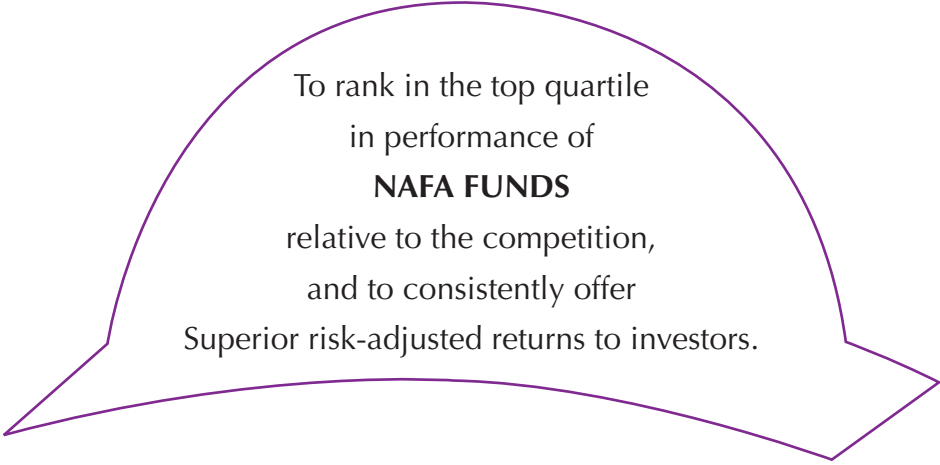


MISSION STATEMENT



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.

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	07
CONDENSED INTERIM INCOME STATEMENT	08
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	09
CONDENSED INTERIM DISTRIBUTION STATEMENT	10
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	11
CONDENSED INTERIM CASH FOLW STATEMENT	12
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	13

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

NAFA GOVERNMENT SECURITIES LIQUID FUND

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

Legal Advisor

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

Head Office:

9th Floor, Adamjee House,
I.I. Chundrigar Road,
Karachi

Lahore Office:

House # 10 - A, Block -S, Gulberg - II, Lahore.
UAN: (+92-42) 111-111-NFA (632)
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 (NGSLF) for the period ended March 31, 2012.

Fund's Performance

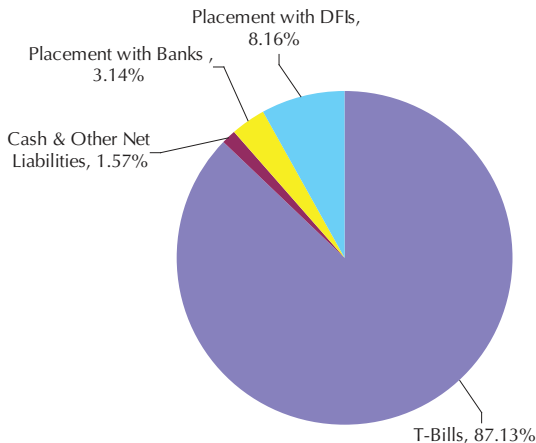
The size of NAFA Government Securities Liquid Fund has increased from Rs. 10,810 million to Rs. 15,938 million during the first nine months of FY 2012, i.e. an increase of 47.44%. During the period, the unit price of the Fund has increased from Rs. 9.3107 (Ex-Div) on June 30, 2011 to Rs. 10.0745 on March 31, 2012, thus showing an annualized return of 11.03% as compared to its Benchmark (70% 3-Month T-Bills & 30% average 3-Month deposit rate of 'AA' & above rated banks) annualized return of 10.86% for the same period. During the third quarter the size of the Fund increased by 1.93%. During the quarter, the unit price of the Fund has increased from Rs. 9.8343 (Ex-Div) on December 31, 2011 to Rs. 10.0745 on March 31, 2012, thus showing an annualized return of 10.16% as compared to its Benchmark annualized return of 10.39% 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, thus minimizing interest rate and credit risks. The investment value of NGSLF has not declined on any day since the launch of the Fund in May 2009.

In present economic environment money market funds are very attractive given their very low credit and interest rate risk.

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

The Fund has earned total income of Rs.1,273.64 million during the period. After deducting expenses of Rs.194.24 million, the net income is Rs.1,079.40 million. The asset allocation of the Fund as on March 31, 2012 is as follows:



NAFA GOVERNMENT SECURITIES LIQUID FUND

Income Distribution

The Board of Directors of the Management Company has ratified interim monthly distribution of 8.02% of opening ex-NAV (8.087% of par value) for the period.

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: April 17, 2012
Place: Karachi.

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2011

	Note	(Un-audited) March 31, 2012	(Audited) June 30, 2011
------(Rupees in '000)-----			
ASSETS			
Balances with banks		711,925	872,997
Investments	4	13,887,010	7,918,819
Loans and receivables		1,400,000	2,008,467
Profit receivable		41,407	55,740
Prepayments and other receivables		7,196	7,386
Preliminary expenses and floatation costs		2,127	2,849
Total assets		16,049,665	10,866,258
LIABILITIES			
Payable to the Management Company		19,847	11,221
Payable to the Trustee		1,089	732
Payable to Securities and Exchange Commission of Pakistan		7,816	6,756
Payable on redemption of units		9,376	3,638
Accrued expenses and other liabilities		73,299	33,477
Total liabilities		111,427	55,824
NET ASSETS		<u>15,938,238</u>	<u>10,810,434</u>
Unit Holders' Funds (as per statement attached)		<u>15,938,238</u>	<u>10,810,434</u>
Contingencies and Commitments	6		
		(Number of Units)	
Number of units in issue		<u>1,582,032,689</u>	<u>1,043,538,317</u>
		----- Rupees -----	
Net asset value per unit	3.4	<u>10.0745</u>	<u>10.3594</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2012

Note	Nine months ended		Quarter Ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
----- (Rupees in '000)-----				
INCOME				
Capital gain / (loss) on sale of investments - net	(1,202)	(1,102)	(2,820)	(435)
Income from government securities	989,459	570,247	383,571	241,880
Income from term deposit receipts	72,850	66,574	17,663	27,589
Income from money market placements	194,036	123,340	54,378	44,832
Profit on bank deposits	26,239	28,151	7,810	9,673
Net unrealised diminution in the value of investments classified as 'financial assets at fair value through profit or loss'	(7,743)	(3,959)	(453)	(1,868)
Total Income	1,273,639	783,251	460,149	321,671
EXPENSES				
Remuneration of the Management Company	130,264	78,523	49,863	31,067
Sindh sales tax on remuneration of the Management Company	20,932	-	8,067	-
Remuneration of the Trustee	8,379	5,274	3,178	2,049
Annual fee - Securities and Exchange Commission of Pakistan	7,816	4,711	2,992	1,864
Securities transaction cost	3,909	1,615	1,708	771
Bank charges	1,270	504	569	181
Annual listing fee	30	30	10	10
Rating fee	150	150	50	49
Auditors' remuneration	324	282	76	57
Amortisation of preliminary expenses and floatation costs	745	744	247	244
Other charges	67	(85)	67	(109)
Total Expenses	173,886	91,748	66,827	36,183
Net income from operating activities	1,099,753	691,503	393,322	285,488
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	73,323	-	81,852
Provision for workers' welfare fund	(20,358)	(15,297)	(6,225)	(7,347)
Net income for the period before taxation	1,079,395	749,529	387,097	359,993
Taxation	-	-	-	-
Net income for the period after taxation	1,079,395	749,529	387,097	359,993
Earnings per unit	-	-	-	-

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2012

	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	----- (Rupees in '000)-----			
Net income for the period after taxation	1,079,395	749,529	387,097	359,993
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,079,395</u>	<u>749,529</u>	<u>387,097</u>	<u>359,993</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2012

	Note	Nine months ended		Quarter Ended	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
----- (Rupees in '000)-----					
Undistributed income brought forward		361,079	151,339	226,075	220,733
Final distribution for the year ended June 30, 2011:					
2.757% (2010: 2.5010% per unit)					
(Date of distribution: July 4, 2011)					
- Bonus units		(267,810)	(135,165)	-	-
- Cash distribution		(19,861)	(6,140)	-	-
		<u>73,408</u>	<u>10,034</u>	<u>226,075</u>	<u>220,733</u>
Net income for the period after taxation		1,079,395	749,529	389,817	359,993
Interim distributions during half year ended December 31, 2011					
- Bonus units	9	(451,922)	(166,851)	-	-
- Cash distribution	9	(122,091)	(15,135)	-	-
Interim during quarter ended March 31, 2012					
- Bonus units	9	(511,311)	(19,953)	(511,311)	(19,953)
- Cash distribution	9	(43,100)	(238,988)	(43,100)	(238,988)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		34,427	8,606	(2,675)	5,457
Undistributed income carried forward		<u>58,806</u>	<u>327,242</u>	<u>58,806</u>	<u>327,242</u>
Undistributed income carried forward comprising:					
- Realised gain		66,549	331,201	66,549	331,201
- Unrealised loss		(7,743)	(3,959)	(7,743)	(3,959)
Undistributed income / (Accumulated loss) carried forward		<u>58,806</u>	<u>327,242</u>	<u>58,806</u>	<u>327,242</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2012

	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
----- (Rupees in '000) -----				
Net assets at the beginning of the period	10,810,434	5,805,378	15,635,934	7,483,350
Issue of 2,054,378,402 units - including 121,982,827 bonus units (March 31, 2011: 1,203,756,534 units)	19,617,193	11,788,286	5,230,837	5,274,725
Redemption of 1,515,884,030 units (March 31, 2011: 793,235,632 units)	(15,383,732)	(8,135,353)	(5,272,530)	(2,922,974)
	4,233,461	3,652,933	(41,693)	2,351,751
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing accrued (income) / losses and capital (gains) / losses transferred to Income Statement	-	(73,323)	-	(81,852)
- amount representing (income) / losses that form part of the unit holders' fund transferred to Distribution Statement	(34,427)	(8,606)	2,675	(5,457)
	(34,427)	(81,929)	2,675	(87,309)
Unrealised diminution on investments at fair value through profit or loss - net Capital gain / (loss) on sale of investments	(7,743)	(3,959)	(453)	(1,868)
Other income (net of expenses)	1,088,340	754,590	390,370	362,296
Net income for the period	1,079,395	749,529	387,097	359,993
Distribution:				
Final distribution for the year ended June 30, 2011: 2.757% (June 30, 2010: 2.5010%)				
- Bonus Units	(267,810)	(135,165)	-	-
- Cash Distribution	(19,861)	(6,140)	-	-
Interim distributions during half year ended December 31, 2011				
- Bonus units	(451,922)	(166,851)	-	-
- Cash distribution	(122,091)	(15,135)	-	-
Interim during quarter ended March 31, 2012				
- Bonus units	(511,311)	(238,988)	(511,311)	(238,988)
- Cash distribution	(43,100)	(19,953)	(43,100)	(19,953)
Add: Bonus distribution				
Final Distribution	267,810	135,165	-	-
Interim Distribution	963,233	405,839	511,311	238,988
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing income / (losses) that form part of the unit holders' fund	34,427	8,606	(2,675)	5,457
Net assets at the end of the period	<u>15,938,238</u>	<u>10,093,289</u>	<u>15,938,238</u>	<u>10,093,289</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2012

	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
----- (Rupees in '000) -----				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period	1,079,395	749,529	387,097	359,993
Adjustments				
Net unrealised diminution in the value of investments classified as 'financial assets at fair value through profit or loss'	7,743	3,959	453	1,868
Amortisation of preliminary expenses and floatation costs	745	744	247	244
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	-	(73,323)	-	(81,852)
	1,087,883	680,909	387,797	280,253
(Increase) / decrease in assets				
Investments	(5,975,957)	(4,010,892)	(2,231,442)	(3,474,050)
Loans and receivables	608,467	(209,886)	1,382,765	1,253,547
Profit receivable	14,333	(12,496)	3,285	(4,611)
Prepayments and other receivables	190	660	(189)	249
	(5,352,967)	(4,232,614)	(845,581)	(2,224,865)
Increase / (decrease) in liabilities				
Payable to the Management Company	8,626	(596)	1,364	2,547
Payable to the Trustee	357	297	70	152
Payable to Securities and Exchange Commission of Pakistan	1,060	1,729	2,992	1,864
Accrued expenses and other liabilities	39,822	15,343	25,874	4,977
	49,865	16,773	30,300	9,540
Net cash outflow from operating activities	(4,215,219)	(3,534,932)	(427,484)	(1,935,072)
CASH FLOW FROM FINANCING ACTIVITIES				
Receipts from issue of units	19,617,193	11,788,286	5,230,837	5,274,725
Payments on redemption of units	(15,377,994)	(8,136,658)	(5,263,154)	(2,850,566)
Distribution paid	(185,052)	(41,228)	(43,100)	(19,953)
Net cash inflow from financing activities	4,054,147	3,610,400	(75,417)	2,404,206
Net increase in cash and cash equivalents during the period	(161,072)	75,468	(502,901)	469,134
Opening balance of cash and cash equivalents	872,997	1,401,344	1,214,826	1,007,678
Cash and cash equivalents at the end of the period	711,925	1,476,812	711,925	1,476,812

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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 INFORMATION (UNAUDITED) FOR THE PERIOD AND QUARTER ENDED MARCH 31, 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, I.I. 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 categorized as an Open-End "Money Market Scheme" as per the criteria laid down by Securities and Exchange Commission of Pakistan for categorization 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 Limited (PACRA) has assigned an asset manager rating of AM2- (Positive outlook) to the Management Company and a stability rating of AAA (f) to the Fund.

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. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of International Accounting Standard (IAS) 34: 'Interim Financial Reporting', the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IAS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2011.

2.3 These condensed interim financial statements are un-audited. Accordingly, the Board of Directors of the Management Company declare that these condensed interim financial information give a true and fair view of state of affairs of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2011.

3.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:

The following new standards and amendments to existing standards are mandatory for the first time for the financial periods beginning July 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of the revised standard did not have any impact on the Fund's condensed interim financial information.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. This amendment was part of the IASB's annual improvement project published in May 2010. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. Adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

NAFA GOVERNMENT SECURITIES LIQUID FUND

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

3.2 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in this condensed interim financial information.

3.3 During the current period, the Fund has revised its methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is determined based on the income earned during the period and on unrealised appreciation / (diminution) arising during the period on available for sale securities. The amount so determined is taken directly to the distribution statement. Previously, the element was calculated based on cumulative values of undistributed income and unrealised gain / loss on available for sale securities present in the net asset value of units. The element which related to income earned during the period was recognised in the income statement while the remaining amount was recognised in the distribution statement.

The revised methodology, in the opinion of the management, reflects a more appropriate manner for determination of element. The change in the presentation of element in the financial statements has been based on the recommendation of the Institute of Chartered Accountants of Pakistan (ICAP) to the Securities and Exchange Commission of Pakistan (SECP). As per ICAP's recommendation to the SECP, element of income, being in the nature of "equalization account" does not qualify for recognition either as expense or income as per International Financial Reporting Standards (IFRSs). Therefore, in order to enhance harmonization of mutual fund accounting with the primary accounting framework, the net balance of element of income at the end of the reporting period has been recognised directly in the distribution statement.

The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology:

- net income for the period would have been higher by Rs 34.43 million; and
- amount taken to distribution statement would have been higher by Rs 45.07 million.

3.4 Net Asset Value per unit

The net asset value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

3.5 Earnings per unit

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

	Note	(Un-audited) March 31, 2012	(Audited) June 30, 2011
(Rupees in '000)			
4	INVESTMENTS		
	At fair value through profit or loss - held for trading		
	Government securities - Market Treasury Bills	4.1	13,887,010
		<u>13,887,010</u>	<u>7,918,819</u>
		<u>13,887,010</u>	<u>7,918,819</u>

NAFA GOVERNMENT SECURITIES LIQUID FUND

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

Issue Date	Tenor	Face value				Market value	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2011	Purchases during the period	Sales / matured during the period	As at March 31, 2012			
		-----Rupees in ' 000-----					%	
Market Treasury Bills								
April 21, 2011	3 months	137,500	200,000	337,500	-	-	-	-
May 05, 2011	3 months	1,870,000	50,000	1,920,000	-	-	-	-
January 27, 2011	6 months	700,000	-	700,000	-	-	-	-
May 19, 2011	3 months	2,108,500	90,000	2,198,500	-	-	-	-
February 02, 2011	6 months	489,500	-	489,500	-	-	-	-
February 10, 2011	6 months	718,500	-	718,500	-	-	-	-
June 02, 2011	3 months	210,000	375,000	585,000	-	-	-	-
March 10, 2011	6 months	400,000	2,140,000	2,540,000	-	-	-	-
March 24, 2011	6 months	300,000	550,000	850,000	-	-	-	-
June 16, 2011	3 months	987,000	300,000	1,287,000	-	-	-	-
June 30, 2011	3 months	125,000	-	125,000	-	-	-	-
May 19, 2011	6 months	-	5,262,000	5,262,000	-	-	-	-
May 05, 2011	6 months	-	2,775,000	2,775,000	-	-	-	-
April 21, 2011	6 months	-	1,695,000	1,695,000	-	-	-	-
April 07, 2011	6 months	-	2,580,000	2,580,000	-	-	-	-
February 24, 2011	6 months	-	40,000	40,000	-	-	-	-
June 02, 2011	6 months	-	2,575,000	2,575,000	-	-	-	-
July 14, 2011	3 months	-	225,000	225,000	-	-	-	-
July 28, 2011	3 months	-	925,000	925,000	-	-	-	-
June 30, 2011	6 months	-	1,555,000	1,555,000	-	-	-	-
August 11, 2011	3 months	-	775,000	775,000	-	-	-	-
June 16, 2011	6 months	-	2,000,000	2,000,000	-	-	-	-
October 06, 2011	3 months	-	1,000,000	1,000,000	-	-	-	-
December 18, 2010	12 months	-	40,000	40,000	-	-	-	-
October 20, 2011	3 months	-	525,000	525,000	-	-	-	-
July 28, 2011	6 months	-	4,327,000	4,327,000	-	-	-	-
July 14, 2011	6 months	-	1,600,000	1,600,000	-	-	-	-
November 03, 2011	3 months	-	922,000	922,000	-	-	-	-
January 27, 2011	12 months	-	325,000	325,000	-	-	-	-
February 10, 2011	12 months	-	2,100,000	2,100,000	-	-	-	-
November 17, 2011	3 months	-	1,335,000	1,335,000	-	-	-	-
August 11, 2011	6 months	-	1,298,000	1,298,000	-	-	-	-
August 25, 2011	6 months	-	2,272,000	2,272,000	-	-	-	-
February 24, 2011	12 months	-	430,000	430,000	-	-	-	-
December 01, 2011	3 months	-	760,000	760,000	-	-	-	-
September 08, 2011	6 months	-	445,000	445,000	-	-	-	-
September 22, 2011	6 months	-	80,200	80,200	-	-	-	-
October 06, 2011	6 months	-	1,168,200	1,106,000	62,200	62,099	0.39	0.45
October 20, 2011	6 months	-	5,953,000	5,070,000	883,000	877,586	5.51	6.32
November 03, 2011	6 months	-	3,052,000	-	3,052,000	3,019,756	18.95	21.75
November 17, 2011	6 months	-	400,000	-	400,000	394,003	2.47	2.84
December 01, 2011	6 months	-	135,140	-	135,140	132,522	0.83	0.95
June 16, 2011	12 months	-	950,000	-	950,000	927,474	5.82	6.68
March 10, 2011	12 months	-	34,000	34,000	-	-	-	-
December 29, 2011	03 months	-	4,000	4,000	-	-	-	-
April 07, 2011	12 months	-	1,091,900	600,000	491,900	491,097	3.08	3.54
January 12, 2012	03 months	-	2,891,400	2,547,000	344,400	343,838	2.16	2.48
April 21, 2011	12 months	-	280,000	150,000	130,000	129,203	0.81	0.93
January 26, 2012	03 months	-	3,237,882	880,000	2,357,882	2,343,426	14.70	16.87
May 05, 2011	12 months	-	573,000	-	573,000	566,946	3.56	4.08
February 09, 2012	3 months	-	312,000	-	312,000	308,704	1.94	2.22
May 19, 2011	12 months	-	100,000	-	100,000	98,500	0.62	0.71
February 23, 2012	3 months	-	541,000	-	541,000	532,889	3.34	3.84
June 02, 2011	12 months	-	100,000	-	100,000	98,062	0.62	0.71
March 08, 2012	3 months	-	2,225,000	1,225,000	1,000,000	2,181,900	13.69	15.71
March 22, 2012	3 months	-	1,412,500	-	1,412,500	1,379,006	8.65	9.93
Total as at March 31, 2012						13,887,010	-	-
Carrying Value as at March 31, 2012						13,894,753		
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'						(7,743)		
Total as at June 30, 2011						7,918,819		

NAFA GOVERNMENT SECURITIES LIQUID FUND

5. 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 Honourable High Court of Sindh ("the Court", "SHC"), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to 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. However on December 14, 2010 the Ministry filed its response against the constitutional petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

Subsequent to the year ended June 30, 2011, 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. Accordingly, the Management Company has stopped making accrual of this liability with effect from March 14, 2012. However, as a matter of abundant caution, the Management Company has decided to maintain the provision for WWF made till this date amounting to Rs. 52.87 million in these financial information.

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2012 (June 30, 2011: Nil).

7. SINDH SALES TAX ON REMUNERATION FEE OF MANAGEMENT COMPANY

During the current period, the provincial government has levied General Sales Tax at the rate of 16% on the remuneration of the Management Company through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011.

8. 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 provision for taxation as the Management Company, on behalf of the Fund, intends to distribute at least 90 percent of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its unit holders.

9. INTERIM DISTRIBUTIONS

The Fund makes distribution on a monthly basis and has made following distributions during the period.

Date	Rate Per Unit	Bonus		Cash Distribution	Total
		Units	Amount		
August 02, 2011	Re 0.0908	10,262,733	103,576	6,685	110,261
September 06, 2011	Re 0.0908	9,982,674	100,940	7,440	108,380
October 03, 2011	Re 0.0908	8,373,825	84,617	6,988	91,605
November 02, 2011	Re 0.0928	8,615,593	87,115	53,081	140,196
December 02, 2011	Re 0.0887	7,488,356	75,674	47,897	123,571
January 03, 2012	Re 0.0887	12,869,673	130,006	6,167	136,173
January 30, 2012	Re 0.0887	12,779,542	128,939	8,803	137,742
February 28, 2012	Re 0.0887	12,657,791	127,516	13,193	140,709
March 29, 2012	Re 0.0887	12,402,828	124,851	14,936	139,787
		95,433,015	963,234	165,190	1,128,424

NAFA GOVERNMENT SECURITIES LIQUID FUND

As per clause 11 of the Trust Deed and clause 5 of the Offering Document, the Management Company, on behalf of the Fund, on a monthly basis (except June) distributes cash dividend, bonus, partially cash / bonus or in any other form acceptable to the Commission (such as bonus units) that may qualify under the tax laws. Net income (after deducting all the expenses of the Fund) earned on 25th of every month may be distributed by the Management Company. The Board of Directors on April 19, 2011 have passed a resolution providing standing authorisation to the Chief Executive Officer to approve and declare interim dividends out of profits earned by the Fund during the month.

10 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

10.5 Details of the transactions with connected persons are as follows:

	Period ended		Quarter Ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	----- (Rupees in '000) -----			
Management Company				
Management fee expense for the period	130,264	78,523	49,863	31,067
Sindh sales tax on remuneration of the Management Company	20,932	-	8,067	-
Bonus units issued (39,251 units; March 31, 2011: 38,038 units)	-	-	-	-
Units issued (6,533,694; March 31, 2011; 5,463,383 units)	66,000	56,036	46,000	22,036
Units redeemed (7,442,871 units; March 31, 2011: 5,382,099 units)	75,506	55,097	43,150	20,929
National Bank of Pakistan - Sponsor				
Cash Dividend	102,641	4,665	4,478	3,163
T-Bills purchased during the period	-	99,576	-	-
T-Bills sold during the period	-	499,008	-	-
Bonus units issued (15,759,230; March 31, 2011; Nil)	-	-	-	-
Units issued (491,327,018 units; March 31, 2011: 9,622,046 units)	5,012,398	100,000	9,227	100,000
Units redeemed/ transferred out (98,514,651 units; March 31, 2011; Nil)	1,000,000	-	-	-
Alexandra Fund Management Pte. Limited - Sponsor				
Bonus units issued (136,971 units; March 31, 2011: 223,706 units)	-	-	-	-
Units redeemed (2,614,286 units; March 31, 2011: 2,176,558 units)	26,573	22,000	-	22,000
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee for the period	8,379	5,274	3,178	2,049
Kamal A Chinoy - Director				
Bonus units issued (7,338 units; March 31, 2011: 2,494 units)	-	-	-	-
Chief Executive Officer				
Bonus units issued (38,484 units; March 31, 2011: 23,737 units)	-	-	-	-
Units issued (Nil; March 31, 2011: 958,240 units)	-	10,000	-	10,000
Units redeemed (677,813 units; March 31, 2011: 237,494 units)	6,880	2,450	-	2,450
Chief Financial Officer				
Bonus units issued (2,344 units; March 31, 2011: Nil units)	-	-	-	-
Units issued/ transfer in (60,878 units; March 31, 2011: Nil units)	616	-	55	-
Units redeemed/ transfer out (44,845 units; March 31, 2011: Nil units)	456	-	27	-

NAFA GOVERNMENT SECURITIES LIQUID FUND

	Period ended		Quarter Ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
----- (Rupees in '000)-----				
NAFA Provident Fund Trust - Provident Fund				
Bonus units issued (41,807 units; March 31, 2011: 31,422 units)	-	-	-	-
Units issued/ transfer in (1,278,327 units; March 31, 2011: 1,832,711 units)	12,961	18,843	4,191	3,350
Units redeemed/ transfer out (1,269,310 units; March 31, 2011: 1,785,962 units)	12,868	18,327	3,588	3,793
Employees of the Management Company				
Bonus units issued (72,419 units; March 31, 2011: 85,466 units)	-	-	-	-
Units issued (2,507,276 units; March 31, 2011: 2,322,506 units)	25,450	23,785	(4,387)	24
Units redeemed (2,942,456 units; March 31, 2011: 2,708,828 units)	29,869	27,775	(1,279)	94
NBP Employees Pension Fund				
Bonus units issued (1,314,868 units; March 31, 2011: 804,535 units)	-	-	-	-
NBP Endowment Funds Students Loan Scheme				
Bonus units issued (1,921,264 units; March 31, 2011: Nil units)	-	-	-	-
Units issued/ transfer in (13,797,370 units; March 31, 2011: Nil units)	139,970	-	99,970	-
NBP Exchange Company Limited				
Bonus units issued (2,295,372 units; March 31, 2011: 473,561 units)	-	-	-	-
Units issued/ transfer in (91,005 units; March 31, 2011: 19,310,152 units)	819	200,120	280	200,120
NBP Leasing Limited Employees Provident Fund				
Bonus units issued (4,934 units; December 31, 2010: Nil units)	-	-	-	-
Units issued/ transfer in (120,480 units; March 31, 2011: Nil units)	1,225	-	374	-
Units redeemed/ transfer out (92,000 units; March 31, 2011: Nil units)	929	-	929	-
International Industries Limited - Provident Fund				
T-Bills purchased during the period	10,206	-	10,206	-
NAFA Savings Plus Fund				
T-Bills purchased during the period	14,921	-	14,921	-
International Industries Limited - Gratuity Fund				
T-Bills purchased during the period	13,122	-	13,122	-
Telenor Pakistan Ltd - Employees Provident Fund				
T-Bills purchased during the period	3,937	-	3,937	-
			(Un-audited)	(Audited)
			As at	As at
			March 31,	June 30,
			2012	2011
10.6 Amounts outstanding as at period / year end			(Rupees in '000)	
Management Company				
Receivable from the management company		6,980		6,980
Management fee payable		17,110		11,190
Sindh sales tax payable on remuneration of the Management Company		2,737		-
Other payable		-		31
Investment held by the Management Company (303,850 units; June 30, 2011: 1,173,777)		3,061		12,160
Central Depository Company of Pakistan Limited - Trustee				
Remuneration payable		1,089		732
National Bank of Pakistan - Sponsor				
Investment held by the Sponsor in the Fund (421,193,643 units; June 30, 2011: 12,622,046 units)		4,243,316		130,757
Balance in current account		14,391		13,464

NAFA GOVERNMENT SECURITIES LIQUID FUND

	(Un-audited) As at March 31, 2012	(Audited) As at June 30, 2011
	(Rupees in '000)	
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund (Nil units; June 30, 2011: 2,477,314 units)	-	25,663
Chief Executive Officer		
Investment held by the Chief Executive Officer (1,117 units; June 30, 2011: 640,446 units)	11	6,635
Chief Financial Officer		
Investment held by the Chief Financial Officer (60,395 units; June 30, 2011: 38,752 units)	609	401
Kamal A Chinoy - Director		
Investment held by the Director in the Fund (72,499 units; June 30, 2011: 65,160 units)	730	-
NAFA Provident Fund Trust - Provident Fund		
Investment held by the Sponsor in the Fund (466,340 units; June 30, 2011: 415,516 units)	4,698	4,304
Employees of the Management Company		
Investment held by the employees in the Fund (330,876 units; June 30, 2011: 936,489 units)	3,333	9,701
NBP Employees Pension Fund		
Investment held in the Fund (12,989,214 units; June 30, 2011: 11,674,345 units)	130,860	120,939
NBP Endowment Funds Students Loan Scheme		
Investment held in the Fund (28,979,653 units; June 30, 2011: 13,261,018 units)	291,956	137,376
NBP Exchange Company Limited		
Investment held in the Fund (22,724,049 units; June 30, 2011: 20,347,672 units)	228,933	210,790
NBP Leasing Limited Employees Provident Fund		
Investment held in the Fund (40,209 units; June 30, 2011: 6,795 units)	405	70
NAFA Asset Allocation Fund		
Receivable against transfer sales	-	303

NAFA GOVERNMENT SECURITIES LIQUID FUND

11 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant changes or reclassifications were made in this condensed interim financial information.

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 17, 2012 by the Board of Directors of the Management Company.

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