



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

*Your investments & "NAFA" grow together*




*Joint - Venture Partners*

# NAFA MONEY MARKET FUND

QUARTERLY REPORT  
SEPTEMBER 30  
2013



## 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.

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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. Khalid Mahmood	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	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 Sattar	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 Shahra-e-Faisal, Karachi.

### Bankers to the Fund

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

# 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](http://www.nafafunds.com)

## **Lahore Office:**

7-Noon Avenue, Canal Bank,  
Muslim Town,  
Lahore.

## **Islamabad Office:**

Plot No. 395, 396  
Industrial Area, 1-9/3 Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
Fax: 051-4859031

## **Peshawar Office:**

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

## **Multan Office:**

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

# NAFA MONEY MARKET FUND

## DIRECTORS' REPORT

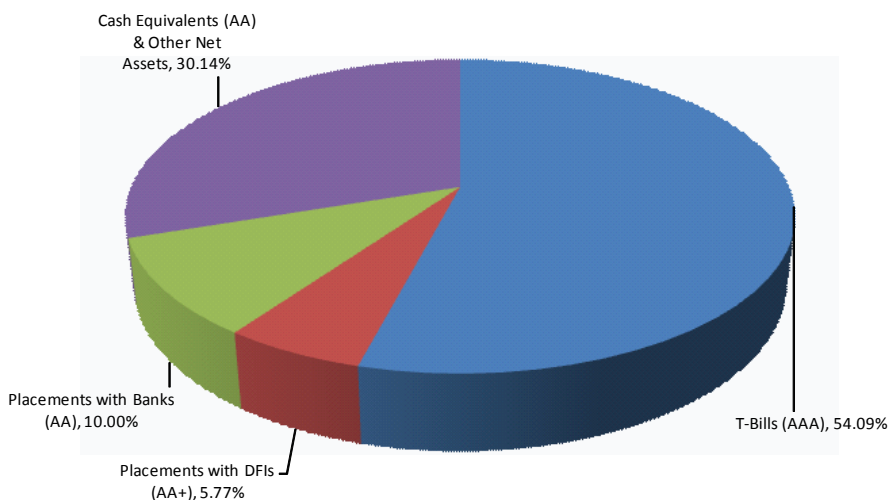
The Board of Directors of **NBP Fullerton Asset Management Limited** is pleased to present the unaudited financial statements of **NAFA Money Market Fund (NMMF)** for the quarter ended September 30, 2013.

### Fund's Performance

The size of NAFA Money Market Fund has decreased from Rs. 15,677 million to Rs. 13,002 million during the quarter, i.e. a decline of 17.06%. During the quarter, the unit price of the Fund has increased from Rs. 9.8257 (Ex - Div) on June 30, 2013 to Rs. 10.0077 on September 30, 2013, thus showing an annualized simple return of 7.35% as compared to its Benchmark (3-Month deposit rate of 'AA' & above rated banks) annualized simple return of 6.51% 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.

The Fund has earned total income of Rs.317.01 million during the period. After deducting expenses of Rs.58.11 million, the net income is Rs.258.90 million. The asset allocation of the Fund as on September 30, 2013 is as follows:



# NAFA MONEY MARKET FUND

## Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 1.95% of opening ex-NAV (1.953% of par value) during the quarter.

## 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, 2013

Place: Karachi.

# NAFA MONEY MARKET FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2013 (Un-Audited)

	Note	(Un-Audited) Sep 30, 2013	(Audited) June 30, 2013
(Rupees in '000)			
<b>ASSETS</b>			
Bank balances	4	5,318,065	21,792,968
Investments	5	7,782,729	3,556,267
Profit receivable	6	14,736	237,455
Preliminary expenses and floatation costs		777	835
Security deposit		100	100
Prepayments and other receivables		143	236
Total assets		13,116,550	25,587,861
<b>LIABILITIES</b>			
Payable to the Management Company		18,358	22,540
Fee payable to Central Depository Company of Pakistan Limited - Trustee		849	1,258
Payable to Securities and Exchange Commission of Pakistan		2,665	17,336
Payable against redemption of units		38,067	9,820,162
Accrued expenses and other liabilities	7	54,405	49,223
Total liabilities		114,344	9,910,519
<b>NET ASSETS</b>		<u>13,002,205</u>	<u>15,677,342</u>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<u>13,002,205</u>	<u>15,677,342</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	13	-	-
(Number of units)			
<b>NUMBER OF UNITS IN ISSUE</b>		<u>1,299,216,705</u>	<u>1,564,795,422</u>
-----Rupees-----			
<b>NET ASSET VALUE PER UNIT</b>	11	<u>10.0077</u>	<u>10.0188</u>

The annexed notes 1 to 16 form an integral part of these 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, 2013 (Un-audited)

	Note	Quarter Ended Sep 30, 2013	Quarter Ended Sep 30, 2012
(Rupees in '000)			
<b>INCOME</b>			
Net gain on sale of investment		883	7,974
Income from investment in government securities		105,038	609,445
Income from Sukuk certificates		856	8,958
Income from term deposit receipts		134,323	871
Income from letter of placement		2,535	28
Income from certificate of investments		7,793	13,478
Profit on bank deposits		67,164	4,392
		318,591	645,146
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		(1,580)	26,595
<b>Total income</b>		<b>317,011</b>	<b>671,741</b>
<b>EXPENSES</b>			
Remuneration of the Management company		35,534	61,146
Sindh Sales Tax on Management Company's remuneration		5,685	9,783
Federal Excise Duty on Management Company's remuneration		5,685	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,699	4,213
Annual fee - Securities and Exchange Commission of Pakistan		2,665	4,082
Securities transaction cost		217	394
Bank charges		51	58
Annual listing fee		10	10
Auditors' remuneration		114	125
Amortisation of preliminary expenses and floatation costs		58	57
Rating fee		110	59
Other Charges		-	25
<b>Total expenses</b>		<b>52,828</b>	<b>79,952</b>
<b>Net income from operating activities</b>		<b>264,183</b>	<b>591,789</b>
Provision for Workers' Welfare Fund	8	(5,284)	(11,836)
<b>Net income for the period before taxation</b>		<b>258,899</b>	<b>579,953</b>
Taxation	9	-	-
<b>Net income for the period after taxation</b>		<b>258,899</b>	<b>579,953</b>
<b>Earnings per unit</b>	12	<b>-</b>	<b>-</b>

The annexed notes 1 to 16 form an integral part of these 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, 2013 (Un-audited)

	Quarter Ended Sep 30, 2013	Quarter Ended Sep 30, 2012
	(Rupees in '000)	
Net income for the period after taxation	258,899	579,953
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>258,899</u>	<u>579,953</u>

The annexed notes 1 to 16 form an integral part of these 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, 2013 (Un-audited)

	Quarter Ended Sep 30, 2013	Quarter Ended Sep 30, 2012
	(Rupees in '000)	
Undistributed income brought forward comprising :		
Realised income	37,700	31,563
Unrealised loss	(55)	-
	<u>37,645</u>	<u>31,563</u>
<b>Net income for the period</b>	258,899	579,953
- 0.70% per unit declared on July 29, 2013 (July 25, 2012: 0.83%)		
-Cash distribution		(174,289)
-Issue of bonus units	(96,888)	(2,004)
- 0.65% per unit declared on August 28, 2013 (Aug 25, 2012: 0.82%)		
-Cash distribution		(172,192)
-Issue of bonus units	(97,026)	(3,480)
- 0.60% per unit declared on September 26, 2013 (Sep 25, 2012: 0.82%)		
-Cash distribution		(172,192)
-Issue of bonus units	(77,432)	(10,191)
Net element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed	(1,909)	6,855
Undistributed income carried forward:	<u>23,289</u>	<u>84,023</u>
<b>Undistributed income comprising:</b>		
-Realised income	24,869	57,428
-Unrealised loss	(1,580)	26,595
	<u>23,289</u>	<u>84,023</u>

The annexed notes 1 to 16 form an integral part of these 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, 2013 (Un-audited)

	Quarter Ended Sep 30, 2013	Quarter Ended Sep 30, 2012
(Rupees in '000)		
Net assets at the beginning of the period	15,677,342	21,222,457
Issue of 440,099,671 units (Sep 2012: Issued : 2,136,043,818 units, Bonus: 1,299,654 units)	4,420,302	1,340,252
Redemption of 732,801,225 units (Sep 2012: 16,954,429 units)	(7,354,337)	(211,046)
	(2,934,036)	1,129,206
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial at fair value through profit or loss'	(1,580)	26,595
Net capital gain/ (loss) on sale of investment	883	7,974
Other income (net of expenses)	259,596	545,384
	258,899	579,953
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed amount transferred to distribution statement	1,909	(6,855)
Distribution of bonus units during the period <b>Interim Distribution (27,122,137 bonus units)</b>	271,346	15,675
- 0.70% per unit declared on July 29, 2013 (July 25, 2012: 0.83%)		
- Cash distribution		(174,289)
- Issue of bonus units	(96,888)	(2,004)
- 0.65% per unit declared on August 28, 2013 (Aug 25, 2012: 0.82%)		
- Cash distribution		(172,192)
- Issue of bonus units	(97,026)	(3,480)
- 0.60% per unit declared on September 26, 2013 (Sep 25, 2012: 0.82%)		
- Cash distribution		(172,192)
- Issue of bonus units	(77,432)	(10,191)
	(271,346)	(534,348)
Net element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount transferred to distribution statement	(1,909)	6,855
Net assets at the end of the period	13,002,205	22,412,943

The annexed notes 1 to 16 form an integral part of these 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, 2013 (Un-audited)

	Quarter Ended Sep 30, 2013	Quarter Ended Sep 30, 2012
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	258,899	579,953
<b>Adjustments for:</b>		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	1,580	(26,595)
Amortisation of preliminary expenses and floatation costs	58	57
	<u>260,537</u>	<u>553,415</u>
<b>(Increase) / Decrease in assets</b>		
Investments - net	(4,228,042)	(211,494)
Profit receivable	222,719	(7,815)
Prepayments and other receivables	93	20
	<u>(4,005,230)</u>	<u>(219,289)</u>
<b>(Decrease) / Increase in liabilities</b>		
Payable to the Management Company	(4,182)	(4,290)
Fee payable to Central Depository Company of Pakistan Limited - Trustee	(409)	47
Payable to Securities and Exchange Commission of Pakistan	(14,671)	1,348
Payable against redemption of units	(9,782,095)	(1,852)
Accrued expenses and other liabilities	5,182	12,149
	<u>(9,796,175)</u>	<u>7,402</u>
<b>Net cash (outflow) / inflow from operating activities</b>	<u>(13,540,868)</u>	<u>341,528</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	4,420,302	1,340,252
Payments on redemption of units	(7,354,337)	(211,046)
Distributions paid	-	(518,673)
<b>Net cash (outflow) / inflow from financing activities</b>	<u>(2,934,036)</u>	<u>610,533</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(16,474,903)</u>	<u>952,061</u>
Cash and cash equivalents at the beginning of the period	21,792,968	87,260
<b>Cash and cash equivalents at the end of the period</b>	<u>5,318,065</u>	<u>1,039,321</u>

The annexed notes 1 to 16 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 CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (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 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 an 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, 2013 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2013.

# NAFA MONEY MARKET FUND

	Note	(Un-Audited) September 30, 2013	(Audited) June 30, 2013
(Rupees in '000)			
<b>4 BANK BALANCES</b>			
Current accounts		14,280	1,098
Savings accounts	4.1	4,003,785	6,091,870
Term deposit receipts (TDRs)	4.2	1,300,000	15,700,000
		<u>5,318,065</u>	<u>21,792,968</u>

4.1 These accounts carry rate of return ranging from 6% to 9.25% per annum (2013: 6% to 11% per annum).

## 4.2 Term deposit receipt

Name of issuer	Maturity date	Rate	As at Sep 30, 2013
			(Rupees in '000)
Bank Al-Falah Limited	11-Nov-13	9.50%	1,000,000
Bank Al-Falah Limited	11-Nov-13	9.50%	300,000
			<u>1,300,000</u>

	Note	(Un-Audited) September 30, 2013	(Audited) June 30, 2013
(Rupees in '000)			
<b>5 INVESTMENTS</b>			

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

Government securities - Market Treasury Bills	5.1	7,032,729	2,980,767
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### Loans and receivables

Certificates of investment		-	350,000
Letter of Placements	5.2	750,000	-
Sukuk certificates		-	225,500
		<u>7,782,729</u>	<u>3,556,267</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, 2013	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2013	Purchases during the period	Sales / matured during the period	As at September 30, 2013			
-----Rupees in '000-----								
-----%								
Market Treasury Bills								
1-Nov-12	12 Months	-	800,000	-	800,000	793,851	6.11	11.14
10-Jan-13	6 Months	510	-	510	-	-	-	-
24-Jan-13	6 Months	6,250	3,390,500	3,396,750	-	-	-	-
2-May-13	3 Months	1,492,500	6,712,000	8,204,500	-	-	-	-
26-Jul-12	12 Months	1,500,000	-	1,500,000	-	-	-	-
30-May-13	6 Months	-	500,000	-	500,000	492,713	3.79	6.92
6-Sep-12	12 Months	-	1,652,000	1,652,000	-	-	-	-
23-Aug-12	12 Months	-	500,000	500,000	-	-	-	-
13-Jun-13	3 Months	-	70,000	70,000	-	-	-	-
12-Jul-13	3 Months	-	615,000	615,000	-	-	-	-
20-Sep-12	12 Months	-	2,315,000	2,315,000	-	-	-	-
4-Oct-12	12 Months	-	1,750,000	750,000	1,000,000	999,224	7.69	14.02
7-Aug-13	3 Months	-	825,000	-	825,000	818,659	6.30	11.49
19-Sep-13	3 Months	-	4,800,000	1,000,000	3,800,000	3,731,197	28.70	52.37
5-Sep-13	3 Months	-	200,000	-	200,000	197,085	1.52	2.77
Total as at September 30, 2013					7,125,000	7,032,729	54.11	98.71

Carrying value before fair value adjustment as at Sep 30, 2013

7,034,309

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

(1,580)

# NAFA MONEY MARKET FUND

## 5.2 Letter of Placement

Name of issuer	Maturity date	Rate	As at Sep 30, 2013
Pak Brunei Investment Company Ltd	18-Nov-13	9.65%	(Rupees in '000) 750,000
			<u>750,000</u>

	September 30, 2013	June 30, 2013
	(Rupees in '000)	
<b>6 PROFIT RECEIVABLE</b>		
Profit on savings deposits	12,193	4,703
Profit on Sukuk certificates	-	9,013
Profit on certificates of investment	-	544
Profit on Letter of Placements	1,190	-
Profit on term deposit receipts	1,353	223,195
	<u>14,736</u>	<u>237,455</u>
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Provision for Workers' Welfare Fund	53,674	48,390
Payable to brokers	120	64
Bank charges	7	32
Auditors' remuneration payable	425	311
Printing charges	57	57
Listing fee	23	20
Withholding tax payable	50	102
CGT payable	51	247
	<u>54,406</u>	<u>49,223</u>

## 8 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.

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



# NAFA MONEY MARKET FUND

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. 53.67 million (June 30, 2013: Rs 48.39 million) in these financial statements. Had the same not been made, the net asset value per unit would have been higher by Rs 0.0413 (2013: Rs 0.0309) 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 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.

## 10 TRANSACTIONS WITH CONNECTED PERSONS

- 10.1 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 10.2 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 10.3 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

'Quarter Ended  
Sep 30, 2013

'Quarter Ended  
Sep 30, 2012

(Rupees in '000)

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

NBP Fullerton Asset Management Limited - Management Company		
Remuneration for the period	35,534	64,846
Sindh Sales Tax on Management Company's remuneration	5,685	10,374
Federal Excise Duty on Management Company's remuneration	5,685	-
Others	-	1

# NAFA MONEY MARKET FUND

	'Quarter Ended Sep 30, 2013	'Quarter Ended Sep 30, 2012
	(Rupees in '000)	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	2,699	4,166
Security deposit	100	-
<b>National Bank of Pakistan - Sponsor</b>		
Issue of Nil units (2012: 2,096,042,879 units)		4,311
Redemption of 149,129,086 units (2012: Nil)	1,500,000	-
Bonus of 10,911,997 units (2012 : 869,143)	-	-
Cash dividend paid during the year / period		520,525
T.bills purchased from the bank	8,656,169	4,675,984
T.bills sold to the bank	2,592,428	3,730,814
TDR placed with bank	8,500,000	-
Bank Profit - Saving A/c	4,915	-
TDR Profit	132,003	-
<b>Employees of the Management Company</b>		
Issue of 844,026 units (2012: 148,113 units)	8,471	2,479
Redemption of 373,968 units (2012: 90,327 units)	7,902	1,998
Bonus of 13,033 units (2012: 834 units)	-	-
<b>Chief Executive Officer</b>		
Issue of 1,148,418 units (2012: 367,212 units)	11,500	10,500
Redemption of 373,968 units (2012: 358,518 units)	3,749	3,500
Bonus of 5,163 units (2012: 3,392 units)	-	-
<b>Chief Financial Officer</b>		
Issue of Nil units (2012: Nil units)	-	247
Redemption of 123,495 units (2012: Nil units)	1,240	251
Bonus of 688 units (2012: Nil units)	-	-
<b>NBP Exchange Company Ltd. - Associated Companies</b>		
Bonus of 297,720 units (2012: Nil)	-	-
<b>NAFA Government Securities Liquid Fund - NGSF</b>		
T.bills purchased from NGSF	1,797,352	-
<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 85,112 units (2012: Nil units)	856	-
Bonus of 22,270 units (2012: Nil units)	-	-
T.bills sold to IIL - EPF	47,366	-
<b>International Steel Limited Employees' Provident Fund</b>		
Issue of 27,112 units (2012: Nil units)	273	-
Bonus of 7,133 units (2012: Nil units)	-	-
<b>Thal Ltd. Employee Retirement Benevolent Fund</b>		
T.bills sold to Thal - EPF	16,419	-

# NAFA MONEY MARKET FUND

	(Un-Audited) Quarter Ended Sep 30, 2013	(Audited) June 30, 2013
(Rupees in '000)		
<b>10.5 Amounts outstanding as at period end</b>		
<b>NBP Fullerton Asset Management Limited - Management Company</b>		
Remuneration payable	12,506	17,973
Sindh Sales Tax payable on remuneration payable	1,949	2,861
Federal Excise Duty on remuneration payable	3,904	1,706
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	849	1,258
<b>National Bank of Pakistan - Sponsor</b>		
Units held: 462,750,649 units (2013: 600,967,738 units)	4,631,070	6,020,976
Bank balances		
- in savings accounts	17,532	4,103,774
- in current accounts	1,840	1,098
<b>TDR</b>		14,500,000
<b>Employees of the Management Company</b>		
Units held: 733,755 units (2013: 551,042 units)	7,343	5,521
<b>Chief Executive Officer</b>		
Units held: 803,950 units (2013: 24,336 units)	8,046	244
<b>Chief Financial Officer</b>		
Units held: 68 units (2013: 122,875 units)	1	1,231
<b>NBP Exchange Company Limited</b>		
Units held: 15,449,905 units (2013: 15,152,185 units)	154,618	151,807
<b>International industries Limited Employees' Provident Fund</b>		
Units held: 1,214,749 units (2013: 1,107,637 units)	12,157	11,090
<b>International Steel Limited Employees' Provident Fund</b>		
Units held: 388,979 units (2013: 354,733 units)	3,893	3,553
<b>Hub Power Company Ltd</b>		
Short term Sukuk	-	225,500
<b>Summit Bank Limited</b>		
Bank balances		
- in savings accounts	441	47,414
- in current accounts	12,439	-
<b>Amount payable due to transfer of units on behalf of National Bank of Pakistan to:</b>		
NAFA Govt. Securities Liquid Fund	-	5,846,012
NAFA Financial Sector Income Fund	-	964,359
NAFA Riba Free Savings Fund	-	1,513,571
NAFA Savings Plus Fund	-	1,496,187

# NAFA MONEY MARKET FUND

## 11 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.

## 12 Earnings per unit

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

## 13 CONTINGENCIES & COMMITMENTS

There were no commitments as on September 30, 2013 and June 30, 2013.

## 14 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30<sup>th</sup> 2013.

## 15 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.

## 16 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

*Your investments & "NAFA" grow together*



*Joint - Venture Partners*

## Head Office

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

**UAN:** 111-111-NFA (632)

**Toll Free:** 0800-20001

**Fax:** (021) - 35825329

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

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