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Rated by PACRA



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

NAFA MONEY MARKET FUND

ANNUAL REPORT 2017



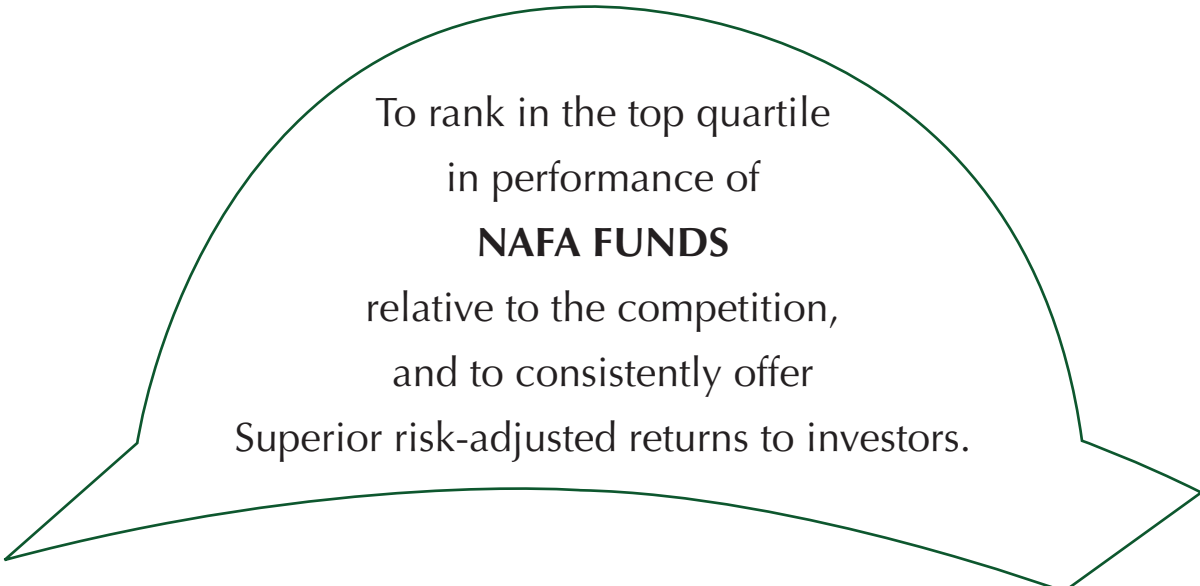
Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

MISSION STATEMENT



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

NAFA MONEY MARKET FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

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

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Lui Mang Yin (Martin Lui)	Member
Mr. Abdul Hadi Palekar	Member

Trustee

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

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

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

NAFA MONEY MARKET FUND

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Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Mudassir Husain Khan
Chairman



Mr. Kamal Amir Chinoy
Director



Mr. Lui Mang Yin (Martin Lui)
Director



Mr. Tariq Jamali
Director



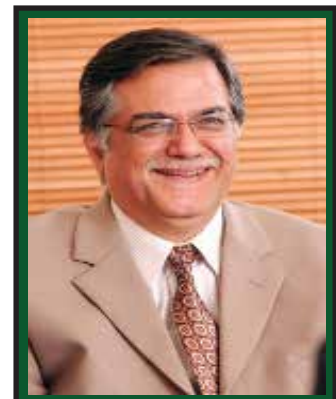
Mr. Shehryar Faruque
Director



Dr. Foo Chiah Shiung (Kelvin Foo)
Director

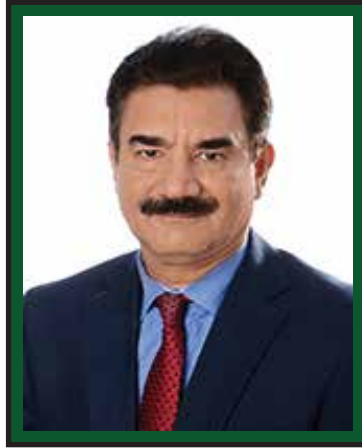


Mr. Abdul Hadi Palekar
Director



Mr. Humayun Bashir
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Sajjad Anwar, CFA
Chief Investment Officer



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



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Samiuddin Ahmed
Country Head Corporate
Marketing



Mr. Ozair Khan
Chief Technology Officer



Mr. Hassan Raza, CFA
Head of Research



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



Mr. Taha Khan Javed, CFA
Head of Equity



Syed Ali Azhar Hasani
Head of Internal Audit



Mr. Salman Ahmed
Head of Risk Management



Mr. Raheel Rehman, ACA
Senior Manager Compliance



Mr. Shahbaz Umer
Head of Human Resource &
Administration

NAFA MONEY MARKET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Sixth Annual Report of **NAFA Money Market Fund** for the year June 30, 2017.

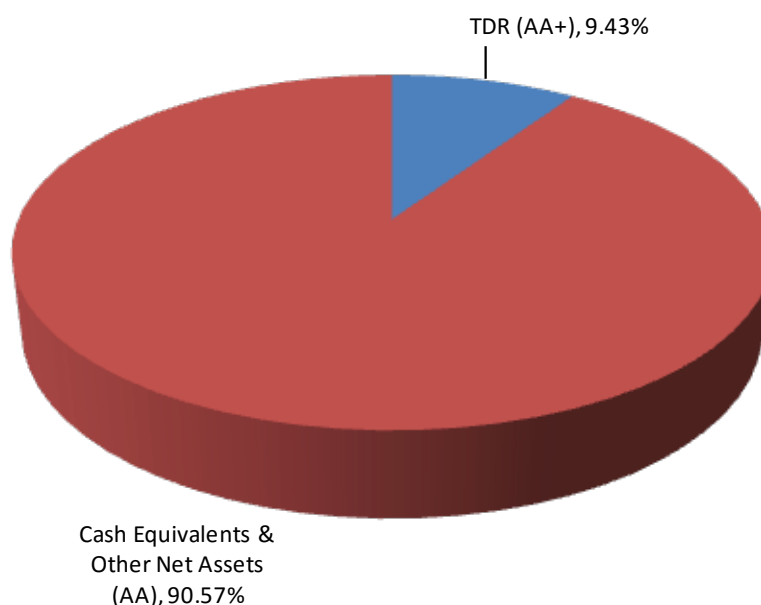
Fund's Performance

The size of NAFA Money Market Fund has increased from Rs. 7,110 million to Rs. 14,845 million during the period, i.e. an increase of around 109%. During the period, the unit price of the Fund has increased from Rs. 9.2513 (Ex - Div) on June 30, 2016 to Rs. 9.8585 on June 30, 2017 thus posting a return of 6.56% as compared to its Benchmark return of 5.09% for the same period. The return 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 stringent 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.

Helped by the lower food prices, inflation as measured by the CPI averaged 4.2% for FY17. During the year, State Bank of Pakistan (SBP) maintained the policy rate at 5.75%. SBP cited improving economic prospects amid investment activity in the context of CPEC gathering pace; but also highlighted its concerns on surge in imports, which along with a marginal decline in exports and workers' remittances widened the current account deficit. SBP's prudent monetary policy stance translated into low and stable market interest rates; encouraging the private sector to undertake capacity expansions. Sovereign yield curve slightly steepened as the short end of the curve inched up by 5-10 basis points whereas long-term yields increased by 40-60 basis points.

The Fund has earned a total income of Rs.312.18 million during the year. After deducting total expenses of Rs.103.78 million, the net income is Rs.208.40 million. The asset allocation of the Fund as on June 30, 2017 is as follows:



NAFA MONEY MARKET FUND

Income Distribution

The Board of Directors of the Management Company has approved cash dividend of 6.31% of the opening ex-NAV (6.20% of the par value) for the year. Further, the Board has also approved final cash dividend of 0.07% of the opening ex-NAV / par value, subsequent to the year end.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Auditors

The present auditors, Messrs Deloitte Yousuf Adil & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2018.

Directors' Statement in Compliance with Code of Corporate Governance

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held four meetings during the year. The attendance of all directors is disclosed in the note 26 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 22 to these financial statements.

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Acknowledgement

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

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

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: September 15, 2017

Place: Karachi.

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ڈائریکٹرز رپورٹ

این بی پی فلٹرن ایسیٹ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NAFA منی مارکیٹ فنڈ (NMMF) کی چھٹی سالانہ رپورٹ برائے سال ختمہ 30 جون 2017ء پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

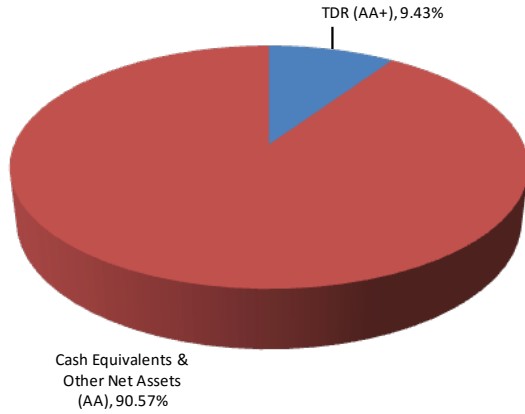
اس مدت کے دوران NAFA منی مارکیٹ فنڈ کا سائز 7,110 ملین روپے سے بڑھ کر 14,845 ملین روپے ہو گیا، یعنی تقریباً 109% کا اضافہ۔ زیر جائزہ مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2016 کو 9.2513 روپے (Ex-Div) سے بڑھ کر 30 جون 2017 کو 9.8585 روپے ہو چکی ہے، لہذا فنڈ نے اسی مدت میں 5.09% منج مارک منافع کے مقابلے میں 6.56% کا منافع دیا۔ یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NMMF کو PACRA کی طرف سے AA(f) کی مستحکم 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 تہی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

ایشیائے خورد و نوش کی قیمتوں میں کمی کے سبب CPI کے مطابق مالی سال 2017 میں افراط زر اوسطاً 4.2% رہا۔ سال کے دوران اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی کی شرح 5.75% برقرار رکھی۔ SBP نے چین پاکستان اقتصادی راہداری (CPEC) کے تناظر میں منصوبوں کیلئے سرمایہ کاری کی کارروائیوں میں تیزی آنے کو معاشی صورتحال میں بہتری کا سبب قرار دیا؛ تاہم درآمدات میں اضافہ پر اپنے تحفظات کا اظہار کیا، جس کے ساتھ برآمدات میں بیرون ملک سے رقوم کی ترسیل میں کمی سے کرنٹ اکاؤنٹ کا خسارہ بڑھ گیا۔ SBP کی دانشندانہ مانیٹری پالیسی کے نتیجے میں شرح سود میں استحکام اور کمی دیکھنے میں آئی؛ جس سے نجی شعبہ کو اپنی گنجائش بڑھانے میں حوصلہ افزائی ہوئی۔ قلیل حکومتی منافع میں 10-5 بنیادی پوائنٹس کے ساتھ بہتری آئی۔ جب کہ طویل مدت کے منافع میں 60-40 بنیادی پوائنٹس کا اضافہ ہوا۔

NAFA منی مارکیٹ فنڈ (NMMF) نے اس سال کے دوران 312.18 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 103.78 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 208.40 ملین روپے رہی۔

فنڈ کی ایسیٹ ایلوکیشن 30 جون 2017 کو بمطابق ذیل ہے:



آمدنی کی تقسیم

منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے سال کے لیے NAV-ex کی اوپننگ کا 6.31% (مساوی قیمت کا 6.20%) کیش ڈیویڈنڈ منظور کیا ہے۔ مزید برآں سال کے اختتام کے بعد بورڈ آف ڈائریکٹرز نے 0.07 فیصد (Opening Ex NAV/Par Value) حتمی کیش ڈیویڈنڈ کی منظوری دی ہے۔

ٹیکسیشن

درج بالا نقد منافع، سال کے دوران میں حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کمپنٹل گین منہا کرنے کے بعد 90% ہے، اس لئے فنڈ پر انکم ٹیکس آرڈیننس 2001 کے سینڈ شیڈول کے پارٹ I کی شرح 99% کے تحت ٹیکس لاگو نہیں ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز Deloitte یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر انہوں نے خود کو 30 جون 2018 کو ختم ہونے والے سال میں دوبارہ تقرر کیلئے پیش کیا ہے۔

NAFA MONEY MARKET FUND

کوڈ آف کارپوریٹ گورننس کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

- 1- منجمنٹ کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوز اور یونٹ ہولڈرز فنڈ میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- 2- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 3- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4- ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
- 5- انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 6- فنڈ کی دواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 7- لسٹنگ ریگولیشنز میں تفصیلاً درج کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- 8- پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہے۔
- 9- ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10- اس مدت کے دوران منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کی گئی ہے۔
- 11- یونٹ ہولڈنگ کا تفصیلی پیرین مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
- 12- ڈائریکٹرز، CEO، CFO، کمپنی سیکرٹری اور ان کی بیویوں اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 22 میں ظاہر کی گئی ہے۔

اعتراف

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج 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 فلرٹن ایسیٹ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

15 ستمبر 2017ء

مقام: کراچی

NAFA MONEY MARKET FUND

TRUSTEE REPORT TO THE UNIT HOLDERS NAFA MONEY MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Money Market Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2017 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 26, 2017

NAFA MONEY MARKET FUND

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE NAFA MONEY MARKET FUND FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented by the Board of Directors (the Board) of NBP Fullerton Asset Management Limited (the Company), the Management Company of **NAFA Money Market Fund** (the Fund) to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of the Rule Book of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

NBP Fullerton Asset Management Limited, the Management Company, is not listed and hence, the CCG is not applicable to it. However, the Fund being listed on Pakistan Stock Exchange comes under the ambit of the CCG. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and appoints the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary of the Management Company and other necessary personnel to manage its affairs.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2017, the Board included:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque 3. Mr. Humayun Bashir
Executive Directors	Dr. Amjad Waheed (Chief Executive Officer)
Non- Executive Directors	1. Mr. Nausherwan Adil (Chairman) 2. Mr. Aamir Sattar 3. Mr. Abdul Hadi Palekar 4. Mr. Lui Mang Yin 5. Dr. Kelvin Foo

The independent directors meet the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Two casual vacancies were occurred on the board on November 21, 2016 and March 17, 2017 which were filled up on the same dates.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

NAFA MONEY MARKET FUND

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive have been taken by the Board. There is no other executive-director of the Company besides Chief Executive Officer (CEO).
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The directors are conversant of the relevant laws applicable to the Company, its policies and provisions of memorandum and articles of association and are aware of their duties and responsibilities. As of 30 June 2017, four directors of the Company had acquired the director's training certificate as required under the CCG. The Company plans to arrange a Director's Training Program in future, for the remaining directors.
10. The Board has approved the appointment of Head of Internal Audit of the Company with remuneration and terms and conditions of employment. There has been no new appointment of the Company Secretary and Chief Financial Officer (CFO) during the year.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the units of the Fund other than that disclosed in note 22 to the financial statements "Transactions with Connected Persons".
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the CCG. The committee has formed the terms of reference for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members. All the members are non-executive directors and the chairman of the committee is an independent director.

NAFA MONEY MARKET FUND

18. The Board has set up an effective internal audit function headed by the Head of Internal Audit who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions was determined and intimated to directors, employees and stock exchange except for 60th and 61st meeting of the Board of Directors.
22. Material / price sensitive information has been disseminated amongst all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with expect the following:
 - the mechanism was required to put in place for an annual evaluation of the Board within two years of coming into effect of the Code i.e. April 2014. The mechanism is in place and the Company is in the process of completion of annual evaluation of the Board.
 - the Company has not complied with the requirements relating to maintenance of register of persons employed having access to inside information nor any senior management officer has been designated by the Company responsible for maintaining proper record including basis for inclusion or exclusion of names of persons from the said list.

For and behalf of the Board

September 15, 2017
Karachi

Dr. Amjad Waheed
Chief Executive Officer

NAFA MONEY MARKET FUND

FUND MANAGER REPORT

NAFA Money Market Fund

NAFA Money Market Fund (NMMF) is an open-end Money Market Scheme.

Investment Objective of the Fund

The objective of NAFA Money Market Fund is to provide stable income stream with preservation of capital by investing in AA and above rated banks and money market instruments.

Benchmark

70% 3-Month PKRV & 30% average 3-Month deposit rates of three AA rated banks.

Fund Performance Review

This is the sixth Annual report since the launch of the Fund on February 23, 2012. The Fund size increased drastically by around 109% during FY17 and stands at Rs 14.85 billion as on June 30, 2017. The Fund's return since its inception is 8.0% versus the benchmark return of 6.1%. This translates into an outperformance of 1.9% p.a. The Fund posted 6.56% return during FY17 versus the benchmark return of 5.09%, thus registering an outperformance of 1.47%. This outperformance is net of management fee and all other expenses. Thus the Fund has achieved its investment objectives.

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 stringent 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.

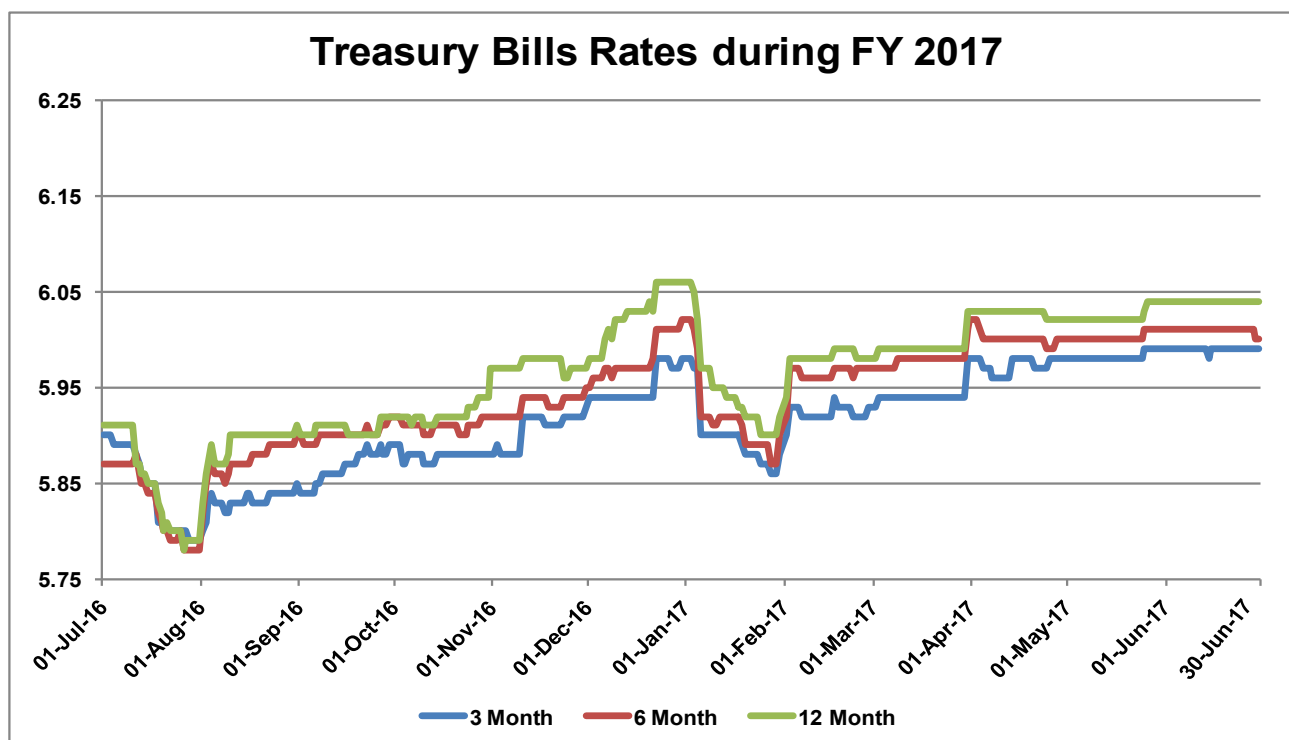
During the year, State Bank of Pakistan (SBP) held six (06) monetary policies and maintained the policy rate at 5.75%. SBP's prudent monetary policy stance translated into low and stable market interest rates; encouraged the private sector to undertake capacity expansions. Amid comfortable liquidity conditions, SBP kept the weighted average overnight repo rate close to the policy rate. SBP successfully concluded 03-Year Fixed Rental Rate GOP Ijara Sukuk (GIS-FRR) auction during the year for an amount of Rs. 71 billion and realized in line with the maturity amount at a yield of 5.24%.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-17	30-Jun-16
T-Bills	-	-
PIBs	-	-
Placements with Bank & DFIs	9.43%	-
Money Market Placements	-	-
Cash, Bank Placements & Other Assets	90.57%	100%
Total	100%	100%

NAFA MONEY MARKET FUND

T-Bills yields during the year are shown in below graph:



Distribution for the Financial Year 2017

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Interim	6.20%	0.6201	9.8346
.Final	0.073%	9.9702	9.9629

Unit Holding Pattern of NAFA Money Market Fund as on 30th June 2017

Size of Unit Holding (Units)	# of Unit Holders
1-1000	278
1001-5000	119
5001-10000	57
10001-50000	156
50001-100000	77
100001-500000	158
500001-1000000	33
1000001-5000000	62
5000001-10000000	10
10000001-100000000	22
100000001-1000000000	2
Total	974

NAFA MONEY MARKET FUND

During the period under question:

During the year, the provision for Workers' Welfare Fund held by the fund till June 30, 2015 has been reversed on January 12, 2017. Further, the provision in respect of Sindh Workers' Welfare Fund has been made on a prudent basis with effect from May 21, 2015. For further details, refer note 18 to the financial statements.

There has been no significant change in the state of affairs of the Fund. NAFA Money Market Fund does not have any soft commission arrangement with any broker in the industry.

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 5.175 Millions. If the same were not made the NAV per unit/FY17 return of scheme would be higher by Rs. 0.0034. For details investors are advised to read note 18 of the Financial Statement of the Scheme for the year ended June 30, 2017.

NAFA MONEY MARKET FUND

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of the NBP Fullerton Asset Management Limited, the Management Company of **NAFA Money Market Fund** (the Fund) for the year ended June 30, 2017, to comply with the requirement of the Pakistan Stock Exchange Limited, where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of related party transactions of the Fund distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2017.

Further, we highlight below instances of non-compliances with the requirements of the Code as reflected in the paragraph references where these are stated in the Statement of Compliance:

Paragraph reference	Description
21	As per the Code, there should be announcement of 'closed period' prior to the announcement of interim / final results and any business decisions, however a 'closed period' was not announced before 60th and 61st board meeting.
23	No register is maintained enlisting persons employed under contract or otherwise who have access to inside information.
23	A mechanism for an evaluation of the Board's own performance is in place. However, the Management Company is in the process of completion of the annual evaluation of the Board.

Deloitte Yousuf Adil
Chartered Accountants
Date: September 22, 2017
Place: Karachi

NAFA MONEY MARKET FUND

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **NAFA Money Market Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2017, and the related income statement, statement of comprehensive income, cash flow statement, distribution statement and statement of movements in unit holders' funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Company's responsibility for the financial statements

NBP Fullerton Asset Management Limited (the Management Company) is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at June 30, 2017, and of its financial performance, its cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Other Matter

The Financial statements of the Fund for the year ended June 30, 2016 were audited by another firm of Chartered Accountants who vide their report dated September 30, 2016 expressed an unmodified opinion thereon.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:
Naresh Kumar

Date: September 22, 2017
Place: Karachi

NAFA MONEY MARKET FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2017

	Note	2017 -----Rupees in '000-----	2016
ASSETS			
Balance with banks	4	13,618,825	4,603,574
Investment	5	1,400,000	-
Mark-up accrued	6	1,716	1,248
Receivable against transfer of units	7	1,896	2,650,539
Preliminary expenses and floatation cost	8	-	151
Deposit and prepayment	9	278	263
Total assets		15,022,715	7,255,775
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company	10	19,310	6,044
Payable to Central Depository Company of Pakistan Limited - Trustee	11	1,037	425
Payable to the Securities and Exchange Commission of Pakistan	12	8,623	3,450
Payable against redemption of units	13	4,695	7
Accrued expenses and other liabilities	14	143,592	136,120
Total liabilities		177,257	146,046
NET ASSETS		14,845,458	7,109,729
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		14,845,458	7,109,729
Contingencies and commitments	15	-----Number of units-----	
Number of units in issue	16	1,505,846,441	722,706,464
Net asset value per unit		9.8585	9.8377

The annexed notes from 1 to 33 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 -----Rupees in '000-----	2016
INCOME			
Return / mark-up on:			
- bank balances and term deposits		738,083	247,540
- government securities		-	55,225
- letter of placement		10,230	4,568
- certificate of investment		-	23,010
Net gain on sale of investments		-	3,302
Total income		<u>748,313</u>	<u>333,645</u>
EXPENSES			
Remuneration of NBP Fullerton Asset Management Limited - Management Company	10.1	58,868	33,524
Sindh Sales Tax on remuneration of the Management Company	10.2	7,653	5,444
Federal Excise Duty on remuneration of the Management Company	14.1	-	5,364
Reimbursement of operational expenses to the Management Company	10.3	11,498	2,882
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	9,041	4,199
Sindh Sales Tax on remuneration of the Trustee	11.2	1,175	588
Annual fee to the Securities and Exchange Commission of Pakistan	12	8,623	3,450
Securities transaction cost		-	208
Bank charges		472	210
Auditors' remuneration	17	657	661
Legal and professional charges		31	10
Fund rating fee		341	314
Annual listing fee		55	40
Printing charges		35	130
Amortisation of preliminary expenses and floatation cost	8.1	151	228
Total expenses		<u>98,600</u>	<u>57,252</u>
Net income from operating activities		<u>649,713</u>	<u>276,393</u>
Net element of loss and capital losses included in prices of units issued less those in units redeemed		(505,514)	(230,486)
Reversal of provision for Workers' Welfare Fund	18	69,380	-
Provision for Sindh Workers' Welfare Fund	18	(5,175)	-
Net income for the year before taxation		<u>208,404</u>	<u>45,907</u>
Taxation	19	-	-
Net income for the year after taxation		<u>208,404</u>	<u>45,907</u>
Earnings per unit	20		

The annexed notes from 1 to 33 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	-----Rupees in '000-----	
Net income for the year after taxation	208,404	45,907
Other comprehensive income	-	-
Total comprehensive income for the year	<u>208,404</u>	<u>45,907</u>

The annexed notes from 1 to 33 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	-----Rupees in '000-----	
Undistributed income brought forward comprising of:		
- realised income	81,775	139,765
- unrealised income	-	-
	81,775	139,765
Net income for the year	208,404	45,907
Final distribution for the year ended June 30, 2016:		
- cash distribution at Rs. 0.0031 per unit declared on September 23, 2016 (2015: cash distribution at Rs. 0.5711 per unit declared on July 16, 2015)	(2,886)	(67,705)
Interim distribution for the year ended June 30, 2017:		
- cash distribution at Rs. 0.6201 per unit declared on June 19, 2017 (2016: Rs. 0.6129 per unit declared on June 29, 2016)	(172,375)	(36,192)
Undistributed income carried forward	114,918	81,775
Undistributed income carried forward comprising of:		
- realised income	114,918	81,775
- unrealised income	-	-
	114,918	81,775

The annexed notes from 1 to 33 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	-----Rupees in '000-----	
Net assets at the beginning of the year	7,109,729	2,958,693
Issuance of 5,801,378,775 units (2016: 2,533,040,811 units)	58,343,930	25,464,708
Redemption of 5,018,238,798 units (2016: 2,094,952,608 units)	(51,146,858)	(21,486,168)
	7,197,072	3,978,540
Net element of loss and capital losses included in prices of units issued less those in units redeemed	505,514	230,486
Total comprehensive income for the year	208,404	45,907
Final distribution for the year ended June 30, 2016:		
- cash distribution at Rs. 0.0031 per unit declared on September 23, 2016 (2015: cash distribution at Rs. 0.5711 per unit declared on July 16, 2015)	(2,886)	(67,705)
Interim distribution for the year ended June 30, 2017:		
- cash distribution at Rs. 0.6201 per unit declared on June 19, 2017 (2016: Rs. 0.6129 per unit declared on June 29, 2016)	<u>(172,375)</u>	<u>(36,192)</u>
Net assets at the end of the year	<u>14,845,458</u>	<u>7,109,729</u>
	----- Rupees -----	
Net asset value per unit at the beginning of year	<u>9.8377</u>	<u>10.3953</u>
Net asset value per unit at the end of year	<u>9.8585</u>	<u>9.8377</u>

The annexed notes from 1 to 33 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017	2016
		-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		208,404	45,907
Adjustments:			
Return / mark-up on;			
- bank balances and term deposits		(738,083)	(247,540)
- government securities		-	(55,225)
- letter of placement		(10,230)	(4,568)
- certificate of investment		-	(23,010)
Amortisation of preliminary expenses and floatation costs		151	228
Net element of loss and capital losses included in prices of units issued less those in units redeemed		505,514	230,486
Reversal of provision for Workers' Welfare Fund		(69,380)	-
Provision for Sindh Workers' Welfare Fund		5,175	-
		<u>(306,853)</u>	<u>(99,629)</u>
		(98,449)	(53,722)
(Increase) / decrease in assets			
Investments - net		-	950,000
Deposit and prepayment		(15)	(12)
		(15)	949,988
Increase / (decrease) in liabilities			
Payable to the Management Company		13,266	(5,900)
Payable to the Trustee		612	(309)
Payable to the Securities and Exchange Commission of Pakistan		5,173	(6,730)
Accrued expenses and other liabilities		71,513	(909)
		90,564	(13,848)
Mark-up on bank balances and term deposits received		737,615	261,089
Mark-up on letter of placement received		10,230	4,568
Mark-up on government securities received		-	55,225
Mark-up on certificate of investment received		-	23,010
		<u>747,845</u>	<u>343,892</u>
Net cash generated from operating activities		<u>739,945</u>	<u>1,226,310</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash generated from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received on issuance of units		60,992,573	22,761,619
Amounts paid on redemption of units		(51,142,170)	(24,528,589)
Distributions paid		(175,097)	-
Net cash generated from / (used in) financing activities		<u>9,675,306</u>	<u>(1,766,970)</u>
Net increase / (decrease) in cash and cash equivalents during the year		10,415,251	(540,660)
Cash and cash equivalents at the beginning of the year		4,603,574	5,144,234
Cash and cash equivalents at the end of the year	4.5	<u><u>15,018,825</u></u>	<u><u>4,603,574</u></u>

The annexed notes from 1 to 33 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Money Market Fund (the Fund) was established under a Trust Deed executed between 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 financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). Whenever the requirements of the NBFC Rules, the NBFC Regulations or provisions of and directives issued under the Companies Ordinance, 1984 differ with the requirements of IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the provisions of and directives issued under the Companies Ordinance, 1984 shall prevail.

During the year, the Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently, SECP has notified through Circular No. 17 of July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.4 Adoption of new standards, amendments and interpretations to the published approved accounting standards:

2.4.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2017

The following standards, amendments and interpretations are effective for the year ended June 30, 2017. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

NAFA MONEY MARKET FUND

	Effective from accounting period beginning on or after:
- Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception	January 01, 2016
- Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	January 01, 2016
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	January 01, 2016
- Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	January 01, 2016
- Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants	January 01, 2016
- Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	January 01, 2016

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

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

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

	Effective from accounting period beginning on or after:
- Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
- Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 01, 2017
- Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	January 01, 2017
- Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018. Earlier application is permitted.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018. Earlier application is permitted.
- IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

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

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

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases
- IFRS 17 – Insurance Contracts

2.5 Amendment in the NBFC Regulations subsequent to the year end

Subsequent to the year end on August 03, 2017, the SECP has made certain amendments in the NBFC Regulations, 2008 via SRO 756 (I)/2017. The definition of element of income has been inserted via said amendment which defines element of income as difference between net assets value on the issuance or redemption date, as the case may be, of units and the net asset value at the beginning of the relevant accounting period. The said amendment also excludes element of income from accounting income for the purpose of distribution under regulation 63 of the NBFC Regulations. The said SRO also contains amendments relating to consequential changes in the income statement and statement of movement in unitholders' fund. The Management Company is in the process of assessing the impact of the said changes with the view that these changes will be effective for the period following the date of the said SRO.

2.6 Critical accounting estimates and judgments

"The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying Fund's accounting policies. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

In the process of applying Fund's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:"

(a) provisions (note 3.7)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.2 Financial assets

3.2.1 Regular way contracts

All regular purchases / sales of financial assets are recognised on the trade date i.e. the date that the Fund commits to purchase / sell the assets.

3.2.2 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'.

3.2.3 Subsequent measurement

a) Financial assets as 'at fair value through profit or loss' and 'available for sale'

1) Debt securities (other than government securities)

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

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2) Government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss - held for trading' 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 gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

b) Loans and receivables

Subsequent to initial recognition, financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest method. Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

3.2.4 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.

3.2.5 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' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

3.4 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.5 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Sales load collected, if any, is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.6 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is determined based on the income earned and on unrealised appreciation / (diminution) arising during an accounting year on available for sale securities. The element of income / (loss) and capital gains / (losses) included in the prices of units issued less those redeemed is apportioned between the income statement and the distribution statement in proportion of the relative change in net assets for the year of available for sale investments and other net assets.

NAFA MONEY MARKET FUND

3.7 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.

3.8 Revenue recognition

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

3.9 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 year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

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

3.10 Proposed distributions

Distributions declared subsequent to the year end are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared.

3.11 Earnings per unit

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

4	BALANCE WITH BANKS	Note	2017	2016
		-----Rupees in '000-----		
	Current accounts	4.1	15,548	9,364
	Savings accounts	4.2 & 4.3	13,603,277	4,594,210
			<u>13,618,825</u>	<u>4,603,574</u>
4.1	These include bank balances of Rs. 0.165 million and Rs. 15.383 million (2016: Rs. 0.165 million and Rs. 9.199 million), maintained with National Bank of Pakistan and Summit Bank Limited (related parties) respectively.			
4.2	These saving accounts carry mark-up at rates ranging from 3.75% to 7.43% per annum (2016: 3.50% to 6.75%) per annum.			
4.3	These include a bank balance of Rs. 3.812 million (2016: Rs. 2.098 million), which is maintained with National Bank of Pakistan, a related party, and carries mark-up at the rate of 3.75% (2016: 4.00%) per annum.			
4.4	This includes impact of cheques amounting to Rs. 39.18 million issued on account of redemption of units and cheques amounting to Rs. 650.45 million received on account of issuance of units as at year end.			
4.5	Cash and cash equivalents	Note	2017	2016
		-----Rupees in '000-----		
	Current accounts		15,548	9,364
	Saving accounts		13,603,277	4,594,210
	Term deposits - with original maturity of less than three months		1,400,000	-
			<u>15,018,825</u>	<u>4,603,574</u>
5.	INVESTMENTS			
	Loans and receivable			
	Term deposits	5.1	<u>1,400,000</u>	<u>-</u>
			<u>1,400,000</u>	<u>-</u>

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5.1 This represents term deposits having original maturity period of less than three months. These carry mark-up rate of 6.25% and will mature on July 7, 2017.

6 MARK-UP ACCRUED	Note	2017	2016
		-----Rupees in '000-----	
Mark-up accrued on bank balances and term deposits		1,716	1,248
		<u>1,716</u>	<u>1,248</u>

7 RECEIVABLE AGAINST TRANSFER OF UNITS

This represents amounts receivable from other collective investment schemes being managed by the Management Company of the Fund. These amounts are receivable in respect of units issued to various unit holders based on their request for transfer of units from other collective investment schemes to the Fund.

8 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2017	2016
		-----Rupees in '000-----	
Opening balance		151	379
Less: Amortization during the year	8.1	(151)	(228)
Closing balance		<u>-</u>	<u>151</u>

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. As per the requirements of the Trust Deed, these costs have been amortised over a period not exceeding five years.

9. DEPOSIT AND PREPAYMENT	Note	2017	2016
		-----Rupees in '000-----	
Security deposit with Central Depository Company of Pakistan Limited		100	100
Prepayment		178	163
		<u>278</u>	<u>263</u>

10. PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration of the Management Company	10.1	6,326	2,179
Sindh Sales Tax on remuneration of the Management Company	10.2	822	354
Operational expenses	10.3	11,498	2,882
Sales load		343	285
Sindh Sales Tax and Federal Excise Duty on sales load		321	344
		<u>19,310</u>	<u>6,044</u>

10.1 Under the provisions of the NBFC Regulations, the Management Company of the Fund was entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets provided that Management Company may charge performance based or fixed fee or a combination of both which shall not exceed the limit prescribed in the NBFC Regulations and such fee structure shall be disclosed in the offering document.

On November 25, 2015, SECP made certain amendments in the NBFC Regulations through S.R.O 1160(1)/2015. As per the provision of amended NBFC Regulations, the applicable rate has been changed from 2% to 1%.

The Management Company has charged management remuneration at the rate of 1% per annum until December 6, 2015. Thereafter from December 7, 2015, the Management Company has revised their policy for charging management remuneration as per the table given below:

Management remuneration as % of net income*	Minimum management remuneration (as % of average net asset value)	Maximum management remuneration (as % of average net asset value)
---	---	---

8.00%

0.50%

1.00%

Net income = Gross income - (all expenses of the Fund excluding Management remuneration and related Sales Tax and Federal Excise Duty thereon).

Management remuneration is paid on a monthly basis in arrears.

NAFA MONEY MARKET FUND

10.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2016: 14%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

10.3 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average annual net assets, being the lower amount, to the Fund.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED	Note	2017 -----Rupees in '000-----	2016
Remuneration of the Trustee	11.1	918	373
Sindh Sales Tax on remuneration of the Trustee	11.2	119	52
		<u>1,037</u>	<u>425</u>

11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund, based on the net assets of the Fund. The remuneration is payable to the Trustee monthly in arrears.

Tariff structure applicable to the Fund as at June 30, 2017 is as follows:

Net Assets	Tariff per annum
Upto Rs 1,000 million	0.15% per annum of net asset value
On an amount exceeding Rs. 1,000 million to 10,000 million	Rs 1.5 million plus 0.075% per annum of net asset value exceeding Rs 1,000 million
On an amount exceeding Rs. 10,000 million	Rs 8.25 million plus 0.06% per annum of net asset value exceeding Rs 10,000 million.

11.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2016: 14%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

12. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme categorised as an "money market scheme" is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075 percent of the average annual net assets of the Fund. The fee is paid annually in arrears.

13. PAYABLE AGAINST REDEMPTION OF UNITS

This includes amounts payable to other collective investment schemes being managed by the Management Company of the Fund. These amounts are payable in respect of units redeemed by various unit holders based on their request for transfer of units from the Fund to the other collective investment schemes.

14. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2017 -----Rupees in '000-----	2016
Auditors' remuneration		456	456
Provision for Workers' Welfare Fund	18	-	69,380
Provision for Sindh Workers' Welfare Fund	18	5,175	-
Federal Excise Duty on remuneration of the Management Company	14.1 & 14.2	44,146	44,146
Withholding tax		14,288	1,289
Capital gain tax		77,113	18,541
Legal and professional charges		8	13
Bank charges		18	24
Printing charges		162	202
Dividend payable		164	-
Others		2,062	2,069
		<u>143,592</u>	<u>136,120</u>

NAFA MONEY MARKET FUND

- 14.1 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC).

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Further, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED aggregating to Rs. 44.146 million as at June 30, 2017.

Had the provision not been made, the net asset value per unit as at June 30, 2017 would have been higher by Rs. 0.0293 per unit (2016: Rs. 0.0611 per unit).

- 14.2 The amount of FED accrued on remuneration of the Management Company will be paid via Management Company to the Taxation authority, if required.

15. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2017 and June 30, 2016.

	Note	2017 -----Number of units-----	2016
16 NUMBER OF UNITS IN ISSUE			
Total units in issue at the beginning of the year		722,706,464	284,618,261
Add: units issued during the year		5,801,378,775	2,533,040,811
Less: units redeemed during the year		(5,018,238,798)	(2,094,952,608)
Total units in issue at the end of the year		<u>1,505,846,441</u>	<u>722,706,464</u>

17 AUDITORS' REMUNERATION

Annual audit fee	340	340
Half yearly review fee	136	136
Fee for other certification	-	50
Out of pocket expenses	181	135
	<u>657</u>	<u>661</u>

18. PROVISION FOR WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honorable Supreme Court of Pakistan vide its judgment dated November 10, 2016, has upheld the view of Lahore High Court and decided that Workers' Welfare Fund (WWF) is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has led Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. The MUFAP wrote to the SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. The MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on mutual funds, MUFAP has recommended the following to all its members on January 12, 2017:

- the entire provision against WWF held by the mutual funds till June 30, 2015, to be reversed on January 12, 2017; and
- the provision in respect of SWWF should be made on a prudent basis on January 12, 2017 with effect from the date of enactment of the Sindh Workers' Welfare Fund Act, 2014 (i.e. starting from May 21, 2015).

NAFA MONEY MARKET FUND

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 1, 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the mutual funds.

As a result of the above recommendations of the MUFAP, the Fund on January 12, 2017, reversed the provision of WWF and recognized provision for SWWF from May 21, 2015.

Had the provision of SWWF not been made, the net asset value per unit as at June 30, 2017 would have been higher by Rs.0.0034 per unit.

19. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund intends to distribute such accounting income for the year ended June 30, 2017 to its unit holders. Accordingly, no provision in respect of taxation has been made in the current year.

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

20. EARNINGS PER UNIT

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

21. TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 0.90% per annum including 0.20% representing government levies on collective Investment scheme such as Sales tax and Securities and Exchange Commission of Pakistan fee.

22. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

22.1 Connected persons and related parties include 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 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.

22.2 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.

22.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

22.4 Remuneration of the Trustee is determined in accordance with the rates agreed between the Management Company and the Trustee.

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22.5 Details of the transactions with connected persons and related parties are as follows:	2017	2016
	-----Rupees in '000-----	
NBP Fullerton Asset Management Limited (Management Company)		
Remuneration of the Management Company	58,868	33,524
Sindh Sales Tax on remuneration of the Management Company	7,653	5,444
Reimbursement of operational expenses to the Management Company	11,498	2,882
Sales load and related Sindh Sales Tax	552	1,028
Units issued / transferred in 11,328,959 units (2016: 1,959,651 units)	115,000	20,000
Units redeemed / transferred out 11,328,959 units (2016: 1,959,651 units)	115,330	20,070
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	9,041	4,199
Sindh Sales Tax on remuneration of the Trustee	1,175	588
National Bank of Pakistan (Parent of the Management Company)		
Markup on bank balances	76	31
**Askari Bank Limited (Common Directorship with the Management Company)		
Markup on bank balances	739	-
Cherat Packaging Limited (Common Directorship with the Management Company)		
Units issued / transferred in Nil (2016: 4,944,816 units)	-	111,475
Units redeemed / transferred out Nil (2016: 4,944,816 units)	-	271,395
National Fullerton Asset Management Employee Provident Fund (Provident Fund of the parent of the Management Company)		
Units issued / transferred in 1,486,183 units (2016: 1,243,423 units)	14,980	12,675
Units redeemed / transferred out 858147 units (2016: 1,243,423 units)	8,879	12,733
NAFA Government Securities Liquid Fund (CIS managed by the Management Company)		
Purchase of market treasury bills	-	895,370
Sale of market treasury bills	-	246,978
Thal Limited (Portfolio managed by Management Company)		
Units issued / transferred in 173,984,759 units (2016: 26,792,124 units)	1,727,963	274,528
Units redeemed / transferred out 84,795,571 units (2016: 26,792,124 units)	880,032	279,273
Liberty Mills Limited (Unit holder of 10% or more of units of the CIS)		
Units issued / transferred in 361,311,111 units (2016: Nil)	3,633,911	-
Units redeemed / transferred out 136,983,667 units (2016: Nil)	1,430,109	-
Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS)		
Units issued / transferred in 487,157,781 units (2016: Nil)	4,861,890	-
Units redeemed / transferred out 298,216,889 units (2016: Nil)	3,080,172	-
*Getz Pharma (Private) Limited (Unit holder of 10% or more of units of the CIS)		
Units issued / transferred in Nil (2016: 343,700,037 units)	-	3,463,855
Units redeemed / transferred out Nil (2016: 236,983,725 units)	-	2,443,536
Humayun Bashir (Director of the Management Company)		
Units issued / transferred in 794,238 units (2016 : NIL)	8,023	-
Units redeemed / transferred out 385,538 units (2016: NIL)	4,025	-
Nausherwan Adil (Director of the Management Company)		
Dividend re-invest 8,598 units (2016: Nil)	85	-

NAFA MONEY MARKET FUND

	2017	2016
*FWQ Enterprises (Private) Limited (Unit holder of 10% or more of units of the CIS)	-----Rupees in '000-----	
Units issued / transferred in Nil (2016: 119,347,396 units)	-	1,174,104
Pakistan Centre For Philanthropy (Portfolio managed by the Management Company)		
Units issued / transferred in 518,562 units (2016: Nil)	5,105	-
Units redeemed / transferred out 518,562 units (2016: Nil)	5,105	-
Chief Executive Officer of the Management Company		
Units redeemed / transferred out Nil (2016: 931 units)	-	9
Chief Operating Officer and Company Secretary of the Management Company		
Units issued / transferred in 112,507 units (2016: 4,968 units)	1,167	49
Units redeemed / transferred out 255,777 units (2016: 255,777 units)	1,114	2,618
Distribution during the year	-	49
Chief Financial Officer of the Management		
Units issued / transferred in 100,177 units (2016: Nil)	1,000	-
Units redeemed / transferred out 100,177 units (2016: Nil)	1,004	-
Employees of the Management Company		
Units issued / transferred in 7,353,691 units (2016: 371,672 units)	74,690	3,740
Units redeemed / transferred out 4,673,700 units (2016: 308,275 units)	48,597	3,123
Distribution for the year	-	10
Byco Oil Pakistan Limited Employees' Provident Fund (Portfolio managed by the Management Company)		
Units issued / transferred in 270,038 units (2016: 5,441,707 units)	2,708	54,592
Units redeemed / transferred out 411,650 units (2016: 6,430,784 units)	4,196	65,748
Distribution for the year	-	224
Byco Petroleum Pakistan Limited Employees' Provident Fund (Portfolio managed by the Management Company)		
Units issued / transferred in 5,384,918 units (2016: 5,652,780 units)	53,401	56,945
Units redeemed / transferred out 3,842,669 units (2016: 5,201,385 units)	38,809	53,065
Pakistan Cables Management Staff Pension Fund (Common Directorship with the Management Company)		
Units issued / transferred in 3,620,647 units (2016: Nil)	35,643	-
Units redeemed / transferred out 3,620,647 units (2016: Nil)	35,647	-
Pakistan Mobile Communications Limited Provident Fund (Portfolio managed by the Management Company)		
Units issued / transferred in 256,597 units (2016: Nil)	2,588	-
Gul Ahmed Textile Mills Limited Employee Provident Fund Trust (Portfolio managed by the Management Company)		
Units issued / transferred in 757,7540 units (2016: Nil)	74,615	-
Management Association of Pakistan (Common Directorship with the Management Company)		
Units issued / transferred in 591,379 units (2016: Nil)	5,891	-
Units redeemed / transferred out 606,938 units (2016: Nil)	6,203	-
Telenor Pakistan (Private) Limited Employees' Provident Fund (Portfolio managed by the Management Company)		
Units issued / transferred in 6,522,038 units (2016: Nil)	66,500	-
Units redeemed / transferred out 6,522,038 units (2016: Nil)	66,625	-

NAFA MONEY MARKET FUND

Telenor Pakistan (Private) Limited Employees' Gratuity Fund
(Portfolio managed by the Management Company)

	2017	2016
	-----Rupees in '000-----	
Units issued / transferred in 13,775,034 units (2016: Nil)	135,606	-
Units redeemed / transferred out 13,775,034 units (2016: Nil)	135,621	-

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

** Comparative transactions with these parties have not been disclosed as these parties were not related parties in last year.

22.6 Balances outstanding as at are as follows	2017	2016
	-----Rupees in '000-----	
NBP Fullerton Asset Management Limited (Management Company)		
Remuneration of the Management Company	6,326	2,179
Sindh Sales Tax on remuneration of the Management Company	822	354
Operational expenses	11,498	2,882
Sales load	343	285
Sindh Sales Tax and Federal Excise Duty on sales load	321	344
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	918	373
Sindh Sales Tax on remuneration of the Trustee	119	52
Security deposit	100	100
National Bank of Pakistan (Parent of the Management Company)		
Bank balances		
- in savings account	3,812	2,095
- in current account	165	165
Summit Bank Limited (Common Directorship with the Management Company)		
Bank balance in current account	15,383	9,198
**Askari Bank Limited (Common Directorship with the Management Company)		
Bank balance in savings account	4,602	-
Employees of the Management Company		
Investment held in the Fund: 2,910,174 units (2016: 69,144 units)	28,690	680
Humayun Bashir (Director of the Management Company)		
Investment held in the Fund: 408,699 units (2016: Nil)	4,029	-
Nausherwan Adil (Director of the Management Company)		
Investment held in the Fund: 163,734 units (2016: Nil)	1,614	-
National Fullerton Asset Management Employee Provident Fund (Provident Fund of the parent of the Management Company)		
Investment held in the Fund: 628,036 units (2016: Nil)	6,191	-
Thal Limited (Portfolio managed by the Management Company)		
Investment held in the Fund: 89,189,188 units (2016: Nil)	879,272	-
Management Association of Pakistan (Common Directorship with the Management Company)		
Investment held in the Fund: 327,548 units (2016: Nil)	3,229	-
Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: 250,070,937 units (2016: Nil)	2,465,324	-

NAFA MONEY MARKET FUND

	2017	2016
	-----Rupees in '000-----	
Liberty Mills Limited (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: 224,327,443 units (2016: Nil)	2,211,532	-
*Getz Pharma (Private) Limited (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: Nil (2016: 106,716,312 units)	-	1,049,843
*FWQ Enterprises (Private) Limited (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: Nil (2016: 119,347,396 units)	-	1,174,008
Byco Oil Pakistan Limited Employees' Provident Fund (Portfolio managed by the Management Company)		
Investment held in the Fund: Nil (2016: 141,612 units)	-	1,393
Byco Petroleum Pakistan Limited Employees' Provident Fund (Portfolio managed by the Management Company)		
Investment held in the Fund: 1,993,643 units (2016: 451,395 units)	19,654	4,441
Pakistan Mobile Communications Limited Provident Fund (Portfolio managed by the Management Company)		
Investment held in the Fund: 256,579 units (2016: Nil)	2,529	-
Gul Ahmed Textile Mills Limited Employee Provident Fund Trust (Portfolio managed by the Management Company)		
Investment held in the Fund: 7,577,540 units (2016: Nil)	74,703	-
Amount receivable against issue of units from:		
NAFA Government Securities Savings Fund	-	8,944
NAFA Government Securities Liquid Fund	-	567,928
NAFA Income Opportunity Fund	-	2,070,744
NAFA Riba Free Savings Fund	-	1,345
NAFA Islamic Energy Fund	-	509
NAFA Stock Fund	1,896	1,069
Amount payable against issue of units to:		
NAFA Asset Allocation Fund	-	7
NAFA Islamic Asset Allocation Fund	4,345	-
NAFA Stock Fund	30	-

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

** Comparative balances with these parties have not been disclosed as these parties were not related parties in last year.

23 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	Doctorate in Business Administration / CFA	29
2	Mr. Sajjad Anwar	CFA / MBA Finance	17
3	Mr. Muhammad Ali Bhabha*	MBA / MS / CFA / FRM	22
4	Mr. Hassan Raza	ACCA / BSC / CFA	6
5	Mr. Taha Khan Javed	MBA / CFA	11

NAFA MONEY MARKET FUND

23.1 Mr. Muhammad Ali Bhabha is the manager of the Fund. Other Funds being managed by the Fund manager are as follows:

- NAFA Financial Sector Income Fund
- NAFA Government Securities Liquid Fund
- NAFA Income Fund
- NAFA Savings Plus Fund
- NAFA Government Securities Savings Fund
- NAFA Riba Free Savings Fund
- NAFA Income Opportunity Fund
- NAFA Islamic Income Fund
- NAFA Active Allocation Riba Free Savings Fund

24 TRANSACTIONS WITH BROKERS / DEALERS

There has been no transaction with brokers during the year, accordingly there has been no brokerage expenses for the year ended June 30, 2017.

List of brokers by percentage of commission charged during the year ended June 30, 2016

S. No.	Particulars	Percentage
1	Invest & Finance Securities (Private) Limited	32.00%
2	KASB Securities Limited	19.89%
3	BMA Capital Management Limited	18.20%
4	Magenta Capital (Private) Limited	10.67%
5	Invest Capital Markets Limited	7.60%
6	First Capital Securities Corporation Limited	3.97%
7	J.S. Global Capital Limited	3.26%
8	Invest One Markets Limited	1.67%
9	Currency Market Associates (Private) Limited	1.14%
10	Next Capital Limited	0.75%

25 PATTERN OF UNIT HOLDING

----- As on June 30, 2017 -----

Category	Number of unit holders	Net asset value of the amount invested	Percentage of Total investment
(Rupees in '000)			
Individuals	837	999,142	6.73%
Associated Companies and directors	3	11,835	0.08%
Insurance companies	9	373,419	2.52%
Retirement funds	65	2,718,829	18.31%
Public limited companies	7	4,042,416	27.23%
Others	53	6,699,817	45.13%
	974	14,845,458	100%

----- As on June 30, 2016 -----

Category	Number of unit holders	Net asset value of the amount invested	Percentage of Total investment
(Rupees in '000)			
Individuals	755	623,911	8.78%
Banks/ DFIs	1	14,205	0.20%
Insurance companies	9	277,985	3.91%
Retirement funds	55	1,509,612	21.23%
Public listed Companies	6	1,634,377	22.99%
Others	43	3,049,639	42.89%
	869	7,109,729	100%

NAFA MONEY MARKET FUND

26 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 60th, 61st, 62nd and 63rd Board meetings were held on September 23, 2016, October 28, 2016, February 28, 2017 and April 28, 2017, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Mr. Nausherwan Adil	4	4	-	-
Mr. Aamir Sattar	4	4	-	-
Mr. Abdul Hadi Palekar	4	3	1	61st
Mr. Koh Boon San [note 26.1]	2*	2	-	-
Mr. Lui Mang Yin (Martin Lui)	4	4	-	-
Dr. Foo Chiah Shiung (Kelvin Foo) [note 26.2]	2*	1	1	63rd
Mr. Kamal Amir Chinoy	4	4	-	-
Mr. Shehryar Faruque	4	3	1	62nd
Mr. Saiyed Hashim Ishaque [note 26.3]	3*	3	-	-
Mr. Humayun Bashir [note 26.4]	1*	1	-	-
Dr. Amjad Waheed	4	4	-	-

26.1. Mr. Koh Boon San retired in Extra Ordinary General Meeting held on November 21, 2016.

26.2. Dr. Foo Chiah Shiung (Kelvin Foo) appointed as director on the Board with effect from November 21, 2016.

26.3. Mr. Saiyed Hashim Ishaque was appointed as director on Board with effect from August 05, 2016 and resigned in Extra Ordinary General Meeting held on March 17, 2017

26.4. Mr. Humayun Bashir appointed as director on the Board with effect from March 17, 2017.

* These directors were appointed and retired/resigned during the year, therefore the number of meetings held in respect of these directors is less than the total number of meetings held during the year.

27 FINANCIAL INSTRUMENTS BY CATEGORY

-----June 30, 2017-----

Particulars	Loans and receivables	Financial assets at fair value through profit or loss	Total
-------------	-----------------------	---	-------

-----Rupees in '000-----

Financial assets			
Balance with banks	13,618,825	-	13,618,825
Investment	1,400,000	-	1,400,000
Mark-up accrued	1,716	-	1,716
Receivable against transfer of units	1,896	-	1,896
Deposit	100	-	100
	<u>15,022,537</u>	<u>-</u>	<u>15,022,537</u>

-----June 30, 2017-----

Particulars	At fair value through profit or loss	At amortized cost	Total
-------------	--------------------------------------	-------------------	-------

Financial Liabilities

-----Rupees in '000-----

Payable to the Management Company	-	19,310	19,310
Payable to the Trustee	-	1,037	1,037
Payable against redemption of units	-	4,695	4,695
Accrued expenses and other liabilities	-	47,016	47,016
Net assets attributable to redeemable units	-	14,845,458	14,845,458
	<u>-</u>	<u>14,917,516</u>	<u>14,917,516</u>

NAFA MONEY MARKET FUND

-----June 30, 2016-----

Particulars	Loans and receivables	Financial assets at fair value through profit or loss	Total
-------------	-----------------------	---	-------

-----Rupees in '000-----

Financial assets			
Balance with banks	4,603,574	-	4,603,574
Mark-up accrued	1,248	-	1,248
Receivable against issue of units	2,650,539	-	2,650,539
Deposit	100	-	100
	<u>7,255,461</u>	<u>-</u>	<u>7,255,461</u>

-----June 30, 2016-----

Particulars	At fair value through profit or loss	At amortized cost	Total
-------------	--------------------------------------	-------------------	-------

Financial Liabilities

-----Rupees in '000-----

Payable to the Management Company	-	6,044	6,044
Payable to the Trustee	-	425	425
Payable against redemption of units	-	7	7
Accrued expenses and other liabilities	-	46,910	46,910
Net assets attributable to redeemable units	-	<u>7,109,729</u>	<u>7,109,729</u>
	<u>-</u>	<u>7,163,115</u>	<u>7,163,115</u>

28. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

28.1. 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.

The Management Company manages the market risk by monitoring exposure on marketable securities by following regulations laid down by the Securities and Exchange Commission of Pakistan.

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

28.1.1. Currency risk

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

28.1.2. Interest rate risk

Yield / 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. The Fund is mainly exposed to interest rate risk on balances held with banks in savings account.

- Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument and is not exposed to cash flow interest rate risk except for balances in certain saving accounts. In case of 100 basis points increase / decrease in KIBOR and bank profit rates with all other variables held constant, the net assets of the Fund would have been higher / lower by approximately Rs. 136.03 million (2016: Rs. 45.942 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2017 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

NAFA MONEY MARKET FUND

- Sensitivity analysis for fixed rate instruments

Presently, the fund does not hold any fixed rate instrument that has been designated at fair value through profit and loss. Therefore, a change in interest rate as at June 30, 2017, would not have any affect on the income statement.

Interest rate sensitivity position for on balance sheet financial instruments based on the earlier of contractual repricing or maturity date and for off balance sheet instruments based on settlement date is as follows:

-----As at June 30, 2017-----

Particulars	Yield / Interest rate	Total	Exposed to yield/interest rate risk			Not exposed to Yield/ Interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Balance with banks	3.75% - 7.43%	13,618,825	13,603,277	-	-	15,548
Investment	6.25%	1,400,000	1,400,000	-	-	-
Mark-up accrued		1,716	-	-	-	1,716
Receivable against transfer of units		1,896	-	-	-	1,896
Deposit		100	-	-	-	100
		15,022,537	15,003,277	-	-	19,260
Financial liabilities						
Payable to the Management Company		19,310	-	-	-	19,310
Payable to the Trustee		1,037	-	-	-	1,037
Payable against redemption of units		4,695	-	-	-	4,695
Accrued expenses and other liabilities		47,016	-	-	-	47,016
Net assets attributable to redeemable units		14,845,458	-	-	-	14,845,458
		14,917,516	-	-	-	14,917,516
On-balance sheet gap		105,021	15,003,277	-	-	(14,898,256)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-

-----As at June 30, 2016-----

Particulars	Yield / Interest rate	Total	Exposed to yield/interest rate risk			Not exposed to Yield/ Interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Balance with banks	3.50-6.75	4,603,574	4,594,210	-	-	9,364
Mark-up accrued		1,248	-	-	-	1,248
Receivable against transfer of units		2,650,539	-	-	-	2,650,539
Deposit		100	-	-	-	100
		7,255,461	4,594,210	-	-	2,661,251
Financial liabilities						
Payable to the Management Company		6,044	-	-	-	6,044
Payable to the Trustee		425	-	-	-	425
Payable against redemption of units		7	-	-	-	7
Accrued expenses and other liabilities		46,910	-	-	-	46,910
Net assets attributable to redeemable units		7,109,729	-	-	-	7,109,729
		7,163,115	-	-	-	7,163,115
On-balance sheet gap		92,346	4,594,210	-	-	(4,501,864)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-

NAFA MONEY MARKET FUND

28.1.3. Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all instruments traded in the market. Presently, the Fund is not exposed to any price risk.

28.2. Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances, receivable against transfer of units, mark-up accrued and deposits and prepayments. The credit risk of the Fund is limited as the investments are made and balances are maintained with counter parties that have reasonably high credit ratings. The Fund does not expect to incur material credit losses on its financial assets.

The Fund's significant credit risk arises mainly on account of its placement with banks. The credit rating profile of balances with banks is as follow:

Bank balances by rating category	2017
AAA	58.19%
AA+	41.53%
AA	0.01%
AA-	0.16%
A-	0.11%

The maximum exposure to credit risk before any credit enhancement as at June 30, 2017 is as follows:

	June 30, 2017		June 30, 2016	
	Financial assets	Maximum exposure	Financial assets	Maximum exposure
----- Rupees in '000 -----				
Balance with banks	13,618,825	13,618,825	4,603,574	4,603,574
Investment	1,400,000	1,400,000	-	-
Receivable against transfer of units	1,896	1,896	2,650,539	2,650,539
Mark-up accrued	1,716	1,716	1,248	1,248
Deposit	100	100	100	100

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

The Fund's major asset balances (99.50%) are held with three banks. The management believes that these are credit-worthy counterparties.

28.3. Liquidity risk

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

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

For the purpose of making redemptions, the Fund has the ability to borrow in the short term. However, such need did not arise during the year. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

NAFA MONEY MARKET FUND

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

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

----- As at June 30, 2017 -----

Particulars	Total	Upto three months	Over three months and upto one year	Over one year
-------------	-------	-------------------	-------------------------------------	---------------

Financial liabilities

Payable to the Management Company	19,310	19,310	-	-
Payable to the Trustee	1,037	1,037	-	-
Payable against redemption of units	4,695	4,695	-	-
Accrued expenses and other liabilities	47,016	47,016	-	-
Net assets attributable to redeemable units	14,845,458	14,845,458	-	-
	14,917,516	14,917,516	-	-

----- As at June 30, 2016 -----

Particulars	Total	Upto three months	Over three months and upto one year	Over one year
-------------	-------	-------------------	-------------------------------------	---------------

Financial liabilities

Payable to the Management Company	6,044	6,044	-	-
Payable to the Trustee	425	425	-	-
Payable against redemption of units	7	7	-	-
Accrued expenses and other liabilities	46,910	46,910	-	-
Net assets attributable to redeemable units	7,109,729	7,109,729	-	-
	7,163,115	7,163,115	-	-

29 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown in the statement of movement in unit holders' fund.

The Fund has no restrictions on the issuance and redemption of units. There is no specific capital requirement which is applicable on the Fund.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 28, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests which would be augmented by short-term borrowings or disposal of investments where necessary.

30 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

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

NAFA MONEY MARKET FUND

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.

The Fund has not disclosed the fair values for other financial assets and financial liabilities, as these are either short term in nature or repriced frequently. Therefore, their carrying amounts are reasonable approximation of fair value.

31. NON ADJUSTING EVENT AFTER JUNE 30, 2017

The Board of Directors of the Management Company in their meeting held on September 15, 2017 (2016: September 23, 2016), approved a final distribution of Rs. 17 million, Rs. 0.0073 per unit (2016: Rs. 2.886 million, Rs. 0.0031 per unit) for the year ended June 30, 2017. The financial statements of the Fund for the year ended June 30, 2017 do not include the effect of the final distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2018.

32. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 15, 2017 .

33. GENERAL

33.1 Figures have been rounded off to the nearest thousand rupees.

33.2 Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparison, which are as follows:

<u>Statement</u>	<u>Rupees in '000</u>	<u>Reclassified</u>	
		<u>From</u>	<u>To</u>
Statement of assets and liabilities	44,146	Payable to NBP Fullerton Asset Management Limited - Management Company	Accrued expenses and other liabilities

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

Performance Table

Particulars	For the year ended June 30, 2017 (Rs. In '000')	For the year ended June 30, 2016 (Rs. In '000')	For the year ended June 30, 2015 (Rs. In '000')	For the year ended June 30, 2014 (Rs. In '000')	For the year ended June 30, 2013 (Rs. In '000')	For the year ended June 30, 2012 (Rs. In '000')
Net assets at the year / period ended (Rs. '000')	14,845,458	7,109,729	2,958,693	11,911,375	15,677,342	21,222,457
Net Income at the year / period ended (Rs. '000')	208,404	45,907	106,654	921,869	2,013,591	357,496
Net Asset Value per unit at the year / period ended (Rs.)	9.8585	9.8377	10.3953	10.0132	10.0188	10.0149
Offer price per unit	9.9142	9.8996	10.4646	10.0806	10.0689	10.0149
Redemption price per unit	9.8585	9.8346	10.3953	10.0132	10.0188	10.0149
Ex - Highest offer price per unit (Rs.)	10.5062	9.8996	9.8921	10.0139	10.0689	10.0149
Ex - Lowest offer price per unit (Rs.)	9.8985	9.3150	9.0848	9.2576	9.2251	9.6664
Ex - Highest redemption price per unit (Rs.)	9.8585	9.8346	9.8265	10.0132	10.0188	10.0149
Ex - Lowest redemption price per unit (Rs.)	9.2482	9.2500	9.0246	9.2570	9.1792	9.6664
Fiscal Year Opening Ex Nav	9.2513	9.2466	9.0224	9.2537	9.1767	9.6664
Total return of the fund	6.56%	8.30%	8.91%	8.21%	9.18%	3.61%
Capital growth	-0.14%	1.99%	-3.06%	-0.41%	-0.39%	0.08%
Income distribution as a % of ex nav	6.70%	6.31%	11.97%	8.61%	9.57%	3.53%
Income distribution as a % of par value	6.20%	5.83%	10.80%	7.97%	8.78%	3.41%
Distribution						
Interim distribution per unit	0.6201	0.5801	0.5087	0.7972	0.8780	0.3410
Final distribution per unit	0.0073	0.0031	0.5711	-	-	-
Distribution dates						
Interim	-	-	-	29-Jul-13	30-Jul-12	
Interim	-	-	-	28-Aug-13	28-Aug-12	
Interim	-	-	-	26-Sep-13	28-Sep-12	
Interim	-	-	-	28-Oct-13	30-Oct-12	
Interim	-	-	-	27-Nov-13	28-Nov-12	
Interim	-	-	-	26-Dec-13	28-Dec-12	
Interim	-	-	-	29-Jan-14	29-Jan-13	
Interim	-	-	-	28-Feb-14	27-Feb-13	
Interim	-	-	-	28-Mar-14	28-Mar-13	29-Mar-12
Interim	-	-	-	29-Apr-14	29-Apr-13	27-Apr-12
Interim	-	-	-	28-May-14	29-May-13	30-May-12
Interim	19-Jun-17	29-Jun-16	30-Jun-15	26-Jun-14	28-Jun-13	27-Jun-12
Final	15-Sep-17	23-Sep-16	14-Jul-15			
Average annual return of the Fund (launch date February 24' 2012)						
(Since inception to June 30, 2017)	8.01%					
(Since inception to June 30, 2016)		8.30%				
(Since inception to June 30, 2015)			9.00%			
(Since inception to June 30, 2014)				8.98%		
(Since inception to June 30, 2013)					9.55%	
(Since inception to June 30, 2012)						10.28%
Weighted average portfolio duration	1 Days	1 Days	13 Days	20 Days	14 Days	39.6 Days








"Past performance is not necessarily indicative of future performance and that unit prices and investment return returns may go down, as well as up."



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