NBP FUNDS

Managing Your Savings

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Rated by PACRA

NAFA MONEY MARKET FUND

HALF YEARLY REPORT

DECEMBER 31, 2018

MISSION STATEMENT

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

NAFA MONEY MARKET FUND

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	09
AUDITORS' REVIEW REPORT TO THE UNITHOLDERS	10
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	11
CONDENSED INTERIM INCOME STATEMENT	12
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	13
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	14
CONDENSED INTERIM CASH FLOW STATEMENT	15
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION	16

NAFA MONEY MARKET FUND

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nasir Husain	Director
Mr. Abdul Hadi Palekar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murataz Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Humayun Bashir	Member
Mr. Nasir Husain	Member
Mr. Imran Zaffar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Nasir Husain	Member
Mr. Humayun Bashir	Member
Mr. Ali Saigol	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Shehryar Faruque	Member
Mr. Abdul Hadi Palekar	Member
Mr. Ali Saigol	Member

Trustee

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

Bankers to the Fund

MCB Bank Limited
Summit Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Sindh Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited
Faysal Bank Limited

NAFA MONEY MARKET FUND

Auditors

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpfunds.com

Lahore Office:

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

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of NAFA Money Market Fund (NMMF) for the half year ended December 31, 2018.

Fund's Performance

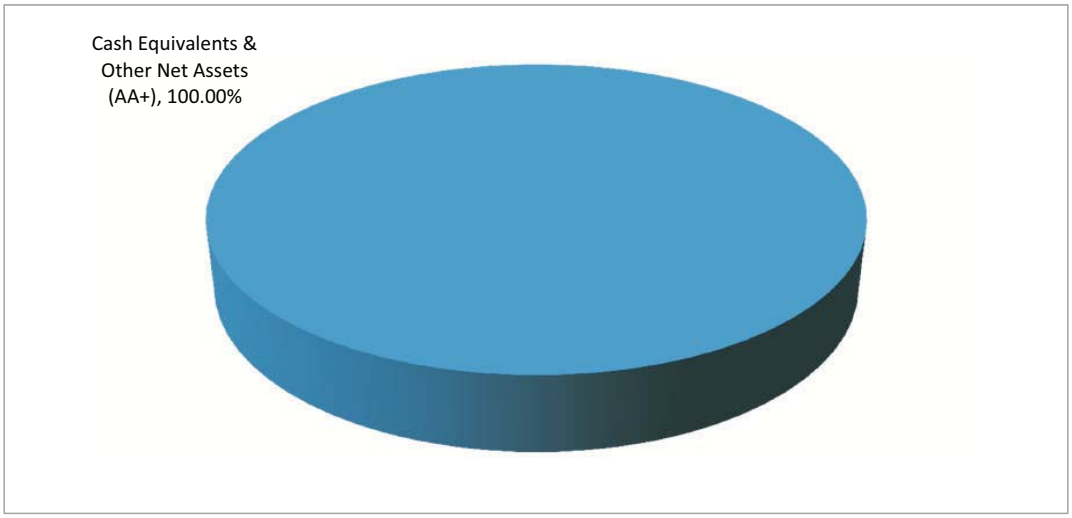
The size of NAFA Money Market Fund has decreased from Rs. 23,192 million to Rs. 21,507 million during the period, a decline of 7%. During the period, the unit price of the Fund has increased from Rs. 9.5329 (Ex-Div) on June 30, 2018 to Rs. 9.8828 on December 31, 2018, thus showing a return of 7.28% as compared to the benchmark return of 7.36% for the same period. The performance of the Fund is net of management fee and all other expenses.

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

During the period under review, the State Bank of Pakistan (SBP) increased the Discount Rate by a cumulative 350 basis points to 10.5%, citing concerns over the external account imbalances along with an abysmally low level of FX reserves and upside risk to inflation. Inflation witnessed an increase from 5.2% in June 2018 to 6.2% in December 2018. This was due to rising financing cost, unabated fiscal borrowing by the government, volatility in international oil prices, significant currency devaluation, and impact of upward adjustment in the gas prices and levying of import tariffs.

SBP held thirteen T-Bill auctions during 1HFY2019 with a combined target of Rs. 10,050 billion against the maturity of Rs. 10,062 billion wherein an amount of Rs. 9,083 billion was realized for 3-month tenor and just Rs. 0.84 billion for 6-month tenor. In the last auction, cut-off yields for 3-month and 6-month tenors stood at 10.30% and 10.35%, respectively.

The Fund has earned a total income of Rs. 1,135.94 million during the period. After deducting total expenses of Rs. 159.02 million, the net income is Rs. 976.92 million. The asset allocation of NAFA Money Market Fund as on December 31, 2018 is as follows:



DIRECTORS' REPORT

Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 3.35% of the opening ex - NAV (3.30% of the par value) for the period ended December 31 , 2018

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 Fund Management Limited

Chief Executive Director

Date: February 25, 2019
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصدِ مسرت 31 دسمبر 2018ء کو ختم ہونے والی ششماہی کے لئے NAFA منی مارکیٹ فنڈ (NMMF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

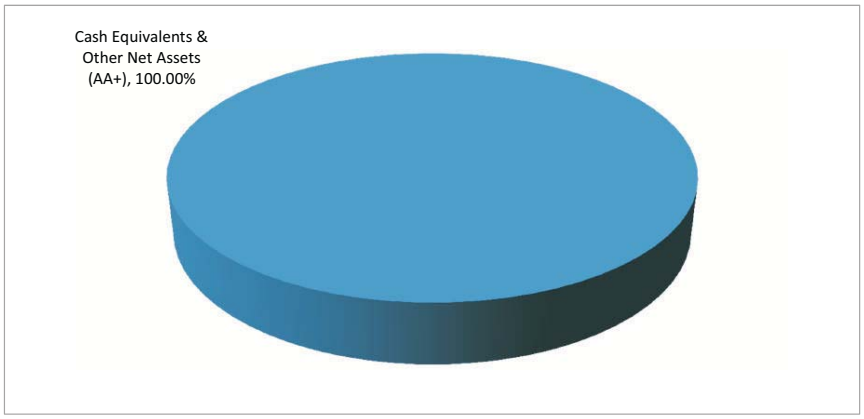
NAFA منی مارکیٹ فنڈ کا سائز اس مدت کے دوران 23,192 ملین روپے سے کم ہو کر 21,507 ملین روپے ہوگیا، یعنی 7% کی کمی ہوئی۔ اس مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2018 کو 9.5329 روپے (Ex-Div) سے بڑھ کر 31 دسمبر 2018 کو 9.8828 روپے ہوچکی ہے، لہٰذا اسی مدت کے لیے اپنے بینچ مارک منافع 7.36% کے مقابلے میں 7.28% منافع درج کرایا۔ فنڈ کا منافع مینجمنٹ فیس اور دیگر اخراجات کے بعد خالص ہے۔

NMMF کو PACRA کی طرف سے AA(f) کی اسٹیبلیٹی ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ ایک منی مارکیٹ اسکیم کی حیثیت سے فنڈ سرمایہ کاری کی انتہائی سخت ہدایات رکھتا ہے۔ فنڈ کی منظور شدہ انویسٹمنٹس میں ٹی بلز، بینک ڈپازٹس اور منی مارکیٹ انسٹرومنٹس شامل ہیں۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی کسی سیکیورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نپی تلی اوسط مدت 90 دن سے زائد نہیں ہوسکتی۔

زیرِ جائزہ مدت کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مجموعی طور پر پالیسی کی شرح 350bps کے اضافے کے ساتھ 10.50% کردی۔ جو کہ بیرونی اکاؤنٹ کے عدم توازن، زرمبادلہ کے ذخائر کی غیر معمولی کم سطح اور افراط زر میں اضافہ کے خدشات ظاہر کررہی ہے۔ افراط زر کی شرح جون 2018 میں 5.2% تھی جو دسمبر 2018 میں 6.2% تک بڑھ گئی، اس کی وجہ قرضہ جات کے اخراجات میں اضافہ، حکومت کی طرف سے غیر فعال مالی قرضے، بین الاقوامی تیل کی قیمتوں میں عدم استحکام، کرنسی کی قدر میں نمایاں کمی، اور گیس کی قیمتوں اور درآمدی ٹیرف کی محصلات میں اضافہ رہا۔

SBP نے 2019 کی پہلی ششماہی کے دوران 10,062 بلین روپے کی میچورٹی کے عوض 10,050 بلین روپے کے مجموعی T-Bills کی تیرہ نیلامی منعقد کیں، جس میں 3 ماہ کی مدت کے لئے 9,083 بلین روپے اور 6 ماہ مدت کے لئے صرف 0.84 بلین رقوم کی وصولی کی گئی۔ دورانِ مدت کی آخری نیلامی میں 3 ماہ اور 6 ماہ کی مدت کے لئے کٹ آف Yeild بالترتیب 10.30 فیصد اور 10.35 فیصد رہی۔

فنڈ نے اس مدت کے دوران 1,135.94 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 159.02 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 976.92 ملین روپے رہی۔



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے اس مدت کے دوران اوپننگ EX-NAV کا 3.35% (Par Value کا 3.30%) عبوری کیش ڈیویڈنڈ منظور کیا ہے۔

اظہار تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابلِ قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کیلئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو **ڈائریکٹر**

تاریخ: 25 فروری 2019

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Money Market Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund for the period ended December 31, 2018 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.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 25, 2019

Report on review of Condensed Interim Financial Information to the Unit Holders

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Money Market Fund** (the Fund) as at December 31, 2018, and the related condensed interim income statement, condensed interim statement of other comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year ended December 31, 2018 (here-in-after referred to as the 'condensed interim financial information'). NBP Fund Management Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of other comprehensive income, for the quarter ended December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Deloitte Yousuf Adil
Chartered Accountants
Engagement Partner
Hena Sadiq
Date: February 25, 2019
Place: Karachi

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2018

	Note	(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----------Rupees in '000----------	
ASSETS			
Bank balances	4	**21,596,826**	23,350,772
Investments	5	**-**	-
Mark-up accrued on bank balances		**136,485**	10,717
Receivable against transfer of units		**1,529**	-
Deposit and prepayments		**114**	100
Total asset		**21,734,954**	23,361,589
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	6	**35,021**	26,513
Payable to Central Depository Company of Pakistan Limited - Trustee	7	**1,689**	1,716
Payable to the Securities and Exchange Commission of Pakistan		**10,320**	17,142
Payable against redemption of units		**2,202**	260
Accrued expenses and other liabilities	8	**179,111**	123,564
Total liabilities		**228,343**	169,195
NET ASSETS		**21,506,611**	23,192,394
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**21,506,611**	23,192,394
Contingencies and commitments	9		
		----------Number of units----------	
Number of units in issue		**2,176,167,028**	2,228,970,187
		----------Rupees----------	
Net asset value per unit		**9.8828**	10.4050

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Note	Half year ended		Quarter ended	
		December 31, 2018	December 31, 2017	**December 31,2018**	December 31, 2017
		----------Rupees in '000----------			
INCOME					
Return / mark-up on:					
- letter of placements		**110,384**	-	**73,846**	-
- bank balances		**320,11E**	590,642	**198,534**	303,423
- government securities		**732,863**	10,663	**342,884**	-
- term deposit receipts		-	54,469	-	46,367
- certificates of investment		-	38,287	-	32,465
Net loss on sale of investments		**(27,424)**	(72)	**(23,933)**	-
Total income		**1,135,941**	693,989	**591,331**	382,255
EXPENSES					
Remuneration of NBP Fund Management Limited - Management Company		**90,890**	54,611	**48,260**	29,957
Sindh Sales Tax on remuneration of the Management Company		**11,816**	7,100	**6,274**	3,895
Reimbursement of operational expenses to the Management Company		**13,761**	10,898	**6,680**	5,983
Remuneration of Central Depository Company of Pakistan Limited - Trustee		**9,391**	7,673	**4,575**	4,157
Sindh Sales Tax on remuneration of the Trustee		**1,221**	998	**595**	541
Annual fee to the Securities and Exchange Commission of Pakistan		**10,320**	8,174	**5,009**	4,488
Bank charges		**824**	489	**674**	244
Auditors' remuneration		**413**	379	**207**	185
Legal and professional charges		**17**	18	**8**	10
Fund rating fee		**205**	178	**107**	89
Annual listing fee		**14**	14	**7**	3
Settlement charges		**209**	-	**28**	-
Total expenses		**139,081**	90,532	**72,424**	49,552
Net income from operating activities		**996,860**	603,457	**518,907**	332,703
Net income for the period		**996,860**	603,457	**518,907**	332,703
Provision for Sindh Workers' Welfare Fund		**(19,938)**	(12,069)	**(10,379)**	(6,654)
Net income for the period before taxation		**976,922**	591,388	**508,528**	326,049
Taxation	10.	-	-	-	-
Net income for the period after taxation		**976,922**	591,388	**508,528**	326,049
Allocation of net income for the period:					
Net income for the period after taxation		**976,922**	591,388	**508,528**	326,049
Income already paid on units redeemed		**(342,817)**	(217,275)	**(239,753)**	(177,909)
		634,105	374,113	**268,775**	148,140
Accounting income available for distribution:					
- Relating to capital gain		-	-	-	-
- Excluding capital gain		**634,105**	374,113	**268,775**	148,140
		634,105	374,113	**268,775**	148,140

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Half year ended		Quarter ended	
	December 31, 2018	December 31, 2017	**December 31, 2018**	December 31, 2017
	---------- Rupees in '000 ----------			
Net income for the period after taxation	**976,922**	591,388	**508,528**	326,049
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**976,922**	591,388	**508,528**	326,049

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended December 31,					
	2018			2017		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	**22,493,568**	**698,826**	**23,192,394**	14,730,540	114,918	14,845,458
Issue 2,877,936,003 units (2017: 2,657,175,695 units)						
- Capital value(at net assets value per unit at the beginning of the period including capital distribution)	**28,353,146**	-	**28,353,146**	26,186,435	-	26,186,435
- Element of Income	**341,090**	-	**341,090**	305,402	-	305,402
Total proceeds on issue of units	**28,694,236**	-	**28,694,236**	26,491,837	-	26,491,837
Redemption of 2,930,739,162 units (2017: 2,256,075,406 units)						
- Capital value	**(28,870,803)**	-	**(28,870,803)**	(22,229,148)	-	(22,229,148)
- Element of loss	**(63,361)**	**(342,817)**	**(406,178)**	(158,013)	(217,275)	(375,288)
Total payments on redemption of units	**(28,934,164)**	**(342,817)**	**(29,276,981)**	(22,387,161)	(217,275)	(22,604,436)
Total comprehensive income for the period	-	**976,922**	**976,922**	-	591,388	591,388
Final distribution @ Rs.0.5531 declared on July 04, 2018						
Cash distribution	-	**(600,319)**	**(600,319)**	-	-	-
Refund of capital	**(632,525)**	-	**(632,525)**	-	-	-
	(632,525)	**(600,319)**	**(1,232,844)**	-	-	-
Interim distribution @ Rs.0.3297 declared on December 20, 2018						
Cash distribution	-	**(571,221)**	**(571,221)**	-	(16,961)	(16,961)
Refund of capital	**(275,895)**	-	**(275,895)**	-	-	-
	(275,895)	**(571,221)**	**(847,116)**	-	(16,961)	(16,961)
Net assets at end of the period	**21,345,220**	**161,391**	**21,506,611**	18,835,216	472,070	19,307,286
Undistributed income brought forward						
- Realised		**698,826**			114,918	
- Unrealised		-			-	
		698,826			114,918	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		**634,105**			374,113	
		634,105			374,113	
Final Distribution for the year ended June 30, 2018		**(600,319)**			-	
Interim Distribution during the period		**(571,221)**			(16,961)	
Undistributed income carried forward		**161,391**			472,070	
Undistributed income carried forward						
- Realised		**161,391**			472,070	
- Unrealised		-			-	
		161,391			472,070	
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			**10.4050**			9.8585
Net assets value per unit at end of the period			**9.8828**			10.1247

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	Half year ended December 31, 2018	Half year ended December 31, 2017
		Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**976,922**	591,388
Adjustments:			
Return/markup on:			
- government securities		**(732,863)**	-
- letter of placement		**(110,384)**	-
- bank balances		**(320,118)**	(590,642)
Provision for Sindh Workers' Welfare Fund		**19,938**	-
		(166,505)	746
(Increase) / decrease in assets			
Investments		-	(3,765,165)
Deposit and prepayments		**(14)**	2,060
		(14)	(3,763,105)
Increase / (decrease) in liabilities			
Payable to the Management Company		**8,508**	3,522
Payable to the Trustee		**(27)**	520
Payable to the Securities and Exchange Commission of Pakistan		**(6,822)**	(449)
Accrued expenses and other liabilities		**35,609**	(63,575)
		37,268	(59,982)
Mark-up on government securities received		**732,863**	-
Mark-up on letter of placement received		**110,384**	-
Mark-up on bank balances received		**194,350**	497,555
Net cash generated from / (used in) operating activities		**908,346**	(3,324,786)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received on issuance of units		**27,784,287**	26,493,733
Amounts paid on redemption of units		**(29,275,039)**	(22,392,850)
Distributions paid		**(1,171,540)**	(16,961)
Net cash (used in) / generated from financing activities		**(2,662,292)**	4,083,922
Net (decrease) / increase in cash and cash equivalents during the period		**(1,753,946)**	759,136
Cash and cash equivalents at the beginning of the period		**23,350,772**	15,018,825
Cash and cash equivalents at the end of the period	4	**21,596,826**	15,777,961

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 NAFA Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited 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 Securities and Exchange Commission of Pakistan (SECP) on April 14, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

1.2 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 No. 4, Scheme No. 5, Clifton, Karachi.

1.3 The Fund is an open-ended mutual fund categorised as "money market scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

1.4 The investment objective of the Fund is to generate stable income stream for its unit holders while ensuring capital preservation by investing in AA and above rated banks and money market instruments.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and a stability rating of 'AA(f)' to the Fund.

1.6 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
- Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and, therefore, should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2018.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.

2.2 Basis of Measurement

This condensed interim financial information has been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES, RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

The principal accounting policies applied in the preparation of this condensed interim financial information as set out below:

3.1 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are 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.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.5.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information.

3.5 On application of IFRS - 9 'Financial Instruments', there is no material change in the Fund's financial risk management objectives and policies and are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.

3.6 Impact of initial application of IFRS 9 "Financial Instruments"

In current year, the Fund has applied IFRS 9 "Financial Instruments" (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Fund adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to the disclosures for the half year ended December 31, 2018.

IFRS 9 introduced new requirements for:

1) The classification and measurement of financial assets and financial liabilities;
2) Impairment of financial assets; and
3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's condensed financial information are described below except the General Hedge Accounting which does not apply on the Fund. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Fund has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;

- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);

- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite the aforegoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;

- the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and

- the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Fund's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Fund's financial assets as regards their classification and measurement:

- there is no change in the measurement of the Fund's investments in debt instruments that are held for trading; those instruments were and continue to be measured at FVTPL;

Para (d) below tabulates the change in classification of the Fund's financial assets upon application of IFRS 9.

None of the other reclassifications of financial assets have had any impact on the Fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

(b) Impairment of financial assets

The Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Fund's financial liabilities because the Fund does not have any financial liabilities designated as FVTPL.

Please refer to para (d) below for further details regarding the change in classification upon the application of IFRS 9.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Fund had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Fund has elected to designate as at FVTPL at the date of initial application of IFRS 9.

There has been no reclassification in financial assets as a result of transition to IFRS 9.

	Note	(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----------Rupees in '000----------	
4. BANK BALANCES			
Current accounts	4.1	**19,522**	19,044
Savings accounts	4.2, 4.3 & 4.4	**21,577,304**	23,331,728
		21,596,826	23,350,772

4.1 These include bank balances of Rs. 0.165 million and Rs. 19.307 million (June 30, 2018: Rs. 0.165 million and Rs. 18.8 million), maintained with National Bank of Pakistan and Summit Bank Limited (related parties) respectively.

4.2 These savings accounts carry mark-up at rates ranging from 3.75% to 11.35% per annum (June 30, 2018: 2.75% to 7.5%) per annum.

4.3 These include a balance of Rs. 7.316 million (June 30, 2018: Rs. 4.043 million), which is maintained with National Bank of Pakistan, a related party, and carries mark-up at the rate of 6.50% (June 30, 2018: 3.5%) per annum.

4.4 These include a balance of Rs. 0.189 million (June 30, 2018: Rs. 1.62 million), which is maintained with Askari Bank Limited, a related party, and carries mark-up at the rate of 6.50% (June 30, 2018: 3.5%) per annum.

		Note	(Un-audited) December 31, 2018	(Audited) June 30, 2018
5.	INVESTMENTS		----------Rupees in '000----------	
	Financial assets at fair value through profit or loss			
	Government securities - Market Treasury Bills	5.1	-	-
			-	-

5.1 Investment in government securities - Market Treasury bills

Issue date	Tenor	Face value: As at July 01, 2018	Face value: Purchases during the period	Face value: Sales / matured during the period	As at December 31, 2018	Market value as at December 31, 2018	Market value as a percentage of net assets	Market value as a percentage of total investments
		----------Rupees in '000----------					---------- % ----------	
July 19, 2018	3 Months	-	40,887,500	40,887,500	-	-	-	-
August 2, 2018	3 Months	-	2,500,000	2,500,000	-	-	-	-
October 11, 2018	3 Months	-	35,086,000	35,086,000	-	-	-	-
		-	78,473,500	78,473,500	-	-	-	-

Carrying value before mark to market as December 31, 2018	-

6.	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Remuneration of the Management Company	**17,608**	11,953
	Sindh Sales Tax on remuneration of the Management Company	**2,289**	1,554
	Operational expenses	**13,761**	11,958
	Sales load	**962**	683
	Sindh Sales Tax and Federal Excise Duty on sales load	**401**	365
		35,021	26,513
7.	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED -TRUSTEE		
	Remuneration of the Trustee	**1,495**	1,519
	Sindh Sales Tax on remuneration of the Trustee	**194**	197
		1,689	1,716
8.	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	**472**	596
	Federal Excise Duty on remuneration of the Management Company 8.1	**44,146**	44,146
	Provision for Sindh Workers' Welfare Fund 8.2	**50,573**	30,635
	Withholding tax	**68,617**	-
	Capital gains tax	**13,081**	45,774
	Legal and professional charges	**17**	32
	Bank charges	**71**	33
	Printing charges	**76**	101
	Fund rating fee payable	-	187
	Others	**2,058**	2,060
		179,111	123,564

8.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is same as that disclosed in notes 13.1 and 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order by Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 44.146 million. Had the provision not been retained, the NAV per unit as at December 31, 2018 would have been higher by Rs. 0.0203 per unit (June 30, 2018: Rs. 0.0198 per unit).

8.2 The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 17 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 50.573 million for the half year ended December 31, 2018 in this condensed interim financial information. Had the provision not being made, the net asset value per unit as at December 31, 2018 would have been higher by Rs.0.0232 per unit (June 2018: Rs. 0.0137 per unit) .

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2018 and June 30, 2018.

10. TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90% of the Fund's accounting income for the year ending June 30, 2019 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

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

11. TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the period divided by average net assets value for the period) is 1.15% per annum including 0.31% representing government levies on collective investment scheme such as sales tax, Sindh Worker's Welfare Fund and SECP fee for the period.

12. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

12.1 Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post employment benefit funds of the Management Company its parent and sponsor. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other Collective Investment Schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

12.2 The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

12.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

12.4 Remuneration of the Trustee is determined in accordance with the rates agreed between the Management Company and the Trustee.

12.5 **Details of transactions with connected persons and related parties are as follows:**

	(Un-audited) Half year ended	
	December 31, 2018	December 31, 2017
	Rupees in '000	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	**90,890**	54,611
Sindh Sales Tax on remuneration of the Management Company	**11,816**	7,100
Reimbursement of operational expenses to the Management Company	**13,761**	10,898
Re-investment of dividend 74,572 units (2017: Nil)	**735**	-
Units issued / transferred in 38,348,663 units (2017: 6,945,769 units)	**372,279**	70,083
Units redeemed / transferred out 45,756,491 units (2017: Nil)	**457,278**	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	**9,391**	7,673
Sindh Sales Tax on remuneration of the Trustee	**1,221**	998
Employees of the Management Company		
Re-investment of dividend 146,683 units (2017: 2,070 units)	**1,446**	21
Units issued / transferred in 1,594,692 units (2017: 2,310,672 units)	**14,681**	23,085
Units redeemed / transferred out 3,398,996 units (2017: 2,085,308 units)	**33,999**	20,815
National Bank of Pakistan (Parent of the Management Company)		
Mark-up on bank balances	**50**	56
Askari Bank Limited (Common Directorship with the Management Company)		
Bank profit - Savings account	**36**	128
***Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS)**		
Re-investment of dividend Nil (2017: 137,403 units)	-	1,369
Gross cash dividend	-	1,826
Dr. Amjad Waheed (Chief Executive Officer of the Management Company)		
Re-investment of dividend 1,918 units (2017: Nil)	**19**	-
Units issued / trasferred In 1,340 units (2017: 199,698 units)	**4**	2,000
Units redeemed / transferred out 57,200 units (2017: Nil)	**576**	-
Humayun Bashir (Director of Management Company)		
Re-investment of dividend 19,631 units (2017: Nil)	**193**	-
Units issued / transferred in 3,533,743 units (2017: 135 units)	**35,000**	1
Units redeemed / transferred out 2,195,610 units (2017: 408,834 units)	**22,000**	4,054

	(Un-audited) Half year ended	
	December 31, 2018	December 31, 2017
	Rupees in '000	
Muhammad Murtaza Ali (Company Secretary of the Management Company)		
Re-investment of dividend 13 units (2017: Nil)	-	-
Units issued / transferred in 121,585 units (2017: 102,419 units)	**1,214**	1,026
Units redeemed / transferred out 120,854 units (2017: 71,973 units)	**1,220**	726
NAFA Employee Provident Fund (Provident Fund of the Management Company)		
Re-investment of dividend Nil (2017: 550 units)	-	5
Units issued / transferred in 105,970 units (2017: 820,198 units)	**967**	8,175
Units redeemed / transferred out 900,290 units (2017: 400,879 units)	**9,166**	4,007
Byco Petroleum Pakistan Limited - Employee Provident Fund (Portfolio managed by the Management Company)		
Units issued / transferred in Nil (2017: 1,095 units)	-	11
Units redeemed / transferred out Nil (2017: 1,994,738 units)	-	19,968
Service Provident Fund Trust		
Re-investment of dividend 11,812 units (2017: Nil)	**116**	-
Units issued / transferred in 3,944,564 units (2017: 11,484,694 units)	**38,280**	116,000
Units redeemed / transferred out 2,343,354 units (2017: 11,484,694 units)	**23,446**	116,052
Management Association of Pakistan (Common Directorship with the Management Company)		
Re-investment of dividend 23,970 units (2017: 241 units)	**236**	2
Units issue / transferrd in 280,251 units (2017: 345,619 units)	**2643**	3,446
Units redeemed / transferred out 154,084 units (2017: 214,392 units)	**1547**	2,141
Telenor Pakistan (Pvt) Ltd Employees Provident Fund (Conventional) (Portfolio managed by the Management Company)		
Re-investment of dividend 8 units (2017: Nil)	-	-
Units issued / transferred in 1,048,206 units (2017: 3,114 units)	**10,286**	31
Units redeemed / transferred out 826,028 units (2017 :Nil)	**8,288**	-
Telenor Pakistan (Pvt) Ltd Employees Provident Fund (Islamic) (Portfolio managed by the Management Company)		
Re-investment of dividend 165 units (2017: Nil)	**2**	-
Units issued / trasferred In 64 units (2017: Nil)	-	-
Pakistan Centre For Philanthrophy (Portfolio managed by the Management Company)		
Units issued / transferred in 6,224 units (2017: 70,000 units)	**63**	700
Units redeemed / transferred out 6,224 units (2017: 14,893 units)	**63**	150
***Pakistan Petroleum Limited (Unit holder of 10% or more of units of the CIS)**		
Units issued / transferred in Nil (2017: 214,748,075 units)	-	2,144,000
Re-investment of dividend Nil (2017: 89,473 units)	-	892
Gross cash dividend	-	1,189

	(Un-audited) Half year ended	
	December 31, 2018	December 31, 2017
	Rupees in '000	
Gul Ahmed Textile Mills Limited Provident Fund (Portfolio managed by the Management Company)		
Units issued / transferred in 611,627 units (2017: 5,551 units)	6,034	55
Units redeemed / transferred out 205,513 units (2017: 2,272,368 units)	2,036	23,000
****Pakistan Mobile Communications Limited (Unit holder of 10% or more of units of the CIS)**		
Re-investment of dividend 7,404,220 units (2017: Nil)	72,973	-
Units issued / transferred in 182,143,565 units (2017: Nil)	1,653,972	-
Units redeemed / transferred out 277,086,804 units (2017 :Nil)	2,797,400	-
****Fauji Fertilizer Company Limited (Unit holder of 10% or more of units of the CIS)**		
Re-investment of dividend 3,801,001 units (2017: Nil)	37,457	-
Units issued / transferred in 817,059,053 units (2017: Nil)	8,065,000	-
Units redeemed / transferred out 351,668,152 units (2017 :Nil)	3,522,188	-
****Pakistan Mobile Communications Limited-Provident Fund - Related Party**		
Re-investment of dividend 3,118 units (2017 : Nil)	31	-
Units issued / transferred in 164,629 units (2017: Nil)	1,542	-
Units redeemed / transferred out 335,455 units (2017: Nil)	3,332	-
****Akhuwat - Related Party**		
Re-investment of dividend 219 units (2017: Nil)	2	-
Units issued / trasferred in 17,517 units (2017: Nil)	173	-
****Telenor Employees Gratuity Fund - Related Party**		
Units issued / transferredi in145,490 units (2017: Nil)	1,439	-
Units redeemed / transferred out 145,490 units (2017: Nil)	1,444	-
****IGI Life Insurance Limited - Related Party**		
Units issued / transferred In 1,237,900 units (2017:Nil)	12,184	-
Units redeemed / transferred out 857,647 units (2017:Nil)	8,684	-
****Service Sales Corporation.Provident Fund Trust - Related Party**		
Units issued / transferred In 696,116 units (2017: Nil)	7,000	-
Units redeemed / ransferred out 696,116 units (2017 :Nil)	7,054	-
****Badruddin Fakhri - Related Party**		
Units issued / transferred in 206 units (2017: Nil)	2	-
Units redeemed / transferred out 102 units (2017 : Nil)	1	-
****Reliance Enterprises - Related Party**		
Re-investment of dividend 7,915 units (2017 : Nil)	78	-
Units issued / transferred in 55,155 units (2017: Nil)	-	-
Units redeemed / transferred out 990,138 units (2017 : Nil)	10,000	-

	(Un-audited) Half year ended	
	December 31, 2018	December 31, 2017
	Rupees in '000	
****Kashif Riaz - Related Party**		
Re-investment of dividend 3 units (2017 : Nil)	-	-
Units issued / transferred in 480,889 units (2017 : Nil)	**4,782**	-
Units redeemed / transferred out 365,000 units (2017 :Nil)	**3,651**	-
****Shabnam Jabbar - Related Party**		
Re-investment of dividend 8 units (2017: Nil)	-	-
Units issued / transferred in 600,769 units (2017 :Nil)	**6,008**	-
Units redeemed / transferred out 295,488 units (2017 : Nil)	**3,009**	-

*Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

** Prior period balances with these parties have not been disclosed as they were not connected persons and related parties during prior periods.

12.6 Amounts outstanding as at period / year end are as follows:	**(Un-audited) December 31, 2018**	(Audited) June 30, 2018
	Rupees in '000	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	**17,608**	11,953
Sindh Sales Tax on remuneration of the Management Company	**2,289**	1,554
Operational expenses	**13,761**	11,958
Sales load	**962**	683
Sindh Sales Tax and FED on sales load	**401**	365
Investment held in the fund: 8,953,675 units (June 30,2018: 16,286,931 units)	**88,487**	169,466
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	**1,495**	1,519
Sindh Sales Tax on remuneration of the Trustee	**194**	197
Security deposit	**100**	100
National Bank of Pakistan (Parent of the Management Company)		
Bank balances		
- in savings account	**7,317**	4,043
- in current account	**166**	165
Accrued markup	**38**	47
Summit Bank Limited (Common directorship with the Management Company)		
Bank balance in current account	**19,307**	18,800
Askari Bank Limited (Common Directorship with the Management Company)		
Bank balance in savings account	**189**	1,623
Accrued markup	**1**	15

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	--------- Rupees in '000 ---------	
Chief Executive Officer		
Investment held in the Fund: Nil (June 30, 2018: 53,942 units)	-	561
Chief Operating Officer and Company Secretary		
Investment held in the Fund: 744 units (June 30, 2018: Nil)	**7**	-
Employees of the Management Company		
Investment held in the Fund: 2,028,625 units (June 30, 2018: 3,542,032 units)	**20,048**	36,855
Humayun Bashir (Director of Management Company)		
Investment held in the Fund: 1,357,674 (June 30, 2018: Nil)	**13,419**	-
NAFA Employee Provident Fund (Provident Fund of the Management Company)		
Investment held in the Fund: Nil (June 30, 2018: 794,320 units)	-	8,265
***Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS)**		
Investment held in the Fund: Nil (June 30, 2018: 299,306,409 units)	-	3,114,283
Management Association of Pakistan (Common Directorship with the Management Company)		
Investment held in the Fund: 605,014 units (June 30, 2018: 454,877 units)	**5,979**	4,733
Service Provident Fund Trust (Portfolio managed by the Management Company)		
Investment held in the Fund : 2,718,856 (June 30, 2018: 1,105,833 units)	**26,870**	11,506
Pakistan Mobile Communications Limited Provident Fund (Portfolio managed by the Management Company)		
Investment held in the Fund: 101,838 units (June 30, 2018: 269,545 units)	**1,006**	2,805
Telenor Pakistan (Pvt.) Ltd Employees Provident Fund(Islamic) (Portfolio managed by the Management Company)		
Investment held in the Fund: 3,343 units (June 30, 2018: 3,114 units)	**33**	32
Telenor Pakistan (Pvt.) Ltd Employees Provident Fund(Conventional) (Portfolio managed by the Management Company)		
Investment held in the Fund: 480,838 units (June 30, 2018: 258,653 units)	**4,752**	2,691
IGI Life Insurance Limited (Portfolio managed by the Management Company)		
Investment held in the Fund: 536,295 units (June 30, 2018: 156,042 units)	**5,300**	1,624
Reliance Enterprises (COO Holding more than 10% in RE)		
Investment held in the Fund: 134,325 units (June 30, 2018: 1,061,394 units)	**1,328**	11,044
Gul Ahmed Textile Mills Limited Provident Fund (Portfolio managed by the Management Company)		
Investment held in the Fund: 406,113 units (June 30, 2018: Nil)	**4,014**	-

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	--------- Rupees in '000 ---------	
***Interloop Limited (Unit holder of 10% or more of units of the CIS)**		
Investment held in the Fund: Nil (June 30, 2018: 290,360,046 units)	-	3,021,196
Pakistan Mobile Communications Limited (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: 231,022,542 units (June 30, 2018: 318,561,562 units)	**2,283,150**	3,314,633
****Fauji Fertilizer Company Limited (Unit holder of 10% or more of units of the CIS)**		
Investment held in the Fund: 469,191,902 units (June 30, 2018: Nil)	**4,636,930**	-
****Akhuwat - Related Party**		
Investment held in the Fund: 17,736 Units (June 30, 2018: Nil)	**175**	-
****Kashif Riaz - Related Party**		
Investment held in the Fund: 115,893 Units (June 30, 2018: Nil)	**1,145**	-
****Shabnam Jabbar - Related Party**		
Investment held in the Fund: 305,289 Units (June 30, 2018: Nil)	**3,017**	-

* Current balances with these parties have not been disclosed as they did not remain connected persons and realted parties as at period end.

** Prior period balances with these parties have not been disclosed as they were not connected persons and related parties during prior periods.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : 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 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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.

The Fund has not disclosed the fair values for financial assets and financial liabilities, as these are either short term in nature or repriced frequently. Therefore, their carrying amounts are reasonable approximation of fair value.

14. GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

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

14.3 This condensed interim financial information are unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended December 31, 2018 in these condensed interim financial information, wherever appearing, have not been reviewed by the auditors.

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 25, 2019 by the Board of Directors of the Management Company.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

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