



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

NAFA PENSION FUND

ANNUAL REPORT 2014




Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

MISSION STATEMENT



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

NAFA PENSION FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

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

Human Resource Committee

Mr. Nausherwan Adil	Chairman
Mr. Wah Geok Sum	Member
Mr. Kamal Amir Chinoy	Member

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited

NAFA PENSION FUND

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

Plot No. 395, 396
Industrial Area, 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 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. Wah Geok Sum
Director



Mr. Abdul Hadi Palekar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



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



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Mr. Zeeshan
Chief – Strategy &
Business Development



Mr. Samiuddin Ahmed
Country Head Corporate
Marketing & Sales



Mr. Ozair Khan
Chief Technology Officer



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



Mr. Ahmad Nouman CFA, PRM
Head of Risk Management



Syed Suleman Akhtar CFA
Head of Research



Mr. Tahir Lateef
Head of Internal Audit

NAFA PENSION FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Second Annual Report of **NAFA Pension Fund** for the year ended June 30, 2014.

Fund's Performance

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) July 02, 2013	NAV Per Unit (Rs.) June 30, 2014	Performance Since Launch July 02, 2013
NPF-Equity Sub-fund*	105.7	100.9836	140.4046	39.04%
NPF-Debt Sub-fund**	90.1	101.1781	109.4204	8.19%
NPF-Money Market Sub-fund**	116.5	101.2023	108.8416	7.59%
* Cumulative Return ** Simple Annualized Return				
[Net of management fee & all other expenses]				

During FY2013-14, the stock market (KSE-100 Index) surged by 41.2%. The aforesaid solid performance was driven by positive developments on the economic front, such as Pakistan's entry into a fresh IMF program, significant improvement in country's external account which buttressed foreign exchange reserves and Pak rupee, controlled inflation, lower fiscal deficit and higher GDP growth supported by a revival in the industrial sector. The improvements on the economic front coupled with increase in Pakistan's weight in the MSCI Frontier Market Index resulted in sizable foreign buying in the local bourse, helping the Index touch new highs.

Due to a precarious external account position and expected increase in inflation, SBP increased the Policy Rate by 100 bps to 10% during FY14. The yields on bonds in the secondary market remained on the higher side due to increase in interest rates and tight liquidity conditions. On the corporate debt sphere, we have witnessed some increase in primary issuance of corporate debt amid a pick-up in economic activity. Trading activity in TFCs remained skewed towards high quality issues, notably belonging to the Chemicals and Banking sectors.

The equity sub-fund generated a return of 39.04% (since inception i.e. July 02, 2013) during FY14 against 37.0% return of KSE-100 Index during the same period.

The debt sub-fund yielded 8.19% on annualized basis. However, performance of the sub-fund is likely to improve in future as the fund has timely increased exposure to PIBs with the steepening of yield curve in the 2nd half of the fiscal year.

The money market sub-fund returned 7.59% on an annualized basis.

The Fund has earned a total income of Rs.31.64 million during the year. After deducting total expenses of Rs.4.55 million, the net income is Rs.27.09 million.

The asset allocation of NAFA Pension Fund as on June 30, 2014 is as follows:

NAFA PENSION FUND

Asset Allocation (% of Net Assets)	
Equity Sub-fund	
Equity	86.76%
Cash Equivalents	14.97%
Others	-1.73%
Total	100.00%
Debt Sub-fund	
TFCs/Sukuks	13.26%
PIBs	48.38%
T-Bills	12.70%
Cash Equivalents	23.28%
Others	2.38%
Total	100.00%
Money Market Sub-fund	
T-Bills	92.77%
Cash Equivalents	7.46%
Others	-0.23%
Total	100.00%

Taxation

No provision for taxation for the year ended June 30, 2014 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, retire and, being eligible, offer themselves for re-appointment for the year ended June 30, 2015.

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 16, 2014
Place: Karachi.

Director

NAFA PENSION FUND

TRUSTEE REPORT TO THE PARTICIPANTS NAFA PENSION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Pension Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2014 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 10, 2014

NAFA PENSION FUND

FUND MANAGER REPORT

NAFA Pension Fund

NAFA Pension Fund is an open-ended Voluntary 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

			Performance
	Fund Size (Rs. in mn)	NAV Per Unit (Rs.) 'June 30, 2014	Since Launch 2-Jul-13
NPF-Equity Sub-fund*	105.7	140.4046	39.04%
NPF-Debt Sub-fund**	90.1	109.4204	8.19%
NPF-Money Market Sub-fund**	116.5	108.8416	7.59%

* Cumulative Returns

[Net of management fee & all other expenses]

**Simple Annualized Return

This is the second annual report of the Fund. During FY2013-14, the stock market (KSE-100 Index) surged by 41.2%. The aforesaid solid performance was driven by positive developments on the economic front, such as Pakistan's entry into a fresh IMF program, significant improvement in country's external account which buttressed foreign exchange reserves and Pak rupee, controlled inflation, lower fiscal deficit and higher GDP growth supported by a revival in the industrial sector. The improvements on the economic front coupled with increase in Pakistan's weight in the MSCI Frontier Market Index resulted in sizable foreign buying in the local bourse, helping the Index touch new highs.

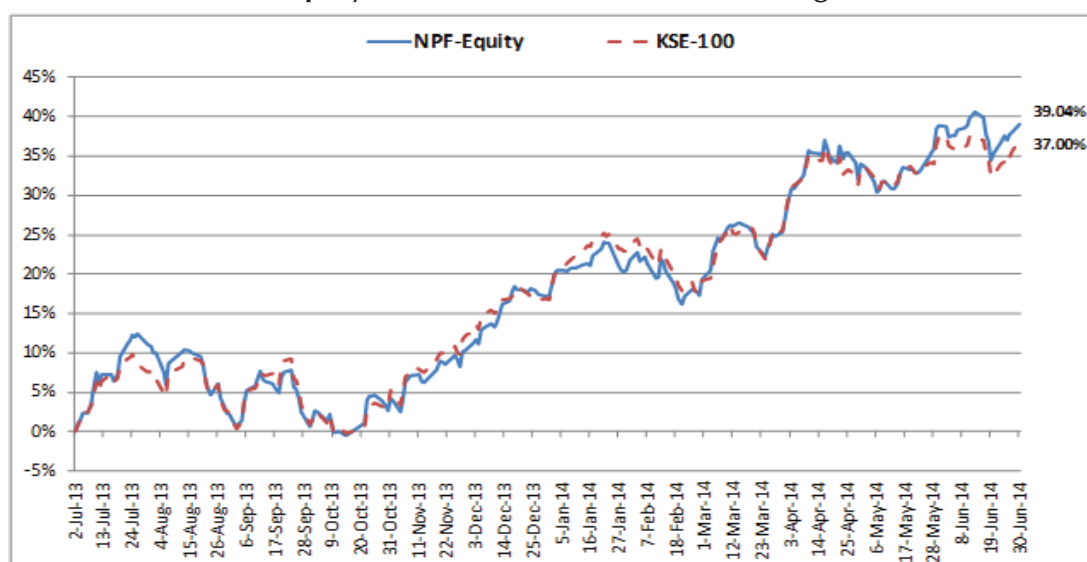
Due to a precarious external account position and expected increase in inflation, SBP increased the Policy Rate by 100 bps to 10% during FY14. The yields on bonds in the secondary market remained on the higher side due to increase in interest rates and tight liquidity conditions. On the corporate debt sphere, we have witnessed some increase in primary issuance of corporate debt amid a pick-up in economic activity. Trading activity in TFCs remained skewed towards high quality issues, notably belonging to the Chemicals and Banking sectors.

The equity sub-fund generated a return of 39.04% (since inception i.e. July 02, 2013) during FY14 against 37.0% return of KSE-100 Index during the same period.

The debt sub-fund yielded 8.19% on annualized basis. However, performance of the sub-fund is likely to improve in future as the fund has timely increased exposure to PIBs with the steepening of yield curve in the 2nd half of the fiscal year.

The money market sub-fund returned 7.59% on an annualized basis.

NPF-Equity Performance vs. KSE-100 during FY14



NAFA PENSION FUND

Asset Allocation of the Fund (% of NAV)

Asset Allocation (% of Net Assets)	
Equity Sub-fund	
Equity	86.76%
Cash Equivalents	14.97%
Others	-1.73%
Total	100.00%
Debt Sub-fund	
TFCs/Sukuks	13.26%
PIBs	48.38%
T-Bills	12.70%
Cash Equivalents	23.28%
Others	2.38%
Total	100.00%
Money Market Sub-fund	
T-Bills	92.77%
Cash Equivalents	7.46%
Others	-0.23%
Total	100.00%

Unit Holding Pattern of NAFA Pension Fund as on June 30, 2014

Size of Unit Holding (Units)		No. of Unit Holders (Equity)	No. of Unit Holders (Debt)	No. of Unit Holders (Money Market)
1	1,000	47	47	44
1,001	5,000	21	21	13
5,001	10,000	5	12	9
10,001	50,000	13	12	7
50,001	100,000	2	2	-
100,001	500,000	2	2	4
Total		90	96	77

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 up till June 30, 2014	Amount Per Unit Rs	Since Inception return would otherwise have been higher by:
Equity Sub-Fund ¹	392,026	0.5206	0.52%
Debt Sub-Fund ²	89,175	0.1083	0.11%
Money Market Sub-Fund ²	92,432	0.0863	0.09%
¹ Cumulative, ² Annualized For details investors are advised to read the Note 17 of the Financial Statements of the Scheme for the year ended June 30, 2014.			

NAFA PENSION FUND

AUDITORS' REPORT TO THE PARTICIPANTS OF THE NAFA 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 Pension Fund ("the Fund") as at June 30, 2014 together with the notes forming part thereof.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal controls; and prepare and present the financial statements of the Fund in conformity with the 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 and the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement 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, 2014 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, 2014 and of its financial performance, cash flows and transactions of the Fund for the year ended June 30, 2014;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) the financial statements prepared are in agreement with the Fund's books and records;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, are 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:
Nadeem Yousuf Adil

Date: September 16, 2014
Place: Karachi

NAFA PENSION FUND

BALANCE SHEET AS AT JUNE 30, 2014

For the year ended June 30, 2014							For the period from May 02, 2013 to June 30, 2013				
Note	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	4	15,829,964	20,983,725	8,695,569	647,340	46,156,598	30,487,155	30,477,949	30,478,152	-	91,443,256
Investments - net	5	91,723,736	67,004,761	108,086,052	-	266,814,549	-	-	-	-	-
Dividend receivable		207,375	-	-	-	207,375	-	-	-	-	-
Profit receivable	6	-	2,447,198	31,457	-	2,478,655	-	-	-	-	-
Preliminary Expenses and Floatation Cost	7	45,959	45,959	45,959	-	137,877	70,959	70,959	70,959	-	212,877
Receivable against sale of investments		3,289,832	-	-	-	3,289,832	-	-	-	-	-
Advances and deposits	8	882,250	100,000	100,000	-	1,082,250	-	-	-	-	-
Total assets		111,979,116	90,581,643	116,959,037	647,340	320,167,136	30,558,114	30,548,908	30,549,111	-	91,656,133
LIABILITIES											
Payable to the Pension Fund Manager	9	238,574	196,559	183,811	647,340	1,266,284	172,373	157,528	142,703	-	472,604
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	11,633	9,338	13,679	-	34,650	7,317	7,317	7,318	-	21,952
Payable to the Securities and Exchange - Commission of Pakistan	11	20,165	18,243	19,710	-	58,118	1,610	1,610	1,610	-	4,830
Payable against purchase of investments		5,400,602	-	-	-	5,400,602	-	-	-	-	-
Accrued expenses and other liabilities	12	587,571	227,963	230,707	-	1,046,241	42,295	42,485	43,061	-	127,841
Total liabilities		6,258,545	452,103	447,907	647,340	7,805,895	223,595	208,940	194,692	-	627,227
NET ASSETS		105,720,571	90,129,540	116,511,130	-	312,361,241	30,334,519	30,339,968	30,354,419	-	91,028,906
PARTICIPANTS' SUB-FUNDS (as per statement attached)											
		105,720,571	90,129,540	116,511,130	-	312,361,241	30,334,519	30,339,968	30,354,419	-	91,028,906
Number of units in issue	13	752,971.00	823,699.90	1,070,465.00		2,647,135.90	300,060.00	299,970.00	299,970.00		900,000.00
Net asset value per unit		140.4046	109.4204	108.8416			101.09	101.14	101.19		

The annexed notes 1 to 27 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA PENSION FUND

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

For the year ended June 30, 2014					For the period from May 02, 2013 to June 30, 2013				
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-----				
INCOME									
Profit on bank deposits	557,148	664,789	627,680	1,849,617	473,821	473,816	473,819	1,421,456	
Income from debt securities	-	676,003	19,267	695,270	-	-	-	-	
Income from government securities	-	3,700,111	4,709,300	8,409,411	-	-	-	-	
Dividend income	3,153,650	-	-	3,153,650	-	-	-	-	
Capital gain / (loss) on sale of investments at fair value through income statement	8,955,178	(8,850)	-	8,946,328	-	-	-	-	
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	8,392,838	237,212	(47,802)	8,582,248	-	-	-	-	
Total income	21,058,814	5,269,265	5,308,445	31,636,524	473,821	473,816	473,819	1,421,456	
EXPENSES									
Remuneration of NBP Fullerton Asset Management Limited- Management Company	9	843,430	630,047	548,475	2,021,952	73,173	60,973	48,790	182,936
Sindh sales tax on remuneration of the Pension Fund Manager	9	158,989	117,417	102,164	378,570	12,281	10,234	8,189	30,704
FED on remuneration of the Pension Fund Manager	9	134,949	100,807	87,756	323,512	3,585	2,988	2,391	8,964
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	10	84,343	75,606	82,271	242,220	7,317	7,317	7,318	21,952
Annual fee - Securities and Exchange Commission of Pakistan	11	18,555	16,633	18,100	53,288	1,610	1,610	1,610	4,830
Securities transaction costs		269,626	1,369	800	271,795	-	-	-	-
Auditors' remuneration	16	90,000	90,000	90,000	270,000	10,000	10,000	10,000	30,000
Amortization of Formation cost	7	25,000	25,000	25,000	75,000	4,041	4,041	4,041	12,123
Printing expenses		49,950	49,950	49,950	149,850	-	-	-	-
Professional charges		19,968	19,968	19,968	59,904	-	-	-	-
Other		-	-	-	-	20,911	21,211	21,310	63,432
Settlement and Bank charges		91,144	33,680	27,078	151,902	5,680	5,475	5,457	16,612
Total Expenses		1,785,954	1,160,477	1,051,562	3,997,993	138,598	123,849	109,106	371,553
Net income from operating activities		19,272,860	4,108,788	4,256,883	27,638,531	335,223	349,967	364,713	1,049,903
Provision for Workers' Welfare Fund	17	(385,457)	(82,176)	(85,138)	(552,771)	(6,704)	(6,999)	(7,294)	(20,997)
Net income for the period before taxation		18,887,403	4,026,612	4,171,745	27,085,760	328,519	342,968	357,419	1,028,906
Taxation	18	-	-	-	-	-	-	-	-
Net income for the period after taxation		18,887,403	4,026,612	4,171,745	27,085,760	328,519	342,968	357,419	1,028,906
Earnings per unit	19								

The annexed notes 1 to 27 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA PENSION FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	For the year ended June 30, 2014				For the period from May 02, 2013 to June 30, 2013			
	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 / period after taxation	18,887,403	4,026,612	4,171,745	27,085,760	328,519	342,968	357,419	1,028,906
Other comprehensive income								
Items that may be reclassified subsequently to income statement	-	-	-	-	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-	-
Total comprehensive income for the year / period	18,887,403	4,026,612	4,171,745	27,085,760	328,519	342,968	357,419	1,028,906

The annexed notes 1 to 27 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA PENSION FUND

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB - FUNDS FOR THE YEAR ENDED 30 JUNE 2014

		For the year ended June 30, 2014				For the period from May 02, 2013 to June 30, 2013			
	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-----			
Net assets at the beginning of the year / period		30,334,519	30,339,968	30,354,419	91,028,906	-	-	-	-
Amount received on issuance of units	14	65,420,849	50,506,853	79,504,333	195,432,035	30,006,000	29,997,000	29,997,000	90,000,000
Amount paid on redemption of units		(193,478)	(523,617)	(468,365)	(1,185,460)	-	-	-	-
Effect of reallocation		(8,728,722)	5,779,724	2,948,998	-	-	-	-	-
Net element of income and capital gains included in prices of units issued less those in units redeemed		10,711,695	2,791,188	2,532,709	16,035,592	-	-	-	-
Total comprehensive income for the year / period		18,887,403	4,026,612	4,171,745	27,085,760	328,519	342,968	357,419	1,028,906
Net element of income and capital gains included in prices of units issued less those in units redeemed		(10,711,695)	(2,791,188)	(2,532,709)	(16,035,592)	-	-	-	-
Net assets at the end of the year / period		105,720,571	90,129,540	116,511,130	312,361,241	30,334,519	30,339,968	30,354,419	91,028,906

The annexed notes 1 to 27 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA PENSION FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

Note	For the year ended June 30, 2014					For the period from May 02, 2013 to June 30, 2013				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----					-----Rupees-----				
CASH FLOWS FROM OPERATING ACTIVITIES										
Net income for the period before taxation	18,887,403	4,026,612	4,171,745	-	27,085,760	328,519	342,968	357,419	-	1,028,906
Adjustments										
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(8,392,838)	(676,003)	47,802	-	(9,021,039)	-	-	-	-	-
Gain on sale of investment-net	(8,955,178)	(237,212)	-	-	(9,192,390)	-	-	-	-	-
	1,539,387	3,113,397	4,219,547	-	8,872,331	328,519	342,968	357,419	-	1,028,906
Decrease / (increase) in assets										
Investments Net	(74,375,720)	(66,091,546)	(108,133,854)	-	(248,601,120)	-	-	-	-	-
Dividend receivable	(207,375)	-	-	-	(207,375)	-	-	-	-	-
Preliminary Expenses & Floatation Cost	25,000	25,000	25,000	-	75,000	4,041	4,041	4,041	-	12,123
Profit receivable	-	(2,447,198)	(31,457)	-	(2,478,655)	-	-	-	-	-
Receivable against sale of investments	(3,289,832)	-	-	-	(3,289,832)	-	-	-	-	-
Security deposit and other receivables	(882,250)	(100,000)	(100,000)	-	(1,082,250)	-	-	-	-	-
	(78,730,177)	(68,613,744)	(108,240,311)	-	(255,584,232)	4,041	4,041	4,041	-	12,123
Increase in Liabilities										
Payable against purchase of investments	5,400,602	-	-	-	5,400,602	-	-	-	-	-
Payable to the Pension Fund Manager	66,201	39,031	41,108	647,340	793,680	97,373	82,528	67,703	-	247,604
Payable to the Central Depository Company of Pakistan Limited	4,316	2,021	6,361	-	12,698	7,317	7,317	7,318	-	21,952
Payable to the Securities and Exchange Commission of Pakistan	18,555	16,633	18,100	-	53,288	1,610	1,610	1,610	-	4,830
Accrued expenses and other liabilities	545,276	185,478	187,646	-	918,400	42,295	42,485	43,061	-	127,841
	6,034,950	243,163	253,215	647,340	7,178,668	148,595	133,940	119,692	-	402,227
Net cash (used)/ generated in operating activities	(71,155,840)	(65,257,184)	(103,767,549)	647,340	(239,533,233)	481,155	480,949	481,152	-	1,443,256
CASH FLOWS FROM FINANCING ACTIVITIES										
Amount received on issue of units	65,420,849	50,506,853	79,504,333	-	195,432,035	30,006,000	29,997,000	29,997,000	-	90,000,000
Amount paid on redemption of units	(193,478)	(523,617)	(468,365)	-	(1,185,460)	-	-	-	-	-
Effect of reallocation	(8,728,722)	5,779,724	2,948,998	-	-	-	-	-	-	-
Net cash generated from financing activities	56,498,649	55,762,960	81,984,966	-	194,246,575	30,006,000	29,997,000	29,997,000	-	90,000,000
Net (decrease)/ increase in cash and cash equivalents	(14,657,191)	(9,494,224)	(21,782,583)	647,340	(45,286,658)	30,487,155	30,477,949	30,478,152	-	91,443,256
Cash and cash equivalents at the beginning of the period	30,487,155	30,477,949	30,478,152	-	91,443,256	-	-	-	-	-
Cash and cash equivalents at the end of the period	15,829,964	20,983,725	8,695,569	647,340	46,156,598	30,487,155	30,477,949	30,478,152	-	91,443,256

The annexed notes 1 to 27 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director

NAFA PENSION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

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

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

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

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

The Fund offers five types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility & Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The Participant has the option to select any one from the Allocation Schemes or products being offered by the Pension Fund Manager at the date of opening his / her Individual Pension Account. The Participant may change the Allocation Scheme, but not more than twice a year. Thereafter, the contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis or with any other frequency.

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

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

NAFA PENSION 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, the provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the VPS Rules or directives issued by the SECP differ with the requirements of IFRS, the requirements of the VPS Rules or the directives issued by the SECP shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention.

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, 2014

The following standards, amendments and interpretations are effective for the year ended June 30, 2014. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IAS 1 - Presentation of Financial Statements – Clarification of Requirements for Comparative information	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment	Effective from accounting period beginning on or after January 01, 2013
The amendments to IAS 19 - Employee Benefits – treatment of actuarial gains and losses	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities	Effective from accounting period beginning on or after January 01, 2013
Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	Effective from accounting period beginning on or after January 01, 2013

2.5 New accounting standards 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 Fund's operations or are not expected to have significant impact on the Fund'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"
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
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2014

NAFA PENSION FUND

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
IFRS 10 – Consolidated Financial Statements	Effective from accounting period beginning on or after January 01, 2015. Earlier adoption is encouraged.
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
IFRIC 21 - Levies	Effective from accounting period beginning on or after January 01, 2014

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 SECP.

- 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 estimates and judgments

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 (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.

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.

NAFA PENSION FUND

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
- loans and receivables
- available for sale

The management of the Fund determines the appropriate classification of its investments at the time of purchase and classifies these investments at fair value through profit or loss - held-for-trading, loans and receivables or available-for-sale.

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.

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

3.2.4 Subsequent measurement

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

a) Basis of valuation of debt securities

The privately placed debt securities are valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009, previously used). In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Basis of valuation of 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.

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.

NAFA PENSION FUND

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

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

Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

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

a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular 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 recognised 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 recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

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

NAFA PENSION FUND

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. The amount so determined is taken directly to the distribution statement.

3.7 Taxation

The income of the Fund is exempt from Income Tax under clause 57(1)(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 insurance premium, if any, followed by deduction of applicable front end fee, is used to purchase the units of sub-funds of the pension fund according to the Allocation Scheme selected by the participant. The units are allotted at the net asset value notified by the Pension Fund Manager at the close of the business day for each sub-fund. The front end fee is payable to the distributors and the Pension Fund Manager.

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

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

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 period 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 recognised when the right to receive the dividend is established.
- Markup / return on government securities, term finance certificate, sukuks, commercial papers, clean placements, bank balances and term deposit receipts are recognized on a time proportion basis using the effective interest method.

NAFA PENSION FUND

Note	2014					2013				
	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-----				

4 BALANCES WITH BANK

Savings accounts	4.1	15,829,964	20,983,725	8,695,569	647,340	46,156,598	30,487,155	30,477,949	30,478,152	-	91,443,256
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4.1 These carry a rate of return ranging from to 8.4% to 9.95% (June 2013: 8.9% to 9.45%) per annum.

4.2 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.

5 INVESTMENTS - NET	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
At fair value through profit or - loss held for trading		-----Rupees-----				-----Rupees-----			
Equity securities - listed	5.1	91,723,736	-	-	91,723,736	-	-	-	-
Government of Pakistan - Treasury Bills	5.2	-	11,447,510	108,086,052	119,533,562	-	-	-	-
Government of Pakistan - Pakistan Investment Bonds	5.2	-	43,602,363	-	43,602,363	-	-	-	-
Term Finance Certificates	5.3	-	11,954,888	-	11,954,888	-	-	-	-
		91,723,736	67,004,761	108,086,052	266,814,549	-	-	-	-

5.1 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 and K-Electric Limited which have a face value of Rs. 5 and Rs. 3.5 each respectively.

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus / Right during the period	Sales during the period	As at June 30, 2014	Market value	Market value as a % of		
							Net assets of the Sub-Fund	Total Investment of the Sub-Fund	Paid-up capital of the investee company
		-----Number of shares-----		-----Rupees-----		----- % -----			
Automobile and Parts									
General Tyre and Rubber company of Pakistan Limited.	-	22,000	-	-	22,000	1,776,500	1.68	1.94	0.04
Honda Atlas Cars (Pakistan) Limited	-	72,000	-	45,500	26,500	2,466,885	2.33	2.69	0.02
Ghandara Nissan Limited	-	92,500	-	-	92,500	3,720,350	3.52	4.06	0.21
Sazgar Engineering Works Limited	-	118,500	-	-	118,500	4,147,500	3.92	4.52	0.66
Pak Suzuki Motor company Limited	-	11,500	-	-	11,500	3,149,735	2.98	3.43	0.01
Pharma and Bio Tech									
Abbott Laboratories (Pakistan) Limited	-	3,400	-	-	3,400	1,945,888	1.84	2.12	0.00
Construction and Material (Cement)									
Pioneer Cement Limited	-	131,500	-	54,000	77,500	3,616,150	3.42	3.94	0.03
Fauji Cement Limited	-	82,000	-	82,000	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	145,000	-	62,000	83,000	2,494,150	2.36	2.72	0.02
Kohat cement company Limited	-	29,000	2,100	31,100	-	-	-	-	-
Lucky Cement Limited	-	17,500	-	8,300	9,200	3,774,760	3.57	4.12	0.00
D. G. Khan Cement company Limited	-	61,500	-	34,500	27,000	2,374,920	2.25	2.59	0.01
Cherat Cement Company Limited	-	43,500	850	44,350	-	-	-	-	-
AkzoNobel Pakistan Limited	-	16,500	-	-	16,500	2,787,840	2.64	3.04	0.04

NAFA PENSION FUND

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus / Right during the period	Sales during the period	As at June 30, 2014	Market value	Market value as a % of		
							Net assets of the Sub-Fund	Total Investment of the Sub-Fund	Paid-up capital of the investee company
		-----Number of shares-----			-----Rupees-----		-----%		
Commerical Banks									
United Bank Limited	-	75,660	-	31,600	44,060	7,426,754	7.02	8.10	0.00
Allied Bank Limited	-	7,000	700	7,500	200	27,482	0.03	0.03	0.00
National Bank of Pakistan	-	44,500	-	44,500	-	-	-	-	-
MCB Bank Limited	-	16,700	-	6,800	9,900	2,983,365	2.82	3.25	0.00
Habib Metro Bank Limited	-	96,500	-	19,000	77,500	2,494,725	2.36	2.72	0.01
Habib Bank Limited	-	2,400	-	2,400	-	-	-	-	-
Faysal Bank Limited	-	146,000	-	42,000	104,000	1,679,600	1.59	1.83	0.01
Bank Alfalah Limited	-	218,500	-	106,000	112,500	3,093,750	2.93	3.37	0.01
Bank Al-habib Limited	-	146,500	8,650	76,000	79,150	3,560,167	3.37	3.88	0.01
Meezan Bank Limited	-	19,500	-	19,500	-	-	-	-	-
Bank Islami Pakistan Limited	-	37,000	-	37,000	-	-	-	-	-
Forestry (Paper and Board)									
Century Paper and Board Mills Limited	-	29,500	-	3,500	26,000	1,385,800	1.31	1.51	0.02
									-
Chemicals									
Engro Fertilizer Limited	-	-	1,250	1,000	250	14,288	0.01	0.02	0.00
Engro Corporation Limited	-	50,700	-	26,700	24,000	4,284,240	4.05	4.67	0.00
General Industries									
Thal Limited.	-	24,200	-	4,000	20,200	4,189,278	3.96	4.57	0.05
Ghani Glass Mills Limited	-	59,000	-	26,500	32,500	1,755,000	1.66	1.91	0.03
Pharma and Bio Tech									
Glaxosmithkline (Pakistan) Limited	-	8,600	860	-	9,460	1,570,644	1.49	1.71	0.00
Electricity									
The Hub Power Company Limited	-	108,000	-	56,500	51,500	3,025,110	2.86	3.30	0.00
Kot Addu Power Company Limited	-	82,500	-	26,500	56,000	3,306,240	3.13	3.60	0.01
Nishat Power Limited	-	22,000	-	22,000	-	-	-	-	-
K-Electric Limited	-	112,000	-	-	112,000	950,880	0.90	1.04	0.00
Personal Goods (Textile)									
Nishat (Chunian) Limited	-	35,000	3,400	38,000	400	16,956	0.02	0.02	0.00
Nishat Mills Limited	-	48,200	-	34,000	14,200	1,589,264	1.50	1.73	0.00
Oil and Gas									
Attock Petroleum Limited	-	500	100	600	-	-	-	-	-
Byco Petroleum Pakistan Limited	-	68,500	-	68,500	-	-	-	-	-
Pakistan State Oil company Limited	-	23,800	1,530	18,200	7,130	2,772,501	2.62	3.02	0.00
Pakistan Petroleum Limited	-	22,800	2,620	13,300	12,120	2,719,001	2.57	2.96	0.00
Pakistan Oilfields Limited	-	9,900	-	3,600	6,300	3,618,090	3.42	3.94	0.00
Oil & Gas Development Company Limited	-	25,400	-	17,900	7,500	1,959,600	1.85	2.14	0.00
								-	
Industrial Transpotation									
Pakistan National Shipping Corporation Limited	-	30,500	-	13,000	17,500	1,244,600	1.18	1.36	0.01
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	-	87,000	-	36,000	51,000	1,298,970	1.23	1.42	0.00
Food Producers									
Rafhan Maize Products Limited	-	20	-	-	20	236,000	0.22	0.26	0.00
Household Goods									
Tariq Glass Limited	-	38,000	-	-	38,000	1,193,200	1.13	1.30	0.05
Technology Hardware and Equipment									
Trakker Pakistan Limited	-	129,500	-	-	129,500	1,073,555	1.02	1.17	0.28
						91,723,738	86.76	100.00	
Carrying Value as at June 30, 2014						83,330,898			

NAFA PENSION FUND

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

5.2.1 Debt Sub-Fund

Issue date	Note	Tenor	As at July 1, 2013	Purchased during the prtioid	Matured / Sold during the period	As at June 30, 2014	Market value	Market value as a % of net assets of the Sub-Fund
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-----Rupees in '000-----

Treasury Bills

September 19, 2013	5.2.3	3 months	-	25,000,000	25,000,000	-	-	-
December 12, 2013	5.2.3	3 months	-	59,500,000	59,500,000	-	-	-
January 23, 2014	5.2.3	3 months	-	19,000,000	19,000,000	-	-	-
February 20, 2014	5.2.3	3 months	-	8,500,000	8,500,000	-	-	-
March 6, 2014	5.2.3	3 months	-	35,500,000	35,500,000	-	-	-
June 12, 2014	5.2.3	3 months	-	3,000,000	-	3,000,000	2,947,082	3.27
January 24, 2013	5.2.3	6 months	-	28,000,000	28,000,000	-	-	-
March 20, 2014	5.2.3	6 months	-	2,500,000	-	2,500,000	2,446,695	2.71
April 17, 2014	5.2.3	6 months	-	1,500,000	-	1,500,000	1,457,018	1.62
September 20, 2012	5.2.3	1 Year	-	13,000,000	13,000,000	-	-	-
May 15, 2014	5.2.3	1 Year	-	5,000,000	-	5,000,000	4,596,715	5.10

Pakistan Investment Bonds

July 18, 2013	5.2.4	3 Year	-	32,000,000	-	32,000,000	31,570,301	35.03
July 18, 2013	5.2.4	5 Year	-	7,500,000	-	7,500,000	7,261,455	8.06
July 19, 2012	5.2.4	10 Year	-	5,000,000	-	5,000,000	4,770,607	5.29
-				245,000,000	188,500,000	56,500,000	55,049,873	61.08

Carrying Value as at June 30, 2014

54,944,417

5.2.2 Money Market Sub-Fund

Issue date	Note	Tenor	As at July 1, 2013	Purchased during the prtioid	Matured / Sold during the period	As at June 30, 2014	Market value	Market value as a % of net assets of the Sub-Fund
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-----Rupees in '000-----

Treasury Bills

September 19, 2013	5.2.3	3 Months	-	29,000,000	29,000,000	-	-	-
December 12, 2013	5.2.3	3 Months	-	33,000,000	33,000,000	-	-	-
January 23, 2014	5.2.3	3 Months	-	12,000,000	12,000,000	-	-	-
February 20, 2014	5.2.3	3 Months	-	51,800,000	51,800,000	-	-	-
March 6, 2014	5.2.3	3 Months	-	33,000,000	33,000,000	-	-	-
March 20, 2014	5.2.3	3 Months	-	2,000,000	2,000,000	-	-	-
April 17, 2014	5.2.3	3 Months	-	36,000,000	-	36,000,000	35,906,436	30.82
May 15, 2014	5.2.3	3 Months	-	32,800,000	-	32,800,000	32,466,063	27.87
June 12, 2014	5.2.3	3 Months	-	3,000,000	-	3,000,000	2,947,083	2.53
April 17, 2014	5.2.3	6 Months	-	18,000,000	-	18,000,000	17,484,210	15.01
May 15, 2014	5.2.3	6 Months	-	20,000,000	-	20,000,000	19,282,260	16.55
July 26, 2012	5.2.3	12 Months	-	25,000,000	25,000,000	-	-	-
September 20, 2012	5.2.3	12 Months	-	25,000,000	25,000,000	-	-	-
-				320,600,000	210,800,000	109,800,000	108,086,052	93

Carrying Value as at June 30, 2014

108,132,253

5.2.3 These Government treasury bills carry purchase yield ranging from 8.77% to 10.4% per annum. (June 2013 : Nil)

5.2.4 These Pakistan Investment bonds carry purchase yield ranging from 11.95 % to 12.90% per annum. (June 2013 : Nil)

NAFA PENSION FUND

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

5.3.1 Debt Sub-Fund

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

Name of the investee company	Note	As at July 1, 2013	Purchases during the period	Sales during the period	As at June 30, 2014	Market value	Investment as a percentage of		
							Net assets	Market value of total investments	Issue Size
		-----Number of shares-----				-----Rupees-----		%	
Allied Bank Limited	5.3.2	-	27	18	9	11,243	0.01	0.02	0.00
Engro Fertilizers Limited PRP - I	5.3.2	-	315	-	315	1,527,811	1.70	2.28	0.05
Faysal Bank Limited - III	5.3.2	-	300	-	300	1,562,765	1.73	2.33	0.08
Jahangir Siddiqui company Limited	5.3.2	-	280	-	280	4,973,810	5.52	7.42	0.07
K-Electric Azam Sukuk	5.3.2	-	1,600	-	1,600	1,441,300	1.60	2.15	0.40
Pakistan Mobile Communication Limited	5.3.2	-	150	150	-	-	-	-	-
Standard Chartered Bank Limited - IV	5.3.2	-	470	-	470	2,354,700	2.61	3.50	0.06
United Bank Limited - III	5.3.2	-	300	200	100	83,259	0.09	0.12	0.01
		-	3,442	368	3,074	11,954,888	13.26	17.83	0.67
Carrying Value as at June 30, 2014						11,821,260			

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

2014					2013				
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	-	2,445,479	-	2,445,479	-	-	-	-	-
Savings accounts	-	1,719	31,457	33,176	-	-	-	-	-
	-	2,447,198	31,457	2,478,655	-	-	-	-	-

6 PROFIT RECEIVABLE

7 PRELIMINARY EXPENSES AND FLOATATION COST

2014						2013					
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-----	
Preliminary Expenses and Floatation Costs	7.1	70,959	70,959	70,959	212,877	75,000	75,000	75,000	225,000		
Less: amortization for the period		(25,000)	(25,000)	(25,000)	(75,000)	(4,041)	(4,041)	(4,041)	(12,123)		
		45,959	45,959	45,959	137,877	70,959	70,959	70,959	212,877		

7.1 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.

NAFA PENSION FUND

8 ADVANCES AND DEPOSITS

	Note	2014				2013			
		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	8.1	782,250	-	-	782,250	-	-	-	-
Security deposit with Central Depository Company of Pakistan		100,000	100,000	100,000	300,000	-	-	-	-
		<u>882,250</u>	<u>100,000</u>	<u>100,000</u>	<u>1,082,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

8.1 This represents advance against investment in book building process of Pakistan Petroleum Limited.

9 PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED

	2014					2013				
	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-----				
Management fee payable	21,119	14,985	15,740	-	51,844	73,173	60,973	48,790	-	182,936
Front end load payable	-	-	-	647,340	647,340	-	-	-	-	-
Sindh Sales tax payable on management fee	3,921	2,779	2,924	-	9,624	12,281	10,234	8,189	-	30,704
Federal excise duty payable on management fee	138,534	103,795	90,147	-	332,476	3,585	2,988	2,391	-	8,964
Preliminary expenses and floatation cost payable	75,000	75,000	75,000	-	225,000	75,000	75,000	75,000	-	225,000
Other charges payable	-	-	-	-	-	8,334	8,333	8,333	-	25,000
	<u>238,574</u>	<u>196,559</u>	<u>183,811</u>	<u>647,340</u>	<u>1,266,284</u>	<u>172,373</u>	<u>157,528</u>	<u>142,703</u>	<u>-</u>	<u>472,604</u>

9.1 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
- 1.25% of the average annual net assets of Debt Sub-Fund; and
- 1.00% of the average annual net assets of Money Market Sub-Fund

9.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 16% on the services provided by the Pension Fund Manager as required by Sindh Sales Tax on Services Act, 2011.

9.3 As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on services provided by the Pension Fund Manager has been applied effective from June 13, 2013. During the year demand notices were received by some asset management companies for collection of FED. 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. During the year, the Pension Fund Manager has also received a notice under section 14 of the Federal Excise Act, 2005 regarding payment of FED on management remuneration. The Pension Fund Manager is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. Therefore, the Pension Fund Manager 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 on services provided by the Pension Fund Manager.

NAFA PENSION FUND

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

2014					2013				
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	10.1	11,633	9,338	13,679	34,650	7,317	7,317	7,318	21,952

- 10.1 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, 2014 is as follows

**Amount of Funds Under Management
(Average NAV)**

Tariff per annum

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

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

However, the trustee has withdrawn minimum trusteeship tariff for the first year of operation and restricted to 0.15% p.a of the NAV in case the average NAV of the sub-fund is upto Rs. 1,000 million.

11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	2014				2013			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Annual fee	20,165	18,243	19,710	58,118	1,610	1,610	1,610	4,830

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.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

	2014				2013			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Provision for Workers' Welfare Fund	392,026	89,175	92,432	573,633	6,704	6,999	7,294	20,997
Auditors Remuneration	59,700	59,700	59,700	179,100	10,000	10,000	10,000	30,000
Bank charges Payable	45,439	9,170	8,657	63,266	4,680	4,275	4,457	13,412
Printing charges	49,950	49,950	49,950	149,850	-	-	-	-
Legal and professional	19,968	19,968	19,968	59,904	-	-	-	-
Brokerage expense payable	13,015	-	-	13,015	-	-	-	-
Other charges payable	7,473	-	-	7,473	20,911	21,211	21,310	63,432
	587,571	227,963	230,707	1,046,241	42,295	42,485	43,061	127,841

NAFA PENSION FUND

13 NUMBER OF UNITS IN ISSUE

	2014				2013			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Total units in issue at the beginning of the period	300,060	299,970	299,970	900,000	-	-	-	-
Add: Issue of units during the period	517,462	475,658	747,954	1,741,074	300,060	299,970	299,970	900,000
Less: Units redeemed during the period	(1,761)	(4,927)	(4,422)	(11,110)	-	-	-	-
Reallocation effect	(62,790)	52,999	26,963	17,172	-	-	-	-
Total units in issue at the end of the period	752,971	823,700	1,070,465	2,647,136	300,060	299,970	299,970	900,000

14 CONTRIBUTION TABLE

Contribution received during the year is as follows:

From:	For the year ended 30 June 2014							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	517,462	65,420,849	475,658	50,506,853	747,954	79,504,333	1,741,074	195,432,035
Pension Fund Sponsors	-	-	-	-	-	-	-	-
	<u>517,462</u>	<u>65,420,849</u>	<u>475,658</u>	<u>50,506,853</u>	<u>747,954</u>	<u>79,504,333</u>	<u>1,741,074</u>	<u>195,432,035</u>
From:	For the year ended 30 June 2013							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	-	-	-	-	-	-	-	-
Pension Fund Sponsors	300,060	30,006,000	299,970	29,997,000	299,970	29,997,000	900,000	90,000,000
	<u>300,060</u>	<u>30,006,000</u>	<u>299,970</u>	<u>29,997,000</u>	<u>299,970</u>	<u>29,997,000</u>	<u>900,000</u>	<u>90,000,000</u>

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2014

16 AUDITOR'S REMUNERATION

	For the year ended 30 June 2014				For the period from May 02, 2013 to June 30, 2013			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Audit fee	50,000	50,000	50,000	150,000	10,000	10,000	10,000	30,000
Half yearly fee	25,000	25,000	25,000	75,000	-	-	-	-
Out of pocket expense	15,000	15,000	15,000	45,000	-	-	-	-
	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>270,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>30,000</u>

NAFA PENSION FUND

17 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CIS) and Pension Funds, 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 and the Pension Funds, which is pending adjudication.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated July 15, 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section 4 of the WWF Ordinance. 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 6, 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 incomes 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 6, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

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

Last year, 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 current year, 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.

However, without prejudice to the above, the Pension Fund manager, as a matter of abundant caution, has decided to maintain the provision for WWF amounting to Rs. 573,633 in aggregate including Rs. 552,771 for the year June 30, 2014. 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. 0.5206, Rs.0.1083 and Rs. 0.0863 (2013: Rs. 0.0224, Rs. 0.0234, Rs 0.0243) per unit, respectively.

18 TAXATION

No provision for taxation for the period ended June 30, 2014 has been made in view of the exemption available under clause 57 (1) (viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

19 EARNINGS PER UNIT

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

20 TRANSACTIONS WITH CONNECTED PERSONS

20.1 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.

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

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

NAFA PENSION FUND

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

	For the year ended 30 June 2014				For the period from May 02, 2013 to June 30, 2013			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
	-----Rupees-----				-----Rupees-----			
NBP Fullerton Asset Management Limited - Pension Fund Manager								
Management fee	843,430	630,047	548,475	2,021,952	73,173	60,973	48,790	182,936
Sales tax on remuneration of the Pension Fund Manager	158,989	117,417	102,164	378,570	12,281	10,234	8,189	30,704
FED on remuneration of the Pension Fund Manager	134,949	100,807	87,756	323,512	3,585	2,988	2,391	8,964
Other charges paid	-	-	-	-	8,334	8,333	8,333	25,000
Amount of units issued	-	-	-	-	18,003,600	17,998,200	17,998,200	54,000,000
Number of units issued (Seed Capital)	-	-	-	-	180,036	179,982	179,982	540,000
Reallocation in Amount	(3,645,646)	1,768,910	1,876,737	-	-	-	-	-
Reallocation (number of units)	(26,144)	16,174	17,254	7,284	-	-	-	-
Alexandra Fund Management Pte. Limited - Sponsor								
Amount of units issued	-	-	-	-	12,002,400	11,998,800	11,998,800	36,000,000
Number of units issued (seed capital)	-	-	-	-	120,024	119,988	119,988	360,000
Reallocation in Amount	(2,430,431)	1,179,273	1,251,158	-	-	-	-	-
Reallocation (number of units)	(17,429)	10,782	11,503	4,856	-	-	-	-
Employees of the Company								
Amount of units issued	11,700,000	-	-	11,700,000	9,395	2,445	-	11,840
Number of units redeemed	84,923	-	-	84,923	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
Remuneration	84,343	75,606	82,271	242,220	7,317	7,317	7,318	21,952
Taurus Securities Limited								
Brokerage Paid	28,992	-	-	28,992	-	-	-	-
Cherat Cement Company Limited								
Dividend Received	21,250	-	-	21,250	-	-	-	-
Purchase of shares 43,500 (June 2013:Nil)	2,777,445	-	-	2,777,445	-	-	-	-
Bonus shares 850 (June 2013:Nil)	-	-	-	-	-	-	-	-
Sale of shares 44,350 (June 2013:Nil)	2,962,670	-	-	2,962,670	-	-	-	-
National Bank of Pakistan								
Purchase of shares 44,500 (June 2013:Nil)	2,568,765	-	-	2,568,765	-	-	-	-
Sale of shares 44,500 (June 2013:Nil)	2,628,850	-	-	2,628,850	-	-	-	-
Thal Limited								
Dividend Received	113,000	-	-	113,000	-	-	-	-
Purchase of shares 24,200 (June 2013:Nil)	3,964,500	-	-	3,964,500	-	-	-	-
Sale of shares 4,000 (June 2013:Nil)	643,359	-	-	643,359	-	-	-	-

20.5 Amounts outstanding as at year end

	2014				2013			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
	-----Rupees-----				-----Rupees-----			
NBP Fullerton Asset Management Limited - Pension Fund Manager								
Management fee payable	61,755	46,963	34,356	143,074	73,173	60,973	48,790	182,936
Sindh Sales tax payable on management fee	15,056	10,952	8,100	34,108	12,281	10,234	8,189	30,704
FED payable on management fee	49,816	40,008	30,440	120,264	3,585	2,988	2,391	8,964
Preliminary expenses and floatation cost payable	75,000	75,000	75,000	225,000	75,000	75,000	75,000	225,000
Other charges payable	-	-	-	-	8,334	8,333	8,333	25,000
Amount of units issued	21,607,212	21,463,434	21,467,492	64,538,138	18,003,600	17,998,200	17,998,200	54,000,000
Number of units issued (seed capital)	153,892	196,156	197,236	547,284	180,036	179,982	179,982	540,000
Alexandra Fund Management Pte. Limited - Sponsor								
Amount of units issued	14,404,808	14,308,956	14,311,662	43,025,426	12,002,400	11,998,800	11,998,800	36,000,000
Number of units issued (seed capital)	102,595	130,770	131,491	364,856	120,024	119,988	119,988	360,000
Employees of the Company								
Amount of units issued	11,923,580	-	-	11,923,580	-	-	-	-
Number of units issued	84,923	-	-	84,923	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
Trustee Fee payable	11,633	9,338	13,679	34,650	7,317	7,317	7,318	21,952
Thal Limited								
Ordinary shares held 20,200 (June 2013: Nil)	4,189,278	-	-	4,189,278	-	-	-	-

NAFA PENSION FUND

21 FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2014												
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund				Total
	Loans and receivables	At fair value through profit or loss	Available for sale	Total	Loans and receivables	At fair value through profit or loss	Available for sale	Total	Loans and receivables	At fair value through profit or loss	Available for sale	Total	
June 30, 2014													
Financial Assets													
Balances with banks	15,829,964	-	-	15,829,964	20,983,725	-	-	20,983,725	8,695,569	-	-	8,695,569	45,509,258
Investments-net	-	91,723,736	-	91,723,736	-	67,004,761	-	67,004,761	-	108,086,052	-	108,086,052	266,814,549
Dividend receivable	207,375	-	-	207,375	-	-	-	-	-	-	-	-	207,375
Profit receivable	-	-	-	-	2,447,198	-	-	2,447,198	31,457	-	-	31,457	2,478,655
Receivable against sale of investments	3,289,832	-	-	3,289,832	-	-	-	-	-	-	-	-	3,289,832
Security deposits and other receivables	882,250	-	-	882,250	100,000	-	-	100,000	100,000	-	-	100,000	1,082,250
	20,209,421	91,723,736	-	111,933,157	23,530,923	67,004,761	-	90,535,684	8,827,026	108,086,052	-	116,913,078	319,381,919

	June 30, 2014									
	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund			Total
	At fair value through profit or loss	Other financial Liabilities	Total	At fair value through profit or loss	Other financial Liabilities	Total	At fair value through profit or	Other financial Liabilities	Total	
	Rupees									
Financial Liabilities										
Payable against purchase of investments	-	5,400,602	5,400,602	-	-	-	-	-	-	5,400,602
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	238,574	238,574	-	196,559	196,559	-	183,811	183,811	618,944
Payable to Central Depository Company of Pakistan Limited - Trustee	-	11,633	11,633	-	9,338	9,338	-	13,679	13,679	34,650
Accrued expenses and other liabilities	-	195,545	195,545	-	138,788	138,788	-	138,275	138,275	472,608
	-	5,846,354	5,846,354	-	344,685	344,685	-	335,765	335,765	6,526,804

	June 30, 2013												
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund			Total	
	Loans and receivables	At fair value through profit or loss	Available for sale	Total	Loans and receivables	At fair value through profit or loss	Available for sale	Total	Loans and receivables	At fair value through profit or loss	Available for sale	Total	
	Rupees												
Financial Assets													
Balances with banks	30,487,155	-	-	30,487,155	30,477,949	-	-	30,477,949	30,478,152	-	-	30,478,152	91,443,256
Investments-net	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
	30,487,155	-	-	30,487,155	30,477,949	-	-	30,477,949	30,478,152	-	-	30,478,152	91,443,256

June 30, 2013											
Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund			Total		
At fair value through profit or loss	Other financial Liabilities	Total	At fair value through profit or loss	Other financial Liabilities	Total	At fair value through profit or loss	Other financial Liabilities	Total			
Rupees											
Financial Liabilities											
Payable against purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	172,373	172,373	-	157,528	157,528	-	142,703	142,703		472,604
Payable to Central Depository Company of Pakistan Limited - Trustee	-	7,317	7,317	-	7,317	7,317	-	7,318	7,318		21,952
Accrued expenses and other liabilities	-	35,591	35,591	-	35,486	35,486	-	35,767	35,767		106,844
	-	215,281	215,281	-	200,331	200,331	-	185,788	185,788		601,400

NAFA PENSION FUND

22 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.

22.1 Market risk

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

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

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

22.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

22.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at June 30, 2014, the Debt Sub-Fund holds KIBOR based interest bearing term finance certificates and sukuk bonds exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on June 30, 2014 with all other variables held constant, the net assets of the Fund and net income for the year would have been higher / lower by Rs. 119,549 (2013: Nil).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2014, the sub-funds hold Market Treasury Bills and Pakistan Investment Bonds which are classified as held for trading, exposing the sub-funds to fair value interest rate risk. The impact of 100 basis points increase/ decrease in average broker rates on June 30, 2014, with all variable held constant the net assets and other comprehensive income for the year is as follows:

	Effect on total comprehensive income and net assets		
	Debt Sub Fund	Money Market Sub Fund	Total
	-----Rupees-----		
Change in basis points			
100	(1,061,411)	(167,577)	(1,228,988)
(100)	1,100,651	168,457	1,269,108

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, 2014 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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.

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June 30, 2014																			
Equity Sub Fund						Debt Sub Fund						Money Market Sub Fund						Total	
Yield / Interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Yield / Interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Yield / Interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total		
	Upto three months	More than three months and upto	More than one year				Upto three months	More than three months and upto	More than one year				Upto three months	More than three months and upto	More than one year				
%	Rupees					%	Rupees					%	Rupees						
On-balance sheet financial instruments																			
Financial assets																			
Balances with banks	8.4 - 9.95	15,829,964	-	-	-	15,829,964	8.4 - 9.95	20,983,725	-	-	-	20,983,725	8.4 - 9.95	8,695,569	-	-	-	8,695,569	45,509,258
Investments-net	-	-	-	-	91,723,736	91,723,736	9.96-13.42	5,477,036	6,064,976	55,462,749	-	67,004,761	4.98-9.98	71,319,582	36,766,470	-	-	108,086,052	266,814,549
Dividend receivable	-	-	-	-	207,375	207,375	-	-	-	-	-	-	-	-	-	-	-	-	207,375
Profit receivable	-	-	-	-	-	-	-	-	-	-	2,447,198	2,447,198	-	-	-	-	31,457	31,457	2,478,655
Receivable against sale of investments	-	-	-	-	3,289,832	3,289,832	-	-	-	-	-	-	-	-	-	-	-	-	3,289,832
Security deposits and other receivables	-	-	-	-	882,250	882,250	-	-	-	-	100,000	100,000	-	-	-	-	100,000	100,000	1,082,250
		15,829,964	-	-	96,103,193	111,933,157		26,460,761	6,064,976	55,462,749	2,547,198	90,535,684		80,015,151	36,766,470	-	131,457	116,913,078	319,381,919
Financial liabilities																			
Payable against purchase of investments	-	-	-	-	5,400,602	5,400,602	-	-	-	-	-	-	-	-	-	-	-	-	5,400,602
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	-	-	-	-	238,574	238,574	-	-	-	-	196,559	196,559	-	-	-	-	183,811	183,811	618,944
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	11,633	11,633	-	-	-	-	9,338	9,338	-	-	-	-	13,679	13,679	34,650
Accrued expenses and other liabilities	-	-	-	-	195,545	195,545	-	-	-	-	138,788	138,788	-	-	-	-	138,275	138,275	472,608
	-	-	-	-	5,846,354	5,846,354	-	-	-	-	344,685	344,685	-	-	-	-	335,765	335,765	6,526,804
On-balance sheet gap		15,829,964	-	-	90,256,839	106,086,803		26,460,761	6,064,976	55,462,749	2,202,513	90,190,999		80,015,151	36,766,470	-	(204,308)	116,577,313	312,855,115
Off-balance sheet financial instruments																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

22.1.3 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 is 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'. 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 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 10% increase / decrease in KSE 100 index on June 30, 2014 net income for the year would increase / decrease by Rs. 9.712 million (2013: Rs. Nil) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

22.1.4 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.

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The maximum exposure to credit risk is as follows:

	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----				
Balances with banks					
A1+	15,829,964	20,983,725	8,690,569	647,340	46,151,598
A1	-	-	5,000	-	5,000
Term finance certificates					
AAA	-	2,354,700	-	-	2,354,700
AA+	-	4,973,810	-	-	4,973,810
AA	-	94,502	-	-	94,502
AA-	-	1,562,765	-	-	1,562,765
A+	-	2,969,111	-	-	2,969,111

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. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counterparties, thereby mitigating any significant concentration of credit risk.

22.1.5 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 year.

NAFA PENSION FUND

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:

	June 30, 2014												Total
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund				
	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	
	Rupees												
Financial liabilities													
Payable against purchase of investments	5,400,602	-	-	5,400,602	-	-	-	-	-	-	-	-	5,400,602
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	238,574	-	-	238,574	196,559	-	-	196,559	183,811	-	-	183,811	618,944
Payable to Central Depository Company of Pakistan Limited - Trustee	11,633	-	-	11,633	9,338	-	-	9,338	13,679	-	-	13,679	34,650
Accrued expenses and other liabilities	195,545	-	-	195,545	138,788	-	-	138,788	138,275	-	-	138,275	472,608
	5,846,354	-	-	5,846,354	344,685	-	-	344,685	335,765	-	-	335,765	6,526,804
Participant Fund	105,720,571	-	-	105,720,571	90,129,540	-	-	90,129,540	116,511,130	-	-	116,511,130	312,361,241
	June 30, 2013												
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund				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	
	Rupees												
Payable against purchase of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to NBP Fullerton Asset Management Limited - Pension Fund Manager	172,373	-	-	172,373	157,528	-	-	157,528	142,703	-	-	142,703	472,604
Payable to Central Depository Company of Pakistan Limited - Trustee	7,317	-	-	7,317	7,317	-	-	7,317	7,318	-	-	7,318	21,952
Accrued expenses and other liabilities	35,591	-	-	35,591	35,486	-	-	35,486	35,767	-	-	35,767	106,844
	215,281	-	-	215,281	200,331	-	-	200,331	185,788	-	-	185,788	601,400
Participant Fund	30,006,000	-	-	30,006,000	29,997,000	-	-	29,997,000	29,997,000	-	-	29,997,000	90,000,000

23 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 19, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with long term objective, the possibility of a significant redemption pressure is limited, such liquidity is augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments, where necessary.

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

24 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.

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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).

2014				2013			
Equity Sub Fund				Equity Sub Fund			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total

-----Rupees-----Rupees-----

Financial assets at fair value through profit and loss

Equity	91,723,738	-	-	91,723,738	-	-	-	-
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2014				2013			
Debt Sub Fund				Debt Sub Fund			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total

-----Rupees-----Rupees-----

PIBs	-	43,602,363	-	43,602,363	-	-	-	-
Treasury Bills	-	11,447,510	-	11,447,510	-	-	-	-
Term Finance Certificates	-	11,954,888	-	11,954,888	-	-	-	-

2014				2013			
Money market Sub Fund				Money market Sub Fund			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total

-----Rupees-----Rupees-----

Treasury Bills	-	108,086,052	-	108,086,052	-	-	-	-
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NAFA PENSION FUND

25 FINANCIAL PERFORMANCE

25.1 Equity sub-fund

Equity sub-fund	Equity sub-fund					
	2014	2013 *	% Change	2012	2011	2010
	Rupees			Rupees		
Net Income for the year / period	18,887,403	328,519	5649%	-	-	-
Capital gain/ (loss) on sales of investments-net	8,955,178	-	100%	-	-	-
Net unrealised appreciation/ (diminution) on remeasurement of investments classified as fair value through Profit or loss	8,392,838	-	100%	-	-	-
Dividend Income	3,153,650	-	100%	-	-	-
Interest Income	557,148	473,821	18%	-	-	-
NAV per Unit	140.40	10109	39%	-	-	-
Earning Per Unit	25.08	109	2191%	-	-	-
Transactions in Securities						
Purchases	(153,502,045)	-	-100%	-	-	-
Sales	79,126,333	-	100%	-	-	-
Total Contribution Received	65,420,849	30,006,000	18%	-	-	-

25.2 Debt sub-fund

Debt sub-fund	Debt sub-fund					
	2014	2013 *	% Change	2012	2011	2010
	Rupees			Rupees		
Net Income for the year / period	4,026,612	342,968	1074%	-	-	-
Capital gain/ (loss) on sales of investments-net	237,212	-	-100%	-	-	-
Net unrealised appreciation/ (diminution) on remeasurement of investments classified as fair value through Profit or loss	676,003	-	100%	-	-	-
Interest Income	4,356,050	473,816	819%	-	-	-
NAV per Unit	109.42	101.14	8%	-	-	-
Earning Per Unit	4.89	1.14	328%	-	-	-
Transactions in Securities						
Purchases	(252,274,448)	-	-100%	-	-	-
Sales	188,500,000	-	-	-	-	-
Total Contribution Received	50,506,853	29,997,000	68%	-	-	-

25.3 Money market sub-fund

Money market sub-fund	Money market sub-fund					
	2014	2013 *	% Change	2012	2011	2010
	Rupees			Rupees		
Net Income for the year / period	4,17,1745	357,419	1067%	-	-	-
Net unrealised appreciation/ (diminution) on remeasurement of investments classified as fair value through Profit or loss	(47,802)	-	-100%	-	-	-
Interest Income	5,356,247	473,819	1030%	-	-	-
NAV per Unit	108.84	10119	8%	-	-	-
Earning Per Unit	3.90	119	227%	-	-	-
Transactions in Securities						
Purchases	(106,789,360)	-	-100%	-	-	-
Sales	210,800,000	-	-	-	-	-
Total Contribution Received	79,504,333	29,997,000	165%	-	-	-

* It represents period from May 02, 2013 to June 30, 2013.

25.4 Highest and Lowest issue price of Units during the Year

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money market Sub-Fund	
	2014	2013	2014	2013	2014	2013
	Rupees					
Highest issue price	141.98	100.00	109.67	100.00	108.84	100.00
Lowest issue price	100.47	100.00	101.39	100.00	101.44	100.00

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 16, 2014 by the Board of Directors of the Pension Fund Manager.

27 GENERAL

27.1 Figures have been rounded off to the nearest rupee, unless otherwise specified.

For NBP Fullerton Asset Management Limited
(Pension Fund Manager)

Chief Executive

Director



NBP Fullerton
Asset Management Ltd.

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