



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

## NAFA MONEY MARKET FUND

# QUARTERLY REPORT SEPTEMBER 30

# 2014



*Your investments & "NAFA" grow together*



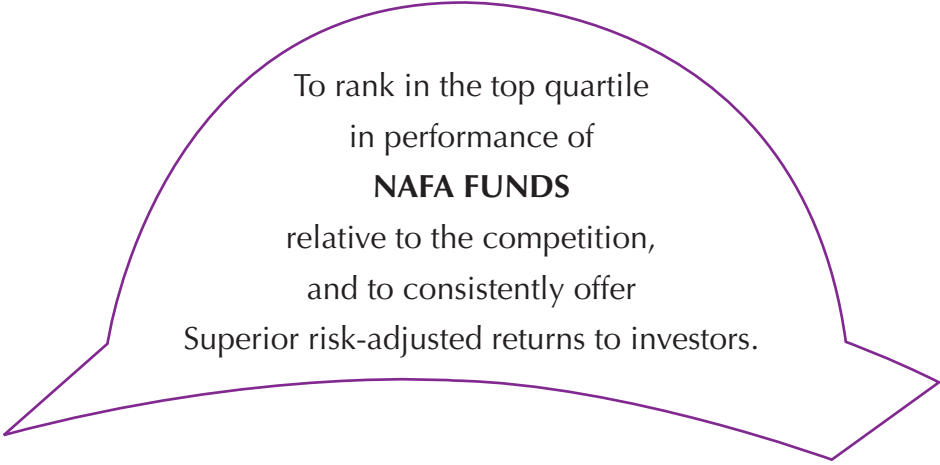
**NBP**

National Bank of Pakistan

**FULLERTON FUND  
MANAGEMENT**

*Joint - Venture Partners*

## MISSION STATEMENT



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

# NAFA MONEY MARKET FUND

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# NAFA MONEY MARKET FUND

## FUND'S INFORMATION

### Management Company

NBP Fullerton Asset Management Limited – Management Company

### Board of Directors of the Management Company

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

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

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

### Human Resource Committee

Mr. Nausherwan Adil	Chairman
Mr. Wah Geok Sum	Member
Mr. Kamal Amir Chinoy	Member

### Trustee

Central Depository Company of Pakistan Limited (CDC)  
CDC House, 99-B, Block "B" S.M.C.H.S.,  
Main Shakra-e-Faisal, Karachi.

### Bankers to the Fund

Askari Bank Limited  
Bank Alfalah Limited  
National Bank of Pakistan  
Faysal Bank Limited  
NIB Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Habib Bank Limited  
Bank Al Habib Limited  
Allied Bank Limited  
United Bank Limited  
Summit Bank Limited  
Standard Chartered Bank (Pakistan) Limited

# NAFA MONEY MARKET FUND

## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 111-111NFA (111-111-632),  
(Toll Free): 0800-20001,  
Fax: (021) 35825329  
Website: [www.nafafunds.com](http://www.nafafunds.com)

## **Lahore Office:**

7-Noon Avenue, Canal Bank,  
Muslim Town, Lahore.  
UAN: 042-111-111-632  
Fax: 92-42-35861095

## **Islamabad Office:**

Plot No. 395, 396  
Industrial Area, I-9/3 Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
Fax: 051-4859031

## **Peshawar Office:**

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

## **Multan Office:**

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

# NAFA MONEY MARKET FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Money Market Fund (NMMF) for the quarter ended September 30, 2014.

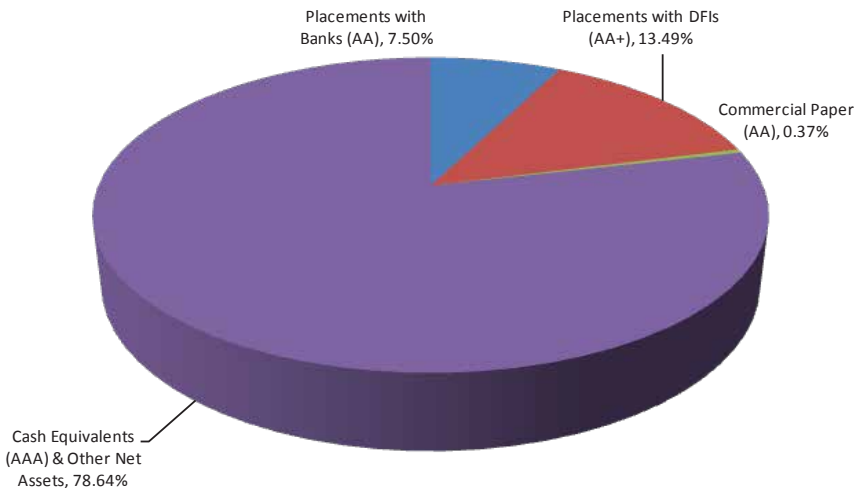
### Fund's Performance

The size of NAFA Money Market Fund has increased from Rs. 11,911 million to Rs. 13,339 million during the quarter, i.e. an increase of 11.99%. During the quarter, the unit price of the Fund has increased from Rs. 10.0132 on June 30, 2014 to Rs. 10.2315 on September 30, 2014, thus showing an annualized return of 8.65% as compared to its Benchmark (3-Month deposit rate of 'AA' & above rated banks) annualized return of 7.39% for the same period.

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a money market scheme, the Fund has strict investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

During the quarter under review, the State Bank of Pakistan kept the Policy Rate unchanged at 10% despite abatement in inflationary pressures. This coupled with relatively easy liquidity conditions kept the T-Bill yields stable. The Government continued its stance of borrowing through long-term PIBs as corroborated by surge in outstanding stock of PIBs from 3,223.5 billion on June 30, 2014 to Rs. 3,457.6 billion on 30th September 2014.

The Fund has earned total income of Rs.338.47 million during the period. After deducting expenses of Rs.55.89 million, the net income is Rs.282.58 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NMMF.



# NAFA MONEY MARKET FUND

## Acknowledgement

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

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

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: October 30, 2014  
Place: Karachi.

# NAFA MONEY MARKET FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2014

	Note	(Un- Audited) Sep 30' 2014	(Audited) June 30' 2014
(Rupees in '000)			
<b>ASSETS</b>			
Cash and bank balances	4	11,540,636	10,790,444
Investments	5	1,849,260	2,053,083
Profit receivable	6	39,799	21,893
Receivable against transfer of units		27,986	824
Preliminary expenses and floatation costs		549	607
Security deposit		100	100
Prepayments and other receivables		94	128
<b>Total assets</b>		<b>13,458,424</b>	<b>12,867,079</b>
<b>LIABILITIES</b>			
Payable to the Management Company		36,231	19,401
Payable to the Central Depository Company of Pakistan Limited - Trustee		837	692
Payable to the Securities and Exchange Commission of Pakistan		2,483	8,834
Payable against redemption of units		4,954	858,082
Accrued expenses and other liabilities	7	74,744	68,695
<b>Total liabilities</b>		<b>119,250</b>	<b>955,704</b>
<b>NET ASSETS</b>		<b>13,339,175</b>	<b>11,911,375</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>13,339,175</b>	<b>11,911,375</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
(Number of units)			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>1,303,741,553</b>	<b>1,189,572,985</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>10.2315</b>	<b>10.0132</b>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



# NAFA MONEY MARKET FUND

## CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2014(Un-audited)

	Note	Quarter Ended Sep 30, 2014	Quarter Ended Sep 30, 2013
(Rupees in '000)			
<b>INCOME</b>			
Net (loss) / gain on sale of investment		(1,709)	883
Income from investment in government securities		172,758	105,038
Income from Sukuk certificates		-	856
Income from term deposit receipts		10,068	134,323
Income from letters of placement		3,543	2,535
Income from certificates of investment		21,650	7,793
Income from commercial paper		1,420	-
Profit on bank deposits		130,740	67,164
		338,470	318,591
Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		-	(1,580)
<b>Total income</b>		<u>338,470</u>	<u>317,011</u>
<b>EXPENSES</b>			
Remuneration of the Management Company		33,105	35,534
Sindh Sales Tax on Management Company's remuneration		6,144	5,685
Federal Excise Duty on Management Company's remuneration		5,297	5,685
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,553	2,699
Annual fee to the Securities and Exchange Commission of Pakistan		2,483	2,665
Securities transaction cost		115	217
Bank charges		121	51
Annual listing fee		10	10
Auditors' remuneration		122	114
Amortisation of preliminary expenses and floatation costs		58	58
Legal and professional charges		13	-
Printing charges		37	-
Rating fee		64	110
<b>Total expenses</b>		<u>50,122</u>	<u>52,828</u>
<b>Net income from operating activities</b>		<u>288,349</u>	<u>264,183</u>
Provision for Workers' Welfare Fund	8	(5,767)	(5,284)
<b>Net income for the period before taxation</b>		<u>282,582</u>	<u>258,899</u>
Taxation	9	-	-
<b>Net income for the period after taxation</b>		<u>282,582</u>	<u>258,899</u>
<b>Earnings per unit</b>	12	<u>-</u>	<u>-</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MONEY MARKET FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2014(Un-audited)

Note	Quarter Ended Sep 30, 2014	Quarter Ended Sep 30, 2013
	(Rupees in '000)	
Net income for the period after taxation	282,582	258,899
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>282,582</u>	<u>258,899</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MONEY MARKET FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2014(Un-audited)

	Quarter Ended Sep 30, 2014	Quarter Ended Sep 30, 2013
	(Rupees in '000)	
Undistributed income brought forward comprising :		
Realised income	32,278	37,700
Unrealised loss	<u>(1,279)</u>	<u>(55)</u>
	30,999	37,645
<b>Net income for the period</b>	<b>282,582</b>	<b>258,899</b>
- Re Nil (July 29, 2013: 0.070)		
- Cash distribution	-	-
- Issue of bonus units	-	(96,888)
- Re Nil (Aug 28, 2013: 0.065)		
- Cash distribution	-	-
- Issue of bonus units	-	(97,026)
- Re Nil (Sep 26, 2013: 0.060)		
- Cash distribution	-	-
- Issue of bonus units	-	(77,432)
Net element of income and capital gains included in the prices of units issued less those in units redeemed	1,987	(1,909)
Undistributed income carried forward	<u>315,568</u>	<u>23,289</u>
<b>Undistributed income comprising:</b>		
- Realised income	315,568	24,869
- Unrealised loss	<u>-</u>	<u>(1,580)</u>
	<u>315,568</u>	<u>23,289</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MONEY MARKET FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2014(Un-audited)

	Quarter Ended Sep 30, 2014	Quarter Ended Sep 30, 2013
	(Rupees in '000)	
Net assets at the beginning of the period	11,911,375	15,677,342
Issue of 423,620,182 units (Sep 2013: Issued : 440,099,671 units)	4,282,942	4,420,302
Redemption of 309,451,615 units (Sep 2013: 732,801,225 units)	(3,137,724)	(7,354,337)
	1,145,218	(2,934,036)
Net unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss'	-	(1,580)
Net capital gain/ (loss) on sale of investment	(1,709)	883
Other income (net of expenses)	284,291	259,596
	282,582	258,899
Element of income and capital gains included in the prices of units issued less those in units redeemed amount transferred to distribution statement	(1,987)	(1,909)
Distribution of bonus units during the period		
Interim Distribution	-	271,346
- Re Nil (July 29, 2013: 0.070)		
- Cash distribution	-	-
- Issue of bonus units	-	(96,888)
- Re Nil (Aug 28, 2013: 0.065)		
- Cash distribution	-	-
- Issue of bonus units	-	(97,026)
- Re Nil (Sep 26, 2013: 0.060)		
- Cash distribution	-	-
- Issue of bonus units	-	(77,432)
	-	(271,347)
Net element of income and capital gains included in the prices of units issued less those in units redeemed - amount transferred to distribution statement	1,987	1,909
<b>Net assets at the end of the period</b>	<b>13,339,175</b>	<b>13,002,205</b>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MONEY MARKET FUND

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2014(Un-audited)

	Note	Quarter Ended Sep 30, 2014	Quarter Ended Sep 30, 2013
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period		282,582	258,899
<b>Adjustments for:</b>			
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		-	1,580
Amortisation of preliminary expenses and floatation costs		58	58
		<u>282,640</u>	<u>260,537</u>
<b>Decrease / (Increase) in assets</b>			
Investments		203,823	(4,228,042)
Profit receivable		(17,906)	222,719
Receivable against transfer of units		(27,162)	-
Security deposit		-	-
Prepayments and other receivables		34	93
		<u>158,789</u>	<u>(4,005,230)</u>
<b>Increase / (decrease) in liabilities</b>			
Payable to the Management Company		16,830	(4,182)
Fee payable to Central Depository Company of Pakistan Limited - Trustee		145	(409)
Payable to Securities and Exchange Commission of Pakistan		(6,351)	(14,671)
Payable against redemption of units		(853,128)	(9,782,095)
Accrued expenses and other liabilities		6,049	5,182
		<u>(836,454)</u>	<u>(9,796,175)</u>
<b>Net cash used in operating activities</b>		<u>(395,026)</u>	<u>(13,540,868)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from issue of units		4,282,942	4,420,302
Payments on redemption of units		(3,137,724)	(7,354,337)
<b>Net cash generated from financing activities</b>		<u>1,145,218</u>	<u>(2,934,036)</u>
<b>Net increase in cash and cash equivalents during the period</b>		<u>750,192</u>	<u>(16,474,904)</u>
Cash and cash equivalents at the beginning of the period		10,790,444	21,792,968
<b>Cash and cash equivalents at the end of the period</b>	4	<u><u>11,540,636</u></u>	<u><u>5,318,065</u></u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA MONEY MARKET FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2014(Un-audited)

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 4, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 18, 2011 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to Act as an Asset Management Company under the NBFC rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme no. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-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 the Securities and Exchange Commission of Pakistan (SECP) for categorisation of Collective Investment Schemes (CIS).

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

The Pakistan Credit Rating Agency (PACRA) has assigned 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 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.

The directors of the asset management company declare that condensed interim financial statements give a true and fair view of the fund

### 3 ACCOUNTING POLICIES

The principal accounting policies applied in preparation of the financial statements for the quarter ended Sep 30, 2014 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2014.

Note	September 30, 2014	June 30, 2014
	(Rupees in '000)	

### 4 BANK BALANCES

Current accounts		12,522	9,941,042
Savings accounts	4.1	10,528,114	847,583
Term deposit receipts	4.2	1,000,000	-
Pay orders in hand		-	1,819
		<u>11,540,636</u>	<u>10,790,444</u>

4.1 These accounts carry rate of return ranging from 6.50% to 10.75% per annum (2014:6.50% to 10.75% p.a).

# NAFA MONEY MARKET FUND

## 4.2 Term deposit receipt

Name of issuer	Maturity date	Rate	As at September 30, 2014
			(Rupees in '000)
Bank Alfalah Limited	27-February-2015	10.50%	500,000
Bank Alfalah Limited	27-February-2015	10.50%	500,000
			<u>1,000,000</u>

## 5 INVESTMENTS

### At fair value through profit or loss - held for trading

	Note	(Un-Audited) September 30, 2014	(Un-Audited) June 30, 2014
Government securities - Market Treasury Bills	5.1	-	1,798,058
Government securities - Pakistan Investment Bonds		-	207,184

### Loans and receivables

	Note	(Un-Audited) September 30, 2014	(Un-Audited) June 30, 2014
Commercial Paper	5.2	49,260	47,841
Certificates of investment	5.3	1,800,000	-
		<u>1,849,260</u>	<u>2,053,083</u>

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

Issue date	Tenor	Face Value				Market Value as at September 30, 2014	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2014	Purchases during the period	Sales / matured during the period	As at September 30, 2014			
-----Rupees in '000----- %-----								
17-Apr-14	12 Months	5,000	-	5,000	-	-	-	-
17-Apr-14	12 Months	700,000	-	700,000	-	-	-	-
15-May-14	12 Months	850	-	850	-	-	-	-
15-May-14	12 Months	1,125,100	50,200	1,175,300	-	-	-	-
6-Feb-14	12 Months	8,000	-	8,000	-	-	-	-
29-May-14	12 Months	-	50,000	50,000	-	-	-	-
12-Jun-14	6 Months	20,000	422,200	442,200	-	-	-	-
10-Jul-14	6 Months	-	1,442,500	1,442,500	-	-	-	-
10-Jul-14	12 Months	-	2,500,000	2,500,000	-	-	-	-
24-Jul-14	3 Months	-	3,800,000	3,800,000	-	-	-	-
7-Aug-14	6 Months	-	6,180,000	6,180,000	-	-	-	-
21-Aug-14	6 Months	-	1,000,000	1,000,000	-	-	-	-
4-Sep-14	12 Months	-	1,700,000	1,700,000	-	-	-	-
<b>Total as at September 30, 2014</b>								

## 5.2 Commercial Paper

Name of issuer	Maturity date	Purchase Price	As at September 30, 2014
			(Rupees in '000)
PAIR Investment Company Limited	18-November-2014	47,224	49,260
			<u>49,260</u>

## 5.3 Certificate Of Investments

Name of issuer	Maturity date	Rate	As at September 30, 2014
			(Rupees in '000)
Pak Oman Investment Company Ltd	13-November-2014	10.18%	300,000
Pak Brunei Investment Company Ltd	27-November-2014	10.35%	1,000,000
Pak Oman Investment Company Ltd	27-November-2014	10.25%	500,000
			<u>1,800,000</u>

# NAFA MONEY MARKET FUND

	(Un-Audited) September 30, 2014	(Audited) June 30, 2014
	(Rupees in '000)	
<b>6 PROFIT RECEIVABLE</b>		
Profit on savings deposits	8,081	13,412
Profit on certificates of investment	21,650	-
Profit on term deposit receipts	10,068	-
Profit on Pakistan Investment Bonds	-	8,481
	<u>39,799</u>	<u>21,893</u>
	(Un-Audited) September 30, 2014	(Audited) June 30, 2014
	(Rupees in '000)	
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Provision for Workers' Welfare Fund	72,971	67,204
Payable to brokers	117	209
Bank charges	15	28
Auditors' remuneration payable	107	342
Printing charges	183	147
Withholding tax payable	150	544
CGT payable	1,140	172
Legal and professional charges	62	49
	<u>74,744</u>	<u>68,695</u>
<b>8 PROVISION FOR WORKERS' WELFARE FUND</b>		

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 (CISs) / pension schemes 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 Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension schemes, which is pending adjudication.

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

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 72.97 million in these financial statements. Had the same not been made the net asset value per unit of the Fund as at September 30, 2014 would have been higher by Rs 0.0560 per unit.

## 9 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 to the unit holders. The Fund has not recorded provision for taxation as the Management Company has distributed at least ninety percent of the Fund's accounting income for the period as reduced by capital gains, whether realised or unrealised, to its unit holders.



# NAFA MONEY MARKET FUND

## 10 TRANSACTIONS WITH CONNECTED PERSONS

- 10.1 Connected persons include NBP Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company and directors and officers of the Management Company.
- 10.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 10.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

	<u>Quarter ended</u>	<u>Quarter ended</u>
	Sep 30, 2014	Sep 30, 2013
	------(Rupees in '000)-----	

### 10.4 Details of the transactions with connected persons are as follows:

<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Remuneration for the period	33,105	35,534
Sindh Sales Tax on Management Company's remuneration	6,144	5,685
Federal Excise Duty on Management Company's remuneration	5,297	5,685
Issue of 1,021,741 units (2013: Nil units)	10,350	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	2,553	2,699
Security deposit	100	100
<b>National Bank of Pakistan - Sponsor</b>		
Redemption of Nil units (2013: 149,129,086 units)	-	1,500,000
Bonus of Nil units (2013 : 10,911,997 units)	-	-
T.bills purchased from the bank	-	8,656,169
T.bills sold to the bank	1,299,359	2,592,428
TDR placed with bank	-	8,500,000
Bank Profit - Saving A/c	-	4,915
TDR Profit	-	132,003
<b>Employee of the Management Company</b>		
Issue of 731,121 units (2013: 844,026 units)	7,399	8,471
Redemption of 759,329 units (2013: 373,968 units)	7,662	7,902
Bonus of Nil units (2013: 13,033 units)	-	-
<b>Chief Executive Officer</b>		
Issue of 1,795,780 units (2013: 1,148,418 units)	18,000	11,500
Redemption of 1,795,780 units (2013: 373,968 units)	18,095	3,749
Bonus of Nil units (2013: 5,163 units)	-	-
<b>Chief Financial Officer</b>		
Issue of 14,759 units (2013: Nil units)	150	-
Redemption of 182,216 units (2013: 123,495 units)	1,850	1,240
Bonus of Nil units (2013: 688 units)	-	-
<b>Cherat Cement Company Limited</b>		
Redemption of 15,751,083 units (2013: Nil units)	159,384	-
<b>NAFA Government Securities Liquid Fund - NGSFLF</b>		
T.bills purchased from NGSFLF	-	1,797,352
T.bills sold to NGSFLF	98,150	-

# NAFA MONEY MARKET FUND

	<u>Quarter ended</u> Sep 30, 2014	<u>Quarter ended</u> Sep 30, 2013
	------(Rupees in '000)-----	
<b>NAFA Savings Plus Fund - NSPF</b>		
T.bills sold to NSPF	-	89,646
<b>Summit Bank Limited</b>		
Bank profit - Saving Account	-	396
<b>International industries Limited Employees' Provident Fund</b>		
Issue of 258,635 units (2013: 85,112 units)	2,610	856
Redemption of 121,728 units (2013: Nil units)	1,238	-
Bonus of Nil units (2013: 22,270 units)	-	-
T.bills sold to IIL - EPF		47,366
<b>International Steel Limited Employees' Provident Fund</b>		
Issue of 78,608 units (2013: 27,112 units)	793	273
Redemption of 96,233 units (2013: Nil units)	972	-
Bonus of Nil units (2013: 7,133 units)	-	-
T-Bills purchased from ISL-EPF	497	-
<b>Thall Ltd. Employee Retirement Benevolent Fund</b>		
T.bills sold to Thall - EPF		16,419
<b>Byco Oil Pakistan Limited- Employee Provident Fund</b>		
T.bills purchased from BYCO-EPF	2,179	-
Issue of 838,626 units (2013: Nil units)	8,523	-
Redemption of 598,301 units (2013: Nil units)	6,061	-
<b>Byco Petroleum Pakistan Limited- Employee Provident Fund</b>		
Issue of 1,182,611 units (2013: Nil units)	12,012	-
Redemption of 1,590,926 units (2013: Nil units)	16,110	-
<b>KAPCO Employees Pension Fund</b>		
T.bills purchased from KAPCO-EPF	15,530	-
<b>KAPCO Employees Provident Fund</b>		
T.bills purchased from KAPCO-Emp Provident Fund	4,902	-
<b>Maple Leaf Cement Factory Limited Employees Provident Fund</b>		
T.bills purchased from MLCF-EPF	1,260	-
<b>Millat Tractor Limited Employees Pension Fund</b>		
T.bills purchased from MTL-EPF	27,145	-
<b>Pak Arab Refinery Ltd Supervisory Staff Gratuity Fund</b>		
T.bills purchased from PARCO-SSGF	6,994	-
<b>Pakistan Petroleum Limited</b>		
Issue of 25,442,803 units (2013: Nil units)	260,000	-

# NAFA MONEY MARKET FUND

	As at September 30, 2014 (Rupees in '000)	As at June 30, 2014 (Audited)
<b>10.5 Amounts / balances outstanding as at period end:</b>		
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Remuneration payable	10,873	1,504
Sindh Sales Tax payable on remuneration payable	2,018	279
Federal Excise Duty payable on remuneration payable	22,361	17,065
Sale Load & Transfer Load Including SST & FED	979	-
Units held: 1,493,943 units (2014: 472,202 units)	15,285	4,728
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	837	692
Security Deposit	100	100
<b>National Bank of Pakistan - Sponsor</b>		
Units held: 335,651,992 units (2014:335,651,992 units)	3,434,223	3,360,951
Bank balances		
- in savings accounts	480	195
- in current accounts	2,824	1,837
<b>Mr. Murtaza Ali - Chief Financial Officer and Company Secretary</b>		
Units held: 374,120 units (2014: 541,577 units)	3,828	5,423
<b>Employees of the Management Company</b>		
Units held: 727,501 units (2014: 755,709 units)	7,443	7,567
<b>International Industries Limited Employees' Provident Fund</b>		
Units held: 1,845,685 units (2014: 1,708,778 units)	18,884	17,110
<b>International Steels Limited Employees' Provident Fund</b>		
Units held: 416,984 units (2014: 434,609 units)	4,266	4,352
<b>BYCO Oil Pakistan Limited - Employee Provident Fund</b>		
Units held: 1,990,927 units (2014: 1,750,602 units)	20,370	17,529
<b>BYCO Petroleum Pakistan Limited - Employee Provident Fund</b>		
Units held: 3,372,949 units (2014: 3,781,265 units)	34,510	37,863
<b>Cherat Cement Company Limited</b>		
Units held: 15,751,083 units (2013: Nil units)	-	157,719
<b>Summit Bank Limited</b>		
Bank balance in current account	9,698	6,449
<b>Pakistan Petroleum Limited</b>		
Units held: 131,065,774 units (2013: Nil units)	1,340,999	-

# NAFA MONEY MARKET FUND

## 11 Contingencies & Commitments

There were no contingencies and commitments outstanding as at September 30, 2014 and June 30, 2014.

## 12 Earnings per unit

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of units outstanding during the year for calculating earnings per unit is not practicable.

## 13 Date of Authorisation for Issue

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

## 14 General

Figures have been rounded off to the nearest thousand rupees.

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of

National Bank of Pakistan

## Head Office

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

**UAN:** 021-111-111-632

**Toll Free:** 0800-20001

**Fax:** 021-35825335

**Email:** [info@nafafunds.com](mailto:info@nafafunds.com)

**Website:** [www.nafafunds.com](http://www.nafafunds.com)