



NBP FUNDS

Managing Your Savings

AM1

Rated by PACRA

NAFA MONEY MARKET FUND

**QUARTERLY
REPORT**
March 31, 2018



MISSION STATEMENT

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

NAFA MONEY MARKET FUND

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	09
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	14

NAFA MONEY MARKET FUND

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Formerly: NBP Fullerton Asset Management Limited (NAFA)

Board of Directors of the Management Company

Mr. Mudassir Husain Khan	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tariq Jamali	Director
Mr. Abdul Hadi Palekar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Dr. Foo Chiah Shiung (Kelvin Foo)	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Tariq Jamali	Member
Dr. Foo Chiah Shiung (Kelvin Foo)	Member
Mr. Humayun Bashir	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Abdul Hadi Palekar	Member
Mr. Humayun Bashir	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Tariq Jamali	Member
Mr. Shehryar Faruque	Member
Dr. Foo Chiah Shiung (Kelvin Foo)	Member

Trustee

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

Bankers to the Fund

Askari Bank Limited
Bank Alfalah Limited
National Bank of Pakistan
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Habib Bank Limited
Bank Al Habib Limited
Allied Bank Limited
United Bank Limited
Summit Bank Limited
Sindh Bank Limited
Samba Bank Limited
Zarai Taraqiati Bank Limited
JS Bank Limited
Meezan Bank Limited

NAFA MONEY MARKET FUND

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

NAFA MONEY MARKET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited (Formerly; NBP Fullerton Asset Management Limited) is pleased to present the unaudited financial statements of **NAFA Money Market Fund (NMMF)** for the period ended March 31, 2018.

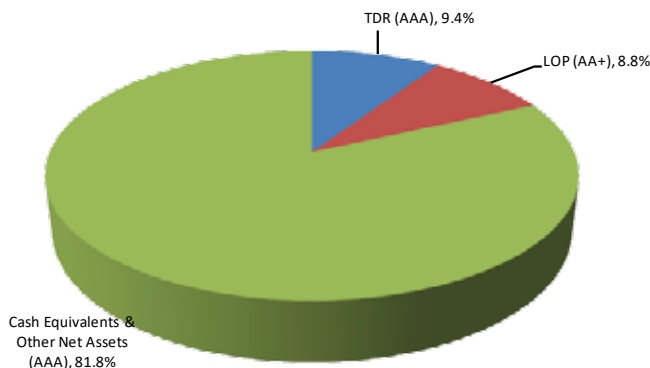
Fund's Performance

The size of NAFA Money Market Fund has increased from Rs. 14,845 million to Rs. 23,522 million during the period (i.e. a notable growth of 58%). During the period, the unit price of the Fund has increased from Rs. 9.8513 (Ex-Div) on June 30, 2017 to Rs. 10.2611 on March 31, 2018, thus showing a return of 5.5% as compared to the benchmark return of 5.2% for the same period. The performance of the Fund is net of management fee and all other expenses.

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a Money Market scheme, the Fund has strict investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is 'AA', while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

During the period under review, in its bi-monthly monetary policy review in January 2018, State Bank of Pakistan (SBP) increased the policy rate and discount rate by 25 basis points to 6.00% and 6.50%, respectively. After remaining range bound, sovereign yields responded to the recent increase in the policy rates and expectation of more to come in the near future. During the period under review, yields on T-bills for 3-month, 6-month, and 12-month, tenors increased by 41 basis points, 57 basis points and 71 basis points respectively. Expecting upside risks to inflation and interest rates, investors' preference remained tilted toward short tenors.

The Fund has earned a total income of Rs. 1,043.09 million during the period. After deducting expenses of Rs.154.23 million, the net income is Rs.888.66 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NMMF:



NAFA MONEY MARKET FUND

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of

NBP Fund Management Limited

(Formerly; NBP Fullerton Asset Management Limited)

Chief Executive

Director

Date: April 30, 2018

Place: Karachi.

NAFA MONEY MARKET FUND

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ سابقہ (NBP فلٹرن ایسیٹ مینجمنٹ لمیٹڈ) کے بورڈ آف ڈائریکٹرز بصیرت 31 مارچ 2018 کو ختم ہونے والی مدت کے لئے NAFA منی مارکیٹ فنڈ (NMMF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

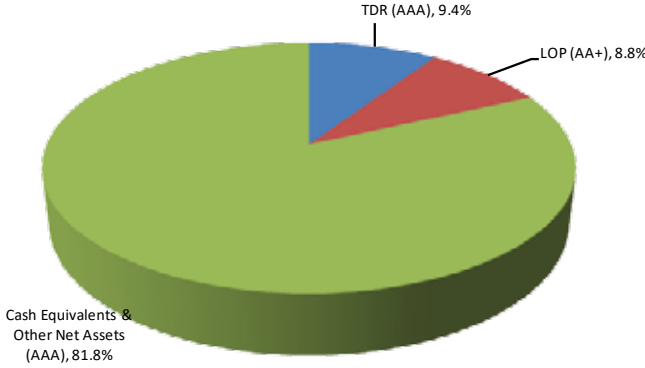
NAFA منی مارکیٹ فنڈ کا سائز اس مدت کے دوران 14,845 ملین روپے سے بڑھ کر 23,522 ملین روپے ہو گیا، یعنی 58% کا غیر معمولی اضافہ۔ اس مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2017 کو 9.8513 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2018 کو 10.2611 روپے ہو چکی ہے، لہذا اسی مدت کے لیے اپنے بیٹج مارک منافع 5.2% کے مقابلے میں 5.5% منافع درج کرایا۔ فنڈ کا منافع مینجمنٹ فیس اور دیگر اخراجات کے بعد خالص ہے۔

NMMF کو PACRA کی طرف سے AA(f) کی اسٹیبلٹی ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ ایک منی مارکیٹ اسکیم کی حیثیت سے فنڈ سرمایہ کاری کی انتہائی سخت ہدایات رکھتا ہے۔ فنڈ کی منظور شدہ انویسٹمنٹس میں ٹی بلز، بینک ڈپازٹس اور منی مارکیٹ انسٹرومنٹس شامل ہیں۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی کسی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نئی تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

زیر جائزہ مدت میں اسٹیٹ بینک آف پاکستان (SBP) نے جنوری 2018 میں اپنی دو ماہ کی مانیٹری پالیسی میں پالیسی ریٹ اور ڈسکاؤنٹ ریٹ میں 25 پیس پوائنٹس کے اضافے سے بالترتیب 6.00% اور 6.50% ہو گیا۔ بقیہ رینج کے محدود ہونے کے بعد (Sovereign) منافع نے حالیہ پالیسی ریٹس میں اضافے اور مستقبل قریب میں مزید اضافے کی توقع کا رد عمل ظاہر کیا۔ زیر جائزہ مدت کے دوران میں 3 ماہ، 6 ماہ اور 12 ماہ کیلئے T-Bills کے منافع میں بالترتیب 41 پیس پوائنٹس، 57 پیس پوائنٹس اور 71 پیس پوائنٹس کا اضافہ ہوا۔ افراط زر اور شرح سود سے متعلقہ بڑھتے ہوئے خدشات کی بنا پر سرمایہ کاروں کی ترجیح کا جھکاؤ مختصر مدت کی طرف رہا۔

فنڈ نے اس مدت کے دوران 1,043.09 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 154.23 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 888.66 ملین روپے رہی۔ درج ذیل چارٹ NMMF کی ایسیٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:-

NAFA MONEY MARKET FUND



اظہار تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجنت کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سکیورٹیز اینڈ اینجیج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہار تشکر کرتا ہے۔

بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ منجمنٹ لمیٹڈ

(سابقہ: NBP فلٹریشن ایسٹ منجمنٹ لمیٹڈ)

ڈائریکٹر

چیف ایگزیکٹو آفیسر

بتاریخ

30 اپریل 2018

بمقام: کراچی

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	(Un- Audited) March 31' 2018	Audited June 30, 2017
(Rupees in '000)			
ASSETS			
Bank balances	4	19,375,926	13,618,825
Investments	5	4,268,783	1,400,000
Mark-up accrued		7,927	1,716
Receivable against transfer of units		-	1,896
Deposit and prepayments		107	278
Total assets		23,652,743	15,022,715
LIABILITIES			
Payable to Management Company		27,849	19,310
Payable to Central Depository Company of Pakistan Limited - Trustee		1,495	1,037
Payable to the Securities and Exchange Commission of Pakistan		12,287	8,623
Payable against redemption of units		637	4,695
Accrued expenses and other liabilities		88,149	143,592
Total liabilities		130,417	177,257
NET ASSETS		23,522,326	14,845,458
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		23,522,326	14,845,458
Contingencies and commitments	6		
-----Number of units-----			
Number of units in issue		2,292,371,646	1,505,846,441
------(Rupees)-----			
Net asset value per unit		10.2611	9.8585

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018

INCOME	Note	Nine months ended		Quarter Ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		(Rupees in '000)			
Return / mark-up on:					
- bank balances		695,697	507,268	105,055	200,455
- government securities		130,469	-	119,806	-
- term deposit receipts		126,706	442	72,237	442
- letters of placement		9,108	1,670	9,108	1,670
- certificates of investment		82,542	-	44,255	-
- Reversal of provision for Workers' Welfare Fund		-	69,380	-	69,380
Net loss on sale of investments		(1,427)	-	(1,355)	-
Total income		1,043,095	578,760	349,106	271,947
EXPENSES					
Remuneration of the Management Company		82,415	40,100	27,804	16,093
Sindh Sales Tax on remuneration of the Management Company		10,714	5,213	3,614	2,092
Reimbursement of operational expenses to the Management Company		16,383	7,776	5,485	3,161
Remuneration of Central Depository Company of Pakistan Limited - Trustee		11,519	6,256	3,846	2,451
Sindh Sales Tax on remuneration of the Trustee		1,497	813	499	319
Annual fee to the Securities and Exchange Commission of Pakistan		12,287	5,832	4,113	2,371
Bank charges		651	381	162	90
Settlement charges		22	-	22	-
Auditors' remuneration		485	557	106	118
Legal and professional charges		26	-	8	-
Fund rating fee		270	245	92	82
Annual listing fee		21	41	7	14
Printing charges		-	35	-	-
Provision for Sindh Workers' Welfare Fund- previous years		-	918	-	918
Amortisation of preliminary expenses and floatation costs		-	151	-	36
Total expenses		136,290	68,318	45,758	27,745
Net income from operating activities		906,805	510,442	303,348	244,202
Net element of income and capital gains included in prices of units issued less those in units redeemed	3.1	-	177,780	-	90,798
Net income for the period		906,805	688,222	303,348	335,000
Provision for Sindh Workers' Welfare Fund	7	(18,136)	(13,764)	(6,067)	(13,764)
Net income for the period before taxation		888,669	674,458	297,281	321,236
Taxation	8	-	-	-	-
Net income for the period after taxation		888,669	674,458	297,281	321,236
Earnings per unit					
Allocation of net income for the period:					
Net income for the period after taxation		888,669		297,281	
Income already paid on units redeemed		(356,546)		(139,271)	
		532,123		158,009	
Accounting income available for distribution:					
- Relating to capital gain		-		-	
- Excluding capital gain		532,123		158,009	
		532,123		158,009	

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018

	Nine months ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000)			
Net income for the period after taxation	888,669	674,458	297,281	321,236
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>888,669</u>	<u>674,458</u>	<u>297,281</u>	<u>321,236</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Nine Month Period ended March 31,					
	2018			2017		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	14,730,540	114,918	14,845,458	7,027,954	81,775	7,109,729
Issue of 3,865,841,560 units (2017: 3,006,622,613 units)						
- Capital value	38,093,244	-	38,093,244			
- Element of income	721,995	-	721,995			
Total proceeds on issuance of units	38,815,239	-	38,815,239	29,568,238	680,646	30,250,268
Redemption of 3,079,316,355 units (2017: 2,317,300,437 units)						
- Capital value	(30,338,982)	-	(30,338,982)			
- Element of loss	(314,551)	(356,546)	(671,097)			
Total payments on redemption of units	(30,653,533)	(356,546)	(31,010,079)	(22,789,723)	(502,866)	(23,292,589)
Net element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	(177,780)	(177,780)
Total comprehensive income for the period	-	888,669	888,669	-	674,458	674,458
Distribution during the period	-	(16,961)	(16,961)	-	(2,886)	(2,886)
Net assets at end of the period	22,892,246	630,080	23,522,326	13,806,469	753,347	14,561,200
Undistributed income brought forward						
- Realised		114,918			81,775	
- Unrealised		-			-	
		114,918			81,775	
Accounting income available for distribution						
- Relating to capital gain		-				
- Excluding capital gain		532,123				
		532,123			674,458	
Distribution during the period		(16,961)			(2,886)	
Undistributed income carried forward		630,080			753,347	
Undistributed income carried forward						
- Realised		630,080			753,347	
- Unrealised		-			-	
		630,080			753,347	
		- (Rupees) -			- (Rupees) -	
Net assets value per unit at beginning of the period		9.8585			9.8377	
Net assets value per unit at end of the period		10.2611			10.3123	

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

**For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Nine Months period ended	
Note	March 31, 2018	March 31, 2017
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	888,669	674,458
Adjustments:		
Return / mark-up on bank balances	(695,697)	(507,268)
Amortisation of preliminary expenses and floatation costs	-	151
Net element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(177,780)
	192,972	(10,439)
(Increase) in assets		
Investments	(2,068,783)	(600,000)
Deposit and prepayments	171	(125)
	(2,068,612)	(600,125)
(decrease) in liabilities		
Payable to the Management Company	8,539	9,034
Payable to the Trustee	458	592
Payable to the Securities and Exchange Commission of Pakistan	3,664	2,382
Accrued expenses and other liabilities	(55,443)	(65,986)
	(42,782)	(53,978)
Mark-up on bank balances received	689,486	503,616
Net cash (used in) from operating activities	(1,228,936)	(160,926)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units	38,817,135	32,900,023
Amounts paid on redemption of units	(31,014,137)	(23,291,369)
Distributions paid	(16,961)	-
Net cash generated from financing activities	7,786,037	9,608,654
Net increase in cash and cash equivalents during the period	6,557,101	9,447,728
Cash and cash equivalents at the beginning of the period	15,018,825	4,603,574
Cash and cash equivalents at the end of the period	4.521,575,926	14,051,302

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited (Formerly; NBP Fullerton Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 4, 2011 and was approved by Securities and Exchange Commission of Pakistan (SECP) on April 14, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

The Fund is an open-ended mutual fund categorised as "money market scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to generate stable income stream for its unit holders while ensuring capital preservation by investing in AA and above rated banks and money market instruments.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and a stability rating of 'AA(f)' to the Fund.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2017

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2018.

NAFA MONEY MARKET FUND

3. ACCOUNTING POLICIES

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Fund as at and for the year ended June 30, 2017 except as explained in note 3.1.

- 3.1 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the amended regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the amended regulations.

Previously, an equalization account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealized appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognized in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as allowed by SECP vide their email to MUFAP dated February 8, 2018. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the profit of the Fund would have been higher by Rs. 49.880 million net off charge for SWWF in respect of element of income / (loss) and consequently NAV per unit would have been lower by Rs. 0.0004. However, the change in accounting policy does not have any impact on the 'Cash Flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

4 BANK BALANCES

	Note	(Un-audited) March 31, 2018	(Audited) June 30, 2017
		-----Rupees in '000-----	
Current accounts	4.1	17,055	15,548
Savings accounts	4.2, 4.3 & 4.4	19,358,871	13,603,277
		<u>19,375,926</u>	<u>13,618,825</u>

NAFA MONEY MARKET FUND

- 4.1 These include bank balances of Rs. 0.16 million and Rs. 16.81 million (June 30, 2017: Rs. 0.165 million and Rs. 15.383 million), maintained with National Bank of Pakistan and Summit Bank Limited (related parties) respectively.
- 4.2 These savings accounts carry mark-up at rates ranging from 3.75% to 6.77% per annum (June 30, 2017: 3.75% to 7.43%) per annum.
- 4.3 These include a bank balance of Rs. 2.44 million (June 30, 2017: Rs. 3.812 million), which is maintained with National Bank of Pakistan, a related party, and carries mark-up at the rate of 3.75% (June 30, 2017: 3.75%) per annum.
- 4.4 These include a bank balance of Rs. 1.62 million (June 30, 2017: Rs. 4.602 million), which is maintained with Askari Bank Limited, a related party, and carries mark-up at the rate of 3.75% (June 30, 2017: 3.75%) per annum.

	Note	(Un-Audited) March 31, 2018	(Audited) June 30, 2017
		(Rupees in '000)	
4.5 Cash and cash equivalents			
Current accounts		17,055	15,548
Savings accounts		19,358,871	13,603,277
Term Deposits - with original maturity of less than three months		2,200,000	1,400,000
		21,575,926	15,018,825

5 INVESTMENTS

At fair value through profit or loss - held for trading

Government securities - Market Treasury Bills	5.1	-	-
Loans and Receivables			
Term Deposit Receipts	5.2	2,200,000	1,400,000
Letter of placements	5.3	2,068,783	-
		4,268,783	1,400,000

5.1 Investment in government securities - 'at fair value through profit or loss'

Issue date	Tenor	Face value			As at March 31, 2018	Market value as at March 31, 2018	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2017	Purchases during the period	Sales / matured during the period				
-----Rupees in '000-----								
2-Mar-17	06 Months	-	500,000	500,000	-	-	-	-
31-Aug-17	03 Months	-	4,600,000	4,600,000	-	-	-	-
17-Aug-17	3 Months	-	3,249,000	3,249,000	-	-	-	-
28-Sep-17	6 Months	-	511,000	511,000	-	-	-	-
23-Nov-17	3 Months	-	425,000	425,000	-	-	-	-
19-Jan-18	3 Months	-	1,000,000	1,000,000	-	-	-	-
1-Feb-18	3 Months	-	8,400,000	8,400,000	-	-	-	-
4-Jan-18	3 Months	-	250,000	250,000	-	-	-	-
15-Feb-18	3 Months	-	6,174,000	6,174,000	-	-	-	-
Total as at March 31, 2018					-	-	-	-
Carrying value before mark to market as at March 31, 2018					-			

NAFA MONEY MARKET FUND

- 5.2 This includes term deposit of Rs. 2,200 million with Habib Bank Limited. This carry interest at the rate of 7.2% and will mature on April 30, 2018.
- 5.3 This represents letter of placements of Rs. 2,068 million with Pak Brunei Investment Company Limited. They carry interest at the rate of 6.86%. They will mature on April 04, 2018.

6 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2018 and June 30, 2017.

7 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 18 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 23.311 million for the half year ended March 31, 2018 in this condensed interim financial information. Had the provision not being made, the net asset value per unit as at March 31, 2018 would have been higher by Rs.0.0102 per unit (June 2017: Rs. 0.0034 per unit).

8 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision for taxation has been made in this condensed interim financial information.

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

9 TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 0.94 % per annum including 0.26 % representing government levies on collective investment scheme such as sales tax, Sindh Worker's Welfare Fund and Securities and Exchange Commission of Pakistan fee for the period.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

- 10.1 Connected persons and related parties include NBP Fund Management Limited (Formerly; NBP Fullerton Asset Management Limited) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Alexandra Fund Management Pte. Limited being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post employment benefit funds of the Management Company its parent and sponsor. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 10.2 The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.
- 10.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 10.4 Remuneration of the Trustee is determined in accordance with the rates agreed between the Management Company and the Trustee.

NAFA MONEY MARKET FUND

(Un-audited)		
Nine Months Period ended		
March 31,	March 31,	
2018	2017	
Rupees in '000		

10.5 Details of transactions with connected persons and related parties are as follows:

NBP Fund Management Limited (Management Company) (Formerly: NBP Fullerton Asset Management Limited)		
Remuneration of the Management Company	82,415	40,100
Sindh Sales Tax on remuneration of the Management Company	10,714	5,213
Reimbursement of operational expenses to the Management Company	16,383	7,776
Units issued / transferred in 27,053,462 units (2017: 10,360,718 units)	275,027	105,000
Units redeemed / transferred out - 24,493,061 (2017: 8,398,916 units)	249,566	85,000
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	11,519	6,256
Sindh Sales Tax on remuneration of the Trustee	1,497	422
Employees of the Management Company		
Dividend re-invest 2,070 units (2016: Nil)	21	-
Units issued / transferred in 3,313,818 units (2017: 343,185 units)	33,300	3,479
Units redeemed / transferred out 3,006,463 units (2017: 389,768 units)	30,211	3,906
National Bank of Pakistan (Parent of the Management Company)		
	73	52
Mark-up on bank balances		
Askari Bank Limited (Common Directorship with the Management Company)		
Bank Profit - Saving A/c	180	-
Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS)		
	500,000	1,500,117
Units issued / transferred in - 49,098,068 (2017: 149,866,589 units)	1,369	-
Units redeemed / transferred out - Nil (2017: 61,130,011 units)	1,826	-
Dividend re-invest 137,403 units (2017: Nil)		
Gross Cash Dividend	2,000	-
Chief Executive Officer		
Units issued / transferred in 199,698 units (2017: Nil)	1	-
Humayun Bashir (Director of Management Company)		
Units issued / transferred in 135 units (2017: Nil)	77,682	-
Units issued / transferred in 7,635,580 units (2017: Nil)	76,847	-
Units redeemed / transferred out 7,554,009 units (2017: Nil)		
	-	1,000
Chief Financial Officer of the Management Company		
Units issued / transferred in - Nil (2017: 100,177 units)	-	1,004
Units redeemed / transferred out - Nil (2017: 100,177 units)		
	1,026	-
Chief Operating Officer and Company Secretary		
Units issued / transferred in 102,419 units (2016: Nil)	826	-
Units redeemed / transferred out 81,760 units (2017: Nil)		

NAFA MONEY MARKET FUND

	----- (Un-audited) -----	
	Nine Months Period ended	
	March 31,	March 31,
	2018	2017
	----- Rupees in '000 -----	
NAFA Employee Provident Fund		
(Provident Fund of the Management Company)		
Dividend re-invest 550 units (2016: Nil)	5	-
Units issued / transferred in 821,886 units (2017: 164,705 units)	8,192	-
Units redeemed / transferred out 499,525 units (2016: Nil)	5,007	-
Thal Limited - Employee Provident Fund		
(Portfolio managed by the Management Company)		
Units issued / transferred in - Nil (2017: 84,795,571 units)	-	850,082
Units redeemed / transferred out - Nil (2017: 14,869,152 units)	-	150,000
Byco Oil Pakistan Limited - Employee Provident Fund		
(Portfolio managed by the Management Company)		
Units issued / transferred in - Nil (2017: 270,038 units)	-	2,708
Units redeemed / transferred out - Nil (2017: 141,602 units)	-	1,395
Byco Petroleum Pakistan Limited - Employee Provident Fund		
(Portfolio managed by the Management Company)		
Units issued / transferred in 1,095 units (2016: 1,369,140 units)	11	13,729
Units redeemed / transferred out 1,994,738 units (2016: 451,395 units)	19,968	4,446
Service Provident Fund Trust		
(Portfolio managed by the Management Company)		
Units issued / transferred in 11,484,694 units (2016: Nil)	116,000	-
Units redeemed / transferred out 11,484,694 units (2016: Nil)	116,052	-
Management Association of Pakistan		
(Common Directorship with the Management Company)		
Dividend re-invest 241 units (2016: Nil)	2	-
Units issue / transferred in 371,532 units (2017: 241,373)	3,710	2,438
Units redeemed / transferred out 351,764 units (2017: Nil)	3,539	-
Telenor Pakistan (Pvt) Ltd Employees Provident Fund		
(Portfolio managed by the Management Company)		
Units issued / transferred in 3,114 units (2017: 6,522,038 Nil)	31	66,500
Units redeemed / transferred out Nil units (2017: 6,522,038: Nil)		66,625
Pakistan Centre For Philanthropy		
(Portfolio managed by the Management Company)		
Units issued / transferred in 70,000 units (2017: Nil)	700	-
Units redeemed / transferred out 14,893 units (2017: Nil)	150	-
Pakistan Mobile Communication Limited		
(Unit holder of 10% or more of units of the CIS)		
Units issued / transferred in 341,210,420 units (2017: Nil)	3,500,000	-
Gul Ahmed Textile Mills Limited Provident Fund		
(Portfolio managed by the Management Company)		
Units issued / transferred in 5,551 units (2017: Nil)	55	-
Units redeemed / transferred out 3,358,316 units (2017: Nil)	34,000	-

NAFA MONEY MARKET FUND

	(Un-audited)	
	Nine Months Period ended	
	March 31, 2018	March 31, 2017
	Rupees in '000	
Faruque Private Limited (Common Directorship with the Management Company)		
Units issued / transferred in 1,679,205 units (2017: Nil)	17,007	-
Units redeemed / transferred out 1,679,205 units (2017: Nil)	17,030	
Pakistan Mobile Communications Limited Provident Fund (Portfolio managed by the Management Company)		
Units issued / transferred in 160,118 units (2017: Nil)	1,622	-
Units redeemed / transferred out 214,492 units (2017: Nil)	2,171	
Service Provident Fund Trust (Portfolio managed by the Management Company)		
Units issued / transferred in 14,541,348 units (2017: Nil)	147,005	-
Units redeemed / transferred out 11,484,693 units (2017: Nil)	116,052	
IGI Life Insurance Limited (Portfolio managed by the Management Company)		
Units issued / transferred in 243,681 units (2017: Nil)	2,500	-
Service Sales Corp. Provident Fund Trust (Portfolio managed by the Management Company)		
Dividend re-invest 3,412 units (2017: Nil)	34	
Units issued / transferred in 20,920,022 units (2017: Nil)	208,084	
Units redeemed / transferred out 17,583,981 units (2017: Nil)	175,634	-

* Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

	(Un-audited)	(Audited)
	December 31, 2017	June 30, 2017
	Rupees in '000	
10.6 Amounts outstanding as at period / year end are as follows:		
NBP Fund Management Limited (Management Company) (Formerly; NBP Fullerton Asset Management Limited)		
Remuneration of the Management Company	9,664	6,326
Sindh Sales Tax on remuneration of the Management Company	1,256	822
Operational expenses	16,383	11,498
Sales load	479	343
Sindh Sales Tax and Federal Excise Duty on sales load	66	321
Investment held in the fund: 2,560,401 units (2017: Nil)	26,273	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,323	1,378
Sindh Sales Tax on remuneration of the Trustee	172	179
Security deposit	100	100
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	2,606	3,977

NAFA MONEY MARKET FUND

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	----- Rupees in '000 -----	
Summit Bank Limited (Common directorship with the Management Company)		
Bank balance	16,811	15,383
Askari Bank Limited (Common Directorship with the Management Company) Bank balance	1,624	4,602
Chief Executive Officer Investment held in the Fund: 199,698 units (2017: Nil)	2,049	-
Chief Operating Officer and Company Secretary Investment held in the Fund: 20,659 units (2017: Nil)	212	-
Employees of the Management Company Investment held in the Fund: 3,219,599 units (2017: 2,910,174 units)	33,037	28,690
Humayun Bashir (Director of Management Company) Investment held in the Fund: 490,404 (2017: 408,699 units)	5,032	4,029
* Nausherwan Adil (Ex-Director of Management Company) Investment held in the Fund: Nil (2017: 163,734 units)	-	1,614
NAFA Employee Provident Fund (Provident Fund of the Management Company) Investment held in the Fund: 950,946 units (2017: 628,036 units)	9,758	6,191
Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS) Investment held in the Fund: 299,306,409 units (2017: 250,070,937 units)	3,071,213	2,465,324
Management Association of Pakistan (Common Directorship with the Management Company) Investment held in the Fund: 347,558 units (2017: 327,548 units)	3,566	3,229
* Liberty Mills Limited (Unit holder of 10% or more of units of CIS) Investment held in the Fund: Nil (2017: 224,327,443 units)	-	2,211,532
Thal Limited - Employee Provident Fund (Portfolio managed by the Management Company) Investment held in the Fund : Nil (2017: 89,189,188 units)	-	879,272
Pakistan Mobile Communications Limited Provident Fund (Portfolio managed by the Management Company) Investment held in the Fund: 202,206 units (2017: 256,579 units)	2,075	2,529
Byco Petroleum Pakistan Limited - Employee Provident Fund (Portfolio managed by the Management Company) Investment held in the Fund: 1,994,738 units (2017: 1,993,643 units)	-	19,654
Telenor Pakistan (Pvt.) Ltd Employees Provident Fund (Portfolio managed by the Management Company) Investment held in the Fund: 3,114 units (2017: 256,579 units)	32	-

NAFA MONEY MARKET FUND

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	----- Rupees in '000 -----	
Gul Ahmed Textile Mills Limited Provident Fund (Portfolio managed by the Management Company) Investment held in the Fund: 4,224,776 units (2017: 7,577,540 units)	43,351	74,703
Pakistan Centre for Philanthropy (Portfolio managed by the Management Company) Investment held in the Fund: 55,107 units (2017: Nil)	565	-
Pakistan Mobile Communication Limited (Unit holder of 10% or more of units of the CIS) Investment held in the Fund: 341,210,420 units (2017: Nil)	3,501,194	-
Service Provident Fund Trust (Portfolio managed by the Management Company) Investment held in the Fund: 3,056,655 units (2017: Nil)	31,365	-
IGI Life Insurance Limited (Portfolio managed by the Management Company) Investment held in the Fund: 243,681 units (2017: Nil)	2,500	-
Service Sales Corp. Provident Fund Trust (Portfolio managed by the Management Company) Investment held in the Fund: 3,339,453 units (2017: Nil)	34,266	-
Net amount receivable / (payable) against transfer of units from / to:		
NAFA Stock Fund	-	1,866
NAFA Islamic Asset Allocation Fund	-	4,345

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

11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 30, 2018 by the Board of Directors of the Management Company.

12 GENERAL

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

12.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation.

**For NBP Fund Management Limited
(Formerly;NBP Fullerton Asset Management Limited)
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpffunds.com

Website: www.nbpffunds.com

 /nbpffunds