


## MISSION STATEMENT



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

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# NAFA GOVERNMENT SECURITIES LIQUID FUND

## FUND'S INFORMATION

### Management Company

NBP Fullerton Asset Management Limited – Management Company

### Board of Directors of the Management Company

|                       |                         |
|-----------------------|-------------------------|
| Mr. Shahid Anwar Khan | Chairman                |
| Mr. Amir Shehzad      | Director                |
| Mr. Wah Geok Sum      | Director                |
| Mr. Koh Boon San      | Director                |
| Mr. Shehryar Faruque  | Director                |
| Mr. Kamal Amir Chinoy | Director                |
| Dr. Asif A. Brohi     | Director                |
| Dr. Amjad Waheed      | Chief Executive Officer |

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

|                      |          |
|----------------------|----------|
| Mr. Koh Boon San     | Chairman |
| Mr. Shehryar Faruque | Member   |
| Mr. Amir Shehzad     | Member   |

### Trustee

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

### Bankers to the Fund

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
NIB Bank Limited  
United Bank Limited  
National Bank of Pakistan  
KASB Bank Limited  
Standard Chartered Bank (Pak) Limited  
Barclays Bank PLC Limited

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## **Auditors**

KPMG Taseer Hadi & Co. Chartered Accountants  
Sheikh Sultan Trust Building No. 2,  
Beaumont Road,  
Karachi, 75530 Pakistan.

## **Legal Advisor**

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

## **Head Office:**

9th Floor, Adamjee House,  
I.I. Chundrigar Road, Karachi  
UAN: 021-111-111-NFA (632)  
Toll Free: 0800-20001  
Fax: 021-32467605

## **Lahore Office:**

House # 10 - A, Block -S, Gulberg - II, Lah  
UAN: (+92-42) 111-111-NFA (632) ore.  
Fax No: (+92-42) 35760373

## **Islamabad Office:**

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

## **Peshawar Office:**

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

## **Multan Office:**

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

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Government Securities Liquid Fund for the quarter ended September 30, 2012.

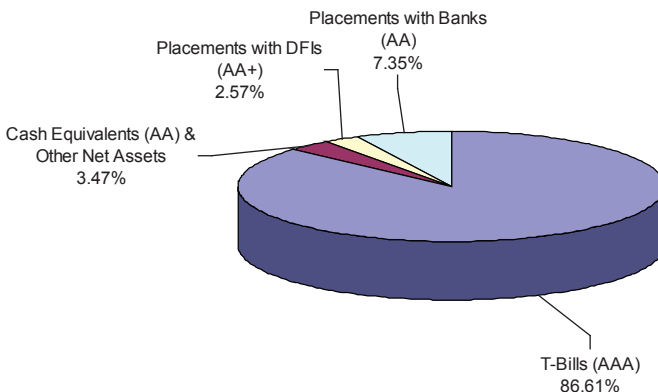
### Fund's Performance

The size of NAFA Government Securities Liquid Fund has declined from Rs. 14,772 million to Rs. 13,612 million during the quarter, i.e. a decline of 7.85%. During the said quarter, the unit price of the Fund has increased from Rs. 9.8091 (Ex-Div) on June 30, 2012 to Rs. 10.0564 on September 30, 2012, thus showing an annualized return of 10.38% as compared to its Benchmark (70% 3-Month T-Bills & 30% average 3-Month deposit rate of 'AA' & above rated banks) annualized return of 9.91% for the same period.

NGSLF's Fund stability rating is 'AAA(f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of your Fund. NGSLF (i) allocates a minimum of 85% to Government Securities; and (ii) maintains maximum maturity of a single T-Bill to three months. The investment value of NGSLF has not declined on any day since the launch of the Fund in May 2009. The Fund is categorized as a Money Market Scheme.

The management has been announcing monthly dividends on the Fund since July 2011 and intends to continue this policy in the future as well.

The Fund has earned total income of Rs.436.59 million during the period. After deducting expenses of Rs.68.51 million, the net income is Rs.368.08 million. The asset allocation of the Fund as on September 30, 2012 is as follows:



# NAFA GOVERNMENT SECURITIES LIQUID FUND

## Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 2.46% of opening ex-NAV (2.47% of the par value) during the quarter.

## Acknowledgement

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

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

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: October 23, 2012

Place: Karachi.

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2012

|   | Note | (Un-audited)<br>September 30,<br>2012 | (Audited)<br>June 30,<br>2012 |
|---|------|---------------------------------------|-------------------------------|
| (Rupees in '000)  |      |                                       |                               |
| <b>ASSETS</b>   |      |                                       |                               |
| Balances with banks                                       |      | 1,586,359                             | 1,556,170                     |
| Investments   | 4    | 12,139,608                            | 13,319,080                    |
| Profit receivable   | 5    | 12,082                                | 50,810                        |
| Prepayments and other receivables                         |      | 7,069                                 | 7,093                         |
| Preliminary expenses and floatation costs                 |      | 1,608                                 | 1,858                         |
| <b>Total assets</b>                                       |      | <b>13,746,726</b>                     | <b>14,935,011</b>             |
| <b>LIABILITIES</b>  |      |                                       |                               |
| Payable to Management Company                             |      | 17,207                                | 19,201                        |
| Payable to Trustee  |      | 953                                   | 1,056                         |
| Payable to Securities and Exchange Commission of Pakistan |      | 2,790                                 | 10,894                        |
| Payable on redemption of units                            |      | 8,910                                 | 25,511                        |
| Accrued expenses and other liabilities                    | 6    | 104,825                               | 106,124                       |
| <b>Total liabilities</b>                                  |      | <b>134,685</b>                        | <b>162,786</b>                |
| <b>Net Assets</b>   |      | <b>13,612,041</b>                     | <b>14,772,225</b>             |
| <b>Unit Holders' Funds (as per statement attached)</b>    |      | <b>13,612,041</b>                     | <b>14,772,225</b>             |
| <b>Commitments</b>  | 11   | -                                     | -                             |
| <b>Number of Units</b>                                    |      |                                       |                               |
| <b>Number of units in issue</b>                           |      | <b>1,353,568,256</b>                  | <b>1,469,543,330</b>          |
|   |      | <b>Rupees</b>                         | <b>Rupees</b>                 |
| <b>Net asset value per unit</b>                           |      | <b>10.0564</b>                        | <b>10.0523</b>                |

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

|   | Quarter Ended<br>September 30,<br>2012 | Quarter Ended<br>September 30,<br>2011 |
|---|--|--|
|   | (Rupees in '000)                       |  |
| <b>INCOME</b>   |  |  |
| Capital Gain / (loss) on sale of investments - net  | 9,844                                  | (510)                                  |
| Income from government securities   | 385,788                                | 298,316                                |
| Income from term deposit receipts   | 12,690                                 | 35,079                                 |
| Income from reverse repo transactions   | 4,374                                  | 59,771                                 |
| Income from letter of placements  | 1,908                                  | -                                      |
| Income from certificate of investment   | 14,856                                 | -                                      |
| Profit on bank deposits   | 9,538                                  | 8,501                                  |
| Net unrealised diminution in the value of investments at fair value through profit or loss                              | (2,409)                                | (4,049)                                |
| <b>Total Income</b>   | <b>436,589</b>                         | <b>397,108</b>                         |
| <b>EXPENSES</b>   |  |  |
| Remuneration of the Management Company  | 46,494                                 | 37,788                                 |
| Sindh Sales Tax on Management Fee   | 7,439                                  | 6,046                                  |
| Remuneration of the Trustee   | 2,979                                  | 2,456                                  |
| Annual fee - Securities and Exchange Commission of Pakistan   | 2,790                                  | 2,267                                  |
| Securities transaction cost   | 587                                    | 1,063                                  |
| Bank charges  | 276                                    | 262                                    |
| Annual listing fee  | 10                                     | 10                                     |
| Auditors' remuneration  | 122                                    | 124                                    |
| Amortisation of preliminary expenses and floatation costs   | 249                                    | 249                                    |
| Rating Fee  | 55                                     | 50                                     |
| <b>Total Expenses</b>   | <b>61,001</b>                          | <b>50,315</b>                          |
|   | <b>375,588</b>                         | <b>346,793</b>                         |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed | -                                      | -                                      |
| Provision for workers' welfare fund   | 10 (7,512)                             | (6,936)                                |
| <b>Net income for the period before taxation</b>  | <b>368,076</b>                         | <b>339,857</b>                         |
| Taxation  | 9 -                                    | -                                      |
| <b>Net income for the period after taxation</b>   | <b>368,076</b>                         | <b>339,857</b>                         |
| <b>Earnings per unit</b>  | <b>8</b>                               |  |

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

|  | <i>Note</i> | Quarter Ended<br>September 30,<br>2012 | Quarter Ended<br>September 30,<br>2011 |
|--|-------------|--|--|
|  |             | (Rupees in '000)                       |  |
| Net income for the period after taxation         |             | 368,076                                | 339,857                                |
| Other comprehensive income                       |             | -                                      | -                                      |
| <b>Total comprehensive income for the period</b> |             | <u>368,076</u>                         | <u>339,857</u>                         |

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

|   | Quarter Ended<br>September 30,<br>2012 | Quarter Ended<br>September 30,<br>2011 |
|---|--|--|
|   | (Rupees in '000)                       |  |
| Undistributed income brought forward comprising :   |  |  |
| - Realised income   | 32,917                                 | 365,504                                |
| - Unrealised (loss) / income  | <u>(5,815)</u>                         | <u>(4,425)</u>                         |
|   | 27,102                                 | 361,079                                |
| Final distribution for the period ended June 30, 2012: Nil (June 30, 2011 : 2.757%)<br>(June 30, 2011:declared on July 4, 2010) |  |  |
| - Cash distribution   | -                                      | (19,861)                               |
| - Bonus units   | -                                      | (267,810)                              |
| Interim distribution declared on July 25, 2012: 0.8440% (July 30, 2011 : 0.908%)  |  |  |
| - Cash distribution   | (34,305)                               | (6,685)                                |
| - Bonus units   | (91,009)                               | (103,589)                              |
| Interim distribution declared on August 27, 2012: 0.8240% (August 28, 2011: 0.908%)   |  |  |
| - Cash distribution   | (33,492)                               | (7,440)                                |
| - Bonus units   | (87,139)                               | (100,953)                              |
| Interim distribution declared on September 28, 2012: 0.804% (September 28, 2011: Nil)   |  |  |
| - Cash distribution   | (32,678)                               | -                                      |
| - Bonus units   | (76,401)                               | -                                      |
| Net income for the period   | 368,076                                | 339,857                                |
| Element of income / (loss) and capital gains / (losses) included in prices<br>of units issued less those in units redeemed      | (7,425)                                | (14,703)                               |
| Undistributed income carried forward  | <u>32,729</u>                          | <u>179,895</u>                         |
| <b>Undistributed income comprising:</b>   |  |  |
| - Realised income   | 35,138                                 | 181,428                                |
| - Unrealised income / (loss)  | <u>(2,409)</u>                         | <u>(1,533)</u>                         |
|   | <u>32,729</u>                          | <u>179,895</u>                         |

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

|  | Quarter Ended<br>September 30,<br>2012 | Quarter Ended<br>September 30,<br>2011 |
|--|--|--|
|  | (Rupees in '000)                       |  |
| Net assets at the beginning of the period  | 14,772,225                             | 10,810,434                             |
| Issue of 362,078,830 units including 25,324,199 bonus units<br>(September 30, 2011: 445,695,364 units)   | 3,396,864                              | 4,042,617                              |
| Redemption of 478,053,944 units (September 30, 2011: 477,111,363 units)  | (4,824,648)<br>(1,427,784)             | (4,846,462)<br>(803,845)               |
| Element of (income) / loss and capital (gains) / losses included in prices<br>of units issued less those in units redeemed   |  |  |
| - amount representing (income) / loss and capital (gains)<br>/ losses - transferred to Income Statement  | -                                      | -                                      |
| - amount representing loss and capital losses that<br>form part of unit holders' fund - transferred to Distribution Statement  | 7,425<br>7,425                         | 14,703<br>14,703                       |
| Net unrealised diminution in the value of investments at fair value through profit or loss   | (2,409)                                | (4,049)                                |
| Gain / (loss) on sale of investments   | 9,844                                  | (510)                                  |
| Other income (net of expenses)   | 360,641<br>368,076                     | 344,416<br>339,857                     |
| <b>Less: Distribution</b>  |  |  |
| Final distribution for the period ended June 30, 2012: Nil (June 30, 2011 : 2.757%)<br>(June 30, 2011: declared on July 4, 2010)   |  |  |
| - Cash distribution  | -                                      | (19,861)                               |
| - Bonus units  | -                                      | (267,810)                              |
| Interim distribution declared on July 25, 2012: 0.8440% (July 30, 2011 : 0.908%)   |  |  |
| - Cash distribution  | (34,305)                               | (6,685)                                |
| - Bonus units  | (91,009)                               | (103,589)                              |
| Interim distribution declared on August 27, 2012: 0.8240% (August 28, 2011: 0.908%)  |  |  |
| - Cash distribution  | (33,492)                               | (7,440)                                |
| - Bonus units  | (87,139)                               | (100,953)                              |
| Interim distribution declared on September 28, 2012: 0.804% (September 28, 2011: Nil)  |  |  |
| - Cash distribution  | (32,679)                               | -                                      |
| - Bonus units  | (76,401)                               | -                                      |
|  | (355,025)                              | (506,338)                              |
| Add: Bonus distribution  |  |  |
| Final distribution   | -                                      | 267,810                                |
| Interim distribution   | 254,549                                | 204,542                                |
| Element of income / (loss) and capital gains / (losses) included<br>in prices of units issued less those in units redeemed - amount<br>representing income / (losses) that form part of the unit holders' fund | (7,425)                                | (14,703)                               |
| Net assets as at the end of the period   | <u>13,612,041</u>                      | <u>10,312,460</u>                      |

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

|  | Quarter Ended<br>September 30,<br>2012 | Quarter Ended<br>September 30,<br>2011 |
|--|--|--|
|  | (Rupees in '000)                       |  |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |  |  |
| Net income for the period before taxation  | 368,076                                | 339,857                                |
| <b>Adjustments</b>   |  |  |
| Net unrealised diminution in the value of investments<br>at fair value through profit or loss                              | 2,409                                  | 4,049                                  |
| Amortisation of preliminary expenses and floatation costs  | 249                                    | 249                                    |
| Element of (income) / loss and capital (gains) / losses included in prices<br>of units issued less those in units redeemed | -                                      | -                                      |
|  | <u>370,734</u>                         | <u>344,155</u>                         |
| <b>(Increase) / decrease in assets</b>   |  |  |
| Investments  | 1,177,063                              | 43,280                                 |
| Profit receivable  | 38,728                                 | (37,206)                               |
| Prepayments and other receivables  | 24                                     | 73                                     |
|  | 1,215,815                              | 6,147                                  |
| <b>Increase / (decrease) in liabilities</b>  |  |  |
| Payable to the Management Company  | (1,994)                                | 2,946                                  |
| Payable to the Trustee   | (103)                                  | 62                                     |
| Payable to the Securities and Exchange Commission of Pakistan  | (8,104)                                | (4,489)                                |
| Accrued expenses and other liabilities   | (1,299)                                | 7,648                                  |
|  | (11,500)                               | 6,167                                  |
| <b>Net cash inflow on operating activities</b>   | <u>1,575,049</u>                       | <u>356,469</u>                         |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |  |  |
| Receipts from issue of units   | 3,396,864                              | 4,042,617                              |
| Payments on redemption of units  | (4,841,249)                            | (4,845,266)                            |
| Distributions paid   | (100,475)                              | (33,986)                               |
| <b>Net cash outflow from financing activities</b>  | (1,544,860)                            | (836,635)                              |
| <b>Net decrease in cash and cash equivalents during the period</b>   | <u>30,189</u>                          | <u>(480,166)</u>                       |
| Cash and cash equivalents at the beginning of the period   | 1,556,170                              | 872,997                                |
| <b>Cash and cash equivalents at the end of the period</b>  | <u>1,586,359</u>                       | <u>392,831</u>                         |

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

## 1. LEGAL STATUS AND NATURE OF BUSINESS

NAFA Government Securities Liquid Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 10, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to Act as an Asset Management Company under the NBFC rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 9th floor, Adamjee House, 11 Chundrigar Road, Karachi. The Management Company is a member of the Mutual Fund Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the Fund can be transferred to / from the Funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The Fund is categorised as an Open-End "Money Market Scheme" as per the criteria laid down by Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

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

The Pakistan Credit Rating Agency (PACRA) has assigned a stability rating of AAA(f) to the Fund and an asset manager rating of AM2 to the Management Company.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

## 2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprises of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail. 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

The principal accounting policies adopted for the preparation of the financial statements for the quarter ended September 30, 2012 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2012.

|  | Note | September 30,<br>2012<br>(Un-audited) | June 30, 2012<br>(Audited) |
|--|------|---------------------------------------|----------------------------|
| (Rupees in '000)   |      |                                       |                            |
| <b>4. INVESTMENTS</b>  |      |                                       |                            |
| <b>At fair value through profit or loss - held for trading</b> |      |                                       |                            |
| Government securities - Market Treasury Bills                  | 4.1  | 11,789,583                            | 11,229,670                 |
| <b>Loans and receivables</b>                                   |      |                                       |                            |
| Investment in term deposit receipts                            | 4.2  | -                                     | -                          |
| Investment in certificate of investments                       |      | 350,025                               | 590,042                    |
| Investment in reverse repo                                     |      | -                                     | 1,499,368                  |
|  |      | <u>12,139,608</u>                     | <u>13,319,080</u>          |



# NAFA GOVERNMENT SECURITIES LIQUID FUND

## 7. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fullerton Asset Management Limited being the Management Company (NAFA), Central Depository Company of Pakistan Limited (CDC) being Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, NAFA Provident Fund Trust being the employee contribution plan of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

|   | Quarter Ended<br>September 30,<br>2012 | Quarter Ended<br>September 30,<br>2011 |
|---|--|--|
|   | (Rupees in '000)                       |  |
| <b>7.1 Details of the transactions with connected persons are as follows:</b> |  |  |
| <b>Management Company</b>   |  |  |
| Management fee expense for the period   | 46,494                                 | 37,788                                 |
| Sindh Sales Tax for the period on management fee                              | 7,439                                  |  |
| Units issued (9,092,399 units; September 30, 2011: Nil units)                 | 91,634                                 | -                                      |
| Units redeemed (5,112,705 units; September 30, 2011: 1,191,021 units)         | 51,603                                 | 12,107                                 |
| Bonus units issued (115,231 units; September 30, 2011: 34,679 units)          | -                                      | -                                      |
| <b>National Bank of Pakistan - Sponsor</b>                                    |  |  |
| Units issued (83,980 units; September 30, 2011: Nil units)                    | 845                                    | -                                      |
| Cash Dividend   | 100,434                                | 5,772                                  |
| T-Bills sold during the period  | 349,303                                | -                                      |
| <b>Alexandra Fund Management Pte. Limited - Sponsor</b>                       |  |  |
| Bonus units issued (Nil units; September 30, 2011: 113,690 units)             | -                                      | -                                      |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>               |  |  |
| Trustee fee for the period  | 2,979                                  | 2,456                                  |
| <b>Kamal A Chinoy - Director</b>  |  |  |
| Bonus units issued (1,846 units; September 30, 2011: 2,990 units)             | -                                      | -                                      |
| <b>Chief Executive Officer</b>  |  |  |
| Units redeemed (Nil units; September 30, 2011: 138,263 units)                 | -                                      | 1,400                                  |
| Bonus units issued (2,510 units; September 30, 2011: 28,771 units)            | -                                      | -                                      |
| <b>Chief Financial Officer</b>  |  |  |
| Units issued (Nil units; September 30, 2011: 19,773 units)                    | -                                      | 200                                    |
| Units redeemed (28,630 units; September 30, 2011: 9,848 units)                | 288                                    | 100                                    |
| Bonus units issued (2,907 units; September 30, 2011: 1,957 units)             | -                                      | -                                      |
| <b>NAFA Provident Fund Trust - Provident Fund</b>                             |  |  |
| Units issued (91,622 units; September 30, 2011: 527,349 units)                | 924                                    | 5,341                                  |
| Units redeemed (352,381 units; September 30, 2011: 575,994 units)             | 3,557                                  | 5,842                                  |
| Bonus units issued (8,128 units; September 30, 2011: 19,961 units)            | -                                      | -                                      |
| <b>Employees of the Management Company</b>                                    |  |  |
| Units issued (650,078 units; September 30, 2011: 1,853,165 units)             | 6,563                                  | 18,814                                 |
| Units redeemed (759,179 units; September 30, 2011: 1,893,088 units)           | 7,661                                  | 19,230                                 |
| Bonus units issued (16,363 units; September 30, 2011: 48,600 units)           | -                                      | -                                      |
| <b>NBP Employees Pension Fund</b>   |  |  |
| Bonus units issued (330,812 units; September 30, 2011: 535,764 units)         | -                                      | -                                      |
| <b>NBP Endowment Funds Students Loan Scheme</b>                               |  |  |
| Units issued (641,906 units; September 30, 2011: 2,464,778 units)             | 6,500                                  | 25,000                                 |
| Bonus units issued (800,985 units; September 30, 2011: 653,088 units)         | -                                      | -                                      |
| <b>NBP Exchange Company Limited</b>   |  |  |
| Units issued (3,167 units; September 30, 2011: 26,427 units)                  | 32                                     | 267                                    |
| Units Redeemed (2,295,737 units; September 30, 2011: Nil units)               | 23,136                                 |  |
| Bonus units issued (561,175 units; September 30, 2011: 934,038 units)         | -                                      | -                                      |

# NAFA GOVERNMENT SECURITIES LIQUID FUND

|  |        |     |
|--|--------|-----|
| <b>NBP Leasing Limited Employees Provident Fund</b>                |        |     |
| Units issued (76,871 units: September 30, 2011: 45,692 units)      | 778    | 465 |
| Units Redeemed (118,508 units: September 30, 2011: Nil units)      | 1,192  | -   |
| Bonus units issued (1,932 units: September 30, 2011: 725 units)    | -      | -   |
| <b>CDC Trustee NAFA Asset Allocation Fund</b>                      |        |     |
| T-Bills purchased during the period                                | 38,910 | -   |
| <b>CDC Trustee NAFA Financial Sector Income Fund</b>               |        |     |
| T-Bills purchased during the period                                | 49,414 | -   |
| <b>International Industries Limited - Employees Provident Fund</b> |        |     |
| Units issued (402,839 units: September 30, 2011: Nil units)        | 4,061  | -   |
| Units Redeemed (968,442 units: September 30, 2011: Nil units)      | 9,790  | -   |
| Bonus units issued (42,102 units: September 30, 2011: Nil units)   | -      | -   |
| T-Bills purchased during the period                                | 15,630 | -   |
| <b>International Industries Limited - Employees Gratuity Fund</b>  |        |     |
| Units issued (449,517 units: September 30, 2011: Nil units)        | 4,532  | -   |
| Units Redeemed (1,672,365 units: September 30, 2011: Nil units)    | 16,875 | -   |
| Bonus units issued (46,059 units: September 30, 2011: Nil units)   | -      | -   |
| T-Bills purchased during the period                                | 14,021 | -   |
| <b>International Steel Limited - Employees Gratuity Fund</b>       |        |     |
| Units issued (92,339 units: September 30, 2011: Nil units)         | 933    | -   |
| Units Redeemed (154,060 units: September 30, 2011: Nil units)      | 1,555  | -   |
| Bonus units issued (4,651 units: September 30, 2011: Nil units)    | -      | -   |
| T-Bills purchased during the period                                | 4,189  | -   |
| <b>International Steel Limited - Employees Provident Fund</b>      |        |     |
| Units issued (117,014 units: September 30, 2011: Nil units)        | 1,180  | -   |
| Units Redeemed (272,736 units: September 30, 2011: Nil units)      | 2,758  | -   |
| Bonus units issued (12,200 units: September 30, 2011: Nil units)   | -      | -   |
| T-Bills purchased during the period                                | 6,770  | -   |
| <b>Pak Arab Refinery Limited - Supervisory Staff Gratuity Fund</b> |        |     |
| T-Bills purchased during the period                                | 26,671 | -   |
| <b>Telenor Pakistan Pvt Limited - Employee Provident Fund</b>      |        |     |
| T-Bills purchased during the period                                | 11,714 | -   |

|                      |                  |
|----------------------|------------------|
| <b>(Un-Audited)</b>  | <b>(Audited)</b> |
| <b>As at</b>         | <b>As at</b>     |
| <b>September 30,</b> | <b>June 30,</b>  |
| <b>2012</b>          | <b>2012</b>      |

## 7.2 Amounts outstanding as at quarter end

(Rupees in '000)

|  |           |           |
|--|-----------|-----------|
| <b>Management Company</b>  |           |           |
| Receivable from management company   | 6,980     | 6,980     |
| Management fee payable   | 14,834    | 16,553    |
| Sindh Sales Tax Payable on remuneration payable  | 2,373     | 2,648     |
| Investment held by the Management Company in the Fund (5,962,303 units; June 30, 2012: 1,867,379 units)  | 59,959    | 18,771    |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>  |           |           |
| Remuneration payable   | 953       | 1,056     |
| <b>National Bank of Pakistan - Sponsor</b>   |           |           |
| Investment held by the Sponsor in the Fund (406,287,904 units; June 30, 2012: 406,203,924 units)         | 4,085,794 | 4,083,284 |
| Balance in current account   | 11,686    | 6,191     |
| Balance in saving account  | 15,420    | 10,256    |
| <b>Alexandra Fund Management Pte. Limited - Sponsor</b>  |           |           |
| Investment held by the Sponsor in the Fund (Nil units; June 30, 2012: Nil units)                         | 0         | 0         |
| <b>Chief Executive Officer</b>   |           |           |
| Investment held by the Chief Executive Officer in the Fund (103,756 units; June 30, 2012: 101,246 units) | 1,043     | 1,018     |
| <b>Chief Financial Officer</b>   |           |           |
| Investment held by the Chief Financial Officer in the Fund (108,949 units; June 30, 2012: 134,673 units) | 1,096     | 1,354     |



# NAFA GOVERNMENT SECURITIES LIQUID FUND

## Kamal A Chinoy - Director

Investment held by the Chief Financial Officer in the Fund (76,312 units; June 30, 2012: 74,465 units) 767 749

## NAFA Provident Fund Trust - Provident Fund

Investment held in the Fund (332,652 units; June 30, 2012: 585,283 units) 3,345 5,883

## Employees of Management Company

Investment held by the employees in the Fund (577,887 units; June 30, 2012: 670,624 units) 5,811 6,741

## NBP Employees Pension Fund

Investment held in the Fund (13,672,244 units; June 30, 2012: 13,341,432 units) 137,494 134,112

## NBP Endowment Funds Students Loan Scheme

Investment held in the Fund (33,104,177 units; June 30, 2012: 31,661,286 units) 332,909 318,269

## NBP Exchange Company Limited

Investment held in the Fund (21,637,993 units; June 30, 2012: 23,369,387 units) 217,600 234,916

## NBP Leasing Limited Employees Provident Fund

Investment held in the Fund (38,875 units; June 30, 2012: 78,581 units) 391 790

## 8. EARNING PER UNIT

Earning per unit (EPU) for the quarter ended September 30, 2012 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

## 9. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company has decided to distribute at least 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 10. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

A clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

The Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs 70.321 million (including Rs 7.512 million for the current year) in these financial statements. Had the same not been made the net asset value per unit / return of the Fund would have been higher by Rs 0.052 per unit respectively.

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## 11 COMMITMENTS

There were no commitments as on September 30, 2012 and June 30, 2012.

## 12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 23, 2012.

## 13 GENERAL

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director