



Atlas Pension Fund

Atlas Pension Islamic Fund

ANNUAL REPORT

30 June 2015



Managed By

 **Atlas Asset Management**

Rated AM2- by PACRA




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# Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20 August 2002 as an unlisted public limited company and is registered with the Securities and Exchange Commission of Pakistan as an asset management company for managing open-ended funds and closed-end funds. AAML is also a licensed pension fund manager to manage voluntary pension funds.

AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited (SIL). As the parent company, SIL sponsors Atlas Group projects. Atlas Group is a diversified group dealing in engineering, financial services, power generation, real estate & trading.

AAML strives to be a market leader in providing quality fund management services with customer satisfaction as its aim, and is consistently committed to offering its investors the best possible risk adjusted returns on a diverse range of products, meeting not only the customers' current requirements but also exceeding their future expectations. With its strong emphasis on systems and controls, quality human resource and backing of Atlas Group, AAML enjoys a distinct advantage.

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# Vision

To be a market leader in providing quality fund management services with customer satisfaction as our premier goal.

# Mission

We are committed to offering our investors the best possible risk adjusted returns on a diverse range of products, providing a stimulating and challenging environment for our employees, and committing to the highest ethical and fiduciary standards. We firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders and the communities in which we operate.

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# Organisation

## Management Company

Atlas Asset Management Limited

## Board of Directors of the Management Company

<b>Chairman</b>	Mr. Yusuf H. Shirazi <i>(Non-Executive Director)</i>
<b>Directors</b>	Mr. Azam Faruque <i>(Independent Director)</i> Mr. Shamshad Nabi <i>(Independent Director)</i> Mr. Frahim Ali Khan <i>(Non-Executive Director)</i> Mr. Ali H. Shirazi <i>(Non-Executive Director)</i> Mr. Arshad P. Rana <i>(Non-Executive Director)</i>
<b>Chief Executive Officer</b>	Mr. M. Habib-ur-Rahman <i>(Executive Director)</i>
<b>Company Secretary</b>	Ms Qurrat-ul-Ain Jafari

## Board Committees

### Audit Committee

<b>Chairman Members</b>	Mr. Azam Faruque Mr. Shamshad Nabi Mr. Frahim Ali Khan
<b>Secretary</b>	Mr. M. Uzair Uddin Siddiqui

### Board Evaluation Committee

<b>Chairman Members</b>	Mr. Azam Faruque Mr. Shamshad Nabi Mr. Ali H. Shirazi
<b>Secretary</b>	Mr. M. Habib-ur-Rahman

## Human Resource & Remuneration Committee

<b>Chairman Members</b>	Mr. Frahim Ali Khan Mr. Ali H. Shirazi Mr. M. Habib-ur-Rahman
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## Investment Committee

<b>Chairman Members</b>	Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood Mr. Muhammad Umar Khan Mr. Fawad Javaid Mr. Faran-ul-Haq
<b>Secretary</b>	Mr. Muhammad Shakeel

## Management Committee

<b>Chairman Members</b>	Mr. M. Habib-ur-Rahman Mr. Muhammad Abdul Samad Mr. Abbas Sajjad Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari
<b>Secretary</b>	Mr. Muhammad Umar Khan

## Risk Management Committee

<b>Chairman Members</b>	Mr. M. Habib-ur-Rahman Mr. Muhammad Abdul Samad Ms Zainab Hussain
<b>Secretary</b>	Syed Bilal Ejaz

## Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

## Registered Office

Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi - 75600  
Tel: (92-21) 111-MUTUAL (6-888-25), (92-21) 35379501-04  
Fax: (92-21) 35379280 Email: info@atlasfunds.com.pk  
Website: www.atlasfunds.com.pk

The above information is as at 09 October 2015.

# Board of Directors of the Management Company

**Mr. Yusuf H. Shirazi**  
Chairman

Mr. Shirazi is a Law graduate (L.L.B) with BA (Hons) and JD (Diploma in Journalism) Punjab University and AMP Harvard. He served in the Financial Services of the Central Superior Services of Pakistan for eight years. He is the author of five books including 'Aid or Trade' adjudged by the Writers Guild as the best book of the year and continues to be a columnist, particularly on economy. Mr. Shirazi is the Chairman of the Atlas Group, which among others, has joint ventures with GS Yuasa International, Honda Motor Company and MAN, to name a few. He has been the president of Karachi Chamber of Commerce and Industries for two terms. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has been visiting faculty member of National Defence University, National School of Public Policy and Naval War College. He has been on the Board of Governors LUMS, GIK and FC College. Previously, he also served on the Board of Fauji Foundation Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology - Space and Upper Atmosphere Research Commission (SUPARCO).

**Mr. Azam Faruque**  
Director

Mr. Azam Faruque is a Graduate in Electrical Engineering and Computer Sciences from the Princeton University, USA, and an MBA (High Honours) from the University of Chicago, Booth School of Business, USA. He is the Chief Executive of Cherat Cement Company Limited. He has served as a member on the Boards of the State Bank of Pakistan, National Bank of Pakistan, Oil & Gas Development Company Limited, Privatization Commission of Pakistan, and on the Board of Governors of the GIK Institute. He was also a member, of the National Commission on Science and Technology. Presently, he is on the Board of Directors of Faruque (Pvt.) Limited, Madian Hydro Power Limited and International Industries Limited. He is also a Member of the National Committee of the Aga Khan Foundation.

**Mr. Shamshad Nabi**  
Director

Mr. Shamshad Nabi is a Chartered Accountant by profession. He is a Fellow of the Institute of Chartered Accountants of England & Wales and Institute of Chartered Accountants of Pakistan. He has also completed his MBA in Finance from the University of Wales in the UK. Mr. Nabi has over 40 years working experience in the UK, Saudi Arabia and Pakistan mostly in asset management and development banking. He has had a long association with the Mutual fund industry in Pakistan, having served the NIT from 1966 to 1980 including the last four years as the NIT's Deputy Managing Director. He was the first Chief Executive Officer of the Mutual Funds Association of Pakistan from August 2007 to July 2012. During his association with the NIT, Mr. Nabi served on the Board of Directors of a large number of listed companies including ICI Pakistan Limited, Siemens Pakistan Limited, former Reckit & Colman of Pakistan Limited, Premier Tobacco Company Limited and Gul Ahmed Textiles Mills Limited besides many others. He has also served on the Board of Directors of the Karachi Stock Exchange. From 1980 until the end of 2002, Mr. Nabi worked for the Islamic Development Bank in Jeddah, Saudi Arabia for almost the entire period in the Grade of Director in the Treasury & Finance Department, Business Development Department and the Trade Finance Department. He has also worked for The Citizens Foundation in an Honorary capacity for four years as Advisor. Presently, he is on the Board of Directors of Cherat Cement Company Limited.

**Mr. Frahim Ali Khan**  
Director

Mr. Frahim Ali Khan has over 46 years of experience in General Management, Finance, Investment and Taxation. He graduated in Commerce from the Karachi University in 1965 and also obtained a degree in law from the same University. He has also attended the Senior Managers' Program from Harvard University, USA, Financial Management from Stanford University, USA, and General Management Program from Insead University, France. He joined the Atlas Group in 1967 and has served in different senior positions. Currently, his other directorships include Atlas Battery Limited, Atlas Engineering Limited, Atlas Power Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Hi-Tech Limited, Atlas Autos (Pvt.) Limited, Atlas Metals (Pvt.) Limited and Atlas Foundation. Earlier, he has also served on the Boards of Atlas Honda Limited and Atlas Insurance Limited, and has been the CEO of Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, and former Atlas Investment Bank Limited.

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## Board of Directors of the Management Company

Mr. Ali H. Shirazi  
Director

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Mr. Ali H. Shirazi graduated in Political Science from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is an Atlas Group Director, and is responsible for Group's financial services. He is also on the Boards of Atlas Insurance Limited, Atlas Battery Limited, Atlas Engineering Limited, Shirazi Capital (Pvt.) Ltd., Shirazi (Pvt.) Ltd., Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Metals (Pvt.) Limited, Atlas Venture Limited, Techlogix International Limited, National Clearing Company of Pakistan Limited, Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (as alternate director), and National Management Foundation (sponsoring body of LUMS).

Mr. Arshad P. Rana  
Director

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Mr. Arshad P. Rana is a graduate from Government College, Lahore; B.S. in Insurance & Economics from Iran and MBA from USA. He is a senior expert in insurance industry and has been affiliated with Atlas Insurance Limited, an associate company of the Atlas Group since 1991; first as General Manager and then as Chief Operating Officer before being appointed as the Chief Executive Officer of the company in March 2004. In his professional career that spans over 35 years, he has worked in Iran, USA and Middle East. Since his appointment to this position, Mr. Rana has been managing the company affairs with a professional approach having the vision to make Atlas Insurance Limited as one of the best performing companies in the market. Under his leadership, Atlas Insurance Limited has won several awards in the financial sector. Mr. Rana has been the Chairman, Insurance Association of Pakistan (IAP), Lahore Regional Committee in 2002-2003 and Vice Chairman, Central Committee (IAP) in the year 2004-2005 prior to becoming the Chairman, Insurance Association of Pakistan in 2005-2006.

Mr. M. Habib-ur-Rahman  
Chief Executive Officer

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Mr. M. Habib-ur-Rahman is an FCA from the Institute of Chartered Accountants of England & Wales and has attended the management level programme (PMD) from Harvard Business School, USA. He has been a founding member and past Chairman / Director of the Mutual Funds Association of Pakistan (MUFAP), and is currently on the Board of Directors of MUFAP. He played an instrumental role in setting up the first open-end mutual fund in the private sector in Pakistan. He has been SECP's nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of the Commission's Advisory Group on Capital Markets, and the Commission's Enquiry Committee on management of Exposure Rules by KSE / LSE.



# Chairman's Review

It is my pleasure to present to you the Annual Reports of Atlas Pension Fund and Atlas Pension Islamic Fund for the financial year ended 30 June 2015.

## THE ECONOMY

The economy of Pakistan has shown improved performance in FY 2014-15 as 4.24% real GDP growth achieved is broad based and is the highest since 2008-09. Inflation remained in single digit; and on the external side remittances showed strong growth. CPI inflation for the FY 2014-15 averaged at 4.5% against 8.6% recorded in FY 2013-14. The SBP slashed Discount rate (DR) by 100bps in May-15 to stand at historic low of 7%. This was the fourth time during the year after 50bps cut in Nov-14, 100bps cut in Jan-15 and a 50bps in the Mar-15 review to 8.0%. Single digit inflation allowed the SBP to focus on encouraging private investment expenditures in the economy along with promoting economic growth and price stability. Overseas Pakistanis remitted an amount of US\$ 18.45 billion during the FY 2014-2015, showing a growth of 16.5% compared to US\$ 15.84 billion remitted during the FY 2013-14.

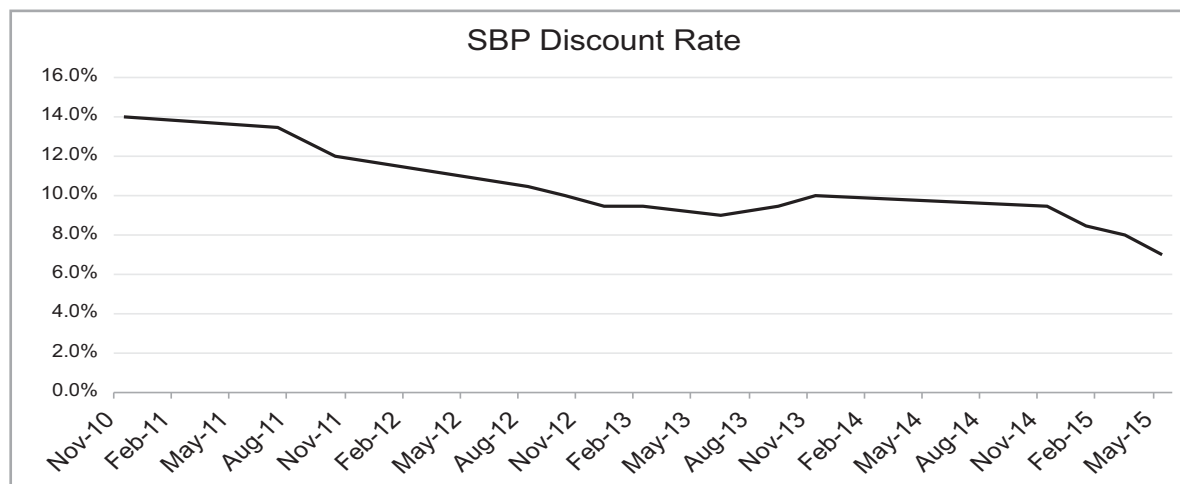
Exports during FY 2014-15 were USD 23.89 billion, as compared to US\$ 25.11 billion in FY 2013-2014. Imports grew by 2.01% and stood at US\$ 45.98 billion during FY 2014-15. The current account deficit stood at US\$ 2.28 billion in financial year 2014-2015 as compared to a deficit of US\$ 3.13 billion in the FY 2013-14 mainly due to higher CSF receipts and YoY higher remittances. Foreign worker's remittances have increased to record US\$ 18.45 billion during FY 2014-15, as compared to US\$ 15.84 billion for the last year's corresponding period. Pakistan's foreign exchange reserves has increased to US\$ 18.20 billion at the end-June 2015 compared to US\$ 14.14 billion at the end-June 2014.

CPI was 4.5% during FY 2014-15, as compared to 8.6% for the previous corresponding year. This is the lowest level of inflation after 2003. Food and non-food inflation averaged at 3.5% and 5.3% respectively in FY 2014-15 against 9% and 8.3% in the same period of last financial year. The slower increase in food inflation over the last year is due to moderate increase in prices of major consumable food items and lower prices of oil and other commodities in international market. A growth of 12.32% was witnessed in the M2 (money supply) during FY 2014-15, as compared to 11.43% growth during the previous year corresponding period.

Real GDP growth for FY 2014-2015 stood at 4.24% as compared to a growth of 4.03% in the preceding year. The Agriculture sector recorded growth of 2.9% against previous year's growth rate of 2.7%. The Large Scale Manufacturing (LSM) recorded a growth of 4.5% against a negative growth of 1.0% last year. Overall, the commodity producing sectors has performed slightly lower in outgoing fiscal year as compared to last year. The Services sector recorded growth of 5% in FY 2014-15 as compared to 4.37% during the previous corresponding period.

## THE MONEY MARKET

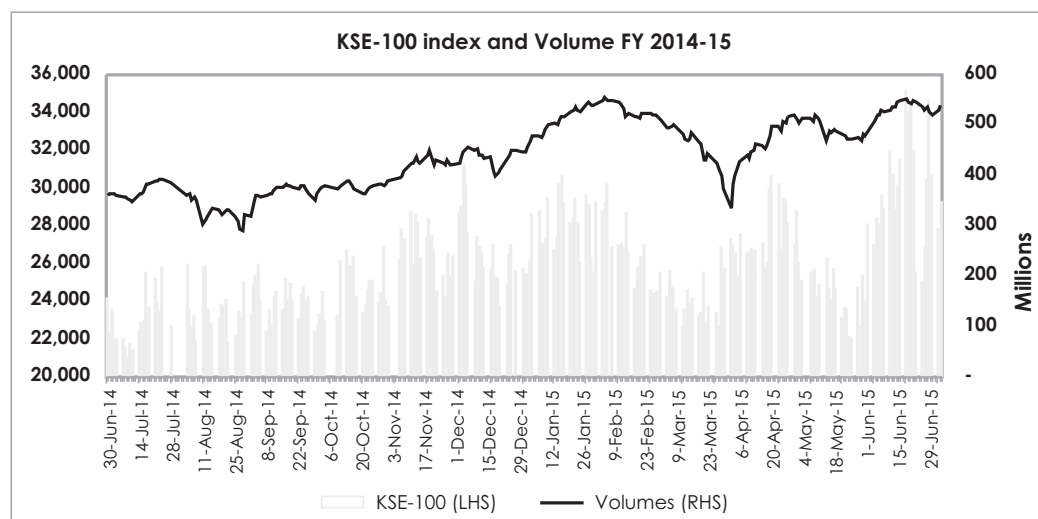
The inflationary trends during FY 2014-15 indicates that inflation is on downward trajectory since the start of the fiscal year on account of stability in exchange rate, better production of minor crops as compared to last year and vigilant monitoring of prices both at federal and provincial level as well better supply of commodities. The Consumer Price Index (CPI) on average was recorded at 4.5% during financial year 2014-15, as compared to 8.6% for the financial year 2013-2014. The YoY decrease in inflation can be attributed to prudent expenditure management in containing the budget deficit, appropriate fiscal and monetary policies, decline in global prices of imported items (especially Crude Oil) that significantly impacted domestic price level.



The growth in money supply (M2) witnessed an increase of 12.32% during FY 2014-15 to stand at Rs.1,228.5 billion against the expansion of 11.43% (Rs. 1,012.1 billion) in the comparable period last year mainly due to increase in net government borrowing specially from scheduled banks. Net Foreign Assets (NFA) of SBP remained the main driver of reserve money growth during the current fiscal year. Net Foreign Assets (NFA) witnessed an increase and reached to Rs. 220.9 billion during 2014-15 as against the net expansion of Rs. 333.3 billion in the comparable period of fiscal year 2013-14. Improvement in NFA during the current fiscal year was mainly due to official financial inflows, divestment of ABL, HBL and UBL and issuance of Sukuk bonds in the international market. Monetary policy have largely been accommodative on the back of improved key macroeconomic indicators like contained fiscal deficit, contracted current account deficit, low inflationary pressure, improvement in FX market sentiments as issuance of Sukuk Bond which contributed to improvement in overall Balance of Payment (BOP) position and external accounts. Furthermore, receipts of Coalition Support Fund (CSF) during current fiscal year and successful completion of 7th review with the IMF in May 2015 has also helped in improving the market sentiments. On the back of these developments, international rating agencies have upgraded outlook for Pakistan's economy from stable to positive which in turn will further improve the investor's confidence. Moreover, Moody's Investors Service upgraded Pakistan's foreign currency issuer and senior unsecured bond ratings to B3 from Caa1, and assigned a stable outlook. It has also upgraded the rating assigned to the US dollar Trust Certificates issued by the Second Pakistan International Sukuk Company Limited to B3. Moody's also changed Pakistan's foreign-currency bond ceiling to B2 from B3, the foreign-currency deposit ceiling to Caa1 from Caa2, and the local-currency country risk ceiling to B3 from B1. The rating company said that continued strengthening of the external payments position and sustained progress in structural reforms under the government's programme with the IMF encouraged it to place Pakistan in the B3 category. In November 2014, SBP reversed its stance from tight to accommodative due to improved economic environment and stable outlook. It reduced the policy rate by 50 bps to 9.5 percent in the second quarter of current fiscal year, further cut in policy rate by 100bps to 8.5% in January, 2015 and then by 50 bps to 8% in March 2015. Policy rate has been reduced further by 100 bps to 7% in May, 2015 which is the lowest rate in last 42 years reflecting improved macroeconomic conditions towards the end of FY 2014-15. In this way, SBP has reduced the policy rate by a cumulative 300 bps since the start of current fiscal year.

## THE STOCK MARKET

The KSE-100 index has increased from 29,652.53 points as on 30 June 2014 to 34,398.86 points on 30 June 2015, increasing by 16.01%. The average volumes during the year increased by 1.93% to 220 million shares from 216 million shares traded last year. Net Foreign portfolio investment during the year was recorded at US\$39 million which is a decline of 85% compared to last year. On the local front Mutual Funds were the most active participant investing US\$122 million during the period. Whereas Individual investors, Banks/DFI and Companies reduced their exposure in stock market by divesting US\$24 million, US\$138 million and US\$97 million, respectively.



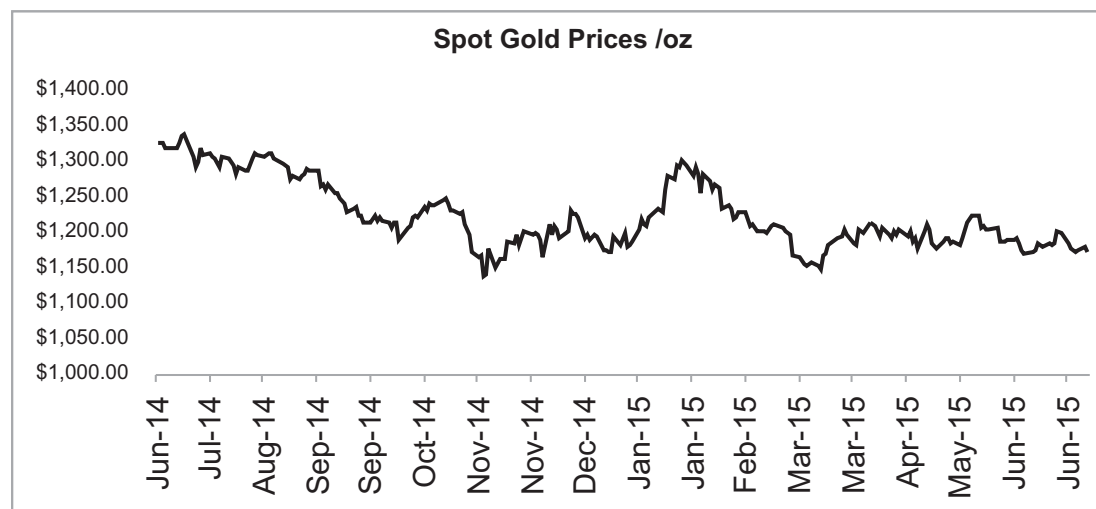
During the period sectors that outperformed the market were Automobile & Parts, Power Generation & Distribution, Construction & Materials, Chemicals and General Industrials that posted 94%, 63%, 47%, 41% and 34% return. The stellar performance of Auto sector was on the back of increase in volumetric sales of CKD units, depreciation of Yen against Pak Rupee by 14.4%, stable USD/PKR parity and lower steel prices that resulted in better margins and improved bottom-line. Sectors that remained subdued were Oil & Gas Exploration Companies, Fixed Line Telecommunication, Commercial Banks and Personal Goods (Textiles) posting -25%, -19%, -6% and 3% returns, respectively. Oil & Gas sector decreased owing to decline in international oil prices from an average of \$106 in FY 2013-14 to average of \$71 in FY 2014-15, a decline of 33%. Fixed Line Telecommunication declined on the annulment of ICH whereas Banks remained under pressure due to monetary easing of 300bps during the period.

On the privatization front, Privatization Commission has successfully completed two capital market transactions during the year including ABL Offering (fetching proceeds of - Rs.14,440 million, including foreign exchange of US\$19 million) and in April, 2015 HBL transaction fetching proceeds of PKR-102 billion (including foreign exchange of US\$764 million).

The government in its budget announcement reduced corporate tax rate for non-banking companies to 32% from 33% for tax year 2016, while it is envisioned to be brought down by 1% annually to 30%. However, one time Super Tax at 3% on profit for Tax Year 2015 has been introduced. This is applicable on person and companies with annual earnings of more than Rs.500mn. Capital gains tax (CGT) on sale of securities was increased to 15% from existing 12.5%, for a holding period of less than 1 year. The CGT rate on holding of 1-2 years has been revised up from 10% to 12.5%. FY16 budget has introduced a new slab of holding period of 2-4 years, which was exempted earlier, and will now be taxed also at a rate of 7.5%. No Capital Gain Tax will be deducted for holding period exceeding four years.

## THE COMMODITY MARKET

Spot Gold prices/ounce has decreased from US\$1,327.23 as on 30 June 2014 to US\$1,172.24 as on 30 June 2015, showing contraction of 11.7%. Spot Gold prices during FY 2014-15 declined to the lowest since 2010 as the U.S. Dollar strengthened after the Bank of Japan unexpectedly boosted stimulus and the U.S. Federal Reserve ended asset purchases. U.S. Fed is weighing the timing of interest-rate increases as other central banks add to stimulus to bolster their economies. The U.S. central bank, which has held its key rate at zero to 0.25 percent since 2008, cited an improving job market in deciding to end bond buying, while maintaining a commitment to keep rates low for a considerable time. The Federal Open Market Committee said it would take "financial and international developments" into account when determining when to raise rates. However, strong U.S. jobs report increased expectations the U.S. Federal Reserve would hike interest rates in near term. U.S. nonfarm payrolls increased 295,000 in February 2015 after rising 239,000 in January



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Strength in jewellery were balanced by weakness elsewhere as demand responded to local conditions in different market. Higher volumes in India, the US and the smaller South-East Asian markets were set against declines in China, Turkey, Russia and the Middle East. Movements within the investment space were more striking: net ETF outflows (SPDR Gold Shares) were 79 tons, a decrease of 10% YoY compared with 179 tons of outflows during corresponding period last year. Buying by central banks and other official sector institutions remain unchanged YoY. This contrast between the global picture and the more granular demand data demonstrates the multi-faceted nature of the gold market.

## RETIREMENT SCHEMES

The provision of financial security in retirement is critical for both individuals and societies. It is also critical that each generation should create assets to pay for its retirement pension and not pass the burden to the next generation. There are three ingredients that constitute a pension index, adequacy, sustainability and integrity.

The 'Adequacy' of pension system covers benefits, savings, and tax support and growth assets. The challenge that are common to many countries include the need to increase the pension/retirement age to reflect life expectancy, promote higher labour force or self-employed participation, encourage or require higher level of private savings, reduce the leakage from the retirement system prior to retirement by permitting withdrawal or entitlement to full withdrawal on resignation and to improve the governance. The net investment return over the long term represents a critical factor in determining whether an adequate retirement will be provided. While investment or administrative cost is important the long term return is affected by diversity of investment held in the pension fund. The mix of the investment varies and is dependent on the number of years of services left before retirement.

The 'Sustainability' of pension system covers pension coverage, total assets, contributions, and demography and Government debts. The 'Integrity' of pension system covers regulation, governance, protection, communication and cost. It is critical that the participants have the confidence in pension providers, whether employers or Pension Fund Managers, to deliver the pension benefits over a longer period. In this respect the role of regulation, independent custodian, protection provided to participants from a range of risk and the level of communication are of fundamental importance.

### Delegation of Back-Office Functions by Atlas Asset Management Limited

Atlas Asset Management Limited (AAML) has entered into Service Level Agreement (SLA) with ITMinds Limited (a wholly owned subsidiary of Central Depository Company of Pakistan Limited) for delegation of back-office functions on March 11, 2015. ITMinds Limited will provide back office services in relation to settlement, unit management operations, NAV calculation / financial statements. The objectives for delegation of functions is to achieve better efficiencies and focus more on core business activities. Securities and Exchange Commission of Pakistan via Circular No. 24 of 2013 dated 06 December 2013 has prescribed the requirements for delegation of functions to a Service Provider in relation to Collective Investment Schemes (CIS). Subsequent to signing of agreement all necessary amendments have been incorporated in respective funds offering documents.

### FUND OPERATIONS - ATLAS PENSION FUND (APF)

The Net Asset Value of APF - Equity Sub Fund has increased by 21.13% from Rs. 314.79 as on June 30, 2014 to Rs. 381.30 as on June 30, 2015. The APF- Equity Sub Fund mainly invested in Commercial Banks, Oil & Gas Exploration, Fertilizers and Cement sectors. The Net Asset Values of APF - Debt Sub Fund, APF - Money Market Sub Fund appreciated by 13.03% and 7.93% respectively, whereas the Net Asset Value for APF-Gold Sub Fund decreased by 4.60% during the period under review. The APF - Debt- Sub Fund was mainly invested in Pakistan Investment Bonds and Treasury Bills whereas APF - Money Market Sub Fund was mainly invested in Treasury Bills and high yielding bank deposits. APF-Gold Sub Fund was invested 75.2% in Gold Futures and 23.1% in cash. The Net Assets of APF stood at Rs. 757.17 million as on 30 June 2015.

The scheme has maintained provision against Workers' Welfare Fund (WWF) contingent liability of Rs.4,955,311 in these financial statements. Had the same not been made, the net asset value per unit of the Equity sub-fund, Debt sub-fund, Money Market sub-fund and Gold sub-fund would have been higher by Rs.4.13, Rs.0.90, Rs. 0.87 and Rs. 0.13 per unit respectively. For details please read Note 11.1 of the financial statements of the scheme. The Scheme is providing for FED liability which amounted to (ESF) Rs. 868,368 (Rs.1.24 per unit), (DSF) Rs.796,024 (Rs.0.62 per unit), (MMSF) Rs. 533,952 (Rs.0.54 per unit), (GSF)Rs. 154,269 (Rs.0.48 per unit) as on 30 June 2015.

## FUND OPERATIONS - ATLAS PENSION ISLAMIC FUND (APIF)

The Net Asset Value of APIF - Equity Sub Fund has increased by 24.32% from Rs 402.26 as on June 30, 2014 to Rs 500.09 as on June 30, 2015. The APF- Equity Sub Fund mainly invested in Oil and Gas Exploration, Cement, Oil & Gas Marketing and Power Generation & Distribution sectors. The Net Asset Values of APIF - Debt Sub Fund and APIF - Money Market Sub Fund have appreciated by 5.53% and 5.97% respectively during the period under review. The APIF Debt Sub-Fund & Money Market Sub Fund was mainly invested in GoP Ijarah Sukuks and high yielding bank deposits. The Net Assets of APIF stood at Rs. 680.71 million as on 30 June 2015.

The scheme has maintained provision against Workers' Welfare Fund (WWF) contingent liability of Rs.5,103,764 in these financial statements. Had the same not been made the net asset value of the equity sub-fund, debt sub-fund and money market sub-fund would have been higher by Rs.6.16, Re.0.70 and Re.0.85 per unit respectively. For details please read Note 9.2 of the financial statements of the scheme. The Scheme is providing for FED liability which amounted to (ESF) Rs.949,899 (Rs.1.72 per unit), (DSF) Rs. 744,033 (Rs.0.57 per unit), (MMSF) Rs. 494,761 (Rs.0.54 per unit) as on 30 June 2015.

## ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA) maintained asset manager rating of Atlas Asset Management Limited (AAML) to "AM2-" (AM Two Minus). The rating denotes the company's very strong capacity to manage the risks inherent in asset management and meets high investment management industry standards and benchmarks.

## FUTURE OUTLOOK

Macro-economic indicators have shown marked improvement during the financial year. Curtailed fiscal deficit, subdued inflationary pressure and comfortable external account position have led to positive economic outlook. Steep decline in international oil prices, successfully reviews with IMF, issuance of Ijara Sukuk Bond after a period of nine years, growth in remittances and proceeds from successful privatization offering of ABL and HBL shares helped strengthened foreign exchange reserves. Average inflation for the year came at 4.53% vis-à-vis 8.62% last year resultantly a cumulative cut of 300bps in policy rate was witnessed during the period. Standard & Poor's and Moody's Investors Service have also upgraded rating from stable to positive on economic outlook. Government's commitment to structural reforms, particularly in energy, taxes and state owned enterprises to secure a positive response from private investors will provide impetus for a stronger economy. This will also help create the perception of an investment friendly country with solid macroeconomic fundamentals. Improved macro-economic outlook has thus opened a window of opportunity to speed up reforms to ensure improvements in the economy are sustainable.

The Funds are committed to prudent investment procedures and will continue to provide consistent long term returns to the investors.

چلتے ہیں جس کیلئے تیری آنکھوں کے دیے  
ڈھونڈ لایا ہوں وہی گیت میں تیرے لئے

(I hope we are doing what is good for all of us)

## ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan, the Board of Directors, and the Group Executive Committee for their help, support and guidance. I also thank the financial institutions and the participants for their help, support and the confidence reposed in the Fund and the Chief Executive Officer, Mr. M. Habib-ur-Rahman and his management team for their hard work, dedication, and sincerity of purpose.

Karachi: 31 August 2015

**Yusuf H. Shirazi**  
Chairman

## Directors' Report

The Board of Directors of Atlas Asset Management Limited, the Pension Fund Manager of Atlas Pension Fund (APF) and Atlas Pension Islamic Fund (APIF) take pleasure in presenting the Annual Reports of the APF and APIF along with the audited financial statements and Auditors' Report thereon for the year ended 30 June 2015.

### FUND SIZE AND OPERATIONS

The Fund sizes, earnings per unit (EPS), and summary of issuance and withdrawal of units of the APF and APIF for the year ended 30 June 2015, in comparison to the year ended 30 June 2014 are as follows:

Particulars	APF – Equity Sub Fund		APF – Debt Sub Fund		APF – Money Market Sub Fund		APF – Gold Sub Fund	
	2015	2014	2015	2014	2015	2014	2015	2014
Net assets - Rs. million	268.05	185.09	260.57	191.62	196.20	153.35	32.35	33.61
Earnings / (loss) per unit – Rs.	59.20	69.94	17.74	10.48	12.57	10.84	(4.84)	6.12
Issuance of units – Rs. million	55.23	52.51	80.62	93.17	59.53	50.64	0.41	1.66
Redemption of units – Rs. million	13.88	18.63	38.77	39.88	29.20	12.53	0.12	0.003
Participants' contribution table – disclosure in financial statements	Note 17	Note 17	Note 17	Note 17	Note 17	Note 17	Note 17	Note 17

### Atlas Pension Islamic Fund (APIF)

Particulars	APIF – Equity Sub Fund		APIF – Debt Sub Fund		APIF – Money Market Sub Fund	
	2015	2014	2015	2014	2015	2014
Net assets – Rs. million	276.76	202.13	233.21	175.62	170.74	138.12
Earnings per unit – Rs.	89.10	69.38	9.58	8.69	10.50	9.10
Issuance of units – Rs. million	66.74	59.83	87.13	69.42	49.76	50.40
Redemption of units – Rs. million	41.42	26.03	40.62	34.97	25.97	22.13
Participants' contribution table – disclosure in financial statements	Note 15	Note 15	Note 15	Note 15	Note 15	Note 15

As per the Trust Deed of the Fund, the income earned by the Sub-Funds shall be accumulated and retained in the Fund.

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## CHAIRMAN'S REVIEW

The review included in the Annual Report deals inter alia with the performance of the Funds for the year and future prospects. The directors endorse the contents of the review.

## STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors states that:

- The financial statements of APF and APIF, prepared by the Pension Fund Manager of the Funds, present fairly its state of affairs, the result of their operations, comprehensive income for the year, cash flows and movement in Participants' Sub-Funds.
- Proper books of account of APF and APIF have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt about the Funds' ability to continue as a going concern.
- Key Financial data/ performance table is summarized in notes 21 and 19 to the financial statements of APF and APIF respectively.

## CORPORATE GOVERNANCE

The Company strongly believes in following the highest standards of Corporate Governance, ethics, and good business practices, which are an integral part of the Atlas Group Culture. The Code of Conduct of the Company, approved in July 2012, defines the obligations and responsibilities of all - the Board members, the employees, and the Company towards the various stakeholders, each other, and the society as a whole. The Code of Conduct is available on the Company's website.

In February 2014, the Board of Directors of the Company approved the mechanism for the annual evaluation of the Board's performance, as required under the Code of Corporate Governance, and formed a Board Evaluation Committee (BEC) for this purpose. The BEC comprises of both the Independent Directors, Mr. Azam Faruque (Chairman BEC), Mr. Shamshad Nabi (Member BEC), and a representative of the sponsor family, Mr. Ali H. Shirazi (Non-Executive Director). The BEC carried out the initial Board Evaluation Process in May 2014.

## CORPORATE SOCIAL RESPONSIBILITIES (CSR) & DONATIONS

As per the CSR / Donations Policy of the Company approved by the Board, each year, the Company makes a contribution of 1% of the Management Company after tax profit to donations. In addition, the Shariah Compliant Atlas Islamic Stock Fund, Atlas Islamic Income Fund and Atlas Pension Islamic Fund, as per their Constitutive documents, are required to purify their Shariah Non Compliant (Haram) income from the Fund. Such income, in accordance with the certification by the Shariah Advisor of these funds, is also donated to charitable institutions approved by the Shariah Advisor, on quarterly basis.



## BOARD OF DIRECTORS OF THE PENSION FUND MANAGER AND COMMITTEES THEREOF

The Board of Directors of the Management Company comprises of one executive and six non-executive directors. There was no casual vacancy during the year.

During the year, eight Board Meetings were held and attended as follows:

Serial no.	Name of Director	Status	Meetings attended	Out of total Meetings
1	Mr. Yusuf H. Shirazi	Chairman	8	8
2	Mr. Azam Faruque	Independent Director	8	8
3	Mr. Shamshad Nabi	Independent Director	7*	8
4	Mr. Frahim Ali Khan	Non-Executive Director	7	8
5	Mr. Ali H. Shirazi	Non-Executive Director	8	8
6	Mr. M. Arshad P. Rana	Non-Executive Director	7*	8
7	Mr. M. Habib-ur-Rahman	Chief Executive Officer	8	8

\* Mr. Shamshad Nabi and Mr. M. Arshad P. Rana attended three and two meetings through teleconference call respectively.

Committees of the Board comprise the Audit Committee, the Board Evaluation Committee, the Human Resource & Remuneration Committee, and the Investment Committee (which includes executive management personnel as required under the NBFC Regulations, 2008). These meetings were attended by the Directors as per the following details:

**Audit Committee (AC)** - four AC meetings were held during the year, and attended as follows:

Serial no.	Name of Director	Status	Meetings attended
1	Mr. Azam Faruque	Independent Director	4
2	Mr. Shamshad Nabi	Independent Director	3
3	Mr. Frahim Ali Khan	Non-Executive Director	3



**Board Evaluation Committee (BEC)** - one meeting was held during the year and attended as follows:

Serial no.	Name of Director	Status	Meeting attended
1	Mr. Azam Faruque	Independent Director	1
2	Mr. Shamshad Nabi	Independent Director	1*
3	Mr. Ali H. Shirazi	Non-Executive Director	1

\*Attended through telephoni conference call.

**Human Resource & Remuneration Committee (HR& RC)** - three meetings was held during the year and attended as follows:

Serial no.	Name of Director	Status	Meeting attended
1	Mr. Frahim Ali Khan	Non-Executive Director	3
2	Mr. Ali H. Shirazi	Non-Executive Director	3
3	Mr. M. Habib-ur-Rahman	Chief Executive Officer	3

**Investment Committee (IC)** - 48 meetings were held during the year and attended as follows:

Serial no.	Name of Director	Status	Meetings attended
1	Mr. Ali H. Shirazi	Non - Executive Director	33
2	Mr. M. Habib-ur-Rahman	Chief Executive Officer	39
3	Mr. M. Abdul Samad (executive management)	Chief Operating Officer - Member IC	44
4	Mr. Khalid Mahmood (executive management)	Chief Investment Officer - Member IC	43
5	Mr. M. Umar Khan (executive management)	Fund Manager - Commodities Member IC	42
6	Mr. Fawad Javaid (executive management)	Fund Manager - Fixed Income Member IC	47
7	Mr. Faran-ul-Haq (executive management) (w.e.f 30 June 2015)	Fund Manager - Equity Markets Member IC	17

## TRANSACTIONS IN UNITS OF THE FUNDS

The Directors, CEO, CFO/Company Secretary and their spouses and minor children have made no transactions in the Fund's units during the year except as disclosed in notes 18 and 16 to the financial statements - "Transactions with Connected Persons/ Related Parties" of APF and APIF respectively.

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## AUDITORS

The Audit Committee of the Board of Directors, in their meeting held on 31 August 2015, recommended the re-appointment of M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, and Karachi, being eligible, as auditors of Atlas Pension Fund and Atlas Pension Islamic Fund for the financial year ending 30 June 2016. The Board approved the re-appointments.

## ACKNOWLEDGEMENT

The Board of Directors of the Pension Fund Manager thanks the Securities and Exchange Commission of Pakistan for their valuable support, assistance and guidance. The Board also thanks the employees of the Pension Fund Manager and the Trustee, for their dedication and hard work and the participants, for their confidence in the Pension Fund Manager.

For and on behalf of the Board

Karachi: 31 August 2015

**M. Habib-ur-Rahman**  
Chief Executive Officer



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# Atlas Pension Fund

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## Corporate Information



### Trustee

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Central Depository Company of Pakistan Limited  
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi - 74400

### Auditors

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Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

### Legal Advisers

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Bawaney & Partners

### Bankers

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Bank Alfalah Limited  
Faysal Bank Limited

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## Fund Manager's Report

The objective of Atlas Pension Fund is to provide the individuals with a portable, individualized, funded (based on defined contribution), flexible pension scheme assisting and facilitating them to plan and provide for their retirement. Atlas Pension Fund is a one-window facility to invest in diversified portfolio of equity, fixed income and money market securities/instruments. The Contributions received from the Participants is allocated among APF-Equity Sub Fund, APF-Debt Sub Fund, APF-Money Market Sub Fund and APF- Gold Sub Fund in accordance with the Allocation Scheme selected by the Participants.

APF investment strategy is based on the belief that fundamental economic and sector analysis drives long term out performance, and that active portfolio management can produce consistently superior results than those produced through passive management. Fundamental analysis is used to identify overall portfolio, sectors, yield curve and credit positioning to provide sustainable rates of return.

### EQUITY MARKET

The KSE-100 index has increased from 29,652.53 points as on 30 June 2014 to 34,398.86 points as on 30 June 2015, increased by 16.01%. The average volumes during the year increased by 1.93% to 220 million shares from 216 million shares traded last year. Net Foreign portfolio investment during the year was recorded at US\$39 million which is a decline of 85% compared to last year. On the local front Mutual Funds were the most active participant investing US\$122 million during the period. Whereas Individual investors, Banks/DFI and Companies reduced their exposure in stock market by divesting US\$24 million, US\$138 million and US\$97 million, respectively. During the period, the sectors that outperformed the market were Automobile & Parts, Power Generation & Distribution, Construction & Materials, Chemicals and General Industrials that posted 94%, 63%, 47%, 41% and 34% return, respectively.

### MONEY MARKET

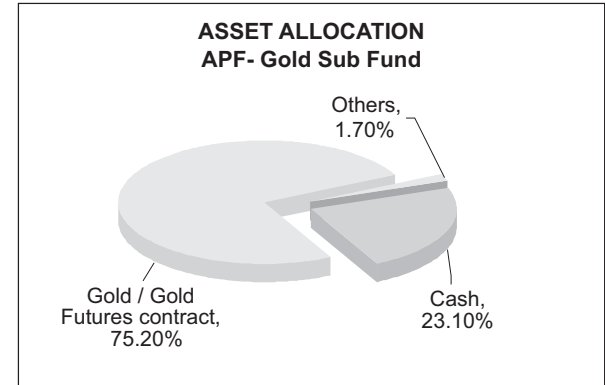
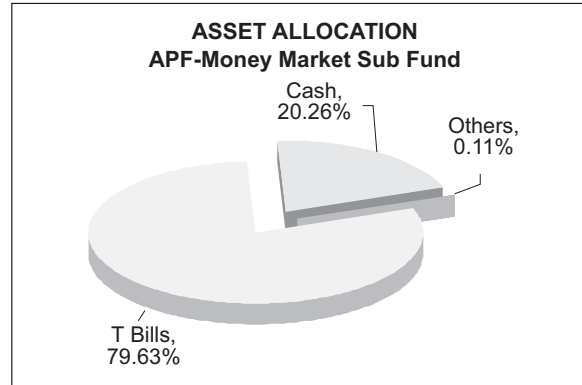
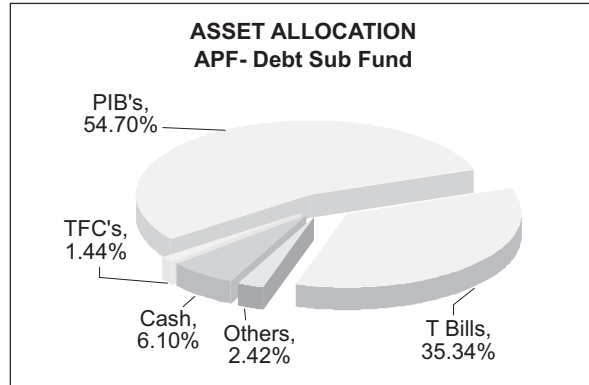
The Consumer Price Index (CPI) on average was recorded at 4.53% during FY 2014-15, as compared to 8.62% for the FY 2013-14. The YoY decrease in inflation can be attributed to prudent expenditure management in containing the budget deficit, appropriate fiscal and monetary policies, decline in global prices of imported items (especially Crude Oil) that significantly impacted domestic price level. In November 2014, SBP reversed its stance from tight to accommodative due to improved economic environment and stable outlook. It reduced the policy rate by 50 bps to 9.5 percent in the second quarter of current fiscal year, further cut in policy rate by 100bps to 8.5% in January, 2015 and then by 50 bps to 8% in March 2015. Policy rate has been reduced further by 100 bps to 7% w.e.f 25th May, 2015 which is the lowest rate in last 42 years reflecting improved macroeconomic conditions towards the end of FY 2014-15. In this way, SBP has reduced the policy rate by a cumulative 300 bps since the start of current fiscal year.

### GOLD

Spot Gold prices/ounce has decreased from US\$1,327.23 as on 30 June 2014 to US\$1,172.24 as on 30 June 2015, showing contraction of 11.7%. Spot Gold prices during FY 2014-15 declined to the lowest since 2010 as the U.S. Dollar strengthened after the Bank of Japan unexpectedly boosted stimulus and the U.S. Federal Reserve ended asset purchases. U.S. Fed is weighing the timing of interest-rate increases as other central banks add to stimulus to bolster their economies. The U.S. central bank, which has held its key rate at zero to 0.25 percent since 2008, cited an improving job market in deciding to end bond buying, while maintaining a commitment to keep rates low for a considerable time. The Federal Open Market Committee said it would take "financial and international developments" into account when determining when to raise rates. However, strong U.S. jobs report increased expectations the U.S. Federal Reserve would hike interest rates in near term. U.S. nonfarm payrolls increased 295,000 in February 2015 after rising 239,000 in January 2015.

### FUND OPERATIONS

The Net Asset Value of APF - Equity Sub Fund increased by 21.13% from Rs. 314.79 as on 30 June 2014 to Rs. 381.30 as on June 30, 2015. The APF- Equity Sub Fund mainly invested in Commercial Banks, Oil & Gas Exploration, Fertilizers and Cement sectors. The Net Asset Values of APF - Debt Sub Fund, APF - Money Market Sub Fund appreciated by 13.03% and 7.93% respectively, whereas the Net Asset Value for APF-Gold Sub Fund decreased by 4.60% during the period under review. The APF - Debt- Sub Fund was mainly invested in Pakistan Investment Bonds and Treasury Bills whereas APF - Money Market Sub Fund was mainly invested in Treasury Bills and high yielding bank deposits. APF-Gold Sub Fund was invested 75.2% in Gold Futures and 23.1% in cash. The Net Assets of APF stood at Rs. 757.17 million as on 30 June 2015.



The scheme has maintained provision against Workers' Welfare Fund (WWF) liability of Rs.4,955,311 in these financial statements. Had the same not been made, the net asset value per unit of the Equity sub-fund, Debt sub-fund, Money Market sub-fund and Gold sub-fund would have been higher by Rs.4.13, Re.0.90, Re.0.87 and Re.0.13 per unit respectively. For details please read Note 11.1 of the financial statements of the scheme.

The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the management company is of the view that further levy of FED is not justified, and has filed a constitutional petition in the Honourable Sindh High Court, the hearing of which is pending. In the meantime, as a matter of abundant caution, the Scheme is providing for FED liability which amounted to (ESF) Rs.868,368 (Rs.1.24 per unit), (DSF) Rs.796,024 (Re.0.62 per unit), (MMSF) Rs.533,952 (Re.0.54 per unit), (GSF) Rs.154,269 (Re.0.48 per unit) as on 30 June 2015.

## ALLOCATION SCHEMES

The management company is offering six allocation schemes including Lifecycle and Customized options. The selection of Allocation Scheme will allow participant to have a focused investment strategy in accordance with his /her risk profile. The performance of various Allocation Schemes offered under Atlas Pension Fund is as under:

Allocation Schemes	Proportionate Investment in			Return
	Equity	Debt	Money Market	FY 2014-15
High Volatility	80%	20%	Nil	19.51%
Medium Volatility	50%	40%	10%	16.57%
Low Volatility	25%	60%	15%	14.29%
Lower Volatility	Nil	60%	40%	10.99%

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**ALLOCATION SCHEMES HISTORICAL PERFORMANCE:**

Allocation Schemes	Return (%)					
	FY-10	FY-11	FY-12	FY-13	FY-14	FY-15
High Volatility	18.36%	25.71%	15.41%	43.68%	29.81%	19.51%
Medium Volatility	14.90%	19.80%	13.46%	30.44%	21.54%	16.57%
Low Volatility	11.99%	14.84%	11.83%	19.42%	14.66%	14.29%
Lower Volatility	9.19%	10.11%	10.24%	8.34%	7.73%	10.99%

During the year under review, the Investment Committee held forty eight meetings to review investment of the Fund and the Risk Committee held twenty three meetings to review risk management.

**Fawad Javaid**  
Fund Manager - Fixed Income

**M. Umar Khan**  
Fund Manager - Commodity

**Faran-ul-Haq**  
Fund Manager - Equity

Karachi: 31 August 2015



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## TRUSTEE REPORT TO THE PARTICIPANTS

### 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 Atlas Pension Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: 22 September 2015

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

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# INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS OF THE ATLAS PENSION FUND

We have audited the annexed financial statements comprising:

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

of **Atlas Pension Fund** (the Fund) as at and for the year ended 30 June 2015 together with the notes forming part thereof.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal controls; and prepare and present the financial statements of the Fund in conformity with the International Accounting Standards notified under sub-section (3) of section 234 of the Companies Ordinance, 1984, and technical releases issued by Institute of Chartered Accountants of Pakistan from time to time and the requirements of the Voluntary Pensions System Rules, 2005 (the VPS Rules) and the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the accounts prepared for the year have been properly drawn in accordance with the relevant provisions of the trust deed and the VPS Rules including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund at the end of the year and of the transactions of the Fund for the year then ended in accordance with the approved accounting standards as applicable in Pakistan;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the VPS Rules;
- 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) proper books and records have been kept by the Fund and the accounts prepared are in agreement with the Fund's books and records;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit; and
- g) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Karachi: 31 August 2015

**Ernst & Young Ford Rhodes Sidat Hyder**  
Chartered Accountants

**Arslan Khalid**  
Audit Engagement Partner



# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2015

	2015						2014						
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	
Note-----Rupees-----Rupees-----													
<b>ASSETS</b>													
Bank balances	4	18,131,791	16,041,271	40,134,454	6,416,566	3,997,113	84,721,195	20,628,108	9,747,511	31,581,420	24,763,532	5,500,298	92,220,869
Receivable against sale of investments		2,231,227	-	-	-	-	2,231,227	2,557,860	-	-	-	-	2,557,860
Investments - net	5	258,540,100	240,713,017	157,745,620	19,969,600	-	676,968,337	174,574,790	178,120,457	122,808,389	-	-	475,503,636
Financial assets at fair value through profit or loss											1,135,275	-	1,135,275
Dividend receivable		963,454	-	-	-	-	963,454	121,875	-	-	-	-	121,875
Interest accrued	6	26,346	6,285,513	113,664	57,666	-	6,483,189	107,350	5,071,131	82,724	169,928	-	5,431,133
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts					6,696,657		6,696,657	-	-	-	7,739,820	-	7,739,820
Security deposit and other receivables	7	134,834	103,333	103,333	-	-	341,500	890,834	103,333	103,333	-	-	1,097,500
<b>Total assets</b>		<b>280,027,752</b>	<b>263,143,134</b>	<b>198,097,071</b>	<b>33,140,489</b>	<b>3,997,113</b>	<b>778,405,559</b>	<b>198,880,817</b>	<b>193,042,432</b>	<b>154,575,866</b>	<b>33,808,555</b>	<b>5,500,298</b>	<b>585,807,968</b>
<b>LIABILITIES</b>													
Payable against redemption of units		-	-	116,307	-	107,273	223,580	-	-	78,592	-	100,379	178,971
Payable against purchase of investments		7,552,727	-	-	-	-	7,552,727	10,991,030	-	-	-	-	10,991,030
Payable to the Pension Fund Manager	8	1,355,776	1,239,548	792,361	223,809	6,759	3,618,253	642,376	622,409	449,684	135,246	7,635	1,857,350
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	32,256	33,965	23,403	3,971	-	93,595	22,021	23,798	18,230	4,007	-	68,056
Payable to the Securities and Exchange Commission of Pakistan		72,193	75,615	55,116	10,802	-	213,726	46,479	48,597	40,694	10,542	-	146,312
Financial liabilities at fair value through profit or loss	10	-	-	-	503,136	-	503,136	-	-	-	-	-	-
Payable to the auditors		59,916	62,620	45,920	9,044	-	177,500	39,030	40,799	34,208	8,923	-	122,960
Accrued expenses and other liabilities	11	2,905,800	1,164,529	863,963	40,153	3,883,081	8,857,526	2,051,799	690,205	608,380	39,823	5,392,284	8,782,491
<b>Total liabilities</b>		<b>11,978,668</b>	<b>2,576,277</b>	<b>1,897,070</b>	<b>790,915</b>	<b>3,997,113</b>	<b>21,240,043</b>	<b>13,792,735</b>	<b>1,425,808</b>	<b>1,229,788</b>	<b>198,541</b>	<b>5,500,298</b>	<b>22,147,170</b>
<b>NET ASSETS</b>		<b>268,049,084</b>	<b>260,566,857</b>	<b>196,200,001</b>	<b>32,349,574</b>	<b>-</b>	<b>757,165,516</b>	<b>185,088,082</b>	<b>191,616,624</b>	<b>153,346,078</b>	<b>33,610,014</b>	<b>-</b>	<b>563,660,798</b>
<b>Represented by:</b>													
<b>PARTICIPANTS' SUB-FUNDS</b>		<b>268,049,084</b>	<b>260,566,857</b>	<b>196,200,001</b>	<b>32,349,574</b>	<b>-</b>	<b>757,165,516</b>	<b>185,088,082</b>	<b>191,616,624</b>	<b>153,346,078</b>	<b>33,610,014</b>	<b>-</b>	<b>563,660,798</b>
(as per statement attached)													
<b>Number of units in issue</b>	12	<b>702,993</b>	<b>1,276,328</b>	<b>989,316</b>	<b>319,192</b>			<b>587,970</b>	<b>1,060,921</b>	<b>834,533</b>	<b>316,368</b>		
<b>Net asset value per unit</b>		<b>381.30</b>	<b>204.15</b>	<b>198.32</b>	<b>101.35</b>			<b>314.79</b>	<b>180.61</b>	<b>183.75</b>	<b>106.24</b>		
<b>Contingencies and commitments</b>	13												

The annexed notes 1 to 23 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Azam Faruque**  
Director

# INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2015

		-----2015-----					-----2014-----					
		Equity	Debt	Money	Gold	Total	Equity	Debt	Money	Gold	Total	
		Sub-Fund	Sub-Fund	Market	Sub-Fund		Sub-Fund	Sub-Fund	Market	Sub-Fund		
		-----Rupees-----										
Note		-----Rupees-----										
<b>INCOME</b>												
	Interest income	14	708,803	23,119,051	15,182,205	2,640,352	41,650,411	1,187,920	14,406,381	11,658,935	2,723,790	29,977,026
	Dividend income		12,567,654	-	-	-	12,567,654	8,323,230	-	-	-	8,323,230
	Capital gain on sale of investments at fair value through income statement - net		26,509,249	-	-	-	26,509,249	17,981,303	-	-	-	17,981,303
	Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		7,988,390	-	-	-	7,988,390	17,925,680	-	-	-	17,925,680
			<b>34,497,639</b>	-	-	-	<b>34,497,639</b>	<b>35,906,983</b>	-	-	-	<b>35,906,983</b>
	Realised loss on gold contracts		-	-	-	(2,855,256)	(2,855,256)	-	-	-	(1,009,464)	(1,009,464)
	Gain on sale/maturity of 'available for sale investments' - net		-	4,294,592	73,614	-	4,368,206	-	26,121	8,396	-	34,517
	Net unrealised (loss) / gain on future contracts of gold		-	-	-	(503,136)	(503,136)	-	-	-	1,135,275	1,135,275
	Net unrealised gain on government securities		-	-	-	2,203	2,203	-	-	-	-	-
			<b>47,774,096</b>	<b>27,413,643</b>	<b>15,255,819</b>	<b>(715,837)</b>	<b>89,727,721</b>	<b>45,418,133</b>	<b>14,432,502</b>	<b>11,667,331</b>	<b>2,849,601</b>	<b>74,367,567</b>
<b>EXPENDITURE</b>												
	Remuneration of Pension Fund Manager	8.1	3,248,878	2,835,141	1,653,183	485,966	8,223,168	2,091,360	2,050,879	1,606,622	474,515	6,223,376
	Sindh sales tax on remuneration of the Pension Fund Manager	8.2	565,305	493,315	287,654	84,558	1,430,832	388,156	380,643	298,189	88,070	1,155,058
	Federal Excise Duty on remuneration of the Pension Fund Manager	8.3	519,820	453,623	264,509	77,755	1,315,707	334,618	328,141	257,060	75,922	995,741
	Remuneration to the Central Depository Company of Pakistan Limited - Trustee	9.1	324,898	340,221	247,974	48,739	961,832	209,156	218,758	183,088	47,443	658,445
	Annual fee - Securities and Exchange Commission of Pakistan		72,193	75,615	55,116	10,802	213,726	46,479	48,597	40,694	10,542	146,312
	Auditor's remuneration	15	59,871	62,575	45,876	9,000	177,322	36,741	38,510	31,919	8,923	116,093
	Securities' transaction cost and settlement charges		485,513	44,406	6,374	105,816	642,109	327,668	13,683	10,092	159,529	510,972
	Bank charges		28,226	9,578	8,485	7,891	54,180	23,590	9,503	6,873	9,396	49,362
	Provision for Workers' Welfare Fund	11.1	849,388	461,983	253,733	-	1,565,104	839,207	226,876	184,656	39,505	1,290,244
			<b>6,154,092</b>	<b>4,776,457</b>	<b>2,822,904</b>	<b>830,527</b>	<b>14,583,980</b>	<b>4,296,975</b>	<b>3,315,590</b>	<b>2,619,193</b>	<b>913,845</b>	<b>11,145,603</b>
	<b>Net income / (loss) for the year</b>		<b>41,620,004</b>	<b>22,637,186</b>	<b>12,432,915</b>	<b>(1,546,364)</b>	<b>75,143,741</b>	<b>41,121,158</b>	<b>11,116,912</b>	<b>9,048,138</b>	<b>1,935,756</b>	<b>63,221,964</b>
	<b>Earnings / (loss) per unit</b>	3.9	<b>59.20</b>	<b>17.74</b>	<b>12.57</b>	<b>(4.84)</b>		<b>69.94</b>	<b>10.48</b>	<b>10.84</b>	<b>6.12</b>	

The annexed notes 1 to 23 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Pension Fund Manager)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2015

	-----2015-----					-----2014-----					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	
Note	-----Rupees-----					-----Rupees-----					
Net income / (loss) for the year	41,620,004	22,637,186	12,432,915	(1,546,364)	75,143,741	41,121,158	11,116,912	9,048,138	1,935,756	63,221,964	
Income that may be re-classified subsequently to Income Statement											
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'	16	-	4,461,059	94,174	-	4,555,233	-	(59,972)	(43,253)	-	(103,225)
<b>Total comprehensive income / (loss) for the year</b>	<b>41,620,004</b>	<b>27,098,245</b>	<b>12,527,089</b>	<b>(1,546,364)</b>	<b>79,698,974</b>	<b>41,121,158</b>	<b>11,056,940</b>	<b>9,004,885</b>	<b>1,935,756</b>	<b>63,118,739</b>	

The annexed notes 1 to 23 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Pension Fund Manager)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2015

	-----2015-----					-----2014-----						
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	-----Rupees-----					-----Rupees-----						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
Net income / (loss) for the year	41,620,004	22,637,186	12,432,915	(1,546,364)	-	75,143,741	41,121,158	11,116,912	9,048,138	1,935,756	-	63,221,964
<b>Adjustments for:</b>												
Interest income	(708,803)	(23,119,051)	(15,182,205)	(2,640,352)	-	(41,650,411)	(1,187,920)	(14,406,381)	(11,658,935)	(2,723,790)	-	(29,977,026)
Dividend income	(12,567,654)	-	-	-	-	(12,567,654)	(8,323,230)	-	-	-	-	(8,323,230)
Gain on sale of investments at fair value through income statement - net	(26,509,249)	-	-	-	-	(26,509,249)	(17,981,303)	-	-	-	-	(17,981,303)
Realised loss on gold contracts	-	-	-	2,855,256	-	2,855,256	-	-	-	1,009,464	-	1,009,464
Capital gain on sale / maturity of available fo sale investments - net	-	(4,294,592)	(73,614)	-	-	(4,368,206)	-	(26,121)	(8,396)	-	-	(34,517)
Net unrealised appreciation on re-measuremen of investments classified as 'financial assets at fair value through profit or loss	(7,988,390)	-	-	-	-	(7,988,390)	(17,925,680)	-	-	-	-	(17,925,680)
Net unrealised loss / (gain) on future contracts of gold	-	-	-	503,136	-	503,136	-	-	-	(1,135,275)	-	(1,135,275)
Net unrealised loss on government securities	-	-	-	(2,203)	-	(2,203)	-	-	-	-	-	-
Provision for Workers' Welfare Fund	849,388	461,983	253,733	-	-	1,565,104	839,207	226,876	184,656	39,505	-	1,290,244
	<b>(5,304,704)</b>	<b>(4,314,474)</b>	<b>(2,569,171)</b>	<b>(830,527)</b>	<b>-</b>	<b>(13,018,876)</b>	<b>(3,457,768)</b>	<b>(3,088,714)</b>	<b>(2,434,537)</b>	<b>(874,340)</b>	<b>-</b>	<b>(9,855,359)</b>
<b>Decrease/ (increase) in assets</b>												
Receivable against sale of investment	326,633	-	-	-	-	326,633	(2,557,860)	-	-	-	-	(2,557,860)
Margin deposits with Pakistan Mercantile Exchange Limited against future contract	-	-	-	1,043,163	-	1,043,163	-	-	-	(7,739,820)	-	(7,739,820)
Security deposits and other receivables	756,000	-	-	-	-	756,000	(787,500)	-	-	-	-	(787,500)
	<b>1,082,633</b>	<b>-</b>	<b>-</b>	<b>1,043,163</b>	<b>-</b>	<b>2,125,796</b>	<b>(3,345,360)</b>	<b>-</b>	<b>-</b>	<b>(7,739,820)</b>	<b>-</b>	<b>(11,085,180)</b>
<b>(Decrease) / increase in liabilities</b>												
Payable against redemption of unit	-	-	37,715	-	6,894	44,609	-	-	155	-	11,556	11,711
Payable against purchase of investment	(3,438,303)	-	-	-	-	(3,438,303)	10,954,122	-	-	-	-	10,954,122
Payable to the Pension Fund Manage of Pakistan Limited - Trustee	713,400	617,139	342,677	88,563	(876)	1,760,903	457,883	436,978	287,980	125,268	(6,554)	1,301,555
Payable to the Securities and Exchange Commission of Pakistan	10,235	10,167	5,173	(36)	-	25,539	6,007	8,741	5,028	3,638	-	23,414
Payable to the auditors	25,714	27,018	14,422	260	-	67,414	19,131	21,523	16,952	10,461	-	68,067
Accrued expenses and other liabilitie	20,886	21,821	11,712	121	-	54,540	(555)	1,214	(5,377)	8,678	-	3,960
	4,613	12,341	1,850	330	(1,509,203)	(1,490,069)	(1,600)	(1,572)	(1,463)	-	5,087,819	5,083,184
	<b>(2,663,455)</b>	<b>688,486</b>	<b>413,549</b>	<b>89,238</b>	<b>(1,503,185)</b>	<b>(2,975,367)</b>	<b>11,434,988</b>	<b>466,884</b>	<b>303,275</b>	<b>148,045</b>	<b>5,092,821</b>	<b>17,446,013</b>
Interest received	789,807	21,904,669	15,151,265	2,752,614	-	40,598,355	1,158,882	9,745,002	11,604,772	2,575,441	-	25,084,097
Dividend received	11,726,075	-	-	-	-	11,726,075	8,280,105	-	-	-	-	8,280,105
Investments made during the year	(274,047,790)	(449,389,342)	(611,684,042)	(139,967,397)	-	(1,475,088,571)	(173,091,694)	(702,257,469)	(641,701,851)	(177,000,000)	-	(1,694,051,014)
Investments sold / matured during the year	224,580,119	395,552,433	576,914,599	118,280,019	-	1,315,327,170	138,459,082	642,547,771	621,801,516	175,990,536	-	1,578,798,905
	<b>(36,951,789)</b>	<b>(31,932,240)</b>	<b>(19,618,178)</b>	<b>(18,934,764)</b>	<b>-</b>	<b>(107,436,971)</b>	<b>(25,193,625)</b>	<b>(49,964,696)</b>	<b>(8,295,563)</b>	<b>1,565,977</b>	<b>-</b>	<b>(81,887,907)</b>
<b>Net cash (used in) / generated from operating activities (carried forward)</b>	<b>(43,837,315)</b>	<b>(35,558,228)</b>	<b>(21,773,800)</b>	<b>(18,632,890)</b>	<b>(1,503,185)</b>	<b>(121,305,418)</b>	<b>(20,561,765)</b>	<b>(52,586,526)</b>	<b>(10,426,825)</b>	<b>(6,900,138)</b>	<b>5,092,821</b>	<b>(85,382,433)</b>

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2015

Not	-----2015-----						-----2014-----					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	-----Rupees-----						-----Rupees-----					
Net cash (used in) / generated from operating activities (brought forward)	(43,837,315)	(35,558,228)	(21,773,800)	(18,632,890)	(1,503,185)	(121,305,418)	(20,561,765)	(52,586,526)	(10,426,825)	(6,900,138)	5,092,821	(85,382,433)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Receipts on issue of units - Directly by participants	55,225,755	80,623,659	59,529,124	409,341	-	195,787,879	52,512,152	93,169,242	50,640,576	1,661,730	-	197,983,700
Payment on redemptions of units - Directly by participants	(10,864,332)	(36,738,788)	(29,202,290)	(123,417)	-	(76,928,827)	(18,630,048)	(39,882,819)	(12,531,533)	(3,060)	-	(71,047,460)
- Transfer to other Pension Fund	(3,020,425)	(2,032,883)	-	-	-	(5,053,308)						
	(13,884,757)	(38,771,671)	(29,202,290)	(123,417)	-	(81,982,135)	(18,630,048)	(39,882,819)	(12,531,533)	(3,060)	-	(71,047,460)
<b>Net cash generated from financing activities</b>	<b>41,340,998</b>	<b>41,851,988</b>	<b>30,326,834</b>	<b>285,924</b>	<b>-</b>	<b>113,805,744</b>	<b>33,882,104</b>	<b>53,286,423</b>	<b>38,109,043</b>	<b>1,658,670</b>	<b>-</b>	<b>126,936,240</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2,496,317)</b>	<b>6,293,760</b>	<b>8,553,034</b>	<b>(18,346,966)</b>	<b>(1,503,185)</b>	<b>(7,499,674)</b>	<b>13,320,339</b>	<b>699,897</b>	<b>27,682,218</b>	<b>(5,241,468)</b>	<b>5,092,821</b>	<b>41,553,807</b>
Cash and cash equivalents at the beginning of the year / period	20,628,108	9,747,511	31,581,420	24,763,532	5,500,298	92,220,869	7,307,769	9,047,614	3,899,202	30,005,000	407,477	50,667,062
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b> <b>18,131,791</b>	<b>16,041,271</b>	<b>40,134,454</b>	<b>6,416,566</b>	<b>3,997,113</b>	<b>84,721,195</b>	<b>20,628,108</b>	<b>9,747,511</b>	<b>31,581,420</b>	<b>24,763,532</b>	<b>5,500,298</b>	<b>92,220,869</b>

The annexed notes 1 to 23 form an integral part of these financial statements

For Atlas Asset Management Limited  
(Pension Fund Manager)

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Azam Faruque**  
Director

## STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND FOR THE YEAR ENDED 30 JUNE 2015

Note	-----2015-----					-----2014-----				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	-----Rupees-----					-----Rupees-----				
<b>Net assets at the beginning of the year</b>	<b>185,088,082</b>	<b>191,616,624</b>	<b>153,346,078</b>	<b>33,610,014</b>	<b>563,660,798</b>	<b>110,084,820</b>	<b>127,273,261</b>	<b>106,232,150</b>	<b>30,015,588</b>	<b>373,605,819</b>
Issue of units										
- Directly by participants	55,225,755	80,623,659	59,529,124	409,341	195,787,879	52,512,152	93,169,242	50,640,576	1,661,730	197,983,700
Redemption of units										
- Directly by participants	(10,864,332)	(36,738,788)	(29,202,290)	(123,417)	(76,928,827)	(18,630,048)	(39,882,819)	(12,531,533)	(3,060)	(71,047,460)
- Transfer to other Pension Fund	(3,020,425)	(2,032,883)	-	-	(5,053,308)	-	-	-	-	-
	<b>(13,884,757)</b>	<b>(38,771,671)</b>	<b>(29,202,290)</b>	<b>(123,417)</b>	<b>(81,982,135)</b>	<b>(18,630,048)</b>	<b>(39,882,819)</b>	<b>(12,531,533)</b>	<b>(3,060)</b>	<b>(71,047,460)</b>
Net income for the year	15,110,755	18,342,594	12,359,301	(1,546,364)	44,266,286	23,139,855	11,090,791	9,039,742	1,935,756	45,206,144
Gain on sale of investments at fair value through income statement - net	26,509,249	-	-	-	26,509,249	17,981,303	-	-	-	17,981,303
Gain on sale / maturity of available for sale investments - net	-	4,294,592	73,614	-	4,368,206	-	26,121	8,396	-	34,517
Other comprehensive (loss) / income for the year	-	4,461,059	94,174	-	4,555,233	-	(59,972)	(43,253)	-	(103,225)
Total comprehensive income for the year	<b>41,620,004</b>	<b>27,098,245</b>	<b>12,527,089</b>	<b>(1,546,364)</b>	<b>79,698,974</b>	<b>41,121,158</b>	<b>11,056,940</b>	<b>9,004,885</b>	<b>1,935,756</b>	<b>63,118,739</b>
<b>Net assets at the end of the year</b>	<b>268,049,084</b>	<b>260,566,857</b>	<b>196,200,001</b>	<b>32,349,574</b>	<b>757,165,516</b>	<b>185,088,082</b>	<b>191,616,624</b>	<b>153,346,078</b>	<b>33,610,014</b>	<b>563,660,798</b>

The annexed notes 1 to 23 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Pension Fund Manager)

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Azam Faruque**  
Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.1** The Atlas Pension Fund (APF) was established under a Trust Deed executed between Atlas Asset Management Limited (AAML) as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 8 June 2007 and was executed under the Voluntary Pension System Rules, 2005 (VPS Rules). The Trust Deed has been amended through the First Supplement Trust Deed dated 6 June 2013, with the approval of the SECP. The Offering Document of the Fund has been revised through the First, Second and Third Supplements dated 18 December 2008, 28 March 2011, and 15 July 2013 respectively. The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at Ground Floor, Federation House, Shahra-e-Firdousi, Clifton, Karachi.

**1.2** The objective of Atlas Pension Fund (APF) is to provide individuals with a portable, individualised, funded (based on defined contribution) and flexible pension scheme assisting and facilitating them to plan and provide for their retirement. The Fund operates under an umbrella structure and is composed of Sub-Funds, each being a collective investment scheme.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

**1.3** In June 2013, the Pension Fund Manager obtained approval from the SECP for the establishment of a fourth sub fund, the APF - Gold Sub Fund. The APF- Gold Sub Fund was established under the First Supplement Trust Deed executed on 6 June 2013 between AAML as the Pension Fund Manager and the CDC as the Trustee. The First Supplemental Trust Deed was approved by the SECP under the Voluntary Pension System Rules, 2005 (VPS Rules) vide letter no.9(1)SEC/SCD/PW AAML-01/536 dated 14 June 2013, and the core investment of Rs.30 million by the Pension Fund Manager was invested on 28 June 2013. Approval of the 3rd Supplemental Offering Document of the Fund was received on 15 July 2013 from the SECP, whereafter, the APF - GSF was launched for public subscription w.e.f. 16 July 2013.

**1.4** At present, the Fund consists of the following four Sub-Funds:

### **APF - Equity Sub-Fund (APF - ESF)**

The objective of APF - ESF is to achieve long term capital growth. APF - ESF shall invest primarily in equity securities, with a minimum investment of 90% of its net asset value in listed shares.

### **APF - Debt Sub-Fund (APF - DSF)**

The objective of APF - DSF is to provide income along with capital preservation. APF - DSF shall invest primarily in tradable debt securities with the weighted average duration of the investment portfolio of the Sub-Fund not exceeding five years.

### **APF - Money Market Sub-Fund (APF - MMSF)**

The objective of APF - MMSF is to provide regular income along with capital preservation. APF - MMSF shall invest primarily in short term debt securities with the weighted average time to maturity of net assets of the Sub-Fund not exceeding ninety days.

### **APF - Gold Sub-Fund (APF - GSF)**

The objective of APF - GSF is to provide the capital appreciation through investment in Gold or Gold futures contracts traded on the Pakistan Mercantile Exchange Limited.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

- 1.5 The Sub-Funds' units of APF - ESF, APF -DSF and APF - MMSF are issued against contributions by the eligible participants on a continuous basis since 28 June 2007 and units of APF- GSF w.e.f. 16 July 2013 and can be redeemed by surrendering them to the Fund.

The participants of the Fund voluntarily determine the contribution amount subject to the minimum limit fixed by the Pension Fund Manager. Such contributions received from the participants are allocated among the Sub-Funds, in accordance with their respective preferences and in line with the prescribed allocation policy. The units held by the participants in the Sub-Funds can be redeemed on or before their retirement and in case of disability or death subject to conditions laid down in the Offering Document, VPS Rules and the Income Tax Ordinance, 2001. According to the Trust Deed, there shall be no distribution from the Sub-Funds, and all income earned by the Sub-Funds shall be accumulated and retained in the Fund.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Voluntary Pension System Rules, 2005 (VPS Rules) and the directives issued by the Securities and the Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the VPS Rules or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the VPS Rules, 2005 or the requirements of the said directives prevail.

### 2.2 New Standards, interpretations and amendments applicable to the financial statements for the year ended 30 June 2015

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IAS 32 – Financial Instruments : Presentation – (Amendment) ' – Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment) - Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment) – Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

#### Improvements to accounting standards issued by the IASB

IFRS 8 – Operating Segments – Aggregation of operating segments and reconciliation of the total of the reportable segments' - assets to the entity's assets

IFRS 13 – Fair Value Measurement - Scope of paragraph 52 (portfolio exception)

IAS 24 – Related Party Disclosures - Key management personnel

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements.

#### Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretation and amendments:



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 2.3 Standard, interpretation or amendment

	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	January 01, 2015
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	January 01, 2016
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretation that are mandatory for the Fund's accounting periods beginning on or after 1 July 2015 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 2.4 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Fund's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgement was exercised in application of accounting policies principally relate to classification and valuation of investments (notes 3.2 and 5).

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

## 2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term deposits having original maturity of 3 months or less.

### 3.2 Financial assets

#### 3.2.1 Classification

The Fund classifies its financial assets in the following categories: 'loans and receivables', 'at fair value through profit or loss' and 'available for sale'. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### a) Loans and receivables

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

#### b) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the financial assets 'at fair value through profit or loss' category.

#### c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

## 3.2.3 Initial recognition and measurement

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

## 3.2.4 Subsequent measurement

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

### a) Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced on the Reuters page.

### b) Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of quoted market price available at the stock exchanges.

### c) Basis of valuation of debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities. In the determination of rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Net gains and losses arising from the difference between the carrying amount and the value determined in accordance with the criteria mentioned above in respect of financial assets 'at fair value through profit or loss' are taken to the 'income statement'.

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

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

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

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 3.2.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the 'income statement' is reclassified from 'statement of comprehensive income' to 'income statement'.

Provision for non-performing debt securities is made on the basis of criteria prescribed by the SECP. Impairment losses recognised on debt securities can be reversed through the 'Income Statement'.

As allowed under the directives of the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with a provisioning policy approved by the Board of Directors and disseminated by the Pension Fund Manager on its website.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets carrying value and present value of estimated future cash out flows, discounted at the original effective interest rate.

## 3.2.6 Derecognition

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

## 3.2.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'statement of assets and liabilities' only when there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 3.3 Derivatives

Derivative instruments that are held by the Fund primarily comprise of gold futures contracts in the commodities market. These are measured initially at fair value and revalued at each subsequent measurement date at their fair values which is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the futures commodities. Derivatives with the positive market values (unrealised gains) are included in assets and derivatives with the negative market value (unrealised losses) are included in liabilities in the Statement of Assets and Liabilities. The resultant gains and losses are included in the income statement.

## 3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 3.5 Provisions

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

## 3.6 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. Accordingly, no provision has been made for current and deferred taxation in these financial statements.

## 3.7 Issue, allocation, reallocation and redemption of units

Contributions received from the participants is allocated to the Sub-Funds on the basis of the allocation scheme selected by each participant out of the allocation schemes offered by the Pension Fund Manager. The Net Asset Value (NAV) per unit of each Sub-Fund is determined at the close of each business day, according to the procedure outlined in the VPS Rules and is applicable for allocation of units in each Sub-Fund for all the contribution amounts realised and credited in collection account of the Fund during the business hours on that business day. Any contributions credited in collection account of the Fund after business hours on any dealing day shall be deemed to be received on the following dealing day and shall be allocated to the units of each Sub-Fund on the NAV per unit determined at the close of that dealing day.

The Pension Fund Manager makes reallocation of the units between the Sub-Funds at least once a year to ensure that the allocations of the units of all the participants are according to the allocation scheme selected by the participants.

All Sub-Funds' units are automatically redeemed on the close of the dealing day at which the retirement date falls or death of a participant has been confirmed. The participant may also withdraw from the scheme prior to retirement. The redemption from the respective Sub-Fund is made on the Net Asset Value per unit prevailing at the close of the dealing day on which the request is received, subject to deduction of Zakat and withholding taxes, as applicable.

In case of partial withdrawals, units are redeemed on a pro rata basis by ensuring that the remaining units are in accordance with the allocation scheme last selected by the Participant.

Proceeds received / paid on issuance / redemptions of units are reflected in the Participant's Sub-Fund. The Voluntary Pension System Rules, 2005 specify that distribution of dividend shall not be allowed for pension funds and return to unit holders is, therefore, only possible through redemption of units which is based on Net Asset Value (NAV). Hence, the management believes that creation of income equalisation mechanism through separate recording of "element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed" is not required. The accounting policy followed by the Fund does not have any impact on the NAV per unit of the Fund.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 3.8 Net Asset Value (NAV) per unit

The NAV per unit of each Sub-Fund as disclosed in the 'statement of assets and liabilities' is calculated by dividing the net assets of each Sub-Fund by the number of units in issue at the end of the reporting period.

### 3.9 Earnings per unit

Earnings per unit are calculated by dividing the net income for the year by the number of units in issue at the end of the reporting period as in the opinion of the management determination of weighted average number of units for calculating EPU is not practicable.

### 3.10 Revenue recognition

- Capital gains / losses arising on sale of investments are included in the 'income statement' on the date at which the transaction takes place.
- Interest income on bank balances and term deposit receipts is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.
- Income from government securities is recognised on an accrual basis.
- Income from term finance certificates and sukuk certificates is recognised on an accrual basis, except where recovery is doubtful in which case it is credited to suspense account as per the directives of the SECP.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 4. BANK BALANCES

Note	2015						2014					
	Equity	Debt	Money	Gold	Others	Total	Equity	Debt	Money	Gold	Others	Total
	Sub-Fund	Sub-Fund	Market	Sub-Fund	(note 4.1)		Sub-Fund	Sub-Fund	Market	Sub-Fund	(note 4.1)	
	-----Rupees-----						-----Rupees-----					
In current account	-	-	-	-	7,546	7,546	-	-	-	-	7,742	7,742
In savings accounts 4.2	18,131,791	16,041,271	40,134,454	6,416,566	3,989,567	84,713,649	20,628,108	9,747,511	6,581,420	24,763,532	5,492,556	67,213,127
In term deposit account 4.3	-	-	-	-	-	-	-	-	25,000,000	-	-	25,000,000
	<b>18,131,791</b>	<b>16,041,271</b>	<b>40,134,454</b>	<b>6,416,566</b>	<b>3,997,113</b>	<b>84,721,195</b>	<b>20,628,108</b>	<b>9,747,511</b>	<b>31,581,420</b>	<b>24,763,532</b>	<b>5,500,298</b>	<b>92,220,869</b>

4.1 These represent collection and redemption accounts maintained by the Fund. The rate of return on savings account is 7.10% per annum (2014: 9.20% per annum).

4.2 These carry interest at the rates ranging from 5% to 7.10% per annum (2014: 6.50% to 9.20% per annum).

4.3 This carries interest at the rates Nil per annum (2014 : 10.50%).

## 5. INVESTMENTS - NET

Note	2015					2014					
	Equity	Debt	Money	Gold	Total	Equity	Debt	Money	Gold	Total	
	Sub-Fund	Sub-Fund	Market	Sub-Fund		Sub-Fund	Sub-Fund	Market	Sub-Fund		
	-----Rupees-----					-----Rupees-----					
<b>At fair value through profit or loss - held for trading</b>											
Equity securities - listed	256,260,100	-	-	-	256,260,100	174,574,790	-	-	-	174,574,790	
Investment through book building for 24,000 shares of Al Shaheer Corporation Limited	2,280,000	-	-	-	2,280,000	-	-	-	-	-	
	<b>258,540,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>258,540,100</b>	<b>174,574,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,574,790</b>	
<b>Available for sale</b>											
Treasury Bills	-	92,998,848	157,745,620	19,969,600	270,714,068	-	79,246,112	122,808,389	-	202,054,501	
Term Finance Certificates	-	3,778,645	-	-	3,778,645	-	2,703,198	-	-	2,703,198	
Sukuk Certificates	-	-	-	-	-	-	-	-	-	-	
Pakistan Investment Bonds	-	143,935,524	-	-	143,935,524	-	96,171,147	-	-	96,171,147	
	<b>-</b>	<b>240,713,017</b>	<b>157,745,620</b>	<b>19,969,600</b>	<b>418,428,237</b>	<b>-</b>	<b>178,120,457</b>	<b>122,808,389</b>	<b>-</b>	<b>300,928,846</b>	
	<b>258,540,100</b>	<b>240,713,017</b>	<b>157,745,620</b>	<b>19,969,600</b>	<b>676,968,337</b>	<b>174,574,790</b>	<b>178,120,457</b>	<b>122,808,389</b>	<b>-</b>	<b>475,503,636</b>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.1 Equity Sub-Fund - Equity securities - Listed - At fair value through profit or loss

Balance as at 30 June 2015

Name of the investee company	As at	Purchases	Bonus/ Right	Sales	As at	Cost	Market value	Market value as a % of net assets of the Sub-Fund	Market value as a % of paid- up capital of the investee company
	1 July 2014	during the year	shares during the year	during the year	30 June 2015				
	-----Number of shares-----				-----Rupees-----				
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.									
<b>Commercial Banks</b>									
Allied Bank Limited	-	25,000	-	25,000	-	-	-	-	-
Bank Alfalah Limited	485,000	180,000	-	665,000	-	-	-	-	-
Bank Al Habib Limited	350,000	215,000	-	15,000	550,000	19,634,130	24,172,500	9.02	0.0495
Faysal Bank Limited	-	100,000	-	100,000	-	-	-	-	-
Habib Bank Limited	15,000	16,301	-	31,301	-	-	-	-	-
Habib Metropolitan Bank Limited	130,000	75,000	-	130,000	75,000	2,250,000	2,250,000	0.84	0.0072
JS Bank Limited	200,000	200,000	-	400,000	-	-	-	-	-
MCB Bank Limited	-	5,000	-	-	5,000	1,294,953	1,245,600	0.46	0.0004
Meezan Bank Limited	100,000	-	-	100,000	-	-	-	-	-
National Bank of Pakistan	-	15,000	-	-	15,000	899,990	797,850	0.30	0.0007
Soneri Bank Limited	-	50,000	-	50,000	-	-	-	-	-
United Bank Limited	60,000	121,600	-	36,600	145,000	23,541,672	24,783,400	9.25	0.0118
	<b>1,340,000</b>	<b>1,002,901</b>	<b>-</b>	<b>1,552,901</b>	<b>790,000</b>	<b>47,620,744</b>	<b>53,249,350</b>	<b>19.87</b>	
<b>Insurance</b>									
Adamjee Insurance Company Limited	-	140,000	-	-	140,000	6,999,645	6,666,800	2.49	0.0400
Habib Insurance Company Limited (Face value Rs.5/- per share)	-	50,000	-	-	50,000	1,137,355	946,000	0.35	0.0807
Pakistan Reinsurance Company Limited	-	200,000	-	-	200,000	5,627,795	5,780,000	2.16	0.0667
	<b>-</b>	<b>390,000</b>	<b>-</b>	<b>-</b>	<b>390,000</b>	<b>13,764,795</b>	<b>13,392,800</b>	<b>5.00</b>	
<b>Textile Composite</b>									
Kohinoor Textile Mills Limited	-	115,000	-	115,000	-	-	-	-	-
Nishat (Chunian) Limited	-	150,000	-	-	150,000	6,367,305	5,509,500	2.06	0.0749
Nishat (Chunian) Limited - Rights	-	-	30,000	30,000	-	-	-	-	-
Nishat Mills Limited	50,000	75,000	-	15,000	110,000	12,613,992	12,565,300	4.68	0.0313
	<b>50,000</b>	<b>340,000</b>	<b>30,000</b>	<b>160,000</b>	<b>260,000</b>	<b>18,981,297</b>	<b>18,074,800</b>	<b>6.74</b>	



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.1 Equity Sub-Fund - Equity securities - Listed - At fair value through profit or loss (Continued...)

Balance as at 30 June 2015

Name of the investee company	As at	Purchases	Bonus/ Right	Sales	As at	Cost	Market value	Market value as a % of net assets of the Sub-Fund	Market value as a % of paid- up capital of the investee company
	1 July 2014	during the year	shares during the year	during the year	30 June 2015				
	-----Number of shares-----				-----Rupees-----				
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.									
<b>Cement</b>									
Attock Cement Pakistan Limited	50,000	20,000	-	35,000	35,000	6,151,177	6,671,000	2.49	0.0306
D G Khan Cement Company Limited	85,000	56,500	-	106,500	35,000	2,850,002	4,996,950	1.86	0.0080
Fauji Cement Company Limited	-	319,500	-	219,500	100,000	3,427,874	3,487,000	1.30	0.0075
Lucky Cement Limited	8,000	17,000	-	-	25,000	8,066,265	12,990,500	4.85	0.0077
Maple Leaf Cement Factory Limited	-	14,000	-	14,000	-	-	-	-	-
Pioneer Cement Limited	-	7,500	-	7,500	-	-	-	-	-
	<b>143,000</b>	<b>434,500</b>	<b>-</b>	<b>382,500</b>	<b>195,000</b>	<b>20,495,318</b>	<b>28,145,450</b>	<b>10.50</b>	
<b>Refinery</b>									
National Refinery Limited	-	10,000	-	10,000	-	-	-	-	-
<b>Power Generation &amp; Distribution</b>									
Kot Addu Power Company Limited	52,500	-	-	52,500	-	-	-	-	-
Lalpir Power Limited	-	250,000	-	100,000	150,000	3,843,254	4,575,000	1.71	0.0395
Nishat Chunian Power Limited	25,000	-	-	25,000	-	-	-	-	-
Pakgen Power Limited	175,000	190,000	-	160,000	205,000	5,052,612	6,152,050	2.30	0.0551
The Hub Power Company Limited	215,000	50,000	-	170,000	95,000	5,038,026	8,889,150	3.31	0.0082
	<b>467,500</b>	<b>490,000</b>	<b>-</b>	<b>507,500</b>	<b>450,000</b>	<b>13,933,893</b>	<b>19,616,200</b>	<b>7.32</b>	
<b>Oil and Gas Marketing Companies</b>									
Attock Petroleum Limited	-	14,000	-	4,000	10,000	5,338,600	5,672,200	2.12	0.0121
Hascol Petroleum Limited	-	50,000	-	50,000	-	-	-	-	-
Pakistan State Oil Company Limited	25,000	25,000	-	-	50,000	15,196,914	19,289,500	7.20	0.0184
Sui Northern Gas Pipelines Limited	100,000	100,000	-	100,000	100,000	2,633,930	2,664,000	0.99	0.0158
	<b>125,000</b>	<b>189,000</b>	<b>-</b>	<b>154,000</b>	<b>160,000</b>	<b>23,169,444</b>	<b>27,625,700</b>	<b>10.31</b>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.1 Equity Sub-Fund - Equity securities - Listed - At fair value through profit or loss (Continued...)

Balance as at 30 June 2015

Name of the investee company	As at	Purchases	Bonus/ Right	Sales	As at	Cost	Market value	Market value as a % of net assets of the Sub-Fund	Market value as a % of paid- up capital of the investee company
	1 July 2014	during the year	shares during the year	during the year	30 June 2015				
	-----Number of shares-----				-----Rupees-----				
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.									
<b>Oil and Gas Exploration Companies</b>									
Oil & Gas Development Company Limited	45,000	95,000	-	50,000	90,000	17,394,056	16,131,600	6.02	0.0021
Pakistan Oilfields Limited	15,000	20,000	-	-	35,000	14,823,922	14,133,700	5.27	0.0148
Pakistan Petroleum Limited	52,500	79,000	-	31,500	100,000	18,107,231	16,426,000	6.13	0.0051
	<b>112,500</b>	<b>194,000</b>	<b>-</b>	<b>81,500</b>	<b>225,000</b>	<b>50,325,209</b>	<b>46,691,300</b>	<b>17.42</b>	
<b>Engineering</b>									
Mughal Iron and Steel Industry Limited	-	75,000	-	-	75,000	3,604,545	4,218,000	1.57	0.0686
<b>Automobile Assembler</b>									
Indus Motor Company Limited	5,000	-	-	5,000	-	-	-	-	-
Millat Tractors Limited	5,000	3,500	-	5,000	3,500	2,488,465	2,400,370	0.90	0.0079
Pak Suzuki Motors Company Limited	5,000	5,000	-	10,000	-	-	-	-	-
	<b>15,000</b>	<b>8,500</b>	<b>-</b>	<b>20,000</b>	<b>3,500</b>	<b>2,488,465</b>	<b>2,400,370</b>	<b>0.90</b>	
<b>Cable &amp; Electrical Goods</b>									
Pak Elektron Limited	-	70,000	-	40,000	30,000	2,156,710	2,482,200	0.93	0.0075
<b>Technology and Communication</b>									
Pakistan Telecommunication Company Limited	-	200,000	-	100,000	100,000	2,171,035	2,050,000	0.76	0.0026
Systems Limited	-	45,000	-	-	45,000	1,957,070	2,073,150	0.76	0.0408
	<b>-</b>	<b>245,000</b>	<b>-</b>	<b>100,000</b>	<b>145,000</b>	<b>4,128,105</b>	<b>4,123,150</b>	<b>1.52</b>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.1 Equity Sub-Fund - Equity securities - Listed - At fair value through profit or loss (Continued...)

Balance as at 30 June 2015

Name of the investee company	As at	Purchases	Bonus/ Right	Sales	As at	Cost	Market value	Market value as a % of net assets of the Sub-Fund	Market value as a % of paid- up capital of the investee company
	1 July 2014	during the year	shares during the year	during the year	30 June 2015				
	Number of shares				Rupees				
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.									
<b>Fertilizers</b>									
Dawood Hercules Corporation Limited	-	5,000	-	5,000	-	-	-	-	-
Engro Corporation Limited	30,000	61,000	-	21,000	70,000	16,890,503	20,776,000	7.75	0.0134
Engro Fertilizers Limited	50,000	165,000	-	115,000	100,000	8,701,022	8,869,000	3.31	0.0075
Fatima Fertilizer Company Limited	100,000	110,000	-	210,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	100,000	150,000	-	205,000	45,000	1,948,979	2,489,400	0.93	0.0048
Fauji Fertilizer Company Limited	100,000	107,500	-	205,000	2,500	340,860	373,550	0.14	0.0002
	<b>380,000</b>	<b>598,500</b>	<b>-</b>	<b>761,000</b>	<b>217,500</b>	<b>27,881,364</b>	<b>32,507,950</b>	<b>12.13</b>	
<b>Pharmaceuticals</b>									
The Searle Company Limited	6,000	5,000	-	11,000	-	-	-	-	-
<b>Paper and Board</b>									
Packages Limited	-	2,500	-	2,500	-	-	-	-	-
Pakistan Paper Products Limited	15,000	-	-	15,000	-	-	-	-	-
	<b>15,000</b>	<b>2,500</b>	<b>-</b>	<b>17,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Glass &amp; Ceramics</b>									
Ghani Glass Limited	-	43,000	-	-	43,000	3,423,110	3,732,830	1.39	0.0349
<b>Miscellaneous</b>									
Synthetic Products Enterprises Limited	-	50,000	-	50,000	-	-	-	-	-
Tri- Pack Films Limited	-	5,000	-	5,000	-	-	-	-	-
	<b>-</b>	<b>55,000</b>	<b>-</b>	<b>55,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
						<b>231,972,999</b>	<b>256,260,100</b>	<b>95.60</b>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.2 Treasury Bills - Available for sale

Balance as at 30 June 2015							
As at 1 July 2014	Purchases during the year	Matured / Sold during the year	As at 30 June 2015	Amortised cost	Market value	Market value as a % of net assets of the Sub-Fund	
Face value (Rupees)				Rupees			
<b>5.2.1 Debt Sub-Fund</b>							
Treasury Bills	80,000,000	264,500,000	250,000,000	94,500,000	<u>92,888,765</u>	<u>92,998,848</u>	<u>35.69</u>

5.2.1.1 The cost of investments as on 30 June 2015 is Rs.91,686,316 (2014: Rs.78,321,470).

5.2.1.2 These Government treasury bills carry purchase yields ranging from 6.70% to 9.10% per annum (2014: 9.95% to 9.96% per annum) and will mature between 23 July 2015 and 18 February 2016.

Balance as at 30 June 2015							
As at 1 July 2014	Purchases during the year	Matured / Sold during the year	As at 30 June 2015	Amortised cost	Market value	Market value as a % of net assets of the Sub-Fund	
Face value (Rupees)				Rupees			
<b>5.2.2 Money Market Sub-Fund</b>							
Treasury Bills	124,300,000	613,000,000	577,800,000	159,500,000	<u>157,664,835</u>	<u>157,745,620</u>	<u>80.40</u>

5.2.2.1 The cost of investments as on 30 June 2015 is Rs.155,003,450 (2014: Rs.120,790,680).

5.2.2.2 These Government treasury bills carry purchase yields ranging from 6.62% to 9.12% per annum (2014: 9.96% to 9.98% per annum) and will mature between 09 July 2015 and 12 November 2015.

Balance as at 30 June 2015							
As at 1 July 2014	Purchases during the year	Matured / Sold during the year	As at 30 June 2015	Amortised cost	Market value	Market value as a % of net assets of the Sub-Fund	
Face value (Rupees)				Rupees			
<b>5.2.3 Gold Sub-Fund</b>							
Treasury Bills	-	140,000,000	120,000,000	20,000,000	<u>19,967,397</u>	<u>19,969,600</u>	<u>61.73</u>

5.2.3.1 The cost of investments as on 30 June 2015 is Rs.19,702,500 (2014: Nil).

5.2.3.2 This Government treasury bill carries purchase yields 7.55% per annum (2014: Nil per annum) and will mature 09 July 2015.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.3 Term Finance Certificates - Available for sale

### 5.3.1 Debt Sub-Fund

Term Finance certificate  
Pre IPO Subscription in TFCs- Soneri Bank Limited

Note	30 June 2015	30 June 2014
5.3.2	1,778,645	2,703,198
	2,000,000	-
	<b>3,778,645</b>	<b>2,703,198</b>

### Balance as at 30 June 2015

5.3.2	Name of the investee company	Status	As at	Purchases	Sales /	As at	Carrying value	Market Value	Market value as a % of net assets of the Sub-Fund	Market value as a % of total issue size
			1 July 2014	during the year	matured during the year	30 June 2015				
			-----Number of certificates-----			-----Rupees-----				
<b>Commercial Banks</b>										
	Askari Bank Limited - II	Listed	225	-	225	-	-	-	-	-
	Bank Alfalah Limited - V	Listed	153	-	-	153	764,388	765,534	0.29	0.0153
	United Bank Limited - III	Listed	300	-	300	-	-	-	-	-
<b>Chemicals</b>										
	Engro Fertilizers Limited - II	Listed	69	-	69	-	-	-	-	-
	Engro Fertilizers Limited	Unlisted	220	-	-	220	1,100,000	1,013,111	0.39	0.0253
	Agritech Limited - IV (note 5.4.3)	Unlisted	29	-	-	29	-	-	-	-
							<b>1,864,388</b>	<b>1,778,645</b>	<b>0.68</b>	

### 5.3.2 The terms and conditions of these term finance certificates are as follows:

Name of the investee company	Rating	Tenure	Profit payments / Principal redemptions	Repayment period	Effective rate during the year	Rate of return
<b>Commercial Banks</b>						
Bank Alfalah Limited - V	AA-	8 years	Semi annually	February 2021	9.72%	1.25% + 6 month KIBOR
<b>Chemicals</b>						
Engro Fertilizers Limited - Unlisted	A+	5 years	Semi annually	March 2018	9.83%	1.25% + 6 month KIBOR
Agritech Limited - IV	NPA	3.5 years	Semi annually	July 2011 - January 2015	N/A	N/A

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.4 Sukuk Certificates - Available for sale

### Debt Sub-Fund

Name of the investee company	Status	As at 1 July 2014	Purchases during the year	Sales / matured during the year	Carrying value	Market Value	Market value as a % of net assets of the Sub-Fund
-----Number of certificates-----							
<b>Chemicals</b> Agritech Limited (note 5.4.2)	Unlisted	200	-	-	200	-	-

### 5.4.1 The terms and conditions of the Sukuk Certificates is as follows:

Name of the investee company	Rating	Tenure	Profit payments / Principal redemptions	Repayment period	Effective rate during the year	Rate of return
-----Number of certificates-----						
<b>Chemicals</b> Agritech Limited	NPA	7 years	Semi annually	February 2011 - August 2015	10.53%	2.00%+ 6 month KIBOR

### 5.4.2 Particulars of non-performing investments

These securities have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 and accordingly an aggregate provision of Rs. 1,145,000 (30 June 2014: Rs.1,145,000) has been made in accordance with the provisioning requirements specified by the SECP. During the year ended 30 June 2012, the Debt Sub-Fund had entered into a restructuring agreement with Agritech Limited (the Company) whereby all overdue profit receivable on Sukuk Certificates held by the Deb Sub-Fund was converted into zero coupon Term Finance Certificates (TFCs). In this regard, the aggregate provision also includes a provision amounting to Rs.145,000 against these TFCs to fully cover the amount of investment. Accordingly, the Fund holds 29 certificates (having face value of Rs. 5,000 each) of Agritech Limited IV as at 30 June 2015. The details of these non-performing investments are as follows:

Non-performing investment	Type of investment	Value before provision	Provision held	Net carrying value
-----Rupees-----				
Agritech Limited	Sukuk Certificates	1,000,000	1,000,000	-
Agritech Limited - IV	Term Finance Certificate	145,000	145,000	-
		<b>1,145,000</b>	<b>1,145,000</b>	<b>-</b>

### 5.5 All term finance certificates and sukuk certificates have a face value of Rs 5,000 each.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.6 Pakistan Investment Bonds - Available for sale

		Balance as at 30 June 2015						
		As at 1 July 2014	Purchases during the year	Matured / sold during the year	As at 30 June 2015	Amortised cost	Market value	Market value as a % of net assets of Sub Fund
		-----Face value (Rupees)-----			-----Rupees-----			
<b>5.6.1 Debt Sub-Fund</b>								
	Pakistan Investment Bonds	97,500,000	179,400,000	139,500,000	137,400,000	139,634,976	143,935,524	55.24

5.6.1.1 These carry interest at the rates ranging from 9.25% to 11.50% per annum (2014:11.25% to 11.50% per annum) and will mature between 19 July 2015 and 26 March 2020 (2014: 19 July 2015 and 18 July 2018).

## 6. INTEREST ACCRUED

	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	-----Rupees-----					-----Rupees-----				
Profit on deposits	26,346	87,978	113,664	57,666	285,654	107,350	50,923	82,724	169,928	410,925
Pakistan Investment Bonds	-	6,093,146	-	-	6,093,146	-	4,938,116	-	-	4,938,116
Term Finance Certificates and Sukuk Certificates	-	104,389	-	-	104,389	-	82,092	-	-	82,092
	<b>26,346</b>	<b>6,285,513</b>	<b>113,664</b>	<b>57,666</b>	<b>6,483,189</b>	<b>107,350</b>	<b>5,071,131</b>	<b>82,724</b>	<b>169,928</b>	<b>5,431,133</b>

## 7. SECURITY DEPOSITS AND OTHER RECEIVABLE

Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	-	300,000	100,000	100,000	100,000	-	300,000
Receivable against book building for Ordinary Shares of Pakistan Petroleum Limited	-	-	-	-	-	787,500	-	-	-	787,500
Other receivable	34,834	3,333	3,333	-	41,500	3,334	3,333	3,333	-	10,000
	<b>134,834</b>	<b>103,333</b>	<b>103,333</b>	<b>-</b>	<b>341,500</b>	<b>890,834</b>	<b>103,333</b>	<b>103,333</b>	<b>-</b>	<b>1,097,500</b>

## 8. PAYABLE TO THE PENSION FUND MANAGER - Related party

Note	2015						2014					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	-----Rupees-----						-----Rupees-----					
Pension Fund Manager fee	307,537	278,866	152,715	39,682	-	778,800	205,225	194,158	118,216	40,077	-	557,676
Sindh sales tax on remuneration of the Pension Fund Manager	179,871	164,658	105,694	29,858	-	480,081	88,603	85,850	62,025	18,655	-	255,133
Federal Excise Duty payable on remuneration of the Pension Fund Manager	868,368	796,024	533,952	154,269	-	2,352,613	348,548	342,401	269,443	76,514	-	1,036,906
Front-end fee payable	-	-	-	-	6,759	6,759	-	-	-	-	7,635	7,635
	<b>1,355,776</b>	<b>1,239,548</b>	<b>792,361</b>	<b>223,809</b>	<b>6,759</b>	<b>3,618,253</b>	<b>642,376</b>	<b>622,409</b>	<b>449,684</b>	<b>135,246</b>	<b>7,635</b>	<b>1,857,350</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

8.1 In accordance with the provisions of the VPS Rules, the Pension Fund Manager is entitled to receive an annual management fee of 1.50% per annum average of the value of the net assets of the Fund calculated during the year for determining the prices of the units of the Sub-Funds. The Pension Fund Manager has charged its remuneration at the rate of 1.50% per annum (2014:1.50%) of the average value of the net assets of the Equity Sub Fund for the year ended , whilst for APF - Debt Sub Fund, APF - Money Market Sub Fund and Gold Sub Fund, the Pension Fund Manager has charged its remuneration at the rate of 1.25% (2014: 1 July 2013 to 28 February 2014: 1.5% and 01 March 2014 to 30 June 2014 :1.25%) and 1.00% (2014: 01 July 2013 to 28 February 2014:1.5% and 01 March 2014 to 30 June 2014:1.25%) and 1.50% (2014 : 1.5%) respectively of the average value of the net assets of these Sub Funds, which is paid monthly in arrears.

In accordance with the provisions of the VPS Rules, the Pension Fund Manager is allowed to charge a maximum front-end fee of 3% of all the contributions received from a participant of the Fund. The Pension Fund Manager has accordingly charged front end fee upto a maximum of 3% during the year.

8.2 During the year, an amount of Rs.1,430,832 (2014: Rs.1,155,058) was charged on account of sales tax on remuneration of the Pension Fund Manager levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.1,205,884 (2014:Rs.973,940) has been paid to the Pension Fund Manager which acts as a collecting agent.

8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Penion Fund Manager of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Pension Fund Manager is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies / pension fund managers including that of the Fund, together with their representative Collective Investment Schemes / Voluntary Pension Schemes through their trustees, challenging the levy of FED. In this respect, the Hon'ble SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

In view of the pending decision, as a matter of abundant caution, the Pension Fund Manager of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2014, aggregating to Rs.2,352,613 (2014: Rs.1,036,906).

## 9. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (TRUSTEE) - Related Party

	Note	2015					2014				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
		-----Rupees-----									
Trustee fee	9.1	30,756	33,465	22,903	3,971	91,095	20,521	23,298	17,730	4,007	65,556
Settlement charges		1,500	500	500	-	2,500	1,500	500	500	-	2,500
		<b>32,256</b>	<b>33,965</b>	<b>23,403</b>	<b>3,971</b>	<b>93,595</b>	<b>22,021</b>	<b>23,798</b>	<b>18,230</b>	<b>4,007</b>	<b>68,056</b>

9.1 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 structure specified below, based on average annual net assets of the Fund, paid monthly, in arrears:

### On net assets:

- |                                    |  |
|------------------------------------|--|
| - upto Rs. 1 billion               | Rs. 0.3 million, or 0.15% per annum of net assets, whichever is higher.                |
| - Rs. 1 billion upto Rs. 3 billion | Rs. 1.5 million plus 0.10% per annum of net assets, on amount exceeding Rs. 1 billion. |
| - Rs. 3 billion upto Rs. 6 billion | Rs. 3.5 million plus 0.08% per annum of net assets, on amount exceeding Rs. 3 billion. |
| - Exceeding Rs. 6 billion          | Rs. 5.9 million plus 0.06% per annum of net assets, on amount exceeding Rs. 6 billion. |



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 10. FINANCIAL LIABILITIES / (ASSETS) AT FAIR VALUE THROUGH INCOME STATEMENT Held-for-trading - derivative financial instruments

Note	30 June	30 June
	2015	2014
	-----Rupees-----	
10.1	<u>503,136</u>	<u>(121,875)</u>

- Future Gold Contracts

10.1 This represents net fair value of gold futures contracts entered into by the Fund at the Pakistan Mercantile Exchange Limited. The details of the outstanding contracts are given in the table below:

Commodity Contracts	Maturity Date	Quantity - ounces	Value of Gold in futures market US \$	Value of Gold in futures market equivalent Pak Rupees	Market Value as a Percentage of net assets
Gold 10 oz - Aug. 2015	27 July 2015	180	210,924	21,467,845	66.36
Gold 1 oz - Aug. 2015	27 July 2015	29	33,982	3,458,708	10.69
		<u>209</u>	<u>244,906</u>	<u>24,926,553</u>	<u>77.05</u>
Liabilities against gold futures at contracted rates USD\$ 249,850				25,429,689	
Unrealised loss on future contracts of gold				<u>503,136</u>	

## 11 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2015						2014					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	-----Rupees-----											
Withholding tax payable	4,613	2,845	1,850	330	3,869,870	3,879,508	-	-	-	-	5,374,282	5,374,282
Payable to broker	-	9,496	-	-	-	9,496	-	-	-	-	-	-
Zakat payable	-	-	-	-	3,211	3,211	-	-	-	-	8,002	8,002
Provision for Workers' Welfare Fund	2,901,187	1,152,188	862,113	39,823	-	4,955,311	2,051,799	690,205	608,380	39,823	-	3,390,207
Others	-	-	-	-	10,000	10,000	-	-	-	-	10,000	10,000
	<u>2,905,800</u>	<u>1,164,529</u>	<u>863,963</u>	<u>40,153</u>	<u>3,883,081</u>	<u>8,857,526</u>	<u>2,051,799</u>	<u>690,205</u>	<u>608,380</u>	<u>39,823</u>	<u>5,392,284</u>	<u>8,782,491</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

11.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs / Pension Funds through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / Pension Funds, which is pending adjudication. However, without prejudice to the above, the Pension Fund Manager has been providing for WWF contribution since the financial year ended 30 June 2010.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that Mutual Funds / Pension Funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF, including some of the mutual funds / pension funds managed by the Pension Fund Manager, including the Fund. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds, including the Fund, have been granted stay by the Honourable SHC on the basis of the pending constitutional petition as referred above.

In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honourable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills.

In a recent judgement of May 2014, the Honourable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision, the Pension Fund Manager of the Fund, as a matter of abundant caution, has continued to maintain the provision in respect of WWF which amounts to Rs. 4,955,311 as at 30 June 2015 (2014: Rs.3,390,207). Had the same not been made, the net asset value per unit of the Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Gold Sub-Fund would have been higher by Rs. 4.13, Re. 0.90, Re. 0.87 and Re. 0.13 (2014: Rs.3.49, Re.0.65, Re.0.73 and Re.0.13) per unit respectively.

## 12. NUMBER OF UNITS IN ISSUE

	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	-----Number of units-----					-----Number of units-----				
Total units in issue at the beginning of the year	587,970	1,060,921	834,533	316,368	2,799,792	473,144	759,831	622,020	300,000	2,154,995
Add: Issue of units during the year										
- Directly by participants	152,322	408,065	307,562	4,035	871,984	177,580	525,412	282,976	16,399	1,002,367
Less: Units redeemed during the year										
- Directly by participants	(29,203)	(182,471)	(152,779)	(1,211)	(365,664)	(62,754)	(224,322)	(70,463)	(31)	(357,570)
- Transfer to other Pension Fund	(8,096)	(10,187)	-	-	(18,283)	-	-	-	-	-
	<b>(37,299)</b>	<b>(192,658)</b>	<b>(152,779)</b>	<b>(1,211)</b>	<b>(383,947)</b>	<b>(62,754)</b>	<b>(224,322)</b>	<b>(70,463)</b>	<b>(31)</b>	<b>(357,570)</b>
Total units in issue at the end of the year	<b>702,993</b>	<b>1,276,328</b>	<b>989,316</b>	<b>319,192</b>	<b>3,287,829</b>	<b>587,970</b>	<b>1,060,921</b>	<b>834,533</b>	<b>316,368</b>	<b>2,799,792</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 13. CONTINGENCIES AND COMMITMENTS

13.1 There were no contingencies outstanding as at 30 June 2015 and as at 30 June 2014.

### 13.2 COMMITMENTS

Note	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	-----Rupees-----									
Purchase of: Ounce Gold Contracts US \$ 244,906 (30 June 2014 : US \$ 270,933)										
13.2.1	-	-	-	24,926,553	24,926,553	-	-	-	26,768,161	26,768,161

13.2.1 This represents the investment in future gold contracts with settlement date of 27 July 2015 (30 June 2014: 28 July 2014 and 26 September 2014).

## 14. INTEREST INCOME

Note	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	-----Rupees-----									
Profit on PLS savings accounts and deposits	708,803	461,719	1,534,179	1,409,595	4,114,296	1,187,920	642,246	1,030,687	1,527,334	4,388,187
Term Finance Certificates and Sukuk Certificates	-	290,336	-	-	290,336	-	409,346	-	-	409,346
Pakistan Investment Bonds	-	16,199,711	-	-	16,199,711	-	3,258,421	-	-	3,258,421
Treasury Bills	-	6,167,285	13,648,026	1,230,757	21,046,068	-	10,096,368	10,628,248	1,196,456	21,921,072
	<b>708,803</b>	<b>23,119,051</b>	<b>15,182,205</b>	<b>2,640,352</b>	<b>41,650,411</b>	<b>1,187,920</b>	<b>14,406,381</b>	<b>11,658,935</b>	<b>2,723,790</b>	<b>29,977,026</b>

14.1 Mark-up on non-performing securities amounting to Rs.491,253 (2014: Rs.375,726) based on outstanding principal has not been recognised, in accordance with SECP's directives.

## 15. AUDITOR'S REMUNERATION

	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	-----Rupees-----									
Audit fee	50,646	52,933	38,807	7,614	150,000	31,332	32,840	27,219	7,609	99,000
Sindh Sales Tax on services	2,532	2,647	1,940	381	7,500	1,253	1,314	1,089	304	3,960
Out of pocket expenses	6,693	6,995	5,129	1,005	19,822	4,156	4,356	3,611	1,010	13,133
	<b>59,871</b>	<b>62,575</b>	<b>45,876</b>	<b>9,000</b>	<b>177,322</b>	<b>36,741</b>	<b>38,510</b>	<b>31,919</b>	<b>8,923</b>	<b>116,093</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 16. NET UNREALISED APPRECIATION / (DIMINUTION) ON REMEASUREMENT OF INVESTMENTS CLASSIFIED AS 'AVAILABLE FOR SALE

	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	Rupees					Rupees				
Market value of investments	-	240,713,017	157,745,620	-	398,458,637	-	178,120,457	122,808,389	-	300,928,846
Less: Cost of investments	-	237,533,129	157,664,835	-	395,197,964	-	179,401,628	122,821,778	-	302,223,406
	-	3,179,888	80,785	-	3,260,673	-	(1,281,171)	(13,389)	-	(1,294,560)
Less: Net unrealised diminution / (appreciation) in the value of investments at the beginning of the year	-	1,281,171	13,389	-	1,294,560	-	1,221,199	(29,864)	-	1,191,335
Transferred to comprehensive income / (loss) during the year	-	4,461,059	94,174	-	4,555,233	-	(59,972)	(43,253)	-	(103,225)

## 17. CONTRIBUTION TABLE

	2015										2014									
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund		Total		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals	114,488	41,949,285	313,004	61,987,486	226,190	43,786,093	-	-	147,722,864	131,820	39,787,588	415,752	73,825,286	223,062	39,862,363	13,874	1,396,040	154,871,277		
Employers	37,834	13,276,470	95,061	18,636,173	81,372	15,743,031	4,035	409,341	48,065,015	45,760	12,724,564	109,660	19,343,956	59,914	10,778,213	2,525	265,690	43,112,423		
	152,322	55,225,755	408,065	80,623,659	307,562	59,529,124	4,035	409,341	195,787,879	177,580	52,512,152	525,412	93,169,242	282,976	50,640,576	16,399	1,661,730	197,983,700		

## 18. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Atlas Asset Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager and the directors and executives of the Pension Fund Manager.

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

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

The outstanding balances of connected persons / related parties are disclosed in the respective notes to the financial statements.

	2015						2014					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	Rupees						Rupees					
<b>Atlas Asset Management Limited (Pension Fund Manager)</b>												
Remuneration for the year	3,248,878	2,835,141	1,653,183	485,966	-	8,223,168	2,091,360	2,050,879	1,606,622	474,515	-	6,223,376
Sindh sales tax on remuneration of the Pension Fund Manager	565,305	493,315	287,654	84,558	-	1,430,832	388,156	380,643	298,189	88,070	-	1,155,058
Federal Excise Duty on remuneration of the Pension Fund Manager	519,820	453,623	264,509	77,755	-	1,315,707	334,618	328,141	257,060	75,922	-	995,741
Remuneration paid	3,146,566	2,750,433	1,618,684	486,361	-	8,002,044	2,031,251	2,002,315	1,615,423	438,137	-	6,087,126
Front-end fee	-	-	-	-	77,784	77,784	-	-	-	-	81,249	81,249
Investment at year end	63,295,800	33,888,900	32,921,120	30,405,000	-	160,510,820	52,255,140	29,981,260	30,502,500	31,872,000	-	144,610,900
Units held (Number of units)	166,000	166,000	166,000	300,000	-	798,000	166,000	166,000	166,000	300,000	-	798,000
<b>Central Depository Company of Pakistan Limited (Trustee)</b>												
Trustee fee	324,898	340,221	247,974	48,739	-	961,832	209,156	218,758	183,088	47,443	-	658,445
Trustee fee paid	314,663	330,054	242,801	48,775	-	936,293	203,149	210,017	178,060	43,805	-	635,031
Settlement charges	25,487	6,000	6,000	-	-	37,487	17,649	6,000	6,000	-	-	29,649

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 18. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES (Continued...)

	2015						2014					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	Rupees											
<b>Key management personnel</b>												
Contributions	5,277,701	1,848,262	444,173	22,087	-	7,592,223	6,088,343	3,855,070	1,910,382	21,570	-	11,875,365
Contributions (Number of units)	15,007	9,566	2,339	216	-	27,128	21,762	21,907	10,656	213	-	54,538
Redemptions	-	-	-	-	-	-	2,399,208	2,268,905	1,415,227	-	-	6,083,340
Redemptions (Number of units)	-	-	-	-	-	-	8,113	12,884	7,898	-	-	28,895
Re-allocation	4,018,953	(1,357,691)	(2,553,011)	(108,251)	-	-	(935,011)	868,813	(335)	66,533	-	-
Re-allocation (Number of units)	10,669	(6,643)	(12,893)	(1,066)	-	(9,933)	(2,937)	4,812	(39)	637	-	2,473
Investment in Income Payment Plan	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Income Payment Plan (Units)	-	-	-	-	-	-	-	-	-	-	-	-
Payment from Income Payment Plan	-	-	644,843	-	-	644,843	-	-	604,681	-	-	604,681
Payment from Income Payment Plan (Units)	-	-	3,378	-	-	3,378	-	-	3,409	-	-	3,409
Investment at year end	37,655,629	11,953,858	7,483,291	-	-	57,092,778	23,004,659	10,047,502	9,493,503	90,251	-	42,635,915
Units held (Number of units)	98,755	58,554	37,733	-	-	195,042	73,079	55,631	51,665	850	-	181,225

## 19. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2015														
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Gold Sub-Fund			Others		
	Loans and receivables	At fair value through profit or loss	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total	Loans and receivables	At fair value through profit or loss	Total	Loans and receivables	Available for sale	Total
<b>Financial assets</b>															
Bank balances	18,131,791	-	18,131,791	16,041,271	-	16,041,271	40,134,454	-	40,134,454	6,416,566	-	6,416,566	3,997,113	-	3,997,113
Receivable against sale of investments	2,231,227	-	2,231,227	-	-	-	-	-	-	-	-	-	-	-	-
Investments - net	-	258,540,100	258,540,100	-	240,713,017	240,713,017	-	157,745,620	157,745,620	-	19,969,600	19,969,600	-	-	-
Dividend receivable	963,454	-	963,454	-	-	-	-	-	-	-	-	-	-	-	-
Interest accrued	26,346	-	26,346	6,285,513	-	6,285,513	113,664	-	113,664	57,666	-	57,666	-	-	-
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	-	-	-	-	-	-	-	6,696,657	-	6,696,657	-	-	-
Security deposit and other receivables	134,834	-	134,834	103,333	-	103,333	103,333	-	103,333	-	-	-	-	-	-
	<b>21,487,652</b>	<b>258,540,100</b>	<b>280,027,752</b>	<b>22,430,117</b>	<b>240,713,017</b>	<b>263,143,134</b>	<b>40,351,451</b>	<b>157,745,620</b>	<b>198,097,071</b>	<b>13,170,889</b>	<b>19,969,600</b>	<b>33,140,489</b>	<b>3,997,113</b>	<b>-</b>	<b>3,997,113</b>

	As at 30 June 2015														
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Gold Sub-Fund			Others		
	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total
<b>Financial liabilities</b>															
Payable against redemption of units	-	-	-	-	-	-	-	116,307	116,307	-	-	-	-	-	107,273
Payable against purchase of investments	-	7,552,727	7,552,727	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Pension Fund Manager	-	1,355,776	1,355,776	-	1,239,548	1,239,548	-	792,361	792,361	-	223,809	223,809	-	6,759	6,759
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	32,256	32,256	-	33,965	33,965	-	23,403	23,403	-	3,971	3,971	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	503,136	503,136	-	-	-
Payable to the auditors	-	59,916	59,916	-	62,620	62,620	-	45,920	45,920	-	9,044	9,044	-	-	-
Accrued expenses and other liabilities	-	-	-	-	9,496	9,496	-	-	-	-	-	-	-	-	-
	<b>-</b>	<b>9,000,675</b>	<b>9,000,675</b>	<b>-</b>	<b>1,345,629</b>	<b>1,345,629</b>	<b>-</b>	<b>977,991</b>	<b>977,991</b>	<b>-</b>	<b>739,960</b>	<b>739,960</b>	<b>-</b>	<b>114,032</b>	<b>114,032</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 19. FINANCIAL INSTRUMENTS BY CATEGORY (Continued...)

-----As at 30 June 2014-----															
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Gold Sub-Fund			Others		
	Loans and receivables	At fair value through profit or loss	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total	Loans and receivables	At fair value through profit or loss	Total	Loans and receivables	Available for sale	Total
Rupees															
Financial assets															
Bank balances	20,628,108	-	20,628,108	9,747,511	-	9,747,511	31,581,420	-	31,581,420	24,763,532	-	24,763,532	5,500,298	-	5,500,298
Receivable against sale of investments	2,557,860	-	2,557,860	-	-	-	-	-	-	-	-	-	-	-	-
Investments - net	-	174,574,790	174,574,790	-	178,120,457	178,120,457	-	122,808,389	122,808,389	-	-	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	1,135,275	1,135,275	-	-	-
Dividend receivable	121,875	-	121,875	-	-	-	-	-	-	-	-	-	-	-	-
Interest accrued	107,350	-	107,350	5,071,131	-	5,071,131	82,724	-	82,724	169,928	-	169,928	-	-	-
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	-	-	-	-	-	-	-	7,739,820	-	7,739,820	-	-	-
Security deposit and other receivables	890,834	-	890,834	103,333	-	103,333	103,333	-	103,333	-	-	-	-	-	-
	<b>24,306,027</b>	<b>174,574,790</b>	<b>198,880,817</b>	<b>14,921,975</b>	<b>178,120,457</b>	<b>193,042,432</b>	<b>31,767,477</b>	<b>122,808,389</b>	<b>154,575,866</b>	<b>32,673,280</b>	<b>1,135,275</b>	<b>33,808,555</b>	<b>5,500,298</b>	<b>-</b>	<b>5,500,298</b>

-----As at 30 June 2014-----															
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Gold Sub-Fund			Others		
	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total
Rupees															
Financial liabilities															
Payable against redemption of units	-	-	-	-	-	-	-	78,592	78,592	-	-	-	-	100,379	100,379
Payable against purchase of investments	-	10,991,030	10,991,030	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Pension Fund Manager	-	642,376	642,376	-	622,409	622,409	-	449,684	449,684	-	135,246	135,246	-	7,635	7,635
Payable to the Central Depository Company of Pakistan Limited - Trustees	-	22,021	22,021	-	23,798	23,798	-	18,230	18,230	-	4,007	4,007	-	-	-
Payable to the auditors	-	39,030	39,030	-	40,799	40,799	-	34,208	34,208	-	8,923	8,923	-	-	-
	<b>-</b>	<b>11,694,457</b>	<b>11,694,457</b>	<b>-</b>	<b>687,006</b>	<b>687,006</b>	<b>-</b>	<b>580,714</b>	<b>580,714</b>	<b>-</b>	<b>148,176</b>	<b>148,176</b>	<b>-</b>	<b>108,014</b>	<b>108,014</b>

## 20. FINANCIAL RISK MANAGEMENT

The Fund primarily invests in listed equity securities, government securities, term finance certificates, sukuk certificates and deposits with scheduled banks. These activities are exposed to a variety of financial risks: market risks, credit risk and liquidity risks.

### 20.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and other 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 because of changes in foreign exchange rates. Other than APF Gold Sub Fund which has invested in gold futures contracts denominated in US Dollars, the Fund at present is not exposed to currency risk as all transactions are carried out in Pakistani Rupees. For APF Gold Sub Fund which is exposed to foreign currency risk, which may affect the value of the Sub Fund's net assets due to favorable or unfavorable fluctuations in currency rates, at 30 June 2015, if the Pak Rupee was strengthened / weakened by 100 basis points against the US Dollar with all other variables held constant, the net income for the year would have been higher / lower by Rs.1,489 (30 June 2014: Rs. 2,278) with corresponding effect on net assets of the APF Gold Sub Fund attributable to the participants.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 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 because of changes in market interest rates.

### a) Sensitivity analysis of variable rate instruments

Presently the Debt Sub-Fund holds KIBOR based profit bearing Term Finance Certificates and Sukuk Certificates exposing the Sub-Funds to cash flow interest rate risk. The impact of 100 basis points increase / decrease in KIBOR on 30 June 2015, with all other variables held constant, on the net assets of the Fund and on net income for the year is shown below:

#### Change in basis points

100  
(100)

2015 Effect on net income and net assets		
Debt Sub-Fund	Money Market Sub-Fund	Total
----- Rupees -----		
10,905	-	10,905
(10,905)	-	(10,905)

### b) Sensitivity analysis of fixed rate instruments

Presently the Debt Sub-Fund and MoneyMarketSub-Fund hold Pakistan InvestmentBonds and Treasury Bills which are classified as 'available for sale' exposing the Fund to fair value interest rate risk. The impact of 100 basis points increase / decrease in average broker rates on 30 June 2015, with all variables held constant, on the net assets and other comprehensive income for the year is as follows:

#### Change in basis points

100  
(100)

2015 Effect on comprehensive income and net assets		
Debt Sub-Fund	Money Market Sub-Fund	Total
----- Rupees -----		
(2,669,513)	(247,830)	(2,917,343)
2,756,353	248,942	3,005,295

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the effect on the Fund's net assets due to 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 settlement date.

## Equity Sub-Fund

### On-balance sheet financial instruments

#### Financial assets

Bank balances  
Receivable against sale of investments  
Investments - net  
Dividend receivable  
Interest accrued  
Security deposit and other receivables

#### Financial liabilities

Payable against purchase of investments  
Payable to the Pension Fund Manager  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Payable to the auditors

### On-balance sheet gap

### Off-balance sheet financial instruments

### Off-balance sheet gap

### Total interest rate sensitivity gap

### Cumulative interest rate sensitivity gap

-----As at 30 June 2015-----					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----					
5 - 7.10	18,131,791	-	-	-	18,131,791
	-	-	-	2,231,227	2,231,227
	-	-	-	258,540,100	258,540,100
	-	-	-	963,454	963,454
	-	-	-	26,346	26,346
	-	-	-	134,834	134,834
	<b>18,131,791</b>	<b>-</b>	<b>-</b>	<b>261,895,961</b>	<b>280,027,752</b>
	-	-	-	7,552,727	7,552,727
	-	-	-	1,355,776	1,355,776
	-	-	-	32,256	32,256
	-	-	-	59,916	59,916
	-	-	-	<b>9,000,675</b>	<b>9,000,675</b>
<b>On-balance sheet gap</b>	<b>18,131,791</b>	<b>-</b>	<b>-</b>	<b>252,895,286</b>	<b>271,027,077</b>
<b>Off-balance sheet financial instruments</b>	-	-	-	-	-
<b>Off-balance sheet gap</b>	-	-	-	-	-
<b>Total interest rate sensitivity gap</b>	<b>18,131,791</b>	<b>-</b>	<b>-</b>	<b>252,895,286</b>	<b>271,027,077</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>18,131,791</b>	<b>18,131,791</b>	<b>18,131,791</b>	<b>271,027,077</b>	



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Debt Sub-Fund

-----As at 30 June 2015-----					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	5 - 7.10	16,041,271	-	-	16,041,271
Investments - net	6.70 - 9.10	194,485,759	46,227,258	-	240,713,017
Interest accrued		-	-	6,285,513	6,285,513
Security deposit and other receivables		-	-	103,333	103,333
		<b>210,527,030</b>	<b>46,227,258</b>	<b>6,388,846</b>	<b>263,143,134</b>
<b>Financial liabilities</b>					
Payable to the Pension Fund Manager		-	-	1,239,548	1,239,548
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	33,965	33,965
Payable to the auditors		-	-	62,620	62,620
Accrued expenses and other liabilities		-	-	9,496	9,496
		-	-	<b>1,345,629</b>	<b>1,345,629</b>
<b>On-balance sheet gap</b>		<b>210,527,030</b>	<b>46,227,258</b>	<b>5,043,217</b>	<b>261,797,505</b>
<b>Off-balance sheet financial instruments</b>					
		-	-	-	-
<b>Off-balance sheet gap</b>		-	-	-	-
<b>Total interest rate sensitivity gap</b>		<b>210,527,030</b>	<b>46,227,258</b>	<b>5,043,217</b>	<b>261,797,505</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>210,527,030</b>	<b>256,754,288</b>	<b>256,754,288</b>	<b>261,797,505</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Money Market Sub-Fund

-----As at 30 June 2015-----					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	5 - 7.10	40,134,454	-	-	40,134,454
Investments - net	6.62 - 9.12	126,485,798	31,259,822	-	157,745,620
Interest accrued		-	-	113,664	113,664
Security deposit and other receivables		-	-	103,333	103,333
		<b>166,620,252</b>	<b>31,259,822</b>	<b>216,997</b>	<b>198,097,071</b>
<b>Financial liabilities</b>					
Payable against redemption of units		-	-	116,307	116,307
Payable to the Pension Fund Manager		-	-	792,361	792,361
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	23,403	23,403
Payable to the auditors		-	-	45,920	45,920
		-	-	<b>977,991</b>	<b>977,991</b>
<b>On-balance sheet gap</b>		<b>166,620,252</b>	<b>31,259,822</b>	<b>(760,994)</b>	<b>197,119,080</b>
<b>Off-balance sheet financial instruments</b>					
		-	-	-	-
<b>Off-balance sheet gap</b>		-	-	-	-
<b>Total interest rate sensitivity gap</b>		<b>166,620,252</b>	<b>31,259,822</b>	<b>(760,994)</b>	<b>197,119,080</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>166,620,252</b>	<b>197,880,074</b>	<b>197,880,074</b>	<b>197,119,080</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Gold Sub-Fund

-----As at 30 June 2015-----					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
-----Rupees-----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	7.1	6,416,566	-	-	6,416,566
Investments - net	7.55	19,969,600	-	-	19,969,600
Financial assets at fair value through profit or loss		-	-	-	-
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	5.00	6,696,657	-	-	6,696,657
Interest accrued		-	-	57,666	57,666
		<b>33,082,823</b>	-	<b>57,666</b>	<b>33,140,489</b>
<b>Financial liabilities</b>					
Payable to the Pension Fund Manager		-	-	223,809	223,809
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	3,971	3,971
Financial liabilities at fair value through profit or loss		-	-	503,136	503,136
Payable to the auditors		-	-	9,044	9,044
		-	-	<b>739,960</b>	<b>739,960</b>
<b>On-balance sheet gap</b>		<b>33,082,823</b>	-	<b>(682,294)</b>	<b>32,400,529</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Total interest rate sensitivity gap</b>		<b>33,082,823</b>	-	<b>(682,294)</b>	<b>32,400,529</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>33,082,823</b>	<b>33,082,823</b>	<b>33,082,823</b>	<b>32,400,529</b>

## 20.1.3 Price risk

### Equity Sub-Fund

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

The Equity Sub Fund is exposed to equity price risk because of equity securities held by it and classified on the statement of assets and liabilities 'at fair value through profit or loss'. To manage its price risk arising from investment in equity securities, the Equity Sub Fund's investment policy limits investments in listed shares of one company to not more than ten percent (10%) of its net assets. Moreover, the sector limits have been restricted to thirty percent (30%) of the net assets of the Sub-Fund and investment in listed securities of a particular company have also been restricted to ten percent (10%) of the paid up capital of investee company.

In case of 5% change in KSE 100 index on 30 June 2015, with all other variables held constant, net income for the year would increase / decrease by Rs.12,927,005 (2014: Rs.8,728,740) as a result of gains / losses on equity securities classified as 'at fair value through profit or loss'.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Sub-Funds equity instruments moved according to historical correlation with the index. This represents the Pension Fund Manager's best estimate of a reasonable possible shift in the KSE 100 index, having regard to historical volatility of the index. The composition of the Sub-Fund investment's portfolio and the correlation thereof to the KSE 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of the KSE 100 index.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Gold Sub-Fund

The Gold Sub Fund is exposed to the future gold price risk because of future gold contracts held by it and classified on the statement of assets and liabilities 'at fair value through profit or loss'. A decrease / increase of 5% in the quoted price of future gold contracts at the Pakistan Mercantile Exchange would have an impact of approximately Rs.1,246,328 ( 30 June 2014: Rs. 1,338,408) on the net income for the year with the consequent effect on net assets of the Sub-Fund's. The sensitivity analysis is based on the Sub-Fund's commodity securities at each statement of assets and liabilities date, with all other variables held constant.

## 20.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations and commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset close to its fair value. The Pension Fund Manager manages liquidity risk by continuously analysing the maturities of the financial assets and financial liabilities. Since the Participants of the funds have invested with a long term objective, the possibility of a significant redemption pressure is limited.

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

### 20.2.1 Equity Sub-Fund

	2015							2014						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total
	Rupees							Rupees						
<b>Financial assets</b>														
Bank balances	18,131,791	-	-	-	-	-	18,131,791	20,628,108	-	-	-	-	-	20,628,108
Receivable against sale of investments	2,231,227	-	-	-	-	-	2,231,227	2,557,860	-	-	-	-	-	2,557,860
Investments - net	-	-	-	-	-	258,540,100	258,540,100	-	-	-	-	-	174,574,790	174,574,790
Dividends receivable	963,454	-	-	-	-	-	963,454	121,875	-	-	-	-	-	121,875
Interest accrued	26,346	-	-	-	-	-	26,346	107,350	-	-	-	-	-	107,350
Security deposit and other receivables	-	-	-	-	134,834	-	134,834	787,500	-	-	-	103,334	-	890,834
	<b>21,352,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134,834</b>	<b>258,540,100</b>	<b>280,027,752</b>	<b>24,202,693</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,334</b>	<b>174,574,790</b>	<b>198,880,817</b>
<b>Financial liabilities</b>														
Payable against purchase of investments	7,552,727	-	-	-	-	-	7,552,727	10,991,030	-	-	-	-	-	10,991,030
Payable to the Pension Fund Manager	1,355,776	-	-	-	-	-	1,355,776	642,376	-	-	-	-	-	642,376
Payable to the Central Depository Company of Pakistan - Trustee	32,256	-	-	-	-	-	32,256	22,021	-	-	-	-	-	22,021
Payable to the auditors	-	59,916	-	-	-	-	59,916	-	39,030	-	-	-	-	39,030
	<b>8,940,759</b>	<b>59,916</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,000,675</b>	<b>11,655,427</b>	<b>39,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,694,457</b>
<b>Net assets</b>	<b>12,412,059</b>	<b>(59,916)</b>	<b>-</b>	<b>-</b>	<b>134,834</b>	<b>258,540,100</b>	<b>271,027,077</b>	<b>12,547,266</b>	<b>(39,030)</b>	<b>-</b>	<b>-</b>	<b>103,334</b>	<b>174,574,790</b>	<b>187,186,360</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 20.2.2 Debt Sub-Fund

	2015						2014					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Rupees						Rupees					
<b>Financial assets</b>												
Bank balances	16,041,271	-	-	-	-	16,041,271	9,747,511	-	-	-	-	9,747,511
Investments - net	44,843,074	8,938,863	44,227,411	141,939,971	763,698	240,713,017	31,925,472	47,570,567	453,323	97,398,109	772,986	178,120,457
Interest accrued	4,518,967	1,766,546	-	-	-	6,285,513	4,989,039	76,365	5,727	-	-	5,071,131
Security deposit and other receivables	-	-	-	-	103,333	103,333	-	-	-	-	103,333	103,333
	<b>65,403,312</b>	<b>10,705,409</b>	<b>44,227,411</b>	<b>141,939,971</b>	<b>867,031</b>	<b>263,143,134</b>	<b>46,662,022</b>	<b>47,646,932</b>	<b>459,050</b>	<b>97,398,109</b>	<b>876,319</b>	<b>193,042,432</b>
<b>Financial liabilities</b>												
Payable to the Pension Fund Manager	1,239,548	-	-	-	-	1,239,548	622,409	-	-	-	-	622,409
Payable to the Central Depository Company of Pakistan Limited - Trustee	33,965	-	-	-	-	33,965	23,798	-	-	-	-	23,798
Payable to the auditors	-	62,620	-	-	-	62,620	-	40,799	-	-	-	40,799
Accrued expenses and other liabilities	9,496	-	-	-	-	9,496	-	-	-	-	-	-
	<b>1,283,009</b>	<b>62,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,345,629</b>	<b>646,207</b>	<b>40,799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>687,006</b>
<b>Net assets</b>	<b>64,120,303</b>	<b>10,642,789</b>	<b>44,227,411</b>	<b>141,939,971</b>	<b>867,031</b>	<b>261,797,505</b>	<b>46,015,815</b>	<b>47,606,133</b>	<b>459,050</b>	<b>97,398,109</b>	<b>876,319</b>	<b>192,355,426</b>

## 20.2.3 Money Market Sub-Fund

	2015						2014					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Rupees						Rupees					
<b>Financial assets</b>												
Bank balances	40,134,454	-	-	-	-	40,134,454	31,581,420	-	-	-	-	31,581,420
Investments - net	45,337,810	81,147,988	31,259,822	-	-	157,745,620	43,897,524	69,158,185	9,752,680	-	-	122,808,389
Interest accrued	113,664	-	-	-	-	113,664	82,724	-	-	-	-	82,724
Security deposit and other receivables	-	-	-	-	103,333	103,333	-	-	-	-	103,333	103,333
	<b>85,585,928</b>	<b>81,147,988</b>	<b>31,259,822</b>	<b>-</b>	<b>103,333</b>	<b>198,097,071</b>	<b>75,561,668</b>	<b>69,158,185</b>	<b>9,752,680</b>	<b>-</b>	<b>103,333</b>	<b>154,575,866</b>
<b>Financial liabilities</b>												
Payable against redemption of units	116,307	-	-	-	-	116,307	78,592	-	-	-	-	78,592
Payable to the Pension Fund Manager	792,361	-	-	-	-	792,361	449,684	-	-	-	-	449,684
Payable to the Central Depository Company of Pakistan Limited - Trustee	23,403	-	-	-	-	23,403	18,230	-	-	-	-	18,230
Payable to the auditors	-	45,920	-	-	-	45,920	-	34,208	-	-	-	34,208
	<b>932,071</b>	<b>45,920</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>977,991</b>	<b>546,506</b>	<b>34,208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>580,714</b>
<b>Net assets</b>	<b>84,653,857</b>	<b>81,102,068</b>	<b>31,259,822</b>	<b>-</b>	<b>103,333</b>	<b>197,119,080</b>	<b>75,015,162</b>	<b>69,123,977</b>	<b>9,752,680</b>	<b>-</b>	<b>103,333</b>	<b>153,995,152</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 20.2.4 Gold Sub-Fund

	2015					2014						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	----- Rupees -----						----- Rupees -----					
<b>Financial assets</b>												
Bank balances	6,416,566	-	-	-	-	6,416,566	24,763,532	-	-	-	-	24,763,532
Investments - net	19,969,600	-	-	-	-	19,969,600	-	-	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-	-	-	249,533	885,742	-	-	-	1,135,275
Interest accrued	57,666	-	-	-	-	57,666	169,928	-	-	-	-	169,928
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	6,696,657	-	-	6,696,657	-	-	7,739,820	-	-	7,739,820
	<b>26,443,832</b>	<b>-</b>	<b>6,696,657</b>	<b>-</b>	<b>-</b>	<b>33,140,489</b>	<b>25,182,993</b>	<b>885,742</b>	<b>7,739,820</b>	<b>-</b>	<b>-</b>	<b>33,808,555</b>
<b>Financial liabilities</b>												
Payable to the Pension Fund Manager	223,809	-	-	-	-	223,809	135,246	-	-	-	-	135,246
Payable to the Central Depository Company of Pakistan Limited - Trustee	3,971	-	-	-	-	3,971	4,007	-	-	-	-	4,007
Financial liabilities at fair value through profit or loss	503,136	-	-	-	-	503,136	-	-	-	-	-	-
Payable to the auditors	-	9,044	-	-	-	9,044	-	8,923	-	-	-	8,923
	<b>730,916</b>	<b>9,044</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>739,960</b>	<b>139,253</b>	<b>8,923</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,176</b>
<b>Net assets</b>	<b>25,712,916</b>	<b>(9,044)</b>	<b>6,696,657</b>	<b>-</b>	<b>-</b>	<b>32,400,529</b>	<b>25,043,740</b>	<b>876,819</b>	<b>7,739,820</b>	<b>-</b>	<b>-</b>	<b>33,660,379</b>

## 20.3 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of dividends receivable on equity securities, receivable against sale of investments, Margin deposits with Pakistan Mercantile Exchange Limited against future contracts of gold and investment in debt securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the national clearing company system. The risk of default is considered minimal due to inherent systematic measures taken therein. Risk attributable to investment in Treasury Bills and Pakistan Investment Bonds is limited as these are guaranteed by the Federal Government.

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mostly concentrated in government securities, future gold contracts and deposits held with a commercial bank.

The table below analyses the Fund's minimum exposure to credit risk other than investment in shares and government securities

	2015	2014
	-----Rupees-----	
Equity Sub-Fund	<b>21,487,652</b>	24,306,027
Debt Sub-Fund	<b>20,115,616</b>	12,687,057
Money Market Sub-Fund	<b>40,351,451</b>	31,767,477
Gold Sub- Fund	<b>13,170,889</b>	32,673,280
	<b><u>95,125,608</u></b>	<b><u>101,433,841</u></b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 20.3.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

Rating	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund	
	% of financial assets exposed to credit risk		% of financial assets exposed to credit risk		% of financial assets exposed to credit risk		% of financial assets exposed to credit risk	
	2015	2014	2015	2014	2015	2014	2015	2014
Government securities	-	-	92.36	93.43	79.63	79.45	60.31	-
AA+	-	-	-	-	-	16.20	-	-
AA	94.30	85.31	6.13	5.36	20.32	4.29	19.47	76.19
AA-	-	-	0.70	0.42	-	-	-	-
A+	-	-	0.78	0.74	-	-	-	-
A	-	-	-	-	-	-	-	-
Others	5.70	14.69	0.04	0.05	0.05	0.07	20.22	23.81
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## 20.3.2 An analysis of the financial assets that are individually impaired are as under:

	Debt Sub-Fund					
	As at 30 June 2015			As at 30 June 2014		
	Total outstanding amount	Payment over due (in days)		Total outstanding amount	Payment over due (in days)	
1-365		Above 365	1-365		Above 365	
	Rupees					
Investments - Agritech Limited	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Investments - Agritech Limited IV	145,000	-	145,000	145,000	-	145,000

The impaired investments are fully provided.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 20.4 Fair value of financial instruments

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

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

### Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- Investments in government securities are valued on the basis of average rates of brokers as announced on the Reuters page.
- Listed and unlisted debt securities, other than government securities, are valued on the basis of prices announced by the Mutual Funds Association of Pakistan (MUFAP), as per the method of valuation agreed with the Trustees of the Fund under the Rules. The MUFAP calculates these prices in accordance with the methodology specified by the SECP. The methodology in case of currently traded securities, is based on weighted average prices during the 15 days preceding the valuation date and in case of thinly or non-traded securities, on the basis of discount coupon method which takes into consideration credit risk and maturities of the instruments.
- The fair value of gold futures contracts is determined on the basis of the closing prices in US Dollars, converted at the equivalent Pak Rupees rates, as announced by the Pakistan Mercantile Exchange Limited.
- The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

## 20.5 Fair value hierarchy

The Fund uses the following hierarchy for disclosure of the fair value of financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2014, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3
	-----Rupees-----		
<b>Equity Sub-Fund</b>			
At fair value through profit or loss	258,540,100	-	-
<b>Debt Sub-Fund</b>			
Available for sale	-	240,713,017	-
<b>Money Market Sub-Fund</b>			
Available for sale	-	157,745,620	-
<b>Gold Sub-Fund</b>			
At fair value through profit or loss	-	19,969,600	-
	<u>258,540,100</u>	<u>418,428,237</u>	<u>-</u>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 20.6 Capital risk management

The Fund's capital is represented by redeemable units of Sub-Funds. They are entitled to payment of a proportionate share based on the sub-fund's net assets value per unit on the redemption date. The relevant movements are shown in the 'statement of movement in Participant's sub-funds'. In accordance with the risk management policies stated above, the Fund endeavours to invest the subscriptions received in appropriate investments avenues while maintaining sufficient liquidity to meet redemptions. Since the participants of the Fund have invested with a long term objective, the possibility of a significant redemption pressure is limited, such liquidity being augmented (by short term borrowings or disposal of investments where necessary). During the year no such borrowing was availed.

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

## 21. FINANCIAL PERFORMANCE

### 21.1 EQUITY SUB-FUND

Particulars	Equity Sub-Fund					
	2015	2014	% Change	2013	2012	2011
	-----Rupees-----			-----Rupees-----		
Net income for the year	41,620,004	41,121,158	1.21	34,970,466	7,907,213	9,125,158
Capital gain on sale of investments - net	26,509,249	17,981,303	47.43	14,438,214	4,252,038	5,574,200
Net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	7,988,390	17,925,680	(55.44)	16,776,710	1,649,047	1,871,832
Dividend income	12,567,654	8,323,230	50.99	5,812,289	2,883,189	2,251,000
Interest income	708,803	1,187,920	(40.33)	568,717	440,177	443,651
Net asset value per unit	381.30	314.79	21.13	232.67	152.59	130.73
Earnings / (loss) per unit	59.20	69.94	(15.35)	73.91	20.36	30.22
Transactions in securities - Purchases	(274,047,790)	(173,091,694)	58.33	(121,355,980)	(78,459,049)	(52,262,090)
Transactions in securities - Sales	224,580,119	138,459,082	62.20	103,102,856	67,369,859	60,172,775
Total contributions received	55,225,755	52,512,152	5.17	43,932,670	14,658,637	5,342,821

### 21.2 DEBT SUB-FUND

Particulars	Debt Sub-Fund					
	2015	2014	% Change	2013	2012	2011
	-----Rupees-----			-----Rupees-----		
Net income for the year	22,637,186	11,116,912	103.63	6,450,513	3,919,088	3,039,732
Interest income	23,119,051	14,406,381	60.48	8,288,649	5,654,126	4,396,101
Gain on sale/maturity of 'available for sale investments' - net	4,294,592	26,121	(16,341.15)	(41,911)	-	-
Net asset value per unit	204.15	180.61	13.03	167.50	154.42	140.18
Earnings / (loss) per unit	17.74	10.48	69.26	8.49	10.23	10.06
Transactions in securities - Purchases	(449,389,342)	(702,257,469)	(36.01)	(245,487,609)	(48,921,695)	(28,286,422)
Transactions in securities - Sales	395,552,433	642,547,771	(38.44)	181,057,313	32,056,499	32,507,629
Total contributions received	80,623,659	93,169,242	(13.47)	75,559,085	15,822,026	7,087,905

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 21.3 MONEY MARKET SUB-FUND

Particulars	Money Market Sub-Fund					
	2015	2014	% Change	2013	2012	2011
	-----Rupees-----			-----Rupees-----		
Net income for the year	12,432,915	9,048,138	37.41	5,480,449	4,166,625	3,760,124
Interest income	15,182,205	11,658,935	30.22	6,959,611	5,168,863	4,554,147
Gain on sale/maturity of 'available for sale investments' - net	73,614	8,396	776.77	101,337	-	-
Net asset value per unit	198.32	183.75	7.93	170.79	157.91	143.10
Earnings / (loss) per unit	12.57	10.84	15.91	8.81	12.97	13.98
Transactions in securities - Purchases	(611,684,042)	(641,701,851)	(4.68)	(348,350,214)	(167,249,283)	(132,982,059)
Transactions in securities - Sales	576,914,599	621,801,516	(7.22)	292,697,303	155,000,028	134,500,029
Total contributions received	59,529,124	50,640,576	17.55	62,350,594	10,512,141	5,648,961

## 21.4 GOLD SUB-FUND

Particulars	Gold Sub-Fund					
	2015	2014	% Change	2013	2012	2011
	-----Rupees-----			-----Rupees-----		
Net (loss) / income for the year / period	(1,546,364)	1,935,756	(179.88)	15,588	-	-
Interest income	2,640,352	2,723,790	(3.06)	21,579	-	-
Realised loss on gold contracts	(2,855,256)	(1,009,464)	182.85	-	-	-
Net unrealised gain / loss on future contracts of gold	(503,136)	1,135,275	(144.32)	-	-	-
Net asset value per unit	101.35	106.24	(4.60)	100.05	-	-
(Loss) / earnings per unit	(4.84)	6.12	(179.18)	0.05	-	-
Transactions in securities - Purchases	(139,967,397)	(177,000,000)	100.00	-	-	-
Transactions in securities - Sales	118,280,019	175,990,536	100.00	-	-	-
Total contributions received	409,341	1,661,730	100.00	-	-	-
Investment in core units - Pension Fund Manager	-	-	-	30,000,000	-	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 21.5 Highest and lowest issue prices of units

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund	
	2015	2014	2015	2014	2015	2014	2015	2014
	Rupees							
Highest issue price	385.56	317.31	205.27	181.29	198.32	183.75	108.11	107.71
Lowest issue price	301.68	240.56	180.71	167.57	183.84	170.87	96.18	93.98

## 22. GENERAL

22.1 Figures have been rounded off to the nearest Rupee.

22.2 Corresponding figures have been reclassified, rearranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

## 23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 31 August 2015.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Azam Faruque**  
Director



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# Atlas Pension Islamic Fund

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## Corporate Information



### Trustee

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Central Depository Company of Pakistan Limited  
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi - 74400

### Shariah Advisor

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Mufti Muhammad Yahya Asim

### Auditors

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Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

### Legal Advisers

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Bawaney & Partners

### Bankers

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Al-Baraka Bank (Pakistan) Limited  
Bank Al Falah Limited - Islamic Banking  
Faysal Bank Limited - Islamic Banking  
MCB Bank Limited - Islamic Banking

## Fund Manager's Report

The objective of Atlas Pension Islamic Fund is to provide the individuals with a Shariah Compliant, portable, individualized, funded (based on defined contribution), flexible pension scheme assisting and facilitating them to plan and provide for their retirement. Atlas Pension Islamic Fund is a one-window facility to invest in diversified Shariah compliant portfolio of equity, fixed income and money market securities/instruments. The Contributions received from the Participants is allocated among APIF-Equity Sub Fund, APIF-Debt Sub Fund and APIF-Money Market Sub Fund in accordance with the Allocation Scheme selected by the Participants.

APIF investment strategy is based on the belief that fundamental economic and sector analysis drives long term out performance, and that active portfolio management can produce consistently superior results than those produced through passive management. Fundamental analysis is used to identify overall portfolio, sectors, yield curve and credit positioning to provide sustainable rates of return.

### EQUITY MARKET

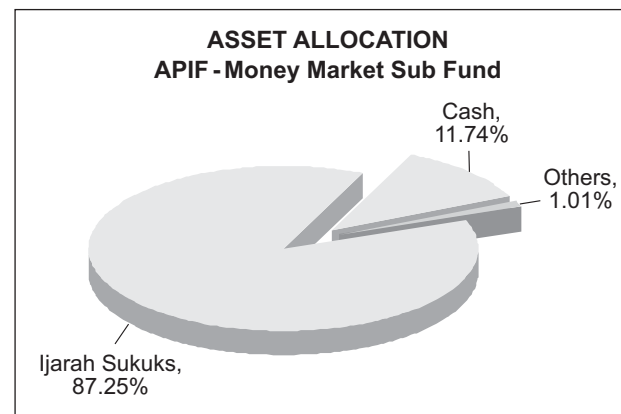
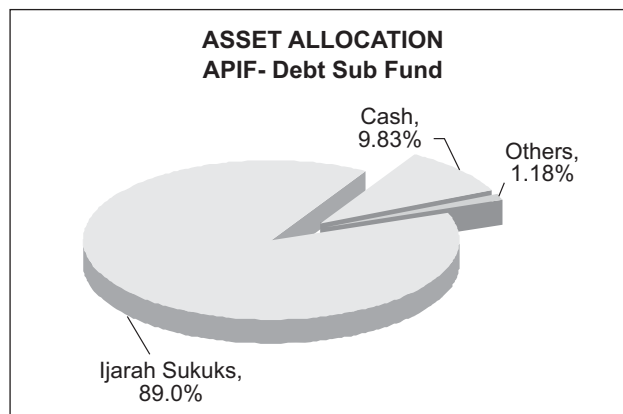
The KMI-30 index has increased from 47,686.55 points as on 30 June 2014 to 57,271.34 points as on 30 June 2015, showing a growth of 20.10%. The main drivers of return of the index were HUBC, FFC, LUCK, KAPCO, FCCL, DGKC & MLCF as they contributed 10,538 points to the index and were able to beat the broader index by a huge margin. Net Foreign portfolio investment during the year was recorded at US\$39 million which is a decline of 87% compared to last year. On the local front Mutual Funds were the most active participant investing US\$122 million during the period. Whereas Individual investors, Banks/DFI and Companies reduced their exposure in stock market by divesting US\$24 million, US\$138 million and US\$97 million, respectively. During the said period sectors that outperformed were Automobile & Parts, Electricity and Construction & Materials.

### MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 4.53% during FY 2014-15, as compared to 8.62% for the FY 2013-14. The YoY decrease in inflation can be attributed to prudent expenditure management in containing the budget deficit, appropriate fiscal and monetary policies, decline in global prices of imported items (especially Crude Oil) that significantly impacted domestic price level. In November 2014, SBP reversed its stance from tight to accommodative due to improved economic environment and stable outlook. It reduced the policy rate by 50 bps to 9.5 percent in the second quarter of current fiscal year, further cut in policy rate by 100bps to 8.5 percent in January, 2015 and then by 50 bps to 8.0 percent in March 2015. Policy rate has been reduced further by 100 bps to 7.0 percent w.e.f 25th May, 2015 which is the lowest rate in last 42 years reflecting improved macroeconomic conditions towards the end of FY 2014-15. In this way, SBP has reduced the policy rate by a cumulative 300 basis points since the start of current fiscal year

### FUND OPERATIONS

The Net Asset Value of APIF - Equity Sub Fund increased by 24.32% from Rs.402.26 as on 30 June 2014 to Rs 500.09 as on 30 June 2015. The APIF- Equity Sub Fund mainly invested in Fertilizers, Oil and Gas Exploration, Cements and Oil and Gas Marketing sectors. The Net Asset Values of APIF - Debt Sub Fund and APIF - Money Market Sub Fund have appreciated by 5.53% and 5.97% respectively during the period under review. The APIF Debt Sub-Fund & Money Market Sub Fund was mainly invested in GoP Ijarah Sukuks and high yielding bank deposits. The Net Assets of APIF stood at Rs.680.71 million as on 30 June 2015.



The scheme has maintained provision against Workers' Welfare Fund (WWF) liability of Rs.5,103,764 in these financial statements. Had the same not been made the net asset value of the equity sub-fund, debt sub-fund and money market sub-fund would have been higher by Rs.6.16, Rs. 0.70 and Rs.0.85 per unit respectively. For details please read Note 9.2 of the financial statements of the scheme.

The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the management company is of the view that further levy of FED is not justified, and has filed a constitutional petition in the Honourable Sindh High Court, the hearing of which is pending. In the meantime, as a matter of abundant caution. The Scheme is providing for FED liability which amounted to (ESF) Rs.949,899 (Rs.1.72 per unit), (DSF) Rs.744,033 (Rs.0.57 per unit), (MMSF) Rs.494,761 (Rs.0.54 per unit) as on 30 June 2015.

## ALLOCATION SCHEMES

The management company is offering six allocation schemes including Lifecycle and Customized options. The selection of Allocation Scheme will allow participant to have a focused investment strategy in accordance with his /her risk profile. The performance of various Allocation Schemes offered under Atlas Pension Islamic Fund is as under:

Allocation Schemes	Proportionate Investment in			Return
	Equity	Debt	Money Market	FY 2014-15
High Volatility	80%	20%	Nil	20.56%
Medium Volatility	50%	40%	10%	14.97%
Low Volatility	25%	60%	15%	9.35%
Lower Volatility	Nil	60%	40%	5.71%

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ALLOCATION SCHEMES HISTORICAL PERFORMANCE:

Allocation Schemes	Return (%)					
	FY-10	FY-11	FY-12	FY-13	FY-14	FY-15
High Volatility	20.26%	32.72%	25.44%	40.77%	21.51%	20.56%
Medium Volatility	16.28%	23.02%	18.78%	28.34%	16.42%	14.97%
Low Volatility	12.32%	13.12%	11.99%	15.94%	11.35%	9.35%
Lower Volatility	9.56%	7.39%	8.04%	7.52%	7.89%	5.71%

During the year under review, the Investment Committee held forty eight meetings to review investment of the Fund and the Risk Committee held twenty three meetings to review risk management.

**Fawad Javaid**  
Fund Manager - Fixed Income

Faran-ul-Haq  
Fund Manager - Equity

Karachi: 31 August 2015

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## REVIEW REPORT OF THE SHARIAH ADVISOR

As the Shariah Adviser of the Atlas Pension Islamic Fund (APIF), I am issuing this report in accordance with clause 3.12 (iv) of the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of Atlas Asset Management Limited (AAML), the management company of the Fund, to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. As Shariah Advisor, my responsibility is to express an opinion based on my review of the representations made by the management, to the extent where such compliance can be objectively verified.

For screening investment in equities, I have advised a criteria on the basis of the following: (i) nature of business, (ii) interest bearing debt in relation to the total assets, (iii) illiquid assets in relation to the total assets, (iv) investment in non-Shariah compliant activities to total assets and income from non-compliant investments to gross revenues, and (v) net liquid assets per share vs. share price.

As part of my mandate as the Shariah Advisor to the Fund, I have reviewed the following, during the year:

- The modes of investment of Fund's property and its compliance with Shariah guidelines.
- The process of deployment of Fund's property and its compliance with Shariah guidelines.
- The process of purification of income and its compliance with Shariah guidelines.

In light of the above scope, I hereby certify that all the provisions of the scheme and investments made by the Fund for the year ended 30 June 2015 are in compliance with the Shariah principles.

There are investments made by APIF where investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Pension Fund Manager, in consultation with me, the Shariah Advisor of the Fund, have determined the Haram portion of the income of the Fund and marked to charity in order to purify the whole income.

Karachi: 30 June 2015

**Muhammad Yahya Asim**  
Shariah Advisor





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## TRUSTEE REPORT TO THE PARTICIPANTS

### 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 Atlas Pension Islamic Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: September 22, 2015

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

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## INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS OF THE ATLAS PENSION ISLAMIC FUND

We have audited the annexed financial statements comprising:

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

of **Atlas Pension Islamic Fund** (the Fund) as at and for the year ended 30 June 2015 together with the notes forming part thereof.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal controls; and prepare and present the financial statements of the Fund in conformity with the International Accounting Standards notified under sub-section (3) of section 234 of the Companies Ordinance, 1984, and technical releases issued by Institute of Chartered Accountants of Pakistan from time to time and the requirements of the Voluntary Pensions System Rules, 2005 (the VPS Rules) and the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### In our opinion:

- a) the accounts prepared for the year have been properly drawn in accordance with the relevant provisions of the trust deed and the VPS Rules including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund at the end of the year and of the transactions of the Fund for the year then ended in accordance with the approved accounting standards as applicable in Pakistan;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the VPS Rules;
- 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) proper books and records have been kept by the Fund and the accounts prepared are in agreement with the Fund's books and records;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit; and
- g) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Karachi: 31 August 2015

**Ernst & Young Ford Rhodes Sidat Hyder**  
Chartered Accountants

**Arslan Khalid**  
Audit Engagement Partner

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2015

Note	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----					-----Rupees-----				
<b>ASSETS</b>										
Bank balances	19,306,616	23,153,937	20,228,220	866,768	63,555,541	17,158,840	20,357,876	38,829,769	288,120	76,634,605
Receivable against sale of investments	5,200,644	-	-	-	5,200,644	-	-	-	-	-
Investments - net	263,958,025	209,519,270	150,402,400	-	623,879,695	190,139,745	154,370,090	99,171,470	-	443,681,305
Dividend receivable	609,400	-	-	-	609,400	118,125	-	-	-	118,125
Mark-up accrued	79,573	2,654,162	1,629,537	-	4,363,272	57,162	2,152,512	1,184,025	-	3,393,699
Security deposit and other receivables	113,266	113,267	113,267	-	339,800	113,266	113,267	113,267	-	339,800
<b>Total assets</b>	<b>289,267,524</b>	<b>235,440,636</b>	<b>172,373,424</b>	<b>866,768</b>	<b>697,948,352</b>	<b>207,587,138</b>	<b>176,993,745</b>	<b>139,298,531</b>	<b>288,120</b>	<b>524,167,534</b>
<b>LIABILITIES</b>										
Payable against purchase of investments	7,363,761	-	-	-	7,363,761	2,168,699	-	-	-	2,168,699
Payable against redemption of units	-	-	-	-	-	-	-	91,923	-	91,923
Payable to the Pension Fund Manager	1,481,793	1,129,443	729,947	26,791	3,367,974	736,503	593,467	418,897	28,320	1,777,187
Payable to the Central Depository Company of Pakistan Limited - Trustee	36,508	28,718	21,168	-	86,394	24,914	21,263	16,840	-	63,017
Payable to the Securities and Exchange Commission of Pakistan	76,135	67,423	50,399	-	193,957	53,555	48,063	38,164	-	139,782
Payable to the auditors	69,540	61,722	46,235	-	177,497	47,107	42,263	33,590	-	122,960
Accrued expenses and other liabilities	3,479,889	945,640	786,708	839,977	6,052,214	2,428,603	664,593	577,152	259,800	3,930,148
<b>Total liabilities</b>	<b>12,507,626</b>	<b>2,232,946</b>	<b>1,634,457</b>	<b>866,768</b>	<b>17,241,797</b>	<b>5,459,381</b>	<b>1,369,649</b>	<b>1,176,566</b>	<b>288,120</b>	<b>8,293,716</b>
<b>NET ASSETS</b>	<b>276,759,898</b>	<b>233,207,690</b>	<b>170,738,967</b>	<b>-</b>	<b>680,706,555</b>	<b>202,127,757</b>	<b>175,624,096</b>	<b>138,121,965</b>	<b>-</b>	<b>515,873,818</b>
<b>Represented by:</b>										
<b>PARTICIPANTS' SUB-FUND (as per statement attached)</b>	<b>276,759,898</b>	<b>233,207,690</b>	<b>170,738,967</b>	<b>-</b>	<b>680,706,555</b>	<b>202,127,757</b>	<b>175,624,096</b>	<b>138,121,965</b>	<b>-</b>	<b>515,873,818</b>
<b>Number of units in issue</b>	<b>553,419</b>	<b>1,315,061</b>	<b>910,812</b>			<b>502,478</b>	<b>1,045,105</b>	<b>780,791</b>		
<b>Net asset value per unit (Rupees)</b>	<b>500.09</b>	<b>177.34</b>	<b>187.46</b>			<b>402.26</b>	<b>168.04</b>	<b>176.90</b>		
<b>Contingencies and commitments</b>										

The annexed notes 1 to 21 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Azam Faruque**  
Director

# INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015				2014			
		Equity	Debt	Money	Total	Equity	Debt	Money	Total
		Sub-Fund	Sub-Fund	Market		Sub-Fund	Sub-Fund	Market	
Rupees				Rupees					
<b>INCOME</b>									
Mark-up income	12	911,121	16,692,859	12,122,472	29,726,452	1,328,675	12,322,273	9,537,456	23,188,404
Dividend income		12,622,812	-	-	12,622,812	8,760,488	-	-	8,760,488
Net gain on sale of investments at 'fair value through profit or loss'		26,705,581	-	-	26,705,581	10,881,480	-	-	10,881,480
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		15,607,413	-	-	15,607,413	18,464,034	-	-	18,464,034
		42,312,994	-	-	42,312,994	29,345,514	-	-	29,345,514
Net loss on sale / maturity of 'available for sale investments'		-	-	-	-	-	-	-	-
		<b>55,846,927</b>	<b>16,692,859</b>	<b>12,122,472</b>	<b>84,662,258</b>	<b>39,434,677</b>	<b>12,322,273</b>	<b>9,537,456</b>	<b>61,294,406</b>
<b>EXPENSES</b>									
Remuneration of the Pension Fund Manager		3,425,868	2,528,746	1,512,235	7,466,849	2,409,781	2,028,325	1,507,233	5,945,339
Sindh Sales Tax on remuneration of the Pension Fund Manager	7.2	596,101	440,002	263,129	1,299,232	447,255	376,457	279,742	1,103,454
Federal Excise Duty on remuneration of the Pension Fund Manager	7.3	548,139	404,599	241,958	1,194,696	385,565	324,532	241,157	951,254
Remuneration of Central Depository Company of Pakistan Limited - Trustee		342,589	303,491	226,828	872,908	240,966	216,222	171,716	628,904
Annual fee to the Securities and Exchange Commission of Pakistan	8.1	76,135	67,423	50,399	193,957	53,555	48,063	38,164	139,782
Bank charges		11,896	12,435	8,588	32,919	1,497	7,049	6,683	15,229
Legal and professional charges		-	-	-	-	-	-	-	-
Auditor's remuneration	13	69,481	61,662	46,176	177,319	44,819	39,973	31,301	116,093
Securities' transaction cost and settlement charges		459,888	17,290	14,278	491,456	279,795	12,475	10,690	302,960
Provision for Workers' Welfare Fund	9.2	1,006,337	257,144	195,178	1,458,659	711,429	185,384	145,015	1,041,828
		<b>6,536,434</b>	<b>4,092,792</b>	<b>2,558,769</b>	<b>13,187,995</b>	<b>4,574,662</b>	<b>3,238,480</b>	<b>2,431,701</b>	<b>10,244,843</b>
<b>Net income for the year</b>		<b>49,310,493</b>	<b>12,600,067</b>	<b>9,563,703</b>	<b>71,474,263</b>	<b>34,860,015</b>	<b>9,083,793</b>	<b>7,105,755</b>	<b>51,049,563</b>
<b>Earnings per unit</b>	3.9	<b>89.10</b>	<b>9.58</b>	<b>10.50</b>		<b>69.38</b>	<b>8.69</b>	<b>9.10</b>	

The annexed notes 1 to 21 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Pension Fund Manager)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2015

	2015				2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note	-----Rupees-----				-----Rupees-----				
<b>Net income for the year</b>	<b>49,310,493</b>	<b>12,600,067</b>	<b>9,563,703</b>	<b>71,474,263</b>	<b>34,860,015</b>	<b>9,083,793</b>	<b>7,105,755</b>	<b>51,049,563</b>	
<b>Income that may be re-classified subsequently to Income Statement</b>									
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'available for sale'	14	-	(1,525,923)	(740,068)	(2,265,991)	-	2,101,032	1,385,242	3,486,274
<b>Total comprehensive income for the year</b>	<b>49,310,493</b>	<b>11,074,144</b>	<b>8,823,635</b>	<b>69,208,272</b>	<b>34,860,015</b>	<b>11,184,825</b>	<b>8,490,997</b>	<b>54,535,837</b>	

The annexed notes 1 to 21 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Azam Faruque**  
Director

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2015

	2015					2014				
	Equity	Debt	Money	Others	Total	Equity	Debt	Money	Others	Total
	Sub-Fund	Sub-Fund	Market			Sub-Fund	Sub-Fund	Market		
	-Rupees-					-Rupees-				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Net income for the year	49,310,493	12,600,067	9,563,703	-	71,474,263	34,860,015	9,083,793	7,105,755	-	51,049,563
<b>Adjustments for:</b>										
Mark-up income	(911,121)	(16,692,859)	(12,122,472)	-	(29,726,452)	(1,328,675)	(12,322,273)	(9,537,456)	-	(23,188,404)
Dividend income	(12,622,812)	-	-	-	(12,622,812)	(8,760,488)	-	-	-	(8,760,488)
Net gain on sale of investments at 'fair value through profit or loss'	(26,705,581)	-	-	-	(26,705,581)	(10,881,480)	-	-	-	(10,881,480)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(15,607,413)	-	-	-	(15,607,413)	(18,464,034)	-	-	-	(18,464,034)
Provision for Workers' Welfare Fund	1,006,337	257,144	195,178	-	1,458,659	711,429	185,384	145,015	-	1,041,828
	<b>(5,530,097)</b>	<b>(3,835,648)</b>	<b>(2,363,591)</b>	<b>-</b>	<b>(11,729,336)</b>	<b>(3,863,233)</b>	<b>(3,053,096)</b>	<b>(2,286,686)</b>	<b>-</b>	<b>(9,203,015)</b>
<b>(Increase) / decrease in assets</b>										
Receivable against sale of investments	(5,200,644)	-	-	-	(5,200,644)	2,039,037	-	-	-	2,039,037
<b>Increase / (decrease) in liabilities</b>										
Payable against purchase of investments	5,195,062	-	-	-	5,195,062	2,168,699	-	-	-	2,168,699
Payable against redemption of units	-	-	(91,923)	-	(91,923)	-	-	35,335	-	35,335
Payable to the Pension Fund Manager	745,290	535,976	311,050	(1,529)	1,590,787	521,240	397,346	265,187	10,340	1,194,113
Payable to the Central Depository Company of Pakistan Limited - Trustee	11,594	7,455	4,328	-	23,377	4,973	5,347	4,253	-	14,573
Payable to the Securities and Exchange Commission of Pakistan	22,580	19,360	12,235	-	54,175	21,010	14,848	10,978	-	46,836
Payable to the auditors	22,433	19,459	12,645	-	54,537	7,441	2,596	(6,077)	-	3,960
Accrued expenses and other liabilities	44,949	23,902	14,378	580,177	663,406	8,939	(966)	(933)	171,424	178,464
	<b>6,041,908</b>	<b>606,152</b>	<b>262,713</b>	<b>578,648</b>	<b>7,489,421</b>	<b>2,732,302</b>	<b>419,171</b>	<b>308,743</b>	<b>181,764</b>	<b>3,641,980</b>
Mark-up received	888,710	16,191,209	11,676,960	-	28,756,879	1,370,237	11,323,438	9,429,871	-	22,123,546
Dividend received	12,131,537	-	-	-	12,131,537	8,738,613	-	-	-	8,738,613
Investments made during the year	(280,501,148)	(56,675,102)	(51,970,998)	-	(389,147,248)	(160,172,664)	(118,755,548)	(85,632,662)	-	(364,560,874)
Investments sold / matured during the year	248,995,862	-	-	-	248,995,862	118,529,563	84,001,000	79,501,000	-	282,031,563
	<b>(18,485,039)</b>	<b>(40,483,893)</b>	<b>(40,294,038)</b>	<b>-</b>	<b>(99,262,970)</b>	<b>(31,534,251)</b>	<b>(23,431,110)</b>	<b>3,298,209</b>	<b>-</b>	<b>(51,667,152)</b>
<b>Net cash (used in) / generated from operating activities - carried forwarded</b>	<b>(23,173,872)</b>	<b>(43,713,389)</b>	<b>(42,394,916)</b>	<b>578,648</b>	<b>(108,703,529)</b>	<b>(30,626,145)</b>	<b>(26,065,035)</b>	<b>1,320,266</b>	<b>181,764</b>	<b>(55,189,150)</b>

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2015

	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
Note	-----Rupees-----					-----Rupees-----				
Net cash (used in) / generated from operating activities - brought forward	(23,173,872)	(43,713,389)	(42,394,916)	578,648	(108,703,529)	(30,626,145)	(26,065,035)	1,320,266	181,764	(55,189,150)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts on issue of units	66,743,935	87,132,633	49,758,749	-	203,635,317	59,826,458	69,420,667	50,404,669	-	179,651,794
Payment on redemptions of units										
- Transfer to other Pension Fund	(5,009,838)	(442,315)	-	-	(5,452,153)	(26,027,490)	(34,966,097)	(22,130,347)	-	(83,123,934)
- Directly by participants	(36,412,449)	(40,180,868)	(25,965,382)	-	(102,558,699)	-	-	-	-	-
Net cash generated from financing activities	25,321,648	46,509,450	23,793,367	-	95,624,465	33,798,968	34,454,570	28,274,322	-	96,527,860
Net increase / (decrease) in cash and cash equivalents	2,147,776	2,796,061	(18,601,549)	578,648	(13,079,064)	3,172,823	8,389,535	29,594,588	181,764	41,338,710
Cash and cash equivalents at the beginning of the year	17,158,840	20,357,876	38,829,769	288,120	76,634,605	13,986,017	11,968,341	9,235,181	106,356	35,295,895
Cash and cash equivalents at the end of the year	4 19,306,616	23,153,937	20,228,220	866,768	63,555,541	17,158,840	20,357,876	38,829,769	288,120	76,634,605

The annexed notes 1 to 21 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Pension Fund Manager)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

## STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND FOR THE YEAR ENDED 30 JUNE 2015

Note	2015				2014			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
<b>Net assets at the beginning of the year</b>	<b>202,127,757</b>	<b>175,624,096</b>	<b>138,121,965</b>	<b>515,873,818</b>	<b>133,468,774</b>	<b>129,984,701</b>	<b>101,356,646</b>	<b>364,810,121</b>
Amount received on issue of units	66,743,935	87,132,633	49,758,749	203,635,317	59,826,458	69,420,667	50,404,669	179,651,794
Amount paid on redemptions of units								
- Transfer to other Pension Fund	(5,009,838)	(442,315)	-	(5,452,153)	-	-	-	-
- Directly by participants	(36,412,449)	(40,180,868)	(25,965,382)	(102,558,699)	(26,027,490)	(34,966,097)	(22,130,347)	(83,123,934)
	<b>(41,422,287)</b>	<b>(40,623,183)</b>	<b>(25,965,382)</b>	<b>(108,010,852)</b>	<b>(26,027,490)</b>	<b>(34,966,097)</b>	<b>(22,130,347)</b>	<b>(83,123,934)</b>
Net income for the year	22,604,912	12,600,067	9,563,703	44,768,682	23,978,535	9,083,793	7,105,755	40,168,083
Net gain on sale of investments at 'fair value through profit or loss'	26,705,581	-	-	26,705,581	10,881,480	-	-	10,881,480
Other comprehensive income for the year	-	(1,525,923)	(740,068)	(2,265,991)	-	2,101,032	1,385,242	3,486,274
Total comprehensive income for the year	<b>49,310,493</b>	<b>11,074,144</b>	<b>8,823,635</b>	<b>69,208,272</b>	<b>34,860,015</b>	<b>11,184,825</b>	<b>8,490,997</b>	<b>54,535,837</b>
<b>Net assets at the end of the year</b>	<b>276,759,898</b>	<b>233,207,690</b>	<b>170,738,967</b>	<b>680,706,555</b>	<b>202,127,757</b>	<b>175,624,096</b>	<b>138,121,965</b>	<b>515,873,818</b>

The annexed notes 1 to 21 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Pension Fund Manager)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.1** The Atlas Pension Islamic Fund (APIF) was established under a Trust deed executed between Atlas Asset Management Limited as Pension Fund Manager and Central Depository Company Pakistan Limited as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 24 July 2007 and was executed on 31 August 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The Offering Document has been amended through the First Supplement dated 18 December 2008, the Second Supplement dated 28 March 2011 and the Third Supplement dated 15 July 2013, with the approval of the SECP, whilst the Trust Deed has been amended through the First Supplement Trust Deed dated 6 June 2013, with the approval of the SECP. The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the VPS rules through a certificate of registration issued by SECP. The registered office of the Pension Fund Manager is situated at Ground Floor, Federation House, Shahra-e-Firdousi, Clifton, Karachi.

**1.2** The objective of Atlas Pension Islamic Fund (APIF) is to provide individuals with a portable, individualised, funded (based on defined contribution) and flexible pension scheme assisting and facilitating them to plan and provide for their retirement. The Fund operates under an umbrella structure and is composed of Sub-Funds, each being a collective investment scheme.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

**1.3** At present the Fund consists of the following three Sub-Funds:

### **APIF - Equity Sub-Fund (APIF - ESF)**

The objective of APIF - ESF is to achieve long term capital growth. APIF - ESF invests primarily in equity securities (as approved by the Shariah Advisor) with a minimum investment of 90% of its net asset value in listed shares.

### **APIF - Debt Sub-Fund (APIF - DSF)**

APIF - DSF invests primarily in tradable debt securities (as approved by the Shariah Advisor) with the weighted average duration of the investment portfolio of the Sub-Fund not exceeding five years.

### **APIF - Money Market Sub-Fund (APIF - MMSF)**

APIF - MMSF invests primarily in short term debt securities (as approved by the Shariah Advisor) with the time to maturity of the assets is upto one year, and the time to maturity of Shariah Compliant Government securities such as Government of Pakistan Ijarah Sukuks is upto three years.

**1.4** The Sub-Funds' units are issued against contributions by the eligible participants on a continuous basis since 6 November 2007, and can be redeemed by surrendering them to the Fund.

The participants of the Fund voluntarily determine the contribution amount subject to the minimum limit fixed by the Pension Fund Manager. Such contributions received from the participants are allocated among different Sub-Funds, in accordance with their respective preferences and in line with the prescribed allocation policy. The units held by the participants in the Sub-Funds can be redeemed on or before their retirement, and in case of disability or death subject to conditions laid down in the Trust Deed, Offering Document, the VPS Rules and the Income Tax Ordinance, 2001. According to the Trust Deed, there shall be no distribution from the Sub-Funds, and all income earned by the Sub-Funds shall be accumulated and retained in the Fund.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the VPS Rules and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the VPS rules or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the VPS Rules or the requirements of the said directives prevail.

### 2.2 New Standards, interpretations and amendments applicable to the financial statements for the year ended 30 June 2015

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IAS 32 – Financial Instruments : Presentation – (Amendment) ' – Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment) - Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment) – Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

#### Improvements to accounting standards issued by the IASB

IFRS 8 – Operating Segments – Aggregation of operating segments and reconciliation of the total of the reportable segments' - assets to the entity's assets

IFRS 13 – Fair Value Measurement - Scope of paragraph 52 (portfolio exception)

IAS 24 – Related Party Disclosures - Key management personnel

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements.

### 2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretation and amendments:

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2.3 Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	January 01, 2015
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	January 01, 2016
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretation that are mandatory for the Fund's accounting periods beginning on or after 1 July 2015 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018

## **2.4 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (notes 3.2 and 5).

## **2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

## **2.6 Functional and presentation currency**

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

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

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

### **3.1 Cash and cash equivalents**

Cash and cash equivalents comprise of bank balances and short term deposits having original maturity of 3 months or less.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 3.2 Financial assets

### 3.2.1 Classification

The Fund classifies its financial assets in the following categories: 'Loans and receivables', 'at fair value through profit or loss' and 'available for sale'. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### a) Loans and receivables

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

#### b) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'financial assets at fair value through profit or loss' category.

#### c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as 'available for sale' or are not classified as (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

### 3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

### 3.2.3 Initial recognition and measurement

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

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 3.2.4 Subsequent measurement

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

### a) Basis of valuation of Sukuk certificates

Investments of the Debt Sub-Fund and Money Market Sub-Fund in Sukuk certificates are valued in accordance with the methodology for valuation of debt securities prescribed by the SECP. Under the said directive, investments in Sukuk certificates are valued on the basis of traded, thinly traded and non-traded securities. Accordingly, investments in Sukuk certificates have been valued at the rates determined and announced by the Mutual Funds Association of Pakistan (MUFAP) based on methodology prescribed in the circulars.

### b) Basis of valuation of Government Ijarah Sukuks

The investments of the Debt Sub-Fund and Money Market Sub-Fund in Government of Pakistan Ijarah Sukuks are categorised in the 'available for sale' category and are carried at fair value on the basis of average rates of brokers as announced on the Reuters page.

### c) Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of quoted market price available at the stock exchanges.

Net gains and losses arising from the difference between the carrying amount and the value determined in accordance with the criteria mentioned above in respect of financial assets 'at fair value through profit or loss' are taken to the 'income statement'.

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

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

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

## 3.2.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the 'income statement' is reclassified from 'statement of comprehensive income' to 'income statement'.

Provision for non-performing debt securities is made on the basis of criteria prescribed by the SECP. Impairment losses recognised on debt securities can be reversed through the 'Income Statement'.

As allowed under the directives of the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with a provisioning policy approved by the Board of Directors and disseminated by the Pension Fund Manager on its website.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets carrying value and present value estimated future cash out flows, discounted at the original effective interest rate.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 3.2.6 Derecognition

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

## 3.2.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'statement of assets and liabilities' only when there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 3.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the 'income statement'.

## 3.4 Financial Liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

## 3.5 Provisions

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

## 3.6 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. Accordingly, no provision has been made for current and deferred taxation in these financial statements.

## 3.7 Issue, allocation, reallocation and redemption of units

Contributions received from the Participants are allocated to the Sub-Funds on the basis of the allocation scheme selected by each Participant out of the allocation schemes offered by the Pension Fund Manager. The Net Asset Value (NAV) per unit of each Sub-Fund is determined at the close of each business day, according to the procedure outlined in the Rules and is applicable for allocation of units in each Sub-Fund for all the contribution amounts realised and credited in collection account of the Fund during the business hours on that business day. Any contributions credited in the collection account of the Fund after business hours on any dealing day shall be deemed to be received on the following dealing day and shall be allocated to the units of each Sub-Fund on the NAV per unit determined at the close of that dealing day.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 3.7 Issue, allocation, reallocation and redemption of units (Continued....)

The Pension Fund Manager makes reallocation of the units between the Sub-Funds at least once a year to ensure that the allocations of the units of all the Participants are according to the allocation scheme selected by the Participants.

All Sub-Funds' units are automatically redeemed on the close of the dealing day at which the retirement date falls or death of a participant has been confirmed. The participant may also withdraw from the scheme prior to retirement. The redemption from the respective Sub-Fund is made on the Net Asset Value per unit prevailing at the close of the dealing day on which the request is received, subject to deduction of Zakat and withholding taxes, as applicable.

In case of partial withdrawals, Sub-Fund units are redeemed on a pro rata basis by ensuring that the remaining units are in accordance with the allocation scheme last selected by the participant.

Proceeds received / paid on issuance / redemptions of units are reflected in the Participant's Sub-Fund. The VPS Rules specify that distribution of dividend shall not be allowed for pension funds and return to participants is, therefore, only possible through redemption of units which is based on Net Asset Value (NAV). Hence, the management believes that creation of an income equalisation mechanism through separate recording of "element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed" is not required. The accounting policy followed by the Fund does not have any impact on the NAV per unit of the Fund.

## 3.8 Net Asset Value (NAV) per unit

The NAV per unit of each Sub-Fund as disclosed in the 'statement of assets and liabilities' is calculated by dividing the net assets of each Sub-Fund by the number of units in issue at the end of the year.

## 3.9 Earnings per unit

Earnings per unit are calculated by dividing the net income for the year by the number of units in issue at the year end for each Sub-Fund as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

## 3.10 Revenue recognition

- Capital gains / losses arising on sale of investments are included in the 'income statement' on the date at which the transaction takes place.
- Mark-up income on bank balances and term deposit receipts is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.
- Income from government securities is recognised on an accrual basis.
- Income from Sukuk certificates is recognised on an accrual basis, except where recovery is doubtful in which case it is credited to suspense account as per the directives of the SECP.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 4. BANK BALANCES

Note	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (Note- 4.1)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (Note- 4.1)	Total
	Rupees					Rupees				
Current account	5,000	-	-	44,646	49,646	-	-	-	43,607	43,607
Savings accounts	19,301,616	23,153,937	20,228,220	822,122	63,505,895	17,158,840	20,357,876	38,829,769	244,513	76,590,998
	<b>19,306,616</b>	<b>23,153,937</b>	<b>20,228,220</b>	<b>866,768</b>	<b>63,555,541</b>	<b>17,158,840</b>	<b>20,357,876</b>	<b>38,829,769</b>	<b>288,120</b>	<b>76,634,605</b>

4.1 These represent collection and redemption accounts maintained by the Fund. The expected rate of return on savings account is 6.50% per annum (2014: 6.50% per annum).

4.2 These accounts carry expected rates ranging from 5% to 6.75% (2014: 6.50% to 9.15%) per annum.

## 5. INVESTMENTS - NET

Note	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	Rupees					Rupees				
<b>At fair value through profit or loss held for trading</b>										
Equity securities - listed	261,583,025	-	-	-	261,583,025	190,139,745	-	-	-	190,139,745
Investment through book building for 25,000 shares of Al Shaheer Corporation Limited	2,375,000	-	-	-	2,375,000	-	-	-	-	-
	<b>263,958,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263,958,025</b>	<b>190,139,745</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190,139,745</b>
<b>Available for sale</b>										
Sukuk certificates - unlisted	-	-	-	-	-	-	-	-	-	-
Government of Pakistan - Ijarah Sukuks	-	209,519,270	150,402,400	-	359,921,670	-	154,370,090	99,171,470	-	253,541,560
	<b>263,958,025</b>	<b>209,519,270</b>	<b>150,402,400</b>	<b>-</b>	<b>623,879,695</b>	<b>190,139,745</b>	<b>154,370,090</b>	<b>99,171,470</b>	<b>-</b>	<b>443,681,305</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.1 Listed equity securities - at fair value through profit or loss

Equity Sub-Fund	Name of the investee company	As at	Purchases	Bonus	Sales	As at	Balance as at 30 June 2015		Market value as a % of assets of the Sub-Fund	Market value as a % of paid-up capital of investee company
		1 July 2014	during the year	during the year	during the year	30 June 2015	Cost	Market value		
		-----Number of shares-----					-----Rupees-----			
Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.										
<b>Commercial Banks</b>										
	Meezan Bank Limited	450,000	71,500	-	421,500	100,000	3,386,234	4,100,000	1.48	0.01
<b>Textile Composite</b>										
	Kohinoor Textile Mills Limited	-	210,000	-	210,000	-	-	-	-	-
	Nishat Mills Limited	85,000	140,000	-	225,000	-	-	-	-	-
		<b>85,000</b>	<b>350,000</b>	<b>-</b>	<b>435,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cement</b>										
	Attock Cement Pakistan Limited	30,000	45,000	-	15,000	60,000	10,652,054	11,436,000	4.13	0.05
	D.G.Khan Cement Company Limited	100,000	90,000	-	190,000	-	-	-	-	-
	Fauji Cement Company Limited	100,000	307,500	-	232,500	175,000	5,859,785	6,102,250	2.20	0.01
	Maple Leaf Cement Factory Limited	-	14,000	-	14,000	-	-	-	-	-
	Pioneer Cement Limited	-	7,500	-	7,500	-	-	-	-	-
	Kohat Cement Company Limited	-	20,000	-	-	20,000	3,645,000	3,997,000	1.44	0.01
	Lucky Cement Limited	13,000	46,500	-	6,500	53,000	20,462,381	27,539,860	9.95	0.02
		<b>243,000</b>	<b>530,500</b>	<b>-</b>	<b>465,500</b>	<b>308,000</b>	<b>40,619,220</b>	<b>49,075,110</b>	<b>17.72</b>	<b>0.09</b>
<b>Oil and Gas Marketing Companies</b>										
	Attock Petroleum Limited	15,000	16,500	-	10,000	21,500	11,545,988	12,195,230	4.41	0.03
	Pakistan State Oil Company Limited	32,000	45,000	-	7,000	70,000	20,801,741	27,005,300	9.76	0.03
	Hascol Petroleum Limited	-	50,000	-	50,000	-	-	-	-	-
	Sui Northern Gas Pipelines Limited	200,000	200,000	-	300,000	100,000	2,404,968	2,664,000	0.96	0.02
		<b>247,000</b>	<b>311,500</b>	<b>-</b>	<b>367,000</b>	<b>191,500</b>	<b>34,752,697</b>	<b>41,864,530</b>	<b>15.13</b>	<b>0.07</b>
<b>Chemicals</b>										
	Ghani Glass Limited	-	140,000	-	-	140,000	10,893,785	12,153,400	4.39	0.11
<b>Cable and Electrical Goods</b>										
	Pak Elektron Limited	-	30,000	-	-	30,000	2,160,000	2,482,200	0.90	0.01
<b>Refinery</b>										
	Attock Refinery Limited	5,000	5,000	-	10,000	-	-	-	-	-
	National Refinery Limited	17,500	2,500	-	20,000	-	-	-	-	-
		<b>22,500</b>	<b>7,500</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.1 Listed equity securities - at fair value through profit or loss

Equity Sub-Fund	Name of the investee company	As at	Purchases	Bonus	Sales	As at	Balance as at 30 June 2015		Market value as a % of net assets of the Sub-Fund	Market value as a % of paid-up capital of investee company
		1 July 2014	during the year	during the year	during the year	30 June 2015	Cost	Market value		
		-----Number of shares-----					-----Rupees-----			
Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.										
<b>Power Generation and Distribution</b>										
	The Hub Power Company Limited	300,000	30,000	-	165,000	165,000	8,693,511	15,439,050	5.58	0.01
	Lalpir Power Limited	-	485,000	-	185,000	300,000	9,258,147	9,150,000	3.31	0.08
	Pakgen Power Limited	200,000	386,500	-	278,000	308,500	7,772,962	9,258,085	3.35	0.08
		<b>500,000</b>	<b>901,500</b>	<b>-</b>	<b>628,000</b>	<b>773,500</b>	<b>25,724,620</b>	<b>33,847,135</b>	<b>12.24</b>	<b>0.18</b>
<b>Oil and Gas Exploration Companies</b>										
	Oil & Gas Development Company Limited	55,000	30,000	-	85,000	-	-	-	-	-
	Pakistan Oilfields Limited	24,000	37,000	-	5,000	56,000	22,421,391	22,613,920	8.17	0.02
	Pakistan Petroleum Limited	66,000	121,000	-	22,000	165,000	31,328,279	27,102,900	9.79	0.01
		<b>145,000</b>	<b>188,000</b>	<b>-</b>	<b>112,000</b>	<b>221,000</b>	<b>53,749,670</b>	<b>49,716,820</b>	<b>17.96</b>	<b>0.03</b>
<b>Automobile and Parts</b>										
	Agriauto Industries Limited	50,000	-	-	50,000	-	-	-	-	-
	Pak Suzuki Motor Company Limited	15,000	2,500	-	7,500	10,000	2,463,830	4,359,100	1.58	0.01
	Thal Limited	5,000	-	-	5,000	-	-	-	-	-
	Millat Tractors Limited	16,000	4,000	-	16,000	4,000	2,831,671	2,743,280	0.99	0.01
		<b>86,000</b>	<b>6,500</b>	<b>-</b>	<b>78,500</b>	<b>14,000</b>	<b>5,295,501</b>	<b>7,102,380</b>	<b>2.57</b>	<b>0.02</b>
<b>Fertilizer</b>										
	Engro Fertilizer Limited	-	187,000	-	32,000	155,000	13,387,759	13,746,950	4.97	0.01
	Engro Corporation Limited	-	96,000	-	4,000	92,000	22,851,612	27,305,600	9.87	0.02
	Fatima Fertilizer Company Limited	-	60,000	-	-	60,000	2,363,950	2,344,200	0.85	0.00
	Fauji Fertilizer Bin Qasim Limited	150,000	50,000	-	130,000	70,000	3,019,827	3,872,400	1.40	0.01
	Fauji Fertilizer Company Limited	125,000	147,500	-	207,500	65,000	8,252,252	9,712,300	3.51	0.01
		<b>275,000</b>	<b>540,500</b>	<b>-</b>	<b>373,500</b>	<b>442,000</b>	<b>49,875,400</b>	<b>56,981,450</b>	<b>20.60</b>	<b>0.04</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 5.1 Listed equity securities - at fair value through profit or loss

### Equity Sub-Fund

Name of the investee company	As at	Purchases	Bonus	Sales	As at	Balance as at 30 June 2015		Market value as a % of net assets of the Sub-Fund	Market value as a % of paid-up capital of investee company
	1 July 2014	during the year	during the year	during the year	30 June 2015	Cost	Market value		
	-----Number of shares-----					-----Rupees-----			
Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.									
<b>Pharma and Bio Tech</b>									
Abbot Laboratories (Pakistan) Limited	-	5,000	-	5,000	-	-	-	-	-
The Searle Company Limited	10,000	6,000	-	16,000	-	-	-	-	-
IBL Health Care Limited	-	5,000	-	-	5,000	809,177	570,000	0.20	0.02
	<b>10,000</b>	<b>16,000</b>	<b>-</b>	<b>21,000</b>	<b>5,000</b>	<b>809,177</b>	<b>570,000</b>	<b>0.20</b>	<b>0.02</b>
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication Company Limited	200,000	230,000	-	250,000	180,000	3,841,900	3,690,000	1.33	-
<b>Paper and Board</b>									
Pakistan Paper Products Limited	15,000	-	-	15,000	-	-	-	-	-
Packages Limited	-	2,500	-	2,500	-	-	-	-	-
	<b>15,000</b>	<b>2,500</b>	<b>-</b>	<b>17,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous</b>									
Synthetic Product Enterprises Limited	-	50,000	-	50,000	-	-	-	-	-
	<b>2,278,500</b>	<b>3,376,000</b>	<b>-</b>	<b>3,249,500</b>	<b>2,405,000</b>	<b>231,108,204</b>	<b>261,583,025</b>	<b>94.52</b>	<b>0.59</b>

## 5.2 Unlisted Sukuk certificates - Available for sale

Note	As at	Purchases	Sales /	As at	Carrying Value	Market value	Market rate as a % of net assets of the Sub-Fund	Market value as % of total issue size
	1 July 2014	during the year	Maturities during the year	30 June 2015				
	-----Number of certificates-----				-----Rupees-----			
<b>5.2.1 Debt Sub-Fund</b>								
<b>Chemicals</b>								
Agritech Limited	5.2.2	740	-	-	740	-	-	-
Agritech Limited IV	5.2.2	107	-	-	107	-	-	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5.2.2 These securities have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 and accordingly an aggregate provision of Rs.4,235,000 (2014: Rs.4,235,000), has been made in accordance with provisioning requirements specified by the SECP. During the year ended 30 June 2012, the Debt Sub-Fund entered into a restructuring agreement with Agritech Limited (the Company) whereby all overdue profit receivable on Sukuk Certificates held by the Debt Sub-Fund was converted into zero coupon Term Finance Certificates (TFCs). Accordingly, the Fund holds 107 certificates (having face value of Rs. 5,000 each) of Agritech Limited IV as at 30 June 2015. In this regard, the aggregate provision also includes a provision of Rs. 535,000 against these TFCs to fully cover the amount of investment. The details of these non-performing investments are as follows:

Non-performing investment	Type of Investment	Cost	Provision held	Net carrying value
		Rupees		
Agritech Limited	Sukuk certificate	3,700,000	3,700,000	-
Agritech Limited IV	Term Finance Certificates	535,000	535,000	-
		<b>4,235,000</b>	<b>4,235,000</b>	-

5.2.3 The terms and conditions of the Sukuk certificates are as follows:

Name of investee company	Rating	Tenor	Profit payments / Principal redemptions	Repayment period	Effective rate during the year	Rate of return
Agritech Limited	NPA	7 years	Semi annually	February 2011 - August 2015	12.18%	2.00%+6 month KIBOR
Agritech Limited -IV	NPA	3.5 years	Semi annually	July 2011 - January 2015	0%	-

5.3 Government of Pakistan - Ijarah Sukuks

	Note	Face value			Balance as at 30 June 2015			Market rate as a % of net assets of the Sub-
		As at 1 July 2014	Purchases during the year	Sold / Matured during the year	As at 30 June 2015	Amortised Cost	Market value	
5.3.1 Debt Sub-Fund		-----Rupees-----						
Government of Pakistan - Ijarah Sukuks	5.3.2	151,800,000	57,000,000	-	208,800,000	<b>209,063,106</b>	<b>209,519,270</b>	<b>89.84</b>

5.3.2 The cost of investment is Rs.210,180,760 (2014: Rs.152,773,860). These investments carry rate of return ranging from 4.7496% to 8.3377% (2014: 7.9763% to 9.9791%) per annum with maturities upto 25 June 2017 (2014: 25 June 2017).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note	Face value			Balance as at 30 June 2015			Market rate as a % of net assets of the Sub-	
	As at 1 July 2014	Purchases during the year	Sold / Matured during the year	As at 30 June 2015	Amortised Cost	Market value		
<b>5.3.3 Money Market Sub-Fund</b>								
Government of Pakistan - Ijarah Sukuks	5.3.4	97,400,000	52,300,000	-	149,700,000	<b>149,875,508</b>	<b>150,402,400</b>	<b>88.09</b>

5.3.4 The cost of investment is Rs.150,963,920 (2014: Rs.98,156,240). These investments carry rate of return ranging from 4.7496% to 8.3377% (2014: 7.9763% to 9.9791%) per annum with maturities upto 25 June 2017 (2014: 25 June 2017).

Note	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total

## 6. MARK UP ACCRUED

Income accrued on:

- Bank balances	79,573	81,070	70,189	-	230,832	57,162	224,466	123,525	-	405,153
- Government of Pakistan - Ijarah Sukuks	-	2,573,092	1,559,348	-	4,132,440	-	1,928,046	1,060,500	-	2,988,546
	<b>79,573</b>	<b>2,654,162</b>	<b>1,629,537</b>	<b>-</b>	<b>4,363,272</b>	<b>57,162</b>	<b>2,152,512</b>	<b>1,184,025</b>	<b>-</b>	<b>3,393,699</b>

## 7. PAYABLE TO THE PENSION FUND MANAGER - Related Party

Pension Fund Manager fee	7.1	335,122	235,140	137,781	-	708,043	233,157	172,176	108,316	-	513,649
Sindh Sales Tax payable on remuneration of the Pension Fund Manager - Related party	7.2	196,772	150,270	97,405	-	444,447	101,586	81,857	57,778	-	241,221
Provision for Federal Excise Duty payable on remuneration of the Pension Fund Manager - Related party	7.3	949,899	744,033	494,761	-	2,188,693	401,760	339,434	252,803	-	993,997
Front end fee	7.4	-	-	-	26,791	26,791	-	-	-	28,320	28,320
		<b>1,481,793</b>	<b>1,129,443</b>	<b>729,947</b>	<b>26,791</b>	<b>3,367,974</b>	<b>736,503</b>	<b>593,467</b>	<b>418,897</b>	<b>28,320</b>	<b>1,777,187</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

7.1 In accordance with the provisions of the VPS Rules, the Pension Fund Manager is entitled to receive an annual management fee of 1.50% per annum average of the value of the net assets of the Fund calculated during the year for determining the prices of the units of the Sub-Funds. The Pension Fund Manager has charged its remuneration at the rate of 1.50% per annum (2014:1.50%) of the average value of the net assets of the Fund for the year on equity sub fund, whilst for APIF - Debt Sub Fund and APIF - Money Market Sub Fund, the Pension Fund Manager has charged its remuneration at the rate of 1.25% (2014: 1 July 2013 to 28 February 2014: 1.5% and 01 March 2014 to 30 June 2014 :1.25%) and 1.00% (2014: 01 July 2013 to 28 February 2014:1.5% and 01 March 2014 to 30 June 2014:1.25%) respectively of the average value of the net assets of these Sub Funds, which is paid monthly in arrears.

7.2 During the year, an amount of Rs.1,299,232 (30 June 2014: Rs.1,103,454) was charged on account of sales tax on remuneration of the Pension Fund Manager levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.1,096,006 (2014 : Rs.940,176) has been already paid to the Pension Fund Manager which acts as a collecting agent.

7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Pension Fund Manager of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Pension Fund Manager is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies / pension fund managers including that of the Fund, together with their representative Collective Investment Schemes / Voluntary Pension Schemes through their trustees, challenging the levy of FED. In this respect, the Hon'ble SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

In view of the pending decision, as a matter of abundant caution, the Pension Fund Manager of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2013, aggregating to Rs.2,188,693 (2014: Rs.993,997).

7.4 In accordance with the provisions of the VPS Rules, the Pension Fund Manager is allowed to charge a maximum front-end fee of 3% of all the contributions received from a participant of the Fund. The Pension Fund Manager has accordingly charged upto a maximum front-end fee of 3% during the year.

## 8. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (TRUSTEE) - Related Party

	Note	2015					2014				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		-----Rupees-----									
Trustee fee	8.1	33,508	28,218	20,668	-	82,394	23,314	20,663	16,240	-	60,217
Settlement charges		3,000	500	500	-	4,000	1,600	600	600	-	2,800
		<b>36,508</b>	<b>28,718</b>	<b>21,168</b>	<b>-</b>	<b>86,394</b>	<b>24,914</b>	<b>21,263</b>	<b>16,840</b>	<b>-</b>	<b>63,017</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

- 8.1** The trustee is entitled to a monthly remuneration for services rendered to the Pension Fund under the provisions of the Trust Deed as per the tariff structure specified below, based on average annual net assets of the Pension Fund, paid monthly, in arrears:

**On net assets:**

- upto Rs.1 billion Rs.0.3 million, or 0.15% per annum of net assets, whichever is higher.
- Rs.1 billion upto Rs.3 billion Rs.1.5 million plus 0.10% per annum of net assets, on amount exceeding Rs.1 billion.
- Rs.3 billion upto Rs.6 billion Rs.3.5 million plus 0.08% per annum of net assets, on amount exceeding Rs.3 billion.
- exceeding Rs. 6 billion Rs.5.9 million plus 0.06% per annum of net assets, on amount exceeding Rs.6 billion.

Note	2015					2014				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total

## 9. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
Payable to charity	33,201	-	-	-	33,201	25,244	-	-	-	25,244
Withholding tax payable	36,992	23,902	14,378	764,259	839,531	-	-	-	163,072	163,072
Zakat payable	-	-	-	35,918	35,918	-	-	-	56,928	56,928
Provision for Workers' Welfare Fund	3,409,696	921,738	772,330	-	5,103,764	2,403,359	664,593	577,152	-	3,645,104
Others	-	-	-	39,800	39,800	-	-	-	39,800	39,800
	<b>3,479,889</b>	<b>945,640</b>	<b>786,708</b>	<b>839,977</b>	<b>6,052,214</b>	<b>2,428,603</b>	<b>664,593</b>	<b>577,152</b>	<b>259,800</b>	<b>3,930,148</b>

- 9.1** The Shariah Advisor of the Fund has certified an amount of Rs.224,229 (30 June 2014: Rs.124,637) against dividend income as Shariah non-compliant income which has accordingly, been marked to charity, out of which Rs.191,028 (2014: Rs. 99,393) has been paid to charities approved by the Shariah Advisor and remaining amount of Rs. 33,201 (2014: 25,244) will be paid in due course of time.

- 9.2** The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs / Pension Funds through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / Pension Funds, which is pending adjudication. However, without prejudice to the above, the Pension Fund Manager has been providing for WWF contribution since the financial year ended 30 June 2010.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

9.2 During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that Mutual Funds / Pension Funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF, including some of the mutual funds / pension funds managed by the Pension Fund Manager, including the Fund. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds, including the Fund, have been granted stay by the Honourable SHC on the basis of the pending constitutional petition as referred above.

In March 2013, a three member bench of the SHC in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the Money Bills. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In a recent judgement of May 2014, the Honorable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision, the Pension Fund Manager of the Fund, as a matter of abundant caution, has continued to maintain the provision in respect of WWF which amounts to Rs. 5,103,764 as at 30 June 2015 (2014: Rs. 3,645,104). Had the same not been made, the net asset value per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher by Rs. 6.16, Re. 0.70 and Re. 0.85 (2014: Rs.4.78, Re. 0.64 and Re. 0.74) per unit respectively.

	2015				2014			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- Number of Units in Issue -----								
10. NUMBER OF UNITS IN ISSUE								
Total units in issue at the beginning of the year	502,478	1,045,105	780,791	2,328,374	414,342	835,691	616,925	1,866,958
Add: Units issued during the year	145,070	506,233	273,271	924,574	158,729	425,773	294,487	878,989
Less: Units redeemed during the year								
- Change of Pension Fund Manager	(11,627)	(2,538)	-	(14,165)	(70,593)	(216,359)	(130,621)	(417,573)
- Directly by participants	(82,502)	(233,739)	(143,250)	(459,491)	-	-	-	-
	(94,129)	(236,277)	(143,250)	(473,656)	(70,593)	(216,359)	(130,621)	(417,573)
Total units in issue at the end of the year	553,419	1,315,061	910,812	2,779,292	502,478	1,045,105	780,791	2,328,374

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 11. CONTINGENCIES AND COMMITMENTS

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

12. MARK-UP INCOME	Note	2015				2014			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		-----Rupees-----				-----Rupees-----			
		911,121	1,031,212	1,599,881	3,542,214	1,328,675	890,659	1,251,597	3,470,931
		-	-	-	-	-	-	-	-
	12.1	-	15,661,647	10,522,591	26,184,238	-	11,431,614	8,285,859	19,717,473
		<b>911,121</b>	<b>16,692,859</b>	<b>12,122,472</b>	<b>29,726,452</b>	<b>1,328,675</b>	<b>12,322,273</b>	<b>9,537,456</b>	<b>23,188,404</b>

12.1 Mark-up on non performing securities amounting to Rs.1,817,630 (2014: Rs. 1,554,418) based on outstanding principal has not been recognised, in accordance with SECP's directives.

## 13. AUDITOR'S REMUNERATION

13. AUDITOR'S REMUNERATION	2015				2014			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Audit fee	50,000	50,000	50,000	150,000	38,220	34,088	26,692	99,000
Sindh Sales Tax on services	2,500	2,500	2,500	7,500	1,529	1,363	1,068	3,960
Out of pocket expenses	6,667	6,667	6,667	20,000	5,070	4,522	3,541	13,133
	<b>59,167</b>	<b>59,167</b>	<b>59,167</b>	<b>177,500</b>	<b>44,819</b>	<b>39,973</b>	<b>31,301</b>	<b>116,093</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 14. NET UNREALISED APPRECIATION / (DIMINUTION) ON RE-MEASUREMENT OF INVESTMENTS CLASSIFIED AS 'AVAILABLE FOR SALE

	2015				2014					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	Rupees					Rupees				
Market value of investments	-	209,519,270	150,402,400	-	359,921,670	-	154,370,090	99,171,470	-	253,541,560
Less: Cost of investments	-	213,298,106	149,875,508	-	363,173,614	-	156,623,003	97,904,510	-	254,527,513
	-	(3,778,836)	526,892	-	(3,251,944)	-	(2,252,913)	1,266,960	-	(985,953)
Less: Net unrealised diminution in the value of investments at the beginning of the year	-	2,252,913	(1,266,960)	-	985,953	-	4,353,945	118,282	-	4,472,227
Transferred to comprehensive income during the year	-	(1,525,923)	(740,068)	-	(2,265,991)	-	2,101,032	1,385,242	-	3,486,274

## 15. CONTRIBUTION TABLE

	2015						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals	77,893	36,890,532	199,806	34,583,951	106,686	19,579,150	91,053,633
Employers	67,177	29,853,403	306,427	52,548,682	166,585	30,179,599	112,581,684
	<b>145,070</b>	<b>66,743,935</b>	<b>506,233</b>	<b>87,132,633</b>	<b>273,271</b>	<b>49,758,749</b>	<b>203,635,317</b>

	2014						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals	100,248	38,282,681	194,321	32,061,561	133,782	23,029,506	93,373,748
Employers	58,481	21,543,777	231,452	37,359,106	160,705	27,375,163	86,278,046
	<b>158,729</b>	<b>59,826,458</b>	<b>425,773</b>	<b>69,420,667</b>	<b>294,487</b>	<b>50,404,669</b>	<b>179,651,794</b>

## 16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Atlas Asset Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager and directors and executives of the Pension Fund Manager.

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

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

The outstanding balances of connected persons / related parties are disclosed in the respective notes to the financial statements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015					2014				
	Equity	Debt	Money	Others	Total	Equity	Debt	Money	Others	Total
	Sub-Fund	Sub-Fund	Market			Sub-Fund	Sub-Fund	Market		
Rupees										
<b>16.1 Details of transaction with related parties during the year are as follows:</b>										
<b>Atlas Asset Management Limited (Pension Fund Manager)</b>										
Remuneration	3,425,868	2,528,746	1,512,235	-	7,466,849	2,409,781	2,028,325	1,507,233	-	5,945,339
Remuneration paid	3,323,903	2,465,782	1,482,770	-	7,272,455	2,346,001	2,010,317	1,519,780	-	5,876,098
Sindh sales tax on remuneration of the Pension Fund Manager	596,101	440,002	263,129	-	1,299,232	447,255	376,457	279,742	-	1,103,454
Federal Excise Duty on remuneration of the Pension Fund Manager	548,139	404,599	241,958	-	1,194,696	385,565	324,532	241,157	-	951,254
Front end fee	-	-	-	271,008	271,008	-	-	-	237,368	237,368
Redemption out of core units	-	-	-	-	-	-	-	-	-	-
Redemption out of core units (number of units)	-	-	-	-	-	-	-	-	-	-
Investment at year end	83,014,940	29,438,440	31,118,360	-	143,571,740	66,775,160	27,894,640	29,365,400	-	124,035,200
Units held (Number of units)	166,000	166,000	166,000	-	498,000	166,000	166,000	166,000	-	498,000
<b>Central Depository Company of Pakistan Limited (Trustee)</b>										
Trustee fee	342,589	303,491	226,828	-	872,908	240,966	216,222	171,716	-	628,904
Trustee fee paid	332,395	295,936	222,400	-	850,731	234,593	210,975	167,563	-	613,131
Settlement charges	24,658	5,900	5,900	-	36,458	17,970	6,675	6,500	-	31,145
<b>Key management personnel</b>										
Contributions	891,973	437,864	1,035,834	-	2,365,671	1,784,972	834,931	952,174	-	3,572,077
Contributions (number of units)	2,571	4,314	8,207	-	15,092	4,772	5,111	5,514	-	15,396
Redemptions	1,643,960	799,850	479,709	-	2,923,519	1,320,648	354,723	207,825	-	1,883,196
Redemptions (number of units)	3,360	4,535	2,568	-	10,463	3,766	2,259	1,263	-	7,288
Re-allocation	(1,009,952)	87,156	922,796	-	-	(124,665)	32,736	91,929	-	-
Re-allocation (Number of units)	(2,465)	510	5,204	-	3,249	(319)	213	547	-	441
Retirement	-	-	-	-	-	-	-	-	-	-
Retirement (Number of units)	-	-	-	-	-	-	-	-	-	-
Payment from Income Payment Plan	-	-	572,999	-	572,999	-	-	526,863	-	526,863
Payment from Income Payment Plan (Units)	-	-	3,146	-	3,146	-	-	3,082	-	3,082
Investment at year end	2,957,649	2,853,648	5,574,423	-	11,385,721	3,712,616	2,661,578	4,296,994	-	10,671,188
Units held (Number of units)	5,914	16,091	29,737	-	51,742	9,229	15,839	24,291	-	49,359

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 17. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2015											
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others		
	Loans and receivables	At fair value through profit or loss	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total
	Rupees											
<b>Assets</b>												
Bank balances	19,306,616	-	19,306,616	23,153,937	-	23,153,937	20,228,220	-	20,228,220	866,768	-	866,768
Receivable against sale of investments	5,200,644	-	5,200,644	-	-	-	-	-	-	-	-	-
Investments - net	-	263,958,025	263,958,025	-	209,519,270	209,519,270	-	150,402,400	150,402,400	-	-	-
Dividend receivable	609,400	-	609,400	-	-	-	-	-	-	-	-	-
Mark-up accrued	79,573	-	79,573	2,654,162	-	2,654,162	1,629,537	-	1,629,537	-	-	-
Security deposit and other receivables	113,266	-	113,266	113,267	-	113,267	113,267	-	113,267	-	-	-
	<u>25,309,499</u>	<u>263,958,025</u>	<u>289,267,524</u>	<u>25,921,366</u>	<u>209,519,270</u>	<u>235,440,636</u>	<u>21,971,024</u>	<u>150,402,400</u>	<u>172,373,424</u>	<u>866,768</u>	<u>-</u>	<u>866,768</u>

	As at 30 June 2015											
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others		
	At fair value through profit or	Amortised cost	Total	At fair value through profit or	Amortised cost	Total	At fair value through profit or	Amortised cost	Total	At fair value through profit or	Amortised cost	Total
	Rupees											
<b>Liabilities</b>												
Payable against purchase of investments	-	7,363,761	7,363,761	-	-	-	-	-	-	-	-	-
Payable against redemption of units	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Pension Fund Manager	-	1,481,793	1,481,793	-	1,129,443	1,129,443	-	729,947	729,947	-	26,791	26,791
Payable to Central Depository Company of Pakistan Limited - Trustee	-	36,508	36,508	-	28,718	28,718	-	21,168	21,168	-	-	-
Payable to the auditors	-	69,540	69,540	-	61,722	61,722	-	46,235	46,235	-	-	-
	<u>-</u>	<u>8,951,602</u>	<u>8,951,602</u>	<u>-</u>	<u>1,219,883</u>	<u>1,219,883</u>	<u>-</u>	<u>797,350</u>	<u>797,350</u>	<u>-</u>	<u>26,791</u>	<u>26,791</u>

	As at 30 June 2014											
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others		
	Loans and receivables	At fair value through profit or loss	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total
	Rupees											
<b>Assets</b>												
Bank balances	17,158,840	-	17,158,840	20,357,876	-	20,357,876	38,829,769	-	38,829,769	288,120	-	288,120
Investments - net	-	190,139,745	190,139,745	-	154,370,090	154,370,090	-	99,171,470	99,171,470	-	-	-
Dividend receivable	118,125	-	118,125	-	-	-	-	-	-	-	-	-
Mark-up accrued	57,162	-	57,162	2,152,512	-	2,152,512	1,184,025	-	1,184,025	-	-	-
Security deposit and other receivables	113,266	-	113,266	113,267	-	113,267	113,267	-	113,267	-	-	-
	<u>17,447,393</u>	<u>190,139,745</u>	<u>207,587,138</u>	<u>22,623,655</u>	<u>154,370,090</u>	<u>176,993,745</u>	<u>40,127,061</u>	<u>99,171,470</u>	<u>139,298,531</u>	<u>288,120</u>	<u>-</u>	<u>288,120</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 17. FINANCIAL INSTRUMENTS BY CATEGORY (Countined...)

	As at 30 June 2014											
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
	Rupees											
<b>Liabilities</b>												
Payable against purchase of investments	-	2,168,699	2,168,699	-	-	-	-	-	-	-	-	-
Payable against redemption of units	-	-	-	-	-	-	-	91,923	91,923	-	-	-
Payable to the Pension Fund Manager	-	736,503	736,503	-	593,467	593,467	-	418,897	418,897	-	28,320	28,320
Payable to Central Depository Company of Pakistan Limited - Trustee	-	24,914	24,914	-	21,263	21,263	-	16,840	16,840	-	-	-
Payable to the auditors	-	47,107	47,107	-	42,263	42,263	-	33,590	33,590	-	-	-
	-	<b>2,977,223</b>	<b>2,977,223</b>	-	<b>656,993</b>	<b>656,993</b>	-	<b>561,250</b>	<b>561,250</b>	-	<b>28,320</b>	<b>28,320</b>

## 18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

**18.1** The Fund primarily invests in listed equity securities, government securities and sukuk certificates. These activities are exposed to a variety of financial risks: market risks, credit risk and liquidity risks.

### 18.2 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

#### 18.2.1 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 the currency risk as all transactions are carried out in Pakistani Rupees.

#### 18.2.2 Interest rate risk

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued...)

### Sensitivity Analysis of fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument and is not exposed to fair value interest rate risk.

### Sensitivity Analysis of variable rate instruments

- a) Presently the Debt Sub-Fund hold KIBOR based profit bearing Sukuk certificates (other than Government Ijara Sukuks) exposing the Sub-Funds to cash flow in interest rate risk. However, as these securities are non-performing assets and have been fully provided for, with their markup being credited to suspense account, this risk is not applicable.
- b) As at 30 June 2015, the Debt Sub-Fund and Money Market Sub-Fund hold Government Ijarah Sukuks which are classified as 'Available for Sale' exposing the Fund to cash flow interest rate risk. The impact on 100 bases points increase/ decrease in mark up rates on 30 June 2015 with all variables held, constant on the net income for the year is as follows:

### Change in base points

	2015 Effect on net income		
	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees -----		
100	326,491	196,479	522,970
(100)	(326,491)	(196,479)	(522,970)

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association of Pakistan for the Government Ijarah Sukuks is expected to change over time. Therefore, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the effect on the Fund's net assets due to 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 settlement date.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Equity Sub-Fund

----- As at 30 June 2015 -----					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	5 - 6.75	19,306,616	-	-	19,306,616
Investments - net		-	-	263,958,025	263,958,025
Receivable against sale of investments		-	-	5,200,644	5,200,644
Dividend receivable		-	-	609,400	609,400
Mark-up accrued		-	-	79,573	79,573
Security deposit and other receivables		-	-	113,266	113,266
		19,306,616	-	269,960,908	289,267,524
<b>Financial liabilities</b>					
Payable against purchase of investments		-	-	7,363,761	7,363,761
Payable to the Pension Fund Manager		-	-	1,481,793	1,481,793
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	36,508	36,508
Payable to the auditors		-	-	69,540	69,540
		-	-	8,951,602	8,951,602
<b>On-balance sheet gap</b>		<b>19,306,616</b>	<b>-</b>	<b>261,009,306</b>	<b>280,315,922</b>
<b>Off-balance sheet financial instruments</b>					
		-	-	-	-
<b>Off-balance sheet gap</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap</b>		<b>19,306,616</b>	<b>-</b>	<b>261,009,306</b>	<b>280,315,922</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>19,306,616</b>	<b>19,306,616</b>	<b>19,306,616</b>	<b>280,315,922</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Debt Sub-Fund

----- As at 30 June 2015 -----						
Effective yield/ interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
----- Rupees -----						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5 - 6.75	23,153,937	-	-	-	23,153,937
Investments - net	4.7496 - 8.3377	-	128,064,080	81,455,190	-	209,519,270
Mark-up accrued		-	-	-	2,654,162	2,654,162
Security deposit and other receivables		-	-	-	113,267	113,267
		23,153,937	128,064,080	81,455,190	2,767,429	235,440,636
<b>Financial liabilities</b>						
Payable to the Pension Fund Manager		-	-	-	1,129,443	1,129,443
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	28,718	28,718
Payable to the auditors		-	-	-	61,722	61,722
		-	-	-	1,219,883	1,219,883
<b>On-balance sheet gap</b>		<b>23,153,937</b>	<b>128,064,080</b>	<b>81,455,190</b>	<b>1,547,546</b>	<b>234,220,753</b>
<b>Off-balance sheet financial instruments</b>						
		-	-	-	-	-
<b>Off-balance sheet gap</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap</b>		<b>23,153,937</b>	<b>128,064,080</b>	<b>81,455,190</b>	<b>1,547,546</b>	<b>234,220,753</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>23,153,937</b>	<b>151,218,017</b>	<b>232,673,207</b>	<b>234,220,753</b>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Money Market Sub-Fund

----- As at 30 June 2015 -----						
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
----- Rupees -----						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5 - 6.75	20,228,220	-	-	-	20,228,220
Investments - net	4.7496 - 8.3377	-	108,390,610	42,011,790	-	150,402,400
Mark-up accrued		-	-	-	1,629,537	1,629,537
Security deposit and other receivables		-	-	-	113,267	113,267
		<u>20,228,220</u>	<u>108,390,610</u>	<u>42,011,790</u>	<u>1,742,804</u>	<u>172,373,424</u>
<b>Financial liabilities</b>						
Payable against redemption of units		-	-	-	-	-
Payable to the Pension Fund Manager		-	-	-	729,947	729,947
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	21,168	21,168
Payable to the auditors		-	-	-	46,235	46,235
		-	-	-	797,350	797,350
<b>On-balance sheet gap</b>		<u><u>20,228,220</u></u>	<u><u>108,390,610</u></u>	<u><u>42,011,790</u></u>	<u><u>945,454</u></u>	<u><u>171,576,074</u></u>
<b>Off-balance sheet financial instruments</b>						
		-	-	-	-	-
<b>Off-balance sheet gap</b>		<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Total interest rate sensitivity gap</b>		<u><u>20,228,220</u></u>	<u><u>108,390,610</u></u>	<u><u>42,011,790</u></u>	<u><u>945,454</u></u>	<u><u>171,576,074</u></u>
<b>Cumulative interest rate sensitivity gap</b>		<u><u>20,228,220</u></u>	<u><u>128,618,830</u></u>	<u><u>170,630,620</u></u>	<u><u>171,576,074</u></u>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 18.2.3 Price risk

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

The Equity Sub-Fund is exposed to equity price risk because of equity securities held by it and classified on the 'statement of assets and liabilities' at 'fair value through profit or loss'. To manage its price risk arising from investment in equity securities, the Equity Sub-Fund's investment policy limits investments in listed shares of one company to not more than ten percent (10%) of its net assets, or ten percent of the paid up capital of that single company, whichever is lower. Moreover, the sector limits have been restricted to thirty percent (30%) or the index weight, whichever is higher, subject to maximum of thirty five percent (35%) of the net assets of the Sub-Fund and investment in listed securities of a particular company have also been restricted to ten percent (10%) of the paid up capital of the investee company.

In case of 5% change in KSE 100 index on 30 June 2015, with all other variables held constant, net income for the year would increase / decrease by Rs.13,197,901 (2014: Rs. 9,506,987) as a result of gains / losses on equity securities classified as 'at fair value through profit or loss'.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Sub-Funds equity instruments moved according to historical correlation with the index. This represents the Pension Fund Manager's best estimate of a reasonable possible shift in the KSE 100 index, having regard to historical volatility of the index. The composition of the Sub-Fund's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of the KSE 100 index.

## 18.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations and commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset close to its fair value. The Pension Fund Manager manages liquidity risk by continuously analysing the maturities of the financial assets and financial liabilities. Since the participants of the Sub-Funds have invested with a long term objective, the possibility of a significant redemption pressure is limited.

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 18.3.1 Equity Sub-Fund

	2015						2014							
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total
Rupees														
<b>Assets</b>														
Bank balances	19,306,616	-	-	-	-	-	19,306,616	17,158,840	-	-	-	-	-	17,158,840
Receivable against sale of investments	5,200,644	-	-	-	-	-	5,200,644	-	-	-	-	-	-	-
Investments - net	-	-	-	-	-	263,958,025	263,958,025	-	-	-	-	-	190,139,745	190,139,745
Dividend receivable	609,400	-	-	-	-	-	609,400	118,125	-	-	-	-	-	118,125
Mark-up accrued	79,573	-	-	-	-	-	79,573	57,162	-	-	-	-	-	57,162
Security deposit and other receivables	-	-	-	-	113,266	-	113,266	-	-	-	-	113,266	-	113,266
	<b>25,196,233</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,266</b>	<b>263,958,025</b>	<b>289,267,524</b>	<b>17,334,127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,266</b>	<b>190,139,745</b>	<b>207,587,138</b>
<b>Liabilities</b>														
Payable against purchase of investments	7,363,761	-	-	-	-	-	7,363,761	2,168,699	-	-	-	-	-	2,168,699
Payable to the Pension Fund Manager	1,481,793	-	-	-	-	-	1,481,793	736,503	-	-	-	-	-	736,503
Payable to Central Depository Company of Pakistan Limited - Trustee	36,508	-	-	-	-	-	36,508	24,914	-	-	-	-	-	24,914
Payable to the auditors	-	69,540	-	-	-	-	69,540	-	47,107	-	-	-	-	47,107
	<b>8,882,062</b>	<b>69,540</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,951,602</b>	<b>2,930,116</b>	<b>47,107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,977,223</b>
<b>Net assets / (liabilities)</b>	<b>16,314,171</b>	<b>(69,540)</b>	<b>-</b>	<b>-</b>	<b>113,266</b>	<b>263,958,025</b>	<b>280,315,922</b>	<b>14,404,011</b>	<b>(47,107)</b>	<b>-</b>	<b>-</b>	<b>113,266</b>	<b>190,139,745</b>	<b>204,609,915</b>

## 18.3.2 Debt Sub-Fund

	2015					2014						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Rupees												
<b>Assets</b>												
Bank balances	23,153,937	-	-	-	-	23,153,937	20,357,876	-	-	-	-	20,357,876
Investments	-	-	128,064,080	81,455,190	-	209,519,270	-	-	80,848,340	73,521,750	-	154,370,090
Mark up accrued	81,070	1,661,466	911,626	-	-	2,654,162	224,466	1,661,466	266,580	-	-	2,152,512
Security deposit and other receivables	-	-	-	-	113,267	113,267	-	-	-	-	113,267	113,267
	<b>23,235,007</b>	<b>1,661,466</b>	<b>128,975,706</b>	<b>81,455,190</b>	<b>113,267</b>	<b>235,440,636</b>	<b>20,582,342</b>	<b>1,661,466</b>	<b>81,114,920</b>	<b>73,521,750</b>	<b>113,267</b>	<b>176,993,745</b>
<b>Liabilities</b>												
Payable to the Pension Fund Manager	1,129,443	-	-	-	-	1,129,443	593,467	-	-	-	-	593,467
Payable to Central Depository Company of Pakistan Limited - Trustee	28,718	-	-	-	-	28,718	21,263	-	-	-	-	21,263
Payable to the auditors	-	61,722	-	-	-	61,722	-	42,263	-	-	-	42,263
	<b>1,158,161</b>	<b>61,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,219,883</b>	<b>614,730</b>	<b>42,263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>656,993</b>
<b>Net assets</b>	<b>22,076,846</b>	<b>1,599,744</b>	<b>128,975,706</b>	<b>81,455,190</b>	<b>113,267</b>	<b>234,220,753</b>	<b>19,967,612</b>	<b>1,619,203</b>	<b>81,114,920</b>	<b>73,521,750</b>	<b>113,267</b>	<b>176,336,752</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 18.3.3 Money Market Sub-Fund

	2015					Total	2014					Total
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years		Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	
-----Rupees-----												
<b>Assets</b>												
Bank balances	20,228,220	-	-	-	-	20,228,220	38,829,769	-	-	-	-	38,829,769
Investments	-	-	108,390,610	42,011,790	-	150,402,400	-	-	71,414,820	27,756,650	-	99,171,470
Mark up accrued	70,188	954,628	604,721	-	-	1,629,537	123,525	954,628	105,872	-	-	1,184,025
Security deposit and other receivables	-	-	-	-	113,267	113,267	-	-	-	-	113,267	113,267
	<b>20,298,408</b>	<b>954,628</b>	<b>108,995,331</b>	<b>42,011,790</b>	<b>113,267</b>	<b>172,373,424</b>	<b>38,953,294</b>	<b>954,628</b>	<b>71,520,692</b>	<b>27,756,650</b>	<b>113,267</b>	<b>139,298,531</b>
<b>Liabilities</b>												
Payable against redemption of units	-	-	-	-	-	-	91,923	-	-	-	-	91,923
Payable to the Pension Fund Manager	729,947	-	-	-	-	729,947	418,897	-	-	-	-	418,897
Payable to Central Depository Company of Pakistan Limited - Trustee	21,168	-	-	-	-	21,168	16,840	-	-	-	-	16,840
Payable to the auditors	-	46,235	-	-	-	46,235	-	33,590	-	-	-	33,590
	<b>751,115</b>	<b>46,235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>797,350</b>	<b>527,660</b>	<b>33,590</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>561,250</b>
<b>Net assets</b>	<b>19,547,293</b>	<b>908,393</b>	<b>108,995,331</b>	<b>42,011,790</b>	<b>113,267</b>	<b>171,576,074</b>	<b>38,425,634</b>	<b>921,038</b>	<b>71,520,692</b>	<b>27,756,650</b>	<b>113,267</b>	<b>138,737,281</b>

## 18.4 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of dividends receivable on equity securities and investment in debt securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the national clearing company system. The risk of default is considered minimal due to inherent systematic measures taken therein. Risk attributable to investment in Government of Pakistan Ijarah Sukuks is limited as these are guaranteed by the Federal Government.

### Concentration of Credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mostly concentrated in Government securities.

The table below analyses the Fund's minimum exposure to credit risk other than investment in shares and in Government securities:

	2015	2014
-----Rupees-----		
Equity Sub-Fund	25,309,499	17,447,393
Debt Sub-Fund	23,348,274	20,695,609
Money Market Sub-Fund	20,411,676	39,066,561
	<b>69,069,449</b>	<b>77,209,563</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 18.4.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

Rating	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	% of financial assets exposed to credit risk		% of financial assets exposed to credit risk		% of financial assets exposed to credit risk	
	2015	2014	2015	2014	2015	2014
Government securities	-	-	90.08	88.31	88.16	71.95
AAA	28.74	83.74	9.44	9.78	10.81	17.97
AA+	-	-	-	0.01	-	0.01
AA	0.05	0.03	0.43	1.84	0.97	9.99
A+	-	-	-	-	-	-
A	47.81	14.90	-	-	-	-
Others	23.40	1.33	0.05	0.06	0.06	0.08
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## 18.4.2 An analysis of the financial assets that are individually impaired are as under:

	Debt Sub-Fund					
	As at 30 June 2015			As at 30 June 2014		
	Total outstanding amount	Payment over due (in days)		Total outstanding amount	Payment over due (in days)	
(1-365)		Above 365	(1-365)		Above 365	
	Rupees					
Investments - Agritech Limited	3,700,000	-	3,700,000	3,700,000	-	3,700,000
Investments - Agritech Limited IV	535,000	-	535,000	535,000	-	535,000
	<b>4,235,000</b>	<b>-</b>	<b>4,235,000</b>	<b>4,235,000</b>	<b>-</b>	<b>4,235,000</b>

The impaired investments are fully provided.

## 18.5 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- Investment in Government of Pakistan Ijarah Sukuks are valued on the basis of average rates provided by the brokers as announced on the Reuters page.
- Investment in Sukkuk certificates are valued in accordance with the methodology for valuation of debt securities prescribed by the SECP. Under the said directive, investments in sukkuk certificates are valued on the basis of traded, thinly traded and non-traded securities. Accordingly, investments in sukkuk certificates have been valued at the rates determined and announced by MUFAP based on methodology prescribed in the circulars.
- The fair value of other financial assets and liabilities of the Fund approximate their carrying amount due to short term maturities of these instruments.

## 18.6 Fair value hierarchy

The Fund uses the following hierarchy for disclosure of the fair value of financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2015, the Fund held the following financial instruments measured at fair value:

2015	Level 1	Level 2	Level 3
	-----Rupees-----		
<b>Equity Sub-Fund</b>			
At fair value through profit or loss (held-for-trading)	263,958,025	-	-
<b>Debt Sub-Fund</b>			
Available-for-sale	-	209,519,270	-
<b>Money Market Sub-Fund</b>			
Available-for-sale	-	150,402,400	-
	<u>263,958,025</u>	<u>359,921,670</u>	<u>-</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 18.7 Capital risk management

The Fund's capital is represented by redeemable units of Sub-Funds. They are entitled to payment of a proportionate share based on the Sub-Fund's net assets value per unit on the redemption date. The relevant movements are shown in the 'statement of movement in Participant's Sub-Fund'. In accordance with the risk management policies stated above, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions. Since the participants of the Fund have invested with a long term objective, the possibility of a significant redemption pressure is limited, such liquidity being augmented (by short term borrowings or disposal of investments where necessary). During the year no such borrowing was availed.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent Sub-Funds of the Fund and rank parri passu as their rights in the net assets and earning of the Sub-Fund are not tradeable or transferable. Each participant has a beneficial interest in the Sub-Fund proportionate to the units held by such participant in such Sub-Fund.

## 19. FINANCIAL PERFORMANCE

Particulars	Equity Sub-Fund					
	2015	2014	Change	2013	2012	2011
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	49,310,493	34,860,015	41.45	39,395,281	14,609,468	14,927,697
Net gain on sale of investments at fair value through profit or loss	26,705,581	10,881,480	145.42	15,284,548	8,123,768	9,695,545
Net unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss	15,607,413	18,464,034	(15.47)	20,184,962	4,289,787	3,076,824
Dividend income	12,622,812	8,760,488	44.09	6,171,847	3,302,131	2,908,556
Mark-up Income	911,121	1,328,675	(31.43)	755,147	481,667	592,647
Net asset value per unit	500.09	402.26	24.32	322.12	216.16	166.21
Earnings per unit	89.10	69.38	28.43	95.08	46.58	51.30
Transactions in securities - Purchases	(280,501,148)	(160,172,664)	75.12	(131,354,278)	(86,624,406)	(89,467,627)
Transactions in securities - Sales / Matured	248,995,862	118,529,563	110.07	112,692,311	80,326,415	99,746,159
Total contributions received	66,743,935	59,826,458	11.56	53,784,157	12,101,551	5,539,132



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 19. FINANCIAL PERFORMANCE (Continued...)

Particulars	Debt Sub-Fund					
	2015	2014	Change	2013	2012	2011
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	12,600,067	9,083,793	38.71	6,894,099	4,079,512	2,388,985
Net loss on sale / maturity of 'available for sale investments'	-	-	-	(48,750)	-	-
Mark-up Income	16,692,859	12,322,273	35.47	9,098,479	7,663,929	5,315,522
Net asset value per unit	177.34	168.04	5.53	155.54	144.30	134.83
Earnings per unit	9.58	8.69	10.26	8.25	8.51	6.18
Transactions in securities - Purchases	(56,675,102)	(118,755,548)	(52.28)	(77,610,179)	(27,104,000)	(36,747,000)
Transactions in securities - Sales / Matured	-	84,001,000	(100.00)	24,625,000	650,000	650,000
Total contributions received	87,132,633	69,420,667	25.51	83,744,943	24,940,523	13,987,686

Particulars	Money Market Sub-Fund					
	2015	2014	Change	2013	2012	2011
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	9,563,703	7,105,755	34.59	5,217,604	4,333,019	3,568,686
Net loss on sale / maturity of 'available for sale investments'	-	-	-	(26,250)	-	-
Mark-up Income	12,122,472	9,537,456	27.10	7,016,317	5,363,475	4,397,474
Net asset value per unit	187.46	176.90	5.97	164.29	153.37	139.92
Earnings per unit	10.50	9.10	15.39	8.46	12.37	11.84
Transactions in securities - Purchases	(51,970,998)	(85,632,662)	(39.31)	(78,286,149)	(27,098,000)	(21,681,500)
Transactions in securities - Sales / Matured	-	79,501,000	(100.00)	35,875,000	350,000	350,000
Total contributions received	49,758,749	50,404,669	(1.28)	64,510,132	16,269,664	10,960,788

### Highest and lowest issue prices of units

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2015	2014	2015	2014	2015	2014
Highest issue price	511.47	403.62	177.34	168.04	187.46	176.90
Lowest issue price	383.18	331.80	168.49	155.60	177.12	164.35

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 20. GENERAL

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

### 21. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 31 August 2015.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Azam Faruque**  
Director



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