



NBP FUNDS

Managing Your Savings

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Rated by PACRA

NAFA MONEY MARKET FUND

**QUARTERLY
REPORT
SEPTEMBER
30, 2018**



MISSION STATEMENT

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

NAFA MONEY MARKET FUND

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NAFA MONEY MARKET FUND

FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of the Management Company

Mr. Mudassir Husain Khan	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tariq Jamali	Director
Mr. Abdul Hadi Palekar	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Dr. Foo Chiah Shiung (Kelvin Foo)	Director
Mr. Humayun Bashir	Director
Mr. Wajahat Rasul Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Tariq Jamali	Member
Dr. Foo Chiah Shiung (Kelvin Foo)	Member
Mr. Humayun Bashir	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Abdul Hadi Palekar	Member
Mr. Humayun Bashir	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Tariq Jamali	Member
Mr. Shehryar Faruque	Member
Dr. Foo Chiah Shiung (Kelvin Foo)	Member

Trustee

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

Bankers to the Fund

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

NAFA MONEY MARKET FUND

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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-a-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

NAFA MONEY MARKET FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NAFA Money Market Fund (NMMF)** for the quarter ended September 30, 2018.

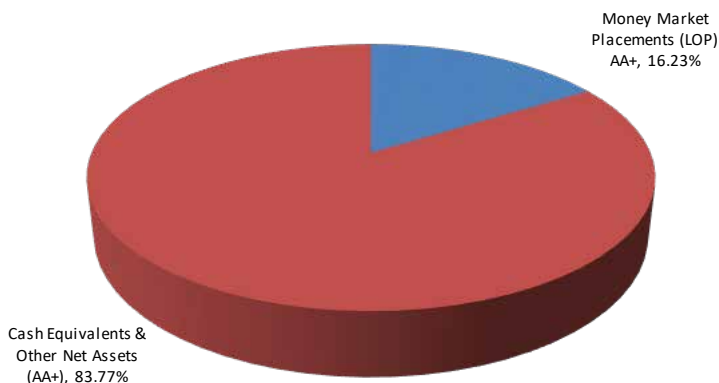
Fund's Performance

The size of NAFA Money Market Fund has increased from Rs. 23,192 million to Rs. 24,098 million during the period, i.e. a growth of around 4%. During the period under review, the unit price of the Fund has increased from Rs. 9.8519 (Ex-Div) on June 30, 2018 to Rs. 10.0179 on September 30, 2018; thus posting a return of 6.7% as compared to its Benchmark return of 6.6%. The performance of the Fund is net of management fee and all other expenses.

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a money market scheme, the Fund has 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 the period under review, the SBP hiked the discount rate by 200 basis points to 9% driven by upside risks to inflation and to rein in demand pressures to address ballooning current account deficit coupled with dwindling FX reserves. Average CPI inflation increased to 5.6% in Jul-Sep FY19 compared to 3.4% during the same period last year owing to increased international oil prices & its pass-through impact, higher regulatory duty on imports, depreciating Pak rupee, and excessive reliance of the government on the banking system for fiscal financing amid shrinking Net Foreign Assets (NFA). Given potential upside risks to inflation and interest rates, investors' preference remained tilted towards short-term government securities as indicated by heavy participation in 3-month T-bills. The sovereign securities responded to the hike in the policy rates, as the yield curve witnessed an upward shift with yield on short-term T-Bills increasing by 136-142 basis points, whereas 3-year, 5-year, and 10-year PIBs yields moved up by 98 basis points, 77 basis points, and 102 basis points, respectively.

The Fund has earned a total income of Rs. 544.61 million during the year. After deducting total expenses of Rs. 76.22 million, the net income is Rs. 468.39 million. The asset allocation of NAFA Money Market Fund as on September 30, 2018 is as follows:



NAFA MONEY MARKET FUND

Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: October 30, 2018
Place: Karachi.

NAFA MONEY MARKET FUND

ڈائریکٹرز رپورٹ

این بی بی فنڈ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NAFA منی مارکیٹ فنڈ (NMMF) کی 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے لیے کنڈینسڈ غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

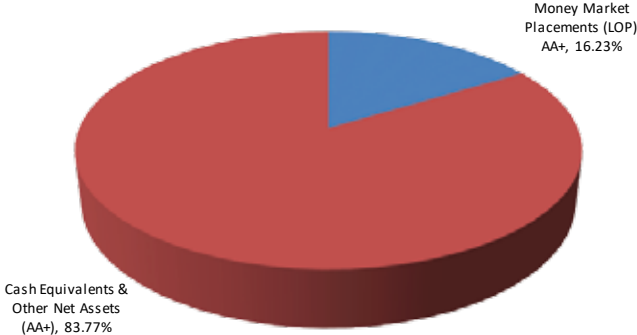
فنڈ کی کارکردگی

NAFA منی مارکیٹ فنڈ (NMMF) کا ساآزاس مدت کے دوران 23,192 ملین روپے سے بڑھ کر 24,098 ملین روپے ہو گیا ہے، یعنی تقریباً 4% کا اضافہ۔ زیر جائزہ مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2018 کو 9.8519 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2018 کو 10.0179 روپے ہو چکی ہے، اور اس طرح فنڈ نے اپنے بیچ مارک منافع 6.6% کے مقابلے میں 6.7% کا اضافہ دکھایا ہے۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد حاصل ہے۔

NMMF کو PACRA کی طرف سے AA(f) کی 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، پیپک 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 پتی قلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی۔

زیر جائزہ مدت کے دوران بڑھتے ہوئے اکاؤنٹ کے خسارے کی روک تھام کے لئے افراط زر میں خدشات کے پیش نظر اور زرمبادلہ کے ذخائر میں کمی کے باعث اسٹیٹ بینک آف پاکستان نے پالیسی کی شرح 200 بیس پوائنٹ اضافے کے ساتھ 9% کر دی۔ جولائی۔ ستمبر مہینے 19 میں اوسط CPI افراط زر میں 5.6% کا اضافہ ہوا جب کہ اس کے مقابلے میں گزشتہ سال اسی مدت میں 3.4% کا اضافہ ہوا تھا اس کی وجہ بین الاقوامی تیل کی قیمتوں میں اضافہ اور اس کے اثرات، درآمدات پر ریگولیٹری ڈیوٹی میں اضافہ، پاکستانی روپے کی قدر میں کمی اور خالص غیر ملکی اثاثہ جات میں کمی کے ساتھ ساتھ مالی فنانسنگ کے لئے حکومت کا بینکنگ کے شعبہ پر بہت زیادہ انحصار کا تھا۔ افراط زر کے خدشات اور شرح سود میں اضافہ کے پیش نظر سرمایہ کاروں نے حکومت کی قلیل المدت سیکورٹیز کو ترجیح دی جس کا انداز 3-month ٹی بلز میں ان کی بھاری تعداد میں شرکت سے ہوتا ہے۔ پالیسی کی شرح میں اضافہ سے بڑی سیکورٹیز پر نمایاں اثر پڑا اور قلیل المدت ٹی بلز کے نتائج میں 142-136 بیس پوائنٹ کا اضافہ ہوا جبکہ 3 سال، 5 سال اور 10 سال کے PIBs میں بالترتیب 98 بیس پوائنٹ، 77 بیس پوائنٹ اور 102 بیس پوائنٹ کا اضافہ ہوا۔

فنڈ نے اس سال کے دوران 544.61 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 76.22 ملین روپے اخراجات منہا کرنے کے بعد خالص آمدنی 468.39 ملین روپے ہے۔ NAFA منی مارکیٹ فنڈ (NMMF) کی الیگیشن 30 ستمبر 2018 کو مطابق ذیل ہے:



NAFA MONEY MARKET FUND

اظہارِ تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجھٹ 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 سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہارِ تشکر کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ منجھٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

30 اکتوبر 2018ء

مقام: کراچی

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2018

	Note	(Un- Audited) September 30' 2018	(Audited) June 30' 2018
----- Rupees in '000 -----			
ASSETS			
Bank balances	4.	20,315,152	23,350,772
Investments	5	3,910,000	-
Mark-up accrued	6	8,754	10,717
Receivable against transfer of units		-	-
Deposits and prepayments		228	100
Total assets		24,234,134	23,361,589
LIABILITIES			
Payable to NBP Fund Management Limited-Management Company		24,790	26,513
Payable to Central Depository Company of Pakistan Limited - Trustee		1,827	1,716
Payable to the Securities and Exchange Commission of Pakistan		5,311	17,142
Payable against redemption of units		14	260
Accrued expenses and other liabilities	7	104,255	123,564
Total liabilities		136,197	169,195
NET ASSETS		24,097,937	23,192,394
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		24,097,937	23,192,394
Contingencies and commitments			
	8.		
-----Number of units-----			
Number of units in issue		2,405,481,662	2,228,970,187
-----Rupees-----			
Net asset value per unit		10.0179	10.4050

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

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

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (Un-audited)

	(Un- Audited) Quarter Ended September 30' 2018	(Un- Audited) Quarter Ended September 30, 2017
	Rupees in '000	
INCOME		
Return / mark-up on:		
- bank balances	121,584	295,321
- government securities	389,979	10,663
- letter of placement	36,538	-
- certificate of investment	-	5,822
Net loss on sale of investments	(3,491)	(72)
Total income	544,610	311,734
EXPENSES		
Remuneration of NBP Fund Management Limited- Management Company	42,630	24,654
Sindh Sales Tax on remuneration of the Management Company	5,542	3,205
Reimbursement of operational expenses to the Management Company	7,081	4,915
Remuneration of Central Depository Company of Pakistan Limited - Trustee	4,816	3,516
Sindh Sales Tax on remuneration of the Trustee	626	457
Annual fee to the Securities and Exchange Commission of Pakistan	5,311	3,686
Settlement charges	181	-
Bank charges	150	245
Auditors' remuneration	206	194
Legal and professional charges	9	8
Fund rating fee	98	89
Annual listing fee	7	11
Total expenses	66,657	40,980
Net income from operating activities	477,953	270,754
Provision for Sindh Workers' Welfare Fund	9 (9,559)	(5,415)
Net income for the period before taxation	468,394	265,339
Taxation	10 -	-
Net income for the period after taxation	468,394	265,339
Earnings per unit	11.	
Allocation of net income for the period:		
Net income for the year after taxation	468,394	265,339
Income already paid on units redeemed	(103,064)	(39,366)
	365,330	225,973
Accounting income available for distribution:		
- Relating to capital gain	-	(61)
- Excluding capital gain	365,330	226,034
	365,330	225,973

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

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

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (Un-audited)

	(Un- Audited) Quarter Ended September 30' 2018	(Un- Audited) Quarter Ended September 30, 2017
	----- Rupees in '000 -----	
Net income for the period after taxation	468,394	265,339
Other comprehensive income	-	-
Total comprehensive income for the period	468,394	265,339

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (Un-audited)

	(Un- Audited) Quarter Ended September 30' 2018	(Un- Audited) Quarter Ended September 30, 2017
	Note	Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	468,394	265,339
Adjustments:		
Return / mark-up on;		
- bank balances and term deposits	(121,584)	(295,321)
- government securities	(389,979)	(10,663)
- letter of placement	(36,538)	-
- Certificate of investments	-	(5,822)
Provision for Sindh Workers' Welfare Fund	9,559	5,415
	(538,542)	(306,391)
	(70,148)	(41,052)
(Increase) in assets		
Deposits and prepayments	(128)	72
Investments	(3,910,000)	(2,700,000)
	(3,910,128)	(2,699,928)
(decrease) / Increase in liabilities		
Payable to the Management Company	(1,723)	8,354
Payable to the Trustee	111	432
Payable to the Securities and Exchange Commission of Pakistan	(11,831)	(4,937)
Accrued expenses and other liabilities	(28,868)	(68,942)
	(42,311)	(65,093)
Mark-up on bank balances and term deposits received	127,342	284,791
Mark-up on letter of placement received	32,743	-
Mark-up on government securities received	389,979	10,663
	550,064	295,454
Net cash (used) from operating activities	(3,472,523)	(2,510,619)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units	13,504,536	16,083,993
Amounts paid on redemption of units	(12,467,314)	(8,077,116)
Dividend paid	(600,319)	(16,961)
Net cash generated from financing activities	436,903	7,989,916
Net (decrease) / increase in cash and cash equivalents during the period	(3,035,620)	5,479,297
Cash and cash equivalents at the beginning of the period	23,350,772	13,618,825
Cash and cash equivalents at the end of the period	4. 20,315,152	19,098,122

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

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

Chief Financial Officer

Chief Executive Officer

Director

NAFA MONEY MARKET FUND

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN- AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (Un-audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited (formerly: NBP Fullerton Asset 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).

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. STATEMENT OF COMPLIANCE

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting.

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

3. SUMMARY OF ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these unaudited condensed interim financial statements are the same as those applied in the Fund's annual audited financial statements for the year ended June 30, 2018.

IFRS 9: Financial Instruments ("IFRS 9"):

Effective July 1, 2018, the Fund adopted IFRS 9, which sets out requirements for recognition and measurement, impairment, derecognition, and general hedge accounting. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. This standard also requires the use of a single impairment method as opposed to the multiple methods in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Impairment of financial assets is based on an expected credit loss ("ECL") model under IFRS 9, rather than the incurred loss model under IAS 39. However, SECP vide its letter to MUFAP dated November 21, 2017 relaxed the applicability of IFRS 9 impairment requirements for debt securities on mutual funds and deferred it till further instructions. The standard also adds guidance on the classification and measurement of financial liabilities.

There was no material impact of transition to IFRS 9 on the Fund's financial position at July 1, 2018

NAFA MONEY MARKET FUND

		(Un-Audited) September 30, 2018	(Audited) June 30, 2018
	Note	----- Rupees in '000 -----	
4. BANK BALANCES			
Current accounts	4.1	16,479	19,044
Savings accounts	4.2 & 4.3	20,298,673	23,331,728
		<u>20,315,152</u>	<u>23,350,772</u>

4.1 These include bank balances of Rs. 0.166 million and Rs. 16.26 million (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 2.75% to 8.7% per annum (2018: 2.75% to 7.5%) per annum.

4.3 These include a bank balances of Rs. 5.18 million and Rs. 0.78 million (2018: Rs. 4.043 million and Rs. 1.62 million), which is maintained with National Bank of Pakistan and Askari Bank Limited, related parties, and carries mark-up at the rate of 4.5%. (2018: 3.5%) per annum.

5 INVESTMENTS

	Note	(Un-Audited) September 30, 2018	(Audited) June 30, 2018
		(Rupees in '000)	
At fair value through profit or loss			
Government securities - Market Treasury Bills	5.1	-	-
		<u>-</u>	<u>-</u>
At amortised Cost (Reclassified)			
Letter of Placements	5.2	3,910,000	-
		<u>3,910,000</u>	<u>-</u>

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

Issue date	Tenor	Face value				Market value		
		As at July 01, 2018	Purchases during the year	Sales / matured during the Period	As at September 30, 2018	As at September 30, 2018	As a percentage of net assets	As a percentage of total investments
19-Jul-18	03 Months	-	28,604,500	28,604,500	-	-	-	-
2-Aug-18	03 Months	-	2,500,000	2,500,000	-	-	-	-
Total as at September 30, 2018						<u>-</u>	<u>-</u>	<u>-</u>

5.2 This represents letter of placements of Rs. 1,500 million with Pak Oman Investment Company Limited and Rs. 2,410 million with Pak Brunei Investment Company Limited. They carry interest at the rate of 8.40% and 8.70% respectively. They will mature on October 11, 2018 and October 15, 2018.

6. MARK-UP ACCRUED

	(Un-Audited) September 30, 2018	(Audited) June 30, 2018
	----- Rupees in '000 -----	
Mark-up accrued on bank balances and term deposits	4,959	10,717
Mark-up accrued on Letter of Placement	3,795	-
	<u>8,754</u>	<u>10,717</u>

NAFA MONEY MARKET FUND

7 ACCRUED EXPENSES AND OTHER LIABILITIES

	(Un-Audited) September 30, 2018	(Audited) June 30, 2018
	----- Rupees in '000 -----	
Auditors' remuneration	802	596
Provision for Sindh Workers' Welfare Fund	40,194	30,635
Federal Excise Duty on remuneration of the Management Company	44,146	44,146
Withholding tax	1,399	-
Capital gain tax	15,444	45,774
Legal and professional charges	41	32
Bank charges	12	33
Printing charges	103	101
Fund rating fee payable	-	187
Brokerage payable	54	-
Others	2,060	2,060
	<u>104,255</u>	<u>123,564</u>

8. CONTINGENCIES AND COMMITMENTS

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

9 PROVISION FOR 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, was 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 had 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 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, 2014 (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 September 30, 2018, the provision in relation to SWWF amounted to Rs. 40.194 million (2018: Rs. 30.635 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2018 would have been higher by Rs. 0.0167 per unit (June 30, 2018: Rs. 0.0137) per unit.

10. 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 intends to distribute such accounting income for the year ended June 30, 2018 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.

11. 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.

12. TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 1.08% per annum including 0.30% representing government levies on collective Investment scheme such as Sindh Sales tax and Securities and Exchange Commission of Pakistan fee for the period.

NAFA MONEY MARKET FUND

13. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

13.1 Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Alexandra Fund Management Pte. Limited 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.

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

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

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

Un-Audited	
Quarter Ended September 30, 2018	Quarter Ended September 30, 2017

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

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

NBP Fund Management Limited-Management Company

Remuneration of the Management Company	42,630	24,654
Sindh Sales Tax on remuneration of the Management Company	5,542	3,205
Reimbursement of operational expenses to the Management Company	7,081	4,915
Sales load and related Sindh Sales Tax	-	-
Dividend re-invest 62,189 units (2017: Nil units)	613	-
Units issued / transferred in 24,179,877 units (2017: 11,328,959 units)	231,634	-
Units redeemed / transferred out 29,587,538 units (2017: 11,328,959 units)	295,000	-

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	4,816	3,516
Sindh Sales Tax on remuneration of the Trustee	626	457

National Bank of Pakistan (Parent of the Management Company)

Markup on bank balances	28	19
Purchase of T-Bills	231,811	19

Askari Bank Limited (Common Directorship with the Management Company)

Markup on bank balances	25	61
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Service Provident Fund Trust -

(Portfolio managed by the Management Company)

Units issued / transferred in 1,237,521 units (2017: Nil units)	11,610	-
Units redeemed / transferred out 767,356 units (2017: Nil units)	7,602	-

National Fullerton Asset Management Employee Provident Fund (Provident Fund of the parent of the Management Company)

Units issued / transferred in 44,556 units (2017: 562,812 units)	348	5,593
Units redeemed / transferred out 661,237 units (2017: 189,635 units)	-	1,875

Honda Atlas Cars (Pakistan) Limited

(Unit holder of 10% or more of units of the CIS)

Dividend re-invest 12,868,203 units (2017: Nil units)	126,846	-
Units issued / transferred in 1,656,137 units (2017: 137,403 units)	-	1,369
Units redeemed / transferred out 65,093,496 units (2017: Nil units)	650,000	-

NAFA MONEY MARKET FUND

	Un-Audited	
	Quarter Ended September 30, 2018	Quarter Ended September 30, 2017
	----- Rupees in '000 -----	
Kashif Riaz (Portfolio managed by the Management Company)		
Units issued / transferred in 252,845 units (2017 : Nil units)	2,500	-
Units redeemed / transferred out 252,845 units (2017: Nil units)	2,509	-
Reliance Enterprises (COO Holding more than 10% in RE)		
Dividend re-invest 3,990 units (2017: Nil units)	39	-
Units issued / transferred in 55,152 units (2017 : Nil units)	-	-
IGI Life Insurance Limited -Related Party (Portfolio managed by the Management Company)		
Units issued / transferred in 514,526 units (2017 : Nil units)	5,000	-
Units redeemed / transferred out 90,146 units (2017: Nil units)	900	-
Humayun Bashir (Director of the Management Company)		
Units issued / transferred in 2,514,842 units (2017: 135 units)	25,000	1
Units redeemed / transferred out 1,009,968 units (2017: 408,834 units)	10,000	4,054
Chief Executive Officer of the Management Company		
Dividend re-invest 1,918 units (2017: Nil units)	19	-
Units issued / transferred in 896 units (2017: Nil units)	-	-
Chief Operating Officer and Company Secretary of the Management Company		
Units issued / transferred in 120,186 units (2017: Nil units)	1,200	-
Employees of the Management Company		
Dividend re-invest 90,764 units (2017: Nil units)	895	-
Units issued / transferred in 842,510 units (2017: 22,696 units)	7,359	9,906
Units redeemed / transferred out 1,362,212 units (2017: 648,811 units)	13,555	6,423
Byco Oil Pakistan Limited Employees' Provident Fund (Portfolio managed by the Management Company)		
Units issued / transferred in Nil Units (2017: 1,095 units)	-	11
Units redeemed / transferred out Nil units (2017: Nil units)	-	-
Byco Petroleum Pakistan Limited Employees' Provident Fund (Portfolio managed by the Management Company)		
Units issued / transferred in Nil Units (2017: 188 units)	-	2
*Interloop Limited (Unit holder of 10% or more of units of the CIS)		
Units issued / transferred in 306,186,229 units (2017: Nil units)	3,022,487	-
Units redeemed / transferred out 1,007,049 units (2017: Nil units)	100,000	-
*Pakistan Mobile Communications Limited (Unit holder of 10% or more of units of the CIS)		
Dividend re-invest 3,081,460 units (2017: Nil units)	30,375	-
Units issued / transferred in 99,359,463 units (2017: Nil units)	846,000	-
Units redeemed / transferred out 100,715,536 units (2017: Nil units)	1,008,000	-

NAFA MONEY MARKET FUND

	Un-Audited	
	Quarter Ended September 30, 2018	Quarter Ended September 30, 2017

Pakistan Mobile Communications Limited Provident Fund
(Portfolio managed by the Management Company)

Units issued / transferred in 164,450 units (2017: 256,597 units)	1,542	-
Units redeemed / transferred out 335,455 units (2017: Nil units)	3,332	-

Gul Ahmed Textile Mills Limited Employee Provident Fund Trust
(Portfolio managed by the Management Company)

Units issued / transferred in 205,621 units (2017: 5,551 units)	2,034	55
Units redeemed / transferred out 205,513 units (2017: Nil units)	2,036	-

Management Association of Pakistan
(Common Directorship with the Management Company)

Dividend re-invest 11,565 units (2017: Nil units)	114	-
Units issued / transferred in 104,670 units (2017: 236,154 units)	917	2,347
Units redeemed / transferred out 26,868 units (2017: 124,001 units)	266	1,228

Telenor Pakistan (Private) Limited Employees' Provident Fund (Islamic)
(Portfolio managed by the Management Company)

Dividend re-invest 83 units (2017: Nil units)	818	-
Units issued / transferred in 64 units (2017: Nil units)	-	-

Telenor Pakistan (Private) Limited Employees' Provident Fund (Conventional)
(Portfolio managed by the Management Company)

Units issued / transferred in 247,268 units (2017: 13,775,034 units)	2,300	-
Units redeemed / transferred out 498,190 units (2017: 13,775,034 units)	4,950	-

Telenor Pakistan (Private) Limited Employees' Graduity Fund
(Portfolio managed by the Management Company)

Units issued / transferred in 145,490 units (2017: 13,775,034 units)	1,439	-
Units redeemed / transferred out 145,490 units (2017: 13,775,034 units)	1,444	-

* Comparative transactions with these parties have not been disclosed as these parties were not related parties in last period.

	(Un-Audited) September 30, 2018	(Audited) June 30, 2018
	-----Rupees in '000-----	

13.6 Balances outstanding as at are as follows

NBP Fund Management Limited--Management Company

Remuneration of the Management Company	14,638	11,953
Sindh Sales Tax on remuneration of the Management Company	1,903	1,554
Operational expenses	7,081	11,958
Sales load	789	683
Sindh Sales Tax and Federal Excise Duty on sales load	379	365
Investment held in the Fund: 10,941,458 units (2018: 16,286,931 units)	109,610	169,466

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	1,617	15,919
Sindh Sales Tax on remuneration of the Trustee	210	197
Security deposit	100	100

NAFA MONEY MARKET FUND

	(Un-Audited) September 30, 2018	(Audited) June 30, 2018
	-----Rupees in '000-----	
National Bank of Pakistan (Parent of the Management Company)		
Bank balances		
- in savings account	5,180	4,043
- in current account	166	165
Accrued markup	16	47
Summit Bank Limited (Common Directorship with the Management Company)		
Bank balance in current account	16,264	18,800
Askari Bank Limited (Common Directorship with the Management Company)		
Bank balance in savings account	784	1,623
Accrued markup	3	15
Employees of the Management Company		
Investment held in the Fund: 3,113,094 units (2018: 3,542,032 units)	31,187	36,855
Humayun Bashir (Director of the Management Company)		
Investment held in the Fund: 1,504,874 units (2018: Nil units)	15,076	-
National Fullerton Asset Management Employee Provident Fund (Provident Fund of the parent of the Management Company)		
Investment held in the Fund: 838,876 units (2018: 794,320 units)	8,404	8,265
Management Association of Pakistan (Common Directorship with the Management Company)		
Investment held in the Fund: 544,244 units (2018: 454,877 units)	5,452	4,733
Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: 248,737,253 units (2018: 299,306,409 units)	2,491,825	3,114,283
Chief Executive Officer of the Management Company		
Investment held in the Fund: 56,756 units (2018: 53,942 units)	569	561
Chief Operating Officer & Company Secretary of the Management Company		
Investment held in the Fund: 120,186 units (2018: Nil units)	1,204	-
Service Provident Fund Trust (Portfolio managed by the Management Company)		
Investment held in the Fund: 1,575,998 units (2018: 1,105,833 units)	15,788	11,506
Telenor Pakistan (Private) Limited Employees' Provident Fund (Islamic) (Portfolio managed by the Management Company)		
Investment held in the Fund: 3,261 units (2018: 3,114 units)	33	32
Telenor Pakistan (Private) Limited Employees' Provident Fund (Conventional) (Portfolio managed by the Management Company)		
Investment held in the Fund: 7,731 units (2018: 258,653 units)	77	2,691
IGI Life Insurance Limited (Portfolio managed by the Management Company)		
Investment held in the Fund: 580,423 units (2018: 156,042 units)	5,815	1,624

NAFA MONEY MARKET FUND

	(Un-Audited) September 30, 2018	(Audited) June 30, 2018
	-----Rupees in '000-----	
Reliance Enterprises (COO Holding more than 10% in RE)		
Investment held in the Fund: 1,120,537 units (2018: 1,061,394 units)	11,225	11,044
Pakistan Mobile Communications Limited Provident Fund (Portfolio managed by the Management Company)		
Investment held in the Fund: 98,541 units (2018: 269,545 units)	987	2,805
Gul Ahmed Textile Mills Limited Employee Provident Fund Trust (Portfolio managed by the Management Company)		
Investment held in the Fund: 108 units (2018: Nil units)	1	-
Interloop Limited (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: 305,179,179 units (2018: 290,360,046 units)	3,057,255	3,021,196
Pakistan Mobile Communications Limited (Unit holder of 10% or more of units of the CIS)		
Investment held in the Fund: 320,286,948 units (2018: 318,561,562 units)	3,208,603	3,314,633

14 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2018.

15. GENERAL

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

15.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation. Except mentioned in Note no. 3, no significant rearrangement or reclassification was made in these condensed interim financial statements during the current period.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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