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

NAFA MONEY MARKET FUND

**HALF YEARLY
REPORT
December
31 2016**




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. Saiyed Hashim Ishaque | 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 reviewed financial statements of **NAFA Money Market Fund (NMMF)** for the half year ended December 31, 2016.

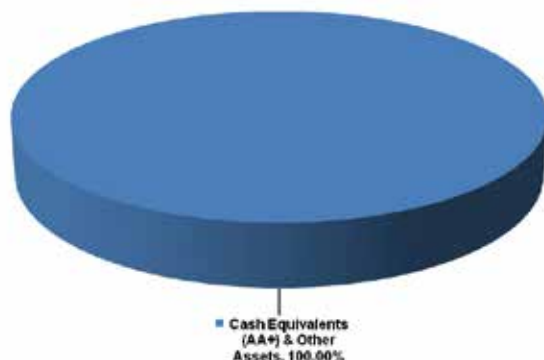
Fund's Performance

The size of NAFA Money Market Fund has increased significantly from Rs. 7,110 million to Rs. 12,233 million during the period, an extraordinary growth of 72%. During the period, the unit price of the Fund has increased from Rs. 9.8346 (Ex-Div) on June 30, 2016 to Rs. 10.1270 on December 31, 2016, thus showing a return of 5.9% as compared to the benchmark return of 4.9% 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.

State Bank of Pakistan (SBP) maintained discount rate and policy rate at 6.25% and 5.75% respectively during the period under review. SBP cited improvement in macroeconomic stability, comfortable liquidity conditions coupled with healthy reserve accumulation, manageable inflationary backdrop, and CPEC related projects gathering momentum being balanced against latent risks to external accounts/factors. However, there are risks to the external account emanating from expected increase in commodity/global oil prices, confluence of declining remittances, challenged exports outlook and mounting external debt levels that may imperil the medium-term sustainability of the Balance of Payments position and warrant decisive policy action. Long-term sovereign yields witnessed an average increase of around 50 basis points, reflecting an uptick in inflation and interest rates.

The Fund has earned total income of Rs 393.79 million during the period. After deducting expenses of Rs.40.57 million, the net income is Rs.353.22 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: February 28, 2017
Place: Karachi.

NAFA MONEY MARKET FUND

ڈائریکٹرز رپورٹ

NBP فلٹرن ایسیٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2016ء کو ختم ہونے والی ششماہی کے لیے NAFA منی مارکیٹ فنڈ (NMMF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

NAFA منی مارکیٹ فنڈ کا سائز اششماہی کے دوران 7,110 ملین روپے سے بہت زیادہ بڑھ کر 12,233 ملین روپے ہو گیا، یعنی 72% کا غیر معمولی اضافہ۔ اس مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2016 کو 9.8346 روپے (Ex-Div) سے بڑھ کر 31 دسمبر 2016 کو 10.1270 روپے تک بڑھ چکی ہے، لہذا اسی مدت کے لیے اپنے بیٹھ مارک منافع 4.9% کے مقابلے میں 5.9% منافع درج کرایا۔ فنڈ کا منافع مینجمنٹ فیس اور دیگر اخراجات کے بعد خالص ہے۔

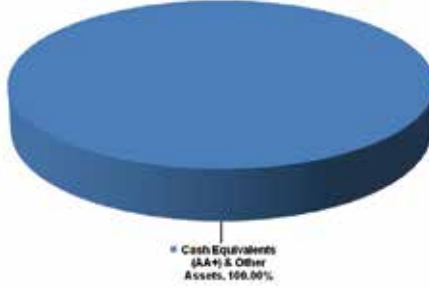
NMMF کو PACRA کی طرف سے AA(f) کی اسٹیٹیلیٹی ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ ایک منی مارکیٹ اسکیم کی حیثیت سے فنڈ سرمایہ کاری کی انتہائی سخت ہدایات رکھتا ہے۔ فنڈ کی منظور شدہ انویسٹمنٹس میں 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 مچھوڑنی والی کسی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی مچھوڑنی کی نئی تہی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

اسٹیٹ بینک آف پاکستان (SBP) نے مذکورہ بالا مدت کے دوران ڈسکاؤنٹ ریٹ اور پالیسی ریٹ بالترتیب 6.25% اور 5.75% برقرار رکھی۔ SBP کے متوقف کے مطابق مستحکم کلیاتی معیشت، لیکویڈیٹی کی باسہولت صورت حال کے ساتھ زرمبادلہ کے ذخیرہ میں خاطر خواہ اضافہ، محدود افراط زر اور CPEC سے متعلقہ منصوبے بیرونی اکاؤنٹ اور عوالم کے پوشیدہ خطرات سے نبرد آزما ہونے کے لئے برسر پیکار ہیں۔ تاہم بیرونی اکاؤنٹ کو عالمی تیل اور ایشیاء صرف کی قیمتوں میں متوقع اضافہ، گرتی ہوئی ترسیلات، برآمدات سے متعلق چیلنجز اور بڑھتی ہوئی بیرونی قرض کی سطح سے خطرات لاحق ہیں جو کہ ادائیگی کے توازن کو وسط مدت دورانیہ میں متاثر کر سکتا ہے جس کے لئے منصوبہ سازی کی ضرورت ہوگی۔ طویل المیعاد خود مختار منافع میں تقریباً 50 پیس پوائنٹ کا اوسط اضافہ دیکھا گیا، جو افراط زر اور سود کی شرح میں معتدل اضافے کی عکاسی کرتا ہے۔

فنڈ نے اس مدت کے دوران 393.79 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 40.57 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 353.22 ملین روپے رہی۔

NAFA MONEY MARKET FUND

درج ذیل چارٹ NMMF کی ایسیٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ رینٹج پیش کرتا ہے:-



اظہارِ تشکر

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

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

28 فروری 2017ء

مقام: کراچی

NAFA MONEY MARKET FUND

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41 (h) 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 six months period ended December 31, 2016 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: February 27, 2017

NAFA MONEY MARKET FUND

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of NAFA Money Market Fund (the Fund) as at December 31, 2016, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the accounts for the half year ended December 31, 2016 (here-in-after referred to as the 'condensed interim financial information'). NBP Fullerton Asset Management Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures in the condensed interim financial information for the quarter ended December 31, 2016 have not been reviewed by us, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial information of the Fund for the half year ended December 31, 2015 and the annual financial statements of the Fund for the year ended June 30, 2016 were reviewed and audited respectively by another firm of Chartered Accountants who through their report dated February 29, 2016 and September 30, 2016 expressed an unqualified conclusion and opinion respectively thereon.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner
Naresh Kumar

Date: February 28, 2017
Place: Karachi

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2016

| | Note | (Un-audited) December 31, 2016 | Audited June 30, 2016 |
|--|------|--------------------------------------|-----------------------------|
| (Rupees in '000) | | | |
| ASSETS | | | |
| Balance with banks | 4 | 12,379,610 | 4,603,574 |
| Mark-up accrued | | 1,740 | 1,248 |
| Receivable against transfer of units | | - | 2,650,539 |
| Preliminary expenses and floatation cost | | 36 | 151 |
| Deposit and prepayments | | 128 | 263 |
| Total assets | | <u>12,381,514</u> | <u>7,255,775</u> |
| LIABILITIES | | | |
| Payable to NBP Fullerton Asset Management Limited - Management Company | 5 | 55,143 | 50,190 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 6 | 914 | 425 |
| Payable to the Securities and Exchange Commission of Pakistan | 7 | 3,461 | 3,450 |
| Payable against transfer of units | | - | 7 |
| Accrued expenses and other liabilities | 8 | 88,574 | 91,974 |
| Total liabilities | | <u>148,092</u> | <u>146,046</u> |
| NET ASSETS | | <u>12,233,422</u> | <u>7,109,729</u> |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | <u>12,233,422</u> | <u>7,109,729</u> |
| Contingencies and commitments | 9 | | |
| -----Number of units----- | | | |
| Number of units in issue | | <u>1,207,999,700</u> | <u>722,706,464</u> |
| ------(Rupees)----- | | | |
| Net asset value per unit | | <u>10.1270</u> | <u>9.8377</u> |

The annexed notes from 1 to 17 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 (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

| | Note | Half year ended | | Quarter ended | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | December 31, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| ----- Rupees in '000 ----- | | | | | |
| INCOME | | | | | |
| Return / mark-up on: | | | | | |
| - bank balances | | 306,813 | 87,606 | 173,252 | 59,489 |
| - government securities | | - | 47,148 | - | 8,158 |
| - letters of placement | | - | 24 | - | - |
| - certificates of investment | | - | 19,459 | - | 7,284 |
| Net gain / (loss) on sale of investments | | - | 3,066 | - | (343) |
| Total income | | 306,813 | 157,303 | 173,252 | 74,588 |
| EXPENSES | | | | | |
| Remuneration of NBP Fullerton Asset Management Limited | | | | | |
| - Management Company | 5.1 | 24,007 | 19,886 | 13,542 | 9,454 |
| Sindh Sales Tax on remuneration of the Management Company | 5.2 | 3,121 | 3,230 | 1,761 | 1,536 |
| Federal Excise Duty on remuneration of the Management Company | 5.3 | - | 3,182 | - | 1,513 |
| Reimbursement of operational expenses to the Management Company | 5.4 | 4,615 | 398 | 2,695 | 398 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 6.1 | 3,805 | 1,964 | 2,176 | 993 |
| Sindh Sales Tax on remuneration of the Trustee | 6.2 | 494 | 275 | 282 | 175 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 7.1 | 3,461 | 1,587 | 2,021 | 805 |
| Securities transaction cost | | - | 208 | - | 76 |
| Bank charges | | 288 | 119 | 220 | 23 |
| Auditors' remuneration | | 439 | 395 | 295 | 210 |
| Fund rating fee | | 163 | 151 | 81 | 74 |
| Annual listing fee | | 27 | 20 | 14 | 10 |
| Printing charges | | 38 | 76 | - | 38 |
| Amortisation of preliminary expenses and floatation costs | | 115 | 115 | 57 | 58 |
| Total expenses | | 40,573 | 31,606 | 23,144 | 15,363 |
| Net income from operating activities | | 266,240 | 125,697 | 150,108 | 59,225 |
| Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed | | 86,982 | (1,306) | 70,861 | (12,676) |
| Net income for the period before taxation | | 353,222 | 124,391 | 220,969 | 46,549 |
| Taxation | 11 | - | - | - | - |
| Net income for the period after taxation | | 353,222 | 124,391 | 220,969 | 46,549 |
| Earnings per unit | 12 | | | | |

The annexed notes from 1 to 17 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 (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

| | Half year ended | | Quarter ended | |
|--|----------------------------|----------------------|----------------------|----------------------|
| | December 31, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| | ----- Rupees in '000 ----- | | | |
| Net income for the period after taxation | 353,222 | 124,391 | 220,969 | 46,549 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | <u>353,222</u> | <u>124,391</u> | <u>220,969</u> | <u>46,549</u> |

The annexed notes from 1 to 17 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 (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

| | Half year ended | | Quarter ended | |
|---|----------------------------|-------------------|-------------------|-------------------|
| | December 31, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| | ----- Rupees in '000 ----- | | | |
| Undistributed income brought forward comprising of: | | | | |
| - realised income | 81,775 | 139,765 | 211,142 | 149,902 |
| - unrealised income | - | - | - | - |
| | 81,775 | 139,765 | 211,142 | 149,902 |
| Net income for the period | 353,222 | 124,391 | 220,969 | 46,549 |
| 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) | - | - |
| Undistributed income carried forward | 432,111 | 196,451 | 432,111 | 196,451 |
| Undistributed income carried forward comprising of: | | | | |
| - realised income | 432,111 | 196,451 | 432,111 | 196,451 |
| - unrealised income | - | - | - | - |
| | 432,111 | 196,451 | 432,111 | 196,451 |

The annexed notes from 1 to 17 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 MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

| | Half year ended | | Quarter ended | |
|---|-------------------|-------------------|-------------------|-------------------|
| | December 31, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| ----- Rupees in '000 ----- | | | | |
| Net assets at the beginning of the period [Rs. 9.8377 per unit (June 30, 2015: Rs. 10.3953 per unit)] | 7,109,729 | 2,958,693 | 9,831,512 | 4,719,723 |
| Issuance of 2,284,959,336 units (December 31, 2015: 885,067,535 units) | 22,851,804 | 8,883,781 | 12,991,269 | 1,270,807 |
| Redemption of 1,799,666,100 units (December 31, 2015: 760,796,570 units) | (17,991,465) | (7,759,064) | (10,739,507) | (1,908,353) |
| | 4,860,339 | 1,124,717 | 2,251,802 | (637,546) |
| Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed | (86,982) | 1,306 | (70,861) | 12,676 |
| Total comprehensive income for the period | 353,222 | 124,391 | 220,969 | 46,549 |
| Distributions during the period | | | | |
| 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) | - | - |
| "Net assets at the end of the period [Rs. 10.1270 per unit (December 31, 2015: Rs. 10.1284 per unit)]" | <u>12,233,422</u> | <u>4,141,402</u> | <u>12,233,422</u> | <u>4,141,402</u> |

The annexed notes from 1 to 17 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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

| Note | Half year ended | | Quarter ended | |
|---|-------------------|--------------------|-------------------|-------------------|
| | December 31, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| ----- Rupees in '000 ----- | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Net income for the period before taxation | 353,222 | 124,391 | 220,969 | 46,549 |
| Adjustments: | | | | |
| Return / mark-up on bank balances | (306,813) | (87,606) | (306,813) | (59,489) |
| Amortisation of preliminary expenses and floatation costs | 115 | 115 | 57 | 58 |
| Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed | (86,982) | 1,306 | (70,861) | 12,676 |
| | (40,458) | 38,206 | (156,648) | (206) |
| Decrease in assets | | | | |
| Investments | - | 550,000 | - | - |
| Deposit and prepayments | 135 | 131 | 96 | 84 |
| | 135 | 550,131 | 96 | 84 |
| Increase / (decrease) in liabilities | | | | |
| Payable to the Management Company | 4,953 | (5,713) | 1,277 | (1,275) |
| Payable to the Trustee | 489 | (376) | 219 | (45) |
| Payable to the Securities and Exchange Commission of Pakistan | 11 | (8,593) | 2,021 | 805 |
| Accrued expenses and other liabilities | (3,400) | (28,120) | (5,939) | (2,362) |
| | 2,053 | (42,802) | (2,422) | (2,877) |
| Mark-up on bank balances received | 306,321 | 98,376 | 306,030 | 59,326 |
| Net cash generated from operating activities | 268,051 | 643,911 | 147,056 | 56,327 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Net cash generated from investing activities | - | - | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Amounts received on issuance of units | 25,502,343 | 8,867,423 | 12,991,269 | 1,270,807 |
| Amounts paid on redemption of units | (17,991,472) | (10,801,246) | (10,742,082) | (1,918,859) |
| Distributions paid | (2,886) | - | - | - |
| Net cash generated from / (used) in financing activities | 7,507,985 | (1,933,823) | 2,249,187 | (648,052) |
| Net increase / (decrease) in cash and cash equivalents during the period | 7,776,036 | (1,289,912) | 2,396,243 | (591,725) |
| Cash and cash equivalents at the beginning of the period | 4,603,574 | 5,144,234 | 9,983,367 | 4,446,047 |
| Cash and cash equivalents at the end of the period | 4 12,379,610 | 3,854,322 | 12,379,610 | 3,854,322 |

The annexed notes from 1 to 17 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 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

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 'AM2++' 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 December 31, 2016.

2.2 Basis of Measurement

This condensed interim financial information has been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

NAFA MONEY MARKET FUND

2.4 Estimates and judgments

The preparation of this condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2016.

2.5 Financial risk management

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Fund as at and for the year ended June 30, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

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

| | Note | (Un-audited) December 31, 2016 | Audited June 30, 2016 |
|-----------------------------|----------------|--------------------------------------|-----------------------------|
| 4 BALANCE WITH BANKS | | ----- Rupees in '000 ----- | |
| Current accounts | 4.1 & 4.2 | 12,038 | 9,364 |
| Saving accounts | 4.1, 4.3 & 4.4 | 12,367,572 | 4,594,210 |
| | | <u>12,379,610</u> | <u>4,603,574</u> |

4.1 This includes Rs. 147.78 million pertaining to amounts from other collective investment schemes being managed by the Management Company in respect of units issued to various unit holders based on their request for transfer of units from other collective investment scheme to the Fund which have been cleared subsequent to the period end.

4.2 These include bank balances of Rs. 0.165 million and Rs. 11.873 million (June 30, 2016: Rs. 0.165 million and Rs. 9.199 million), maintained with National Bank of Pakistan and Summit Bank Limited (related parties) respectively.

4.3 These saving accounts carry mark-up at rates ranging from 3.75% to 7.43% per annum (June 30, 2016: 3.50% to 6.75%) per annum.

4.4 These include a bank balance of Rs. 0.973 million (June 30, 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% (June 30, 2016: 4.00%) per annum.

| | Note | (Un-audited) December 31, 2016 | Audited June 30, 2016 |
|---|------|--------------------------------------|-----------------------------|
| 5 PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY | | ----- Rupees in '000 ----- | |
| Remuneration of the Management Company | 5.1 | 5,198 | 2,179 |
| Sindh Sales Tax on remuneration of the Management Company | 5.2 | 676 | 354 |
| Federal Excise Duty on remuneration of the Management Company | 5.3 | 44,146 | 44,146 |
| Operational expenses | 5.4 | 4,615 | 2,882 |
| Sales load | | 205 | 285 |
| Sindh Sales Tax and Federal Excise Duty on sales load | | 303 | 344 |
| | | <u>55,143</u> | <u>50,190</u> |

5.1 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.

NAFA MONEY MARKET FUND

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.

- 5.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2016: 14%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 5.3 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 December 31, 2016.

Had the provision not being made, the net asset value per unit as at December 31, 2016 would have been higher by Rs. 0.0365 per unit (June 30, 2016: Rs. 0.0611 per unit).

- 5.4 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.

| | Note | (Un-audited) December 31, 2016 | Audited June 30, 2016 |
|----------------------------|--|--------------------------------------|-----------------------------|
| ----- Rupees in '000 ----- | | | |
| 6 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | | |
| | Remuneration of the Trustee | 6.1 | 809 |
| | Sindh Sales Tax on remuneration of the Trustee | 6.2 | 105 |
| | | <u>914</u> | <u>425</u> |

NAFA MONEY MARKET FUND

- 6.1 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 December 31, 2016 is as follows:

| Net asset value | 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. |

- 6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2016: 14%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

7 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

- 7.1 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.

| | Note | (Un-audited) December 31, 2016 | Audited June 30, 2016 |
|---|------|--------------------------------------|-----------------------------|
| ----- Rupees in '000 ----- | | | |
| 8 ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Auditors' remuneration | | 401 | 456 |
| Provision for Workers' Welfare Fund | 10 | 69,380 | 69,380 |
| Withholding tax | | 155 | 1,289 |
| Capital gain tax | | 16,343 | 18,541 |
| Legal and professional charges | | - | 13 |
| Bank charges | | 66 | 24 |
| Printing charges | | 169 | 202 |
| Others | | 2,060 | 2,069 |
| | | <u>88,574</u> | <u>91,974</u> |

9 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2016 and June 30, 2016.

10 PROVISION FOR 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.

NAFA MONEY MARKET FUND

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 net effect of the above two adjustments if these had been made on December 31, 2016 would have resulted in an increase in the net asset value per unit of the Fund by Rs. 0.0508.

11 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.

12 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.

13 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 0.87% per annum including 0.15% representing government levies on collective Investment scheme such as Sales tax and Securities and Exchange Commission of Pakistan fee for the period.

14 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 14.1 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 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.

NAFA MONEY MARKET FUND

- 14.2 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.
- 14.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 14.4 Remuneration of the Trustee is determined in accordance with the rates agreed between the Management Company and the Trustee.

| (Unaudited) | | | |
|------------------------------|----------------------|----------------------|----------------------|
| Half year ended | | Quarter ended | |
| December 31, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| ----- (Rupees in '000) ----- | | | |

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

NBP Fullerton Asset Management Limited (Management Company)

| | | | | |
|--|--------|--------|--------|-------|
| Remuneration of the Management Company | 24,007 | 19,886 | 13,542 | 9,454 |
| Sindh Sales Tax on remuneration of the Management Company | 3,121 | 3,230 | 1,761 | 1,536 |
| Federal Excise Duty on remuneration of the Management Company | - | 3,182 | - | 1,513 |
| Reimbursement of operational expenses to the Management Company | 4,615 | 398 | 2,695 | 398 |
| Sales load and related Sindh Sales Tax and Federal Excise Duty | - | - | - | - |
| Units issued / transferred in 7,445,266 units (Dec 2015: Nil) | 75,000 | - | 75,000 | - |
| Units redeemed / transferred out 7,428,636 units (Dec 2015: Nil) | 75,000 | - | 75,000 | - |

Central Depository Company of Pakistan Limited (Trustee)

| | | | | |
|--|-------|-------|-------|-----|
| Remuneration of the Trustee | 3,805 | 1,964 | 2,176 | 993 |
| Sindh Sales Tax on remuneration of the Trustee | 494 | 275 | 282 | 175 |

Employees of the Management Company

| | | | | |
|--|-------|-------|-----|-----|
| Units issued / transferred in 140,989 units (2015: 209,895 units) | 1,405 | 2,112 | 635 | 600 |
| Units redeemed / transferred out 114,918 units (2015: 191,197 units) | 1,152 | 1,933 | 918 | 497 |

National Bank of Pakistan (Parent of the Management Company)

| | | | | |
|--------------------------|----|----|----|----|
| Mark-up on bank balances | 25 | 34 | 13 | 27 |
|--------------------------|----|----|----|----|

Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the Fund)

| | | | | |
|---|-----------|---|---|---|
| Units issued / transferred in 149,866,589 units (2015: Nil) | 1,500,000 | - | - | - |
| Units redeemed / transferred out 61,130,011 units (2015: Nil) | 604,985 | - | - | - |

Chief Operating Officer / Company Secretary of the Management Company

| | | | | |
|--|---|-------|---|---|
| Units issued / transferred in Nil (2015: 4,968 units) | - | 49 | - | - |
| Units redeemed / transferred out Nil (2015: 255,777 units) | - | 2,618 | - | - |

Chief Financial Officer of the Management Company

| | | | | |
|--|-------|---|-------|---|
| Units issued / transferred in 100,177 units (2015: Nil) | 1,000 | - | - | - |
| Units redeemed / transferred out 100,177 units (2015: 123,495 units) | 1,004 | - | 1,004 | - |

NAFA MONEY MARKET FUND

| (Unaudited) | | | | |
|------------------------------|----------------------|----------------------|----------------------|--|
| Half year ended | | Quarter ended | | |
| December 31, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 | |
| ----- (Rupees in '000) ----- | | | | |

NAFA Employee Provident Fund

(Provident Fund of the Management Company)

| | | | | |
|---|-------|-------|---|-------|
| Units issued / transferred in 164,705 units (2015: 126,973 units) | 1,650 | 1,280 | - | 1,280 |
|---|-------|-------|---|-------|

NAFA Government Securities Liquid Fund

(CIS managed by the Management Company)

| | | | | |
|-----------------------------------|---|---------|---|---------|
| Purchase of market treasury bills | - | 900,000 | - | - |
| Sale of market treasury bills | - | 250,000 | - | 250,000 |

*Cherat Packaging Limited

(Unit holder of 10% or more of units of the CIS)

| | | | | |
|--|---|--------|---|--------|
| Units redeemed / transferred out Nil (2015: 4,944,816 units) | - | 50,000 | - | 50,000 |
|--|---|--------|---|--------|

*Getz Pharma (Private) Limited

(Unit holder of 10% or more of units of the CIS)

| | | | | |
|--|---|-----------|---|---------|
| Units issued / transferred in Nil (2015: 167,482,699 units) | - | 1,699,097 | - | 200,000 |
| Units redeemed / transferred out Nil (2015: 119,144,806 units) | - | 1,223,401 | - | 224,012 |

Thal Limited - Employee Provident Fund

(Portfolio managed by the Management Company)

| | | | | |
|---|---------|---|---------|---|
| Units issued / transferred in 60,390,803 units (2015: Nil) | 600,082 | - | 250,082 | - |
| Units redeemed / transferred out 14,869,152 units (2015: Nil) | 150,000 | - | 150,000 | - |

Byco Oil Pakistan Limited - Employee Provident Fund

(Portfolio managed by the Management Company)

| | | | | |
|--|-------|--------|-------|--------|
| Units issued / transferred in 270,038 units (2015: 4,101,730 units) | 2,708 | 40,921 | 2,708 | 15,032 |
| Units redeemed / transferred out 141,602 units (2015: 1,982,808 units) | 1,395 | 20,096 | - | 6,366 |

Byco Petroleum Pakistan Limited - Employee Provident Fund

(Portfolio managed by the Management Company)

| | | | | |
|--|--------|--------|--------|--------|
| Units issued / transferred in 1,369,140 units (2015: 3,529,898 units) | 13,729 | 35,217 | 13,729 | 11,531 |
| Units redeemed / transferred out 451,395 units (2015: 1,552,647 units) | 4,446 | 15,517 | - | 11,378 |

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

NAFA MONEY MARKET FUND

| | (Un-audited) December 31, 2016 | Audited June 30, 2016 |
|---|--------------------------------------|-----------------------------|
| | ----- Rupees in '000 ----- | |
| 14.6 Amounts outstanding as at period / year end are as follows: | | |
| NBP Fullerton Asset Management Limited (Management Company) | | |
| Remuneration of the Management Company | 5,198 | 2,179 |
| Sindh Sales Tax on remuneration of the Management Company | 676 | 354 |
| Federal Excise Duty on remuneration of the Management Company | 44,146 | 44,146 |
| Operational expenses | 4,615 | 2,882 |
| Sales load | 205 | 285 |
| Sindh Sales Tax and Federal Excise Duty on sales load | 303 | 344 |
| Investment held in the Fund: 16,630 units (2016: Nil) | 168 | - |
| Central Depository Company of Pakistan Limited (Trustee) | | |
| Remuneration of the Trustee | 809 | 373 |
| Sindh Sales Tax on remuneration of the Trustee | 105 | 52 |
| Security deposit | 100 | 100 |
| National Bank of Pakistan (Parent of the Management Company) | | |
| Bank balance | 1,138 | 2,260 |
| Summit Bank Limited (Common directorship with the Management Company) | | |
| Bank balance | 11,873 | 9,198 |
| Employees of the Management Company | | |
| Investment held in the Fund: 95,215 units (2016: 69,144 units) | 964 | 680 |
| NAFA Employee Provident Fund (Provident Fund of the Management Company) | | |
| Investment held in the Fund: 164,705 units (2016: Nil) | 1,668 | - |
| Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS) | | |
| Investment held in the Fund: 149,866,589 units (2016: Nil) | 1,517,699 | - |
| *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 |
| Thal Limited - Employee Provident Fund (Portfolio managed by the Management Company) | | |
| Investment held in the Fund: 45,521,651 units (2016: Nil) | 460,998 | - |

NAFA MONEY MARKET FUND

| | (Un-audited) December 31, 2016 | Audited June 30, 2016 |
|--|--------------------------------------|-----------------------------|
| | ----- Rupees in '000 ----- | |
| Byco Oil Pakistan Limited - Employee Provident Fund (Portfolio managed by the Management Company) | | |
| Investment held in the Fund: 270,048 units (2016: 141,612 units) | 2,735 | 1,393 |
| Byco Petroleum Pakistan Limited - Employee Provident Fund (Portfolio managed by the Management Company) | | |
| Investment held in the Fund: 1,369,140 units (2016: 451,395 units) | 13,865 | 4,441 |
| Net amount receivable / (payable) against transfer of units from / to: | | |
| 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.

15 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).

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.

16 DATE OF AUTHORISATION FOR ISSUE

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

17 GENERAL

- 17.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.
- 17.2 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.
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