



NBP FUNDS

Managing Your Savings

AM1

Rated by PACRA

NBP MONEY MARKET FUND



ANNUAL REPORT
JUNE 2019



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.**



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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 Murtaza 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 Shakra-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited	National Bank of Pakistan
Summit Bank Limited	Samba Bank Limited
JS Bank Limited	Zarai Taraqati Bank Limited
Meezan Bank Limited	MCB Islamic Bank Limited
Habib Bank Limited	Faysal 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	

NBP MONEY MARKET FUND

(FORMERLY; NAFA MONEY MARKET FUND)



NBP FUNDS
Managing Your Savings

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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Kamal Amir Chinoy
Director



Mr. Humayun Bashir
Director



Mr. Nasir Husain
Director



Mr. Ali Saigol
Director



Mr. Shehryar Faruque
Director



Mr. Imran Zaffar
Director



Mr. Abdul Hadi Palekar
Director

Senior Management



Mr. Sajjad Anwar, CFA
Chief Investment Officer



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Samiuddin Ahmed
Country Head Corporate Marketing



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Innovation & Strategy Officer



Mr. Muhammad Ali, CFA, FRM
Head Of Fixed Income



Mr. Taha Khan Javed, CFA
Head Of Equity



Mr. Hassan Raza, CFA
Head Of Research



Mr. Waheed Abidi
Head Of Internal Audit



Mr. Salman Ahmed, CFA
Head Of Risk Management



Mr. Zaheer Iqbal, ACA, FPFA
Head Of Operations



Mr. Raheel Rehman, ACA
Head Of Compliance



Mr. Shahbaz Umer
Head Of Human Resource

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Eighth Annual Report of **NBP Money Market Fund (Formerly; NAFA Money Market Fund) (NMMF)** for the year ended June 30, 2019.

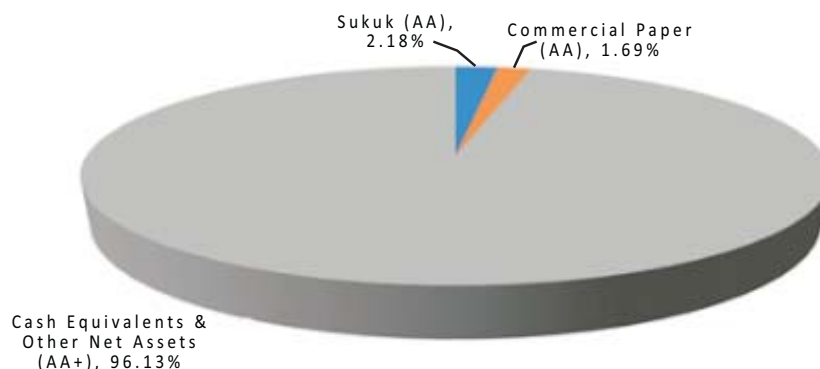
Fund's Performance

The size of NAFA Money Market Fund has decreased from Rs. 23,192 million to Rs. 20,599 million during the period, i.e. a decrease of 11%. During the period, the unit price of the Fund has increased from Rs. 9.0528 (Ex-Div) on June 30, 2018 to Rs. 9.8687 on June 30, 2019 thus posting a return of 9.0% as compared to its Benchmark return of 8.7% for the same period. The return 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 stringent 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 FY2019, the State Bank of Pakistan (SBP) held six bi-monthly monetary policy reviews. Aiming to curb the surging demand pressures to address the external account woes and addressing the underlying inflationary pressures, the SBP increased the policy rate from 6.50% to 12.25%. Inflation as measured by CPI increased from 5.2% in June 2018 to 8.9% in June 2019 due to upward adjustment in energy and fuel prices, higher imported inflation due to currency devaluation, and unabated government borrowing from the SBP. Inflation is expected to remain on the upward trajectory due to excessive government borrowings, significant increase in perishable food prices, volatility in international oil prices, currency devaluation, trickle down impact of expected upward adjustment in utility tariffs, pass-through of taxes, and second round impact of currency devaluation. The sovereign yields also responded to increase in the policy rate whereby 3-month, 6-month, and 12-month T-Bill yields went up by 597 bps, 595 bps, and 593 bps, respectively.

The Fund has earned a total income of Rs. 2,341.71 million during the year. After deducting total expenses of Rs. 313.18 million, the net income is Rs. 2,028.53 million. The asset allocation of NAFA Money Market Fund as on June 30, 2019 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 8.54% of the opening ex-NAV (8.41% of the par value) for the period ended June 30, 2019.

Taxation

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

Auditors

The present auditors, Messrs Deloitte Yousuf Adil & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2020.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held four meetings during the year. The attendance of all directors is disclosed in the note 24 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 23 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 20 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Management Company, being an un-listed company, does not have any minority interest. As at June 30, 2019, the Board included:

Category	Names
Independent Directors	<ol style="list-style-type: none"> 1. Mr. Kamal Amir Chinoy 2. Mr. Shehryar Faruque 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	<ol style="list-style-type: none"> 1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Nasir Husain 3. Mr. Abdul Hadi Palekar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

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: August 30, 2019
Place: Karachi.

ڈائریکٹرز رپورٹ

این بی پی فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز این بی پی منی مارکیٹ فنڈ (سابقہ: NAFA منی مارکیٹ فنڈ) (NMMF) کی آٹھویں سالانہ رپورٹ برائے سال مختتمہ 30 جون 2019 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

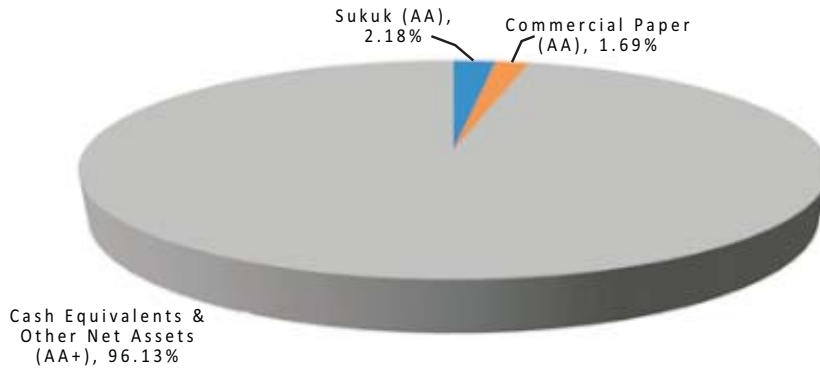
فنڈ کی کارکردگی

NAFA منی مارکیٹ فنڈ کا سائز اس مدت کے دوران 23,192 ملین روپے سے کم ہو کر 20,599 ملین روپے ہو گیا ہے یعنی 11% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2018 کو 9.0528 روپے (EX-Div) سے بڑھ کر 30 جون 2019 کو 9.8687 روپے ہو چکی ہے، لہذا فنڈ نے اسی مدت میں 8.7% نیچ مارک منافع کے مقابلے میں 9.0% منافع دیا۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NMMF کو PACRA کی طرف سے AA(f) کیا مستحکم 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 سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نئی تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

مالی سال 2019 کے دوران، بینک دولت پاکستان (SBP) نے دو ماہ کے وقفے سے چھ ماہیٹری پالیسی جائزوں کا انعقاد کیا۔ بیرونی اکاؤنٹ کی مشکلات اور درپیش افراط زر کے دباؤ کو دور کرنے کے رجحان SBP نے پالیسی کی شرح 6.50% سے 12.25% تک بڑھادی۔ بجلی اور ایندھن کی قیمتوں میں اضافہ، کرنسی کی قدر میں کمی، یوٹی لیبیٹیز کے نرخوں میں متوقع اضافی ایڈجسٹمنٹ، ٹیکسوں کا بڑھنا اور کرنسی کی قدر میں کمی کے دوسرے دور جیسے اثرات کی وجہ سے افراط زر میں اضافہ متوقع ہے۔ گورنمنٹ بونڈ کے منافع بھی پالیسی کی شرح میں اضافے کے جواب میں بالترتیب 3 ماہ، 6 ماہ اور 12 ماہ کے 593bps اور 595bps اور 597T-Bills تک بڑھ گئے۔

فنڈ نے اس مدت کے دوران 2,341.71 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 313.18 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 2,028.53 ملین روپے رہی۔



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2019 کو ختم ہونے والی مدت کے لئے اوپننگ NAV کا 8.54% (بنیادی قدر کا 8.41%) نقد ڈیویڈنڈ کی منظوری دی ہے۔

ٹیکسیشن

درج بالا نقد منافع سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین منہا کرنے کے بعد 90% ہے، اس لئے فنڈ پر انکم ٹیکس آرڈیننس 2001 کے سیکشن 107 کے تحت ٹیکس لگائے گئے ہیں۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز Deloitte یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر انہوں نے خود کو 30 جون 2020 کو ختم ہونے والے سال میں دوبارہ تقرر کے لئے پیش کیا ہے۔

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی بیرونی میں ڈائریکٹرز اسٹیٹمنٹ

- 1 مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، یکیش فلوا اور پونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- 2 فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 3 مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل بیرونی کی گئی ہے۔ شہریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی بیرونی کی گئی ہے۔
- 5 انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 6 فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 7 کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- 8 پرفارمنس ٹیمپل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 24 میں کی گئی ہے۔
- 11 پونٹ ہولڈنگ کا تفصیلی بیٹرن مالیاتی گوشواروں کے نوٹ 23 میں ظاہر کیا گیا ہے۔
- 12 ڈائریکٹرز، سی ای او، سی ایف او، کمپنی بیکٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 20 میں ظاہر کی گئی ہے۔
- 13 مینجمنٹ کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ مینجمنٹ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2019 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

نام	کیٹگری
•1 جناب کمال عامر چنائے	غیر جانبدار ڈائریکٹرز
•2 جناب شہر یار فاروق	
•3 جناب ہمایوں بشیر	
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
•1 شیخ محمد عبدالواحد سیٹھی (چیئر مین)	نان ایگزیکٹو ڈائریکٹرز
•2 جناب ناصر حسین	
•3 جناب عبدالہادی پالیکر	
•4 جناب علی سیگل	
•5 جناب عمران ظفر	



اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ بینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 30 اگست 2019

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Money Market Fund (formerly 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 during the year ended June 30, 2019 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, September 26, 2019

FUND MANAGER REPORT

NBP Money Market Fund (Formerly; NAFA Money Market Fund)

NBP Money Market Fund (Formerly; NAFA Money Market Fund) (NMMF) is an Open-End Money Market Scheme.

Investment Objective of the Fund

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

Benchmark

70% 3-Month PKRV & 30% average 3-Month deposit rates of three AA rated banks as selected by MUFAP.

Fund Performance Review

This is the Eighth Annual report since the launch of the Fund on February 23, 2012. The Fund size decreased by 11% during FY19 and stands at Rs. 20,599 million as on June 30, 2019. The Fund's return since its inception is 7.8% p.a versus the benchmark return of 6.4% p.a. This translates into an outperformance of 1.4% p.a. The Fund posted 9.0% return during FY19 versus the benchmark return of 8.7%, thus registering an outperformance of 0.3%. This outperformance is net of management fee and all other expenses. Thus the Fund has achieved its investment objectives.

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 stringent 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 FY2019, the State Bank of Pakistan (SBP) held six bi-monthly monetary policy reviews. Aiming to curb the surging demand pressures to address the external account woes and addressing the underlying inflationary pressures, the SBP increased the policy rate from 6.50% to 12.25%. Inflation as measured by CPI increased from 5.2% in June 2018 to 8.9% in June 2019 due to upward adjustment in energy and fuel prices, higher imported inflation due to currency devaluation, and unabated government borrowing from the SBP. Inflation is expected to remain on the upward trajectory due to excessive government borrowings, significant increase in perishable food prices, volatility in international oil prices, currency devaluation, trickle down impact of expected upward adjustment in utility tariffs, pass-through of taxes, and second round impact of currency devaluation. The sovereign yields also responded to increase in the policy rate whereby 3-month, 6-month, and 12-month T-Bill yields went up by 597 bps, 595 bps, and 593 bps, respectively.

Asset Allocation of Fund (% of NAV)

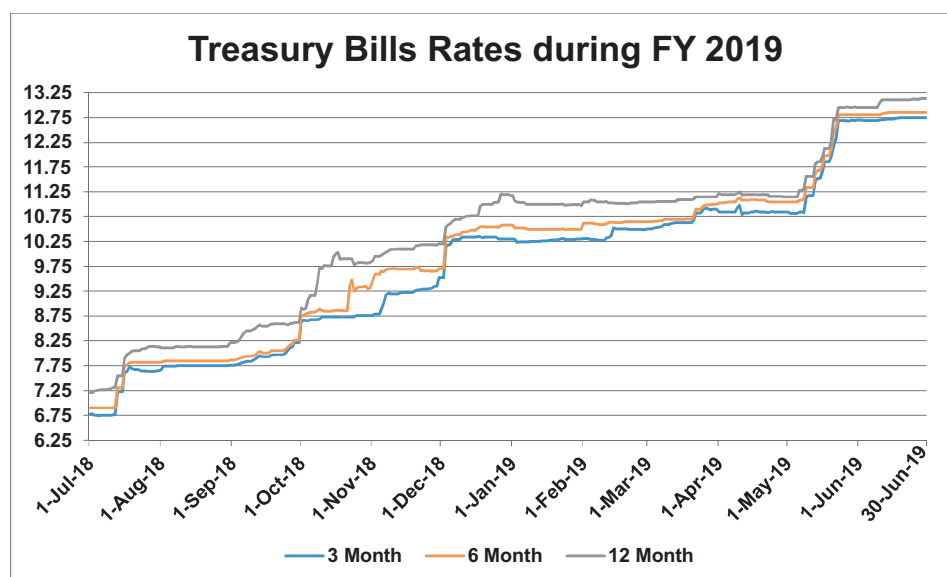
Particulars	30-Jun-19	30-Jun-18
Short Term Sukuks	2.18%	-
Commercial Paper	1.69%	-
Cash, Bank Placements & Other Assets	96.13%	100%
Total	100%	100%

NBP MONEY MARKET FUND

(FORMERLY; NAFA MONEY MARKET FUND)



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



Distribution for the Financial Year 2019

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Dec-18	3.297%	10.1816	9.8519
Jan-19	1.047%	9.9566	9.8519
Feb-19	0.740%	9.9259	9.8519
Mar-19	0.778%	9.9297	9.8519
Apr-19	0.757%	9.9276	9.8519
May-19	0.961%	9.9480	9.8519
Jun-19	0.830%	9.9349	9.8519

Unit Holding Pattern of NBP Money Market Fund (Formerly; NAFA Money Market Fund) as on June 30, 2019:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	1,538
1001-5000	257
5001-10000	96
10001-50000	245
50001-100000	147
100001-500000	280
500001-1000000	52
1000001-5000000	78
5000001-10000000	24
10000001-100000000	30
100000001-1000000000	4
Total	2,751

NBP MONEY MARKET FUND (FORMERLY; NAFA MONEY MARKET FUND)



NBP FUNDS
Managing Your Savings

During the period under question:

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

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 72.033 Million. If the same were not made the NAV per unit/FY19 return of scheme would be higher by Rs. 0.0345 / 0.38%. For details investors are advised to read note 16 of the Financial Statement of the Scheme for the year ended June 30, 2019.

INDEPENDENT AUDITOR'S REPORT

To the unit holders of NBP Money Market Fund (Formerly NAFA Money Market Fund)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NBP Money Market Fund (formerly NAFA Money Market Fund) (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and Management Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Valuation and existence of investment</p> <p>Investments held at fair value through profit or loss are disclosed in note 5 to the financial statements.</p> <p>The Fund's primary activity is, inter alia, to invest in government securities (treasury bills), sukuks and commercial papers which is the main driver of the Fund's performance.</p> <p>Considering the above factors, the valuation and existence are significant areas during our audit due to which we have considered this as a key audit matter.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> ● obtained understanding of relevant controls placed by the Management Company applicable to the balance; ● independently verified existence of investments from the Central Depository Company (CDC), and bank account statements; ● performed test of details on sale, purchase and maturity of investments on a sample basis; ● tested valuation of investments; and ● any differences identified during our testing that were over our acceptable threshold were investigated further.

Information other than the financial statements and auditor's report thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management Company and Those Charged with Governance for the financial statements

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

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance of Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance of Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Naresh Kumar.

Deloitte Yousuf Adil
Chartered Accountants

Date: September 29, 2019
Place: Karachi

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019 ----- Rupees in '000 -----	2018
ASSETS			
Bank balances	4	19,789,023	23,350,772
Investments	5	797,633	-
Mark-up accrued	6	215,717	10,717
Deposits and prepayments	7	315	100
Total assets		20,802,688	23,361,589
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	8	35,699	26,513
Payable to Central Depository Company of Pakistan Limited - Trustee	9	1,637	1,716
Payable to Securities and Exchange Commission of Pakistan	10	18,052	17,142
Payable against redemption of units	11	45	260
Accrued expenses and other liabilities	12	148,293	123,564
Total liabilities		203,726	169,195
NET ASSETS		20,598,962	23,192,394
UNIT HOLDERS' FUND (as per statement attachment)		20,598,962	23,192,394
Contingencies and commitments			
	13	----- Number of units -----	
Number of units in issue	14	2,087,303,211	2,228,970,187
		----- Rupees -----	
Net asset value per unit		9.8687	10.4050

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP MONEY MARKET FUND

(FORMERLY; NAFA MONEY MARKET FUND)



INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
----- Rupees in '000 -----			
INCOME			
Return / mark-up on:			
- Bank balances and term deposits		1,451,663	1,029,217
- Government securities		759,722	312,812
- Letter of placement		113,445	45,202
- Commercial paper		30,871	-
- Sukuk income		13,527	-
- Certificate of investment		-	82,542
Net loss on sale of investments		(27,512)	(5,166)
Total income		2,341,716	1,464,607
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company	8.1	184,316	116,472
Sindh Sales Tax on remuneration of the Management Company	8.2	23,961	15,141
Reimbursement of operational expenses to the Management Company	8.3	24,070	22,856
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	16,692	15,964
Sindh Sales Tax on remuneration of the Trustee	9.2	2,170	2,075
Annual fee to Securities and Exchange Commission of Pakistan	10	18,052	17,142
Settlement charges		214	40
Bank charges		1,055	817
Auditors' remuneration	15	729	685
Legal and professional charges		78	35
Fund rating fee		420	365
Annual listing fee		28	28
Printing charges		6	-
Total expenses		271,791	191,620
Net income from operating activities		2,069,925	1,272,987
Provision for Sindh Workers' Welfare Fund	16	(41,399)	(25,460)
Net income for the year before taxation		2,028,526	1,247,527
Taxation	17	-	-
Net income for the year after taxation		2,028,526	1,247,527
Earnings per unit			
Allocation of net income for the year:			
Net income for the year after taxation		2,028,526	1,247,527
Income already paid on units redeemed		(487,900)	(646,658)
		1,540,626	600,869
Accounting income available for distribution:			
- Relating to capital gain		-	-
- Excluding capital gain		1,540,626	600,869
		1,540,626	600,869

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- Rupees in '000 -----	
Net income for the year after taxation	2,028,526	1,247,527
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>2,028,526</u></u>	<u><u>1,247,527</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP MONEY MARKET FUND

(FORMERLY; NAFA MONEY MARKET FUND)



STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the year	22,493,568	698,826	23,192,394	14,730,540	114,918	14,845,458
Issuance of units 6,395,628,543 (2018: 5,046,942,093* units)						
- Capital value	63,009,093	-	63,009,093	49,728,502	-	49,728,502
- Element of income	511,482	-	511,482	1,296,517	-	1,296,517
Total proceeds on issuance of units	63,520,575	-	63,520,575	51,025,019	-	51,025,019
Redemption of 6,537,295,519 units (2018: 4,323,818,347 units)						
- Capital value	(64,404,782)	-	(64,404,782)	(42,598,820)	-	(42,598,820)
- Element of loss	(74,118)	(487,900)	(562,018)	(663,171)	(646,658)	(1,309,829)
Total payments on redemption of units	(64,478,900)	(487,900)	(64,966,800)	(43,261,991)	(646,658)	(43,908,649)
Total comprehensive income for the year	-	2,028,526	2,028,526	-	1,247,527	1,247,527
Final distribution @ Re. 0.5531 per unit 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 @ Re. 0.3297 per unit declared on December 21, 2018						
- Cash distribution	-	(571,218)	(571,218)	-	-	-
- Refund of capital	(275,895)	-	(275,895)	-	-	-
Interim distribution @ Re. 0.1047 per unit declared on January 29, 2019						
- Cash distribution	-	(169,857)	(169,857)	-	-	-
- Refund of capital	(50,031)	-	(50,031)	-	-	-
Interim distribution @ Re. 0.0740 per unit declared on February 27, 2019						
- Cash distribution	-	(138,455)	(138,455)	-	-	-
- Refund of capital	(11,631)	-	(11,631)	-	-	-
Interim distribution @ Re. 0.0778 per unit declared on March 29, 2019						
- Cash distribution	-	(125,253)	(125,253)	-	-	-
- Refund of capital	(9,257)	-	(9,257)	-	-	-
Interim distribution @ Re. 0.0757 per unit declared on April 26, 2019						
- Cash distribution	-	(109,678)	(109,678)	-	-	-
- Refund of capital	(16,871)	-	(16,871)	-	-	-
Interim distribution @ Re. 0.0961 per unit declared on May 30, 2019						
- Cash distribution	-	(188,160)	(188,160)	-	-	-
- Refund of capital	(53,605)	-	(53,605)	-	-	-
Interim distribution @ Re. 0.0830 per unit declared on June 26, 2019						
- Cash distribution	-	(203,528)	(203,528)	-	-	-
- Refund of capital	(19,450)	-	(19,450)	-	-	-
	(436,740)	(1,506,149)	(1,942,889)	-	-	-
Total distribution during the year	(1,069,265)	(2,106,468)	(3,175,733)	-	(16,961)	(16,961)
Net assets at end of the year	20,465,978	132,984	20,598,962	22,493,568	698,826	23,192,394
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	1,540,626		1,540,626	600,869		600,869
Final Distribution	(600,319)		(600,319)	(16,961)		(16,961)
Distribution during the year	(1,506,149)		(1,506,149)	-		-
	(2,106,468)		(2,106,468)	(16,961)		(16,961)
Undistributed income carried forward		132,984			698,826	
Undistributed income carried forward						
- Realised		132,981			698,826	
- Unrealised		-			-	
		132,981			698,826	
Net assets value per unit at beginning of the year			10.4050			9.8585
Net assets value per unit at end of the year			9.8687			10.4050

The annexed notes from 1 to 30 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP MONEY MARKET FUND

(FORMERLY; NAFA MONEY MARKET FUND)



CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	2,028,526	1,247,527
Adjustments:		
Return / mark-up on;		
- bank balances and term deposits	(1,451,663)	(1,029,217)
- government securities	(759,722)	(312,812)
- letter of placement	(113,445)	(45,202)
- Commercial Paper	(30,871)	-
- Certificate of investment	-	(82,542)
- Sukuk Income	(13,527)	-
Net loss on sale of investments	27,512	5,166
Provision for Sindh Workers' Welfare Fund	41,399	25,460
	<u>(2,300,317)</u>	<u>(1,439,147)</u>
	(271,791)	(191,620)
(Increase) / decrease in assets		
Investments - net	(825,145)	(5,166)
Deposits and prepayments	(215)	178
	(825,360)	(4,988)
Increase / (decrease) in liabilities		
Payable to the Management Company	9,186	7,203
Payable to the Trustee	(79)	679
Payable to Securities and Exchange Commission of Pakistan	910	8,519
Accrued expenses and other liabilities	(16,670)	(45,488)
	(6,653)	(29,087)
Mark-up on bank balances and term deposits received	1,247,179	1,020,216
Mark-up on letter of placement received	113,445	45,202
Mark-up on government securities received	759,722	312,812
Markup on commercial paper received	30,871	-
Markup on sukuk received	13,011	-
Mark-up on certificate of investment received	-	82,542
	<u>2,164,228</u>	<u>1,460,772</u>
Net cash generated from operating activities	1,060,424	1,235,077
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units	62,451,310	51,026,915
Amounts paid on redemption of units	(64,967,015)	(43,913,084)
Distribution	(2,106,468)	(16,961)
Net cash (used in) / generated from financing activities	(4,622,173)	7,096,870
Net (decrease) / increase in cash and cash equivalents during the year	(3,561,749)	8,331,947
Cash and cash equivalents at the beginning of the year	23,350,772	15,018,825
Cash and cash equivalents at the end of the year	4 <u>19,789,023</u>	<u>23,350,772</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

**For NBP Fund Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Money Market Fund (Formerly 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).

During the year on May 30, 2019, the name of the Fund was changed from NAFA Money Market Fund to NBP Money Market Fund. The change of name was made effective vide Fund's Ninth Supplemental Offering Document which was approved by SECP vide its letter no. SCD/AMCW/NAFA/430/2019 dated May 30, 2019.

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.

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.

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.

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.

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 Standards) 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 Standards, 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.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

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

2.4 Adoption of new standards, amendments and interpretations to the published approved accounting standards:

2.4.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures, except for the impact of IFRS 9 (refer note 3.2).

Effective from accounting periods beginning on or after:

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	January 01, 2018
IFRS 9 'Financial Instruments' - This standard has superseded IAS 39 Financial Instruments: Recognition and Measurement upon its effective date (refer note 3.2).	July 01, 2018
IFRS 15 'Revenue' - This standard has superseded IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018

Certain annual improvements have also been made to a number of IFRSs, which are not relevant to the Fund.

2.4.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Effective from accounting periods beginning on or after:

Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019

Effective from accounting periods beginning on or after:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying Fund's accounting policies. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

In the process of applying Fund's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- (a) classification of financial assets (Note 3.2.1)
- (b) impairment of financial assets (Note 3.4)
- (c) provisions (Note 3.11)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied are consistent in preparation of the financial statements with those of the previous year except for the application of IFRS - 9 'Financial Instrument's disclosed in note 3.16.

3.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.2 Adoption of IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective from accounting periods beginning on or after July 1, 2018, and consequently has been adopted by the Fund. 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.

- 1) IFRS 9 introduces new requirements for:
- 2) The classification and measurement of financial assets and financial liabilities, Impairment of financial assets, and
- 3) General hedge accounting.

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

3.2.1 Classification and measurement

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the profit or loss.

Business Model Assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

Classification and measurement of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes 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. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Impairment of financial assets

The SECP has, through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017, deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements

Impact of change in accounting policies due to adoption of IFRS 9

Financial assets and financial liabilities	Original classification as per old framework	New classification as per IFRS 9	Original carrying value as per old framework Rupees in '000	New carrying as per IFRS 9 Rupees in '000
--	--	----------------------------------	--	--

Financial assets

Bank balances	LR	AC	23,350,772	23,350,772
Investments	HFT	FVTPL	-	-
Mark-up	LR	AC	10,717	10,717
Deposits and other receivables	LR	AC	100	100

Financial liabilities

Payable to the Management Company	OFL	AC	26,513	26,513
Payable to the Trustee	OFL	AC	1,716	1,716
Payable against redemption of units	OFL	AC	260	260
Accrued expenses and other liabilities	OFL	AC	3,009	3,009
Net assets attributable to redeemable units	OFL	AC	23,192,394	23,192,394

"LR" is loans and receivables

"AC" is amortised cost

"HFT" is held for trading

"FVTPL" is fair value through profit or loss

"OFL" is other financial liabilities

3.3 Fair value measurement principles and provision

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP).

In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenor of the securities.

3.4 Impairment of non-financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed through the Income Statement.

3.5 Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

All financial liabilities are initially recognized at fair value and subsequently stated at amortized cost. Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

3.6 Derecognition

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

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3.7 Offsetting of financial assets and financial liabilities

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

3.8 Regular way contracts

Regular purchases and sales of financial assets are recognized on the trade date i.e. the date that the Fund commits to purchase / sell the assets.

3.9 Issuance and redemption of units

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

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

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

An equalisation account called the element of income / (loss) included in prices of units sold less those in units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

On redemption of units, element of income is paid on units redeemed from element of income contributed by unit holders on issue of units (i.e. return of capital) or the element of income is paid from the income earned by the Fund or the element of income is partly paid out of element of income contributed by unit holders (i.e. return of capital) and partly from the income earned by the fund.

3.11 Provisions

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

3.12 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised capital gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss - held for trading' are included in the income statement in the period in which they arise.
- Mark-up / return on government securities, letter of placement, certificate of investment and bank balances are recognised on a time apportionment basis using the effective interest method.

3.13 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 (excluding distribution made by issuance of bonus units).

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.

3.14 Distributions to the unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company

3.15 Earnings per unit

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

3.16 Transition to IFRS 9 Financial Instruments

Accounting policies applied to financial instruments prior to July 01, 2018 which are no longer applicable are as follows:

3.16.1 Classification

The management of the Fund determines appropriate classification of investments at the time of purchase and classifies these investments at fair value through profit or loss, loans and receivables or available-for-sale.

(a) Investments as 'at fair value through profit or loss' - held-for-trading

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

(b) Loans and receivables

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

(c) Available for sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as (i) loans and receivables, (ii) held to maturity investments or (iii) financial assets at fair value through profit and loss.

3.16.2 Initial recognition and measurement

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

3.16.3 Subsequent measurement

a) **Financial assets designated by the management as 'at fair value through profit or loss - held for trading' and 'available for sale'**

1) **Debt securities (other than government securities)**

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012. In the determination of valuation rates, the MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

2) **Government securities**

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

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

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are taken to the 'statement of comprehensive income' until these are derecognized or impaired. At this time, the cumulative gain or loss previously recognized directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

b) **Loans and receivables**

Subsequent to initial recognition, financial assets classified as 'loans and receivables' are carried at amortized cost using the effective interest method. Gains or losses are also recognized in the 'income statement' when financial assets carried at amortized cost are derecognised or impaired, and through the amortization process.

3.16.4 Impairment of financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever, the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the 'income statement'.

a) **Debt securities**

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular no. 33 of 2012 dated October 24, 2012 issued by the SECP. Impairment losses recognized on debt securities can be reversed through the 'income statement'.

As allowed under circular no. 13 of 2009 dated May 4, 2009 issued by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

b) **Loans and receivables**

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the impairment is the difference between the assets carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

	2019	2018
Note	----- Rupees in '000 -----	
4. BANK BALANCES		
Current accounts	4.1 18,569	19,044
Savings accounts	4.2 & 4.3 19,770,454	23,331,728
	<u>19,789,023</u>	<u>23,350,772</u>

4.1 These include bank balances of Rs.0.16 million and Rs. 18.37 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 14% per annum (June 30, 2018: 2.75% to 7.5%) per annum.

4.3 These include a bank balances of Rs. 6.14 million and Rs. 0.52 million (2018: Rs. 4.043 million and Rs. 1.62 million), maintained with National Bank of Pakistan and Askari Bank Limited , related parties, and carrying mark-up at the rate of 10.25% (2018: 3.5%) per annum.

	2019	2018
Note	----- Rupees in '000 -----	
5. INVESTMENTS		
Financial Assets at fair value through profit or loss		
Government securities - Market Treasury Bills	5.1 -	-
Sukuk	5.2 450,000	-
Commercial paper	5.3 347,633	-
	<u>797,633</u>	<u>-</u>

5.1 Investment in government securities

Issue date	Tenor	Face value			As at June 30, 2019	Market value as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2018	Purchases during the period	Sales / matured during the period				
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	-	-	-	
February 14, 2019	3 Months	-	18,529,100	18,529,100	-	-	-	
Total as at June 30, 2019					-	-	-	-
Carrying value before mark to market as at June 30, 2019					-			

5.2 Sukuk and Ijara bonds

Name of the investee company	Number of bonds				Market value as at June 30, 2019	Investment as % of	
	As at 1 July 2018	Purchases during the period	Sales / Matured during the period	As at June 30, 2019		Market value of net assets	Market value of total investments
					(Rupees in '000)	-----	(%) -----
HUB Power Company Limited - Sukuk	-	4,500	-	4,500	450,000	2.18	56.42
		4,500	-	4,500	450,000	2.18	56.42
Carrying value of investments as at June 30, 2019					450,000		

5.3 This represents the purchase of commercial paper from Hub Power Company Limited on April 23, 2019, having face value of Rs. 339.852 million (Carrying Value of Rs. 347,633). This carry profit at the rate of 12.11% and will mature on July 22, 2019.

	Note	2019	2018
		----- Rupees in '000 -----	-----
6. MARK-UP ACCRUED			
Mark-up accrued on bank balances and term deposits		215,201	10,717
Mark-up accrued on Sukuk		516	-
		215,717	10,717
7. DEPOSITS AND PREPAYMENTS			
Security deposit with CDC		100	100
Prepayments		215	-
		315	100
8. PAYBLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration of the Management Company	8.1	21,069	11,953
Sindh Sales Tax on remuneration of the Management Company	8.2	2,739	1,554
Operational expenses	8.3	10,310	11,958
Sales load		1,155	683
Sindh Sales Tax and Federal Excise Duty on sales load		426	365
		35,699	26,513

NBP MONEY MARKET FUND

(FORMERLY; NAFA MONEY MARKET FUND)



- 8.1 Under the provisions of the NBFC Regulations, the Management Company of the Fund was entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets provided that Management Company may charge performance based or fixed fee or a combination of both which shall not exceed the limit prescribed in the NBFC Regulations and such fee structure shall be disclosed in the offering document.

On November 25, 2015, SECP made certain amendments in the NBFC Regulations through S.R.O 1160(1)/2015. As per the provision of amended NBFC Regulations, the applicable rate has been changed from 2% to 1%.

The Management Company had charged management remuneration at the rate of 1% per annum until December 6, 2015. Thereafter from December 7, 2015, the Management Company has revised their policy for charging management remuneration as per the table given below:

Management remuneration as % of net income*	Minimum management remuneration (as % of average net asset value)	Maximum management remuneration (as % of average net asset value)
8.00%	0.50%	1.00%

Net income = Gross income - (all expenses of the Fund excluding Management remuneration and related Sales Tax and Federal Excise Duty thereon).

Management remuneration is paid on a monthly basis in arrears.

- 8.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2018: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 8.3 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average annual net assets, being the lower amount, to the Fund.

	Note	2019 ----- Rupees in '000 -----	2018 -----
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE			
Remuneration of the Trustee	9.1	1,449	1,519
Sindh Sales Tax on remuneration of the Trustee	9.2	188	197
		1,637	1,716

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund, based on the net assets of the Fund. The remuneration is payable to the Trustee monthly in arrears.

Tariff structure applicable to the Fund as at June 30, 2019 is as follows:

Net asset value	Tariff per annum
Upto Rs 1,000 million	0.15% per annum of net asset value
On an amount exceeding Rs. 1,000 million	Rs 1.5 million plus 0.075% per annum of net asset value exceeding Rs 1,000 million
On an amount exceeding Rs. 10,000 million	Rs 8.25 million plus 0.06% per annum of net asset value exceeding Rs 10,000 million.

9.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2018: 13%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme categorised as an "money market scheme" is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Fund. The fee is paid annually in arrears.

11. PAYABLE AGAINST REDEMPTION OF UNITS

This includes amounts payable to other collective investment schemes being managed by the Management Company of the Fund. These amounts are payable in respect of units redeemed by various unit holders based on their request for transfer of units from the Fund to the other collective investment schemes.

12. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2019	2018
		----- Rupees in '000 -----	
Auditors' remuneration		598	596
Provision for Sindh Workers' Welfare Fund	16	72,033	30,635
Federal Excise Duty on remuneration of the Management Company	12.1 & 12.2	44,146	44,146
Withholding tax		26,221	-
Capital gain tax		3,075	45,774
Legal and professional charges		33	32
Bank charges		56	33
Printing charges		71	101
Fund rating fee payable		-	187
Others		2,060	2,060
		148,293	123,564

12.1 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company had been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Further, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, being prudent, is carrying provision for FED aggregating to Rs. 44.146 million as at June 30, 2019 (2018: 44.146 million). Had the provision not made, the net asset value per unit as at June 30, 2019 would have been higher by Rs. 0.0211 per unit (June 30, 2018: Rs. 0.0198 per unit).

12.2 The amount of FED accrued on remuneration of the Management Company will be paid by Management Company to the Taxation authority, if required.

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2019 and June 30, 2018.

	2019	2018
	----- Number of units -----	
14. NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	2,228,970,187	1,505,846,441
Add: units issued during the year	6,395,628,543	5,046,942,093
Less: units redeemed during the year	(6,537,295,519)	(4,323,818,347)
Total units in issue at the end of the year	<u>2,087,303,211</u>	<u>2,228,970,187</u>

15. AUDITORS' REMUNERATION

Annual audit fee	400	365
Half yearly review fee	160	136
Out of pocket expenses and others including government levies	169	94
	<u>729</u>	<u>595</u>

16. PROVISION FOR WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

As at June 30, 2019, the provision in relation to SWWF amounted to Rs. 72.033 million (2018: Rs. 30.635 million). Had the provision not being made, the Net Asset Value per unit as at June 30, 2019 would have been higher by Rs. 0.0345 per unit (June 30, 2018: Rs. 0.0137) per unit.

17. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). The Fund has distributed such accounting income for the year ended June 30, 2019 to its unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

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.

18. EARNINGS PER UNIT

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

19. TOTAL EXPENSE RATIO

Total Expense Ratio (all the expenses incurred during the period divided by average net assets value for the year) is 1.30 % per annum including 0.36% representing government levies on collective investment scheme such as sales tax, Sindh Worker's Welfare Fund and Securities and Exchange Commission of Pakistan fee for the year.

20. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

20.1 Connected persons and related parties include NBP Fund Management Limited being the Management Company, CDC 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 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.

20.2 The transactions with connected persons and related parties are carried at agreed rates and terms.

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

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

2019 2018
----- Rupees in '000 -----

20.5 Details of the transactions with connected persons and related parties are as follows:

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	184,316	116,472
Sindh Sales Tax on remuneration of the Management Company	23,961	15,141
Reimbursement of operational expenses to the Management Company	24,070	22,856
Sales load and related Sindh Sales Tax	-	340
Dividend Re-invest units issued 131,189 units (2018: NIL units)	1,293	-
Units issued / transferred in 59,551,172 units (2018: 54,812,660 units)	581,326	561,974
Units redeemed / transferred out 75,488,865 units (2018:38,525,729 units)	752,072	394,566

Central Depository Company of Pakistan Limited (Trustee)

Remuneration	16,692	15,964
Sindh Sales Tax on remuneration	2,170	2,075

National Bank of Pakistan (Parent of the Management Company)

Markup on bank balances	333	119
Purchase of Treasury Bills	10,146,448	-
Sale/Matured of Treasury Bills	1,163,844	-

	2019	2018
	----- Rupees in '000 -----	
Askari Bank Limited (Common Directorship with the Management Company)		
Markup on bank balances	151	214
**National Fullerton Asset Management Employee Provident Fund (Provident Fund of the Management Company)		
Dividend re-invest (2018: 550 units)	-	5
Units issued / transferred in(2018: 826,972 units)	-	8,245
Units redeemed / transferred out (2018: 661,237 units)	-	6,689
**Faruque Private Limited (Common Directorship with the Management Company)		
Units issued / transferred in (2018: 4,657,571 units)	-	47,648
Units redeemed / transferred out (2018: 4,657,571 units)	-	47,846
Reliance Enterprises (COO Holding)		
Dividend re-invest 14,308 (2018:Nil units)	141	-
Units issued / transferred in 55,157 units (2018 : 1,061,394 units)	-	11,000
Units redeemed / transferred out 990,138 (2018: Nil units)	10,000	-
Humayun Bashir (Director of the Management Company)		
Dividend re-invest 27803 units (2018: 135 units)	274	1
Units issued / transferred in 3,533,749 (2018: 11,166,022 units)	35,000	114,148
Units redeemed / transferred out 3,561,551 (2018: 11,574,856 units)	35,553	118,426
Dr Amjad Waheed - CEO		
Dividend Reinvest 1,919 units (2018: Nil units)	19	0
Units redeemed / transferred in 204,470 Units (2018: 199,698 units)	2,006	2,000
Units redeemed / transferred out 57,200 units (2018: 145757 units)	576	1,504
Muhammad Murtaza Ali - Company Secretary / COO		
Units issued / transferred in 121,585 units (2018: 102,420 units)	1,214	1,026
Units redeemed / transferred out 120,854 units (2018: 102420 units)	1,220	1,039
*Kamal Amir Chinoy - Director		
Dividend Reinvest 493 units (2018: Nil units)	5	-
Units Issued / Trasferred In 253,758 units (2018: nil units)	2,500	-
**Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS)		
Units issued / transferred in 49,235,471 units	-	501,369
Units redeemed / transferred out Nil units	-	-

NBP MONEY MARKET FUND

(FORMERLY; NAFA MONEY MARKET FUND)



	2019	2018
	----- Rupees in '000 -----	
*National Clearing Company Of Pakistan Limited		
(Common Directorship with the Management Company)		
Units Issued / Trasferred In (7,629,056)	75,305	-
Units Redeemed / Transferred Out (5,067,942)	50,383	-
Employees of the Management Company		
Dividend re-invest 265,276 units (2018: 2070 units)	2,614	21
Units issued / transferred in 3,640,132 units (2018: 5,222,539 units)	34,850	53,005
Units redeemed / transferred out 4,500,806 units (2018: 4,592,750 units)	44,932	46,574
**Interloop Limited		
(Unit holder of 10% or more units)		
Units issued / transferred in units (2018: 390,554,424 units)	-	4,000,000
Units redeemed / transferred out (2018: 100,194,377 units)	-	1,001,042
**Pakistan Mobile Communications Limited		
(Unit holder of 10% or more units)		
Units issued / transferred in (2018: 418,110,574 units)	-	4,300,000
Units redeemed / transferred out (2018: 99,549,012 units)	-	1,035,250
Management Association of Pakistan		
(Common Directorship with the Management Company)		
Dividend re-invest 23970 units (2018: 241 units)	236	2
Units issued / transferred in 1,989,906 units (2018: 527,671 units)	19,493	5,323
Units redeemed / transferred out 2,468,752 units (2018: 400,585 units)	24,524	4,040
*Fauji Fertilizers Company Limited		
(Holding more than 10% in RE)		
Dividend Re-invested 17,511,790 units (2018: Nil units)	172,572	-
Units Issued Transferred in 1,356,545,167 units (2018: Nil units)	1,342,403	-
Units Redeemed / Transferred Out (986,989,112)	9,803,558	-
CGT Refund 394,897 units	3,917	-
Porfolios managed by the Management Company		
Dividend Re-invested 1,354,507 units (2018: 1095 units)	13,362	11
Units Issued Transferred in 67,240,075 units (2018: 39,601,359 units)	659,634	397,997
Units Redeemed / Transferred Out 60,012,020 units (2018: 47,646,667 units)	594,315	481,980
Purchase of Treasury Bills	1,954,036	-
Sale of Treasury Bills	1,716,721	-

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

* Comparative transactions with these parties have not been disclosed as these parties were not related parties in the year ended June 30, 2018.

	2019	2018
	----- Rupees in '000 -----	
20.6 Balances outstanding as at are as follows		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	21,069	11,953
Sindh Sales Tax on remuneration of the Management Company	2,739	1,554
Operational expenses	10,310	11,958
Sales load	1,155	683
Sindh Sales Tax and Federal Excise Duty on sales load	426	365
Investment held in the Fund: 480,426 units (2018: 16,286,931 units)	4,741	169,466
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,449	1,519
Sindh Sales Tax on remuneration of the Trustee	188	197
Security deposit	100	100
National Bank of Pakistan (Parent of the Management Company)		
Bank balances		
- in savings account	6,148	4,043
- in current account	166	165
Accrued markup	237	47
Summit Bank Limited (Common Directorship with the Management Company)		
Bank balance in current account	18,377	18,800
Askari Bank Limited (Common Directorship with the Management Company)		
Bank balance in savings account	529	1,623
Accrued markup	70	15
Employees of the Management Company		
Investment held in the Fund: 3,090,849 units (2018: 3,542,032 units)	30,503	36,855
NBP Fullerton Asset Management Employee Provident Fund (Provident Fund of the parent of the Management Company)		
Investment held in the Fund: units (2018: 794,320 units)	-	8,265
Dr Amjad Waheed - CEO		
Investment held in the Fund: 203,130 units (2018:53,942 units)	2,005	561.00
Muhammad Murtaza Ali - Company Secretary / COO		
Investment held in the Fund: 779units (2018: 0 units)	8	-
Kamal Amir Chinoy - Director		
Investment held in the Fund: 254,251units (2018: 0 units)	2,509	-

	2019	2018
	----- Rupees in '000 -----	
National Clearing Company Of Pakistan (Common Directorship with the Management Company) Investment held in the Fund: 2,561,115 units (2018: 0 units)	25,275	-
Management Association of Pakistan (Common Directorship with the Management Company) Investment held in the Fund: units (2018: 454,877 units)	-	4,733
Reliance Enterprises (COO Holding more than 10% in RE) Investment held in the Fund: 140,721 units (2018: 1,061,394 units)	1,389	11,044
Interloop Limited (Unit holder of 10% or more of units of CIS) Investment held in the Fund (2018: 290,360,046 units)	-	3,021,196
Pakistan Mobile Communications Limited (Unit holder of 10% or more of units of CIS) Investment held in the Fund (2018: 318,561,562 units)	-	3,314,633
Honda Atlas Cars Pakistan Limited (Unit holder of 10% or more of units of CIS) Investment held in the Fund (2018: 299,306,409 units)	-	3,114,283
Fauji Fertilizer Company Limited (Holding more than 10%) Investment held in the Fund: 387,462,741 units (2018: Nil units)	3,823,754	-
Portfolios Managed By The Management Company Investment held in the Fund: 19,326,448 units (2018: 1,795,205 units)	190,707	18,658

21. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the Investment Committee of the Fund are as follows:

S.No.	Name	Qualification	Experience in years
1	Dr. Amjad Waheed	Doctorate in Business Administration, MBA & CFA	31
2	Mr. Sajjad Anwar	MBA & CFA	19
3	Mr. Hassan Raza	ACCA, BSC, CFA	8
4	Muhammad Ali Bhabha	CFA, FRM, MBA & MS(CS)	24
5	Mr. Taha Khan Javed	MBA and CFA	13

22.1 Mr. Muhammad Ali Bhabha is the manager of the Fund. Other Funds being managed by the Fund manager are as follows:

- NBP Mahana Amdani Fund (Formerly; NAFA Savings Plus Fund)
- NBP Savings Fund (Formerly; NAFA Income Fund)
- NBP Islamic Savings Fund (Formerly; NAFA Islamic Income Fund)
- NBP Islamic Mahana Amdani Fund (Formerly; NBP Aitemaad Mahana Amdani Fund)
- NBP Riba Free Savings Fund (Formerly; NAFA Riba Free Savings Fund)
- NBP Income Opportunity Fund (Formerly; NAFA Income Opportunity Fund)
- NBP Financial Sector Income Fund (Formerly; NAFA Financial Sector Income Fund)
- NBP Government Securities Liquid Fund (Formerly; NAFA Government Securities Liquid Fund)
- NBP Islamic Money Market Fund (Formerly; NAFA Islamic Money Market Fund)
- NBP Active Allocation Riba Free Savings Fund (Formerly; NAFA Active Allocation Riba Free Savings Fund)
- NAFA Government Securities Savings Fund
- NBP Government Securities Fund - I

22. TRANSACTIONS WITH BROKERS / DEALERS

List of brokers by percentage of commission charged during the year ended June 30, 2019

S.No.	Particulars	Percentage
1	Bright Capital (Private) Limited	40.03%
2	Icon securities (Private) Limited	59.97%
		100.00%

List of brokers by percentage of commission charged during the year ended June 30, 2018

S.No.	Particulars	Percentage
1	Bright Capital (Private) Limited	49.44%
2	Icon securities (Private) Limited	38.20%
3	Magenta Capital (Private) Limited	7.64%
4	Next Capital Limited	2.87%
5	Invest Capital Markets Limited	1.85%
		100.00%

23. PATTERN OF UNIT HOLDING

Category	As at June 30, 2019			
	Number of unit holders	Net asset value of the amount invested	Percentage of total investment	
(Rupees in '000)				
Individuals	2499	2,013,156	9.77%	
Associated companies and directors	6	34,530	0.17%	
Insurance companies	4	72,286	0.35%	
NBFCs	1	0	0.00%	
Retirement funds	92	2,480,559	12.04%	
Public limited companies	16	7,395,671	35.90%	
Others	133	8,602,760	41.76%	
		2,751	20,598,962	100%

Category	As at June 30, 2018		
	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
	(Rupees in '000)		
Individuals	1,501	1,478,680	6.37%
Associated Companies and directors	3	178,292	0.77%
Insurance companies	10	178,413	0.77%
Retirement funds	85	2,680,817	11.56%
Public limited companies	7	6,230,982	26.87%
Others	98	12,445,210	53.66%
	1,704	23,192,394	100%

24. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 68th, 69th, 70th and 71th Board meetings were held on September 5, 2018, October 30, 2018, February 25, 2019 and April 26, 2019, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of the Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Mudassir H. Khan *	2	1	1	69th Meeting
Tariq Jamali *	2	-	2	68th and 69th Meeting
Abdul Hadi Palekar	4	3	1	70th Meeting
Foo Chiah Chinug (Dr. Kelvin Foo) *	2	1	1	69th Meeting
Kamal Amir Chinoy	4	3	1	70th Meeting
Shehryar Faruque	4	3	1	68th Meeting
Hamayun Bashir	4	4	-	-
Wajahat Rasul Khan *	2	2	-	-
Dr. Amjad Waheed	4	4	-	-
Mr. Shaikh Muhammad Abdul Wahid Sethi *	2	2	-	-
Mr. Nasir Husain *	2	2	-	-
Mr. Ali Saigol *	2	2	-	-
Mr. Imran Zaffar *	2	2	-	-

24.1 Mr. Shaikh Muhammad Abdul Wahid Sethi, Mr. Nasir Husain, Mr. Ali Saigol and Mr. Imran Zaffar were appointed as directors on Board with effect from December 17, 2018.

24.2 Mr. Foo Chiah Chiung (Dr. Kelvin Foo), Mr. Wajahat Rasul Khan, Mr. Mudassir H. Khan and Mr. Tariq Jamali resigned from the Board with effect from October 17, 2018, however, their resignations were approved by the SECP on January 18, 2019.

* These directors were appointed and retired/resigned during the year, therefore the number of meetings held in respect of these directors is less than the total number of meetings held during the year.

25. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019		
At fair value through profit or loss	At amortized cost	Total
----- Rupees in '000 -----		
Financial Assets		
Bank balances	19,789,023	19,789,023
Investments	797,633	797,633
Mark-up accrued	215,717	215,717
Deposits	100	100
	797,633	20,004,840
	20,004,840	20,802,473

As at June 30, 2019		
At fair value through profit or loss	At amortized cost	Total
----- Rupees in '000 -----		
Financial Liabilities		
Payable to the Management Company	35,699	35,699
Payable to the Trustee	1,637	1,637
Payable against redemption of units	45	45
Accrued expenses and other liabilities	2,818	2,818
Net assets attributable to redeemable units	20,598,962	20,598,962
	20,639,161	20,639,161

As at June 30, 2018		
At fair value through profit or loss	At amortized cost	Total
----- Rupees in '000 -----		
Financial Assets		
Bank balances	23,350,772	23,350,772
Investments	-	-
Mark-up accrued	10,717	10,717
Deposits	100	100
	23,361,589	23,361,589

As at June 30, 2018

	At fair value through profit or loss	At amortized cost	Total
----- Rupees in '000 -----			
Financial Liabilities			
Payable to NBP Fund Management Limited - Management Company	-	26,513	26,513
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,716	1,716
Payable against redemption of units	-	260	260
Accrued expenses and other liabilities	-	3,009	3,009
Net assets attributable to redeemable units	-	23,192,394	23,192,394
	-	<u>23,223,892</u>	<u>23,223,892</u>

26. FINANCIAL RISK MANAGEMENT

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

26.1. Market risk

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

The Management Company manages the market risk by monitoring exposure on marketable securities by following regulations laid down by the Securities and Exchange Commission of Pakistan.

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

26.1.1 Currency risk

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

26.1.2 Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is mainly exposed to interest rate risk on balances held with banks in savings account.

- Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument and is not exposed to cash flow interest rate risk except for balances in certain saving accounts. In case of 100 basis points increase / decrease in KIBOR and bank profit rates with all other variables held constant, the net assets of the Fund would have been higher / lower by approximately Rs. 197.7 million (2018: Rs. 233.31 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

- Sensitivity analysis for fixed rate instruments

Presently, the fund does not hold any fixed rate instrument that has been designated at fair value through profit and loss. Therefore, a change in interest rate as at June 30, 2019, would not have any effect on the income statement.

Interest rate sensitivity position for on balance sheet financial instruments based on the earlier of contractual repricing or maturity date and for off balance sheet instruments based on settlement date is as follows:

As at June 30, 2019

Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments		Rupees in '000				
	%					
Financial assets						
Bank balances	3.75 - 14	19,789,023	19,770,454	-	-	18,569
Investments	12.11 - 13.96	797,633	347,633	450,000	-	-
Mark-up accrued		215,717	-	-	-	215,717
Deposits		100	-	-	-	100
		20,802,473	20,118,087	450,000	-	234,386
Financial liabilities						
Payable to NBP Fund Management Limited - Management Company		35,699	-	-	-	35,699
Payable to Central Depository Company of Pakistan Limited - Trustee		1,637	-	-	-	1,637
Payable against redemption of units		45	-	-	-	45
Accrued expenses and other liabilities		2,818	-	-	-	2,818
Net assets attributable to redeemable units		20,598,962	-	-	-	20,598,962
		20,639,161	-	-	-	20,639,161
On-balance sheet gap		163,312	20,118,087	450,000	-	(20,404,775)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-

As at June 30, 2018

Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
On-balance sheet financial instruments	%	----- Rupees in '000 -----			
Financial assets					
Bank balances	3.75-7.43	23,350,772	23,331,728	-	19,044
Investments	6.25	-	-	-	-
Mark-up accrued		10,717	-	-	10,717
Deposits		100	-	-	100
		<u>23,361,589</u>	<u>23,331,728</u>	<u>-</u>	<u>29,861</u>
Financial liabilities					
Payable to NBP Fund Management Limited - Management Company		26,513	-	-	26,513
Payable to Central Depository Company of Pakistan Limited - Trustee		1,716	-	-	1,716
Payable against redemption of units		260	-	-	260
Accrued expenses and other liabilities		3,009	-	-	3,009
Net assets attributable to redeemable units		23,192,394	-	-	23,192,394
		<u>23,223,892</u>	<u>-</u>	<u>-</u>	<u>23,223,892</u>
On-balance sheet gap		<u>137,697</u>	<u>23,331,728</u>	<u>-</u>	<u>(23,194,031)</u>
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

26.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all instruments traded in the market. Presently, the Fund is not exposed to any price risk.

26.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances, receivable against transfer of units, mark-up accrued and deposits and prepayments. The credit risk of the Fund is limited as the investments are made and balances are maintained with counter parties that have reasonably high credit ratings. The Fund does not expect to incur material credit losses on its financial assets.

The Fund's significant credit risk arises mainly on account of its placement with banks. The credit rating profile of balances with banks is as follow:

NBP MONEY MARKET FUND

(FORMERLY; NAFA MONEY MARKET FUND)



Bank balances by rating category	June 30, 2019	June 30, 2018
AAA	98.39%	77.33%
AA+	1.50%	22.57%
AA	0.00%	0.00%
AA-	0.02%	0.01%
A1+	0.00%	0.00%
A1	0.00%	0.00%
A	0.00%	0.00%
A-	0.00%	0.08%
A+	0.00%	0.00%
Suspended	0.09%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2019 is as follows:

	June 30, 2019		June 30, 2018	
	Amount of financial assets	Maximum exposure	Amount of financial assets	Maximum exposure
	----- Rupees in '000 -----			
Bank balances	19,789,023	19,789,023	23,350,772	23,350,772
Investments	797,633	797,633	-	-
Mark-up accrued	215,717	215,717	10,717	10,717
Deposits	100	100	100	100

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

The Fund's major asset balances (98.29%) are held with two banks. The management believes that these are credit-worthy counterparties."

26.3 Liquidity risk

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

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

For the purpose of making redemptions, the Fund has the ability to borrow in the short term. However, such need did not arise during the year. The maximum amount available to the Fund from the borrowing would be limited to 15% of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. The Fund did not withhold any significant redemptions during the year.

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

----- June 30, 2019 -----				
	Total	Upto three months	Over three months and upto one year	Over one year
-----Rupees in '000-----				
Financial liabilities				
Payable to the Management Company	35,699	35,699	-	-
Payable to the Trustee	1,637	1,637	-	-
Payable against redemption of units	45	45	-	-
Accrued expenses and other liabilities	2,818	2,818	-	-
Net assets attributable to redeemable units	20,598,962	20,598,962	-	-
	20,639,161	20,639,161	-	-

----- June 30, 2018 -----				
	Total	Upto three months	Over three months and upto one year	Over one year
-----Rupees in '000-----				
Financial liabilities				
Payable to the Management Company	26,513	26,513	-	-
Payable to the Trustee	1,716	1,716	-	-
Payable against redemption of units	260	260	-	-
Accrued expenses and other liabilities	3,009	3,009	-	-
Net assets attributable to redeemable units	23,192,394	23,192,394	-	-
	23,223,892	23,223,892	-	-

27. UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restrictions on the issuance and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The fund has historically maintained and complied with the requirement of minimum fund size at all times.

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

In accordance with the risk management policies stated in note 26, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests which would be augmented by disposal of investments where necessary.

28. 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 following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
June 30, 2019								
-----Rupees-----								
Financial assets measured at fair value								
Commercial Paper	5	347,633	-	347,633	-	347,633	-	347,633
Unlisted sukuk certificates	5	450,000	-	450,000	-	450,000	-	450,000
		797,633	-	797,633	-	797,633	-	797,633
Financial assets not measured at fair value								
Bank balances	4	-	19,789,023	19,789,023	-	-	-	-
Accrued interest on bank balances	6	-	215,201	215,201	-	-	-	-
Accrued interest on Sukuk	6	-	516	516	-	-	-	-
Deposits and other receivables	7	-	315	315	-	-	-	-
		-	20,005,055	20,005,055	-	-	-	-
Financial liabilities not measured at fair value								
Payable to the Management Company	8	-	35,699	35,699	-	-	-	-
Remuneration payable to the Trustee	9	-	1,637	1,637	-	-	-	-
Accrued expenses and other liabilities	12	-	148,293	148,293	-	-	-	-
Net assets attributable to redeemable units		-	20,598,962	20,598,962	-	-	-	-
		-	20,784,591	20,784,591	-	-	-	-

NBP MONEY MARKET FUND

(FORMERLY; NAFA MONEY MARKET FUND)



	Carrying amount				Fair value		
	Fair value through income statement - HFT	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Total
June 30, 2018	Note-----Rupees-----						
Financial assets measured at fair value							
Unlisted sukuk certificates	-	-	-	-	-	-	-
Certificate of Investment	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Financial assets not measured at fair value							
Bank balances	4	-	23,350,772	-	23,350,772	-	-
Accrued interest on bank balances		-	10,717	-	10,717	-	-
Deposits and other receivables	8	-	100	-	100	-	-
		-	23,361,589	-	23,361,589	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	8	-	-	26,513	26,513	-	-
Remuneration payable to the Trustee	9	-	-	1,716	1,716	-	-
Accrued expenses and other liabilities	12	-	-	123,564	123,564	-	-
Net assets attributable to redeemable units		-	-	23,192,394	23,192,394	-	-
		-	-	23,344,187	23,344,187	-	-

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

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 30, 2019.

30. GENERAL

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

30.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

PERFORMANCE TABLE

Particulars	For the year ended June	For the year ended June	For the year ended June	For the year ended June	For the year ended June	For the year ended June
	30, 2019	30, 2018	30, 2017	30, 2016	30, 2015	30, 2014
	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')
Net assets at the year / period ended (Rs. '000')	20,598,962	23,192,394	14,845,458	7,109,729	2,958,693	11,911,375
Net Income at the year / period ended (Rs. '000')	2,028,526	1,247,527	208,404	45,907	106,654	921,869
Net Asset Value per unit at the year / period ended (Rs.)	9.8687	10.4050	9.8585	9.8377	10.3953	10.0132
Offer price per unit	9.9244	10.4638	9.9142	9.8996	10.4646	10.0806
Redemption price per unit	9.8687	10.4050	9.8585	9.8346	10.3953	10.0132
Ex - Highest offer price per unit (Rs.)	9.9244	10.4638	10.5062	9.8996	9.8921	10.0139
Ex - Lowest offer price per unit (Rs.)	9.1122	9.9084	9.8985	9.3150	9.0848	9.2576
Ex - Highest redemption price per unit (Rs.)	9.8687	10.4050	9.8985	9.8346	9.8265	10.0132
Ex - Lowest redemption price per unit (Rs.)	9.0578	9.8528	9.2482	9.2500	9.0246	9.2570
Fiscal Year Opening Ex Nav	9.0528	9.8513	9.2513	9.2466	9.0224	9.2537
Total return of the fund	9.01%	5.62%	6.56%	8.30%	8.91%	8.21%
Capital growth	0.47%	0.01%	-0.14%	1.99%	-3.06%	-0.41%
Income distribution as a % of ex nav	8.54%	5.61%	6.70%	6.31%	11.97%	8.61%
Income distribution as a % of par value	8.41%	5.53%	6.20%	5.83%	10.80%	7.97%
Distribution						
Interim distribution per unit	0.7580	0.5531	0.6201	0.5801	0.5087	0.7972
Final distribution per unit	0.0830	-	0.0073	0.0031	0.5711	-
Distribution dates						
Interim	-	-	-	-	-	29-Jul-13
Interim	-	-	-	-	-	28-Aug-13
Interim	-	-	-	-	-	26-Sep-13
Interim	-	-	-	-	-	28-Oct-13
Interim	-	-	-	-	-	27-Nov-13
Interim	-	-	-	-	-	26-Dec-13
Interim	21-Dec-18	-	-	-	-	29-Jan-14
Interim	29-Jan-19	-	-	-	-	28-Feb-14
Interim	27-Feb-19	-	-	-	-	28-Mar-14
Interim	29-Mar-19	-	-	-	-	29-Apr-14
Interim	26-Apr-19	-	-	-	-	28-May-14
Interim	30-May-19	4-Jul-18	19-Jun-17	29-Jun-16	30-Jun-15	26-Jun-14
Final	26-Jun-19	-	15-Sep-17	23-Sep-16	14-Jul-15	-
Average annual return of the Fund (launch date February 23' 2012)						
(Since inception to June 30, 2019)	7.82%					
(Since inception to June 30, 2018)		7.63%				
(Since inception to June 30, 2017)			8.01%			
(Since inception to June 30, 2016)				8.30%		
(Since inception to June 30, 2015)					9.00%	
(Since inception to June 30, 2014)						8.98%
(Since inception to June 30, 2013)						
(Since inception to June 30, 2012)						
Weighted average portfolio duration	2 Days	1 Days	1 Days	1 Days	13 Days	20 Days

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

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Head Office

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

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpffunds.com

Website: www.nbpffunds.com

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