



**NBP FUNDS**  
*Managing Your Savings*

**AM1**  
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## NAFA PENSION FUND



**ANNUAL REPORT**  
**JUNE 2020**



# **MISSION STATEMENT**

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



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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

### Company Secretary & COO

Mr. Muhammad Murataz Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

### Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member

### Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

### Trustee

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

### Bankers to the Fund

Allied Bank Limited  
Bank Islami Pakistan Limited  
Bank Al Habib Limited  
Faysal Bank Limited  
Soneri Bank Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
JS Bank Limited  
United Bank Limited



## **Auditor**

KPMG Taseer Hadi & Co.  
Sheikh Sultan Trust Buildings,  
Ground No. 2 Shaheed Chaudary Aslam Rd,  
Civil Lines, Karachi, 75530

## **Legal Advisor**

Akhund Forbes  
D-21, Block, Scheme 5,  
Clifton, Karachi 75600, Pakistan.

## **Head Office**

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 021 (111-111-632),  
(Toll Free): 0800-20002,  
Fax: (021) 35825329  
Website: [www.nbp funds.com](http://www.nbp funds.com)

## **Lahore Office**

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

## **Islamabad Office**

1st Floor, Ranjha Arcade  
Main Double Road, Gulberg Greens,  
Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
Fax: 051-4859031

## **Peshawar Office**

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

## **Multan Office**

Khan Center, 1st Floor, Abdali Road, Multan.  
Phone No. : 061-4540301-6, 061-4588661-2 & 4

## Board of Directors



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



**Shaikh Muhammad Abdul Wahid Sethi**  
Chairman



**Mr. Khalid Mansoor**  
Director



**Mr. Humayun Bashir**  
Director



**Syed Hasan Irtiza Kazmi**  
Director



**Mr. Ali Saigol**  
Director



**Mr. Saad Amanullah Khan**  
Director



**Mr. Saad ur Rehman**  
Director



**Mr. Imran Zaffar**  
Director

# Senior Management



**Mr. Sajjad Anwar, CFA**  
Chief Investment Officer



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



**Mr. Muhammad Murtaza Ali**  
Chief Operating Officer &  
Company Secretary



**Mr. Khalid Mehmood**  
Chief Financial Officer



**Mr. Samiuddin Ahmed**  
Country Head Corporate Marketing



**Mr. Ozair Khan**  
Chief Technology Officer



**Mr. Salim S Mehdi**  
Chief Innovation & Strategy Officer



**Mr. Asim Wahab Khan, CFA**  
Deputy Chief Investment Officer



**Mr. Muhammad Ali, CFA, FRM**  
Head Of Fixed Income



**Mr. Hassan Raza, CFA**  
Head Of Research



**Mr. Waheed Abidi**  
Head Of Internal Audit



**Mr. Zaheer Iqbal, ACA FPFA**  
Head Of Operations



**Mr. Salman Ahmed, CFA**  
Head Of Product Development



**Mr. Saadat Saeed, ACA, CFA**  
Head Of Investment Risk.



**Mr. Shahid Javed**  
Head Of Operational Risk



**Mr. Shahbaz Umer**  
Head Of Human Resource

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Eighth Annual Report for the year ended June 30, 2020, since launch of **NAFA Pension Fund (NPF)** on July 02, 2013.

### Fund's Performance

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) June 30, 2019	NAV Per Unit (Rs.) June 30, 2020	Performance Since Launch July 02, 2013
<b>NPF-Equity Sub-fund</b>	757.6	252.8409	263.6676	14.7%
<b>NPF-Debt Sub-fund</b>	604.4	157.7781	188.9459	9.3%
<b>NPF-Money Market Sub-fund</b>	1,152.7	144.7624	162.0954	7.0%
<b>Annualized Return</b>	[Net of management fee & all other expenses]			

Amid high volatility, FY2019-20 remained a lackluster year for the stock market as the benchmark KSE-100 Index rose by a meagre 1.5% on a year-on-year basis. The market started off the year on a negative note despite positive news-flow surrounding the signing of USD 6 billion Extended Fund Facility (EFF) with the IMF, commencement of Saudi oil facility worth USD 3.3 billion, and USD 500 million inflow from Qatar. The market sentiment was soured by deteriorating Pakistan-India relations over the repeal of article 370 in the Indian-occupied Kashmir. The ensuing panic selling sent the Index to a low of 28,765 points on August 16th that in the process opened-up valuation gap in the broader part of the market. Based on attractive valuations, improving Current Account Deficit (CAD), and expectation of monetary easing by the SBP, the stock market rebounded sharply afterwards. The current account balance turned into surplus in Oct-19 and CAD for FY20 clocked in at USD 3 billion, down by 78% on a YoY basis. Likewise, capital flows from the multilateral agencies and portfolio inflows in the government securities also instilled confidence amongst investors. As a result, the KSE-100 Index surged by a massive 50% from August 16th, 2019 to its recent peak on January 13th, 2020.

Subsequently, concerns over delay of 3rd tranche from the IMF over noncompliance of Performance Criteria under EFF, fear of a mini budget to meet expected revenue shortfalls, and some outflow of hot money from T-Bills weighed on the market sentiments. It was, however, the spread of Coronavirus and the ensuing lockdown/shutdown of the business activity that caused indiscriminate selling in the stock market and within a span of 2 months, the stock market tumbled by 37% from its previous peak. To cushion the economy from the impact of the Coronavirus pandemic, policymakers responded with unprecedented fiscal and monetary policy actions. SBP slashed the Policy Rate by a cumulative 6.25% and to support businesses and keep credit flowing, amendments were made in the prudential regulations for corporates/commercial banks related to loan repayments. The government announced a Rs. 1.2 trillion stimulus package, equivalent to 2.8% of the GDP, which included relief for all sectors of the society including the under privileged, businesses, and the industries. The country received an emergency loan of USD 1.39 billion from the IMF under Rapid Financing Instrument (RFI) and the G20 countries announced relief for debt repayment. Notwithstanding poor and inadequate healthcare infrastructure, relatively low fatality rates and higher recovery rates raised hopes that Pakistan may be spared from the worst as earlier feared. As a result, the market staged a sharp rebound thenceforth and covered almost all the lost ground and managed to close the year with a paltry gain of 1.5% on a YoY basis.

In terms of sector-wise performance during the year, Automobile Parts & Accessories, Cements, Chemicals, Engineering, Fertilizers, Pharmaceuticals, Paper & Board, Technology and Glass & Ceramics sectors performed better than the market, while Commercial Banks, Oil & Gas Exploration, Oil & Gas Marketing, Power Generation & Distribution, and Textile Composite sectors lagged behind. Regarding the market participant-wise activity, Individuals remained major buyers with net inflows of USD 213 million, along with Insurance Companies that accumulated positions worth USD 128 million. On the other hand, Foreign investors were major sellers in the market, offloading positions worth USD 285 million. Similarly, Banks/DFIs and Mutual Funds were also sellers with net outflows of USD 55 million, and USD 50 million, respectively.



During FY2020, trading activity in TFCs/Sukuks surged by 87% with a cumulative traded value of around Rs. 29 billion compared to Rs. 16 billion in FY2019. The market also witnessed a substantial increase in the primary issuance as the demand for long-term credit rose notably from the Power sector. Building on the ongoing economic stabilization policies and to counter the upside risks to inflation stemming from (i) the exchange rate depreciation; (ii) increase in utility prices; and (iii) other measures taken in the federal budget FY20, the SBP increased the Policy Rate by 100 bps to 13.25% in July 2019. After taking a long pause, the State Bank slashed the Policy Rate by 25 bps in its MPC meeting held on March 17th, 2020. To cushion the economy from the Coronavirus-induced disruption, the SBP embarked on aggressive monetary easing, slashing the Policy Rate by a cumulative 625 bps to 7% in a short span of time. Sovereign yields responded to this decrease in the Policy Rate as the yields on T-Bills for 3-month, 6-month, and 12-month decreased by 566 basis points, 580 basis points, and 608 basis points, respectively. SBP held twenty-seven (27) T-Bill auctions during the period under review, realizing a total of Rs. 14,317 billion.

The equity sub-fund increased by 4.3% during FY20 compared with 1.5% increased in the benchmark KSE-100 Index during the same period.

The debt sub-fund yielded 19.7% return during FY20.

The money market sub-fund delivered a return of 11.6% during the year. These returns are net of management fee and all other expenses.

The asset allocation of the Fund as on June 30, 2020 is as follows:

<b>Asset Allocation (% of Net Assets)</b>	
<b>Equity Sub-fund</b>	
Equity	97.5%
Cash Equivalents	2.9%
Others	(0.4%)
<b>Total</b>	<b>100.0%</b>
<b>Debt Sub-fund</b>	
TFCs/Sukuks	15.7%
T-Bills	4.7%
PIBs	69.2%
Cash Equivalents	9.1%
Others	1.3%
<b>Total</b>	<b>100.0%</b>
<b>Money Market Sub-fund</b>	
Cash Equivalents	62.9%
T-Bills	37.7%
Others	(0.6%)
<b>Total</b>	<b>100.0%</b>

#### **Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017**

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.



3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.
11. The Management Company encourages representation of independent non-executive directors on its Board. The Management Company, being an un-listed company, does not have any minority interest. As at June 30, 2020, the Board included:

Category	Names
Independent Directors	<ol style="list-style-type: none"> <li>1. Mr. Khalid Mansoor</li> <li>2. Mr. Saad Amanullah Khan</li> <li>3. Mr. Humayun Bashir</li> </ol>
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	<ol style="list-style-type: none"> <li>1. Mr. Shaikh Muhammad Abdul Wahid Sethi (Chairman)</li> <li>2. Mr. Saad ur Rahman Khan</li> <li>3. Syed Hasan Irtiza Kazmi</li> <li>4. Mr. Ali Saigol</li> <li>5. Mr. Imran Zaffar</li> </ol>

## 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 Fund Management Limited**

**Chief Executive**

**Director**

Date: September 17, 2020  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 02 جولائی 2013 کو قائم ہونے والے NAFA پنشن فنڈ (NPF) کی آٹھویں سالانہ رپورٹ برائے مختتمہ سال 30 جون 2020 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### فنڈ کی کارکردگی

2 جولائی 2013 کو آغاز سے اس تک کارکردگی	NAV فی یونٹ (روپے) 30 جون 2020	NAV فی یونٹ (روپے) 30 جون 2019	فنڈ کا حجم (ملین روپے)	
14.7%	263.6676	252.8409	757.6	INPF ایکویٹی سب فنڈ
9.3%	188.9459	157.7781	604.4	NPF ڈیٹ سب فنڈ
7.0%	162.0954	144.7624	1,152.7	NPF مٹنی مارکیٹ سب فنڈ
(مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص)				سالانہ منافع

مالی سال 2019-20، اسٹاک مارکیٹ میں انتہائی اتار چڑھاؤ کے باعث مایوس کن سال رہا جیسا کہ KSE-100 انڈیکس میں سالانہ بنیادوں پر 1.5% کا معمولی اضافہ ہوا۔ IMF کے ساتھ 6 بلین ڈالر کی توسیعی فنڈ سہولت (EFF) معاہدہ، 3.3 بلین امریکی ڈالر مالیت کی سعودی تیل کی سہولت کا آغاز، اور قطر سے 500 ملین امریکی ڈالر کی آمد جیسی مثبت خبروں کے باوجود مارکیٹ کا آغاز ضمنی خطوط سے ہوا۔ بھارت کے مقبوضہ کشمیر میں آرتھریٹس 370 کی منسوخی پر پاکستان بھارت تعلقات میں کشیدگی پیدا ہونے سے مارکیٹ کے جذبات میں انتشار پیدا ہوا جو پریشانی کے باعث فروخت کا حامل بنا اور انڈیکس کو 16 اگست کو کم ترین سطح پر 28,765 پر لے آیا جس نے مارکیٹ کے وسیع حصے میں حصص کی مالیت کو واضح کر دیا۔ پرکشش مالیت، کرنٹ اکاؤنٹ خسارہ (CAD) میں بہتری اور اسٹیٹ بینک کی مانیٹری میں آسانی کی توقع کی بنا پر اسٹاک مارکیٹ میں تیزی سے بہتری واقع ہوئی۔ کرنٹ اکاؤنٹ بیلنس اکتوبر 2019 میں سرپلس میں تبدیل ہوا اور مالی سال 20 کے لئے کرنٹ اکاؤنٹ خسارہ (CAD) 3 ارب ڈالر رہ گیا، جو سالانہ بنیادوں پر 78 فیصد کم ہوا۔ اسی طرح، کثیرالجہتی ایکسیو سے سرمائے کی آمد اور سرکاری سیکورٹیز میں پورٹ فولیو کی آمد نے بھی سرمایہ کاروں میں اعتماد پیدا کیا۔ اس کے نتیجے میں، KSE-100 انڈیکس میں 16 اگست، 2019 سے خلیفہ 50 فیصد اضافے کے ساتھ سے 13 جنوری 2020 کی بلند ترین سطح پر پہنچا۔

اس کے بعد، EFF کے تحت کارکردگی کے معیار پر عمل پیرا نہ ہونے کے باعث آئی ایم ایف سے تیسری قسط میں تاخیر، متوقع محصولات کی کمی کو پورا کرنے کے لئے منظمی بجٹ کے اندیشہ اور T-Bills سے ہاٹ منی کے اخراج کے خدشہ کے باعث مارکیٹ کے جذبات معدوم ہو گئے۔ تاہم، کورونا وائرس کے پھیلاؤ اور کاروباری سرگرمیوں میں لاک ڈاؤن / شٹ ڈاؤن کے باعث اسٹاک مارکیٹ میں آزادانہ فروخت ہوئی اور 2 ماہ کے عرصے میں، اسٹاک مارکیٹ اپنے عروج سے 37 فیصد گر گئی۔ معیشت کو کورونا وائرس و بائی مرض کے اثرات سے نجات دلانے کے لئے، پالیسی سازوں نے غیر معمولی مالی اور مالیاتی پالیسی اقدامات اٹھائے۔ اسٹیٹ بینک آف پاکستان نے پالیسی شرح کو مجموعی طور پر 6.25 فیصد تک کم کیا اور کاروباری اداروں کی مدد اور قرضہ جاری رکھنے کے لئے، قرضوں کی ادائیگی سے متعلق کارپوریشن / تجارتی بینکوں کے انضباطی ضوابط میں ترمیم کی گئی۔ حکومت نے 1.2 ٹریلین روپے کا امدادی پیکیج دینے کا اعلان کیا، جو جی ڈی پی کے 2.8 فیصد کے برابر ہے، جس میں معاشرے کے تمام طبقوں کے لئے ریلیف شامل ہے جن میں غیر مراعات یافتہ افراد، کاروبار اور صنعتیں شامل ہیں۔ ریپڈ ٹرانسنگ انسٹرومنٹ (RFI) کے تحت ملک کو آئی ایم ایف سے 1.39 بلین امریکی ڈالر کا ہنگامی قرض ملا اور G20 ممالک نے قرضوں کی ادائیگی میں ریلیف کا اعلان کیا۔ صحت کی دیکھ بھال کے ناقص اور نا کافی انفراسٹرکچر کے باوجود نیشنل کم اموات کی شرح اور صحت یابی کی اعلیٰ شرحوں نے امیدوں کو بڑھایا کہ پاکستان کو بدترین خطرہ سے بچایا جاسکتا ہے جس کا پہلے خدشہ تھا۔ نتیجتاً مارکیٹ نے واضح بہتری دیکھی اور تقریباً تمام نقصان والے شعبوں کا احاطہ کیا اور سالانہ بنیاد پر 1.5 فیصد کی معمولی اضافے کے ساتھ سال کا اختتام کرنے میں کامیاب رہی۔

زیر جائزہ مالی سال کے دوران شعبہ دار کارکردگی کے لحاظ سے، آٹوموبائل پارٹس اینڈ ایکسیسریز، سینٹ، کیمیکلز، کھاد، دوسازی، کاغذ اور بورڈ، جینکالوجی اور گلاس اینڈ سراسر کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا جبکہ کمرشل بینک، آئل اینڈ گیس ایکسپلوریشن، آئل اینڈ گیس مارکیٹنگ، پاور جنریشن اینڈ ڈسٹری بیوٹن، اور ٹیکسٹائل کمپوزٹ کے شعبے مارکیٹ سے پیچھے رہے۔ سرمایہ کار کارکردگی کے تناظر میں، انفرادی سرمایہ کار (ریٹیل) 213 ملین امریکی ڈالر کے خالص ان فلو کے ساتھ بڑے خریدار رہے، جبکہ انشورنس کمپنیوں نے 128 ملین امریکی ڈالر کے ساتھ پوزیشن منظم کی دوسری جانب غیر ملکی سرمایہ کار 285 ملین ڈالر کے ساتھ بڑے فروخت کنندہ رہے، اسی طرح، بینک / DFIs اور میوچل فنڈز بھی بالترتیب 55 ملین امریکی ڈالر اور 50 ملین امریکی ڈالر کے خالص آؤٹ فلو کے ساتھ نمایاں فروخت کنندہ رہے۔

مالی سال 2020 کے دوران، TFCs / سلوک میں تجارتی سرگرمی مالی سال 2019 میں 16 بلین روپے کے مقابلے میں مالی سال 2020 کے دوران 87 فیصد اضافے کے ساتھ تقریباً 29 بلین روپے کی

مجموعی تجارتی قیمت رہی۔ طویل مدتی کریڈٹ کی طلب خاص طور پر پاور سیکٹر کے شعبہ میں قابل ذکر حد تک بڑھ گئی جیسا کہ بنیادی اجراء میں اضافہ دیکھا گیا۔ اقتصادی استحکام کی جاری پالیسیوں کی تشکیل اور افراط زر جسکی وجہ (i) زرمبادلہ کی شرح گراؤ، (ii) یوٹی لٹیٹی قیمتوں میں اضافہ، اور (iii) وفاقی بجٹ مالی سال 20 میں کئے گئے دیگر اقدامات، کے باعث پیدا ہونے والے خطرات کا مقابلہ کرنے کیلئے اسٹیٹ بینک آف پاکستان نے جولائی 2019 میں پالیسی کی شرح 100bps سے بڑھا کر 13.25 فیصد کر دی۔ طویل وقفے کے بعد، اسٹیٹ بینک آف پاکستان نے 17 مارچ، 2020 کو منعقدہ اپنے MPC اجلاس میں پالیسی کی شرح کو 25bps سے کم کر دیا۔ معیشت کو کورونا وائرس کے اثرات سے نجات دلانے کے لئے، اسٹیٹ بینک آف پاکستان نے جارحانہ مانیٹری پالیسی میں آسانی پیدا کی اور مختصر مدت میں پالیسی کی شرح میں 625bps سے کم کر کے 7 فیصد کر دی۔ پالیسی کی شرح میں کمی کے اثرات گورنمنٹ بانڈ منافع پر بھی اثر انداز ہوئے اور 3 ماہ، 6 ماہ اور 12 ماہ کی T-Bills کے منافع میں بالترتیب 566bps، 580bps اور 608bps کی کمی واقع ہوئی۔ SBP نے زیر جائزہ مدت کے دوران سٹاکس (27) T-Bills نیلامیاں منعقد کیں اور کل 14,317 بلین روپے جمع کئے۔

مالی سال 2020 کے دوران ایکویٹی سب فنڈ میں 4.3% کا اضافہ ہوا، جبکہ اسی مدت کے دوران بیچ مارک KSE-100 انڈیکس میں 1.5% کا اضافہ ہوا۔

ڈیٹ سب فنڈ نے مالی سال 2020 کے دوران 19.7% منافع کمایا۔

منی مارکیٹ سب فنڈ نے سال کے دوران 11.6% کا منافع حاصل کیا۔ یہ منافع منجھت فیس اور تمام دیگر اخراجات منہا کرنے کے بعد خالص ہے۔

30 جون 2020 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:

ایسٹ ایلوکیشن	(نیٹ ایسیٹس کا %)
<b>ایکویٹی سب فنڈ</b>	
ایکویٹی	97.5%
کیش کے مساوی	2.9%
دیگر	(0.4%)
<b>کل</b>	<b>100.00%</b>
<b>ڈیٹ سب فنڈ</b>	
TFCs / سٹوک	15.7%
ٹی بلز	4.7%
PIBs	69.2%
کیش کے مساوی	9.1%
دیگر	1.3%
<b>کل</b>	<b>100.00%</b>
<b>منی مارکیٹ سب فنڈ</b>	
کیش کے مساوی	62.9%
ٹی بلز	37.7%
دیگر	(0.6%)
<b>کل</b>	<b>100.00%</b>

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

- منجھت کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور پونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔

- 4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
- 5 انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 6 فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 7 کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- 8 پرفارمنس ٹیبیل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 ڈائریکٹرز، ای ای او، ای ایف او، مینیجنگ ڈائریکٹرز اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے پونڈ کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
- 11 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2020 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

نام	کیٹگری
<ul style="list-style-type: none"> <li>•1 جناب خالد منصور</li> <li>•2 جناب سعد امان اللہ خان</li> <li>•3 جناب ہمایوں بشیر</li> </ul>	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
<ul style="list-style-type: none"> <li>•1 شیخ محمد عبدالواحد سیٹھی (چیئر مین)</li> <li>•2 جناب سعد الرحمان خان</li> <li>•3 سید حسن ارتضیٰ کاظمی</li> <li>•4 جناب علی سیگل</li> <li>•5 جناب عمران ظفر</li> </ul>	نان ایگزیکٹو ڈائریکٹرز

## اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے بینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لا نا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 17 ستمبر 2020ء

مقام: کراچی

## TRUSTEE REPORT TO THE UNIT HOLDERS

### 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 Fund Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

**Abdul Samad**

Chief Operating Officer  
Central Depository Company of Pakistan Limited

Karachi, September 28, 2020

## FUND MANAGER REPORT

NAFA Pension Fund is an open-ended Voluntary Pension Scheme.

### Investment Objective of the Fund

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

### Fund performance review

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) June 30, 2019	NAV Per Unit (Rs.) June 30, 2020	Performance Since Launch July 02, 2013
<b>NPF-Equity Sub-fund</b>	757.6	252.8409	263.6676	14.7%
<b>NPF-Debt Sub-fund</b>	604.4	157.7781	188.9459	9.3%
<b>NPF-Money Market Sub-fund</b>	1,152.7	144.7624	162.0954	7.0%
<b>Annualized Return</b>	[Net of management fee & all other expenses]			

This is the seventh annual report of the Fund. Amid high volatility, FY2019-20 remained a lackluster year for the stock market as the benchmark KSE-100 Index rose by a meagre 1.5% on a year-on-year basis. The market started off the year on a negative note despite positive news-flow surrounding the signing of USD 6 billion Extended Fund Facility (EFF) with the IMF, commencement of Saudi oil facility worth USD 3.3 billion, and USD 500 million inflow from Qatar. The market sentiment was soured by deteriorating Pakistan-India relations over the repeal of article 370 in the Indian-occupied Kashmir. The ensuing panic selling sent the Index to a low of 28,765 points on August 16th that in the process opened-up valuation gap in the broader part of the market. Based on attractive valuations, improving Current Account Deficit (CAD), and expectation of monetary easing by the SBP, the stock market rebounded sharply afterwards. The current account balance turned into surplus in Oct-19 and CAD for FY20 clocked in at USD 3 billion, down by 78% on a YoY basis. Likewise, capital flows from the multilateral agencies and portfolio inflows in the government securities also instilled confidence amongst investors. As a result, the KSE-100 Index surged by a massive 50% from August 16th, 2019 to its recent peak on January 13th, 2020.

Subsequently, concerns over delay of 3rd tranche from the IMF over noncompliance of Performance Criteria under EFF, fear of a mini budget to meet expected revenue shortfalls, and some outflow of hot money from T-Bills weighed on the market sentiments. It was, however, the spread of Coronavirus and the ensuing lockdown/shutdown of the business activity that caused indiscriminate selling in the stock market and within a span of 2 months, the stock market tumbled by 37% from its previous peak. To cushion the economy from the impact of the Coronavirus pandemic, policymakers responded with unprecedented fiscal and monetary policy actions. SBP slashed the Policy Rate by a cumulative 6.25% and to support businesses and keep credit flowing, amendments were made in the prudential regulations for corporates/commercial banks related to loan repayments. The government announced a Rs. 1.2 trillion stimulus package, equivalent to 2.8% of the GDP, which included relief for all sectors of the society including the under privileged, businesses, and the industries. The country received an emergency loan of USD 1.39 billion from the IMF under Rapid Financing Instrument (RFI) and the G20 countries announced relief for debt repayment. Notwithstanding poor and inadequate healthcare infrastructure, relatively low fatality rates and higher recovery rates raised hopes that Pakistan may be spared from the worst as earlier feared. As a result, the market staged a sharp rebound thenceforth and covered almost all the lost ground and managed to close the year with a paltry gain of 1.5% on a YoY basis.

In terms of sector-wise performance during the year, Automobile Parts & Accessories, Cements, Chemicals, Engineering,

Fertilizers, Pharmaceuticals, Paper & Board, Technology and Glass & Ceramics sectors performed better than the market, while Commercial Banks, Oil & Gas Exploration, Oil & Gas Marketing, Power Generation & Distribution, and Textile Composite sectors lagged behind. Regarding the market participant-wise activity, Individuals remained major buyers with net inflows of USD 213 million, along with Insurance Companies that accumulated positions worth USD 128 million. On the other hand, Foreign investors were major sellers in the market, offloading positions worth USD 285 million. Similarly, Banks/DFIs and Mutual Funds were also sellers with net outflows of USD 55 million, and USD 50 million, respectively.

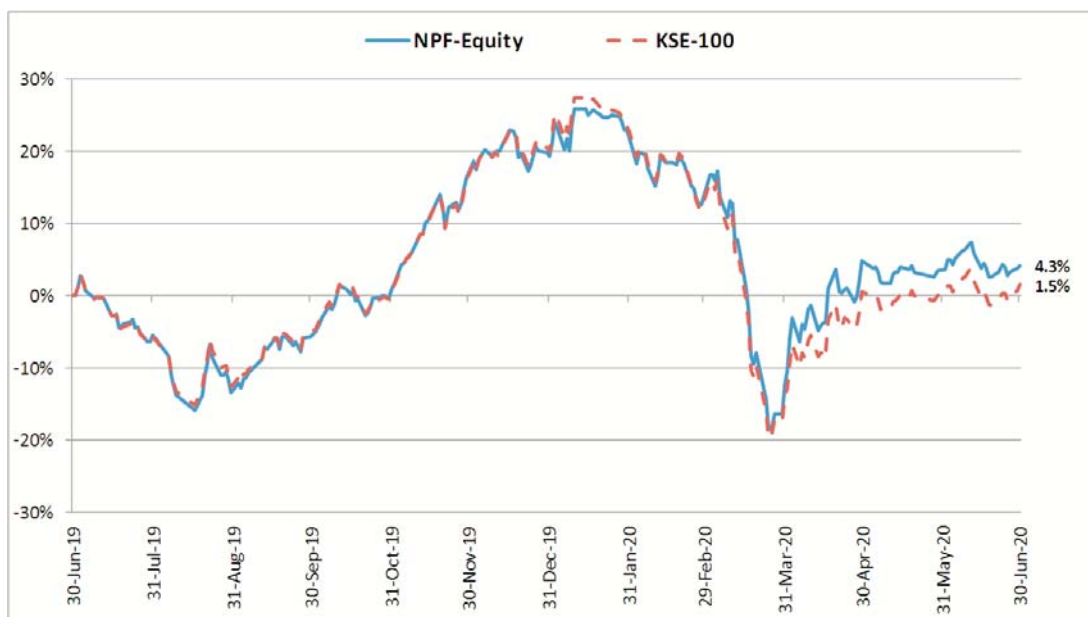
During FY2020, trading activity in TFCs/Sukuks surged by 87% with a cumulative traded value of around Rs. 29 billion compared to Rs. 16 billion in FY2019. The market also witnessed a substantial increase in the primary issuance as the demand for long-term credit rose notably from the Power sector. Building on the ongoing economic stabilization policies and to counter the upside risks to inflation stemming from (i) the exchange rate depreciation; (ii) increase in utility prices; and (iii) other measures taken in the federal budget FY20, the SBP increased the Policy Rate by 100 bps to 13.25% in July 2019. After taking a long pause, the State Bank slashed the Policy Rate by 25 bps in its MPC meeting held on March 17th, 2020. To cushion the economy from the Coronavirus-induced disruption, the SBP embarked on aggressive monetary easing, slashing the Policy Rate by a cumulative 625 bps to 7% in a short span of time. Sovereign yields responded to this decrease in the Policy Rate as the yields on T-Bills for 3-month, 6-month, and 12-month decreased by 566 basis points, 580 basis points, and 608 basis points, respectively. SBP held twenty-seven (27) T-Bill auctions during the period under review, realizing a total of Rs. 14,317 billion.

The equity sub-fund increased by 4.3% during FY20 compared with 1.5% increased in the benchmark KSE-100 Index during the same period.

The debt sub-fund yielded 19.7% return during FY20.

The money market sub-fund delivered a return of 11.9% during the year. These returns are net of management fee and all other expenses.

### NPF-Equity Performance vs. KSE-100 during FY20







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

Asset Allocation (% of Net Assets)	
<b>Equity Sub-fund</b>	
Equity	97.5%
Cash Equivalents	2.9%
Others	(0.4%)
<b>Total</b>	<b>100.0%</b>
<b>Debt Sub-fund</b>	
TFCs/Sukuks	15.7%
T-Bills	4.7%
PIBs	69.2%
Cash Equivalents	9.1%
Others	1.3%
<b>Total</b>	<b>100.0%</b>
<b>Money Market Sub-fund</b>	
Cash Equivalents	62.9%
T-Bills	37.7%
Others	(0.6%)
<b>Total</b>	<b>100.0%</b>

### During the period under question

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The Fund does not have any soft commission arrangement with any broker in the industry.

### Sindh Workers' Welfare Fund (SWWF)

During the year, the provision for Workers' Welfare Fund held by the fund till June 30, 2015 has been reversed on January 12, 2017. Further, the provision in respect of Sindh Workers' Welfare Fund has been made on a prudent basis with effect from May 21, 2015. For further details, refer note 12.1 to the financial statements.



## INDEPENDENT AUDITOR'S REPORT

We have audited the annexed financial statements comprising:

- i. Statement of asset and liabilities;
- ii. Income statement;
- iii. Statement of comprehensive income;
- iv. Cash flow statement; and
- v. Statement of movement in participants' fund;

of **NAFA Pension Fund** ("the Fund") as at June 30, 2020 together with the notes forming part thereof, for the year then ended.

It is the responsibility of NBP Fund Management Limited (the Pension Fund Manager) to establish and maintain a system of internal controls; and prepare and present the financial statements of the Fund in conformity with the accounting and reporting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

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

### In our opinion:-

- a) the financial statements prepared for the year ended June 30, 2020 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, 2020 and of the transactions of the Fund for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) the financial statements prepared are in agreement with the Fund's books and records;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit; and
- g) no zakat was deductible at source under the Zakat and Usher Ordinance, 1980.

**Deloitte Yousuf Adil**  
**Chartered Accountants**

**Engagement Partner**  
Naresh Kumar

**Date:** September 30, 2020  
**Place:** Karachi

## STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020

Note	2020					2019				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
(Rupees)										
<b>Assets</b>										
5	21,423,017	53,896,909	751,476,491	5,094,243	831,890,660	45,636,250	360,449,017	506,421,145	2,402,140	914,908,552
6	738,934,878	541,420,638	434,724,377	-	1,715,079,893	707,428,312	230,587,217	347,934,165	-	1,285,949,694
7	1,492,338	16,007,139	3,309,347	-	20,808,824	605,646	5,564,611	3,715,047	-	9,885,304
	-	44,448	59,358	-	103,806	-	-	-	-	-
	4,625,781	-	-	-	4,625,781	-	-	-	-	-
8	3,040,846	462,057	100,000	-	3,602,903	3,040,846	462,057	100,000	-	3,602,903
<b>Total assets</b>	<b>769,516,860</b>	<b>611,831,191</b>	<b>1,189,669,573</b>	<b>5,094,243</b>	<b>2,576,111,867</b>	<b>756,711,054</b>	<b>597,062,902</b>	<b>858,170,357</b>	<b>2,402,140</b>	<b>2,214,346,453</b>
<b>Liabilities</b>										
9	1,141,867	918,209	1,601,164	3,152,568	6,813,808	1,148,659	855,220	1,166,384	460,465	3,630,728
10	96,883	76,571	138,591	-	312,045	88,511	64,311	89,961	-	242,783
11	209,024	178,126	298,360	-	685,510	311,150	131,466	247,694	-	690,310
	-	810	-	-	810	-	-	-	-	-
12	10,426,770	5,843,609	28,443,339	1,941,675	28,856,391	10,454,103	3,440,784	3,738,702	1,941,675	19,575,264
<b>Total liabilities</b>	<b>11,874,544</b>	<b>7,430,377</b>	<b>36,921,549</b>	<b>5,094,243</b>	<b>61,320,713</b>	<b>12,002,423</b>	<b>4,491,781</b>	<b>5,242,741</b>	<b>2,402,140</b>	<b>24,139,085</b>
<b>Net assets</b>	<b>757,642,316</b>	<b>604,400,814</b>	<b>1,152,748,024</b>	<b>-</b>	<b>2,514,791,154</b>	<b>744,708,631</b>	<b>592,571,121</b>	<b>852,927,616</b>	<b>-</b>	<b>2,190,207,366</b>
<b>Participants' funds (as per statement attached)</b>	<b>757,642,316</b>	<b>604,400,814</b>	<b>1,152,748,024</b>	<b>-</b>	<b>2,514,791,154</b>	<b>744,708,631</b>	<b>592,571,121</b>	<b>852,927,616</b>	<b>-</b>	<b>2,190,207,366</b>
<b>Contingencies and commitment</b>										
<b>Number of units in issue</b>	<b>2,873,475</b>	<b>3,198,804</b>	<b>7,111,543</b>			<b>2,945,364</b>	<b>3,755,725</b>	<b>5,891,916</b>		
<b>Net assets value per unit</b>	Rupees <b>263.6676</b>	<b>188.9459</b>	<b>162.0954</b>			<b>252.8409</b>	<b>157.7781</b>	<b>144.7624</b>		

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

For NBP Fund Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020				2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees)							
<b>Income</b>								
Mark-up / return on bank deposits	3,860,145	17,177,064	57,421,132	78,458,341	5,562,105	10,840,133	37,542,828	53,945,066
Income from term deposit receipt	-	-	16,499,772	16,499,772	-	423,452	16,368,451	16,791,903
Mark-up / return on government securities	-	47,101,882	51,526,954	98,628,836	-	19,771,647	20,007,828	39,779,475
Mark-up / return from term finance certificates	-	12,787,381	-	12,787,381	-	7,863,189	-	7,863,189
Income from commercial papers	-	3,510,205	6,360,667	9,870,872	-	689,091	778,006	1,467,097
Dividend income	32,934,525	-	-	32,934,525	47,528,550	-	-	47,528,550
(Loss) / gain on sale of investments - net	(1,240,563)	7,459,280	3,148,679	9,367,396	(72,040,353)	(1,407,986)	(792,818)	(74,241,157)
Net unrealised (loss) / gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(14,245,818)	35,881,626	2,305,732	23,941,540	(134,789,724)	(2,705,917)	-	(137,495,641)
<b>Total income / (loss)</b>	<b>21,308,289</b>	<b>123,917,438</b>	<b>137,262,936</b>	<b>282,488,663</b>	<b>(153,739,422)</b>	<b>35,473,609</b>	<b>73,904,295</b>	<b>(44,361,518)</b>
<b>Expenses</b>								
Remuneration of NBP Fund Management Limited - Pension Fund Manager	10,808,951	9,064,373	15,297,842	35,171,166	14,143,164	5,975,737	11,258,824	31,377,725
Sindh Sales Tax on remuneration to Pension Fund Manager	1,405,164	1,178,369	1,988,719	4,572,252	1,838,611	776,846	1,463,647	4,079,104
Remuneration to Central Depository Company of Pakistan Limited - Trustee	881,057	739,927	1,257,625	2,878,609	1,168,037	493,755	930,045	2,591,837
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	119,557	100,309	170,250	390,116	151,844	64,189	120,906	336,939
Annual fee - Securities and Exchange Commission of Pakistan	669,649	178,126	298,361	1,146,136	311,150	131,466	247,694	690,310
Auditors' remuneration	127,697	127,697	127,697	383,090	121,616	121,616	121,616	364,848
Securities transaction costs	2,636,761	1,135	11,224	2,649,120	1,697,846	16,384	1,917	1,716,147
Legal and professional charges	23,671	29,565	29,931	83,167	29,930	29,565	29,930	89,425
Printing expenses	11,835	14,966	14,966	41,767	14,965	14,965	14,965	44,895
Settlement and bank charges	231,863	669,071	597,976	1,498,910	493,374	383,269	397,442	1,274,085
<b>Total expenses</b>	<b>16,916,205</b>	<b>12,103,538</b>	<b>19,794,591</b>	<b>48,814,333</b>	<b>19,970,537</b>	<b>8,007,792</b>	<b>14,586,986</b>	<b>42,565,315</b>
<b>Net income / (loss) from operating activities</b>	<b>4,392,084</b>	<b>111,813,900</b>	<b>117,468,345</b>	<b>233,674,330</b>	<b>(173,709,959)</b>	<b>27,465,817</b>	<b>59,317,309</b>	<b>(86,926,833)</b>
Provision for Sindh Workers' Welfare Fund	(87,844)	(2,236,278)	(2,349,367)	(4,673,489)	-	(549,316)	(1,186,346)	(1,735,662)
<b>Net income / (loss) for the year before taxation</b>	<b>4,304,240</b>	<b>109,577,622</b>	<b>115,118,978</b>	<b>229,000,841</b>	<b>(173,709,959)</b>	<b>26,916,501</b>	<b>58,130,963</b>	<b>(88,662,495)</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the year after taxation</b>	<b>4,304,240</b>	<b>109,577,622</b>	<b>115,118,978</b>	<b>229,000,841</b>	<b>(173,709,959)</b>	<b>26,916,501</b>	<b>58,130,963</b>	<b>(88,662,495)</b>

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

For NBP Fund Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020				2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----							
Net income / (loss) for the year	4,304,240	109,577,622	115,118,978	229,000,841	(173,709,959)	26,916,501	58,130,963	(88,662,495)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the year</b>	<b>4,304,240</b>	<b>109,577,622</b>	<b>115,118,978</b>	<b>229,000,841</b>	<b>(173,709,959)</b>	<b>26,916,501</b>	<b>58,130,963</b>	<b>(88,662,495)</b>

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

For NBP Fund Management Limited  
(Pension Fund Manager)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2020

Note	2020				2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----							
<b>Net assets at beginning of the year</b>	744,708,631	592,571,121	852,927,616	2,190,207,368	1,111,489,282	365,974,418	664,818,308	2,142,282,008
Amount received / receivable on issuance of units	89,568,426	137,933,026	279,179,357	506,680,809	352,086,452	170,369,307	310,762,584	590,770,744
Amount paid / payable on redemption of units	(101,234,330)	(50,457,288)	(259,406,245)	(411,097,863)	(527,139,953)	(91,296,510)	(207,480,420)	(454,182,889)
Reallocation among sub-funds	20,295,348	(185,223,667)	164,928,319	-	(18,017,191)	120,607,405	26,696,181	-
	8,629,445	(97,747,929)	184,701,430	95,582,946	(193,070,692)	199,680,202	129,978,345	136,587,855
(Loss) / gain on sale of investments - net	(1,240,563)	7,459,280	3,148,679	9,367,396	(72,040,353)	(1,407,986)	(792,818)	(74,241,157)
Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(14,245,818)	35,881,626	2,305,732	23,941,540	(134,789,724)	(2,705,917)	-	(137,495,641)
Other net income for the year	19,790,621	66,236,716	109,664,567	195,691,905	33,120,118	31,030,404	58,923,781	123,074,303
<b>Total comprehensive income / (loss) for the year</b>	4,304,240	109,577,622	115,118,978	229,000,841	(173,709,959)	26,916,501	58,130,963	(88,662,495)
<b>Net assets at end of the year</b>	<b>757,642,316</b>	<b>604,400,814</b>	<b>1,152,748,024</b>	<b>2,514,791,154</b>	<b>744,708,631</b>	<b>592,571,121</b>	<b>852,927,616</b>	<b>2,190,207,368</b>
<b>Net assets value per unit at beginning of the year</b>	<b>252.8409</b>	<b>157.7781</b>	<b>144.7624</b>		<b>306.8328</b>	<b>147.5565</b>	<b>133.9075</b>	
<b>Net assets value per unit at end of the year</b>	<b>263.6676</b>	<b>188.9459</b>	<b>162.0954</b>		<b>252.8409</b>	<b>157.7781</b>	<b>144.7624</b>	

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

For NBP Fund Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020					2019				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
Note ----- (Rupees) -----										
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Net income / (loss) for the year	4,304,240	109,577,622	115,118,978	-	229,000,841	(173,709,959)	26,916,501	58,130,963	-	(88,662,495)
<b>Adjustments:</b>										
Net unrealised loss / (gain) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	14,245,818	(35,881,626)	(2,305,732)	-	(23,941,540)	134,789,724	2,705,917	-	-	137,495,641
Loss / (gain) on sale of investments - net	1,240,563	(7,459,280)	(3,148,679)	-	(9,367,396)	72,040,353	1,407,986	792,818	-	74,241,157
	19,790,621	66,236,716	109,664,567	-	195,691,905	33,120,118	31,030,404	58,923,781	-	123,074,303
<b>(Increase) / decrease in assets</b>										
Investments	(51,618,728)	(267,491,705)	(81,335,801)	-	(400,446,234)	105,451,970	(74,609,118)	(35,556,034)	-	(4,713,182)
Dividend receivable						2,138,975	-			
Mark-up accrued	(886,692)	(10,442,528)	405,700	-	(10,923,520)	(420,389)	(4,097,587)	(2,548,425)	-	(7,066,401)
Advance, deposits and other receivables	-	-	-	-	-	2,630,801	(22,413)	-	-	2,608,388
	(52,505,420)	(277,934,233)	(80,930,101)	-	(411,369,754)	109,801,357	(78,729,118)	(38,104,459)	-	(9,171,195)
<b>Increase / (decrease) in liabilities</b>										
Payable to NBP Fund Management Limited - Pension Fund Manager	(6,792)	62,989	434,780	2,692,103	3,183,080	(447,488)	281,583	167,442	39,605	41,142
Payable to Central Depository Company of Pakistan Limited - Trustee	8,372	12,260	48,630	-	69,262	(53,549)	23,296	(4,608)	-	(34,861)
Payable to Securities and Exchange Commission	(102,126)	46,660	50,666	-	(4,800)	(31,304)	5,118	71,120	-	44,934
Accrued expenses and other liabilities	(27,333)	2,402,826	2,701,393	-	5,076,886	75,580	638,554	1,182,589	(112,953)	1,783,770
	(127,879)	2,524,735	3,235,469	2,692,103	8,324,428	(456,761)	948,551	1,416,543	(73,348)	1,834,985
<b>Net cash (used in) / generated from operating activities</b>	(32,842,678)	(209,172,782)	31,969,935	2,692,103	(207,353,421)	142,464,714	(46,750,163)	22,235,865	(73,348)	115,738,093
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Amount received on issuance of units	89,568,426	137,883,577	279,119,999	-	506,577,002	352,086,452	170,369,307	310,762,584	-	833,218,343
Amount paid on redemption of units	(101,234,330)	(50,044,236)	(230,962,906)	-	(382,241,472)	(527,139,953)	(91,296,510)	(207,480,420)	-	(825,916,883)
Reallocation among sub-funds	20,295,348	(185,223,667)	164,928,319	-	-	(18,017,191)	120,607,405	26,696,181	-	129,286,395
<b>Net cash generated from / (used in) financing activities</b>	8,629,445	(97,379,326)	213,085,411	-	124,335,530	(193,070,692)	199,680,202	129,978,345	-	136,587,855
<b>Net (decrease) / increase in cash and cash equivalents</b>	(24,213,233)	(306,552,108)	245,055,346	2,692,103	(83,017,891)	(50,605,978)	152,930,039	152,214,210	(73,348)	252,325,948
Cash and cash equivalents at beginning of the year	45,636,250	360,449,017	506,421,145	2,402,140	914,908,552	96,242,228	207,518,978	667,377,884	2,475,488	973,614,578
<b>Cash and cash equivalents at end of the year</b>	21,423,017	53,896,909	751,476,491	5,094,243	831,890,661	45,636,250	360,449,017	819,592,094	2,402,140	1,225,940,526

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

For NBP Fund Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NAFA Pension Fund (“the Fund”) was established under a Trust Deed, dated 12 October 2012, between NBP Fund Management Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on 16 November 2012.
- 1.2 The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.
- 1.3 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.
- 1.4 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.
- 1.5 The Fund consists of three sub-funds namely, NAFA Pension Fund Equity Sub-Fund (“Equity Sub-Fund”), NAFA Pension Fund Debt Sub-Fund (“Debt Sub-Fund”) and NAFA Pension Fund Money Market Sub-Fund (“Money Market Sub-Fund”) (collectively the “Sub-Funds”). The investment policy for each of the sub-funds are as follows:
- The Equity sub-fund consists of a minimum 90% of net assets invested in listed equity securities, investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) of equity sub-fund or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV of equity sub-fund or index weight, subject to a maximum of 35% of NAV of equity sub-fund. Remaining assets of the equity sub-fund may be invested in government treasury bills or government securities having less than one year time to maturity, or be deposited with scheduled commercial banks having at least 'A' rating.
  - The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the Sub-Fund not exceeding five years. At least twenty five percent (25%) of the net assets of debt sub-fund shall be invested in securities issued by the Federal Government. Up to twenty five percent (25%) may be deposited with banks having not less than “AA Plus” rating with a stable outlook. Exposure to securities issued by companies of a single sector shall not exceed 20% except for banking sector for which the exposure limit shall be up to 30% of net assets of a debt sub-fund. Deposit in a single bank shall not exceed 10% of net asset of the debt sub-fund. Composition of the remaining portion of the investments shall be according to the criteria mentioned in the offering document.
  - The Money Market sub-fund consists of short term debt instruments with weighted average time to maturity not exceeding ninety days. There is no restriction on the amount of investment in securities issued by the Federal Government and deposit with commercial banks having 'A Plus' or higher rating. Investment in securities issued by provincial or city government, government corporate entities with 'A' or higher rating or a government corporations with 'A plus' or higher rating shall be in proportion as defined in offering document.
- 1.6 The Fund offers six types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility, Customized Allocation and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The Participant has the option to select any one from the Allocation Schemes or products being offered by the Pension Fund Manager at the date of opening his / her Individual Pension Account. The Participant may change the Allocation Scheme not more than twice a year. Thereafter, the contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis or with any other frequency.



- 1.7 Under the provisions of the Offering Document of the fund, Contributions received from or on behalf of any Participant by Trustee in cleared funds on any business day shall be credited to the Individual Pension Account of the Participant after deducting the Front-end Fees, any premia payable in respect of any schemes selected by the Participant pursuant to the offering document and any bank charges in respect of the receipt of such Contributions. The net Contribution received in the Individual Pension Account shall be used to allocate such number of Units of the relevant Sub-Funds in accordance with the Allocation Policy selected by the Participant as is determined in accordance with the Trust Deed and the Units shall be allocated at Net Asset Value notified by the Pension Fund Manager at the close of that business day.
- 1.8 Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of 'AM1' to the Pension Fund Manager while the Fund is currently not rated.
- 1.9 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

## 1.10 Impact of COVID-19

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including lock-downs, travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to businesses worldwide and in Pakistan, resulting in an economic slowdown.

General economic activities in Pakistan also slowed down together with fluctuating trend in Pakistan Stock Exchange during lock down period i.e. from March 22, 2020 to May 9, 2020. However, to deal with such situation, regulators / governments across the country have introduced measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time. These mainly include:

- Time period to regularize the exposure limits breach has been extended;
- Time period to compliance with minimum size has been increased;
- Time for the announcement of daily NAV has been relaxed; and
- Reduction in the interest rate by the State Bank of Pakistan

The management is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff including remote working. Further, the Management has not identified any material adverse impact on the financial performance of the Funds due to COVID-19 pandemic situation.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules); and
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984.

Where provisions of the VPS Rules or provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the requirements of the VPS Rules or provisions of and directives issued under the Companies Act, 2017 have been followed.

## 2.2 Accounting convention

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

## 2.3 Functional and presentation currency

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

## 2.4 Critical accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- a) classification and valuation of financial assets (Note 4.2.2.1 and 6)
- b) impairment of financial assets (Note 4.2.3)
- c) provisions (Note 4.5)

## 3 ADOPTION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS:

### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2020

The following standards, amendments and interpretations are effective for the year ended June 30, 2020. 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.

**Effective from  
accounting period  
beginning on or after:**

IFRS 16 - Leases: This standard superseded IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.	January 01, 2019
Amendments to IFRS 9 - Financial Instruments: Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
Amendments to IAS 19 - Employee Benefits: Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
IFRS 14 – Regulatory Deferral Accounts	July 01, 2019
IFRIC 23 - Uncertainty over Income Tax Treatments: Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs, which are also not relevant to the Fund.

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

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

**Effective from  
accounting periods  
beginning on or after:**

Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material	January 01, 2020
Amendments to IFRS 3 - Business Combinations: Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurement and IFRS 7 - Financial Instruments: Disclosures - Interest rate benchmark reform	January 01, 2020
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	January 01, 2020

**Effective from  
accounting periods  
beginning on or after:**

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current

January 01, 2023

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

January 01, 2023

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

January 01, 2023

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

January 01, 2023

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

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

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### **4.1 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.

##### **4.2 Financial assets and liabilities**

###### **4.2.1 Initial recognition**

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

## 4.2.2 Classification and measurement

### 4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost (“AC”),
- Fair value through other comprehensive income (“FVTOCI”) and
- Fair value through profit or loss (“FVTPL”).

#### **Financial asset at amortised cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial Asset at FVTOCI**

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

**FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.**

#### **Financial asset at FVTPL**

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the profit or loss

## Business Model Assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

### 4.2.2.2 Financial liabilities

The fund classifies its financial liabilities in the following categories

- Measured at amortized cost (AC); or
- Measured at Fair value through profit or loss (FVTPL); or

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

#### Classification and measurement of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

### 4.2.3 Impairment of financial assets

The SECP / Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of Financial Instruments (IFRS 9) for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements. "

#### 4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

##### **Basis of valuation of debt securities:**

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). 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 aforementioned 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.

##### **Basis of valuation of government securities:**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenor of the securities.

##### **Basis of valuation of equity securities**

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

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

Basis of valuation of instruments (other than debt and government securities) at amortised cost

Subsequent to initial recognition, financial assets classified as amortised cost 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.

#### 4.2.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

## 4.2.6 Derecognition

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

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

## 4.2.7 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 4.3 Impairment of non 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. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed through the Income Statement.

## 4.4 Issuance and redemption of units

Contribution received in the individual pension account after deduction of takaful premia (for optional Takaful covers), if any, followed by deduction of applicable front end fee, is used to purchase the units of sub-funds of the Fund according to the Allocation Scheme selected by the participant. The units are allotted at the net assets value notified by the Pension Fund Manager at the close of the business day for each sub-fund. The front end fee is if applicable, 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 assets value of each of the Sub-Funds 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 assets 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 assets value of each of the Sub-Fund as of the close of the business day corresponding to the date of change specified by the participant.

## 4.5 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

## 4.6 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 capital gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Mark-up / return on bank balances and term deposits, term finance certificates and sukuks, government securities, letter of placement and commercial papers are recognised on a time apportionment basis using the effective interest method.

#### 4.7 Expenses

All expenses, including remuneration of the Pension Fund Manager, Trustee and annual fee to the Securities and Exchange Commission of Pakistan fee are recognised in the Income statement on accrual basis

#### 4.8 Taxation

The income of the Fund is exempt from Income Tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

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

#### 4.9 Distributions to the unit holders

Distribution of dividend or bonus units are not allowed under VPS Rules 2005

#### 4.10 Earnings per unit

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

### 5 BANK BALANCES

Note	2020					2019					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (5.2)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (5.2)	Total	
(Rupees)											
Savings accounts	5.1	<u>21,423,017</u>	<u>53,896,909</u>	<u>751,476,491</u>	<u>5,094,243</u>	<u>831,890,660</u>	45,636,250	360,449,017	506,421,145	2,402,140	914,908,552

5.1 These accounts carry mark-up rates ranging from 6.50% to 15.00% per annum (June 30, 2019: 3.75% to 14.00% per annum).

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

5.3 These includes bank balances of Rs. 3,483 and Rs. 53,196 (June 30, 2019:Rs.2,125 and Rs. 3,050,485), carrying markup rate of 4.00% and 7.25% maintained with the related parties National bank of Pakistan Limited and Bank Islami Pakistan limited respectively.

## 5.4 CASH AND CASH EQUIVALENT

Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees) -----								
Savings accounts	21,423,017	53,896,909	751,476,491	5,094,243	831,890,660	45,636,250	360,449,017	506,421,145
Term deposit receipts	-	-	-	-	-	-	313,170,949	313,170,949
	<u>21,423,017</u>	<u>53,896,909</u>	<u>751,476,491</u>	<u>5,094,243</u>	<u>831,890,660</u>	<u>45,636,250</u>	<u>673,619,966</u>	<u>819,592,094</u>

## 6 INVESTMENTS

Note	2020				2019				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
----- (Rupees) -----									
<b>Investments by category</b>									
<b>Financial Assets at fair value through profit and loss</b>									
Listed equity securities	6.1	738,934,878	-	-	738,934,878	707,428,312	-	-	707,428,312
Government securities - Market Treasury Bills	6.2	-	28,528,744	434,724,377	463,253,121	-	86,080,192	-	86,080,192
Government securities - Pakistan									
Investment Bonds	6.3	-	418,045,799	-	418,045,799	-	66,631,045	-	66,631,045
Term finance certificates	6.4	-	94,846,095	-	94,846,095	-	47,085,703	-	47,085,703
Commercial papers	6.6	-	-	-	-	-	30,790,277	34,763,216	65,553,493
Term deposit receipts		-	-	-	-	-	-	313,170,949	313,170,949
		<u>738,934,878</u>	<u>541,420,638</u>	<u>434,724,377</u>	<u>1,715,079,893</u>	<u>707,428,312</u>	<u>230,587,217</u>	<u>347,934,165</u>	<u>1,285,949,694</u>

## 6.1 Listed equity securities

### 6.1.1 Held by Equity sub-fund

All shares have a nominal face value of Rs. 10 except for Agriautos Industries Limited, Thal Limited, Dynea Pakistan Limited, Habib Sugar Mills Limited and Shabbir Tiles and Ceramics Limited which have a face value of Rs. 5.

Name of the investee company	As at July 01, 2019	Purchases during the period	Bonus / right issue during the period	Sales during the period (Note 5.1.2)	As at June 30, 2020	Market value As at June 30, 2020	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of investment of the sub-fund	Par value as a percentage of issued capital of the investee company
	----- (Number of shares) -----					(Rupees)	----- (%) -----		
<b>Automobile Assembler</b>									
Indus Motor Company Limited	-	2,900	-	-	2,900	2,885,471	0.31	0.32	0.00
Millat Tractors Limited	-	10,600	-	1,000	9,600	6,779,136	0.72	0.76	0.02
Honda Atlas Cars (Pakistan) Limited	24,000	41,500	-	25,200	40,300	7,805,304	0.83	0.87	0.03
						<b>17,469,911</b>			
<b>Automobile Parts And Accessories</b>									
Agriautos Industries Limited	-	15,000	-	-	15,000	2,730,000	0.29	0.31	0.10
Thal Limited	7,000	14,500	-	-	21,500	6,986,210	0.75	0.78	0.05
Baluchistan Wheels Limited	88,500	-	-	-	88,500	5,374,605	0.57	0.60	0.66
						<b>15,090,815</b>			
<b>Cable &amp; Electrical Goods</b>									
Pak Elektron Limited	-	100,000.00	-	100,000.00	-	-	-	-	-
						<b>-</b>			
<b>Pharmaceuticals</b>									
The Searle Company Limited	1,348	122,700	-	12,000	112,048	22,323,415	2.39	2.50	0.05
AGP Limited	-	68,000	-	-	68,000	7,462,320	0.80	0.84	0.03
GlaxoSmithKline Pharmaceuticals Limited	-	17,000	-	10,000	7,000	1,218,560	-	-	-
Highnoon Laboratories Limited	300	2,100	240	-	2,640	1,323,269	0.14	0.15	0.01
						<b>32,327,564</b>			
<b>Cement</b>									
D.G. Khan Cement Company Limited	20,000	246,000	-	231,000	35,000	2,986,550	0.32	0.33	0.01
Lucky Cement Limited	50,550	82,200	-	71,700	61,050	28,179,459	3.01	3.16	0.02
Maple Leaf Cement Factory Limited	149,000	526,000	42,500	501,500	216,000	5,611,704	0.60	0.63	0.04
Pioneer Cement Limited	50,000.00	26,500.00	-	76,500.00	-	-	-	-	-
Kohat Cement Limited	113,770	208,000	-	119,500	202,270	27,802,012	2.97	3.12	0.10
Fauji Cement Company Limited	73,500	554,000	-	398,000	229,500	3,873,960	0.41	0.43	0.02
						<b>68,453,685</b>			

Name of the investee company	As at July 01, 2019	Purchases during the period	Bonus / right issue during the period	Sales during the period (Note 5.1.2)	As at June 30, 2020	Market value As at June 30, 2020	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of investment of the sub-fund	Par value as a percentage of issued capital of the investee company
	----- (Number of shares) -----					(Rupees)	----- (%) -----		
<b>Fertilizers</b>									
Engro Corporation Limited	135,660	103,100	-	125,529	113,231	33,167,625	3.54	3.72	0.02
Engro Fertilizers Limited (Note 5.1.3)	394,000	477,000	-	678,500	192,500	11,603,900	1.24	1.30	0.01
Fauji Fertilizer Bin Qasim Limited	-	897,000	-	551,000	346,000	5,522,160	0.59	0.62	0.04
Fauji Fertilizer Company Limited (Note 5.1.3)	382,000	197,500	-	308,000	271,500	29,862,285	3.19	3.35	0.02
						<b>80,155,970</b>			
<b>Chemicals</b>									
Akzo Nobel Pakistan Limited	33,800.00	26,700.00	-	60,500.00	-	-	-	-	-
Ittehad Chemical Limited	158,200.00	-	-	158,200.00	-	-	-	-	-
Dynea Pakistan Limited	-	73,500	-	-	73,500	7,924,770	0.85	0.89	0.78
Engro Polymer and Chemicals Limited	381,287	808,500	-	759,500	430,287	10,748,544	1.15	1.20	0.05
ICI Pakistan Limited	-	12,900	-	-	12,900	8,961,759	0.96	1.00	0.01
Lotte Chemical Pakistan Limited	-	198,000	-	90,000	108,000	1,074,600	0.11	0.12	0.12
Ghani Value Glass Limited	190,000	37,500	92,125	67,000	252,625	9,349,651	1.00	1.05	0.67
						<b>38,059,325</b>			
<b>Commercial Banks</b>									
Allied Bank Limited	230,800	35,000	-	108,200	157,600	12,069,008	1.29	1.35	0.01
Bank Al-falah Limited (note 5.1.3)	944,100	613,000	-	758,500	798,600	26,809,002	2.87	3.00	0.04
Bank Al-Habib Limited (note 5.1.3)	537,650	283,000	-	251,500	569,150	29,766,545	3.18	3.34	0.05
MCB Bank Limited	134,200	135,500	-	165,500	104,200	16,887,694	1.80	1.89	0.01
United Bank Limited	293,060	266,500	-	301,600	257,960	26,662,746	2.85	2.99	0.02
Faysal Bank Limited	225,891	195,000	-	229,094	191,797	2,671,729	0.29	0.30	0.01
Habib Bank Limited (note 5.1.3)	328,828	397,600	-	350,000	376,428	36,464,580	3.90	4.09	0.03
Bank of Punjab Limited	-	315,000.00	-	315,000.00	-	-	-	-	-
						<b>151,331,304</b>			

# NAFA PENSION FUND



Name of the investee company	As at July 01, 2019	Purchases during the period	Bonus / right issue during the period	Sales during the period (Note 5.1.2)	As at June 30, 2020	Market value As at June 30, 2020	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of investment of the sub-fund	Par value as a percentage of issued capital of the investee company
	----- (Number of shares) -----					(Rupees)	----- (%) -----		
<b>Insurance</b>									
IGI Holdings Limited	-	31,000	-	-	31,000	5,609,760	0.60	0.63	0.02
Adamjee Insurance Company Limited	128,000	95,000	-	56,000	167,000	5,529,370	0.59	0.62	0.05
						<b>11,139,130</b>			
<b>Paper and Board</b>									
Century Paper and Board Mills Limited	119,500	1,000	-	-	120,500	8,624,185	0.92	0.97	0.08
Packages Limited	-	16,700	-	8,300	8,400	2,916,564	0.31	0.33	0.01
Roshan Packages Limited	-	242,000	-	-	242,000	5,425,640	0.58	0.61	0.17
						<b>16,966,389</b>			
<b>Transport</b>									
Pakistan National Shipping Corporation	-	22,500	-	-	22,500	1,700,100	0.18	0.19	0.02
						<b>1,700,100</b>			
<b>Power Generation and Distribution</b>									
The Hub Power Company Limited	692,139	44,500	-	268,000	468,639	33,976,335	3.63	3.81	0.04
Kot Addu Power Company Limited	-	135,000.00	-	135,000.00	-	-	-	-	-
Saif Power Limited	-	232,500	-	-	232,500	3,736,275	0.40	0.42	0.06
Lalpir Power Limited	315,000	523,500	-	230,000	608,500	7,101,195	0.76	0.80	0.16
PAKGEN Power Limited	280,000	20,000	-	68,000	232,000	2,786,320	0.30	0.31	0.06
Nishat Power Limited	170,000	-	-	160,500	9,500	215,175	0.02	0.02	0.00
						<b>47,815,300</b>			
<b>Textile Composite</b>									
Nishat Mills Limited	199,800	203,100	-	168,300	234,600	18,301,146	1.96	2.05	0.07
Sapphire Fibers Limited	6,200.00	-	310.00	6,510.00	-	-	-	-	-
Interloop Limited	121,319	-	-	76,500	44,819	1,968,450	0.21	0.22	0.01
Kohinoor Textile Mills Limited	39,453	32,500	-	70,779	1,174	41,689	-	-	0.00
						<b>20,311,285</b>			

Name of the investee company	As at July 01, 2019	Purchases during the period	Bonus / right issue during the period	Sales during the period (Note 5.1.2)	As at June 30, 2020	Market value As at June 30, 2020	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of investment of the sub-fund	Par value as a percentage of issued capital of the investee company
	----- (Number of shares) -----					(Rupees)	----- (%) -----		
<b>Oil and Gas Exploration Companies</b>									
Mari Petroleum Company Limited	27,756	28,660	3,376	10,120	49,672	61,426,384	6.56	6.88	0.04
Pakistan Oilfields Limited (note 5.1.3)	68,300	72,400	-	108,100	32,600	11,430,538	1.22	1.28	0.01
Oil and Gas Development Company Limited (note 5.1.3)	447,200	447,700	-	541,000	353,900	38,575,100	4.12	4.32	0.01
Pakistan Petroleum Limited (note 5.1.3)	309,710	572,700	46,922	532,100	397,232	<u>34,471,762</u>	3.68	3.86	0.01
						<b>145,903,784</b>			
<b>Refinery</b>									
Attock Refinery Limited	500.00	-	-	500.00	-	-	-	-	-
						-			
<b>Oil And Gas Marketing Companies</b>									
Hascol Petroleum Limited	2,598	-	-	2,366	232	3,159	-	-	0.00
Pakistan State Oil Company Limited	68,103	183,100	12,501	162,764	100,940	15,964,645	1.71	1.79	0.02
Sui Northern Gas Pipelines Limited	143,800	218,500	-	220,000	142,300	<u>7,769,580</u>	0.83	0.87	0.02
						<b>23,737,384</b>			
<b>Engineering</b>									
Aisha Steel Mills Limited	-	830,000.00	-	830,000.00	-	-	-	-	-
Amreli Steels Ltd.	-	358,500	-	50,000	308,500	10,069,440	1.08	1.13	0.10
Ittefaq Iron Industries Limited	-	855,000.00	-	855,000.00	-	-	-	-	-
Mughal Iron and Steel Industries Limited	134,310	416,500	-	266,500	284,310	<u>11,338,283</u>	1.21	1.27	0.11
						<b>21,407,723</b>			
<b>Technology and Communication</b>									
NETSOL Technologies Limited	135,100.00	-	-	135,100.00	-	-	-	-	-
Avanceon Limited	36,100.00	90,000.00	-	126,100.00	-	-	-	-	-
Hum Network Limited	-	1,025,000.00	-	1,025,000.00	-	-	-	-	-
Systems Limited	102,650	24,000	-	36,100	90,550	<u>16,632,224</u>	1.78	1.86	0.07
						<b>16,632,224</b>			
<b>Food and Personal Care Products</b>									
Al-Shaheer Corporation Limited	3,552	200,000	41,382	98,500	146,434	1,675,194	0.18	0.19	0.10
At - Tahir limited	997	170,000	100	-	171,097	<u>2,947,996</u>	0.32	0.33	0.11
						<b>4,623,190</b>			

Name of the investee company	As at July 01, 2019	Purchases during the period	Bonus / right issue during the period	Sales during the period (Note 5.1.2)	As at June 30, 2020	Market value As at June 30, 2020	Market value as a percentage of net assets of the sub-fund	Market value as a percentage of investment of the sub-fund	Par value as a percentage of issued capital of the investee company
	----- (Number of shares) -----					(Rupees)	----- (%) -----		
<b>Sugar and Allied Industries</b>									
Faran Sugar Mills Limited	70,500	35,500	-	-	106,000	4,187,000	0.45	0.47	0.42
Habib Sugar Mills Limited	-	40,000	-	-	40,000	1,180,000	0.13	0.13	0.05
						<b>5,367,000</b>			
<b>Glass and Ceramics</b>									
Shabbir Tiles and Ceramics Limited	110,000	-	-	78,500	31,500	251,406	0.03	0.03	0.02
Tariq Glass Industries Limited	109,500	40,500	59,000	44,000	165,000	10,645,800	1.14	1.19	0.22
Ghani Global Glass Limited	-	680,000	-	124,500	555,500	6,643,780	0.71	0.74	0.56
Ghani Glass Limited	49,400	40,500	-	20,000	69,900	2,876,385	0.31	0.32	0.01
						<b>20,417,371</b>			
<b>Synthetic Products</b>									
Synthetic Products Enterprises Limited	118,750	-	24	118,162	612	25,427	-	-	0.00
Unity Foods Limited	-	200,000.00	-	200,000.00	-	-	-	-	-
						<b>25,427</b>			
						<b>738,934,878</b>			
						<b>753,180,696</b>			
<b>Carrying value before fair value adjustment as at June 30, 2020</b>									

**6.1.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 as a result of which the HCS issued an order dated July 15, 2019 whereby the previous stay has been restored. The matter is still pending adjudication and no provision has been recorded or contingent liability has been disclosed in the financial statements as the management is confident that the case will be decided in favor of the CISs.

Further, Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 therefore, bonus shares, subsequent to this amendment, issued to the Fund were not withheld by the investee companies.

**6.1.3** Investments include shares with market value of Rs. 37.233 million (June 30, 2019: Rs. 18.208 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no.11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

## 6.2 Government securities - Market Treasury bills

### 6.2.1 Held by Debt Sub-Fund

Issue date	Tenor	Face value				Market value / carrying value as at June 30, 2020	Market value as a percentage of net assets of sub-fund	Market value as a percentage of total investments of sub-fund
		As at July 01, 2019	Purchases during the year	Sales / matured during the year	As at June 30, 2020			
Note		------(Rupees)-----					(%)	-----
May 9, 2019	3 months	87,000,000	20,000,000	107,000,000	-	-	-	-
July 18, 2019	3 months	-	443,000,000	443,000,000	-	-	-	-
August 1, 2019	3 months	-	50,000,000	50,000,000	-	-	-	-
August 16, 2019	3 months	-	15,000,000	15,000,000	-	-	-	-
October 10, 2019	3 months	-	10,000,000	10,000,000	-	-	-	-
October 24, 2019	3 months	-	150,000,000	150,000,000	-	-	-	-
November 7, 2019	12 months	-	95,000,000	95,000,000	-	-	-	-
December 5, 2019	3 months	-	4,000,000	4,000,000	-	-	-	-
December 19, 2019	3 months	-	15,000,000	15,000,000	-	-	-	-
January 2, 2020	3 months	-	30,000,000	30,000,000	-	-	-	-
January 30, 2020	3 months	-	120,000,000	120,000,000	-	-	-	-
February 27, 2020	3 months	-	100,000,000	100,000,000	-	-	-	-
March 26, 2020	3 months	-	44,000,000	44,000,000	-	-	-	-
March 26, 2020	12 months	-	30,000,000	-	30,000,000	28,528,744	0.05	0.05
April 23, 2020	3 months	-	37,000,000	37,000,000	-	-	-	-
	6.2.2					<b>28,528,744</b>	<b>0.05</b>	<b>0.05</b>
<b>Carrying value before fair value adjustment as at June 30, 2020</b>						<b>27,883,535</b>		



6.2.2 These Market Treasury Bills carry rate of return of 10.67% per annum (2019: 7.45% to 12.70% per annum).

## 6.2.3 Held by Money Market Sub-Fund

Issue date	Tenor	Face value				Market value as at June 30, 2020	Market value as a percentage of net assets of sub-fund	Market value as a percentage of total investments of sub-fund
		As at July 01, 2019	Purchases during the year	Sales / matured during the year	As at June 30, 2020			
Note		------(Rupees)-----					------(%)-----	
July 18, 2019	3 months	-	599,000,000	599,000,000	-	-	-	-
August 1, 2019	3 months	-	200,000,000	200,000,000	-	-	-	-
August 29, 2019	12 months	-	150,000,000	150,000,000	-	-	-	-
October 10, 2019	3 months	-	208,000,000	208,000,000	-	-	-	-
October 10, 2019	6 months	-	250,000,000	250,000,000	-	-	-	-
October 24, 2019	6 months	-	70,000,000	70,000,000	-	-	-	-
November 7, 2019	6 months	-	50,000,000	50,000,000	-	-	-	-
November 7, 2019	3 months	-	275,000,000	275,000,000	-	-	-	-
November 21, 2019	3 months	-	16,000,000	16,000,000	-	-	-	-
January 30, 2020	3 months	-	540,000,000	540,000,000	-	-	-	-
February 13, 2020	3 months	-	40,000,000	40,000,000	-	-	-	-
February 27, 2020	3 months	-	325,000,000	325,000,000	-	-	-	-
March 12, 2020	6 months	-	150,000,000	150,000,000	-	-	-	-
March 26, 2020	6 months	-	300,000,000	150,000,000	150,000,000	147,563,550	0.13	0.34
April 9, 2020	6 months	-	100,000,000	-	100,000,000	98,115,900	0.09	0.23
April 23, 2020	3 months	-	72,000,000	-	72,000,000	71,790,387	0.06	0.17
April 23, 2020	6 months	-	50,000,000	-	50,000,000	48,930,550	0.04	0.11
May 7, 2020	6 months	-	70,000,000	-	70,000,000	68,323,990	0.06	0.16
6.2.4						<b>434,724,377</b>	<b>0.38</b>	<b>1.00</b>
Carrying value before fair value adjustment as at June 30, 2020						<b>432,418,549</b>		

6.2.4 These Market Treasury Bills carry rate of return ranging from 7.45% to 12.70% per annum (2019: 5.96% to 6.62% per annum).

6.3 Government securities - Pakistan Investment Bonds

### 6.3.1 Held by Debt Sub-Fund

Issue date	Note	Tenor	Face value				Market value as at June 30, 2020	Market value as a percentage of net assets of sub-fund	Market value as a percentage of total investments of sub-fund
			As at July 01, 2019	Purchases during the year	Sales / matured during the year	As at June 30, 2020			
							(Rupees)	(%)	
12 July 2018		3 years	750,000,000	-	750,000,000	-	-	-	-
12 July 2018		5 years	-	40,000,000	-	40,000,000	40,488,838	0.07	0.07
19 September 2019		3 years	-	415,000,000	215,000,000	200,000,000	206,566,801	0.34	0.38
19 September 2019		5 years	-	162,500,000	-	162,500,000	170,990,160	0.28	0.32
	6.3.2		<b>750,000,000</b>	<b>617,500,000</b>	<b>965,000,000</b>	<b>402,500,000</b>	<b>418,045,799</b>	<b>0.69</b>	<b>0.77</b>
<b>Carrying value before fair value adjustment as at June 30, 2020</b>							<b>382,861,780</b>		

6.3.2 These Pakistan Investment Bonds carry yield ranging from 8.00% to 9.50% per annum. (2019: 11.97 % to 13.41% per annum)

### 6.4 Term Finance Certificates

#### 6.4.1 Held by Debt Sub-Fund

Name of the investee company	As at July 01, 2019	Purchases during the year	Disposals / Matured during the year	As at June 30, 2020	Market value as at June 30, 2020	Market value / carrying value as a percentage of net assets of sub-fund	Market value / carrying value as a percentage of total investments of sub-fund
Askari Commercial Bank Limited	3,300	-	-	3,300	15,478,677	0.026	0.029
Bank Alfalah Limited - Revised	1,600	-	1,600	-	-	-	-
JS Bank Limited	1,500	-	-	1,500	7,349,790	0.012	0.014
Jahangir Siddiqui and Company Limited - X	1,560	-	-	1,560	4,765,507	0.008	0.009

Name of the investee company	As at July 01, 2019	Purchases during the year	Disposals / Matured during the year	As at June 30, 2020	Market value as at June 30, 2020	Market value / carrying value as a percentage of net assets of sub-fund	Market value / carrying value as a percentage of total investments of sub-fund
Note	------(Number of certificates)-----				(Rupees)	------(%)-----	
Jahangir Siddiqui and Company Limited - III	600	-	-	600	738,587	0.001	0.001
HUBCO Sukuk 2	-	400	-	400	40,857,920	0.068	0.075
Askari Commercial Bank Limited	-	20	-	20	20,000,000	0.033	0.037
6.4.2	<b>8,560</b>	<b>420</b>	<b>1,600</b>	<b>7,380</b>	<b>89,190,481</b>	<b>0.148</b>	<b>0.165</b>
Carrying value before fair value adjustment as at June 30, 2020					<b>89,054,701</b>		

## 6.5 Sukuk - unlisted

### 6.5.1 Held by Debt Sub-Fund

Name of the investee company	As at July 01, 2019	Purchases during the year	Disposals / Matured during the year	As at June 30, 2020	Market value as at June 30, 2020	Market value / carrying value as a percentage of net assets of sub-fund	Market value / carrying value as a percentage of total investments of sub-fund
	------(Number of certificates)-----				(Rupees)	------(%)-----	
Dawood Hercules Corporation Limited - revised	80	-	-	80	5,655,614	0.009	0.010
Carrying value before fair value adjustment as at June 30, 2020					<b>5,739,002</b>		

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

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

Name of security	Number of certificates	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue Date	Tenor	Secured / unsecured	Rating
<b>Listed Sukuk certificates</b>							
Dawood Hercules Corporation Limited	80	5,600,000	3 months KIBOR + 1%	16-Nov-17	5 years	Secured	AA
<b>Unlisted term finance certificates</b>							
Askari Commercial Bank Limited	3,300	16,463,700	6 months KIBOR + 1.2%	30-Sep-14	10 years	Secured	A+
Askari Commercial Bank Limited II	20	20,000,000	6 months KIBOR + 1.25%	2-Mar-20	10 years	Secured	A+
JS Bank Limited	1,500	7,489,500	6 months KIBOR + 1.4%	14-Dec-16	10 years	Secured	AA+
Jahangir Siddiqui and Company Limited - III	600	750,000	6-months KIBOR + 1.65%	24-Jun-16	5 years	Secured	AA+
Jahangir Siddiqui and Company Limited - X	1,560	4,875,000	6 months KIBOR + 1.4%	18-Jul-17	5 years	Secured	AA+
<b>Unlisted Sukuk certificates</b>							
HUBCO Sukuk 2	400	1,500,000	3-months KIBOR + 1.90%	22-Aug-19	5 years	Secured	AA+

## 6.6 Commercial Paper

### 6.6.1 Held by Debt Sub-Fund

Name of the investee company	Face Value			As at June 30, 2020	Carrying value as at June 30, 2020	Carrying value as at June 30, 2019
	As at July 01, 2019	Purchases during the period	Sold / matured during the period			
----- (Rupees) -----						
Hub Power Company Limited	31,000	-	31,000	-	-	30,790,277
K-Electric Limited	-	45,000	45,000	-	-	-
	<b>31,000</b>	<b>45,000</b>	<b>76,000</b>	<b>-</b>	<b>-</b>	<b>30,790,277</b>

## 6.6.2 Held by Money Market Sub-Fund

Name of the investee company	Face Value			As at June 30, 2020	Carrying value as at June 30, 2020	Carrying value as at June 30, 2019
	As at July 01, 2019	Purchases during the period	Sold / matured during the period			
----- (Rupees) -----						
HASCOL Petroleum limited	35,000	-	35,000	-	-	34,763,216
K-Electric Limited	-	45,000	45,000	-	-	-
Hub Power Company Limited	-	40,000	40,000	-	-	-
	35,000	85,000	120,000	-	-	34,763,216

## 6.7 Net unrealised (loss) / gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

	2020				2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- ( Rupees ) -----								
Market value / carrying value of investments	738,934,878	541,420,638	434,724,377	1,715,079,893	707,428,312	230,587,217	347,934,165	1,285,949,694
Less: Carrying cost of investments	753,180,696	505,539,012	432,418,645	1,691,138,353	(842,218,035)	(195,000,443)	(347,934,165)	(1,385,152,643)
	(14,245,818)	35,881,626	2,305,732	23,941,540	(134,789,724)	35,586,774	-	(99,202,949)

## 7 MARK-UP ACCRUED

	2020				2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- ( Rupees ) -----								
Mark-up accrued on:								
- Savings accounts	1,492,338	1,010,386	3,309,347	5,812,071	605,646	1,623,887	3,314,625	5,544,158
- Term Deposit Receipts	-	-	-	-	-	-	400,422	400,422
- Term Finance Certificates	-	4,001,467	-	4,001,467	-	1,400,576	-	1,400,576
- PIBs	-	10,995,286	-	-	-	2,540,148	-	2,540,148
	1,492,338	16,007,139	3,309,347	9,813,538	605,646	5,564,611	3,715,047	9,885,304

## 8 ADVANCE, DEPOSITS AND OTHER RECEIVABLES

	2020				2019			Total
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Money Market Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	
	( Rupees )							
Advance tax	440,846	362,057	-	802,903	440,846	362,057	-	802,903
Security deposit with National Clearing Company of Pakistan Limited	2,500,000	-	-	2,500,000	2,500,000	-	-	2,500,000
Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
	<b>3,040,846</b>	<b>462,057</b>	<b>100,000</b>	<b>3,602,903</b>	3,040,846	462,057	100,000	3,602,903

## 9 PAYABLE TO NBP FUND MANAGEMENT COMPANY LIMITED - PENSION FUND MANAGER

		2020				2019					
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		Note ----- (Rupees) -----									
Remuneration to Pension Fund Manager	9.1	1,019,128	821,202	1,425,587	-	3,265,917	1,025,140	765,459	1,040,826	-	2,831,425
Sindh Sales Tax on management remuneration	9.2	122,739	97,007	175,577	-	395,323	123,519	89,761	125,558	-	338,838
Sales load		-	-	-	2,783,826	2,783,826	-	-	-	403,698	403,698
Sindh Sales Tax on sales load		-	-	-	368,742	368,742	-	-	-	56,767	56,767
		<b>1,141,867</b>	<b>918,209</b>	<b>1,601,164</b>	<b>3,152,568</b>	<b>6,813,808</b>	1,148,659	855,220	1,166,384	460,465	3,630,728

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

9.2 The Sindh Provincial Government has levied Sindh Sales Tax on the remuneration of the Pension Fund Manager and sales load through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2011. During the year, Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) was charged on management remuneration and sales load.

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

	Note	2020				2019			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		----- (Rupees) -----							
Trustee remuneration	10.1	85,739	67,763	122,646	276,148	78,329	56,913	79,612	214,854
Sindh Sales Tax on trustee remuneration	10.2	11,144	8,808	15,945	35,897	10,182	7,398	10,349	27,929
		<b>96,883</b>	<b>76,571</b>	<b>138,591</b>	<b>312,045</b>	<b>88,511</b>	<b>64,311</b>	<b>89,961</b>	<b>242,783</b>

- 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 therein, based on the daily net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2020 is as follows:

### Net assets

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

### Tariff

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

The remuneration is paid to the Trustee monthly in arrears.

- 10.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2015. During the year, Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) was charged on trustee remuneration.

## 11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

## 12 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2020					2019				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		----- (Rupees) -----									
Provision for Sindh Workers' Welfare Fund	12.1	8,238,522	4,002,151	4,748,393	-	16,989,066	8,150,678	1,765,873	2,399,026	-	12,315,577
Federal Excise Duty on management remuneration	12.2	1,770,463	1,329,145	1,054,992	-	4,154,600	1,770,463	1,329,145	1,054,992	-	4,154,600
Federal Excise Duty on sales load		-	-	-	1,941,675	1,941,675	-	-	-	1,941,675	1,941,675
Auditors' remuneration		106,034	106,034	106,035	-	318,103	115,924	115,924	115,925	-	347,773
Legal and professional charges		95,074	56,868	57,964	-	209,906	78,603	34,503	35,234	-	148,340
Brokerage expense payable		-	-	7,778	-	7,778	72,940	-	-	-	72,940
Bank charges and settlement charges payable		195,723	196,972	206,918	-	599,613	201,017	161,923	102,400	-	465,340
Printing charges		15,055	20,268	18,184	-	53,507	30,885	30,885	30,885	-	92,655
Withholding tax		5,899	132,171	239,831	-	377,901	33,593	2,531	240	-	36,364
		<b>10,426,770</b>	<b>5,843,609</b>	<b>6,440,095</b>	<b>1,941,675</b>	<b>24,652,149</b>	<b>10,454,103</b>	<b>3,440,784</b>	<b>3,738,702</b>	<b>1,941,675</b>	<b>19,575,264</b>

- 12.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) whereby all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs. 0.5 million in a tax year, were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF. In this regard, a constitutional petition was filed by certain CISs through their trustees in the High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

During 2013 and 2014, judgements were made by Sindh High Court (SHC) and Peshawar High Courts respectively in favor of and against amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008.

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

The Supreme Court of Pakistan (SCP) passed a judgment on November 10, 2016, deciding that amendments made through the Finance Acts through which WWF was levied, are unlawful, as such are not in nature of tax; therefore, it could not be introduced through the money bill. However, the Federal Board of Revenue has filed a review petition in the SCP against the said judgment, which is pending for hearing in the SCP.

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. On a query raised by Mutual Funds Association of Pakistan (MUFAP) on applicability of SWWF, SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.



In 2017, MUFAP recommended to its members that effective from January 12, 2017, Workers' Welfare Fund (WWF) recognized earlier should be reversed in light of the decision made by the Supreme Court of Pakistan and Sindh Workers' Welfare Fund (SWWF) should be recognized effective from May 21, 2015.

MUFAP also communicated the above-mentioned decisions to the Securities and Exchange of Commission (SECP) through its letter dated January 12, 2017, and the SECP through its letter dated February 01, 2017 affirmed above decisions.

As a result of the above recommendations of the MUFAP, the Fund on January 12, 2017, reversed the provision of WWF amounting to Rs. 2.347 million, Rs. 0.809 million and Rs. 0.352 million for Equity, Debt and Money Market sub fund respectively and started recognising provision for SWWF

Had the SWWF not been recorded in the financial statements of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund for the period from 21 May 2015 to 30 June 2018, the net asset value of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher by Rs. 2.87, Rs. 1.25 and Rs. 0.67 (2019: Rs. 2.77, Rs. 0.47 and Rs. 0.41) per unit respectively.

- 12.2** As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company 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, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on 4 September 2013.

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

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honourable Supreme Court against the Sindh High Court's decision dated 2 June 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Pension Fund Manager as a matter of abundant caution has retained a provision on FED on management aggregating to Rs. 1.770 million, Rs. 1.329 million and Rs. 1.055 million for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively . Had the provision not been made, the (NAV) per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at June 30, 2020 would have been higher by Rs. 0.6161, Rs. 0.4155 and Rs. 0.1483 (2019: Rs 0.6011, Rs. 0.3539 and Rs. 0.1791) per unit respectively.

## **13 CONTINGENCIES AND COMMITMENT**

There is no contingency and commitment outstanding as at June 30, 2020.

## 14 NUMBER OF UNITS IN ISSUE

	2020				2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Number of units) -----							
Total units in issue at beginning of the year	2,945,364	3,755,725	5,891,916	12,593,006	3,622,459	2,480,232	4,962,422	11,065,113
Units issued during the year	327,467	786,138	1,828,696	2,942,301	386,054	1,100,572	2,210,971	3,697,597
Units redeemed during the year	(415,406)	(297,231)	(1,704,602)	(2,417,239)	(541,150)	(597,862)	(1,504,489)	(2,643,500)
Reallocation during the year	16,050	(1,045,829)	1,095,531	65,752	(521,999)	772,783	223,012	473,796
<b>Total units in issue at end of the year</b>	<b>2,873,475</b>	<b>3,198,803</b>	<b>7,111,542</b>	<b>13,183,821</b>	<b>2,945,364</b>	<b>3,755,725</b>	<b>5,891,916</b>	<b>12,593,005</b>

## 15 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Equity Sub Fund			Debt - Sub Fund			Money Market - Sub Fund		
	Received / receivable against sale of units	Paid / payable against redemption of units	Total	Received / receivable against sale of units	Paid / payable against redemption of units	Total	Received / receivable against sale of units	Paid / payable against redemption of units	Total
	----- (Rupees) -----								
Opening balance as at July 01, 2019	-	-	-	-	-	-	-	-	-
Received / receivable against issuance of units	89,568,426	-	89,568,426	137,933,026	-	137,933,026	444,107,675	-	444,107,675
Paid / payable against redemption of units	-	(80,938,981)	(80,938,981)	-	(235,680,955)	(235,680,955)	-	(259,406,245)	(259,406,245)
	89,568,426	(80,938,981)	8,629,445	137,933,026	(235,680,955)	(97,747,929)	444,107,675	(259,406,245)	184,701,430
Amount received on issuance of units	(89,568,426)	-	(89,568,426)	(137,933,026)	-	(137,933,026)	(444,107,675)	-	(444,107,675)
Amount paid on redemption of units	-	80,938,981	80,938,981	-	235,680,955	235,680,955	-	259,406,245	259,406,245
	(89,568,426)	80,938,981	(8,629,445)	(137,933,026)	235,680,955	97,747,929	(444,107,675)	259,406,245	(184,701,430)
<b>Closing balance as at June 30, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 16 CONTRIBUTION TABLE

Contributions received during the year are as follows:

From:	2020							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	327,467	89,568,426	786,138	137,933,026	1,828,696	279,179,357	2,942,301	506,680,809

From:	2019							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	386,054	352,086,452	1,100,572	170,369,307	2,210,971	310,762,584	3,697,597	833,218,343

## 17 AUDITORS' REMUNERATION

	2020				2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)							
Annual audit fee	73,500	73,500	73,500	220,500	70,000	70,000	70,000	210,000
Interim review fee	31,500	31,500	31,500	94,500	30,000	30,000	30,000	90,000
Out of pocket expenses and others including government levy	22,697	22,697	22,697	68,090	21,616	21,616	21,616	64,848
	127,697	127,697	127,697	383,090	121,616	121,616	121,616	364,848

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2020										
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others	
	Amortised Cost	At fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Total	Amortised Cost	Total
	(Rupees)										
<b>Financial assets</b>											
Bank balances	21,423,017	-	21,423,017	53,896,909	-	53,896,909	751,476,491	-	751,476,491	5,094,243	831,890,660
Investments	-	738,934,878	738,934,878	-	541,420,638	541,420,638	-	434,724,377	434,724,377	-	1,715,079,893
Mark-up accrued	1,492,338	-	1,492,338	16,007,139	-	16,007,139	3,309,347	-	3,309,347	-	20,808,824
Receivable against transfer of units	-	-	-	44,448	-	44,448	59,358	-	59,358	-	103,806
Receivable against sale of investment	4,625,781	-	4,625,781	-	-	-	-	-	-	-	4,625,781
Security deposits	2,600,000	-	2,600,000	100,000	-	100,000	100,000	-	100,000	-	2,800,000
	30,141,136	738,934,878	769,076,014	70,048,496	541,420,638	611,469,134	754,945,196	434,724,377	1,189,669,573	5,094,243	2,575,308,964

As at June 30, 2020

	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others	
	At fair value through profit or loss	At amortised cost	Total	At fair value through profit or loss	At amortised cost	Total	At fair value through profit or loss	At amortised cost	Total	At amortised cost	Total
(Rupees)											
<b>Financial liabilities</b>											
Payable to NBP Fund Management Limited - Pension Fund Manager	-	1,141,867	1,141,867	-	918,209	918,209	-	1,601,164	1,601,164	3,152,568	6,813,808
Payable to Central Depository Company of Pakistan Limited - Trustee	-	96,883	96,883	-	76,571	76,571	-	138,591	138,591	-	312,045
Payable against purchase of Investment	-	-	-	-	810	810	-	-	-	-	810
Net assets attributable to redeemable Participants	-	757,642,316	757,642,316	-	604,400,814	604,400,814	-	1,152,748,024	1,152,748,024	-	2,514,791,154
Payable against redemption of units	-	-	-	-	413,052	413,052	-	28,443,339	28,443,339	-	28,856,391
Accrued expenses and other liabilities	-	411,886	411,886	-	380,142	380,142	-	396,879	396,879	-	1,188,907
	-	759,292,952	759,292,952	-	606,189,598	606,189,598	-	1,183,327,997	1,183,327,997	3,152,568	2,551,963,115

As at June 30, 2019

	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others	
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total	At amortised cost	Total
(Rupees)											
<b>Financial assets</b>											
Bank balances	45,636,250	-	45,636,250	360,449,017	-	360,449,017	506,421,145	-	506,421,145	2,402,140	914,908,552
Investments	-	707,428,312	707,428,312	-	230,587,217	230,587,217	-	34,763,216	34,763,216	-	972,778,745
Dividend receivables	-	-	-	-	-	-	-	-	-	-	-
Mark-up accrued	605,646	-	605,646	5,564,611	-	5,564,611	3,715,047	-	3,715,047	-	9,885,304
Security deposits	2,600,000	-	2,600,000	100,000	-	100,000	100,000	-	100,000	-	2,800,000
	48,841,896	707,428,312	756,270,208	366,113,628	230,587,217	596,700,845	510,236,192	34,763,216	544,999,408	2,402,140	1,900,372,601

As at June 30, 2019

	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others	
	Liabilities at fair value through profit or loss	At amortised cost	Total	Liabilities at fair value through profit or loss	At amortised cost	Total	Liabilities at fair value through profit or loss	At amortised cost	Total	At amortised cost	Total
(Rupees)											
<b>Financial liabilities</b>											
Payable to NBP Fund Management Limited - Pension Fund Manager	-	1,148,659	1,148,659	-	855,220	855,220	-	1,166,384	1,166,384	460,465	3,630,728
Payable to Central Depository Company of Pakistan Limited - Trustee	-	88,511	88,511	-	64,311	64,311	-	89,961	89,961	-	242,783
Payable against Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	499,369	499,369	-	343,235	343,235	-	284,444	284,444	-	1,127,048
	-	1,736,539	1,736,539	-	1,262,766	1,262,766	1,540,789	1,540,789	1,540,789	460,465	3,630,728

## 19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 19.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 19.2** Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with agreed rates.
- 19.3** Remuneration payable to Pension Fund Manager and the Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules and the Trust Deed respectively.

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

## 19.4 Transactions during the year

	2020					2019					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	
----- ( Rupees ) -----											
<b>NBP Fund Management Limited - Pension Fund Manager</b>											
Remuneration to Pension Fund Manager	10,808,951	9,064,373	15,297,842	-	35,171,166	14,143,164	5,975,737	11,258,824	-	31,377,725	
Sindh Sales Tax on remuneration to Pension Fund Manager	1,405,164	1,178,369	1,988,719	-	4,572,252	1,838,611	774,846	1,463,647	-	4,077,104	
Number of units issued	Units	-	-	-	-	17,434	-	-	-	17,434	
Amount of units issued	-	-	-	-	-	4,922,000	-	-	-	4,922,000	
Number of units redeemed	Units	-	-	-	-	136,241	-	36,088	-	172,329	
Amount of units redeemed	-	-	-	-	-	39,435,000	-	4,922,000	-	44,357,000	
<b>Employees of NBP Fund Management Limited</b>											
Number of units issued	Units	28,085	11,168	59,247	-	98,500	8,272	19,422	39,480	-	67,174
Amount of units issued	7,538,000	1,894,000	8,791,000	-	18,223,000	2,304,000	2,947,000	5,452,000	-	10,703,000	
Number of units redeemed	Units	19,062	17,652	90,938	-	127,652	15,814	7,397	142,726	-	165,937
Amount of units redeemed	5,043	2,950	13,784	-	21,777	4,623,000	1,127,000	19,537,000	-	25,287,000	
<b>Amjad Waheed - Chief Executive Officer</b>											
Number of units issued	Units	427,116	336,449	367,592	-	1,131,157	411,871	146,158	1,033,837	-	1,591,866
Amount of units issued	103,458,000	53,147,000	53,280,000	-	209,885,000	120,640,000	23,000,000	139,330,000	-	282,970,000	
Number of units redeemed	Units	591,126	482,607	367,592	-	1,441,325	389,100	-	1,033,837	-	1,422,937
Amount of units redeemed	143,307,000	78,818,000	57,307,000	-	279,432,000	118,830,000	-	141,140,000	-	259,970,000	
<b>Central Depository Company of Pakistan Limited - Trustee</b>											
Remuneration to Trustee	881,057	739,927	1,257,625	-	2,878,609	1,168,037	493,755	940,045	-	2,601,837	
Sindh Sales Tax on remuneration of Trustee	119,557	100,309	170,250	-	390,116	151,844	64,189	120,906	-	336,939	
<b>Taurus Securities Limited (Subsidiary of the Parent of the Management Company)</b>											
Brokerage expense	94,527	-	-	-	94,527	-	-	-	-	-	
<b>Humayun Bashir - Director</b>											
Number of units issued	Units	1,551	-	276,792	-	278,343	48,494	-	168,902	-	217,396
Amount of units issued	467,075	-	36,524,838	-	36,991,914	14,252,000	-	23,765,000	-	38,017,000	
Number of units redeemed	Units	75,447	92,294	3,489	-	171,230	82,837	-	102,237	-	185,074
Amount of units redeemed	23,117,156	13,407,682	467,075	-	36,991,914	23,765,000	-	14,252,000	-	38,017,000	

	2020					2019					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	
----- ( Rupees ) -----											
<b>Kamal A. Chinoy - Director</b>											
Number of units issued	Units	2,414	-	-	-	2,414	-	132,716	105,631	-	238,347
Amount of units issued		726,896	-	-	-	726,896	-	20,792,000	15,180,000	-	35,972,000
Number of units redeemed	Units	-	-	5,429	-	5,429	98,363	-	35	-	98,398
Amount of units redeemed		-	-	726,896	-	726,896	25,968,000	-	5,000	-	25,973,000
<b>Khalid Mehmood - Chief Financial Officer</b>											
Number of units issued	Units	-	-	-	-	-	3,337	-	-	-	3,337
Amount of units issued		-	-	-	-	-	966,000	-	-	-	966,000
Number of units redeemed	Units	-	-	-	-	-	3,281	-	-	-	3,281
Amount of units redeemed		-	-	-	-	-	1,000,000	-	-	-	1,000,000
<b>Portfolio managed by Management company</b>											
Number of units issued	Units	7,251	63	558	-	7,872	-	-	36,305	-	36,305
Amount of units issued		1,950,000	11,000	87,000	-	2,048,000	-	-	4,964,000	-	4,964,000
Number of units redeemed	Units	-	1,411	4,214	-	5,625	-	32,705	-	-	32,705
Amount of units redeemed		-	247,000	650,000	-	897,000	-	4,839,000	-	-	4,839,000
Amount of PIB purchased		-	35,138,704	-	-	35,138,704	-	-	-	-	-
<b>Bank Islami Pakistan Limited (Common directorship with the Management Company)</b>											
Markup on bank balances	Units	-	-	573,137	-	573,137	-	-	5,891,028	-	5,891,028
Purchase of Term Deposit Receipts		-	-	-	-	-	-	-	160,000,000	-	160,000,000
<b>Saad Amanullah Khan*</b>											
Number of units issued	Units	266	-	-	-	266	-	-	-	-	-
Amount of units issued		70,000	-	-	-	70,000	-	-	-	-	-
Number of units redeemed	Units	-	371	-	-	371	-	-	-	-	-
Amount of units redeemed		-	70,000	-	-	70,000	-	-	-	-	-
<b>The Hub Power Company Limited (Common Directorship with the Management Company)*</b>											
Purchase of Sukuks		-	40,000,000	-	-	40,000,000	-	-	-	-	-
<b>National Clearing Company of Pakistan Limited (Common Directorship with the Management Company)*</b>											
NCCPL charges		460,624	-	-	-	460,624	-	-	-	-	-

## 19.5 Amounts outstanding as at year end

	2020					2019					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	
----- ( Rupees ) -----											
<b>NBP Fund Management</b>											
<b>Limited - Pension Fund Manager</b>											
Remuneration payable	1,019,128	821,202	1,425,587	-	3,265,917	1,025,140	765,459	1,040,826	-	2,831,425	
Sindh Sales Tax payable	122,739	97,007	175,577	-	395,323	123,519	89,761	125,558	-	338,838	
Sales load	-	-	-	2,783,826	2,783,826	-	-	-	403,698	403,698	
Sindh Sales Tax on sales load	-	-	-	368,742	368,742	-	-	-	56,767	56,767	
<b>Employees of NBP Fund</b>											
<b>Management Limited</b>											
Number of units held	Units	30,561	12,576	10,884	-	54,021	14,395	12,025	35,736	-	62,156
Amount of units held		8,058,000	2,376,000	1,764,000	-	12,198,000	3,640,000	1,897,000	5,173,000	-	10,710,000
<b>Central Depository Company of Pakistan</b>											
<b>Limited - Trustee</b>											
Remuneration payable	85,739	67,763	122,646	-	276,148	132,562	50,887	54,074	-	237,523	
Sindh Sales Tax payable	11,144	8,808	15,945	-	35,897	16,565	6,074	6,645	-	29,284	
Security deposit						100,000	100,000	100,000	-	300,000	
<b>Amjad Waheed - Chief Executive Officer</b>											
Number of units held	Units	303,779	-	-	-	303,779	411,871	146,158	-	-	558,029
Amount of units held		93,209,368	-	-	-	93,209,368	104,138,000	23,061,000	-	-	127,199,000
<b>Humayun Bashir - Director</b>											
Number of units held	Units	81,021	-	273,304	-	354,325	154,916	92,294	-	-	247,210
Amount of units held		24,859,954	-	36,614,633	-	61,474,587	51,327,627	13,052,523	-	-	64,380,150
<b>Kamal A. Chinoy - Director</b>											
Number of units held	Units	98,363	-	39,036	-	137,399	-	132,716	144,632	-	277,348
Amount of units held		30,181,083	-	5,229,621	-	35,410,704	-	20,940,000	20,937,000	-	41,877,000
<b>Khalid Mehmood - Chief Financial Officer</b>											
Number of units held	Units	15,235	-	-	-	15,235	15,291	-	-	-	15,291
Amount of units held		4,674,591	-	-	-	4,674,591	3,866,000	-	-	-	3,866,000
<b>Portfolio managed by management company</b>											
Number of units held	Units	29,039	7,308	34,074	-	70,421	21,788	-	36,305	-	58,093
Amount of units held		7,657,000	1,381,000	5,523,000	-	14,561,000	5,509,000	-	5,256,000	-	10,765,000



	2020					2019				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
----- ( Rupees ) -----										
<b>Bank Islami Pakistan Limited</b>										
<b>(Common Directorship with the Management Company)</b>										
Bank balance	-	-	53,196	-	53,196	-	-	3,050,485	-	3,050,485
Term deposit receipt held	-	-	-	-	-	-	-	160,000,000	-	160,000,000
Markup accrued	-	-	2,529	-	2,529	-	-	621,824	-	621,824
<b>National bank of Pakistan Limited</b>										
<b>(Common Directorship with the Management Company)</b>										
Bank balance	-	3,483	-	-	3,483	-	-	-	-	-
Markup accrued	-	-	-	-	-	-	-	-	-	-
<b>Fauji Fertilizer Company Limited</b>										
<b>(Common Directorship with the Management Company)*</b>										
Number of shares held	271,500	-	-	-	271,500	-	-	-	-	-
Investment in shares	29,862,285	-	-	-	29,862,285	-	-	-	-	-
<b>The Hub Power Company Limited</b>										
<b>(Common Directorship with the Management Company)*</b>										
Number of shares held	468,639	-	-	-	468,639	-	-	-	-	-
Investment in shares	33,976,335	-	-	-	33,976,335	-	-	-	-	-
Number of sukuk held	-	400	-	-	400	-	-	-	-	-
Investment in sukuk	-	40,857,920	-	-	40,857,920	-	-	-	-	-
<b>National Clearing Company of Pakistan Limited</b>										
<b>(Common Directorship with the Management Company)*</b>										
Security Deposit	2,500,000	-	-	-	2,500,000	-	-	-	-	-
NCCPL charges payable	35,000	-	-	-	35,000	-	-	-	-	-

Current year balances with these parties have not been disclosed as they did not remain connected persons and related parties as at year end.

Prior Year balances with these parties have not been disclosed as they were not connected persons and related parties during prior year.

## 20 FINANCIAL RISK MANAGEMENT

The Fund primarily invests in a portfolio of equity, debt and money market investments such as shares of listed companies, investment-grade debt securities, government securities and other money market instruments.

These activities are exposed to a variety of financial risks i.e market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

### 20.1 Market risk

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

The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

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

#### 20.1.1 Currency risk

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

#### 20.1.2 Interest rate risk

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

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

As at June 30, 2020, the Fund holds KIBOR based interest bearing term finance certificates and bank balances in saving accounts exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on June 30, 2020, with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 9.267 million (June 30, 2019: Rs. 0.466 million).

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

As at June 30, 2020, the Fund holds market treasury bills and Pakistan investment bonds that expose the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by Financial Markets Association of Pakistan for market treasury bills and 100 basis points increase in effective interest rate of term finance certificates on June 30, 2020 with all other variables held constant, the net income for the year and net assets of the Fund would have been lower by Rs. 0.861 million (June 30, 2019: Rs 0.861 million). In case of 100 basis points decrease in those rates, the net income for the year and net assets of the Fund would have been higher by Rs. 8.128 million (June 30, 2019: Rs. 0.167 million).

"The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Markets Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

	As at June 30, 2020													2020					
	Equity Sub-Fund			Debt Sub-Fund				Money Market Sub-Fund				Others		Total					
	Effective yield / Interest rate	Exposed to yield / interest rate risk		Total	Exposed to yield / interest rate risk			Total	Exposed to yield / interest rate risk			Total	Exposed to yield / interest rate risk		Total				
		Up to three months	Not exposed to yield / interest rate risk		Effective yield / Interest rate	Up to three months	More than one year		Not exposed to yield / interest rate risk	Effective yield / Interest rate	Up to three months		More than three months upto one year	Not exposed to yield / interest rate risk		Effective yield / Interest rate	Up to three months	Not exposed to yield / interest rate risk	
(%)	(Rupees)		(%)	(Rupees)			(%)	(Rupees)			(%)	(Rupees)							
<b>On-balance sheet financial instruments</b>																			
<b>Financial assets</b>																			
Bank balances	6.50 to 15.00	21,423,017	-	21,423,017	6.50 to 15.00	53,896,909	-	-	53,896,909	6.50 to 15.00	751,476,491	-	-	751,476,491	6.50 to 15.00	5,094,243	-	5,094,243	831,890,660
Investments	-	738,934,878	738,934,878	7.45 - 12.70	28,528,744	507,236,280	-	535,765,024	7.45 - 12.70	-	434,724,377	-	-	434,724,377	-	-	-	1,709,424,279	
Mark-up accrued	-	1,492,338	1,492,338	-	-	-	16,007,139	16,007,139	-	3,309,347	-	-	3,309,347	6,618,694	-	-	-	24,118,171	
Receivable against transfer of units	-	-	-	44,448	-	44,448	88,896	88,896	-	59,358	-	-	59,358	118,716	-	-	-	207,612	
Receivable against sale of investments	4,625,781	-	4,625,781	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,625,781	
Security deposits	-	2,600,000	2,600,000	-	-	-	100,000	100,000	-	100,000	-	-	100,000	200,000	-	-	-	2,900,000	
		26,048,798	743,027,216	769,076,014		82,470,101	507,236,280	16,151,587	605,857,968		754,945,196	434,724,377	3,468,705	1,193,138,278		5,094,243	-	5,094,243	2,573,166,503
<b>Financial liabilities</b>																			
Payable to NBP Fund Management																			
Limited - Pension Fund Manager	-	1,141,867	1,141,867	-	-	-	918,209	918,209	-	-	-	1,601,164	1,601,164	-	-	3,152,568	3,152,568	6,813,808	
Payable to Central Depository																			
Company of Pakistan	-	96,883	96,883	-	-	-	76,571	76,571	-	-	-	138,591	138,591	-	-	-	-	312,045	
Payable against purchase of Investments	-	-	-	-	-	-	810	810	-	-	-	-	-	-	-	-	-	810	
Payable against redemption of units	-	-	-	-	-	-	413,052	413,052	-	-	-	-	28,443,339	-	-	-	-	413,052	
Net assets attributable to redeemable Participants	-	757,642,316	757,642,316	-	-	-	604,400,814	604,400,814	-	-	-	-	1,152,748,024	-	-	-	-	1,362,043,130	
Accrued expenses and other liabilities	-	411,886	411,886	-	-	-	380,142	380,142	-	-	-	-	396,879	396,879	-	-	-	1,188,907	
	-	759,292,952	759,292,952	-	-	-	606,189,598	606,189,598	-	-	-	-	1,183,327,997	2,136,634	-	3,152,568	3,152,568	1,370,771,752	
<b>On-balance sheet gap</b>																			
	26,048,798	(16,265,736)	9,783,062	82,470,101	507,236,280	(590,038,011)	(331,630)			754,945,196	434,724,377	(1,179,859,292)	1,191,001,644		5,094,243	(3,152,568)	1,941,675	1,202,394,751	
<b>Off-balance sheet financial instruments</b>																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet gap</b>																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total interest rate sensitivity gap</b>																			
	26,048,798	(16,265,736)	9,783,062	82,470,101	507,236,280	(590,038,011)	(331,630)			754,945,196	434,724,377	(1,179,859,292)	1,191,001,644		5,094,243	(3,152,568)	1,941,675	1,202,394,751	
<b>Cumulative interest rate sensitivity gap</b>																			
	26,048,798			82,470,101	507,236,280					754,945,196	1,189,669,573				5,094,243				

# NAFA PENSION FUND



As at June 30, 2019

2019

	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Money Market Sub-Fund			Total						
	Exposed to yield / interest rate risk		Total	Exposed to yield / interest rate risk		Total	Exposed to yield / interest rate risk		Total	Exposed to yield / interest rate risk		Total							
	Effective yield / Interest rate	Not exposed to yield / interest rate risk		Effective yield / Interest rate	Not exposed to yield / interest rate risk		Effective yield / Interest rate	Not exposed to yield / interest rate risk		Effective yield / Interest rate	Not exposed to yield / interest rate risk								
	Up to three months	Up to three months	Up to three months	More than one year	Up to three months	More than three months upto one year	Up to three months	More than three months upto one year	Up to three months	More than three months upto one year	Up to three months	More than three months upto one year							
<b>On-balance sheet financial instruments</b>	(%)	(Rupees)	(%)	(Rupees)	(%)	(Rupees)	(%)	(Rupees)	(%)	(Rupees)	(%)	(Rupees)							
<b>Financial assets</b>																			
Bank balances	3.75 - 14.00	45,636,250	-	45,636,250	3.75 - 14.00	360,449,017	-	360,449,017	3.75 - 14.00	506,421,145	-	506,421,145	3.75 - 14.00	2,402,140	-	2,402,140	914,908,552		
Investments	-	707,428,312	707,428,312	7.45 - 12.70	116,870,469	66,631,045	-	183,501,514	7.45 - 12.70	347,934,165	-	347,934,165	-	-	-	-	1,238,863,991		
Mark-up accrued	-	605,646	605,646	-	-	-	5,564,611	5,564,611	-	-	-	3,715,047	3,715,047	-	-	-	9,885,304		
Security deposits	-	2,600,000	2,600,000	-	-	-	100,000	100,000	-	-	-	100,000	100,000	-	-	-	2,800,000		
		45,636,250	710,633,958	756,270,208		477,319,486	66,631,045	5,664,611	549,615,142		854,355,310	-	3,815,047	858,170,357		2,402,140	-	2,402,140	2,166,457,847
<b>Financial liabilities</b>																			
Payable to NBP Fund Management																			
Limited - Pension Fund Manager	-	1,148,659	1,148,659	-	-	855,220	855,220	-	-	-	-	1,166,384	1,166,384	-	460,465	460,465	3,630,728		
Payable to Central Depository																			
Company of Pakistan	-	88,511	88,511	-	-	64,311	64,311	-	-	-	-	89,961	89,961	-	-	-	242,783		
Payable against Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Accrued expenses and other liabilities	-	499,369	499,369	-	-	343,235	343,235	-	-	-	-	284,444	284,444	-	-	-	1,127,048		
Payable against redemption of units	-	744,708,631	744,708,631	-	-	592,571,121	592,571,121	-	-	-	-	852,927,616	852,927,616	-	-	-	2,190,207,368		
Net assets attributable to redeemable units	-	746,445,170	746,445,170	-	-	593,833,887	593,833,887	-	-	-	-	854,468,405	854,468,405	-	460,465	460,465	2,195,207,927		
<b>On-balance sheet gap</b>		45,636,250	(35,811,212)	9,825,038		477,319,486	66,631,045	(588,169,276)	(44,218,745)		854,355,310	-	(850,653,358)	3,701,952		2,402,140	(460,465)	1,941,675	(28,750,080)
<b>Off-balance sheet financial instruments</b>		-	-	-		-	-	-	-		-	-	-	-		-	-	-	-
<b>Off-balance sheet gap</b>		-	-	-		-	-	-	-		-	-	-	-		-	-	-	-
<b>Total interest rate sensitivity gap</b>		45,636,250	(35,811,212)	9,825,038		477,319,486	66,631,045	(588,169,276)	(44,218,745)		854,355,310	-	(850,653,358)	3,701,952		2,402,140	(460,465)	1,941,675	(28,750,080)
<b>Cumulative interest rate sensitivity gap</b>		45,636,250				477,319,486	#REF!				854,355,310	854,355,310				2,402,140			

## 20.2 Price risk

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

The Pension Fund Manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to achieve long term capital growth by investing primarily in equity securities. The Fund's market risk is managed on a daily basis by the Pension Fund Manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio. The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

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

Details of the Fund's investment portfolio exposed to price risk, at the balance sheet date are disclosed in note 6 to these financial statements. At June 30, 2020 the Fund's overall exposure to price risk is limited to the fair value of those positions. The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the PSX 100 index. The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

The net assets of the Fund will increase / decrease by approximately Rs. 7.3893 million (2019: Rs. 7.0743 million) if the prices of equity vary due to increase / decrease in the PSX 100 index. This is based on the assumption that the fair value of the Fund's portfolio moves according to their historical correlation with the PSX 100 index and that the PSX 100 index increases / decreases by 1% on PSX 100 index with all other factors held constant.

"The Pension Fund Manager uses the PSX 100 index as a reference point in making investment decisions. However, the pension fund manager does not manage the Fund's investment strategy to track the PSX 100 index or any other index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at June 30, 2020 and the historical correlation of the securities comprising the portfolio of the PSX 100 index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2020 is not necessarily indicative of the effect on the Fund's net assets attributed to units of future movements in the level of the PSX 100 Index.

## 20.3 Credit risk

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

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

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

The maximum exposure to credit risk is as follows:

		As at June 30, 2020				
Bank balances		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		----- (Rupees) -----				
AAA		215,545	53,308,017	461,547,338	2,129,403	517,200,303
AA+		21,005,305	584,348	57,164,253	2,805,819	81,559,725
AA-		197,533	-	231,807,467	159,789	232,164,789
AA		-	-	711,343	-	711,343
A+		4,634	4,544	245,322	-	254,500
		<b>21,423,017</b>	<b>53,896,909</b>	<b>751,475,723</b>	<b>5,095,011</b>	<b>831,890,660</b>
Term Finance Certificates		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		----- (Rupees) -----				
AA+		-	53,711,804	-	-	53,711,804
AA		-	5,655,614	-	-	5,655,614
A+		-	35,478,677	-	-	35,478,677
		-	<b>94,846,095</b>	-	-	<b>94,846,095</b>
Mark-up accrued		<b>1,492,338</b>	<b>16,007,139</b>	<b>3,309,347</b>	-	<b>20,808,824</b>
Security deposits		<b>2,600,000</b>	<b>100,000</b>	<b>100,000</b>	-	<b>2,800,000</b>
		As at June 30, 2019				
Bank balances		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		----- (Rupees) -----				
AAA		2,396,995	260,548,023	328,442,925	-	591,387,943
AA+		17,275,739	99,896,535	162,802,097	-	279,974,371
AA-		25,959,056	-	10,756,049	-	36,715,105
AA		-	-	1,184,851	-	1,184,851
A+		4,460	4,459	3,235,223	2,401,462	5,645,604
		<b>45,636,250</b>	<b>360,449,017</b>	<b>506,421,145</b>	-	<b>914,907,874</b>
Mark-up accrued		<b>605,646</b>	<b>5,564,611</b>	<b>3,715,047</b>	-	<b>9,885,304</b>
Security deposits		<b>2,600,000</b>	<b>100,000</b>	<b>100,000</b>	-	<b>2,800,000</b>

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

## Concentration of credit risk

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

## 20.4 Liquidity risk

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

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

The Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 10% of the total net asset value at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

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

	As at June 30, 2020						2020
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Total	Upto three months	Total	Upto three months	Total	Upto three months	
----- ( Rupees ) -----							
<b>Financial Liabilities (excluding participants' funds)</b>							
Payable to NBP Fund Management Limited - Pension Fund Manager	1,141,867	1,141,867	918,209	918,209	1,601,164	1,601,164	3,152,568
Payable to Central Depository Company of Pakistan Limited - Trustee	96,883	96,883	76,571	76,571	138,591	138,591	-
Payable against purchase of Investments	-	-	810	810	-	-	-
Payable against redemption of units	-	-	413,052	413,052	28,443,339	28,443,339	-
Net assets attributable to redeemable units	757,642,316	757,642,316	604,400,814	604,400,814	1,152,748,024	1,152,748,024	-
Accrued expenses and other liabilities	411,886	411,886	380,142	380,142	396,879	396,879	-
	<b>759,292,952</b>	<b>759,292,952</b>	<b>606,189,598</b>	<b>606,189,598</b>	<b>1,183,327,997</b>	<b>1,183,327,997</b>	<b>3,152,568</b>
Participants' funds	<b>757,642,316</b>	<b>757,642,316</b>	<b>604,400,814</b>	<b>604,400,814</b>	<b>1,152,748,024</b>	<b>1,152,748,024</b>	<b>-</b>

As at June 30, 2019

2019

	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund			Total
	Total	Upto three months	Total	Upto three months	Total	Upto three months	Upto three months	
----- ( Rupees ) -----								
Financial Liabilities (excluding participants' funds)								
Payable to NBP Fund Management Limited - Pension Fund Manager	1,148,659	1,148,659	855,220	855,220	1,166,384	1,166,384	460,465	#REF!
Payable to Central Depository Company of Pakistan Limited - Trustee	88,511	88,511	64,311	64,311	89,961	89,961	-	#REF!
Payable against purchase of Investments	-	-	-	-	-	-	-	#REF!
Accrued expenses and other liabilities	499,369	499,369	343,235	343,235	284,444	284,444	-	#REF!
	<u>1,736,539</u>	<u>1,736,539</u>	<u>1,262,766</u>	<u>1,262,766</u>	<u>1,540,789</u>	<u>1,540,789</u>	<u>460,465</u>	<u>#REF!</u>
Participants' funds	<u>744,708,631</u>	<u>744,708,631</u>	<u>592,571,121</u>	<u>592,571,121</u>	<u>852,927,616</u>	<u>852,927,616</u>	<u>-</u>	<u>#REF!</u>

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

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

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

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

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund. The Fund's objectives when managing participants' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to participants and to maintain a strong base of assets under management. In accordance with the risk management policies stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with long term objective, the possibility of a significant redemption pressure is limited, such liquidity is augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments, where necessary.



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

## 22 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

# NAFA PENSION FUND



June 30, 2020

2020

	( Rupees )																		Total
	Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Others						
	Carrying value		Fair Value		Carrying value		Fair Value		Carrying value		Fair Value		Carrying value		Fair Value				
At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Total	At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 2	Total	At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 2	Total		
<b>On-balance sheet financial instruments</b>																			
<b>Financial assets measured at fair value</b>																			
Investments																			
- Listed equity securities	738,934,878	-	-	738,934,878	738,934,878	738,934,878	-	-	-	-	-	-	-	-	-	-	-	-	738,934,878
- Government securities - Market Treasury Bills	-	-	-	-	-	28,528,744	-	-	28,528,744	28,528,744	28,528,744	434,724,377	-	-	434,724,377	434,724,377	434,724,377	-	463,253,121
- Government securities - Pakistan Investment Bonds	-	-	-	-	-	418,045,799	-	-	418,045,799	418,045,799	418,045,799	-	-	-	-	-	-	-	-
- Term finance certificates	-	-	-	-	-	94,846,095	-	-	94,846,095	94,846,095	94,846,095	-	-	-	-	-	-	-	94,846,095
	738,934,878	-	-	738,934,878	738,934,878	738,934,878	541,420,638	-	541,420,638	541,420,638	541,420,638	434,724,377	-	-	434,724,377	434,724,377	434,724,377	-	1,297,034,094
<b>Financial assets not measured at fair value</b>																			
Bank balances	-	21,423,017	-	21,423,017	-	-	53,896,909	-	53,896,909	-	-	751,476,491	-	751,476,491	-	-	5,094,243	-	831,890,660
Investments in term deposit receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mark-up accrued	-	1,492,338	-	1,492,338	-	-	16,007,139	-	16,007,139	-	-	3,309,347	-	3,309,347	-	-	-	-	20,808,824
Receivable against sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivable against transfer of units	-	-	-	-	-	-	44,448	-	44,448	-	-	59,358	-	59,358	-	-	-	-	103,806
Security deposits	-	2,600,000	-	2,600,000	-	-	100,000	-	100,000	-	-	100,000	-	100,000	-	-	-	-	2,800,000
	-	25,515,355	-	25,515,355	-	-	70,048,496	-	70,048,496	-	-	754,945,196	-	754,945,196	-	-	5,094,243	-	855,603,290
<b>Financial liabilities not measured at fair value</b>																			
Payable to NBP Fund Management	-	-	1,141,867	1,141,867	-	-	-	918,209	918,209	-	-	-	-	1,601,164	1,601,164	-	-	3,152,568	6,813,808
Limited - Pension Fund Manager	-	-	1,141,867	1,141,867	-	-	-	918,209	918,209	-	-	-	-	1,601,164	1,601,164	-	-	3,152,568	6,813,808
Payable to Central Depository	-	-	96,883	96,883	-	-	-	76,571	76,571	-	-	-	-	138,591	138,591	-	-	-	312,045
Company of Pakistan	-	-	96,883	96,883	-	-	-	76,571	76,571	-	-	-	-	138,591	138,591	-	-	-	312,045
Payable against purchase of investments	-	-	-	-	-	-	-	810	810	-	-	-	-	-	-	-	-	-	810
Payable against redemption of units	-	-	-	-	-	-	-	413,052	413,052	-	-	-	-	28,443,339	28,443,339	-	-	-	28,856,391
Net assets attributable to redeemable units	-	-	757,642,316	757,642,316	-	-	-	604,400,814	604,400,814	-	-	-	-	1,152,748,024	1,152,748,024	-	-	-	2,514,791,154
Accrued expenses and other liabilities	-	-	411,886	411,886	-	-	-	380,142	380,142	-	-	-	-	396,879	396,879	-	-	-	1,188,907
	-	-	759,292,952	759,292,952	-	-	-	606,189,598	606,189,598	-	-	-	-	1,183,327,997	1,183,327,997	-	-	3,152,568	2,551,963,115

# NAFA PENSION FUND



June 30, 2019

2019

	Equity Sub-Fund		Debt Sub-Fund				Money Market Sub-Fund				Others			Total								
	Carrying value		Fair Value		Carrying value		Carrying value															
	At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Total	At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 2	Total	Loans and receivables		Other financial liabilities	Total						
(Rupees)																						
<b>On-balance sheet financial instruments</b>																						
<b>Financial assets measured at fair value</b>																						
Investments																						
- Listed equity securities	707,428,312	-	-	707,428,312	707,428,312	707,428,312	-	-	-	-	-	-	-	-	-	707,428,312						
- Government securities - Market Treasury Bills	-	-	-	-	-	-	86,080,192	-	-	86,080,192	86,080,192	86,080,192	-	-	-	86,080,192						
- Government securities - Pakistan Investment Bonds	-	-	-	-	-	-	66,631,045	-	-	66,631,045	66,631,045	66,631,045	-	-	-	66,631,045						
- Commercial papers	-	-	-	-	-	-	-	-	-	-	-	34,763,216	-	-	34,763,216	34,763,216						
- Term finance certificates	-	-	-	-	-	-	47,085,703	-	-	47,085,703	47,085,703	47,085,703	-	-	-	47,085,703						
- Term deposits	-	-	-	-	-	-	30,790,277	-	-	30,790,277	30,790,277	30,790,277	313,170,949	-	313,170,949	313,170,949						
	707,428,312	-	-	707,428,312	707,428,312	707,428,312	230,587,217	-	-	230,587,217	230,587,217	230,587,217	34,763,216	313,170,949	-	347,934,165	347,934,165	347,934,165	-	-	-	1,285,949,694
<b>Financial assets not measured at fair value</b>																						
Bank balances	-	45,636,250	-	45,636,250	-	-	360,449,017	-	360,449,017	-	-	-	506,421,145	-	506,421,145	-	-	2,402,140	-	2,402,140	-	914,908,552
Investments in term deposit receipts	-	-	-	-	-	-	-	-	-	-	-	-	313,170,949	-	313,170,949	-	-	-	-	-	-	313,170,949
Mark-up accrued	-	605,646	-	605,646	-	-	5,564,611	-	5,564,611	-	-	-	3,715,047	-	3,715,047	-	-	-	-	-	-	9,885,304
Security deposits	-	2,600,000	-	2,600,000	-	-	100,000	-	100,000	-	-	-	100,000	-	100,000	-	-	-	-	-	-	2,800,000
	-	48,841,896	-	48,841,896	-	-	366,113,628	-	366,113,628	-	-	-	823,407,141	-	823,407,141	-	-	2,402,140	-	2,402,140	-	1,240,764,805
<b>Financial liabilities not measured at fair value</b>																						
Payable to NBP Fund Management																						
Limited - Pension Fund Manager	-	-	1,148,659	1,148,659	-	-	-	855,220	855,220	-	-	-	-	1,166,384	1,166,384	-	-	-	-	460,465	460,465	3,630,728
Payable to Central Depository																						
Company of Pakistan	-	-	88,511	88,511	-	-	-	64,311	64,311	-	-	-	-	89,961	89,961	-	-	-	-	-	-	242,783
Accrued expenses and other liabilities	-	-	499,369	499,369	-	-	-	343,235	343,235	-	-	-	-	284,444	284,444	-	-	-	-	-	-	1,127,048
Net assets attributable to units	-	-	744,708,631	744,708,631	-	-	-	592,571,121	592,571,121	-	-	-	-	852,927,616	852,927,616	-	-	-	-	-	-	2,190,207,368
	-	-	746,445,170	746,445,170	-	-	-	593,833,887	593,833,887	-	-	-	-	854,468,405	854,468,405	-	-	-	-	460,465	460,465	2,195,207,927

22.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically.

Therefore, their carrying amounts are reasonable approximation of fair value.

## 23 PERFORMANCE TABLE

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

	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2020	2019	2020	2019	2020	2019
	----- (Rupees) -----					
<b>Highest issue price</b>	<b>318.4174</b>	318.7202	<b>188.9810</b>	157.7781	<b>162.0954</b>	144.7624
<b>Lowest issue price</b>	<b>211.3624</b>	249.2551	<b>157.8665</b>	147.5082	<b>144.8487</b>	133.9897

### 23.2 Financial performance of pension fund

#### 23.3 Equity Sub-Fund

	Equity Sub-Fund					
	2020	2019	% change	2018	2017	2016
	----- (Rupees) -----			----- (Rupees) -----		
Net income / (loss) for the year	<b>4,304,240</b>	<b>(173,709,959)</b>	(1.02)	(83,640,786)	295,159,428	72,663,454
Realised (loss) / gains	<b>(1,240,563)</b>	<b>(72,040,353)</b>	(0.98)	(77,436,126)	64,835,961	17,918,683
Unrealised (loss) / gain	<b>(14,245,818)</b>	<b>(134,789,724)</b>	(0.89)	(38,221,038)	146,830,601	39,454,311
Dividend income	<b>32,934,525</b>	<b>47,528,550</b>	(0.31)	49,145,210	35,979,915	23,022,617
Mark-up / return on bank deposits	<b>3,860,145</b>	<b>5,562,105</b>	(0.31)	4,176,932	2,672,014	2,247,247
NAV per unit	<b>263.6676</b>	<b>252.8409</b>	0.04	306.8382	331.3247	241.2424
Transactions in securities						
Purchases	<b>821,172,641</b>	<b>809,898,896</b>	0.01	742,297,198	555,052,255	511,112,302
Sales	<b>776,105,347</b>	<b>931,831,583</b>	(0.17)	621,157,634	285,459,253	354,508,009
Total contribution received	<b>89,568,426</b>	<b>352,086,452</b>	(0.75)	253,299,551	308,984,156	211,119,845

23.4 Debt Sub-Fund	Debt Sub-Fund					
	2020 ----- (Rupees) -----	2019	% change	2018	2017 ----- (Rupees) -----	2016
Net income for the year	<b>109,577,622</b>	<b>26,916,501</b>	3.07	18,536,097	18,536,097	19,866,140
Realised gain / (loss)	<b>7,459,280</b>	<b>(1,407,986)</b>	6.30	(86,018)	(86,018)	689,001
Unrealised gain / (loss)	<b>35,881,626</b>	<b>(2,705,917)</b>	14.26	(441,402)	(441,402)	(338,201)
Mark-up / return on bank deposits	<b>17,177,064</b>	<b>10,840,133</b>	0.58	6,884,388	6,884,388	2,251,142
Income from term deposit Receipts	-	<b>423,452</b>	(1.00)	1,596,869	-	-
Return on government securities	<b>47,101,882</b>	<b>19,771,647</b>	1.38	12,529,550	14,718,395	21,688,786
Return from term finance certificates	<b>12,787,381</b>	<b>7,863,189</b>	0.63	4,359,249	3,631,977	2,127,276
Income from commercial papers	<b>3,510,205</b>	<b>689,091</b>	4.09	-	-	-
NAV per unit	<b>188.9459</b>	<b>157.7781</b>	0.20	141.4226	141.4226	135.4476
Transactions in securities						
Purchases	<b>3,579,082,185</b>	1,966,655,854	0.82	1,198,592,225	1,198,592,225	496,246,576
Sales	<b>3,066,964,916</b>	1,556,439,853	0.97	379,937,495	379,937,495	214,075,445
Total contribution received	<b>137,888,577</b>	170,369,307	(0.19)	126,561,254	126,561,254	157,547,612

23.5 Money Market Sub-Fund	Money Market Sub-Fund					
	2019 ----- (Rupees) -----	2019	% change	2018	2017 ----- (Rupees) -----	2016
Net income for the year	<b>115,118,978</b>	<b>58,130,963</b>	0.98	23,023,581	18,938,754	15,401,064
Realised gains	<b>3,148,679</b>	<b>(792,818)</b>	4.97	(99,293)	(15,289)	104,417
Unrealised gain / (loss)	<b>2,305,732</b>	-	1.00	-	(16,270)	-
Mark-up / return on bank deposits	<b>57,421,132</b>	<b>37,542,828</b>	0.53	10,795,206	14,273,738	13,748,017
Income from term deposit Receipts	<b>16,499,772</b>	<b>16,368,451</b>	0.01	9,028,471	4,873,572	1,977,079
Return on government securities	<b>51,509,108</b>	<b>20,007,828</b>	1.57	14,224,964	4,575,707	5,139,869
Income from commercial papers	<b>6,360,667</b>	<b>778,006</b>	7.18	-	-	-
NAV per unit	<b>162.0954</b>	<b>144.7624</b>	0.12	133.9705	128.3446	122.9843
Transactions in securities						
Purchases	<b>7,012,363,684</b>	3,108,379,140	1.00	1,220,023,909	1,220,023,909	-
Sales	<b>5,869,203,427</b>	2,617,050,005	1.00	448,205,717	448,205,717	-
Total contribution received	<b>279,119,999</b>	310,762,584	(0.10)	197,134,125	197,134,125	176,811,815

**24 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Pension Fund Manager in their meeting held on September 17, 2020.

**For NBP Fund Management Limited  
(Pension Fund Manager)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## PROXY ISSUED BY THE FUND

The proxy voting policy of **NAFA Pension Fund**, duly approved by Board of Directors of the Management Company, is available on the website of NBP Fund Management Limited i.e. [www.nbpfunds.com](http://www.nbpfunds.com). A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

NAFA Pension Fund				
	Resolutions	For	Against	Abstain*
Number	8	8	Nil	N/A
(%)	100%	100%	-	-

## Head Office

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