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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 2015



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

NPB Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nigel Poh Cheng	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Aamir Sattar	Member

Human Resource and Remuneration Committee

Mr. Nausherwan Adil	Chairman
Mr. Nigel Poh Cheng	Member
Mr. Kamal Amir Chinoy	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

NAFA MONEY MARKET FUND

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

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

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, 2015.

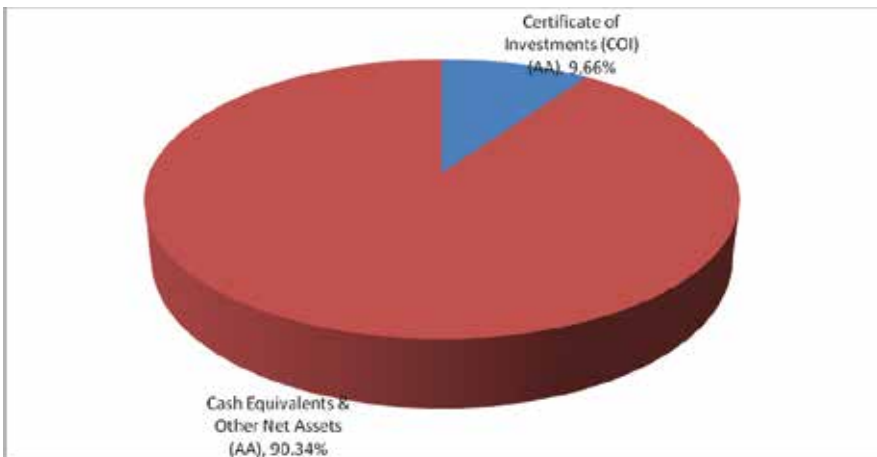
Fund's Performance

The size of NAFA Money Market Fund has increased from Rs. 2,959 million to Rs. 4,141 million during the period, i.e. an increase of 39.9%. During the period, the unit price of the Fund has increased from Rs. 9.8265 (Ex - Div) on June 30, 2015 to Rs. 10.1284 on December 31, 2015, thus showing a return of 6.09% as compared to the benchmark (3-Month deposit rate of 'AA' & above rated banks) return of 4.76% 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, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP highlighted: i) benign inflation readings and anchored near-term expectation; ii) high real lending rates; iii) comfortable external account position; and (iv) improving law and order situation and macroeconomic stability. Sovereign securities responded to the loose monetary policy stance with yields on T-Bills declining accordingly.

The Fund has earned total income of Rs.156 million during the period. After deducting expenses of Rs.31.61 million, the net income is Rs.124.39 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 26, 2016
Place: Karachi.

NAFA MONEY MARKET FUND

TRUSTEE REPORT TO THE UNIT HOLDERS

NAFA MONEY MARKET FUND

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, 2015 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.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 25, 2016

NAFA MONEY MARKET FUND

INDEPENDENT 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** as at December 31, 2015 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 and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2015. The Management Company (NBP Fullerton Asset Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with 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 of the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of unit holders' fund and condensed interim cash flow statement for the quarter ended December 31, 2015 and December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

Scope of Review

We conducted our review in accordance with the 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, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants
Engagement Partner: **Rashid A. Jafer**
Dated: February 29, 2016
Karachi

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2015

	Note	(Un- Audited) December 31' 2015 (Rupees in '000)	Audited June 30, 2015
ASSETS			
Balances with banks	4	3,854,322	5,144,234
Investments	5	400,000	950,000
Profit receivable		4,027	14,797
Receivable against issuance of units		-	51,347
Preliminary expenses and floatation cost		264	379
Deposits and prepayments		120	251
Total assets		4,258,733	6,161,008
LIABILITIES			
Payable to NBP Fullerton Asset Management Limited - Management Company	6	45,013	50,726
Payable to the Central Depository Company of Pakistan Limited - Trustee		358	734
Payable to the Securities and Exchange Commission of Pakistan		1,587	10,180
Payable against redemption of units		246	3,042,428
Accrued expenses and other liabilities		70,127	98,247
Total liabilities		117,331	3,202,315
NET ASSETS		4,141,402	2,958,693
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,141,402	2,958,693
CONTINGENCIES AND COMMITMENTS			
	7	(Number of units)	
NUMBER OF UNITS IN ISSUE		408,889,526	284,618,261
		-----Rupees-----	
NET ASSET VALUE PER UNIT	8	10.1284	10.3953

The annexed notes 1 to 15 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, 2015

Note	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
----- Rupees in '000 -----				
INCOME				
Capital gain / (loss) on sale of investments - net	3,066	1,490	(343)	3,199
Income from government securities	47,148	326,765	8,158	154,007
Income from term deposit receipts	-	41,430	-	31,362
Income from letters of placement	24	22,196	-	18,653
Income from certificates of investment	19,459	52,539	7,284	30,889
Income from commercial paper and sukuk certificates	-	2,160	-	740
Profit on bank deposits	87,606	252,867	59,489	122,127
Total Income	157,303	699,447	74,588	360,977
EXPENSES				
Remuneration of NBP Fullerton Asset Management Limited - Management Company	6.1 19,886	68,208	9,454	35,103
Sindh Sales Tax on the Management Company's Remuneration	6.2 3,230	11,868	1,536	5,724
Federal Excise Duty on the Management Company's remuneration	6.3 3,182	10,913	1,513	5,616
Allocation of operational expenses from the Management Company	6.4 398	-	398	-
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	1,964	5,227	993	2,674
Sindh Sales Tax on remuneration of the Trustee	275	-	175	-
Annual fee to the Securities and Exchange Commission of Pakistan	1,587	5,116	805	2,633
Securities transaction cost	208	581	76	466
Bank charges	119	434	23	313
Listing fee	20	20	10	10
Auditors' remuneration	395	349	210	227
Legal fee	-	26	-	13
Printing charges	76	73	38	37
Rating fee	151	128	74	64
Amortisation of preliminary expenses and floatation costs	115	115	58	57
Total Expenses	31,606	103,058	15,363	52,937
Net income from operating activities	125,697	596,389	59,225	308,040
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	(1,306)	-	(12,676)	-
Provision for Workers' Welfare Fund	9 -	(11,928)	-	(6,161)
Net income for the period before taxation	124,391	584,461	46,549	301,879
Taxation	10 -	-	-	-
Net income for the period after taxation	124,391	584,461	46,549	301,879
Earnings per unit	11			

The annexed notes 1 to 15 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, 2015

	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- Rupees in '000 -----			
Net income for the period after taxation	124,391	584,461	46,549	301,879
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>124,391</u>	<u>584,461</u>	<u>46,549</u>	<u>301,879</u>

The annexed notes 1 to 15 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, 2015

	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- Rupees in '000 -----			
Undistributed income brought forward comprising:				
- Realised gain	139,765	32,278	149,902	315,568
- Unrealised loss	-	(1,279)	-	-
	<u>139,765</u>	<u>30,999</u>	<u>149,902</u>	<u>315,568</u>
Net income for the period	124,391	584,461	46,549	301,879
Final distribution made during the period				
- Re 0.5711 per unit distribution for the year ended June 30, 2015: (2014: Nil)	(67,705)	-	-	-
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	-	23,783	-	21,796
Undistributed income carried forward	<u>196,451</u>	<u>639,243</u>	<u>196,451</u>	<u>639,243</u>
Undistributed income comprising:				
- Realised gain	196,451	639,243	196,451	639,243
- Unrealised loss	-	-	-	-
	<u>196,451</u>	<u>639,243</u>	<u>196,451</u>	<u>639,243</u>

The annexed notes 1 to 15 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 (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- Rupees in '000 -----			
Net assets at the beginning of the period	2,958,693	11,911,375	4,719,723	13,339,175
Issue of 885,067,535 units (Dec 2014: 874,331,926 units)	8,883,781	8,949,099	1,270,807	4,666,157
Redemption of 760,796,570 units (Dec 2014: 691,785,856 units)	(7,759,064)	(7,097,401)	(1,908,353)	(3,959,677)
	1,124,717	1,851,698	(637,546)	706,480
Net element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed				
transferred to income statement	1,306	-	12,676	-
transferred to distribution statement	-	(23,783)	-	(21,796)
	1,306	(23,783)	12,676	(21,796)
Capital gain / (loss) on sale of investments - net	3,066	1,490	(343)	3,199
Other income (net of expenses) for the period	121,325	582,971	46,892	298,680
	124,391	584,461	46,549	301,879
Final distribution made during the period				
- Re 0.5711 per unit distribution for the year ended June 30, 2015.	(67,705)	-	-	-
Net element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - transferred to distribution statement	-	23,783	-	21,796
Net assets as at the end of the period	4,141,402	14,347,534	4,141,402	14,347,534

The annexed notes 1 to 15 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, 2015

	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
----- Rupees in '000 -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	124,391	584,461	46,549	301,879
Adjustments				
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	1,306	-	12,676	-
Profit on bank deposits	(87,606)	(252,867)	(59,489)	(122,127)
Amortisation of preliminary expenses and floatation costs	115	115	58	57
Provision for Workers Welfare Fund	-	11,928	-	6,161
Federal Excise Duty	3,182	10,913	1,513	5,616
	41,388	354,550	1,307	191,586
(Increase) / decrease in assets				
Investments	550,000	503,083	-	299,260
Profit receivable			-	-
Deposits and prepayments	131	108	84	74
	550,131	503,191	84	299,334
Increase / (decrease) in liabilities				
Payable to NBP Fullerton Asset Management Limited - Management Company	(8,895)	13,459	(2,788)	1,926
Payable to the Central Depository Company of Pakistan Limited - Trustee	(376)	238	(45)	93
Payable to the Securities and Exchange Commission of Pakistan	(8,593)	(3,718)	805	2,633
Accrued expenses and other liabilities	(28,120)	2,730	(2,362)	2,448
	(45,984)	12,709	(4,390)	7,100
Profit received	98,376	216,232	59,326	103,398
Net cash generated from operating activities	643,911	1,086,682	56,327	601,418
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from issuance of units	8,867,423	8,949,678	1,270,807	4,693,898
Payments on redemption of units	(10,801,246)	(7,902,154)	(1,918,859)	(3,911,302)
Net cash (used in) / generated from financing activities	(1,933,823)	1,047,524	(648,052)	782,596
Net increase / (decrease) in cash and cash equivalents during the period	(1,289,912)	2,134,206	(591,725)	1,384,014
Cash and cash equivalents at the beginning of the period	5,144,234	10,790,444	4,446,047	11,540,636
Cash and cash equivalents at the end of the period	<u>3,854,322</u>	<u>12,924,650</u>	<u>3,854,322</u>	<u>12,924,650</u>

The annexed notes 1 to 15 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 INFORMATION (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

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 (NAFA) 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 the Securities and Exchange Commission of Pakistan (SECP) on May 18, 2011 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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 the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme no. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-end mutual fund and is listed on the Lahore Stock Exchange (now merged into Pakistan Stock Exchange Limited). The units of the Fund are offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The Fund is categorised as an Open-End "Money Market Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan (SECP) for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term government securities.

The Pakistan Credit Rating Agency (PACRA) has assigned Management Quality Rating of 'AM2+' to the Management Company as at April 6, 2015 and Fund stability rating of 'AA(f)' to the Fund as at December 31, 2015.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as 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 approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published annual audited financial statements of the Fund for the year ended June 30, 2015.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2015.

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

3.1 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, 2015.

NAFA MONEY MARKET FUND

- 3.2 The preparation of this condensed interim financial information 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 judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the published annual audited financial statements of the Fund as at and for the year ended June 30, 2015.

- 3.3 The financial risk management objectives and policies are consistent with those disclosed in the published annual audited financial statements of the Fund for the year ended June 30, 2015.
- 3.4 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following published standard is mandatory for the financial year beginning on or after January 1, 2015 and is relevant to the Fund:

- 3.4.1 IFRS 13 'Fair Value Measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as 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. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. As a result the Fund has included additional disclosures in this regard in note 13 to this condensed interim financial information. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.
- 3.4.2 There are certain other amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2015. None of those amendments have a significant effect on this condensed interim financial information.

	Note	(Un-Audited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
4 BANK BALANCES			
Current accounts	4.1 & 4.2	9,293	8,596
Savings accounts	4.3 & 4.4	<u>3,845,029</u>	<u>5,135,638</u>
		<u>3,854,322</u>	<u>5,144,234</u>

- 4.1 This includes deposit of Rs. 1.131 million (June 30, 2015 : Rs. 1.663 million) maintained with National Bank of Pakistan Limited, a related party of the Fund.
- 4.2 This includes deposit of Rs. 8.162 million (June 30, 2015 : Rs. 6.933 million) maintained with Summit Bank Limited, a related party of the Fund.
- 4.3 These accounts carry rate of return ranging from 4% to 7.45% (June 30, 2015: 4.50% to 10.75%) per annum.
- 4.4 These include deposit of Rs. 1.871 million (June 30, 2015 : Rs. 0.490 million) maintained with National Bank of Pakistan Limited, a related party of the Fund.

NAFA MONEY MARKET FUND

	Note	(Un-Audited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss' - net			
Government securities - Market Treasury Bills	5.1	-	-
Loans and receivables			
Certificates of investment	5.2		
		<u>400,000</u>	<u>950,000</u>
		<u>400,000</u>	<u>950,000</u>

5.1 Government securities - Market Treasury Bills

Issue date	Tenor	Face Value				Market Value as at December 31, 2015	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2015	Purchases during the period	Sales / matured during the period	As at December 31, 2015			
-----Rupees in '000-----								
November 13, 2014	12 Months	-	250,000	250,000	-	-	-	-
January 8, 2015	12 Months	-	500,000	500,000	-	-	-	-
March 5, 2015	6 Months	-	2,355,000	2,355,000	-	-	-	-
March 19, 2015	6 Months	-	100,000	100,000	-	-	-	-
May 28, 2015	3 Months	-	25,000	25,000	-	-	-	-
June 29, 2015	6 Months	-	300,000	300,000	-	-	-	-
July 9, 2015	3 Months	-	900,000	900,000	-	-	-	-
August 6, 2015	6 Months	-	1,200,000	1,200,000	-	-	-	-
June 25, 2015	3 Months	-	850,000	850,000	-	-	-	-
May 14, 2015	6 Months	-	150,000	150,000	-	-	-	-
October 30, 2014	12 Months	-	1,000,000	1,000,000	-	-	-	-
August 20, 2015	6 Months	-	350,000	350,000	-	-	-	-
September 3, 2015	6 Months	-	150,000	150,000	-	-	-	-
April 2, 2015	6 Months	-	100,000	100,000	-	-	-	-
September 17, 2015	6 Months	-	1,000,000	1,000,000	-	-	-	-
October 29, 2015	6 Months	-	250,000	250,000	-	-	-	-
November 12, 2015	3 Months	-	250,000	250,000	-	-	-	-
November 12, 2015	6 Months	-	250,000	250,000	-	-	-	-
			<u>9,980,000</u>	<u>9,980,000</u>	-	-	-	-

Carrying value as at December 31, 2015

5.2 Certificates of investment

Name of issuer	Maturity date	Rate	As at December 31, 2015
(Rupees in '000)			
PAIR Investment Company Limited	15-Feb-16	7.20%	<u>400,000</u>
			<u>400,000</u>

	Note	(Un-Audited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
6 PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration of the Management Company	6.1	2,061	9,222
Sindh Sales Tax payable on remuneration of the Management Company	6.2	335	1,605
Federal Excise Duty payable on remuneration of the Management Company	6.3	41,964	38,782
Allocation of operational expenses from the Management Company	6.4	398	-
Front end load and transfer load		<u>255</u>	<u>1,117</u>
		<u>45,013</u>	<u>50,726</u>

NAFA MONEY MARKET FUND

- 6.1 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November, 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1 percent of the average daily net assets of the Fund. Accordingly, the Management Company has charged its remuneration at the rate of 1 percent per annum of the average daily net assets for the period till 6 December, 2015. Subsequently, the Management Company has revised its remuneration at the higher of 8 percent of Net Income of the Fund and 0.5 percent per annum of the daily net assets of the Fund with a cap of 1 percent per annum of daily net assets of the Fund. The amount of remuneration is payable to the Management Company monthly in arrears.
- 6.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 14% (June 30, 2015: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 6.3 As per the requirements 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 June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 6.2 above, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Fund is not making payments for FED from August 1, 2013. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED from August 1, 2013, amounting to Rs. 41.964 million (including 3.182 million for the current period). Had the provision for the period from June 13, 2013 to December 31, 2015, amounting to Rs 45.451 million, not been made the net asset value per unit of the Fund as at December 31, 2015 would have been higher by Re 0.111 (2015 : Re 0.149) per unit.

- 6.4 During the current period, the SECP vide S.R.O No 1160(I) / 2015 dated November 25, 2015 introduced amendments in the NBFC regulations. As a result of these amendments, the Management Company of the Fund is entitled for reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to Collective Investment Scheme upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. The Management Company has charged operating expenses to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund for the period from November 25, 2015 to December 31, 2015.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2015 and June 30, 2015.

8 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed on the Statement of Asset and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

9 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it was construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeded Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

NAFA MONEY MARKET FUND

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance, 1971 about the applicability of WWF to the CISs which is still pending before the Court.

In a judgment of May 2014, the Honourable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution.

Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 69.38 million in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at December 31, 2015 would have been higher by Re 0.1697 per unit (June 2015: Rs. 0.2438 per unit).

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, no further provision of WWF has been made from July 1, 2015. However, provision made till June 30, 2015 has not been reversed as the above law suit is still pending in the SHC.

10 TAXATION

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

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

11 EARNINGS PER UNIT

Earnings per unit (EPU) for the period ended December 31, 2015 has not been disclosed as in the opinion of the management, determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

12 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 12.1 Related Parties / Connected persons include NBP Fullerton Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP), and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 12.2 The transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 12.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 12.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

NAFA MONEY MARKET FUND

12.5 Details of the transactions with related parties / connected persons are as follows:

	----- (Un-Audited) -----			
	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
----- Rupees in '000 -----				
NBP Fullerton Asset Management Limited - Management Company				
Remuneration of the Management Company	19,886	68,208	9,454	35,103
Sindh Sales Tax on Management Company's remuneration	3,230	11,868	1,536	5,724
Federal Excise Duty on Management Company's remuneration	3,182	10,913	1,513	5,616
Allocation of operational expenses from the Management Company	398	-	398	-
Issue of Nil units (2014: 2,707,625 units)	-	27,774	-	17,394
National Bank of Pakistan				
Sale of Market Treasury Bills	-	1,613,330	-	313,971
Profit on saving account	34	-	27	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration for the period	1,964	5,227	993	2,674
Sindh Sales Tax on Remuneration of the Trustee fee	275	-	175	-
Employees of the Management Company				
Issue of 209,895 units (2014: 1,990,857 units)	2,112	20,413	600	13,014
Redemption of 191,297 units (2014: 2,172,068 units)	1,933	22,303	497	14,641
Dr. Amjad Waheed - Chief Executive Officer				
Issue of 46 units (2014: 11,529,182 units)	-	118,000	-	100,000
Redemption of Nil units (2014: 10,415,027 units)	-	107,215	-	89,120
Murtaza Ali - Chief Operating Officer / Company Secretary				
Issue of 4,968 units (2014: 1,274,072 units)	49	13,200	-	13,050
Redemption of 255,777 units (2014: 926,353 units)	2,618	9,550	-	7,700
National Fullerton Asset Management Ltd- Employee Provident Fund				
Issue of 126,973 units (2014: Nil units)	1,280	-	1,280	-
NAFA Government Securities Liquid Fund				
Purchase of Market Treasury Bills	900,000	98,769	-	98,769
Sale of Market Treasury Bills	250,000	2,022,447	250,000	1,924,297
NAFA Income Opportunity Fund				
Sale of Market Treasury Bills	-	122,267	-	122,267
NAFA Financial Sector Income Fund				
Purchase of Market Treasury Bills	-	186,275	-	186,275
NAFA Government Securities Savings Fund				
Purchase of Market Treasury Bills	-	230,061	-	230,061
Cherat Cement Company Limited				
Redemption of Nil units (2014: 15,751,083 units)	-	159,384	-	-
Cherat Packaging Limited				
Issue of 4,944,816 units (2014: Nil units)	50,000	-	50,000	-
Getz Pharma (Pvt) Limited*				
Issue of 167,482,699 units (2014: N/A)	1,699,097	-	200,000	-
Redemption of 119,144,806 units (2014: N/A)	1,223,401	-	224,012	-

NAFA MONEY MARKET FUND

----- (Un-Audited) -----			
Half year ended		Quarter ended	
December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
----- Rupees in '000 -----			

International Industries Limited Employees' Provident Fund			
Issue of Nil units (2014: 294,123 units)	-	2,978	-
Redemption of Nil units (2014: 2,002,901 units)	-	20,724	-
			368
			19,486
International Steels Limited Employees' Provident Fund			
Issue of units (2014: 85,009 units)	-	859	-
Redemption of Nil units (2014: 519,618 units)	-	5,358	-
Purchase of Market Treasury Bills	-	497	-
			66
			4,386
			-
Pakistan Petroleum Limited			
Issue of Nil units (2014: 37,896,222 units)	-	390,000	-
			130,000
Discretionary portfolio managed by the Management Company:			
Byco Oil Pakistan Limited- Employee Provident Fund			
Issue of 4,101,730 units (2014: Nil units)	40,921	-	15,032
Redemption of 1,982,808 units (2014: Nil units)	20,096	-	6,366
			-
			-
Byco Petroleum Pakistan Limited- Employee Provident Fund			
Issue of 3,529,898 units (2014: Nil units)	35,217	-	11,531
Redemption of 1,552,647 units (2014: Nil units)	15,517	-	11,378
			-
			-

*Prior period comparatives have not been presented as the entity was not classified as a related party / connected person in the prior periods.

	As at December 31, 2015 (Un-Audited)	As at June 30, 2015 (Audited)
12.6 Balances outstanding as at the period / year end		
		(Rupees in '000)
NBP Fullerton Asset Management Limited - Management Company		
Remuneration payable	2,061	9,222
Sindh Sales Tax payable on remuneration of the Management Company	335	1,605
Federal Excise Duty payable on remuneration of the Management Company	41,964	38,782
Allocation of operational expenses from the Management Company	398	-
Front end load and Transfer Load payable	255	1,117
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	314	734
Sindh sales tax payable on remuneration	44	-
Security deposit receivable	100	100
National Bank of Pakistan		
Bank balances		
- in savings accounts	1,871	490
- in current accounts	1,132	1,663
Profit receivable on Bank deposit	31	10
Employees of the Management Company		
Units held: 24,345 units (2015: 5,747 units)	247	60
Dr. Amjad Waheed - Chief Executive Officer		
Units held: 931 (2015: 885 units)	9	9

NAFA MONEY MARKET FUND

	As at December 31, 2015 (Un-Audited)	As at June 30, 2015 (Audited)
	(Rupees in '000)	
Murtaza Ali - Chief Operating Officer / Company Secretary Units held: Nil (2015: 250,809 units)	-	2,607
National Fullerton Asset Management Ltd- Employee Provident Fund Units held: 126,973 units (2015: Nil units)	1,286	-
Nagina Cotton Mills Limited ** Units held: Nil units (2015: 33,016,947 units)	-	343,221
Cherat Packaging Limited Units held: 4,944,816 (2015: Nil units)	50,083	-
Getz Pharma (Pvt) Limited * Units held: 48,337,893 units (2015: N/A)	489,586	-
Jubilee General Insurance Company Limited Units held: Nil units (2015: 33,669,062 units)	-	350,000
Summit Bank Limited Bank balance - in current accounts	8,162	6,933
Discretionary portfolio managed by the Management Company:		
Byco Oil Pakistan Limited Employees' Provident Fund Units held: 3,249,611 units (2015: 1,130,689 units)	32,913	11,754
Byco Petroleum Pakistan Limited Employees' Provident Fund Units held: 1,977,251 units (2015: Nil units)	20,026	-
Amount receivable against issue of units from:		
NAFA Asset Allocation Fund	-	22,990
NAFA Government Securities Savings Fund	-	21,037
NAFA Stock Fund	-	6,804
NAFA Islamic Stock Fund	-	67
NAFA Islamic Principal Preservation Fund	-	435
NAFA Income Fund	-	14
Amount payable against issue of units to:		
NAFA Government Securities Liquid Fund	-	2,188,358
NAFA Income Opportunity Fund	-	823,009
NAFA Islamic Asset Allocation Fund	-	14,574
NAFA Islamic Aggressive Income Fund	-	8,777
NAFA Multi Asset Fund	-	5,571
NAFA Savings Plus Fund	-	57

* Prior year figures have not been presented as the entity was not classified as a connected person of the Fund as at June 30, 2015 on account of having less than 10% of the unit holding of the Fund.

** Prior year figures presented as the entity was classified as a connected person of the Fund as at June 30, 2015 on account of having 10% of the unit holding of the Fund. The entity no longer holds 10% of the unit holding of the Fund.

NAFA MONEY MARKET FUND

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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.

Financial assets which are traded in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying values as the items are either short term in nature or periodically repriced.

Fair value of investments is determined as follows:

- Investment in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan
- The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

13.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2015, the Fund does not hold any investment categorised as 'at fair value through profit or loss'

14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 26, 2016 by the Board of Directors of the Management Company.

15 GENERAL

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

15.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

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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