



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together




Joint - Venture Partners

NAFA MONEY MARKET FUND

QUARTERLY REPORT
**MARCH 31
2014**



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. Wah Geok Sum | 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 & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

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

Human Resource Committee

| | |
|-----------------------|----------|
| Mr. Nausherwan Adil | Chairman |
| Mr. Wah Geok Sum | 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 Shakra-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

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

M/s 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, 1-9/3 Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

1st Floor, Haji Tehmas Centre,
Near KFC, Tehkal Payan
University Road, Peshawar.
Phone: 92-91-5711784, 5711782
Fax: 92-91-5211780

Multan Office:

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

NAFA MONEY MARKET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Money Market Fund (NMMF)** for the period ended March 31, 2014.

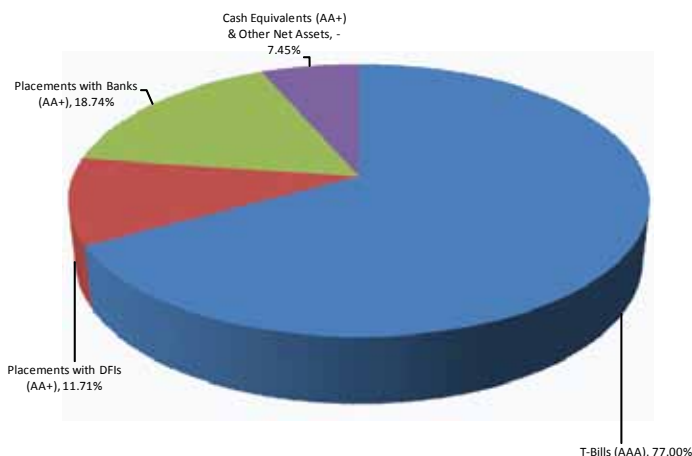
Fund's Performance

The size of NAFA Money Market Fund decreased from Rs. 15,677 million to Rs. 10,674 million during the period, i.e. a decline of 31.9%. During the nine month period, the unit price of the Fund increased from Rs. 9.4459 (Ex - Div) on June 30, 2013 to Rs. 10.0082 on March 31, 2014, thus showing an annualized return of 7.93% as compared to its Benchmark (3-Month deposit rate of 'AA' & above rated banks) return of 6.82%. During the third quarter the size of the Fund increased by 0.15%. During the quarter, the unit price of the Fund has increased from Rs. 9.8100 (Ex-Div) on December 31, 2013 to Rs. 10.0082 on March 31, 2014, thus showing an annualized return of 8.19% as compared to its Benchmark return of 7.18% 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.

The State Bank of Pakistan increased the policy rate by 100bps to 10% during the period under review; citing upside risks to the external account, depleting FX reserves, and rising inflation expectations. The return of the Fund is expected to improve in line with increase in the interest rates.

The Fund has earned total income of Rs.859.38 million during the period. After deducting expenses of Rs.154.59 million, the net income is Rs.704.79 million. The asset allocation of the Fund as on March 31, 2014 is as follows:



NAFA MONEY MARKET FUND

Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 5.9% of opening ex-NAV (5.909% of par value) during the period.

Acknowledgement

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

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

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: April 30, 2014
Place: Karachi.

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

| | Note | (Un-Audited) March 31, 2014 | Audited June 30, 2013 |
|---|------|--------------------------------|--------------------------|
| (Rupees in '000) | | | |
| ASSETS | | | |
| Bank Balances | | 2,546,270 | 21,792,968 |
| Investments | 4 | 9,468,586 | 3,556,267 |
| Profit receivable | | 26,451 | 237,455 |
| Preliminary Expenses and floatation cost | | 664 | 835 |
| Security deposit | | 100 | 100 |
| Prepayments and other receivables | | 351 | 236 |
| Total assets | | 12,042,422 | 25,587,861 |
| LIABILITIES | | | |
| Payable to Management Company | | 24,751 | 22,540 |
| Payable to Central Depository Company of Pakistan Ltd - Trustee | | 744 | 1,258 |
| Payable to Securities and Exchange Commission of Pakistan | | 6,900 | 17,336 |
| Distribution Payable | | 11 | - |
| Payable against redemption of units | | 26,768 | 9,820,162 |
| Accrued expenses and other liabilities | | 1,309,125 | 49,223 |
| Total liabilities | | 1,368,299 | 9,910,519 |
| Net Assets | | 10,674,123 | 15,677,342 |
| Unit Holders' Funds (as per statement attached) | | 10,674,123 | 15,677,342 |
| Contingencies & Commitments | 7 | - | - |
| (Number of units) | | | |
| Number of units in issue | | 1,066,539,572 | 1,564,795,422 |
| -----Rupees----- | | | |
| Net asset value per unit | | 10.0082 | 10.0188 |

The annexed notes form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

| | Nine month ended | | Quarter ended | |
|---|-----------------------------|-------------------|-------------------|-------------------|
| Note | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| | ------(Rupees in '000)----- | | | |
| INCOME | | | | |
| Net Gain / (loss) on sale of investments | (1,159) | 28,885 | (710) | 2,316 |
| Income from investment in government securities | 417,271 | 1,480,184 | 151,210 | 356,723 |
| Income from sukuk certificates ¹ | 856 | 28,429 | 0 | 8,512 |
| Income from term deposits receipt | 253,062 | 77,729 | 57,140 | 48,348 |
| Income from letter of placements | 54,407 | 18,290 | 26,516 | 1,351 |
| Income from certificate of investments | 10,634 | 31,082 | 2,841 | 6,817 |
| Profit on bank deposits | 130,375 | 174,071 | 27,002 | 150,486 |
| | 865,446 | 1,838,671 | 263,999 | 574,554 |
| Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss | (6,070) | (6,680) | (4,829) | 1,314 |
| Total Income | 859,376 | 1,831,991 | 259,170 | 575,868 |
| EXPENSES | | | | |
| Remuneration of the Management Company | 91,996 | 181,517 | 26,455 | 61,318 |
| Sales Tax on Management Company Remuneration | 17,347 | 29,043 | 4,910 | 9,811 |
| Federal Excise Duty on Management Company Remuneration | 14,719 | - | 4,232 | - |
| Remuneration of Central Depository of Pakistan Ltd - Trustee | 7,209 | 13,437 | 2,142 | 4,687 |
| Annual fee - Securities and Exchange Commission of Pakistan | 6,900 | 13,110 | 1,984 | 4,599 |
| Securities transaction cost | 696 | 720 | 180 | 97 |
| Bank charges | 362 | 295 | 180 | 108 |
| Annual listing fee | 32 | 30 | 12 | 10 |
| Auditors' remuneration | 355 | 442 | 120 | 160 |
| Amortisation of preliminary expenses and floatation costs | 171 | 171 | 56 | 56 |
| Legal Fee | 79 | - | 12 | - |
| Printing Charges | 67 | 216 | 45 | 98 |
| Rating Fee | 274 | - | 54 | - |
| Total Expenses | 140,207 | 238,980 | 40,382 | 80,943 |
| Net Income from Operating activities | 719,169 | 1,593,011 | 218,788 | 494,925 |
| Provision for workers' welfare fund | (14,383) | (31,860) | (4,375) | (9,579) |
| Net income for the period before taxation | 704,786 | 1,561,151 | 214,413 | 485,346 |
| Taxation | 8 | - | - | - |
| Net income for the period after taxation | 704,786 | 1,561,151 | 214,413 | 485,346 |
| Earnings per unit | - | - | - | - |

The annexed notes form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

| | Nine month ended | | Quarter ended | |
|--|-----------------------------|-------------------|-------------------|-------------------|
| Note | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| | ------(Rupees in '000)----- | | | |
| Net income for the period after taxation | 704,786 | 1,561,151 | 214,413 | 485,346 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | <u>704,786</u> | <u>1,561,151</u> | <u>214,413</u> | <u>485,346</u> |

The annexed notes form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

| | Nine month ended | | Quarter ended | |
|---|-----------------------------|-------------------|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| | ------(Rupees in '000)----- | | | |
| Undistributed income brought forward comprising : | | | | |
| - Realised income | 37,645 | 31,563 | 30,264 | 31,563 |
| - Unrealised (loss) / income | | | | |
| | <u>37,645</u> | <u>31,563</u> | <u>30,264</u> | <u>31,563</u> |
| Net income for the period | 704,786 | 1,561,151 | 214,413 | 485,346 |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed | 15,149 | 22,592 | 27,840 | 8,031 |
| Less: Interim Distribution | | | | |
| - Bonus Units | (700,903) | (582,852) | (215,840) | (513,076) |
| - Cash Distribution | (26) | (995,081) | (26) | (2,723) |
| | <u>56,650</u> | <u>37,373</u> | <u>56,650</u> | <u>9,141</u> |
| Undistributed income comprising | | | | |
| - Realised Income | 62,721 | 44,053 | 61,480 | 7,827 |
| - Unrealised Income / (loss) | (6,070) | (6,680) | (4,829) | 1,314 |
| | <u>56,650</u> | <u>37,373</u> | <u>56,650</u> | <u>9,141</u> |

The annexed notes form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

| | Nine month ended | | Quarter ended | |
|---|-----------------------------|-------------------|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| | ------(Rupees in '000)----- | | | |
| Net assets at the beginning of the period | 15,677,342 | 21,222,457 | 10,658,311 | 23,484,015 |
| Issue of 1,255,208,064 units including 70,068,790 bonus units (Mar 31, 2013: 757,883,663 units - including 58,198,784 bonus units) | 11,893,691 | 7,044,209 | 2,939,127 | 3,484,600 |
| Redemption of 1,753,463,915 units (Mar 31, 2013: 373,042,459 units) | (17,601,668) | (3,750,328) | (3,137,700) | (2,352,842) |
| | (5,707,977) | 3,293,881 | (198,573) | 1,131,758 |
| Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed | (15,149) | (22,592) | (27,840) | (8,031) |
| - Unrealised appreciation / (diminution) on investments at fair value through profit or loss - net | (6,070) | (6,680) | (4,829) | (14,674) |
| - Capital gain / (loss) on sale of investments | (1,159) | 28,885 | (710) | 2,316 |
| - other Income (net of expenses) for the period | 712,014 | 1,538,945 | 219,951 | 481,716 |
| | 704,785 | 1,561,150 | 214,412 | 469,358 |
| Distribution of bonus units during the period | | | | |
| Interim Distribution | 700,903 | 582,852 | 215,840 | 513,076 |
| Interim distributions during Period ended March 31, 2014 | | | | |
| Interim distributions during quarter ended March 31, 2013 | | | | |
| - Bonus Units | (700,903) | (582,852) | (215,840) | (513,076) |
| - Cash Distribution | (26) | (995,081) | (26) | (2,723) |
| | (700,929) | (1,577,933) | (215,866) | (515,799) |
| Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed | 15,149 | 22,592 | 27,840 | 8,031 |
| Net assets as at the end of the period | <u>10,674,123</u> | <u>25,082,407</u> | <u>10,674,123</u> | <u>25,082,407</u> |

The annexed notes form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

| | Nine month ended | | Quarter ended | |
|---|-----------------------------|-------------------|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| | ------(Rupees in '000)----- | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net income for the period before taxation | 704,786 | 1,561,151 | 214,413 | 485,346 |
| Adjustments for | | | | |
| Net unrealised appreciation / (diminution) in the value of investments classified as financial asset 'at fair value through profit or loss' | 6,070 | 6,680 | 4,829 | (1,314) |
| Amortisation of preliminary expenses and floatation costs | 171 | 171 | 56 | 56 |
| | 711,027 | 1,568,002 | 219,298 | 484,088 |
| Decrease / (Increase) in assets | | | | |
| Investments - net | (5,918,389) | 6,233,446 | (6,835,972) | 1,507,896 |
| Profit receivables | 211,004 | (51,657) | 22,618 | (10,977) |
| Security deposits | - | - | - | (111) |
| Prepayments and other receivables | (115) | (3) | 3,345 | (3) |
| | (5,707,500) | 6,181,786 | (6,810,009) | 1,496,805 |
| Increase / (decrease) in liabilities | | | | |
| Payable to the Management Company | 2,211 | (1,419) | 3,042 | 1,481 |
| Payable to Central Depository Company of Pakistan Ltd - Trustee | (514) | 289 | (32) | 82 |
| Payable to the Securities and Exchange Commission of Pakistan | (10,436) | 10,376 | 1,984 | 4,599 |
| Distribution Payable | 11 | (173,196) | 11 | (151,065) |
| Payable against redemption of units | (9,793,394) | - | (9,793,394) | (1,380) |
| Accrued expenses and other liabilities | 1,259,902 | 32,145 | 1,250,313 | 9,551 |
| | (8,542,220) | (131,805) | (8,538,076) | (136,732) |
| Net cash used in operating activities | (13,538,693) | 7,617,983 | (15,128,787) | 1,844,161 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Receipts from issue of units | 11,893,691 | 7,044,209 | 2,939,127 | 3,484,600 |
| Payments on redemption of units | (17,601,668) | (3,750,328) | 6,680,152 | (2,352,842) |
| Distributions paid | (26) | (995,081) | (26) | (2,723) |
| Net cash generated from financing activities | (5,708,003) | 2,298,800 | 9,619,253 | 1,129,035 |
| Net increase in cash and cash equivalent during the period | (19,246,697) | 9,916,782 | (5,509,535) | 2,973,195 |
| Cash and cash equivalents at the beginning of the period | 21,792,968 | 87,260 | 8,055,806 | 7,030,847 |
| Cash and cash equivalents at the end of the period | 2,546,271 | 10,004,042 | 2,546,271 | 10,004,042 |

The annexed notes form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (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 (Establishment and Regulation) Rules, 2003 (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 the SECP. The Registered and Principal office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 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-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferrable and can be redeemed by surrendering these to the Fund. The Fund is categorized as an Open-End "Money Market Scheme" as per the criteria laid down by SECP for categorization 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 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 of 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

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprises of such International Financial Reporting Standards (IFRS) issued by 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 Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2013.

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 March 31, 2014.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2013.

NAFA MONEY MARKET FUND

4 INVESTMENTS

At fair value through profit or loss - held for trading

Government securities - Market Treasury Bills

Loans & Receivables

Note (Un-Audited) (Audited)
March 31, June 30,
2014 2013
(Rupees in '000)

| | | |
|-----|------------------|------------------|
| 4.1 | 8,218,586 | 2,980,767 |
| 4.2 | <u>1,250,000</u> | <u>575,500</u> |
| | <u>9,468,586</u> | <u>3,556,267</u> |

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

| Issue date | Tenor | Face Value | | | | Market Value as at March 31, 2014 | Market value as a percentage of net assets | Market value as a percentage of total investments |
|--------------------------|-----------|---------------------|-----------------------------|-----------------------------------|----------------------|-----------------------------------|--|---|
| | | As at July 01, 2013 | Purchases during the period | Sales / matured during the period | As at March 31, 2014 | | | |
| -----Rupees in '000----- | | | | | | | | |
| 1-Nov-12 | 12 Months | - | 1,742,000 | 1,742,000 | - | - | - | - |
| 10-Jan-13 | 6 Months | 510 | - | 510 | - | - | - | - |
| 24-Jan-13 | 6 Months | 6,250 | 3,390,500 | 3,396,750 | - | - | - | - |
| 24-Jan-13 | 12 Months | - | 500,000 | 500,000 | - | - | - | - |
| 2-May-13 | 3 Months | 1,492,500 | 6,712,000 | 8,204,500 | - | - | - | - |
| 2-May-13 | 6 Months | - | 375,000 | 375,000 | - | - | - | - |
| 26-Jul-12 | 12 Months | 1,500,000 | - | 1,500,000 | - | - | - | - |
| 30-May-13 | 6 Months | - | 4,174,500 | 4,174,500 | - | - | - | - |
| 6-Sep-12 | 12 Months | - | 1,652,000 | 1,652,000 | - | - | - | - |
| 23-Aug-12 | 12 Months | - | 500,000 | 500,000 | - | - | - | - |
| 13-Jun-13 | 3 Months | - | 70,000 | 70,000 | - | - | - | - |
| 12-Jul-13 | 3 Months | - | 615,000 | 615,000 | - | - | - | - |
| 20-Sep-12 | 12 Months | - | 2,315,000 | 2,315,000 | - | - | - | - |
| 4-Oct-12 | 12 Months | - | 1,750,000 | 1,750,000 | - | - | - | - |
| 7-Aug-13 | 3 Months | - | 875,000 | 875,000 | - | - | - | - |
| 19-Sep-13 | 3 Months | - | 8,157,000 | 8,157,000 | - | - | - | - |
| 5-Sep-13 | 3 Months | - | 975,000 | 975,000 | - | - | - | - |
| 3-Oct-13 | 3 Months | - | 1,800,000 | 1,800,000 | - | - | - | - |
| 31-Oct-13 | 3 Months | - | 1,000,000 | 1,000,000 | - | - | - | - |
| 21-Oct-13 | 3 Months | - | 35,000 | 35,000 | - | - | - | - |
| 28-Nov-13 | 3 Months | - | 2,980,000 | 2,980,000 | - | - | - | - |
| 12-Dec-13 | 3 Months | - | 2,250,000 | 2,250,000 | - | - | - | - |
| 26-Dec-13 | 3 Months | - | 200,000 | 200,000 | - | - | - | - |
| 9-Jan-14 | 3 Months | - | 1,500,000 | 1,500,000 | - | - | - | - |
| 23-Jan-14 | 3 Months | - | 6,581,000 | 4,900,000 | 2,931,000 | 2,917,165 | 27.33 | 34.56 |
| 20-Feb-14 | 3 Months | - | 557,000 | - | 557,000 | 550,109 | 5.15 | 6.52 |
| 28-Feb-14 | 6 Months | - | 602,800 | 500,000 | 102,800 | 101,807 | 0.95 | 1.21 |
| 6-Mar-14 | 3 Months | - | 39,250 | - | 39,250 | 38,617 | 0.36 | 0.46 |
| 6-Mar-14 | 6 Months | - | 2,600,000 | - | 2,600,000 | 2,492,776 | 23.35 | 29.54 |
| 20-Feb-14 | 6 Months | - | 1,000,000 | - | 1,000,000 | 962,263 | 9.01 | 11.4 |
| 20-Mar-14 | 6 Months | - | 1,650,000 | 440,000 | 1,210,000 | 1,155,849 | 10.83 | 13.69 |
| | | 2,999,260 | 56,598,050 | 52,407,260 | 8,440,050 | 8,218,586 | 77 | 97 |

Carrying value before fair value adjustment as at March 31, 2014

Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss

8,224,657

(6,070)

(Un-Audited) (Audited)
March 31, June 30,
2014 2013
(Rupees in '000)

4.2 Loans & Receivables

Sukuk certificates

Certificates of investment

| | |
|------------------|----------------|
| - | 144,210 |
| <u>1,250,000</u> | <u>220,000</u> |
| <u>1,250,000</u> | <u>364,210</u> |

NAFA MONEY MARKET FUND

| Name of issuer | Maturity date | Rate | As at March 31, 2014 |
|---------------------------------------|---------------|-------|-----------------------------|
| PAIR Investment Company Limited | 24-Jun-14 | 10.25 | (Rupees in '000) 250,000 |
| Pak Brunei Investment Company Limited | 24-Jun-14 | 10.40 | 1,000,000 |
| | | | <u>1,250,000</u> |

5 INTERIM DISTRIBUTIONS

The Fund makes distribution on a monthly basis and has made following distributions during the period.

| Date | Rate Per Unit | Bonus | | Cash Distribution | Total |
|----------------------------|---------------|-------------------|----------------|-------------------|----------------|
| | | Units | Amount | | |
| -----Rupees in ('000)----- | | | | | |
| 29-Jul-13 | Re 0.0701 | 9,680,053 | 96,888 | - | 96,888 |
| 28-Aug-13 | Re 0.0651 | 9,700,117 | 97,026 | - | 97,026 |
| 26-Sep-13 | Re 0.0601 | 7,742,667 | 77,432 | - | 77,432 |
| 28-Oct-13 | Re 0.0601 | 6,260,393 | 62,655 | - | 62,655 |
| 27-Nov-13 | Re 0.0651 | 7,559,095 | 75,607 | - | 75,607 |
| 26-Dec-13 | Re 0.0661 | 7,544,893 | 75,455 | - | 75,455 |
| 29-Jan-14 | Re 0.0720 | 7,547,372 | 75,481 | - | 75,481 |
| 28-Feb-14 | Re 0.0700 | 7,443,076 | 74,447 | 14 | 74,461 |
| 28-Mar-14 | Re 0.0621 | 6,591,125 | 65,913 | 12 | 65,925 |
| | | <u>70,068,790</u> | <u>700,903</u> | <u>26</u> | <u>700,929</u> |

6 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds 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 Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended 30 June 2010.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. This response was contradictory to the earlier clarification issued by the Ministry. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by the Honorable SHC on the basis of the pending Constitutional Petition as referred above.

In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through the Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honorable SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to provide for WWF amounting to Rs 62.773 million as at March 31, 2014. Had the same not been made the net asset value per unit as at March 31, 2014 of the scheme would have been higher by Rs 0.0589.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2014 and June 30, 2013.

NAFA MONEY MARKET FUND

8 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. No provision for taxation for the current period has been made in this financial information as the Management Company intends to distribute the required minimum percentage of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its unit holders.

9 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fullerton Asset Management Limited being the Management Company (NAFA), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, NAFA Provident Fund Trust being the employee contribution plan of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

| Nine month ended | | Quarter ended | |
|-----------------------------|-------------------|-------------------|-------------------|
| March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| ------(Rupees in '000)----- | | | |

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

NBP Fullerton Asset Management Limited - Management Company

| | | | | |
|---|--------|---------|--------|--------|
| Remuneration | 91,996 | 181,517 | 26,455 | 61,318 |
| Sindh Sales Tax on Management Company's remuneration | 17,347 | 29,043 | 4,910 | 9,811 |
| "Federal Excise Duty on Management Company's remuneration | 14,719 | | 4,232 | |

National Bank of Pakistan - Sponsor

| | | | | |
|--|------------|------------|-----------|-----------|
| Issue of Nil units (Mar 2013: 7,391,598 units) | - | 74,192 | - | 69,881 |
| Bonus of 16,087,962 units (Mar 2013: 43,321,373 units) | - | - | - | - |
| Redemption of 517,325,759 units (Mar 2013: 32,118,127 units) | 5,200,000 | 322,589 | - | 301,874 |
| Distributions paid & Pre IPO Profit | - | - | 151,070 | 151,070 |
| Purchase of Market Treasury Bills | 11,322,500 | 23,145,028 | 1,020,000 | 4,573,812 |
| Sale of Market Treasury Bills | 5,790,000 | 16,115,819 | - | 9,990,988 |
| TDR placed with the Bank | 8,500,000 | - | - | - |
| Profit on saving account | 6,504 | - | 403 | - |
| Profit on TDR | 132,003 | - | - | - |

Central Depository Company of Pakistan Limited - Trustee

| | | | | |
|-----------------------------|-------|--------|-------|-------|
| Remuneration for the period | 7,209 | 13,437 | 2,142 | 4,687 |
|-----------------------------|-------|--------|-------|-------|

Employees of the Management Company

| | | | | |
|---|--------|--------|--------|-------|
| Issue of 4,408,628 units (Mar 2013: 1,579,225 units) | 44,223 | 15,890 | 25,039 | 7,009 |
| Bonus of 62,616 units (Mar 2013: 14,468 units) | - | - | - | - |
| Redemption of 3,457,973 units (Mar 2013: 1,198,872 units) | 34,692 | 12,066 | 18,611 | 7,009 |

Chief Executive Officer

| | | | | |
|---|--------|--------|-------|-------|
| Issue of 1,646,554 units (Mar 2013: 1,175,549 units) | 16,500 | 11,800 | - | 1,300 |
| Bonus of 13,543 units (Mar 2013: 14,719 units) | - | - | - | - |
| Redemption of 1,684,434 units (Mar 2013: 1,200,945 units) | 16,895 | 12,082 | 2,446 | 1,300 |

NAFA MONEY MARKET FUND

| | Nine month ended | | Quarter ended | |
|---|-----------------------------|-------------------|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| | ------(Rupees in '000)----- | | | |
| CFO / Company Secretary | | | | |
| Issue of Nil units (Mar 2013: 50,080 units) | - | 502 | - | - |
| Bonus of 690 units (Mar 2013: 753 units) | - | - | - | - |
| Redemption of 123,495 units (Mar 2013: 50,750 units) | 1,240 | 511 | - | 260 |
| NBP Exchange Company Ltd. - Associated Companies | | | | |
| Bonus of 297,720 units (Mar 2013: 7,391,598 units) | - | - | - | - |
| Redemption of 15,449,905 units (Mar 2013: 7,391,598 units) | 155,083 | - | - | - |
| Cherat Cement Company Ltd. - Associated Companies | | | | |
| Issue of 14,967,323 units (Mar 2013: Nil units) | 150,000 | - | 150,000 | - |
| Bonus of 463,224 units (Mar 2013: Nil units) | - | - | - | - |
| | - | - | - | - |
| GUL AHMED TEXTILE MILLS LTD. EPF | | | | |
| Bonus of 3397 units (Mar 2013: 3397 units) | - | - | - | - |
| Redemption of 1,068,848 units (Mar 2013: 1,068,848 units) | - | 1,076 | - | - |
| International Industries Limited Employees' Provident Fund | | | | |
| Issue of 867,900 units (Mar 2013: Nil units) | 8,708 | - | 4,892 | - |
| Bonus of 82,858 units (Mar 2013: 142 units) | - | - | - | - |
| Redemption of 199,257 units (Mar 2013: 1,604,629 units) | 1,995 | 11,079 | 1,995 | - |
| Purchase of Market Treasury Bills | 20,500 | - | - | - |
| Sale of Market Treasury Bills | 64,600 | - | - | - |
| International Industries Limited Employees' Gratuity Fund | | | | |
| Purchase of Market Treasury Bills | 26,000 | - | - | - |
| Sale of Market Treasury Bills | 26,000 | - | - | - |
| International Steels Limited Employees' Provident Fund | | | | |
| Issue of 261,919 units (Mar 2013: Nil units) | 2,633 | - | 1,060 | - |
| Bonus of 41 units (Mar 2013: 41 units) | - | - | - | - |
| Redemption of 80,522 units (Mar 2013: 334,752 units) | 803 | 3,357 | 803 | - |
| Telenor Pakistan Limited - Employee Provident Fund | | | | |
| Sukuks purchased during the period | - | 29,000 | - | - |
| NAFA Government Securities Liquid Fund | | | | |
| Purchase of Market Treasury Bills | 1,800,000 | - | - | - |
| Sale of Market Treasury Bills | 850,000 | - | 200,000 | - |
| NAFA Savings Plus Fund | | | | |
| Sale of Market Treasury Bill | 90,000 | - | - | - |
| Summit Bank Limited | | | | |
| Profit on bank deposit | 421 | - | - | - |
| Purchase of Market Treasury Bills | 500,000 | - | - | - |
| Pak Arab Refinery Ltd Supervisory Staff Gratuity Fund | | | | |
| Purchase of Market Treasury Bills | 26,000 | - | - | - |
| Sale of Market Treasury Bill | 26,000 | - | - | - |
| Thal Limited Employees' Retirement Benevolent Fund | | | | |
| Purchase of Market Treasury Bills | 2,000 | - | - | - |
| Sale of Market Treasury Bill | 18,500 | - | - | - |
| KAPCO Employees Pension Fund | | | | |
| Purchase of Market Treasury Bills | 120,000 | - | 120,000 | - |
| KAPCO Employees Provident Fund | | | | |
| Purchase of Market Treasury Bills | 5,000 | - | 5,000 | - |
| Maple Leaf Cement Factory Limited Employees Provident Fund | | | | |
| Purchase of Market Treasury Bills | 5,000 | - | 5,000 | - |
| Millat Tractor Limited Employees Pension Fund | | | | |
| Purchase of Market Treasury Bills | 350,000 | - | 350,000 | - |

NAFA MONEY MARKET FUND

| | (Un-Audited) Quarter Ended March 31, 2014 | (Audited) June 30, 2013 |
|---|---|-------------------------------|
| | (Rupees in '000) | |
| 9.2 Details of the transactions with connected persons are as follows: | | |
| NBP Fullerton Asset Management Limited - Management Company | | |
| Remuneration payable | 9,207 | 17,973 |
| Sindh Sales Tax payable on remuneration of the Management Company | 1,779 | 2,861 |
| Federal Excise Duty on Management Company's remuneration | 12,961 | 1,706 |
| Sales Load & Transfer Load Payable | 804 | - |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable | 744 | 1,258 |
| Security deposit | 100 | 100 |
| National Bank of Pakistan - Sponsor | | |
| Units held : 99,729,942 units (June 30, 2013: 600,967,738 units) | 998,117 | 6,020,976 |
| Bank balances | | |
| - in savings accounts | 12,704 | 4,103,774 |
| - in current accounts | 1,858 | 1,098 |
| Accrued profit on bank deposit | 253 | 3,176 |
| Term Deposit receipt placed | - | 14,500,000 |
| Employees of the Management Company | | |
| Units held : 1,677,868 units (June 30, 2013: 551,042 units) | 16,792 | 5,521 |
| Chief Executive Officer | | |
| Units held : Nil units (June 30, 2013: 24,336 units) | - | 244 |
| CFO / Company Secretary | | |
| Units held : 71 units (June 30, 2013: 122,875 units) | 1 | 1,231 |
| NBP Exchange Company Limited | | |
| Units held : Nil units (June 30, 2013: 15,152,185 units) | - | 151,807 |
| International Industries Ltd Employees' Provident Fund | | |
| Units held : 1,858,868 units (June 30, 2013: 1,107,367 units) | 18,604 | 11,090 |
| International Steels Ltd Employees' Provident Fund | | |
| Units held : 563,921 units (June 30, 2013: 354,733 units) | 5,644 | 3,553 |
| Cherat Cement Company Limited | | |
| Units held : 15,430,547 units | 154,432 | - |
| Summit Bank Limited | | |
| Bank balances | | |
| - in savings accounts | - | 47,414 |
| - in current accounts | 7,911 | - |

10 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on April 30, 2014.

11 GENERAL

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

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

Your investments & "NAFA" grow together



Joint - Venture Partners

Head Office

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

UAN: 111-111-NFA (632)

Toll Free: 0800-20001

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