

Tuesday, 07 September 2010

Five SECP-licensed managers set up nine pension funds

ISLAMABAD : The Securities and Exchange Commission of Pakistan (SECP) had issued licences to five pension fund managers up to June 30, 2010 for setting up and managing the fund more efficiently. Sources told *Business Recorder* here on Monday that the SECP has prepared the performance of conventional pension funds and Shariah-compliant pension funds, which have been in operation for more than six months ending on June 30, 2010.

Up to June 30, 2010, the SECP had licensed five Pension Fund Managers, for setting up and managing Pension Funds. These Pension Fund Managers have launched nine Pension Funds for investment by the participants. Out of these nine, five are Shariah-compliant and 4 are conventional Pension Funds. Performance comparison of seven out of nine Pension Funds which have been in operation for more than six months has been compiled by the SECP as on June 30, 2010.

According to sources, voluntary pension funds provide a framework to the individuals to save and invest during their working life and receive income on retirement. Every individual who holds computerised national identity card (CNIC) can become a participant of a pension fund set up under Voluntary Pension System Rules, 2005. An individual can opt retirement age from 60 to 70 years during which he plans to save and contribute to a pension fund of his/her choice.

Sources said that the pension funds are structured as trusts, and a deed is executed between Trustee and Fund Manager wherein rights and obligations of the parties and those of the participants are stated. Trustees and Fund Managers are independent and unrelated entities.

A Trustee assumes custody of assets of a pension fund and Pension Fund Manager makes investment decisions staying within the ambit of the laid down rules. Investment policy of a

Pension Fund is stated in its offering document. Anyone who intends to invest in a Pension Fund must read its offering document to understand structure, risks and rewards.

A Pension Fund consists of three sub-funds. Each sub-fund has a clearly stated policy to invest in equity, debt and money market securities. Participants can choose to invest in any one of the pre-defined combination of sub-funds, known as allocation strategies, depending on their risk appetite and return preference. Historically, the equity funds have greater volatility of rewards and risks than debt or money market funds. A participant can also become a member of more than one Pension Fund managed by the same or different Pension Fund Managers.

A Participant can transfer his/her account from one Pension Fund Manager to another Pension Fund Manager registered with SECP, once in a year. Under tax laws, Participants of a Fund are entitled to certain credits and benefits at contribution, income generation and withdrawal stages of investments. These benefits are subject to fulfilment of conditions stipulated in the tax laws, sources added.

According to the SECP data, following is the Performance of Conventional Pension Funds:

1) Performance of Conventional Pension Funds:

2) Performance of Shariah Compliant Pension:

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Name of Pension Fund Manager:	JS	Arif Habib	Atlas Asset
	Investments	Investment	Management
	Limited	Management	Limited
	Limited		

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Name of Pension Fund:	JS Pension Savings	Pakistan Pension	Atlas Pension
	Fund	Fund	Fund

Date of launch:	27-Jun-07	27-Jun-07	27-Jun-07
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Debt sub-fund of the Pension Fund:

**NAV on June 30, 2010 (Rs)	130.18	121.68	127.85
NAV on December 31, 2009 (Rs)	128.69	114.36	121.82
Return (net of expenses) for 6 months ended	1.49	7.32	6.03
June 30, 2010 (Rs & %)	1.16%	6.40%	4.95%
Expenses	1.40	1.04%	1.14%
NAV at the date of launch (Rs)	99.95	100.00	100.00
Return (net of expenses) since date of launch	30.23	21.68	27.85
to June 30, 2010 (Rs & %)	30.25%	21.68%	27.85%

Equity sub-fund of the Pension Fund:

NAV on June 30, 2010 (Rs)	73.68	82.54	100.77
NAV on December 31, 2009 (Rs)	77.25	81.17	104.15
Return (net of expenses) for 6 months ended	-3.57	1.37	-3.38
June 30, 2010 (Rs & %)	-4.62%	1.69%	-3.25%
Expenses	1.58%	1.20%	1.51%
NAV at the date of launch (Rs)	99.95	100.00	100.00
Return (net of expenses) since date of launch	--26.27	-17.46	0.77
to June 30, 2010 (Rs & %)	-26.28%	-17.46%	0.77%

Money Market sub-fund of the Pension Fund:

NAV on June 30, 2010 (Rs)	108.51	127.25	129.15
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NAV on December 31, 2009 (Rs)	123.90	121.31	123.60
Return (net of expenses) for 6 months	-15.39	5.94	5.55
ended June 30, 2010 (Rs & %)	-12.42%	4.90%	4.49%
Expenses	1.08%	1.06%	1.35%
NAV at the date of launch (Rs)	99.95	100.00	100.00
Return (net of expenses) since date of launch to	8.56	27.25	29.15
June 30, 2010 (Rs & %)	8.56%	27.25%	29.15%

<!--[if !supportLists]-->1) <!--[endif]-->Performance of Shariah Compliant Pension:

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Name of PFM: JS Arif Habib Atlas Asset Al -Meezan

Investments Investment Management Investment

Limited Management Limited Management

Limited Limited

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Name of Pension Fund: JS Islamic Pakistan Atlas Meezan

Pension Islamic Pension Tahaffuz

Savings Pension fund Islamic Fund Pension Fund

Fund

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Date of Launch: 16-Jun-08 31-Oct-07 6-Nov-07 27-Jun-07

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Debt sub-fund of the Pension Funds:

NAV on June 30, 2010 (Rs)	121.59	124.66	127.50	129.71
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NAV on December 31, 2009 (Rs)	118.16	118.18	122.51	123.67
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Return (net of expenses) for 6 months	3.43	6.48	4.99	6.04
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Ended June 30, 2010 (Rs & %)	2.90%	5.48%	4.07%	4.88%
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Expenses	1.42%	1.20%	1.33%	1.33%
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NAV at the date of launch (Rs)	100.00	100.20	100.00	100.25
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Return (net of expenses) since date of	21.59	24.46	27.50	29.46
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Launch to June 30, 2010 (Rs & %)	21.59%	24.41%	27.50%	29.39%
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Equity sub-fund of the Pension Funds:

NAV on June 30, 2010 (Rs)	108.25	89.83	119.19	101.01
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NAV on December 31, 2009 (Rs)	113.40	91.08	119.82	98.47
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Return (net of expenses) for 6 months	-5.15	-1.25	-0.63	2.54
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Ended June 30, 2010 (Rs & %)	-4.54%	-1.37%	-0.53%	2.58%
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Expenses	1.64%	1.32%	1.70%	1.56%
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NAV at the date of launch (Rs)	100.00	100.20	100.00	100.14
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Return (net of expenses) since date of	8.25	-10.37	19.19	0.87
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Launch to June 30, 2010 (Rs & %)	8.25%	-10.35%	19.19%	0.87%
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Money Market sub-fund of the Pension Funds:

NAV on June 30, 2010 (Rs)	112.71	117.23	127.44	128.94
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NAV on December 31, 2009 (Rs)	109.94	113.48	122.28	124.24
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Return (net of expenses) for 6 months	2.77	3.75	5.16	4.70
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ended June 30, 2010 (Rs & %)	2.52%	3.30%	4.22%	3.78%
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Expenses	1.28%	1.20%	1.33%	1.32%
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NAV at the date of launch (Rs)	100.00	100.20	100.00	100.18
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Return (net of expenses) since date of	12.71	17.03	27.44	28.76
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launch to June 30, 2010 (Rs & %)	12.71%	17.00%	27.44%	28.71%
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