



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

NAFA MONEY MARKET FUND

**QUARTERLY
REPORT**
**March
31 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

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NAFA MONEY MARKET FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director
Mr. Foo Chiah Shiung (Kelvin Foo)	Director
Mr. Lui Mang Yin (Martin Lui)	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Foo Chiah Shiung (Kelvin Foo)	Member
Mr. Aamir Sattar	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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

Askari Bank Limited
Bank Alfalah Limited
National Bank of Pakistan
Faysal Bank Limited
NIB 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

NAFA MONEY MARKET FUND

Auditors

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

Legal Advisor

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

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 111-111NFA (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

DIRECTORS' REPORT

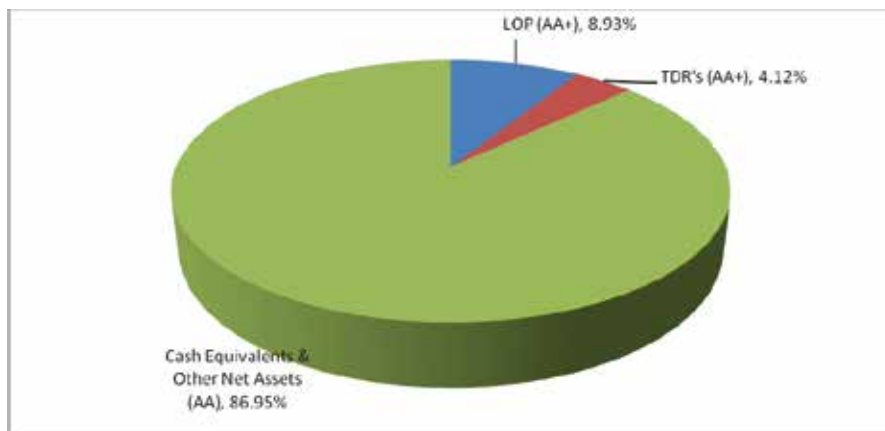
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Money Market Fund (NMMF) for the period ended March 31, 2017.

Fund's Performance

The size of NAFA Money Market Fund has increased from Rs. 7,110 million to Rs. 14,561 million during the period (i.e. a significant growth of 105%). During the period, the unit price of the Fund has increased from Rs. 9.8346 (Ex-Div) on June 30, 2016 to Rs. 10.3123 on March 31, 2017, thus showing a return of 6.5% as compared to the benchmark return of 5.0% for the same period. The performance of the Fund is net of management fee and all other expenses.

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a Money Market scheme, the Fund has strict investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is 'AA', while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days. During the period under review, State Bank of Pakistan (SBP) maintained the discount rate and policy rate at 6.25% and 5.75% respectively. The improved interbank liquidity conditions (due to net government retirement and increase in bank deposits) were well calibrated through the open market operations – keeping the weighted average overnight repo rate close to the policy rate. However, long-term sovereign yields witnessed an average increase of around 60 basis points, indicating investors' demand for higher term premium. CPI on year-on-year basis was recorded at 4.01% in 9MFY17 as compared to 2.64% in corresponding period last year.

The Fund has earned total income of Rs 756.54 million during the period. After deducting expenses of Rs.82.08 million, the net income is Rs.674.46 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NMMF.



NAFA MONEY MARKET FUND

Acknowledgement

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

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

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: April 28, 2017
Place: Karachi.

NAFA MONEY MARKET FUND

ڈائریکٹرز رپورٹ

NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز زبردست 31 مارچ 2017ء کو ختم ہونے والی مدت کے لیے NAFA منی مارکیٹ فنڈ (NMMF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

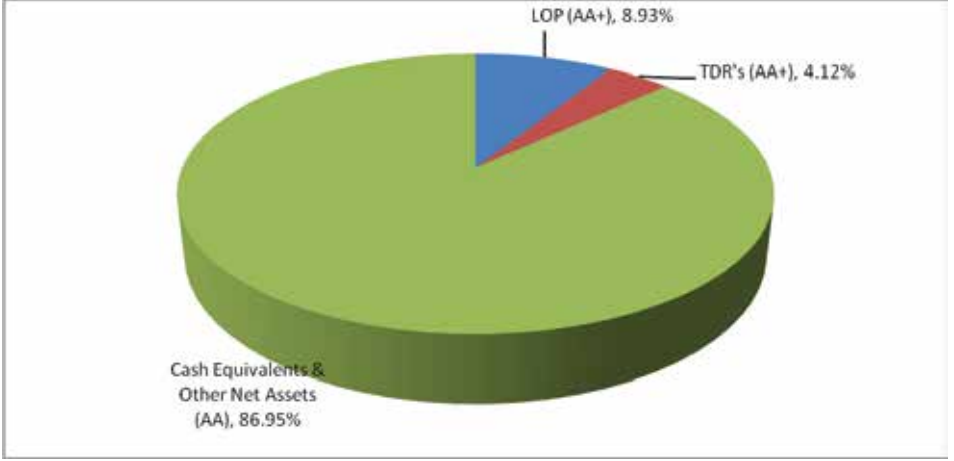
NAFA منی مارکیٹ فنڈ کا ساڑھاں مدت کے دوران 7,110 ملین روپے سے بہت زیادہ بڑھ کر 14,561 ملین روپے ہو گیا، یعنی 105% کا غیر معمولی اضافہ۔ اس مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2016ء کو 9.8346 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2017ء کو 10.3123 روپے تک بڑھ چکی ہے، لہذا اسی مدت کے لیے اپنے بیچ مارک منافع 5.0% کے مقابلے میں 6.5% منافع درج کرایا۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر اخراجات کے بعد خالص ہے۔

NMMF کو PACRA کی طرف سے AA(f) کی اسٹیٹیلٹی 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 بزز، بینک ڈپازٹس اور منی مارکیٹ انسٹرومنٹس شامل ہیں۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی کسی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نئی تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

زیر جائزہ مدت میں اسٹیٹ بینک آف پاکستان (SBP) نے ڈسکاؤنٹ ریٹ اور پالیسی ریٹ بالترتیب 6.25% اور 5.75% کی شرح پر برقرار رکھا۔ بہتر انٹرنیشنل سیالیت کی صورتحال (نیٹ گورنمنٹ ریٹائرمنٹ اور بینک ڈپازٹس میں اضافہ کے سبب) کی قدر و قیمت کا اوپن مارکیٹ آپریشنز کے ذریعہ بہتر تعین کیا گیا۔ جبکہ ریپو کے ریٹ کی شرح کی قدر کو پالیسی ریٹ سے قریب تر رکھا گیا۔ تاہم طویل المعیاد بہترین نتائج میں تقریباً 60 بنیادی پوائنٹس کا اوسط اضافہ ہوا، جس سے سرمایہ کاروں کی زیادہ مدت کے پریہیم کی طلب کا مظاہرہ ہوا۔ مالی سال 2017ء کے نو ماہ میں سال بہ سال بنیادی CPI 4.01% ریکارڈ کیا گیا جو گزشتہ سال اسی مدت میں 2.64% تھا۔

فنڈ نے اس مدت کے دوران 756.54 ملین روپے کی مجموعی منافع دیا۔ 82.08 ملین روپے اخراجات کا حساب کرنے کے بعد خالص منافع 674.46 ملین روپے رہی۔ درج ذیل چارٹ NMMF کی ایسیٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:-

NAFA MONEY MARKET FUND



اظہارِ تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP فلٹرن ایسیٹ منجنت لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

28 اپریل 2017ء

مقام: کراچی

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2017

	Note	(Un-audited) March 31, 2017	Audited June 30, 2016
(Rupees in '000)			
ASSETS			
Balances with Banks		14,048,416	4,603,574
Investments	4	600,000	-
Markup Accrued		4,900	1,248
Receivable against transfer of units		784	2,650,539
Preliminary Expenses and floatation cost		-	151
Deposits and Prepayments		388	263
Total assets		14,654,488	7,255,775
LIABILITIES			
Payable to NBP Fullerton Asset Management Ltd - Management Company		59,224	50,190
Payable to Central Depository Company of Pakistan Limited - Trustee		1,017	425
Payable to Securities and Exchange Commission of Pakistan		5,832	3,450
Payable against transfer of units		1,227	7
Accrued expenses and other liabilities		25,988	91,974
Total liabilities		93,288	146,046
Net Assets		14,561,200	7,109,729
Unit Holders' Funds (as per statement attached)		14,561,200	7,109,729
CONTINGENCIES & COMMITMENTS	7	-	-
-----Number of units-----			
NUMBER OF UNITS IN ISSUE		1,412,028,640	722,706,464
------(Rupees)-----			
NET ASSET VALUE PER UNIT		10.3123	9.8377

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

Note	Nine Months Ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
----- Rupees in '000 -----				
INCOME				
Return / Markup on:				
Net gain on sale of investments - net	-	3,066	-	81,772
- bank balances	507,268	169,377	200,455	-
- government securities	-	48,384	-	1,236
- letters of placement	1,670	24	1,670	-
- term deposit	442	-	442	-
- certificates of investment	-	23,010	-	3,551
- Reversal of provision for Workers' Welfare Fund	69,380	-	69,380	-
Net unrealised (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss	-	(109)	-	(109)
Total Income	578,760	243,752	271,947	86,450
EXPENSES				
Remuneration of NBP Fullerton Asset Management Ltd - Management Company	40,100	26,516	16,093	6,630
Sindh Sales Tax on Remuneration of the Management Company	5,213	4,306	2,092	1,076
Federal Excise Duty on Remuneration of the Management Company	-	4,243	-	1,061
Accounting and operational charges to the Management Company	7,776	1,547	3,161	1,149
Remuneration of Central Depository Company of Pakistan Ltd - Trustee	6,256	3,012	2,451	1,048
Sindh Sales Tax on Remuneration of the Trustee	813	422	319	147
Annual fee to the Securities and Exchange Commission of Pakistan	5,832	2,449	2,371	862
Securities transaction cost	-	208	-	-
Bank charges	381	165	90	46
Auditors' remuneration	557	503	118	108
Fund Rating Fee	245	276	82	125
Annual Listing fee	41	30	14	10
Printing Charges	35	103	-	27
Provision for Sindh Workers' Welfare Fund- previous years	918	-	918	-
Amortization of preliminary expenses and floatation costs	151	171	36	56
Total Expenses	68,318	43,951	27,745	12,345
Net Income from Operating activities	510,442	199,801	244,202	74,105
Element of income and capital gains included in the price of units issued less those in units redeemed - net	177,780	34,104	90,798	35,410
Provision for Sindh Workers' Welfare Fund	5 (13,764)	-	(13,764)	-
Net income for the period before taxation	674,458	233,905	321,236	109,515
Taxation	8 -	-	-	-
Net income for the period after taxation	674,458	233,905	321,236	109,515

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

Note	Nine Months Ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- Rupees in '000 -----			
Net income for the period after taxation	674,458	233,905	321,236	109,515
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>674,458</u>	<u>233,905</u>	<u>321,236</u>	<u>109,515</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive

For NBP Fullerton Asset Management Limited
(Management Company)

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

Note	Nine Months Ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
----- Rupees in '000 -----				
Undistributed income brought forward comprising :				
- Realised income	81,775	139,765	432,111	196,451
- Unrealised (loss) / income	-	-	-	-
	<u>81,775</u>	<u>139,765</u>	<u>432,111</u>	<u>196,451</u>
Net income for the period	674,458	233,905	321,236	109,515
Final distribution made during the period				
- cash distribution at Rs. 0.0031 per unit declared on September 23, 2016	(2,886)	(67,705)	-	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	-	-	-	-
Undistributed income carried forward	<u>753,347</u>	<u>305,965</u>	<u>753,347</u>	<u>305,965</u>
Undistributed income carried forward comprising of:				
- Realised Income	753,347	306,074	753,347	306,074
- Unrealised Income / (loss)	-	(109)	-	(109)
	<u>753,347</u>	<u>305,965</u>	<u>753,347</u>	<u>305,965</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive

For NBP Fullerton Asset Management Limited
(Management Company)

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

	Nine Months Ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
----- Rupees in '000 -----				
Net assets at the beginning of the period	7,109,729	2,958,693	12,233,422	4,141,402
Issue of 3,006,622,613 units (Mar 31, 2016: 1,271,994,949 units)	30,250,268	12,838,094	7,398,464	3,954,313
Redemption of 2,317,300,437 units (Mar 31, 2016 :1,215,561,034 units)	(23,292,589) 6,957,679	10,786,470 2,051,624	(5,301,124) 2,097,340	(3,027,406) 926,907
Net Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
transferred to income statement	(177,780) (177,780)	(34,104) (34,104)	(90,798) (90,798)	(35,410) (35,410)
- Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	-	(109)	-	(109)
Capital gain / (loss) on sale of investments - net	-	3,066	-	-
- other Income (net of expenses) for the period	674,458	230,948	321,236	109,623
	674,458	233,906	321,236	109,515
Final distribution made during the period				
- cash distribution at Rs. 0.0031 per unit declared on September 23, 2016 (Jun 15, Re. 0.5711 per unit)	(2,886)	(67,705)	-	-
Net assets as at the end of the period	<u>14,561,200</u>	<u>5,142,415</u>	<u>14,561,200</u>	<u>5,142,415</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive

For NBP Fullerton Asset Management Limited
(Management Company)

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

	Nine Months Ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
----- Rupees in '000 -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	674,458	233,905	321,236	109,515
Adjustments for				
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'at fair value through profit or loss'	-	109	-	109
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	(177,780)	(34,104)	(90,798)	(35,410)
Amortization of preliminary expenses and floatation costs	151	171	36	56
	<u>496,829</u>	<u>200,081</u>	<u>230,474</u>	<u>74,270</u>
Decrease / (Increase) in assets				
Investments - net	(600,000)	463,765	(600,000)	(86,235)
Profit receivables	(3,652)	14,735	(3,160)	3,965
Prepayments and other receivables	(125)	141	(260)	10
	<u>(603,777)</u>	<u>478,641</u>	<u>(603,420)</u>	<u>(82,260)</u>
Increase / (decrease) in liabilities				
Payable to the Management Company	9,034	(2,879)	4,081	3,232
Payable to Central Depository Company of Pakistan Ltd - Trustee	592	(282)	103	94
Payable to the Securities and Exchange Commission of Pakistan	2,382	(7,731)	2,371	862
Accrued expenses and other liabilities	(65,986)	(24,769)	(62,586)	2,952
	<u>(53,978)</u>	<u>(35,661)</u>	<u>(56,031)</u>	<u>7,140</u>
Net cash generated / (used in) from operating activities	<u>(160,926)</u>	<u>643,061</u>	<u>(428,977)</u>	<u>(851)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from issue of units	32,900,023	12,889,441	7,397,680	3,970,671
Payments on redemption of units	(23,291,369)	(13,819,090)	(5,299,897)	(6,076,383)
Distributions paid	-	(67,705)	2,886	-
Net cash (used in) / generated from financing activities	<u>9,608,654</u>	<u>(997,354)</u>	<u>2,100,669</u>	<u>(2,105,712)</u>
Net (decrease) in cash and cash equivalent during the period	<u>9,447,728</u>	<u>(354,293)</u>	<u>1,671,692</u>	<u>(2,106,563)</u>
Cash and cash equivalents at the beginning of the period	4,603,574	5,144,234	12,379,610	6,896,504
Cash and cash equivalents at the end of the period	<u><u>14,051,302</u></u>	<u><u>4,789,940</u></u>	<u><u>14,051,302</u></u>	<u><u>4,789,940</u></u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

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' w.e.f April 21, 2017 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

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of the IFRS the requirements of NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2016.

In compliance with Schedule V of the NBFC regulations, the directors of the Management Company hereby declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at March 31, 2017.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENT AND CHANGES THEREIN

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the published annual audited financial statements of the Fund for the year ended June 30, 2016.

NAFA MONEY MARKET FUND

	(Un-audited) March 31, 2017	Audited June 30, 2016
	----- Rupees in '000 -----	
4 INVESTMENTS		
Loans & Receivables	600,000	-
Letter of Placements	<u>600,000</u>	<u>-</u>

5 PROVISION FOR 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 Honourable 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 filed 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. MUFAP wrote to 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. 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 and considering the legal opinion obtained on these matters, MUFAP has recommended the following to all its members on January 12, 2017:

The entire provision against the Federal WWF held by the mutual funds till June 30, 2015, to be reversed on January 12, 2017; and

The provision in respect of Sindh WWF should be made on a prudent basis on January 12, 2017 with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Accordingly, the provision for Sindh WWF is being made on a daily basis going forward.

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. Accordingly, the Fund has recorded these adjustments in its books on January 12, 2017.

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 14,683,026/- If the same were not been made, the NAV per unit of the scheme would have been higher by Rs 0.0104.

6 Total Expense Ratio

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 1.05% per annum including 0.34% representing government levies on collective Investment scheme such as Sales tax and Securities and Exchange Commission of Pakistan fee for the period.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2017 and June 30, 2016.

NAFA MONEY MARKET FUND

8 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 ending June 30, 2017 to its unit holders. Accordingly, no provision in respect of taxation has been made in the current period.

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.

9 TRANSACTIONS WITH CONNECTED PERSONS

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.

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.

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

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

9.1 Details of the transactions with connected persons are as follows:

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	<u>March 31, 2017</u>	<u>March 31, 2016</u>	<u>March 31, 2017</u>	<u>March 31, 2016</u>
	----- Rupees in '000 -----			
NBP Fullerton Asset Management Limited - Management Company				
Remuneration of the Management Company	40,100	26,516	16,093	6,630
Sindh Sales Tax on Management Company's remuneration	5,213	4,306	2,092	1,076
Federal Excise Duty on Management Company's remuneration	-	4,243	-	1,061
Allocation of Operational expenses from the Management Company	7,776	1,547	3,161	1,149
Issue of 10,360,718 units (March 2016: 1,959,651 units)	105,000	20,000	30,000	20,000
Redemption of 8,398,916 units (March 2016: 1,959,651 Units)	85,000	20,070	10,000	20,070
National Bank of Pakistan - Sponsor				
Mark-up on bank balances	52	12	27	(22)
Central Depository Company of Pakistan Limited - Trustee				
Remuneration for the period	6,256	3,012	6,256	1,048
Sindh Sales Tax on Remuneration of the Trustee fee	422	422	422	147
Employees of the Management Company				
Issue of 343,185 units (March 2016: 263,942 Units)	3,479	2,666	3,479	554
Redemption of 389,768 units (March 2016: 222,844 Units)	3,906	2,255	3,906	322
Nausherwan Adil - Chairman				
Issue of 44 units (March 2016: Nil Units)	-	-	-	-

NAFA MONEY MARKET FUND

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	<u>March 31,</u> <u>2017</u>	<u>March 31,</u> <u>2016</u>	<u>March 31,</u> <u>2017</u>	<u>March 31,</u> <u>2016</u>
	----- Rupees in '000 -----			
Dr. Amjad Waheed - Chief Executive Officer				
Issue of Nil units (March 2016: 46 Units)	-	0	-	-
Redemption of Nil units (March 2016: 931 Units)	-	9	-	9
Muhammad Murtaza Ali - Chief Operating Officer / Company Secretary				
Issue of Nil units (March 2016: 4,968 Units)	-	49	-	-
Redemption of Nil units (March 2016: 255,777 Units)	-	2,618	-	-
Khalid Mehmood - Chief Financial Officer of the Management Company				
Issue of 100,177 units (March 2016: Nil units)	1,000	-	1,000	-
Redemption of 100,177 units (March 2016: Nil Units)	1,004	-	1,004	2,200
National Fullerton Asset Management Ltd Employees' Provident Fund				
Issue of 164,705 units (March 2016: 1,243,423 units)	1,650	12,675	1,650	11,395
Redemption of Nil units (March 2016: 1,225,620 units)	-	12,549	-	12,549
Management Association of Pakistan				
Issue of 180,320 units (March 2016: Nil units)	1,796	-	1,796	-
Redemption of 334,692 units (March 2016: Nil units)	3,361	-	3,361	-
NAFA Government Securities Liquid Fund				
Purchase of Market Treasury Bills	-	900,000	-	-
Sale of Market Treasury Bills	-	250,000	-	-
Cherat Packaging Limited				
Issue of 4,944,816 units (2014: Nil units)	-	50,000	-	-
Thall Limited-Treasury Division - Associated Companies				
Issue of 84,795,571 units (March 2016: 19,530,663 Units)	850,082	19,528	850,082	19,528
Redemption of 14,869,151 units (March 2016: 14,869,151 units)	150,000	-	150,000	-
Honda Atlas Cars (Pakistan) Limited (Ten percent or more unit holding)				
Issue of 149,866,589 units (March 2016: Nil Units)	1,500,117	-	-	-
Redemption of Nil units (March 2016: Nil units)	-	-	-	-
Cherat Cement Company Limited				
Redemption of Nil units (March 2016: 15,751,083 units)	-	159,384	-	-
Discretionary portfolio managed by the Management Company:				
BYCO Oil Pakistan Limited Employees' Provident Fund				
Issue of 270,038 units (March 2016: 4,973,020 units)	2,708	49,580	2,708	8,659
Redemption of 141,602 units (March 2016: 5,434,019 units)	1,395	55,422	1,395	35,326
BYCO Petroleum Pakistan Limited Employees' Provident Fund				
Issue of 1,369,140 units (March 2016: 5,201,385 units)	13,729	52,252	13,729	17,035
Redemption of 451,395 units (March 2016: 3,069,164 units)	4,446	31,027	4,446	15,510
Pakistan Mobile Communications Ltd - Provident Fund				
Issue of 241,373 units (March 2016: Nil units)	2,438	-	2,438	-
Telenor Pakistan (Pvt) Limited Employees' Provident Fund				
Issue of 6,522,038 units (March 2016: Nil units)	66,500	-	66,500	-
Redemption of 6,522,038 units (March 2016: Nil units)	66,625	-	66,625	-

NAFA MONEY MARKET FUND

9.6	(Un-audited) March 31, 2017 ----- Rupees in '000 -----	Audited June 30, 2016
Balances outstanding as at the period / year end		
NBP Fullerton Asset Management Limited - Management Company		
Remuneration of the Management Company	5,920	2,179
Sindh Sales Tax payable on remuneration of the Management Company	770	354
Federal Excise Duty payable on remuneration of the Management Company	-	44,146
Accounting & Operational charges payable to Management Company	44,146	2,882
Front end load & Sales Load payable	8,389	629
Units held: 1,961,801 units (June 30, 2016: Nil units)	20,231	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	900	373
Sindh Sales Tax on Remuneration of CDCPL - Trustee	117	52
Security deposit	100	100
National Bank of Pakistan - Sponsor		
- Bank balances	2,446	2,260
Employees of the Management Company		
Units held: 193,600 units (June 2016: 69,144 units)	1,996	680
Nausherwan Adil - Chairman		
Units held: 155,180 units (June 2016: Nil units)	1,600	-
National Fullerton Asset Management Ltd-		
Employee Provident Fund- Associated Companies		
Units held: 164,705 units (June 2016: Nil units)	1,698	-
Summit Bank Limited - Associated Companies		
Bank balance		
- in current accounts	12,087	9,198
Askari Bank Limited - Associated Companies		
Bank balance		
- in saving accounts	5,289	-
Thall Limited-Treasury Division - Associated Companies		
Units held 69,926,419 (June 2016 : Nil units)	721,102	-
Management Association of Pakistan - Associated Companies		
Units held 188,736 (June 2016 : Nil units)	1,946	-
Getz Pharma (Private) Limited (Ten percent or more unit holding) *		
Units held June 2016 : 106,716,312 units	-	1,049,843
FWQ Enterprises (Private) Limited (Ten percent or more unit holding) *		
Units held June 2016: 119,347,396 unit	-	1,174,008
Honda Atlas Cars (Pakistan) Limited (Ten percent or more unit holding)		
Units held March 2016: 149,866,589 unit	1,545,469	-
Discretionary portfolio managed by the Management Company:		
Byco Oil Pakistan Limited - Employees' Provident Fund		
Units held: 270,048 units (2016: 141,612 units)	2,785	1,393

NAFA MONEY MARKET FUND

	(Un-audited) March 31, 2017	Audited June 30, 2016
	----- Rupees in '000 -----	
Byco Petroleum Pakistan Limited - Employees' Provident Fund		
Units held: 1,369,140 units (2016: 451,395 units)	14,119	4,441
Pakistan Mobile Communications Ltd - Provident Fund		
Units held: 241,373 units (2016: Nil units)	2,489	-
Amount receivable against issue / transfer 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	-	1,069
NAFA Asset Allocation Fund	-	(7)

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

10 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 28, 2017 by the Board of Directors of the Management Company.

11 GENERAL

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

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



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

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