.1765			137.3012	109.1759	108.5032		

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

Note	2015				2014			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
-----Rupees-----Rupees-----								
INCOME								
Return / mark-up on;								
-bank deposits	760,381	1,085,411	784,974	2,630,766	316,870	505,362	562,048	1,384,280
-government securities	-	6,163,829	4,106,785	10,270,614	-	2,876,280	2,477,914	5,354,194
Dividend income	4,677,308	-	-	4,677,308	2,121,162	-	-	2,121,162
Capital gain / (loss) on sale of investments - Net	17,811,482	(24,500)	-	17,786,982	7,151,944	-	-	7,151,944
Net unrealized gain / (loss) on remeasurment of investments at fair value through profit or loss - held for trading	24,960,581	(523,150)	(358,600)	24,078,831	5,137,389	558,700	153,100	5,849,189
Net element of income and capital gains included 'in prices of units issued less those in units redeemed	8,430,583	1,056,848	828,457	10,315,888	-	-	-	-
Total income	56,640,335	7,758,438	5,361,616	69,760,389	14,727,365	3,940,342	3,193,062	21,860,769
EXPENSES								
Remuneration of NBP Fullerton Asset Management Limited - Pension Fund Manager	1,744,471	1,158,277	700,536	3,603,284	610,583	469,388	335,199	1,415,170
Sindh sales tax on remuneration of the Pension Fund Manager	303,539	201,541	121,894	626,974	113,800	87,616	62,574	263,990
Federal Excise Duty on remuneration of the Pension Fund Manager	279,116	185,325	112,086	576,527	97,693	75,102	53,632	226,427
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	188,419	135,887	90,724	415,030	61,058	56,327	50,280	167,665
Annual fee - Securities and Exchange Commission of Pakistan	38,379	26,917	17,578	82,874	13,433	12,392	11,062	36,887
Auditors' remuneration	84,134	84,134	84,134	252,402	90,000	90,000	90,000	270,000
Amortization of preliminary expense and floatation cost	25,000	25,000	25,000	75,000	25,000	25,000	25,000	75,000
Securities transaction cost	319,448	10,552	3,105	333,105	203,309	1,500	1,325	206,134
Printing expenses	14,980	14,980	14,980	44,940	49,950	49,950	49,950	149,850
Legal and professional charges	41,666	41,666	41,666	124,998	19,668	19,668	19,668	59,004
Settlement and bank charges	95,907	48,041	37,015	180,963	101,460	24,983	23,963	150,406
Total expenses	3,135,059	1,932,320	1,248,718	6,316,097	1,385,954	911,926	722,653	3,020,533
Net income from operating activities	53,505,276	5,826,118	4,112,898	63,444,292	13,341,411	3,028,416	2,470,409	18,840,236
Provision for Workers' Welfare Fund	(1,070,106)	(116,524)	(82,258)	(1,268,888)	(266,828)	(60,568)	(49,408)	(376,804)
Net income for the year	52,435,170	5,709,594	4,030,640	62,175,404	13,074,583	2,967,848	2,421,001	18,463,432
Taxation	-	-	-	-	-	-	-	-
Net income for the year	52,435,170	5,709,594	4,030,640	62,175,404	13,074,583	2,967,848	2,421,001	18,463,432
Earning per unit								

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2015

	2015				2014			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
	-----Rupees-----				-----Rupees-----			
Net income for the year	52,435,170	5,709,594	4,030,640	62,175,404	13,074,583	2,967,848	2,421,001	18,463,432
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	52,435,170	5,709,594	4,030,640	62,175,404	13,074,583	2,967,848	2,421,001	18,463,432

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB - FUNDS FOR THE YEAR ENDED JUNE 30, 2015

Note	2015				2014			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
-----Rupees-----								
Net assets at the beginning of the year	50,663,110	52,872,993	41,690,226	145,226,329	30,260,643	30,272,232	30,286,408	90,819,283
Issuance of units	151,408,445	100,465,935	40,767,642	292,642,022	14,242,087	17,284,098	6,199,358	37,725,543
Redemption of units	(17,462,345)	(33,148,544)	(12,706,808)	(63,317,697)	(747,539)	(859,987)	(174,403)	(1,781,929)
Effect of reallocation	(16,477,712)	10,238,934	6,238,778	-	(6,166,664)	3,208,802	2,957,862	-
Net element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	28,109,376	2,512,114	1,386,182	32,007,672	375,959	1,036,537	492,828	1,905,324
Net element of (income)/ loss and capital (gains)/ losses included in prices of units issued less those in units redeemed - transferred to income statement	(8,430,583)	(1,056,848)	(828,457)	(10,315,888)	-	-	-	-
Total comprehensive income for the year - Profit for the year	52,435,170	5,709,594	4,030,640	62,175,404	13,074,583	2,967,848	2,421,001	18,463,432
Net element of (income) and capital (gains) included in prices of units issued less those in units redeemed	(28,109,376)	(2,512,114)	(1,386,182)	(32,007,672)	(375,959)	(1,036,537)	(492,828)	(1,905,324)
Net assets at the end of the year	212,136,085	135,082,064	79,192,021	426,410,170	50,663,110	52,872,993	41,690,226	145,226,329

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	2015					2014				
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Others	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Others	Total
	-----Rupees-----					-----Rupees-----				
CASH FLOWS FROM OPERATING ACTIVITIES										
Net income for the year before taxation	52,435,170	5,709,594	4,030,640	-	62,175,404	13,074,583	2,967,848	2,421,001	-	18,463,432
Adjustments for non-cash items										
Net unrealized (gain)/ loss on remeasurement of investments at fair value through profit or loss - held for trading	(24,960,581)	523,150	358,600	-	(24,078,831)	(5,137,389)	(558,700)	(153,100)	-	(5,849,189)
Gain on sale of investment-net	(17,811,482)	24,500	-	-	(17,786,982)	(7,151,944)	-	-	-	(7,151,944)
Net element of (income)/loss and capital (gains)/loss included in prices of units issued less those in units redeemed	(8,430,583)	(1,056,848)	(828,457)	-	(10,315,888)	-	-	-	-	-
Preliminary expenses and floatation cost	25,000	25,000	25,000	-	75,000	25,000	25,000	25,000	-	75,000
	1,257,524	5,225,396	3,585,783	-	10,068,703	810,250	2,434,148	2,292,901	-	5,537,299
Decrease / (increase) in assets										
Investments net	(107,373,138)	(72,655,150)	(21,772,250)	-	(201,800,538)	(38,823,605)	(33,135,200)	(29,300,000)	-	(101,258,805)
Dividend receivable	(480,506)	-	-	-	(480,506)	(134,800)	-	-	-	(134,800)
Profit receivable	(98,156)	(1,685,101)	(391,946)	-	(2,175,203)	221,485	(272,586)	43,895	-	(7,206)
Receivable against sale of investment	(4,448,103)	-	-	-	(4,448,103)	-	-	-	-	-
Advances, deposits and other receivables	464,874	8,735	1,221	-	474,830	(572,500)	(108,734)	(10,122)	-	(782,455)
	(111,935,029)	(74,331,516)	(22,162,975)	-	(208,429,520)	(39,309,420)	(33,516,520)	(29,357,326)	-	(102,183,266)
(Decrease) / increase in liabilities										
Payable against purchase of investments	(1,670,950)	-	-	-	(1,670,950)	1,670,950	-	-	-	1,670,950
Payable to NBP Fullerton Asset Management Limited -	579,177	354,954	207,718	2,219,550	3,361,399	4,852	(5,963)	(17,392)	146,000	127,497
Payable to the Central Depository Company Limited	20,278	9,571	4,019	-	33,868	(809)	(1,438)	(2,495)	-	(4,742)
Annual fee payable to the Securities and Exchange Commission of Pakistan	23,366	12,945	4,936	-	41,247	13,433	12,392	11,062	-	36,887
Accrued expenses and other liabilities	1,147,658	263,383	159,119	-	1,570,160	6,684,277	169,198	160,257	-	7,013,732
	99,529	640,853	375,792	2,219,550	3,335,724	8,372,703	174,189	151,432	146,000	8,844,324
Net cash (used in) / generated from operating activities	(110,577,976)	(68,465,267)	(18,201,400)	2,219,550	(195,025,093)	(30,126,467)	(30,908,183)	(26,912,993)	146,000	(87,801,643)
CASH FLOWS FROM FINANCING ACTIVITIES										
Amount received on issue of units	15,140,445	90,071,313	34,473,873	-	275,953,631	14,242,087	17,284,098	6,199,358	-	37,725,543
Amount paid on redemption of units	(7,109,581)	(32,194,917)	(11,726,296)	-	(51,030,794)	(747,539)	(859,987)	(174,403)	-	(1,781,929)
Effect of reallocation	(16,477,712)	10,238,934	6,238,778	-	-	(6,166,664)	3,208,802	2,957,862	-	-
Net cash generated from financing activities	127,821,152	68,115,330	28,986,355	-	224,922,837	7,327,884	19,632,913	8,982,817	146,000	35,943,614
Net (decrease) / increase in cash and cash equivalents	17,243,176	(349,937)	10,784,955	2,219,550	29,897,744	(22,798,583)	(11,275,270)	(17,930,176)	146,000	(51,858,029)
Cash and cash equivalents at the beginning of the year	7,367,812	18,881,853	12,226,947	146,000	38,622,612	30,166,395	30,157,123	30,157,123	-	90,480,641
Cash and cash equivalents at the end of the year	24,610,988	18,531,916	23,011,902	2,365,550	68,520,356	7,367,812	18,881,853	12,226,947	146,000	38,622,612

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA ISLAMIC PENSION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Pension Fund ("the Fund") was established under a Trust Deed, dated October 12, 2012, between NBP Fullerton Asset Management Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on November 16, 2012.

The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by 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, individualized, funded (based on defined contribution), flexible pension scheme, assisting and facilitating them to plan and provide for their retirement.

The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Mufti Bilal Ahmed Qazi as Shariah Advisor to the Pension Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.

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

- The Equity sub-fund consists of a minimum 90% of net assets invested in Shariah compliant listed equity securities. Investment in single company is restricted to lower of 10% of Net 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 or index weight, the subject to a maximum of 35% of NAV of equity sub-fund. (Remaining assets of the equity sub-fund may be invested in any government treasury bills or government securities having less than one year time maturity, or be deposited with scheduled Islamic commercial banks having at least 'A' rating or Islamic windows of commercial banks having rating not less than 'AA' by a rating).
- The Debt sub-fund consists of Shariah compliant tradable debt securities with weighted average time to maturity of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the net assets of Debt sub-fund shall be invested in debt securities issued by the Federal Government. Upto twenty five percent (25%) may be deposited with scheduled Islamic banks having not less than "A+" rating or Islamic windows of commercial banks having not less than 'AA' rating. Investment in securities issued by companies of a single sector shall not exceed 20% except for banking sector for which the exposure limit shall be up to 30% of net assets of Debt sub-fund. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Money Market sub-fund consists of Shariah compliant short term money market securities with weighted average time to maturity not exceeding one year. There is no restriction on the amount of investment in securities issued by the Federal Government and Islamic windows of commercial banks having 'A+' rating provided that deposit with any one bank shall not exceed 20% of net assets Money Market Sub-Fund. Investment in securities issued by provincial government, city government, government corporation with 'A' or higher rating or a corporate entity with 'A+' or higher rating shall be in proportion as defined in offering document.

The Fund offers five types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility 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.

NAFA ISLAMIC PENSION FUND

Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of 'AM2 +' (2014 AM2) to the Pension Fund Manager while the Fund is currently not rated.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, technical releases issued by the Institute of Chartered Accountants of Pakistan from time to time and the requirements of the Voluntary Pension System Rules, 2005 (the VPS Rules). Wherever the requirements of the VPS Rules differ with the requirements of IFRS, the requirements of the VPS Rules shall prevail.

2.2 Basis of Measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.4 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2015

The following standards, amendments and interpretations are effective for the year ended June 30, 2015. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- | | |
|--|---|
| - Amendments to IAS 19 Employee Benefits: Employee contributions | Effective from accounting period beginning on or after July 01, 2014 |
| - Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities | Effective from accounting period beginning on or after January 01, 2014 |
| - IAS 36 Impairment of Assets - Recoverable amount disclosures for non-financial assets | Effective from accounting period beginning on or after January 01, 2014 |
| - IAS 39 Financial Instruments: Recognition and measurement - Novation of derivatives and continuation of hedge accounting | Effective from accounting period beginning on or after January 01, 2014 |
| - IFRIC 21 - Levies | Effective from accounting period beginning on or after January 01, 2014 |

2.5 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- | | |
|--|--|
| - Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization | Effective from accounting period beginning on or after January 01, 2016 |
| - Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants | Effective from accounting period beginning on or after January 01, 2016 |
| - IAS 27 (Revised 2011) – Separate Financial Statements | Effective from accounting period beginning on or after January 01, 2015. IAS 27 (Revised 2011) will concurrently apply with IFRS 10. |
| - IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures | Effective from accounting period beginning on or after January 01, 2015 |
| - IFRS 10 – Consolidated Financial Statements | Effective from accounting period beginning on or after January 01, 2015. Earlier adoption is encouraged. |

NAFA ISLAMIC PENSION FUND

- IFRS 11 – Joint Arrangements Effective from accounting period beginning on or after January 01, 2015
- IFRS 12 – Disclosure of Interests in Other Entities Effective from accounting period beginning on or after January 01, 2015
- IFRS 13 – Fair Value Measurement Effective from accounting period beginning on or after January 01, 2015

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers

2.6 Critical accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

In the process of applying the Fund's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

- (a) classification of investments (Note 3.2.1)
- (b) impairment of financial assets (Note 3.2.5)
- (c) provisions (Note 3.5)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.2 Financial assets

3.2.1 Classification

The fund classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss - held for trading
- loans and receivables
- available for sale

The classification depends on the purpose for which the financial assets were acquired. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

NAFA ISLAMIC PENSION FUND

a) Financial assets at fair value through profit or loss - held for trading

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss - held for trading".

b) Loans and receivables

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

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 (i) loans and receivables, (ii) held to maturity investments or (iii) financial assets at fair value through profit and loss - held for trading.

3.2.2 Regular way contracts

All regular purchases / sales of investments are recognized on the trade date i.e. the date that the Fund commits to purchase / sell the investments. Purchases / sales of investments require delivery of securities within the time frame established by the regulations.

3.2.3 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'-held for trading. Financial assets carried 'at fair value through profit or loss - held for trading are initially recognised at fair value and transaction costs are recognised in the 'income statement'.

3.2.4 Subsequent measurement

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

a) Basis of valuation of debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012. In the determination of valuation rates, the 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 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.

Investments of the Fund in unquoted equity securities are carried at lower of investment price or their break-up value as per the latest audited financial statements.

c) Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

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.

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 recognized directly in the 'statement of comprehensive income' is transferred 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.

3.2.5 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 recognized whenever, the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the 'Income Statement'.

NAFA ISLAMIC PENSION FUND

a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular no. 33 of 2012 dated October 24, 2012 issued by the SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Pension Fund Manager.

b) Equity Securities

The fund assess at each reporting date whether there is objective evidence that a financial asset or a group of financial asset is impaired. In case of investments classified as 'available-for-sale', a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for 'available-for-sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement is reclassified other comprehensive income and recognised in the income statement. However, the decrease in impairment loss on equity securities are not reversed through the income statement.

3.2.6 Derecognition

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

3.2.7 Offsetting of financial assets and financial liabilities

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

3.3 Financial liabilities

All financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognized 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.

3.4 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.

3.5 Provisions

Provisions are recognized 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.

3.6 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.

Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is determined based on the income earned during the period and on unrealised appreciation / (diminution) arising during the year on available for sale securities (AFS). From April 01, 2015, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed is now apportioned between the income statement and the Statement of movement in participants' Sub - Fund in proportion of the relative change in net assets for the period of available for sale investments and other net assets (Note 4).

3.7 Taxation

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

3.8 Issue and redemption of units

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

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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.

3.9 Net Asset 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.

3.10 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation 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.
- Dividend income is recognized when the right to receive the dividend is established.
- Markup / return on government securities, sukuks, bank balances and term deposit receipts are recognized on a time proportion basis using the effective interest method.

4 Change in accounting estimate

From April 01, 2015, the Fund has revised its methodology for recognition of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed. As per the revised methodology, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed is now apportioned between the income statement and the Statement of movement in participants' Sub - Fund in proportion of the relative change in net assets for the period of available for sale investments and other net assets. Previously, full amount of the element was taken directly to the Statement of movement in participants' Sub - Fund.

The revised methodology, in the opinion of management, reflects a more appropriate manner for recognition of element and moreover is in conformity with the general industry practice. Management has informed us that the aforesaid change has been agreed with the trustee of the Fund and the new methodology is being consistently implemented across all funds managed by the Management Company. Management has treated the revision in methodology as change in accounting estimate. Had there been no change in estimate, the net profit for the period would have been lower by Rs.10.109 million (net of WWF's charge).

Note	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
				(5.2)					(5.2)	
	-----Rupees-----					-----Rupees-----				

5 BALANCES WITH BANK

Savings accounts	5.1	24,610,988	18,531,916	23,011,902	2,365,550	68,520,356	7,367,812	18,881,853	12,226,947	146,000	38,622,612
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5.1 These carry a rate of return ranging from 4.5% to 10.25% (June 2014: 6.00% to 8.75%) per annum.

5.2 This represents collection account and redemption account maintained by the fund. The amount in this fund represents sales load payable to the pension fund manager

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6 INVESTMENTS - NET	Note	2015				2014			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		-----Rupees-----				-----Rupees-----			
At fair value through profit or loss									
- held for trading									
Equity securities - listed	6.1	197,220,245	-	-	197,220,245	47,250,444	-	-	47,250,444
Government of Pakistan - Ijara Sukus	6.2	-	105,801,400	50,866,750	156,668,150	-	32,664,400	29,453,100	62,117,500
K-Electric Azam Sukuk	6.3	-	-	-	-	-	1,029,500	-	1,029,500
Available for Sale	6.4	175,400	-	-	175,400	-	-	-	-
Redeemable Preference Share									
		197,395,645	105,801,400	50,866,750	354,063,795	47,250,444	33,693,900	29,453,100	110,397,444

6.1 Listed equity securities - at fair value through profit or loss / held for trading - Equity Sub-Fund

All shares have a nominal face value of Rs. 10 each except for shares of Thal Limited, DYNEA Pakistan Limited and K-electric which have a face value of Rs. 5, 5 and 3.5 each respectively.

Name of the investee company	As at July 1, 2014	Purchases during the period	Bonus / Right during the period	Sales during the period	As at June 30, 2015	Market value	Market value as a % of		
							Net assets	Total Investment of the Sub-Fund	Paid-up capital of the investee company
		-----Number of shares-----		-----Rupees-----		-----%-----			
Pharma and Bio tech									
Abbot Laboratories (Pakistan) Limited	2,800	600	-	700	2,700	1,801,737	0.85	0.91	0.01
GlaxoSmithKline (Pakistan) Limited	6,380	2,200	-	4,100	4,480	876,019	0.41	0.44	0.01
Ferozsons Laboratories Limited	-	10,100	-	5,000	5,100	3,261,654	1.54	1.65	0.02
The Searle Company Limited	-	8,800	1,760	3,100	7,460	2,392,347	1.13	1.21	0.01
Commercial Banks									
Bank Islami Pakistan Limited	78,500	13,000	8,302	99,802	-	-	-	-	-
Meezan Bank Limited	55,000	19,500	-	-	74,500	3,054,500	1.44	1.55	0.01
Construction and Materials (Cement)									
D.G. Khan Cement Company Limited	14,500	168,500	-	95,000	88,000	12,563,760	5.92	6.36	0.02
Kohat Cement Limited	-	25,500	-	25,500	-	-	-	-	-
Lafarge Pakistan Cement Limited	18,000	-	-	18,000	-	-	-	-	-
Lucky Cement Limited	7,200	23,100	-	7,700	22,600	11,743,412	5.54	5.95	0.01
Maple Leaf Cement Factory Limited	73,000	45,000	-	61,000	57,000	4,477,920	2.11	2.27	0.01
Akzo Nobel Pakistan Limited	12,200	-	-	8,800	3,400	1,085,178	0.51	0.55	0.01
Pioneer Cement Limited	48,000	38,500	-	54,000	32,500	2,771,925	1.31	1.40	0.01
Attock Cement (Pakistan) Limited	-	11,600	-	4,600	7,000	1,334,200	0.63	0.68	0.01
Fecto Cement Limited	-	68,000	-	13,500	54,500	3,789,385	1.79	1.92	0.11
Chemicals									
Engro Corporation Limited	-	62,900	-	11,500	51,400	15,255,520	7.19	7.73	0.01
Fauji Fertilizer Company Limited	-	33,500	-	9,100	24,400	3,645,848	1.72	1.85	0.01
Dawood Hercules Corporation Limited	-	24,000	-	4,500	19,500	2,277,015	1.07	1.15	0.01
Dyneema Pakistan Limited	-	56,500	-	18,000	38,500	1,886,500	0.89	0.96	0.20
Engro Fertilizers Limited	-	83,000	-	34,000	49,000	4,345,810	2.05	2.20	0.01
Ittehad Chemical Limited	-	104,500	-	-	104,500	4,889,555	2.30	2.48	0.21
General Industries									
Ghani Glass Mills Limited	23,000	-	-	23,000	-	-	-	-	-
Thal Limited	12,400	3,200	-	6,600	9,000	2,568,870	1.21	1.30	0.01
Automobile and Parts									
Ghandhara Nissan Limited.	77,500	82,000	-	142,500	17,000	1,681,130	0.79	0.85	0.04
Honda Atlas Cars (Pakistan)	10,500	42,800	-	30,200	23,100	5,051,508	2.38	2.56	0.02
Pak Suzuki Motor Company Limited	7,400	10,600	-	10,900	7,100	3,094,961	1.46	1.57	0.01
Sazgar Engineering Works Limited	84,500	30,500	-	63,000	52,000	2,002,000	0.94	1.01	0.29
Agriaautos Industries Limited	-	6,500	-	-	6,500	1,208,675	0.57	0.61	0.02
Baluchistan Wheels Limited	-	39,000	-	-	39,000	2,267,850	1.07	1.15	0.29
Exide Pakistan Limited	-	1,000	-	1,000	-	-	-	-	-
Indus Motor Company Limited	-	6,900	-	-	6,900	8,618,100	4.06	4.37	0.01

NAFA ISLAMIC PENSION FUND

Name of the investee company	As at July 1, 2014	Purchases during the period	Bonus / Right during the period	Sales during the period	As at June 30, 2015	Market value	Market value as a % of		
							Net assets	Total Investment of the Sub-Fund	Paid-up capital of the investee company
		-----Number of shares-----			-----Rupees-----		----- % -----		
Electricity									
The Hub Power Company Limited	31,000	84,000	-	26,000	89,000	8,327,730	3.93	4.22	0.01
Kot Addu Power Company Limited	38,500	110,000	-	40,000	108,500	9,335,340	4.40	4.73	0.01
K-Electric Limited	64,000	-	-	64,000	-	-	-	-	-
Lalpir Power Limited	-	104,000	-	42,500	61,500	1,875,750	0.88	0.95	0.02
PAKGEN Power Limited	-	56,000	-	56,000	-	-	-	-	-
Personal Goods (Textile)									
Nishat Mills Limited	11,500	39,200	-	23,900	26,800	3,061,364	1.44	1.55	0.01
Bata Pakistan Limited	-	160	-	20	140	522,682	0.25	0.26	0.01
Kohinoor Textile Mills Limited	-	263,500	-	163,500	100,000	6,496,000	3.06	3.29	0.04
Oil & Gas Development									
National Refinery Limited	-	14,400	-	-	14,400	3,341,664	1.58	1.69	0.02
Attock Refinery Limited	-	17,800	-	500	17,300	3,952,185	1.86	2.00	0.02
Oil and Gas Development Company Limited	5,800	-	-	5,800	-	-	-	-	-
Pakistan Oilfields Limited	4,800	17,400	-	6,800	15,400	6,218,828	2.93	3.15	0.01
Pakistan Petroleum Limited	9,380	39,652	-	18,900	30,132	4,949,482	2.33	2.51	0.01
Pakistan State Oil Company Limited	4,270	25,800	-	9,200	20,870	8,051,437	3.80	4.08	0.01
Attock Petroleum Limited	-	12,400	-	-	12,400	7,033,528	3.32	3.56	0.01
Mari Petroleum Company Limited	-	2,000	-	2,000	-	-	-	-	-
Shell Pakistan Limited	-	22,900	-	-	22,900	5,792,784	2.73	2.93	0.02
Sui Northern Gas Pipelines Limited	-	177,000	-	-	177,000	4,715,280	2.22	2.39	0.03
Hascol Petroleum Limited	-	54,500	4,730	50,700	8,530	976,770	0.46	0.49	0.01
Engineering									
Crescent Steel & Allied Products Limited	-	29,000	-	-	29,000	1,507,130	0.71	0.76	0.05
Mughal Iron and Steel Industries Limited	-	85,000	-	-	85,000	4,780,400	2.25	2.42	0.08
Industrial Transportation									
Pakistan National Shipping Corporation Limited	15,500	8,500	-	18,500	5,500	584,375	0.28	0.30	0.01
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	73,500	20,000	-	93,500	-	-	-	-	-
Household Goods									
Tariq Glass Industries Limited	19,000	-	-	19,000	-	-	-	-	-
Pak Elektron Limited	-	74,500	-	28,000	46,500	3,847,411	1.81	1.95	0.01
Technology Hardware and Equipment									
Avanceon Limited	-	82,500	-	12,000	70,500	2,356,815	1.11	1.19	0.07
Miscellaneous									
Ecopack Limited	-	91,000	-	-	91,000	1,547,910	0.73	0.78	0.40
						<u>197,220,245</u>	<u>92.98</u>	<u>99.91</u>	
Carrying Value as at June 30, 2015						<u>172,435,064</u>			

6.1.1 The 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 Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) has withheld the shares equivalent to 5 % of bonus announcement amounting to Rs. 0.0553 million (2014: Nil) and not deposited in CDC account of department of Income Tax.

NAFA ISLAMIC PENSION FUND

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

6.2.1 Ijara Sukuks - Debt Sub-Fund

Issue date	Note	Maturity Date 6.2.4	As at July 1, 2014	Purchases during the year	Matured/ sold during the year	As at June 30, 2015	Market value	Market value as a % of		
								Net assets of the Sub-Fund	Total investment of sub fund	Issue size
-----Face value (Rupees)-----							Rupees-----	-----%-----		
December 26, 2011	6.2.3	November 21, 2015	4,000,000	-	-	4,000,000	4,032,000	2.98	3.81	0.01
April 30, 2012	6.2.3	November 21, 2015	28,000,000	-	-	28,000,000	28,218,400	20.89	26.67	0.09
March 2, 2012	6.2.3	November 21, 2015	-	41,000,000	-	41,000,000	41,348,500	30.61	39.08	0.11
June 28, 2012	6.2.3	November 21, 2015	-	4,500,000	-	4,500,000	4,529,250	3.35	4.28	0.01
March 28, 2013	6.2.3	March 28, 2016	-	27,500,000	-	27,500,000	27,673,250	20.49	26.16	0.06
			32,000,000	73,000,000	-	105,000,000	105,801,400	78.32	100	
Carrying Value as at June 30, 2015							106,324,550			

6.2.2 Ijara Sukus - Money Market Sub-Fund

Issue date	Note	Maturity Date (6.2.4)	As at July 1, 2014	Purchases during the year	Matured/ sold during the year	As at June 30, 2015	Market value	Market value as a % of		
								Net assets of the Sub-Fund	Total investment of sub fund	Issue size
-----Face value (Rupees)-----							Rupees-----	-----%-----		
April 30, 2012	6.2.3	November 21, 2015	9,000,000	-	-	9,000,000	9,070,200	11.45	17.83	0.03
December 26, 2011	6.2.3	November 21, 2015	20,000,000	-	-	20,000,000	20,160,000	25.46	39.63	0.03
June 28, 2012	6.2.3	November 21, 2015	-	5,500,000	-	5,500,000	5,535,750	6.99	10.88	0.01
March 28, 2013	6.2.3	March 28, 2016	-	16,000,000	-	16,000,000	16,100,800	20.33	31.65	0.04
			29,000,000	21,500,000	-	50,500,000	50,866,750	64.23	100	
Carrying Value as at June 30, 2015							51,225,350			

6.2.3 These Government Ijara Sukuks yield of 7.74% to 9.68% per annum (2014 : 9.43% to 9.98%)

6.2.4 As per SBP press release (Ijara Sukuk:12-Dec-2014) dates of maturity of ijara Sukuks (GIS 09 - 13) have been extended to November 21, 2015.

6.3 Sukuks - at fair value through profit or loss - held for trading (listed)

All Sukuks have a face value of Rs.100 each.

Issue date	Note	Tenor	As at July 1, 2014	Purchases during the year	Matured/ Sold during the year	As at June 30, 2015	Market value	Market value as a % of		
								Net assets of the Sub-Fund	Total investment of sub fund	Issue size
-----Face value (Rupees)-----							Rupees-----	-----%-----		
K-Electric Azam Sukuk		3 Years	1,000,000	-	1,000,000	-	-	-	-	-

6.3.1 K-Electric sukuks carry yield of 12.31% (2014: 12.31%)

6.4 Mari Petroleum has issued as specie dividend non-voting, non-cumulative, unlisted redeemable preference Shares of Rs. 10 /- each with a fixed annual dividend of 1 year KIBOR plus 3% to be paid out of the normal profits of the Company in each financial year

The Company will redeem the preference share capital in 10 years' time in the form of cash payment to preference shareholders.

NAFA ISLAMIC PENSION FUND

7 PROFIT RECEIVABLE

	2015				2014			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
	Rupees				Rupees			
Debt Securities	-	2,020,518	448,782	2,469,300	-	466,961	173,065	640,026
Savings accounts	124,696	191,838	153,938	470,472	26,540	60,294	37,709	124,543
	124,696	2,212,356	602,720	2,939,772	26,540	527,255	210,774	764,569

8 PRELIMINARY EXPENSES AND FLOATATION COST

	Note	2015				2014			
		Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
		Rupees				Rupees			
Preliminary expenses and floatation costs incurred	8.1	46,027	46,027	46,027	138,081	71,027	71,027	71,027	213,081
Less: Amortization for the year		25,000	25,000	25,000	75,000	25,000	25,000	25,000	75,000
		21,027	21,027	21,027	63,081	46,027	46,027	46,027	138,081

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.

9 ADVANCES, DEPOSITS AND OTHER RECEIVABLE

	2015				2014			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
	Rupees				Rupees			
Advance against book building process	-	-	-	-	472,500	-	-	472,500
Security deposit with the central depository company of Pakistan limited	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Receivable against sale / reallocation of units	-	10,394,621	6,293,769	16,688,390	-	-	-	-
Other receivables	7,626	-	-	7,626	-	8,734	1,221	9,955
	107,626	10,494,621	6,393,769	16,996,016	572,500	108,734	101,221	782,455

NAFA ISLAMIC PENSION FUND

10 PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED

Pension Fund Manager

		2015					2014				
		Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Others	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Others	Total
Note		----- Rupees -----					----- Rupees -----				
Management fee payable	10.1	266,497	153,128	87,060	-	506,685	10,803	8,831	5,548	-	25,182
Front end load payable		-	-	-	2,365,550	2,365,550	-	-	-	146,000	146,000
Sindh Sales Tax payable on management fee	10.2	46,271	26,975	15,146	-	88,392	1,904	1,642	1,026	-	4,572
Federal Excise Duty payable on management fee	10.3	380,387	263,408	168,104	-	811,899	101,271	78,084	56,018	-	235,373
Preliminary expenses and floatation cost payable		75,000	75,000	75,000	-	225,000	75,000	75,000	75,000	-	225,000
		768,155	518,511	345,310	2,365,550	3,997,526	188,978	163,557	137,592	146,000	636,127

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

- 1.5% of the average annual net assets of Equity Sub-Fund
- 1.5% of the average annual net assets of Debt Sub-Fund
- 1.5% of the average annual net assets of Money Market Sub-Fund

The management fee of all sub funds of NAFA Pension Fund (NPF) is being charged at 1.5% per anum from December 9th, 2014, and the fee percentage uptill December 8th, 2014 were as follows:

- 1.5% of the average annual net assets of Equity Sub-Fund
- 1.25% of the average annual net assets of Debt Sub-Fund; and
- 1.00% of the average annual net assets of Money Market Sub-Fund

10.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 15% on the remuneration of the Management Company as required by Sindh Sales Tax on Services Act, 2011 .

10.3 As per requirement of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services provided by the Management Company has been levied effective from June 13, 2013. Mutual Fund Association of Pakistan (MUFAP) has taken up the matter collectively and filed a petition with the Honorable Sindh High Court and has been granted stay in this regard. In prior year, the Management Company has also received a notice under section 14 of the Federal Excise Act, 2005 regarding payment of FED on management remuneration. The Management Company is of the view that since the services are 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. Therefore, the Management Company has also filed a petition against the demand notice in the Honorable High Court of Sindh and has been granted stay on the basis of the pending constitutional petition from MUFAP in the said court as referred above. However, as a matter of abundant caution, the Fund has made the provision against FED.

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

	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
				----- Rupees -----					----- Rupees -----	
Trustee Fee	11.1	26,651	15,314	8,707	50,672	6,373	5,743	4,688	16,804	

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 there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2015 is as follows:

NAFA ISLAMIC PENSION FUND

Amount of Funds Under Management (Average NAV)

Upto Rs. 1,000 million
Exceeding Rs. 1,000 million upto Rs. 3,000 million
Exceeding Rs. 3,000 million upto Rs. 6,000 million
Exceeding Rs. 6,000 million

Tariff per annum

Rs. 0.3 million or 0.15% p.a of NAV, whichever is higher
Rs. 1.5 million plus 0.10% p.a of NAV exceeding Rs. 1,000 million
Rs. 3.5 million plus 0.08% p.a of NAV exceeding Rs. 3,000 million
Rs. 5.9 million plus 0.06% p.a of NAV exceeding Rs. 6,000 million

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTE	2015				2014				
	Money		Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money		
	Sub-Fund	Sub-Fund					Market Sub-Fund	Total	
----- Rupees -----									
Annual fee	12.1	38,379	26,917	17,578	82,874	15,013	13,972	12,642	41,627

12.1 This represents annual fee payable to the SECP in accordance with rule 36 of the VPS Rules 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-funds.

13 ACCRUED EXPENSES AND OTHER LIABILITIES

NOTE	2015				2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	----- Rupees -----								
Provision for Workers' Welfare Fund	18	1,341,944	182,708	137,564	1,662,216	272,025	66,474	55,314	393,813
Payable to the auditors		57,584	57,584	57,584	172,752	59,700	59,700	59,700	179,100
Bank charges Payable		4,484	117,424	48,676	170,584	2,306	1,261	4,182	7,749
Printing charges		58,230	58,230	58,230	174,690	49,950	49,950	49,950	149,850
Legal and professional		41,666	41,666	41,666	124,998	19,668	19,668	19,668	59,004
Brokerage payable		68,172	-	325	68,497	74,573	-	-	74,573
Payable against redemption/reallocation of units		16,555,127	953,627	980,512	18,489,266	6,202,363	-	-	6,202,363
Other charges payable		89,408	7,275	7,995	104,678	35,608	4,451	4,107	44,166
		18,216,615	1,418,514	1,332,552	20,967,681	6,716,193	201,504	192,921	7,110,618

	2015				2014			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
	-----Number of units-----							

14 NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	368,992	484,292	384,230	1,237,514	300,060	299,970	299,970	900,000
Add: Issue of units during the year	820,530	799,078	306,079	1,925,687	120,343	163,049	58,662	342,054
Less: Units redeemed during the year	(170,083)	(200,940)	(57,273)	(428,296)	(5,523)	(7,406)	(12,10)	(14,139)
Reallocation Effect	378	89,231	54,535	144,144	(45,888)	28,679	26,808	9,599
Total units in issue at the end of the year	1,019,817	1,171,661	687,571	2,879,049	368,992	484,292	384,230	1,237,514

15 CONTRIBUTION TABLE

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

	2014							
	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	120,343	14,242,087	163,049	17,284,098	58,662	6,199,358	342,054	37,725,543

NAFA ISLAMIC PENSION FUND

16 CONTINGENCIES AND COMMITMENTS

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

	2015				2014			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
17 AUDITOR'S REMUNERATION	-----Rupees-----				-----Rupees-----			
Audit fee	50,000	50,000	50,000	150,000	50,000	50,000	50,000	150,000
Half yearly review fee	25,000	25,000	25,000	75,000	25,000	25,000	25,000	75,000
Out of pocket expenses	9,134	9,134	9,134	27,402	15,000	15,000	15,000	45,000
	84,134	84,134	84,134	252,402	90,000	90,000	90,000	270,000

18 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 15 July 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 06, 2010 to the Members (Domestic Operation) North and South FBR. In the letter, reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 04, 2011 has cancelled *ab-initio* clarificatory letter dated October 06, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

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

During the year ended June 30, 2013, the Larger Bench of the Sindh High Court (SHC) issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

During the year ended June 30, 2014, the Honourable Peshawar High Court on a petition filed by certain aggrieved parties (other than the mutual funds) have adjudicated that the amendments introduced in the Workers Welfare Fund Ordinance, 1971 through the Finance Acts of 1996 and 2009 lacks the essential mandate to be introduced and passed through the money bill under the Constitution of Pakistan and hence have been declared as *ultra vires* the Constitution.

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015.

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements till June 30, 2015 which aggregates to Rs.1.662 million including charge for the year of Rs.1.268 million. Had the same not been made the net asset value per unit / return of the equity, debt and money market sub funds would have been higher by Rs. 1.3159, Rs.0.1559 and Rs. 0.2001 (2014: 0.7372, Rs.0.1373 and Rs. 0.1440) per unit respectively.

19 TAXATION

No provision for taxation for the year ended June 30, 2015, has been made in view of the exemption available under clause 57 (3) (viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

20 EARNING PER UNIT

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

NAFA ISLAMIC PENSION FUND

21 TRANSACTIONS WITH CONNECTED PERSONS

21.1 Connected persons include NBP Fullerton Asset Management Limited, being the Pension Fund manager, Central Depository Company of Pakistan Limited (being the Trustee), National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited, being the sponsors of the Fund / Pension Fund Manager and other collective investment schemes managed by the NBP Fullerton Asset Management Limited, directors and officers of the NBP Fullerton Asset Management Limited and employee benefit funds of the NBP Fullerton Asset Management Limited.

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

21.3 Remuneration payable to the Pension Fund manager and Trustee is determined in accordance with the provisions of the VPS Rules and the Trust Deed.

21.4 Details of the transactions with connected persons are as follows:

	2015				2014			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
-----Rupees-----								
NBP Fullerton Asset Management Limited - Pension Fund Manager								
Management fee	1,744,471	1,158,277	700,536	3,603,284	610,583	469,388	335,199	1,415,170
Sales tax on remuneration of Pension Fund Manager	303,539	201,541	12,1894	626,974	113,800	87,616	62,574	263,990
FED on remuneration of the Pension Fund Manager	279,116	185,325	112,086	576,527	97,693	75,102	53,632	226,427
Reallocation in amount	(6,313,794)	3,219,650	3,094,144	-	(3,238,128)	1,557,564	1,680,564	-
Reallocation (number of units)	(30,889)	27,936	26,865	(2,953)	(23,836)	14,262	15,485	5,911
Alexandra Fund Management Pte. Limited - Sponsor								
Reallocation in amount	(4,209,194)	2,146,432	2,062,762	-	(2,158,752)	1,038,376	1,120,376	-
Reallocation (number of units)	(20,592)	18,624	17,910	15,942	(15,890)	9,508	10,323	3,941
Central Depository Company of Pakistan Limited - Trustee								
Remuneration	188,419	135,887	90,724	415,030	61,058	56,327	50,280	167,665
Employees of NBP Fullerton Asset Management Limited								
Amount of units issued	525,957	195,900	39,196	761,053	520,000	130,000	-	650,000
Number of units issued	2,808	1,749	350	4,907	4,011	1,210	-	5,221
Reallocation in amount	(898,624)	898,624	-	-	(23,004)	23,004	-	-
Reallocation (number of units)	(5,127)	8,082	-	2,955	(169)	211	-	42
Taurus Securities Limited								
Brokerage Expense	16,032	-	-	16,032	24,023	-	-	24,023

21.5 Amounts outstanding as at year end

	2015				2014			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
-----Rupees-----								
NBP Fullerton Asset Management Limited - Pension Fund Manager								
Management fee payable	266,497	153,128	87,060	506,685	10,803	8,831	5,548	25,182
Sindh Sales tax payable on management fee	46,271	26,975	15,146	88,392	1,904	1,642	1,026	4,572
FED payable on management fee	380,387	263,408	168,104	811,899	101,271	78,084	56,018	235,373
Preliminary expenses and floatation cost payable	75,000	75,000	75,000	225,000	75,000	75,000	75,000	225,000
Amount of units issued	26,066,417	25,615,354	25,607,537	77,289,308	21,446,447	21,206,764	21,208,795	63,862,006
Number of units issued	125,311	222,180	222,333	542,958	156,200	194,244	195,467	545,911
Alexandra Fund Management Pte. Limited - Sponsor								
Amount of units issued	17,377,889	17,076,903	17,071,576	51,526,368	14,297,723	14,137,842	14,139,160	42,574,726
Number of units issued	83,542	148,120	148,221	379,883	104,134	129,496	130,311	363,941
Employees of NBP Fullerton Asset Management Limited								
Amount of units issued	351,959	201,644	40,312	593,915	550,715	132,103	-	682,818
Number of units issued	1,692	1,749	350	3,791	4,011	1,210	-	5,221
Central Depository Company of Pakistan Limited - Trustee								
Trustee Fee payable	26,651	15,314	8,707	50,672	6,373	5,743	4,688	16,804

NAFA ISLAMIC PENSION FUND

22 FINANCIAL INSTRUMENTS BY CATEGORY

	2015												Total	
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund					Others
	Loans and receivables	At fair value through profit n Loss - held for trading	Available for sale	Total	Loans and receivables	At fair value through profit n Loss - held for trading	Available for sale	Total	Loans and receivables	At fair value through profit n Loss - held for trading	Available for sale	Total		At fair value through profit n Loss - held for trading
Rupees														
Financial Assets														
Balances with banks	24,610,988	-	-	24,610,988	18,531,916	-	-	18,531,916	23,011,902	-	-	23,011,902	2,365,550	68,520,356
Investments-net	-	197,220,245	17,400	197,237,645	-	105,801,400	-	105,801,400	-	50,866,750	-	50,866,750	-	353,905,795
Dividend receivable	615,306	-	-	615,306	-	-	-	-	-	-	-	-	-	615,306
Profit receivable	124,696	-	-	124,696	2,212,356	-	-	2,212,356	602,720	-	-	602,720	-	2,939,772
Receivable against the sale of investment	8,310,597	-	-	8,310,597	-	-	-	-	-	-	-	-	-	8,310,597
Advances, deposits and other receivable	7,626	-	-	7,626	10,394,621	-	-	10,394,621	6,293,769	-	-	6,293,769	-	16,696,016
	<u>33,669,213</u>	<u>197,220,245</u>	<u>17,400</u>	<u>230,906,858</u>	<u>31,138,893</u>	<u>105,801,400</u>	<u>-</u>	<u>136,940,293</u>	<u>29,908,391</u>	<u>50,866,750</u>	<u>-</u>	<u>80,775,141</u>	<u>2,365,550</u>	<u>450,987,842</u>

	2015												Total	
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund					Others
	Financial Liabilities - At amortized cost				Financial Liabilities - At amortized cost				Financial Liabilities - At amortized cost					Financial Liabilities - At amortized cost
Rupees														
Financial liabilities														
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager				768,155	768,155		518,511	518,511		345,310	345,310		2,365,550	3,997,526
Payable to Central Depository Company of Pakistan Limited - Trustee				26,651	26,651		15,314	15,314		8,707	8,707		-	50,672
Accrued expenses and other liabilities				16,874,671	16,874,671		1,235,806	1,235,806		1,194,988	1,194,988		-	19,305,465
Net assets attributable to redeemable units				212,136,085	212,136,085		135,082,064	135,082,064		79,192,021	79,192,021		-	426,410,170
				<u>229,805,562</u>	<u>229,805,562</u>		<u>136,851,695</u>	<u>136,851,695</u>		<u>80,741,026</u>	<u>80,741,026</u>		<u>2,365,550</u>	<u>449,763,833</u>

	2014												Total	
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund					Others
	Loans and receivables	At fair value through profit n Loss - held for trading	Available for sale	Total	Loans and receivables	At fair value through profit & Loss	Available for sale	Total	Loans and receivables	At fair value through profit n Loss - held for trading	Available for sale	Total		At fair value through profit n Loss - held for trading
Rupees														
Financial Assets														
Balances with banks	7,367,812	-	-	7,367,812	18,881,853	-	-	18,881,853	12,226,947	-	-	12,226,947	146,000	38,622,612
Investments-net	-	47,250,444	-	47,250,444	-	33,693,900	-	33,693,900	-	29,453,100	-	29,453,100	-	110,397,444
Dividend receivable	134,800	-	-	134,800	-	-	-	-	-	-	-	-	-	134,800
Profit Receivable	26,540	-	-	26,540	527,255	-	-	527,255	210,774	-	-	210,774	-	764,569
Receivable against the sale of investment	3,862,494	-	-	3,862,494	-	-	-	-	-	-	-	-	-	3,862,494
Advances, deposits and other receivable	572,500	-	-	572,500	108,734	-	-	108,734	101,221	-	-	101,221	-	782,455
	<u>11,964,146</u>	<u>47,250,444</u>	<u>-</u>	<u>59,214,590</u>	<u>19,517,842</u>	<u>33,693,900</u>	<u>-</u>	<u>53,211,742</u>	<u>12,538,942</u>	<u>29,453,100</u>	<u>-</u>	<u>41,992,042</u>	<u>146,000</u>	<u>154,564,374</u>

	2014												Total	
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund					Others
	Financial Liabilities - At amortized cost				Financial Liabilities - At amortized cost				Financial Liabilities - At amortized cost					Financial Liabilities - At amortized cost
Rupees														
Financial liabilities														
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager				188,978	188,978		163,557	163,557		137,592	137,592		146,000	636,127
Payable to Central Depository Company of Pakistan Limited - Trustee				6,373	6,373		5,743	5,743		4,688	4,688		-	16,804
Payable against purchase of investment				1,670,950	1,670,950		-	-		-	-		-	1,670,950
Accrued expenses and other liabilities				6,444,168	6,444,168		135,030	135,030		137,607	137,607		-	6,716,805
Net assets attributable to redeemable units				50,663,110	50,663,110		52,872,993	52,872,993		41,690,226	41,690,226		-	145,226,329
				<u>58,973,579</u>	<u>58,973,579</u>		<u>53,177,323</u>	<u>53,177,323</u>		<u>41,970,113</u>	<u>41,970,113</u>		<u>146,000</u>	<u>154,267,015</u>

NAFA ISLAMIC PENSION FUND

23 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.

23.1.1 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. The maximum risk resulting from financial instruments equals their fair values.

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

23.1.2 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.

23.1.2.1 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 Fixed rate instruments

Presently, neither of the Sub-Fund hold any fixed rate instruments as at June 30, 2015, that could expose the Fund to cash flow interest rate risk.

b) Sensitivity analysis for variable rate instruments

As at June 30 the Debt and Money market sub-funds holds KIBOR based profit bearing and GoP Ijara Sukuks exposing the sub-funds to cash flow interest rate risk. The impact of 100 base points increase / (decrease) in KIBOR on 30 June 2015, with all other variables held constant, on the net assets of the fund and on net income for the year is shown below:

	Effect on total comprehensive income		
	Debt Sub Fund	Money Market Sub Fund	Total
Change in basis points			
	100	689,380	436,789
	(100)	(652,976)	(431,225)
			1,126,169
			(1,084,201)

The composition of the Fund's investment portfolio, KIBOR rates, rates announced by Mufap and rates announced by Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2015 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

NAFA ISLAMIC PENSION FUND

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

	-----2015-----																			
	Equity Sub Fund					Debt Sub Fund					Money Market Sub Fund					Others	Total			
	Exposed to yield / interest rate risk					Exposed to yield / interest rate risk					Exposed to yield / interest rate risk									
	Yield / Interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total	Yield / Interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total	Yield / Interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total		
%	----- Rupees-----					%	----- Rupees-----					%	----- Rupees-----							
On-balance sheet financial instruments																				
Financial assets																				
Balances with banks	4.5 - 10.25	24,610,988	-	-	-	24,610,988	4.5 - 10.25	18,531,916	-	-	-	18,531,916	4.5 - 10.25	23,011,902	-	-	-	23,011,902	2,365,550	68,520,356
Investments-net	-	-	-	-	197,395,645	197,395,645	7.74 - 9.68	-	-	-	105,801,400	105,801,400	7.74 - 9.68	-	-	-	50,866,750	50,866,750	-	354,063,795
Dividend receivable	-	-	-	-	615,306	615,306	-	-	-	-	-	-	-	-	-	-	-	-	-	615,306
Profit receivable	-	-	-	-	124,696	124,696	-	-	-	-	-	-	-	-	-	-	-	602,720	602,720	2,939,772
Receivable against the sale of investment	-	-	-	-	8,310,597	8,310,597	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit and other receivable	-	-	-	-	7,626	7,626	-	-	-	-	-	-	-	-	-	-	-	6,293,769	6,293,769	16,696,016
		24,610,988	-	-	206,453,870	231,064,858		18,531,916	-	105,801,400	12,606,977	136,940,293		23,011,902	-	50,866,750	6,896,489	80,775,141	2,365,550	442,835,245
Financial liabilities																				
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	-	-	-	768,155	768,155	-	-	-	-	518,511	518,511	-	-	-	-	345,310	345,310	2,365,550	3,997,526
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	26,651	26,651	-	-	-	-	15,314	15,314	-	-	-	-	8,707	8,707	-	50,672
Accrued expenses and other liabilities	-	-	-	-	16,874,671	16,874,671	-	-	-	-	1,235,806	1,235,806	-	-	-	-	1,194,988	1,194,988	-	19,305,465
	-	-	-	-	17,669,477	17,669,477	-	-	-	-	1,769,631	1,769,631	-	-	-	-	1,549,005	1,549,005	2,365,550	23,353,663
On-balance sheet gap		24,610,988	-	-	188,784,393	213,395,381		18,531,916	-	105,801,400	10,837,346	135,170,662		23,011,902	-	50,866,750	5,347,484	79,226,136	-	419,481,582
Off-balance sheet financial instruments																				
Off-balance sheet gap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

	-----2014-----																			
	Equity Sub Fund					Debt Sub Fund					Money Market Sub Fund					Others	Total			
	Exposed to yield / interest rate risk					Exposed to yield / interest rate risk					Exposed to yield / interest rate risk									
	Yield / Interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total	Yield / Interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total	Yield / Interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total		
%	----- Rupees-----					%	----- Rupees-----					%	----- Rupees-----							
On-balance sheet financial instruments																				
Financial assets																				
Balances with banks	6 - 8.75	7,367,812	-	-	-	7,367,812	6 - 8.75	18,881,853	-	-	-	18,881,853	6 - 8.75	12,226,947	-	-	-	12,226,947	146,000	38,622,612
Investments-net	-	-	-	-	47,250,444	47,250,444	9.43 - 12.31	-	-	-	33,693,900	33,693,900	9.43 - 9.98	-	-	-	29,453,100	29,453,100	-	110,397,444
Dividend receivable	-	-	-	-	134,800	134,800	-	-	-	-	-	-	-	-	-	-	-	-	-	134,800
Profit receivable	-	-	-	-	26,540	26,540	-	-	-	-	-	-	-	-	-	-	-	-	210,774	764,569
Receivable against the sale of investment	-	-	-	-	3,862,494	3,862,494	-	-	-	-	-	-	-	-	-	-	-	-	-	3,862,494
Security deposit and other receivable	-	-	-	-	572,500	572,500	-	-	-	-	-	108,734	108,734	-	-	-	-	101,221	101,221	782,455
		7,367,812	-	-	51,846,778	59,214,590		18,881,853	-	33,693,900	635,989	53,217,742		12,226,947	29,453,100	-	311,995	41,992,042	146,000	154,564,374
Financial liabilities																				
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	-	-	-	188,978	188,978	-	-	-	-	163,557	163,557	-	-	-	-	137,592	137,592	146,000	636,127
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	6,373	6,373	-	-	-	-	5,743	5,743	-	-	-	-	4,688	4,688	-	16,804
Accrued expenses and other liabilities	-	-	-	-	8,115,118	8,115,118	-	-	-	-	135,030	135,030	-	-	-	-	137,607	137,607	-	8,387,755
	-	-	-	-	8,310,469	8,310,469	-	-	-	-	304,330	304,330	-	-	-	-	279,887	279,887	146,000	9,040,686
On-balance sheet gap		7,367,812	-	-	43,536,309	50,904,121		18,881,853	-	33,693,900	331,659	52,907,412		12,226,947	29,453,100	-	32,108	41,712,155	-	145,523,688
Off-balance sheet financial instruments																				
Off-balance sheet gap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NAFA ISLAMIC PENSION FUND

23.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Equity Sub-Fund of the Fund exposed to equity price risk because of the investments held by the Fund and classified in the 'Statement of Assets and Liabilities' as financial asset 'at fair value through profit or loss - held for trading. The Fund manages price risk by limiting individual equity securities to not more than ten percent of net assets attributable to holders of the Fund's assets. Moreover, the sector limits have also been restricted to thirty five percent. The equity investments either classified as 'available for sale' or at 'fair value through profit or loss' are listed in the Karachi Stock Exchange. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Manager and is reviewed on a regular basis by the investment committee as well as the Board of Directors.

In case of 5% increase / decrease in KSE 100 index on June 30, 2015 net income for the year would increase / decrease by Rs.9.869 million (2014: Rs. 2.36 million) and net assets of the Fund would increase / decrease by the Rs.9.663 million (2014: Rs.2.31 million) (Net of WWF) amount as a result of gains / losses on equity securities at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the 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 June 30, 2015 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

23.1.4 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:

	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----			
Balances with banks A1+ Ratings	24,610,988	18,531,916	23,011,902	66,154,806
Dividend receivable	615,306	-	-	615,306
Profit receivable	124,696	191,838	153,938	470,472
Advances, deposits and other receivables	7,626	10,394,621	6,293,769	16,696,016
				-

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 account of a bank.

23.1.5 Liquidity risk

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

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

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

NAFA ISLAMIC PENSION FUND

2015														
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund			Others	Total	
	Upto three months	Over three months and upto one year	Over one year	Total	Upto three months	Over three months and upto one year	Over one year	Total	Upto three months	Over three months and upto one year	Over one year	Total	Upto three months	
----- Rupees -----														
Financial liabilities														
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	768,155	-	-	768,155	518,511	-	-	518,511	345,310	-	-	345,310	2,365,550	3,997,526
Company of Pakistan Limited - Trustee	26,651	-	-	26,651	15,314	-	-	15,314	8,707	-	-	8,707	-	50,672
Accrued expenses and other liabilities	16,874,671	-	-	16,874,671	1,235,806	-	-	1,235,806	1,194,988	-	-	1,194,988	-	19,305,465
	17,669,477	-	-	17,669,477	1,769,631	-	-	1,769,631	1,549,005	-	-	1,549,005	2,365,550	23,353,663

2014														
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund			Others	Total	
	Upto three months	Over three months and upto one year	Over one year	Total	Upto three months	Over three months and upto one year	Over one year	Total	Upto three months	Over three months and upto one year	Over one year	Total	Upto three months	
----- Rupees -----														
Financial liabilities														
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	188,978	-	-	188,978	163,557	-	-	163,557	137,592	-	-	137,592	146,000	636,127
Payable to Central Depository Company of Pakistan Limited - Trustee	6,373	-	-	6,373	5,743	-	-	5,743	4,688	-	-	4,688	-	16,804
Payable against purchase of investment	1,670,950	-	-	1,670,950	-	-	-	-	-	-	-	-	-	1,670,950
Accrued expenses and other liabilities	6,444,168	-	-	6,444,168	135,030	-	-	135,030	137,607	-	-	137,607	-	6,716,805
	8,310,469	-	-	8,310,469	304,330	-	-	304,330	279,887	-	-	279,887	146,000	9,040,686

24 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 22, 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.

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

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 held by such participant in such sub-fund.

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

NAFA ISLAMIC PENSION FUND

	2015				2014			
	Equity Sub Fund				Equity Sub Fund			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets held for trading	-----Rupees-----				-----Rupees-----			
Equity Securities	197,220,245	-	-	197,220,245	47,250,444	-	-	47,250,444
	2015				2014			
	Debt Sub Fund				Debt Sub Fund			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	-----Rupees-----				-----Rupees-----			
Government Ijara Sukuks	-	105,801,400	-	105,801,400	-	32,664,400	-	32,664,400
Non-Government Sukuks	-	-	-	-	-	1,029,500	-	1,029,500
	2015				2014			
	Money market Sub Fund				Money market Sub Fund			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	-----Rupees-----				-----Rupees-----			
Government Ijara Sukuks	-	50,866,750	-	50,866,750	-	29,453,100	-	29,453,100

26 FINANCIAL PERFORMANCE

26.1 Equity sub-fund

	Equity sub-fund					
	2015	2014	% Change	2013*	2012	2011
	-----Rupees-----					
Net Income for the year	52,435,170	13,074,583	301%	254,643	-	-
Realized Capital Gains	17,811,482	7,151,944	149%	-	-	-
Unrealized Capital Gains	24,960,581	5,137,389	386%	-	-	-
Dividend Income	4,677,308	2,121,162	121%	-	-	-
Interest Income	760,381	316,870	140%	388,488	-	-
NAV per Unit	208.0138	137.3012	52%	101	-	-
Transactions in Securities						
Purchases	223,091,819	106,263,868	110%	-	-	-
Sales	115,788,008	7,151,939	1519%	-	-	-
Total Contribution Received	151,408,445	14,242,087	963%	30,006,000	-	-

26.2 Debt sub-fund

	Debt sub-fund					
	2015	2014	% Change	2013*	2012	2011
	-----Rupees-----					
Net Income for the year	5,709,594	2,967,848	92%	275,232	-	-
Realized capital (loss)/gains	(24,500)	-	-	-	-	-
Unrealized capital (loss)/gains	(523,150)	558,700	-194%	-	-	-
Interest Income	1,085,411	505,362	115%	395,091	-	-
NAV per Unit	115.2910	109.1759	6%	101	-	-
Transactions in Securities						
Purchases	73,660,150	33,135,200	122%	-	-	-
Sales	1,005,000	-	100%	-	-	-
Total Contribution Received	100,310,247	20,492,900	481%	29,997,000	-	-

NAFA ISLAMIC PENSION FUND

26.3 Money market sub-fund

	Money market sub-fund					
	2015	2014	% Change	2013*	2012	2011
	-----Rupees-----					
Net Income for the year	4,030,640	2,421,001	66%	289,408	-	-
Unrealized Capital Gains	(358,600)	153,100	-334%	-	-	-
Interest Income	784,974	562,048	40%	395,091	-	-
NAV per Unit	115.1765	108.5032	6%	101	-	-
Transactions in Securities						
Purchases	21,772,250	54,300,000	-60%	-	-	-
Total Contribution Received	40,712,651	9,157,220	558%	29,997,000	-	-

* It represent period from May 02, 2013 to June 30, 2013

26.4 Highest and Lowest issue price of Units during the Year

	Equity Sub-Fund		Debt Sub-Fund		Money market Sub-Fund	
	2015	2014	2015	2014	2015	2014
	-----Rupees-----					
Highest issue price	210.85	137	115.29	109	115.18	109
Lowest issue price	128.52	101	109.19	101	108.52	101

27 RECLASSIFICATIONS

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparison, which are as follows:

Statement	Rupees	Reclassified	
		From	To
Statement of financial position	6,202,363	Payable against redemption of units	Accrued expenses and other liabilities

28 DATE OF AUTHORISATION FOR ISSUE

This financial statements were authorized for issue on September 30, 2015 by the Board of Directors of the Management Company.

29 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive








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