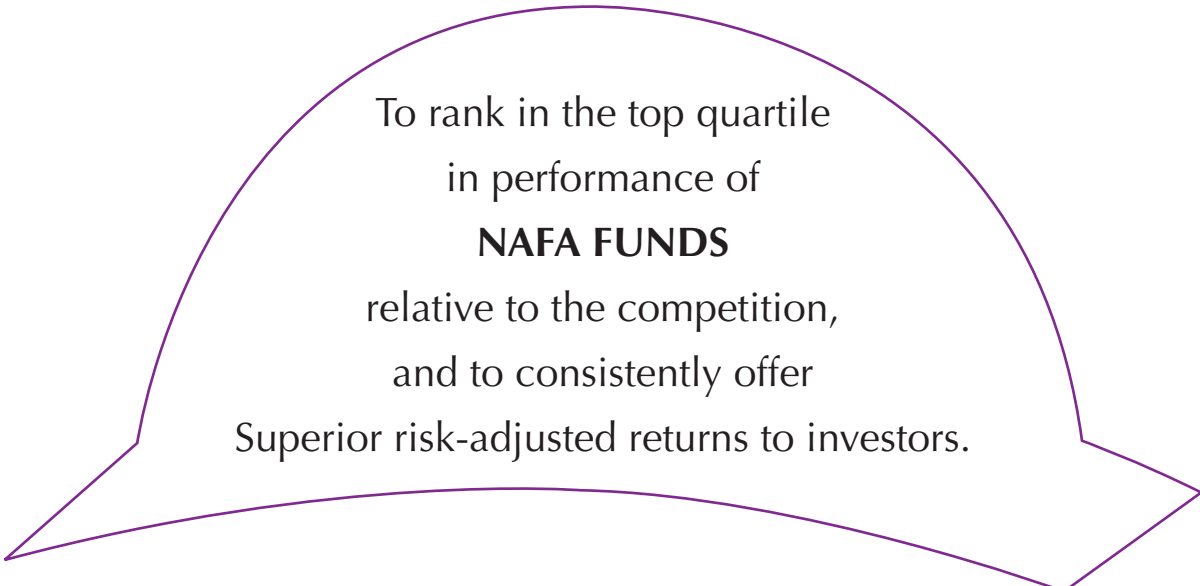


MISSION STATEMENT



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

NAFA MONEY MARKET FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Asif Hassan	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Khalid Mahmood	Director
Mr. Aamir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	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 Shehzad	Member

Human Resource Committee

Mr. Khalid Mahmood	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

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:

House # 10 - A, Block -S, Gulberg - II, Lahore.
UAN: (+92-42) 111-111-NFA (632)
Fax No: (+92-42) 35760373

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

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NAFA MONEY MARKET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the Second Annual Report of NAFA Money Market Fund (NMMF) for the year June 30, 2013.

Fund's Performance

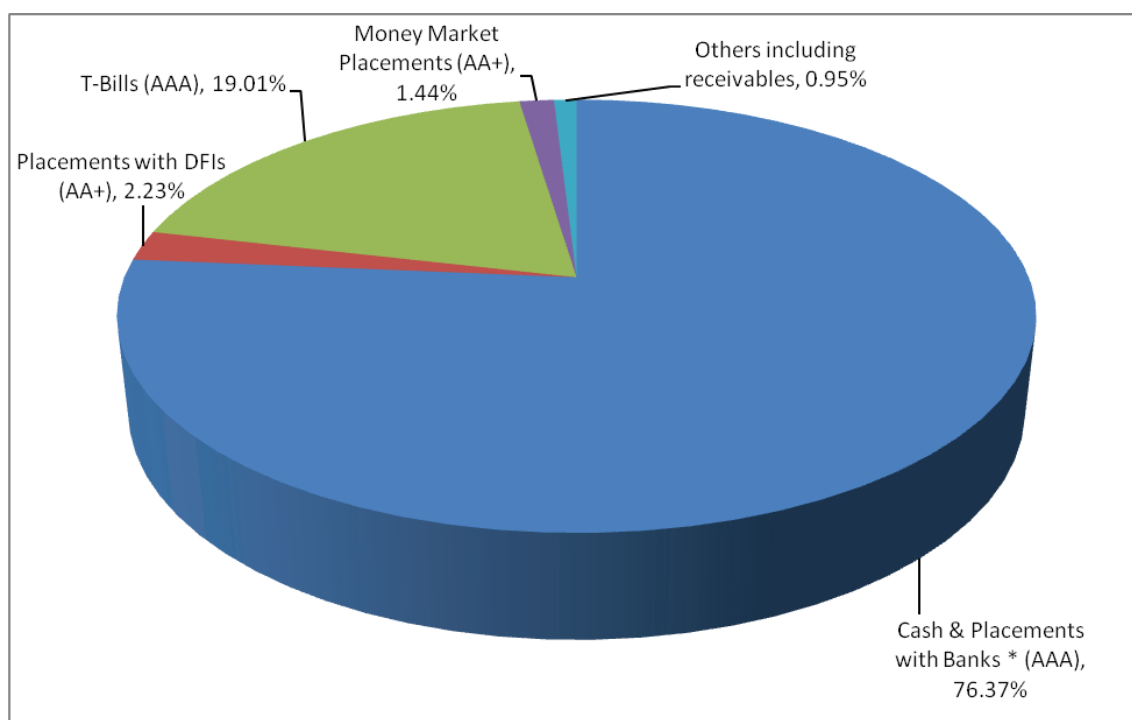
The size of NAFA Money Market Fund has reduced from Rs. 21,222 million to Rs. 15,677 million during the period, i.e. a decline of 26.13%. During the period, the unit price of the Fund has increased from Rs. 9.1767 (Ex - Div) on June 30, 2012 to Rs. 10.0188 on June 30, 2013 thus posting a return of 9.18% as compared to its Benchmark (3-Month deposit rates of 'AA' & above rated banks) return of 6.77% for the same period.

NMMF is a Money Market Scheme and has been awarded stability rating of AA (f) by PACRA. The Fund's Authorized Investments include T-Bills, Bank Deposits and Money Market instruments. Minimum eligible rating is AA, while the Fund is not allowed to invest in any security exceeding six month maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

With letup in inflationary pressures and manageable external account position, SBP followed an accommodative monetary policy stance and slashed the Policy Rate during FY13 by 300 bps to 9%. As the yields on the short term government securities track the policy rate, we have witnessed declining trend in the T-bills yields. With looming upside risks to inflation and interest rates, money market funds are attractive investment avenues given their very low credit and interest rate risk due to short maturities.

In present economic environment money market funds are very attractive given their very low credit and interest rate risk.

The Fund has earned a total income of Rs.2,369.38 million during the year. After deducting total expenses of Rs.355.79 million, the net income is Rs.2,013.59 million. The asset allocation of the Fund as on June 30, 2013 is as follows:



NAFA MONEY MARKET FUND

Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 8.78% of the opening ex-NAV (8.792% of the par value) during the year.

Taxation

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

Auditors

The present auditors, Messers A.F.Ferguson & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2014.

Directors' Statement in Compliance with Code of Corporate Governance

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held five meetings during the period. The attendance of all directors is disclosed in the note 23 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 22 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.

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: August 27, 2013

Place: Karachi.

NAFA MONEY MARKET FUND

TRUSTEE REPORT TO THE UNIT HOLDERS NAFA MONEY MARKET FUND

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

We, Central Depository Company of Pakistan Limited, being the trustee of NAFA Money Market Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2013 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: September 18, 2013

NAFA MONEY MARKET FUND

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE NAFA MONEY MARKET FUND FOR THE YEAR ENDED JUNE 30, 2013

This statement is being presented by the Board of Directors of NBP Fullerton Asset Management Limited (Company), the Management Company of NAFA Money Market Fund (the Fund) to comply with the Best Practices of Code of Corporate Governance (CCG) contained in Regulation No. 35, Chapter XI of Listing Regulations of Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

NBP Fullerton Asset Management Limited, though an un-listed Public Limited Company complies with the CCG as the Fund under its management is listed on Lahore Stock Exchange.

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

1. The Company encourages representation of independent non-executive directors on its Board of Directors. The Company, being an un-listed company, does not have any minority interest. as at June 30, 2013 the Board include:

Category	Names
Independent Directors	1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque
Executive Directors	Dr. Amjad Waheed (Chief Executive Officer)
Non- Executive Directors	1. Mr. Asif Hassan (Chairman) 2. Mr. Khalid Mahmood 3. Mr. Amir Shehzad 4. Mr. Wah Geok Sum 5. Mr. Koh Boon San

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

2. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable). However, the requirement of serving as a director of seven listed companies is applicable from the date of next election of directors.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs, or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Two casual vacancies were occurred on the board on February 26, 2013 and on May 20, 2013 during the year which were filled up by the directors on April 11, 2013 and May 20, 2013 respectively.
5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

NAFA MONEY MARKET FUND

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board. There is no other executive-director of the Company besides CEO.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. In order to apprise the directors on their duties and responsibilities and requirements of CCG, the code requires company to conduct formal orientation for directors. Up to 30 June 2013, one of the directors has obtained the director's training program offered by Pakistan Institute of Corporate Governance. The Company has started the process for training of other directors and it is expected that some of other directors may also obtain certification of the director's training program in upcoming year. However, the directors are conversant with the relevant laws applicable to the Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the units of the Fund other than that disclosed in note 19 to the financial statements "Transactions with Connected Persons".
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the CCG. The revised terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members. All the members are non-executive directors and the chairman of the committee is a non-independent director.
18. The Board has set up an effective internal audit function.

NAFA MONEY MARKET FUND

19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. There was no 'closed period' prior to the announcement of interim/final results.
22. Material / price sensitive information has been disseminated amongst all market participants at once through stock exchange.
23. We confirm that all other material principles contained in the CCG have been complied with.

For and behalf of the board

Karachi
August 27, 2013

Dr. Amjad Waheed
Chief Executive Officer

NAFA MONEY MARKET FUND

FUND MANAGER REPORT

NAFA Money Market Fund

NAFA Money Market Fund is an open-end Money Market Scheme.

Investment Objective of the Fund

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

Benchmark

3-Month deposit rates of AA and above rated banks.

Fund Performance Review

This is the second Annual report since the launch of the Fund on February 24, 2012. The Fund size decreased by 26.13% during FY13 and stands at Rs 15,677 million as on June 30, 2013. The Fund's annualized return since its inception is 9.55% as against the benchmark return of 6.89%. This translates into an out-performance of 2.66% p.a. The Fund's annualized return during FY 2012-13 is 9.18% versus the benchmark return of 6.77%, thus registering an out-performance of 2.41%. This out-performance is net of management fee and all other expenses. Thus the Fund has achieved its investment objectives.

NMMF's stability rating is 'AA (f)' awarded by PACRA, which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a money market scheme, the investment guidelines of the Fund are very strict. 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.

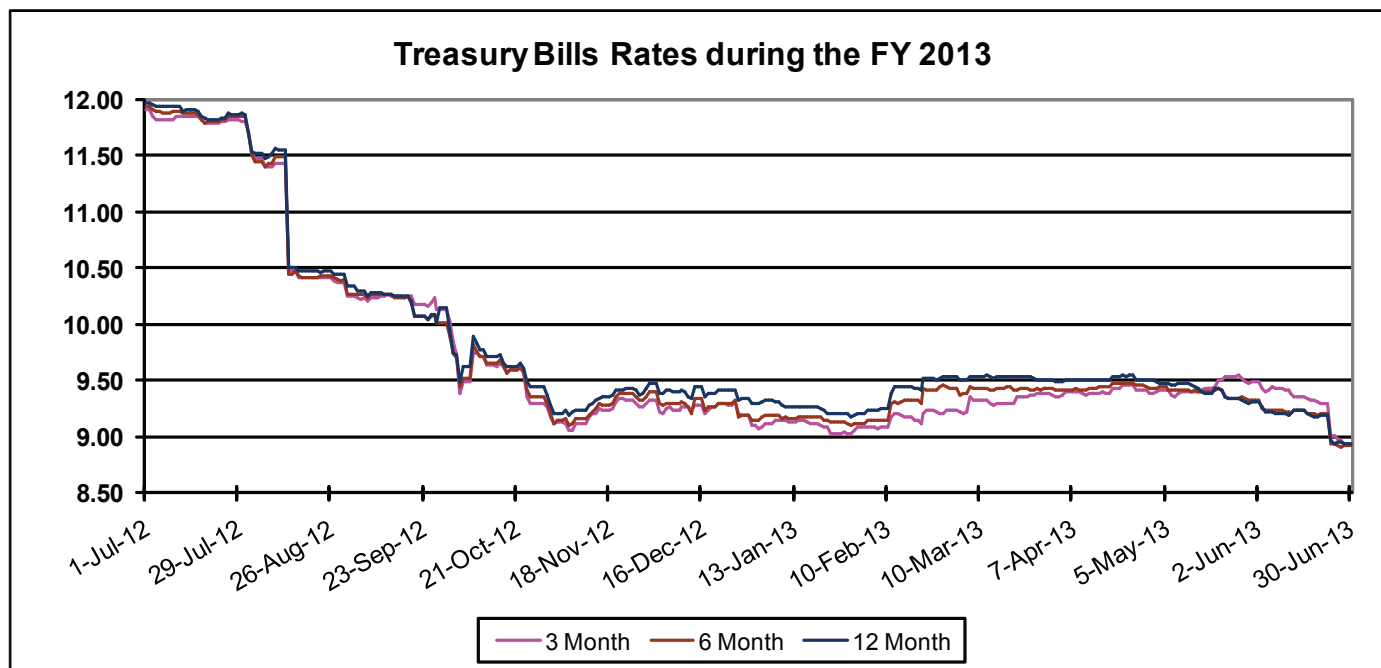
Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-13	30-Jun-12
T-Bills	19.01%	98.82%
Placements with DFIs	2.23%	1.04%
Money Market Placements	1.44%	0.68%
Cash, Bank Placements & Other Assets	77.32%	-0.54%
Total	100.00%	100.00%

Inflation as measured by CPI inflation clocked in at 7.4% YoY for FY13, Pakistan's first year of single-digit inflation after FY07 and 11% during the preceding year. Amid soft inflation and to spur private sector investment, SBP reduced the Discount Rate from 12% to 9%. Correspondingly the 3-Months T-Bills yields declined to 8.94% from 11.92% during the year.

NAFA MONEY MARKET FUND

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



Distribution for the Financial Year 2013

Interim Period / Quarter	Dividend as a % of Par Value (Rs.10)	Cumulative Div. Price / Unit	Ex- Div. Price
Jul-12	0.8310%	10.0945	10.0114
Aug-12	0.8210%	10.1165	10.0344
Sep-12	0.8210%	10.1133	10.0312
Oct-12	0.7810%	10.1204	10.0423
Nov-12	0.7510%	10.1043	10.0292
Dec-12	0.7210%	10.0953	10.0232
Jan-13	0.7510%	10.0934	10.0183
Feb-13	0.6810%	10.0788	10.0107
Mar-13	0.6310%	10.0716	10.0085
Apr-13	0.6210%	10.0775	10.0154
May-13	0.6810%	10.0818	10.0137
Jun-13	0.7010%	10.0810	10.0109

NAFA MONEY MARKET FUND

Unit Holding Pattern of NAFA Money Market Fund as on 30th June 2013

Size of Unit Holding (Units)	# of Unit Holders
1 - 1000	28
1001 - 5000	62
5001 - 10000	55
10001 - 50000	187
50001 - 100000	99
100001 - 500000	109
500001 - 1000000	13
1000001 - 5000000	22
5000001 - 10000000	5
10000001 - 100000000	15
100000001 - 1000000000	2
	597

During the period under question:

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

Workers' Welfare Fund (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 48,389,988/-. If the same were not made the NAV per unit/ FY 2013 return of scheme would be higher by Rs. 0.0309/ 0.34%. For details investors are advised to read note 19 of the Financial Statement of the Scheme for the period ended June 30, 2013.

NAFA MONEY MARKET FUND

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **NBP Fullerton Asset Management Limited**, the Management Company of **NAFA Money Market Fund**, to comply with the Listing Regulation No. 35 (Chapter XI) of the Lahore Stock Exchange where the Fund is listed.

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

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

Sub-Regulation (x) of Listing Regulations No. 35 as notified by the Lahore Stock Exchange (Guarantee) Limited on which the Fund is listed requires the Management Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2013.

A.F. Ferguson & Co. Chartered Accountants
Karachi
Dated: September 18, 2013

NAFA MONEY MARKET FUND

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

Report on the Financial Statements

We have audited the accompanying financial statements of **NAFA Money Market Fund (here in after referred to as "the Fund")**, which comprise the statement of assets and liabilities as at June 30, 2013, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

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

Auditor's responsibility

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at June 30, 2013, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

A.F. Ferguson & Co. Chartered Accountants
Engagement Partner: **Rashid A. Jafer**
Dated: September 18, 2013
Karachi

NAFA MONEY MARKET FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2013

	Note	2013 (Rupees in '000)	2012 (Rupees in '000)
ASSETS			
Bank balances	4	21,792,968	87,260
Investments	5	3,556,267	21,337,164
Profit receivable	6	237,455	9,053
Preliminary expenses and floatation costs	7	835	1,063
Security deposit		100	100
Prepayments and other receivables	8	236	336
Total assets		25,587,861	21,434,976
LIABILITIES			
Payable to the Management Company	9	22,540	26,674
Fee payable to Central Depository Company of Pakistan Limited - Trustee	10	1,258	1,352
Payable to Securities and Exchange Commission of Pakistan	11	17,336	2,734
Distribution payable		-	174,044
Payable against redemption of units	17.1	9,820,162	-
Accrued expenses and other liabilities	12	49,223	7,715
Total liabilities		9,910,519	212,519
NET ASSETS		15,677,342	21,222,457
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		15,677,342	21,222,457
CONTINGENCIES AND COMMITMENTS	13		
		(Number of units)	
NUMBER OF UNITS IN ISSUE	17	1,564,795,422	2,119,089,389
		(Rupees)	
NET ASSET VALUE PER UNIT	3.12	10.0188	10.0149

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	For the period from February 17, 2012 to June 30, 2012 (Rupees in '000)
INCOME			
Net gain / (loss) on sale of investment		27,173	(372)
Income from investment in government securities		1,722,805	398,114
Income from Sukuk certificates		35,044	5,249
Income from term deposit receipts		328,611	6,838
Income from letter of placement		18,662	4,319
Income from certificate of investments		31,626	12,420
Profit on bank deposits	14	205,515	1,857
		2,369,436	428,425
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.4	(55)	(12,127)
Total income		<u>2,369,381</u>	<u>416,298</u>
EXPENSES			
Remuneration of the Management company		237,873	38,759
Sindh Sales Tax on Management Company's remuneration		38,060	6,201
Federal Excise Duty on Management Company's remuneration		1,706	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		17,379	3,002
Annual fee - Securities and Exchange Commission of Pakistan		17,336	2,734
Securities transaction cost		878	166
Bank charges		425	67
Annual listing fee		40	40
Auditors' remuneration	15	453	275
Amortisation of preliminary expenses and floatation costs	7	228	80
Rating fee		318	82
Other charges		-	100
Total expenses		<u>314,696</u>	<u>51,506</u>
Net income from operating activities		<u>2,054,685</u>	<u>364,792</u>
Provision for Workers' Welfare Fund	16	(41,094)	(7,296)
Net income for the year / period before taxation		<u>2,013,591</u>	<u>357,496</u>
Taxation	3.7	-	-
Net income for the year / period after taxation		<u>2,013,591</u>	<u>357,496</u>
Earnings per unit	3.13	<u>-</u>	<u>-</u>

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	For the period from February 17, 2012 to June 30, 2012 (Rupees in '000)
Net income for the year / period after taxation		2,013,591	357,496
Other comprehensive income for the year / period		-	-
Total comprehensive income for the year / period		<u>2,013,591</u>	<u>357,496</u>

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	2013	For the period from February 17, 2012 to June 30, 2012
	(Rupees in '000)	
Undistributed income brought forward comprising :		
Realised income	43,690	-
Unrealised loss	(12,127)	-
	31,563	-
Net income for the year	2,013,591	357,496
- Re 0.083 per unit declared on July 30, 2012		
- Cash distribution	(174,289)	-
- Issue of bonus units	(2,004)	-
- Re 0.082 per unit declared on August 28, 2012		
- Cash distribution	(172,192)	-
- Issue of bonus units	(3,480)	-
- Re 0.082 per unit declared on September 28, 2012		
- Cash distribution	(172,192)	-
- Issue of bonus units	(10,191)	-
- Re 0.078 per unit declared on October 30, 2012		
- Cash distribution	(163,802)	-
- Issue of bonus units	(14,738)	-
- Re 0.075 per unit declared on November 28, 2012		
- Cash distribution	(157,916)	-
- Issue of bonus units	(20,532)	-
- Re 0.072 per unit declared on December 28, 2012		
- Cash distribution	(151,967)	-
- Issue of bonus units	(18,828)	-
- Re 0.075 per unit declared on January 29, 2013		
- Cash distribution	(934)	-
- Issue of bonus units	(186,190)	-
- Re 0.068 per unit declared on February 27, 2013		
- Cash distribution	(847)	-
- Issue of bonus units	(169,961)	-
- Re 0.063 per unit declared on March 28, 2013 (2012 : 0.087 per unit)		
- Cash distribution	(942)	(87)
- Issue of bonus units	(156,929)	(9,489)
- Re 0.062 per unit declared on April 29, 2013 (2012 : 0.087 per unit)		
- Cash distribution	(927)	(9,642)
- Issue of bonus units	(150,699)	(907)
- Re 0.068 per unit declared on May 29, 2013 (2012 : 0.084 per unit)		
- Cash distribution	(1,017)	(176,917)
- Issue of bonus units	(146,367)	(752)
- Re 0.07 per unit declared on June 28, 2013 (2012 : 0.083 per unit)		
- Cash distribution	-	(174,044)
- Issue of bonus units	(148,028)	(1,861)
Net element of income and capital gains included in the prices of units issued less those in units redeemed	17,463	47,766
Undistributed income carried forward	37,645	31,563
Undistributed income comprising:		
- Realised income	37,700	43,690
- Unrealised loss	(55)	(12,127)
	37,645	31,563
The annexed notes 1 to 29 form an integral part of these financial statements.		

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2013

	2013	For the period from February 17, 2012 to June 30, 2012
	(Rupees in '000)	
Net assets at the beginning of the year / period	21,222,457	-
Issue of 1,617,418,563 units including 102,648,650 bonus units	15,222,254	21,396,207
Redemption of 2,171,712,529 units	(21,783,935)	(170,556)
	(6,561,681)	21,225,651
Net unrealised diminution on re-measurement of investments classified as financial at fair value through profit or loss ¹	(55)	(12,127)
Net capital gain/ (loss) on sale of investment	27,173	(372)
Other income (net of expenses)	1,986,473	369,995
	2,013,591	357,496
Element of income and capital gains included in the prices of units issued less those in units redeemed - amount transferred to distribution statement	(17,463)	(47,776)
Distribution of bonus units during the year / period		
Interim Distribution	1,027,947	13,009
- Re 0.083 per unit declared on July 30, 2012		
- Cash distribution	(174,289)	-
- Issue of bonus units	(2,004)	-
- Re 0.082 per unit declared on August 28, 2012		
- Cash distribution	(172,192)	-
- Issue of bonus units	(3,480)	-
- Re 0.082 per unit declared on September 28, 2012		
- Cash distribution	(172,192)	-
- Issue of bonus units	(10,191)	-
- Re 0.078 per unit declared on October 30, 2012		
- Cash distribution	(163,802)	-
- Issue of bonus units	(14,738)	-
- Re 0.075 per unit declared on November 28, 2012		
- Cash distribution	(157,916)	-
- Issue of bonus units	(20,532)	-
- Re 0.072 per unit declared on December 28, 2012		
- Cash distribution	(151,967)	-
- Issue of bonus units	(18,828)	-
- Re 0.075 per unit declared on January 29, 2013 (2012: Nil)		
- Cash distribution	(934)	-
- Issue of bonus units	(186,190)	-
- Re 0.068 per unit declared on February 27, 2013 (2012: Nil)		
- Cash distribution	(847)	-
- Issue of bonus units	(169,961)	-
- Re 0.063 per unit declared on March 28, 2013 (2012 : 0.087 per unit)		
- Cash distribution	(942)	(87)
- Issue of bonus units	(156,929)	(9,489)
- Re 0.062 per unit declared on April 29, 2013 (2012 : 0.087 per unit)		
- Cash distribution	(927)	(9,642)
- Issue of bonus units	(150,699)	(907)
- Re 0.068 per unit declared on May 29, 2013 (2012 : 0.084 per unit)		
- Cash distribution	(1,017)	(176,917)
- Issue of bonus units	(146,367)	(752)
- Re 0.07 per unit declared on June 28, 2013 (2012 : 0.083 per unit)		
- Cash distribution		(174,044)
- Issue of bonus units	(148,028)	(1,861)
	(2,024,972)	(373,699)
Net element of income and capital gains included in the prices of units issued less those in units redeemed - amount transferred to distribution statement	17,463	47,776
Net assets at the end of the year / period	15,677,342	21,222,457

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	For the period from February 17, 2012 to June 30, 2012
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year / period		2,013,591	357,496
Adjustments for:			
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		55	12,127
Amortisation of preliminary expenses and floatation costs		228	80
		<u>2,013,874</u>	<u>369,703</u>
Decrease / (Increase) in assets			
Investments - net		17,780,842	(21,349,291)
Profit receivable		(228,402)	(9,053)
Security deposit		-	(100)
Prepayments and other receivables		100	(336)
		<u>17,552,540</u>	<u>(21,358,780)</u>
Increase / (decrease) in liabilities			
Payable to the Management Company		(4,134)	25,531
Fee payable to Central Depository Company of Pakistan Limited - Trustee		(94)	1,352
Payable to Securities and Exchange Commission of Pakistan		14,602	2,734
Distribution payable		(174,044)	174,044
Accrued expenses and other liabilities		41,508	7,715
		<u>(122,162)</u>	<u>211,376</u>
Net cash used in operating activities		<u>19,444,252</u>	<u>(20,777,701)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		15,222,254	21,396,207
Payments on redemption of units		(11,963,773)	(170,556)
Distributions paid		(997,025)	(360,690)
Net cash generated from financing activities		<u>2,261,456</u>	<u>20,864,961</u>
Net increase in cash and cash equivalents during the year / period		<u>21,705,708</u>	<u>87,260</u>
Cash and cash equivalents at the beginning of the year / period		87,260	-
Cash and cash equivalents at the end of the year / period	4	<u><u>21,792,968</u></u>	<u><u>87,260</u></u>

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 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 Fund 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 of the Fund can be transferred to / from the Funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The Fund is categorised as an Open-End "Money Market Scheme" as per the criteria laid down by 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 a stability rating of AA(f) to the Fund and an asset manager rating of AM2 to the Management Company.

Title of the assets of the Fund is held in the name of CDC as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

The following standards and amendments to standards have been published and are mandatory for accounting periods beginning on or after July 1, 2012:

- a) IAS 1, 'Financial statement presentation'. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendment does not have any effect on the Fund's financial statements.

There are other new and amended standards and interpretations that are mandatory for accounting periods beginning July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

NAFA MONEY MARKET FUND

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's 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 areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain financial assets have been carried at fair value in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments Recognition and Measurement.'

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents include stamps in hand, deposits with banks and other short term highly liquid investments with original maturities of three months or less and which are subject to insignificant changes in value, net of short-term finances.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss
- loans and receivables
- available for sale

The classification depends on the purpose for which the financial assets were acquired. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

These are financial assets acquired principally for the purpose of generating profit from short-term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short-term profit taking exists.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

These are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

NAFA MONEY MARKET FUND

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.2.4 Subsequent measurement

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

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss' and 'available for sale' are valued as follows:

Basis of valuation of government securities

The investment of the Fund in government securities is subsequently stated at fair value which is determined on the basis of rates announced by the Financial Market Association of Pakistan in accordance with the requirements of the NBFC Regulations, 2008.

Net gains and losses arising from changes in fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are recognised as 'other comprehensive income' in the statement of comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised as other comprehensive income is transferred to income statement as capital gain / (loss).

b) Loans and receivables

Subsequent to initial recognition financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest method.

Gain or loss is also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that the financial asset or a group of financial assets is impaired. In case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement is reclassified from unit holders' fund to 'income statement'.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is determined based on the provisioning criteria specified by SECP.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include payable to management company, payable to trustee and other liabilities.

3.4 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

NAFA MONEY MARKET FUND

3.5 Preliminary expenses and floatation costs

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

3.6 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders.

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.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax on unutilised tax losses to the extent that it is probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to avail the tax exemption under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, in future years by distributing at least ninety percent of its accounting income for the period as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.8 Issue and redemption of units

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

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

3.9 Proposed distributions

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

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

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created.

Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is determined based on the income earned and on unrealised appreciation / (diminution) arising during the year on available for sale securities. The amount so determined is taken directly to the distribution statement.

3.11 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised capital gains / (losses) arising on marking to market of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Income on Sukuk certificates / letters of placement and commercial papers is recognised on an accrual basis.
- Profit on bank deposits is recognised on accrual basis.
- Discount on purchase of Market Treasury Bills is amortised to income statement using the straight line method.

NAFA MONEY MARKET FUND

3.12 Net asset value per unit

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

3.13 Earnings per unit

Earnings per unit (EPU) for the year ended June 30, 2013 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

	Note	2013 (Rupees in '000)	2012 (Rupees in '000)
4 BANK BALANCES			
Current accounts		1,098	1,116
Savings accounts	4.1	6,091,870	86,144
Term deposit receipts (TDRs)	4.2	<u>15,700,000</u>	-
		<u>21,792,968</u>	<u>87,260</u>

4.1 These accounts carry rate of return ranging from 6% to 11% per annum (2012: 6% to 11% per annum).

4.2 Term deposit receipt

Name of issuer	Maturity date	Rate	As at June 30, 2013
Bank Al-Falah Limited	4-Jul-13	9.80%	1,000,000
Bank Al-Falah Limited	4-Jul-13	9.80%	200,000
National Bank of Pakistan - connected person	2-Jul-13	9.50%	13,000,000
National Bank of Pakistan - connected person	5-Jul-13	9.50%	1,500,000
			<u>15,700,000</u>

4.2.1 On June 29, 2013, the Fund's exposure in respect of TDRs exceeded the exposure limit specified in the Clause 2.1.1 of the Offering Document of the Fund. This was mainly due to the redemption of units before the year end. The non-compliance, however, was rectified on July 2, 2013 with the exposure falling back within the specified limit.

	Note	2013 (Rupees in '000)	2012 (Rupees in '000)
5 INVESTMENTS			
At fair value through profit or loss - held for trading			
Government securities - Market Treasury Bills	5.1	2,980,767	20,972,954
Loans and receivables			
Certificates of investment	5.2	350,000	220,000
Sukuk certificates	5.3	<u>225,500</u>	<u>144,210</u>
		<u>3,556,267</u>	<u>21,337,164</u>

NAFA MONEY MARKET FUND

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

Issue date	Tenor	Face value				Market value as at June 30, 2013	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2012	Purchased during the year	Disposed / matured during the year	As at June 30, 2013			

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

Market Treasury Bills

28-Jul-11	12 Months	3,246,000	-	3,246,000	-	-	-	-
25-Aug-11	12 Months	50,000	1,622,700	1,672,700	-	-	-	-
6-Oct-11	12 Months	-	4,905,000	4,905,000	-	-	-	-
3-Nov-11	12 Months	2,118,000	3,900,000	6,018,000	-	-	-	-
17-Nov-11	12 Months	-	500,000	500,000	-	-	-	-
1-Dec-11	12 Months	-	1,003,000	1,003,000	-	-	-	-
12-Jan-12	6 Months	18,000	-	18,000	-	-	-	-
26-Jan-12	6 Months	4,108,000	-	4,108,000	-	-	-	-
19-Apr-12	3 Months	7,920,000	-	7,920,000	-	-	-	-
3-May-12	3 Months	245,000	132,000	377,000	-	-	-	-
17-May-12	3 Months	275,000	76,000	351,000	-	-	-	-
17-May-12	6 Months	275,000	13,245	288,245	-	-	-	-
17-May-12	12 Months	-	55,400	55,400	-	-	-	-
31-May-12	3 Months	485,000	200,720	685,720	-	-	-	-
14-Jun-12	3 Months	100,000	32,000	132,000	-	-	-	-
14-Jun-12	6 Months	-	27,000	27,000	-	-	-	-
14-Jun-12	12 Months	-	25,000	25,000	-	-	-	-
28-Jun-12	3 Months	2,400,000	-	2,400,000	-	-	-	-
28-Jun-12	6 Months	-	150,000	150,000	-	-	-	-
12-Jul-12	3 Months	-	370,000	370,000	-	-	-	-
12-Jul-12	6 Months	-	3,101,550	3,101,550	-	-	-	-
12-Jul-12	12 Months	-	442,000	442,000	-	-	-	-
26-Jul-12	3 Months	-	1,620,000	1,620,000	-	-	-	-
26-Jul-12	6 Months	-	3,945,000	3,945,000	-	-	-	-
26-Jul-12	12 Months	-	2,000,000	500,000	1,500,000	1,490,750	9.51%	41.92%
9-Aug-12	3 Months	-	250,000	250,000	-	-	-	-
9-Aug-12	6 Months	-	3,577,000	3,577,000	-	-	-	-
23-Aug-12	3 Months	-	1,790,000	1,790,000	-	-	-	-
23-Aug-12	6 Months	-	2,095,000	2,095,000	-	-	-	-
6-Sep-12	3 Months	-	250,000	250,000	-	-	-	-
6-Sep-12	6 Months	-	4,230,000	4,230,000	-	-	-	-
20-Sep-12	3 Months	-	250,000	250,000	-	-	-	-
20-Sep-12	6 Months	-	5,833,400	5,833,400	-	-	-	-
4-Oct-12	3 Months	-	350,000	350,000	-	-	-	-
4-Oct-12	6 Months	-	2,372,800	2,372,800	-	-	-	-
18-Oct-12	3 Months	-	3,229,000	3,229,000	-	-	-	-
18-Oct-12	6 Months	-	2,806,000	2,806,000	-	-	-	-
1-Nov-12	3 Months	-	251,250	251,250	-	-	-	-
1-Nov-12	6 Months	-	3,492,000	3,492,000	-	-	-	-
2-Nov-12	6 Months	-	1,500,000	1,500,000	-	-	-	-
15-Nov-12	3 Months	-	2,292,000	2,292,000	-	-	-	-
15-Nov-12	6 Months	-	2,600,000	2,600,000	-	-	-	-
29-Nov-12	3 Months	-	1,037,500	1,037,500	-	-	-	-
29-Nov-12	6 Months	-	500,000	500,000	-	-	-	-
13-Dec-12	3 Months	-	187,500	187,500	-	-	-	-
13-Dec-12	6 Months	-	287,500	287,500	-	-	-	-
10-Jan-13	3 Months	-	880,550	880,550	-	-	-	-
10-Jan-13	6 Months	-	466,010	465,500	510	508	0.00%	0.01%
24-Jan-13	3 Months	-	1,140,000	1,140,000	-	-	-	-
24-Jan-13	6 Months	-	6,250	-	6,250	6,211	0.04%	0.17%
7-Feb-13	3 Months	-	500,000	500,000	-	-	-	-
21-Feb-13	3 Months	-	2,880,000	2,880,000	-	-	-	-
21-Feb-13	6 Months	-	250,000	250,000	-	-	-	-
7-Mar-13	3 Months	-	6,500,000	6,500,000	-	-	-	-
21-Mar-13	3 Months	-	5,835,290	5,835,290	-	-	-	-
4-Apr-13	3 Months	-	2,749,000	2,749,000	-	-	-	-
4-Apr-13	6 Months	-	250,000	250,000	-	-	-	-
18-Apr-13	3 Months	-	564,500	564,500	-	-	-	-
18-Apr-13	6 Months	-	250,000	250,000	-	-	-	-
2-May-13	3 Months	-	1,752,000	259,500	1,492,500	1,483,298	9.46%	41.71%
2-May-13	6 Months	-	250,000	250,000	-	-	-	-
16-May-13	3 Months	-	200,000	200,000	-	-	-	-
16-May-13	6 Months	-	250,000	250,000	-	-	-	-
30-May-13	6 Months	-	250,000	250,000	-	-	-	-
13-Jun-13	6 Months	-	250,000	250,000	-	-	-	-
Total as at June 30, 2013					2,999,260	2,980,767	19.01%	83.82%
Carrying value before fair value adjustment as at June 30, 2013						2,980,822		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'						(55)		

5.1.1 These carry rate of return ranging from 11.27% to 13.85% (2012: 6% to 11%) per annum.

NAFA MONEY MARKET FUND

5.2 Certificates of Investment

Name of issuer	Maturity date	Rate	As at June 30, 2013
Pak Brunei Investement Company Ltd	25-Sep-13	9.45%	350,000 <u>350,000</u>

5.3 Sukuk certificates

Name of issuer	Maturity date	Rate	As at June 30, 2013
HUBCO Short Term Islamic Sukuk	12-Sep-13	10.80%	5,500
HUBCO Short Term Islamic Sukuk	14-Aug-13	10.70%	220,000
			<u>225,500</u>

	Note	2013	2012
(Rupees in '000)			
5.4 Net unrealised diminution in value of investments at fair value through profit or loss			
Market value of investments	5.1	2,980,767	20,972,954
Less: carrying value of investments	5.1	<u>(2,980,822)</u>	<u>(20,985,081)</u>
		<u>(55)</u>	<u>(12,127)</u>
6 PROFIT RECEIVABLE			
Profit on savings deposits		4,703	588
Profit on Sukuk certificates		9,013	5,955
Profit on certificates of investment		544	2,510
Profit on term deposit receipts		<u>223,195</u>	<u>-</u>
		<u>237,455</u>	<u>9,053</u>
7 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Opening balance	7.1	1,063	1,143
Less: amortisation during the year / period		<u>(228)</u>	<u>(80)</u>
Balance as at the end of the year/ period		<u>835</u>	<u>1,063</u>

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from February 17, 2012 as per the requirements set out in the Trust Deed.

	Note	2013	2012
(Rupees in '000)			
8 PREPAYMENTS AND OTHER RECEIVABLES			
Prepaid rating fee		220	336
Prepaid brokerage fee		<u>16</u>	<u>-</u>
		<u>236</u>	<u>336</u>
9 PAYABLE TO THE MANAGEMENT COMPANY			
Management Company's remuneration	9.1	17,973	21,808
Sindh Sales Tax on Management Company's remuneration		2,861	3,488
Federal Excise Duty on Management Company's remuneration	9.2	1,706	-
Payable against formation cost		-	1,143
Expenses paid by the Management Company on behalf of the Fund		<u>-</u>	<u>235</u>
		<u>22,540</u>	<u>26,674</u>

9.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is 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 of the Fund. The Management Company has charged its remuneration at the rate of 1% per annum from August 16, 2012 to June 30, 2013, prior to this date, the remuneration was charged at the rate of 1.25% per annum.

NAFA MONEY MARKET FUND

- 9.2 During the year, the federal government levied Federal Excise Duty at the rate of 16% on the remuneration of the Management Company through Finance Act, 2013, effective from June 13, 2013.

	Note	2013	2012
(Rupees in '000)			
10 FEE PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	10.1	<u>1,258</u>	<u>1,352</u>

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund during the financial year ended June 30, 2013 was as follows:

Amount of funds under management (average NAV)

From July 01, 2012 to March 31, 2013

Upto Rs 1,000 million
On an amount exceeding Rs 1,000 million
On an amount exceeding Rs 5,000 million

Tariff per annum

Rs 0.6 million or 0.17% p.a. of NAV, whichever is higher
Rs 1.7 million plus 0.085% p.a. of NAV exceeding Rs. 1,000 million.
Rs 5.1 million plus 0.07% p.a. of NAV exceeding Rs. 5,000 million.

From April 01, 2013 to June 30, 2013

Upto Rs 1,000 million
On an amount exceeding Rs 1,000 million to 10,000 million
On an amount exceeding Rs 10,000 million

0.15% p.a. of Net Assets.

Rs 1.5 million plus 0.075% p.a. of NAV exceeding Rs. 1,000 million.
Rs 8.25 million plus 0.06% p.a. of NAV exceeding Rs. 10,000 million.

	Note	2013	2012
(Rupees in '000)			
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	11.1	<u>17,336</u>	<u>2,734</u>

- 11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as Money Market Scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the scheme. The Fund has been classified as an 'Money Market Scheme' by the Management Company.

	2013	2012
(Rupees in '000)		
12 ACCRUED EXPENSES AND OTHER LIABILITIES		
Provision for Workers' Welfare Fund	48,390	7,296
Payable to brokers	64	3
Bank charges	32	15
Auditors' remuneration payable	311	275
Printing charges	57	100
Listing fee	20	20
Withholding tax payable	102	6
CGT payable	247	-
	<u>49,223</u>	<u>7,715</u>
13 CONTINGENCIES AND COMMITMENTS		

There were no contingencies and commitments outstanding as at June 30, 2013 or June 30, 2012.

NAFA MONEY MARKET FUND

	Note	2013	For the period from February 17, 2012 to June 30, 2012
14 PROFIT ON BANK DEPOSITS			
		(Rupees in '000)	
Profit on savings deposits	4.1	<u>205,515</u>	<u>1,857</u>
15 AUDITORS' REMUNERATION			
Audit fee		282	254
Half yearly review		112	-
Out of pocket expenses		<u>59</u>	<u>21</u>
		<u>453</u>	<u>275</u>

16 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 Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including some of the mutual funds and pension funds managed by the AMC. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by 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 judgement 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 Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement 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 continued to maintain the provision for WWF amounting to Rs. 48.39 million (June 30, 2012: Rs 7.296 million) in these financial statements. Had the same not been made, the net asset value per unit would have been higher by Rs 0.0309 (2012: Rs 0.0034) per unit.

	Note	2013	2012
		(Number of units)	
17 NUMBER OF UNITS IN ISSUE			
Total units in issue at the beginning of the year / period		2,119,089,389	-
Add: units issued during the year / period		1,514,769,912	2,134,744,164
Add: bonus units issued during the year / period		102,648,651	1,299,654
Less: units redeemed during the year / period	17.1	<u>(2,171,712,530)</u>	<u>(16,954,429)</u>
Total units in issue at the end of the year / period		<u>1,564,795,422</u>	<u>2,119,089,389</u>

- 17.1 This includes 980,532,338 units redeemed by National Bank of Pakistan (NBP) on June 29, 2013 based on their request for transfer of units from the Fund. Amount of Rs. 9,820,129,416 in respect of this transaction was outstanding as at June 30, 2013, refer to note 19.5 for further details.

NAFA MONEY MARKET FUND

18 FINANCIAL INSTRUMENTS BY CATEGORY

-----As on June 30, 2013-----

	Loans and receivables	Assets at fair value through profit or loss	Total
(Rupees in '000)			
Assets			
Bank balances	21,792,968	-	21,792,968
Investments	575,500	2,980,767	3,556,267
Profit receivable	237,455	-	237,455
Security Deposit	100	-	100
	<u>22,606,023</u>	<u>2,980,767</u>	<u>25,586,790</u>

-----As on June 30, 2013-----

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
(Rupees in '000)			
Liabilities			
Payable to the Management company	-	22,540	22,540
Fee payable to Central Depository Company of Pakistan Limited - Trustee	-	1,258	1,258
Payable against redemption of units	-	9,820,162	9,820,162
Accrued expenses and other liabilities	-	833	833
	<u>-</u>	<u>9,844,793</u>	<u>9,844,793</u>

-----As on June 30, 2012-----

	Loans and receivables	Assets at fair value through profit or loss	Total
(Rupees in '000)			
Assets			
Bank balances	87,260	-	87,260
Investments	364,210	20,972,954	21,337,164
Profit receivable	9,053	-	9,053
Security deposit	100	-	100
	<u>460,623</u>	<u>20,972,954</u>	<u>21,433,577</u>

-----As on June 30, 2012-----

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
(Rupees in '000)			
Liabilities			
Payable to the Management Company	-	26,674	26,674
Fee payable to Central Depository Company of Pakistan Limited - Trustee	-	1,352	1,352
Distribution payable	-	174,044	174,044
Accrued expenses and other liabilities	-	419	419
	<u>-</u>	<u>202,489</u>	<u>202,489</u>

NAFA MONEY MARKET FUND

19 TRANSACTIONS WITH CONNECTED PERSONS

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

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

19.3 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

	2013	For the period from Feb 17, 2012 to June 30, 2012
	(Rupees in '000)	
19.4 Details of the transactions with connected persons are as follows:		
NBP Fullerton Asset Management Limited - Management Company		
Remuneration for the year / period	237,873	38,759
Sindh Sales Tax on Management Company's remuneration	38,060	6,201
Federal Excise Duty on Management Company's remuneration	1,706	-
Expenses paid by the Management Company on behalf of Fund		
Preliminary expenses & Floatation cost	-	1,143
Listing fee	-	200
Rating fee	-	20
Others	-	15
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the year / period	17,379	3,002
Security deposit	100	100
National Bank of Pakistan - Sponsor		
Issue of 7,391,598 units (2012: 2,096,042,879 units)	74,192	21,007,540
Redemption of 1,580,948,911 units (2012: Nil)	15,842,718	-
Bonus of 77,613,029 units (2012 : 869,143)	-	-
Cash dividend paid during the year / period	990,902	184,861
Pre IPO Profit	-	75
T.bills purchased from the bank	26,576,800	24,741,109
T.bills sold to the bank	34,734,750	-
TDR placed with bank	14,500,000	-
Bank Profit - Saving Account	4,066	-
TDR Profit	210,952	-
Employee of the Management Company		
Issue of 2,311,889 units (2012: 148,113 units)	23,255	1,489
Redemption of 1,842,946 units (2012: 90,327 units)	18,539	907
Bonus of 23,479 units (2012: 834 units)	-	-
Chief Executive Officer		
Issue of 1,971,788 units (2012: 367,212 units)	19,800	3,700
Redemption of 1,979,036 units (2012: 358,518 units)	19,899	3,600
Bonus of 19,498 units (2012: 3,392 units)	-	-
Chief Financial Officer		
Issue of 171,193 units (2012: Nil units)	1,720	-
Redemption of 50,750 units (2012: Nil units)	511	-
Bonus of 2,432 units (2012: Nil units)	-	-
NBP Exchange Company Ltd. - Associated Companies		
Issue of 14,945,184 units (2012: Nil units)	150,000	-
Bonus of 207,000 units (2012: Nil)	-	-
Gul Ahmed Textile mills Ltd - Employees' Provident Fund		
Redemption of 106,848 units (2012: Nil units)	1,076	-
Bonus of 3,397 units (2012: Nil)	-	-
NAFA Government Securities Liquid Fund - NGSFL		
T.bills purchased from NGSFL	1,795,000	-
T.bills sold to NGSFL	2,000,000	-

NAFA MONEY MARKET FUND

	2013	For the period from Feb 17, 2012 to June 30, 2012
	(Rupees in '000)	
Hub Power Company Limited		
Short Term Sukkuk purchased	575,500	-
Summit Bank Limited		
T bills purchased from Summit Bank	750,000	-
Bank Profit - Saving Account	1,061	-
International industries Limited Employees' Gratuity Fund		
T.bills purchased from IIL - EGF	9,500	7,288
T.bills sold to IIL - EGF	4,100	-
International industries Limited Employees' Provident Fund		
Issue of 1,231,661 units (2012: Nil units)	12,393	-
Redemption of 1,257,138 units (2012: Nil units)	12,611	-
Bonus of 28,358 units (2012: Nil units)	-	-
T.bills sold to IIL - EPF	3,400	12,290
International Steel Limited Employees' Provident Fund		
Issue of 399,581 units (2012: Nil units)	4,020	-
Redemption of 386,537 units (2012: Nil units)	3,877	-
Bonus of 6,979 units (2012: Nil units)	-	-
International Steel Limited Employees' Gratuity Fund		
T.bills purchased from ISL - EGF	500	3,224
Telenor Pakistan Ltd. - Employee Provident Fund		
T.bills purchased from Telenor - EPF	101,000	-
T.bills sold to Telenor - EPF	2,000	-
Short term sukuk purchased from Telenor - EPF	29,000	-
Thall Ltd. Employee Provident Fund		
T.bills purchased from Thall - EPF	189,000	-
Thall Ltd. Employee Retirement Benevolent Fund		
T.bills purchased from Thall - EPF	8,000	-
Pak Arab Refinery Limited Supervisory Staff Gratuity Fund		
T.bills purchased from PARCO - SSGF	8,500	-
19.5 Amounts outstanding as at year/ period end		
NBP Fullerton Asset Management Limited - Management Company		
Preliminary Expenses & Flotation cost paid by the Management Company on behalf of Fund	-	1,378
Remuneration payable	17,973	21,808
Other payable	-	-
Sindh Sales Tax payable on remuneration payable	2,861	3,488
Federal Excise Duty on Management Company's remuneration	1,706	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,258	1,352
National Bank of Pakistan - Sponsor		
Units held: 600,967,738 units (2012: 2,096,912,022 units)	6,020,976	21,000,364
Distribution payable	-	174,044
Bank balances		
- in savings accounts	4,103,774	1,116
- in current accounts	1,098	63,005
TDR	14,500,000	-
Chief Executive Officer		
Units held: 24,336 units (2012: 12,086 units)	244	121

NAFA MONEY MARKET FUND

	2013	For the period from Feb 17, 2012 to June 30, 2012
	(Rupees in '000)	
Chief Financial Officer Units held: 122,875 units (2012: Nil units)	1,231	-
Employees of the Management Company Units held: 551,042 units (2012: 58,620 units)	5,521	587
NBP Exchange Company Limited Units held: 15,152,185 units (2012: Nil)	151,807	-
International industries Limited Employees' Provident Fund Units held: 1,107,637 units (2012: 1,104,486)	11,090	11,061
International Steel Limited Employees' Provident Fund Units held: 354,733 units (2012: 334,710)	3,553	3,352
Hub Power Company Limited Short Term sukuk	225,500	-
Summit Bank Limited Bank Balance in saving account	47,414	-
Amounts payable due to transfer of units on behalf of National Bank of Pakistan to:		
NAFA Government Securities Liquid Fund	5,846,012	-
NAFA Financial Sector Income Fund	964,359	-
NAFA Riba Free Saving Fund	1,513,571	-
NAFA Savings Plus Fund	1,496,187	-

20 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

----- As on June 30, 2013 -----

S. No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	MBA / Doctorate in Business Administration / CFA	25
2	Sajjad Anwar	CFA / MBA Finance	13
3	Muhammad Ali Bhaba	CFA / MBA / FRM	14
4	Syed Suleman Akhtar	CFA / MBA Finance	13
5	Salman Ahmed *	MBA	7.5

Mr. Salman Ahmed is the manager of the Fund. He is also the fund manager of NAFA Riba Free Saving Fund and NAFA Financial Sector Income Fund.

21 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE 2013

1	Invest Capital Markets Limited	23.37%
2	Vector Capital (Private) Limited	15.38%
3	J.S. Global Capital Limited	13.39%
4	BMA Capital Management Limited	11.16%
5	Invest One Markets Limited	9.19%
6	Invest & Finance Securities (Private) Limited	8.58%
7	Icon Securities (Private) Limited	7.33%
8	Summit Capital (Private) Limited (formerly Atlas Capital Markets (Private) Limited)	4.66%
9	Optimus Capital Management Limited	2.46%
10	Global Securities Pakistan Limited	2.03%

2012

1	Invest One Markets Limited	18.04%
2	Summit Capital (Private) Limited (formerly Atlas Capital Markets (Private) Limited)	14.87%
3	Invest Capital Markets Limited	13.30%
4	Elixir Securities (Private) Limited	12.94%
5	Optimus Capital Management Limited	11.97%
6	Alfalah Securities Limited	7.49%
7	JS Global Capital Limited	5.35%
8	Vector Capital (Private) Limited	5.24%
9	Global Securities Pakistan Limited	4.88%
10	First Capital Securities Corporation Limited	4.02%

NAFA MONEY MARKET FUND

22 DETAILS OF PATTERN OF UNIT HOLDING

----- As on June 30, 2013 -----

Category	Number of unit holders	"Investment amount	Percentage of investment
(Rupees in '000)			
Individuals	546	584,217	3.73%
Associated companies and directors	2	6,172,782	39.37%
Insurance companies	2	127,130	0.81%
Banks and DFIs	1	868,556	5.54%
NBFCs	-	-	0.00%
Retirement funds	7	73,642	0.47%
Public limited companies	8	6,361,460	40.58%
Others	31	1,489,555	9.50%
	597	15,677,342	100.00%

----- As on June 30, 2012 -----

Category	Number of unit holders	"Investment amount	Percentage of investment
(Rupees in '000)			
Individuals	79	70,314	0.33%
Associated companies / directors	2	21,000,485	98.96%
Banks / DFIs	1	100,276	0.47%
Retirement funds	3	15,449	0.07%
Public Limited companies	1	35,933	0.17%
	86	21,222,457	100.00%

23 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 37th, 38th, 39th, 40th and 41st Board meetings were held on July 09, 2012, September 11, 2012, October 23, 2012, February 26, 2013 and April 26, 2013 respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Mr. Shahid Anwar Khan***	5	5	0	
Dr. Asif A. Brohi*	5	1	4	37th, 38th, 40th & 41st meeting
Mr. Khalid Mahmood*	1	0	1	41st meeting
Mr. Wah Geok Sum	5	4	1	41st meeting
Mr. Koh Boon San	5	5	0	
Mr. Shehryar Faruque	5	4	1	37th meeting
Mr. Kamal Amir Chinoy	5	2	3	37th, 39th & 41st meeting
Mr. Amir Shehzad	5	3	2	37th & 39th meeting
Mr. Asif Hassan****	0	0	0	
Dr Amjad Waheed	5	5	0	

* Dr. Asif A. Brohi retired from Board with effect from February 26, 2013

** Mr.Khalid Mahmood was co-opted on the Board with effect from April 11, 2013

*** Mr. Shahid Anwar Khan retired from Board with effect from May 20, 2013

**** Mr.Asif Hasan was co-opted on the Board with effect from May 20, 2013

24 FINANCIAL RISK MANAGEMENT

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

24.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the investment committee and regulations laid down by SECP.

NAFA MONEY MARKET FUND

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

24.1.1 Currency risk

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

24.1.2 Yield / Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

As at June 30, 2013, the Fund did not hold any variable rate instruments and is not exposed to cash flow interest rate risk

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2013 the Fund holds Market Treasury Bills which are classified as 'at fair value through profit or loss', exposing the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2013, with all other variables held constant, the net income for the year and net assets would be lower by Rs 1.946 million (2012: Rs. 21.817 million) . In case of 100 basis points decrease in rates announced by the Financial Market Association on June 30, 2013, with all other variables held constant, the net income for the year and net assets would be higher by Rs 1.949 million (2012: Rs. 21.902 million).

-----As at June 30, 2013-----

Effective interest rate %	Total	Exposed to yield/interest rate risk			Not exposed to Yield/ Interest rate risk
		Upto three months	More than three months and upto one year	More than one year	

(Rupees in '000)

On-balance sheet financial instruments

Financial Assets

Bank balances	6.00 - 11.00	21,792,968	21,791,870	-	-	1,098
Investments	11.27 - 13.85	3,556,267	3,556,267	-	-	-
Profit receivable		237,455	-	-	-	237,455
Security deposit		100	-	-	-	100
		25,586,790	25,348,137	-	-	238,653

Financial liabilities

Payable to the Management Company		22,540	-	-	-	22,540
Fee payable to Central Depository Company of Pakistan Limited - Trustee		1,258	-	-	-	1,258
Payable against redemption of units		9,820,162	-	-	-	9,820,162
Accrued expenses and other liabilities		833	-	-	-	833
		9,844,793	-	-	-	9,844,793

On-balance sheet gap

	15,741,997	25,348,137	-	-	(9,606,140)
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Off-balance sheet financial instruments

	-	-	-	-	-
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Off-balance sheet gap

	-	-	-	-	-
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NAFA MONEY MARKET FUND

-----As at June 30, 2012-----

Effective interest rate %	Total	Exposed to yield/interest rate risk			Not exposed to Yield/ Interest rate risk
		Upto three months	More than three months and upto one year	More than one year	

(Rupees in '000)

On-balance sheet financial instruments

Financial Assets

Bank balances	6.00 - 11.00	87,260	86,144	-	-	1,116
Investments	12.25 - 13.55	21,337,164	19,038,606	2,298,558	-	-
Profit receivable		9,053	-	-	-	9,053
Security deposit		100	-	-	-	100
		<u>21,433,577</u>	<u>19,124,750</u>	<u>2,298,558</u>	<u>-</u>	<u>10,269</u>

Financial liabilities

Payable to the Management Company		26,674	-	-	-	26,674
Fee payable to Central Depository Company of Pakistan Limited - Trustee		1,352	-	-	-	1,352
Distribution payable		174,044	-	-	-	174,044
Accrued expenses and other liabilities		419	-	-	-	419
		<u>202,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,489</u>

On-balance sheet gap

	<u>21,231,088</u>	<u>19,124,750</u>	<u>2,298,558</u>	<u>-</u>	<u>(192,220)</u>
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Off-balance sheet financial instruments

Off-balance sheet gap

	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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24.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from yield / interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Presently, the Fund is not exposed to any price risk as no equity securities are held by the Fund as on June 30, 2013.

24.2 Credit risk

Credit risk arising from the inability of the counterparties to fulfill their obligations in respect of financial instrument contracts, is generally limited to the principal amount and accrued income thereon. The Fund's policy is to enter into financial instrument contracts by following internal guidelines such as approving counterparties, approving credit, obtaining adequate collateral and transacting through approved brokers.

Bank balances by rating category	2013	2012
A1+	97.91%	100%
A1	1.87%	0%
A3	0.22%	0%

24.2.1 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio mainly comprise of government securities and remaining transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk to counterparties other than government. Investment in treasury bills is guaranteed by the Government of Pakistan.

24.2.2 Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

NAFA MONEY MARKET FUND

24.2.3 Liquidity risk

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

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in government securities that can be readily disposed and are considered readily realisable. In addition when funds are placed in banks, it is ensured that such placements are made with banks having strong risk ratings.

The Fund has the ability to borrow in the short term to ensure settlement. However, during the current period, no borrowing was obtained by the Fund. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The fund had Rs. 9,820,162,446 payable at year end in respect of redemption of units, which was subsequently cleared on July 2, 2013.

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

As at June 30, 2013

Total	Upto three months	Over three months and upto one year	Over one year
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(Rupees in '000)

Liabilities

Payable to the Management company	22,540	22,540	-	-
Fee payable to Central Depository Company of Pakistan Limited - Trustee	1,258	1,258	-	-
Payable against redemption of units	9,820,162	9,820,162	-	-
Accrued expenses and other liabilities	833	833	-	-
	<u>9,844,793</u>	<u>9,844,793</u>	-	-

As at June 30, 2012

Total	Upto three months	Over three months and upto one year	Over one year
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(Rupees in '000)

Liabilities

Payable to the Management company	26,674	26,674	-	-
Fee payable to Central Depository Company of Pakistan Limited - Trustee	1,352	1,352	-	-
Distribution payable	174,044	174,044	-	-
Accrued expenses and other liabilities	419	419	-	-
	<u>202,489</u>	<u>202,489</u>	-	-

25 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

NAFA MONEY MARKET FUND

In accordance with the risk management policies stated in note 24, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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 tradeable in an open market are revalued at the market prices prevailing on the Statement of Assets and liabilities date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short term in nature or periodically repriced.

According to the amendments to International Financial Reporting Standard 7, Financial Instruments : Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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 2); and
- Inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Assets	-----As at June 30, 2012-----			
	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
Financial assets classified as 'fair value through profit or loss'				
- Investments In Market Treasury Bills	-	2,980,767	-	2,980,767

Assets	-----As at June 30, 2012-----			
	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
Financial assets classified as 'fair value through profit or loss'				
- Investments In Market Treasury Bills	-	20,972,954	-	20,972,954

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 27, 2013.

28 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purposes of comparison and better presentation. During the current year, there were no major reclassifications.

29 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA MONEY MARKET FUND

PERFORMANCE TABLE

Particulars	For the year ended June 30, 2013 (Rs. In '000')	For the year ended June 30, 2012 (Rs. In '000')
Net assets at the year / period ended (Rs '000)	15,677,342	21,222,457
Net income for the year / period ended (Rs '000)	2,013,591	357,496
Net Asset Value per unit at the year / period ended (Rs)	10.0188	10.0149
Offer Price per unit	10.0689	10.0149
Redemption Price per unit	10.0188	10.0149
Highest offer price per unit (Rs)	10.0689	10.0149
Lowest offer price per unit (Rs)	9.2251	9.6664
Highest redemption price per unit (Rs)	10.0188	10.0149
Lowest redemption price per unit (Rs)	9.1792	9.6664
Total return of the fund	9.18%	3.60%
Capital growth	0.4%	0.19%
Income distribution	8.78%	3.41%
Distribution		
Interim distribution per unit	-	-
Final distribution per unit	-	-
Distribution Dates		
Interim	30-Jul-12	29-Mar-12
Interim	28-Aug-12	27-Apr-12
Interim	28-Sep-12	30-May-12
Interim	30-Oct-12	27-Jun-12
Interim	28-Nov-12	
Interim	28-Dec-12	
Interim	29-Jan-13	
Interim	27-Feb-13	
Interim	28-Mar-13	
Interim	29-Apr-13	
Interim	29-May-13	
Interim	28-Jun-13	
Average annual return of the fund (launch date Feb 24, 2012)		
(Since inception to June 30, 2013)	9.55	
(Since inception to June 30, 2012)		10.63
Weighted average portfolio duration	14 Days	39.6 Days

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