



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

## NAFA GOVERNMENT SECURITIES LIQUID FUND

# QUARTERLY REPORT

## MARCH 31

# 2015



*Your investments & "NAFA" grow together*



**FULLERTON FUND  
MANAGEMENT**

*Joint - Venture Partners*

## 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. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Nigel Poh Cheng	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Aamir Sattar	Member

### Human Resource Committee

Mr. Nausherwan Adil	Chairman
Mr. Nigel Poh Cheng	Member
Mr. Kamal Amir Chinoy	Member

### Trustee

Central Depository Company of Pakistan Limited (CDC)  
CDC House, 99-B, Block "B" S.M.C.H.S.,  
Main Shahra-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  
Summit Bank Limited  
Soneri Bank Limited

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## **Auditors**

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No.02  
Beaumont Road,  
Karachi - 75530, Pakistan.

## **Legal Advisor**

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

## **Head Office:**

7<sup>th</sup> Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 111-111-NFA (111-111-632)  
Helpline (Toll Free): 0800-20001  
Fax: (021) 35825329

## **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:**

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

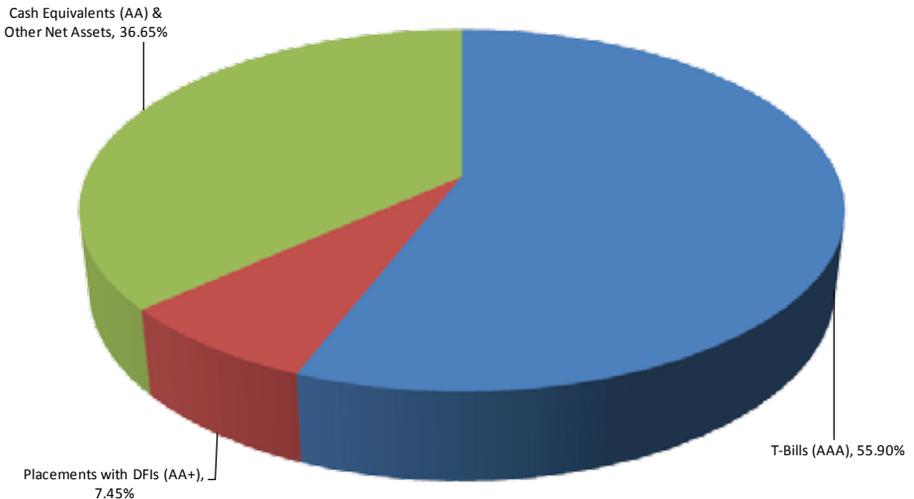
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Government Securities Liquid Fund (NGSLF)** for the period ended March 31, 2015.

### Fund's Performance

The size of NAFA Government Securities Liquid Fund increased from Rs. 9,859 million to Rs. 10,732 million during the period, i.e. an increase of 8.9%. During the nine month period, the unit price of the Fund increased from Rs. 10.0538 on June 30, 2014 to Rs. 10.7040 on March 31, 2015, thus showing an annualized return of 8.62% as compared to its Benchmark (70% 3-Month T-Bills & 30% average 3-Month deposit rate of 'AA' & above rated banks) annualized return of 9.12% for the same period. During the third quarter the Fund size increased by 12.1%. The unit price of the Fund increased from Rs. 10.4929 on December 31, 2014 to Rs. 10.7040 on March 31, 2015, thus showing an annualized return of 8.16% as compared to its Benchmark return of 8.90% for the same period. The performance of the Fund is net of management fee and all other expenses.

During the period under review, the State Bank of Pakistan reduced the policy rate by 200 bps to 8.0% mainly due to sharp decline in inflation, build-up of FX reserves, largely contained fiscal deficit, and improved external account position. Sovereign securities responded to the beginning of loose monetary policy period with yields on the PIBs and T-bills declining sharply.

The Fund has earned total income of Rs.764.33 million during the period. After deducting expenses of Rs.132.72 million, the net income is Rs.631.61 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSLF.



# NAFA GOVERNMENT SECURITIES LIQUID 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 Fullerton Asset Management Limited

Chief Executive

Director

Date: April 21, 2015  
Place: Karachi.

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2015

	Note	(Un-Audited) March 31, 2015	(Audited) June 30, 2014
------(Rupees in '000)-----			
<b>ASSETS</b>			
Balances with banks		4,112,173	7,730,161
Investments	4	6,799,786	8,121,706
Profit receivable		22,400	10,238
Prepayments and other receivables		6,993	7,117
Preliminary expenses and floatation costs		-	-
<b>Total assets</b>		<b>10,941,352</b>	<b>15,869,222</b>
<b>LIABILITIES</b>			
Payable to the Management Company		45,927	24,420
Payable to the Trustee		768	896
Payable to Securities and Exchange Commission of Pakistan		5,696	10,654
Payable on redemption of units		33,198	5,865,291
Accrued expenses and other liabilities		123,294	109,338
<b>Total liabilities</b>		<b>208,883</b>	<b>6,010,599</b>
<b>NET ASSETS</b>		<b>10,732,469</b>	<b>9,858,623</b>
<b>Unit Holders' Funds (as per statement attached)</b>		<b>10,732,469</b>	<b>9,858,623</b>
<b>Contingencies and Commitments</b>	6	(Number of Units)	
<b>Number of units in issue</b>		<b>1,002,661,512</b>	<b>980,581,901</b>
<b>Net asset value per unit</b>		<b>10.7040</b>	<b>10.0538</b>
----- Rupees -----			

The annexed notes 1 to 12 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Note	Nine months ended		Quarter ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
------(Rupees in '000)-----					
<b>INCOME</b>					
Capital gain on sale of investments - net		10,914	648	8,350	572
Income from government securities		538,180	761,208	177,750	290,228
Income from term deposit receipts		33,938	80,641	15,413	26,845
Income from money market placements		48,585	62,568	24,818	32,139
Profit on bank deposits		131,636	75,812	30,941	28,104
Net unrealised appreciation / (diminution) in the value of investments classified as 'financial assets at fair value through profit or loss'		1,076	(7,240)	1,465	1,538
<b>Total Income</b>		<b>764,329</b>	<b>973,637</b>	<b>258,737</b>	<b>379,426</b>
<b>EXPENSES</b>					
Remuneration of the Management Company		79,600	107,152	27,555	39,228
Sindh sales tax on remuneration of the Management Company		13,850	19,988	4,794	7,281
Federal Excise Duty on remuneration to Management		12,736	17,144	4,409	6,276
Remuneration of the Trustee		6,226	7,927	2,147	2,829
Annual fee - Securities and Exchange Commission of Pakistan		5,696	7,798	1,995	2,843
Securities transaction cost		424	747	193	193
Bank charges		455	486	24	90
Annual listing fee		30	30	10	10
Rating fee		188	188	54	66
Auditors' remuneration		462	398	83	93
Amortisation of preliminary expenses and floatation costs		-	744	-	244
Legal and professional charges		38	44	13	11
Printing Charges		122	47	108	27
<b>Total Expenses</b>		<b>119,827</b>	<b>162,693</b>	<b>41,385</b>	<b>59,191</b>
<b>Net income from operating activities</b>		<b>644,502</b>	<b>810,944</b>	<b>217,352</b>	<b>320,235</b>
Provision for workers' welfare fund	5	(12,890)	(16,219)	(4,347)	(6,405)
<b>Net income for the period before taxation</b>		<b>631,612</b>	<b>794,725</b>	<b>213,005</b>	<b>313,830</b>
Taxation	7	-	-	-	-
<b>Net income for the period after taxation</b>		<b>631,612</b>	<b>794,725</b>	<b>213,005</b>	<b>313,830</b>

The annexed notes 1 to 12 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	------(Rupees in '000)-----			
Net income for the period after taxation	631,612	794,725	213,005	313,830
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>631,612</u>	<u>794,725</u>	<u>213,005</u>	<u>313,830</u>

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For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Note	Nine months ended		Quarter ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
------(Rupees in '000)-----					
<b>Undistributed income brought forward</b>					
- Realised income		28,075	10,863	423,586	14,097
- Unrealised (loss) / income		(3,692)	(259)	1,465	1,538
		<u>24,383</u>	<u>10,604</u>	<u>425,051</u>	<u>15,635</u>
Net income for the period after taxation		631,612	794,725	213,005	313,830
Interim distributions during the period					
- Bonus units	8	-	(794,448)	-	(309,530)
- Cash distribution	8	-	(116)	-	(37)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		20,227	10,772	38,166	1,639
Undistributed income carried forward		<u>676,222</u>	<u>21,537</u>	<u>676,222</u>	<u>21,537</u>
<b>Undistributed income carried forward comprising:</b>					
- Realised gain		675,146	28,777	675,146	28,777
- Unrealised loss		1,076	(7,240)	1,076	(7,240)
Undistributed income carried forward		<u>676,222</u>	<u>21,537</u>	<u>676,222</u>	<u>21,537</u>

The annexed notes 1 to 12 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rupees in '000)			
Net assets at the beginning of the period	9,858,623	12,401,926	9,575,490	14,922,877
Issue of 570,883,663 units (March 31, 2014: 826,925,981 units)	5,953,447	7,533,861	2,982,773	2,375,057
Redemption of 548,804,052 units (March 31, 2014: 542,923,443 units)	(5,711,213)	(5,466,465)	(2,038,799)	(2,347,796)
	242,234	2,067,396	943,974	27,261
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(20,227)	(10,772)	(38,166)	(1,639)
Unrealised diminution on investments at fair value through profit or loss - net	1,076	(7,240)	1,465	1,538
Capital gain / (loss) on sale of investments	10,914	648	8,350	572
Other income (net of expenses)	619,622	801,317	203,190	311,720
Net income for the period	631,612	794,725	213,005	313,830
<b>Distribution:</b>				
Interim distributions during the period				
- Bonus units	-	(794,448)	-	(309,530)
- Cash distribution	-	(116)	-	(37)
Add: Bonus distribution				
Interim Distribution	-	794,448	-	309,530
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	20,227	10,772	38,166	1,639
<b>Net assets at the end of the period</b>	<b>10,732,469</b>	<b>15,263,931</b>	<b>10,732,469</b>	<b>15,263,931</b>

The annexed notes 1 to 12 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
------(Rupees in '000)-----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income for the period	631,612	794,725	213,005	313,830
<b>Adjustments</b>				
Net unrealised appreciation / (diminution) in the value of investments classified as 'financial assets at fair value through profit or loss'	(1,076)	7,240	(1,465)	(1,538)
Amortisation of preliminary expenses and floatation costs	-	744	-	244
	630,536	802,709	211,540	312,536
<b>(Increase) / decrease in assets</b>				
Investments	1,322,996	(8,889,197)	(1,285,370)	(1,285,817)
Profit receivable	(12,162)	(3,816)	6,608	(6,388)
Prepayments and other receivables	124	(45)	2,979	(147)
Receivable from a connected person	-	5,846,012	-	-
	1,310,958	(3,047,046)	(1,275,783)	(1,292,352)
<b>Increase / (decrease) in liabilities</b>				
Payable to the Management Company	21,507	22,941	5,675	7,281
Payable to the Trustee	(128)	495	97	91
Payable to Securities and Exchange Commission of Pakistan	(4,958)	(1,830)	1,995	2,843
Payable against purchase of investment	-	747,106	-	747,106
Accrued expenses and other liabilities	13,956	17,203	6,092	7,494
	30,377	785,915	13,859	764,815
<b>Net cash (outflow) / Inflow from operating activities</b>	1,971,871	(1,458,422)	(1,050,384)	(215,001)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	5,953,447	7,533,861	2,982,773	2,375,057
Payments on redemption of units	(11,543,306)	(5,461,951)	(2,035,530)	(2,344,439)
Distribution paid	-	(116)	-	(37)
<b>Net cash inflow / (outflow) from financing activities</b>	(5,589,859)	2,071,794	947,243	30,581
Net increase / (decrease) in cash and cash equivalents during the period	(3,617,988)	613,372	(103,141)	(184,420)
Opening balance of cash and cash equivalents	7,730,161	1,849,896	4,215,314	2,647,688
<b>Cash and cash equivalents at the end of the period</b>	4,112,173	2,463,268	4,112,173	2,463,268

The annexed notes 1 to 12 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

### 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 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of 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 are transferable and can be redeemed by surrendering them 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 BASIS OF PREPARATION

#### 2.1 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the 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 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 IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2014.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2015.

### 3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2014.

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## 4 INVESTMENTS

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
(Rupees in '000)			
<b>At fair value through profit or loss - held for trading</b>			
Government securities - Market Treasury Bills	4.1	5,999,786	8,121,706
<b>Loans and receivable</b>			
Investment in certificate of investments	4.2	800,000	-
		6,799,786	8,121,706

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

Issue Date	Tenor	Face value				Market value as at March 31, 2015	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2014	Purchases during the period	Sales / matured during the period	As at March 31, 2015			
-----Rupees in ' 000----- %-----								
<b>Market Treasury Bills</b>								
March 6, 2014	6 Months	1,200,000	-	1,200,000	-	-	-	-
February 20, 2014	6 Months	500,000	-	500,000	-	-	-	-
March 20, 2014	6 Months	940,000	-	940,000	-	-	-	-
April 17, 2014	3 Months	1,249,000	-	1,249,000	-	-	-	-
April 17, 2014	6 Months	1,300,000	3,200,000	4,500,000	-	-	-	-
May 15, 2014	3 Months	2,498,500	3,750	2,502,250	-	-	-	-
June 12, 2014	3 Months	357,400	221,000	578,400	-	-	-	-
May 29, 2014	3 Months	200,000	-	200,000	-	-	-	-
May 15, 2014	6 Months	-	3,154,000	3,154,000	-	-	-	-
May 15, 2014	12 Months	-	995,000	995,000	-	-	-	-
July 10, 2014	3 Months	-	4,949,805	4,949,805	-	-	-	-
July 24, 2014	3 Months	-	3,300,000	3,300,000	-	-	-	-
August 7, 2014	3 Months	-	3,500,000	3,500,000	-	-	-	-
September 4, 2014	3 Months	-	2,432,000	2,432,000	-	-	-	-
April 3, 2014	6 Months	-	310,000	310,000	-	-	-	-
October 2, 2014	3 Months	-	144,000	144,000	-	-	-	-
October 16, 2014	3 Months	-	4,751,800	4,751,800	-	-	-	-
October 30, 2014	3 Months	-	1,594,900	1,594,900	-	-	-	-
November 13, 2014	3 Months	-	1,908,700	1,908,700	-	-	-	-
November 13, 2014	6 Months	-	2,713,000	2,713,000	-	-	-	-
November 27, 2014	3 Months	-	493,000	493,000	-	-	-	-
March 20, 2014	12 Months	-	3,525,000	3,525,000	-	-	-	-
December 26, 2014	3 Months	-	27,500	27,500	-	-	-	-
January 8, 2015	3 Months	-	300,000	300,000	-	-	-	-
January 8, 2015	6 Months	-	250,000	250,000	-	-	-	-
September 4, 2014	6 Months	-	2,010,000	2,010,000	-	-	-	-
January 22, 2015	3 Months	-	350,000	350,000	-	-	-	-
January 22, 2015	6 Months	-	1,500,000	1,500,000	-	-	-	-
February 6, 2015	6 Months	-	350,000	350,000	-	-	-	-
April 17, 2014	12 Months	-	400,000	400,000	-	-	-	-
February 19, 2015	6 Months	-	70,000	70,000	-	-	-	-
March 19, 2015	3 Months	-	250,000	250,000	-	-	-	-
March 19, 2015	6 Months	-	1,050,000	1,050,000	-	-	-	-
March 5, 2015	3 Months	-	187,500	-	187,500	185,117	1.72	2.72
March 5, 2015	6 Months	-	187,500	-	187,500	181,316	1.69	2.67
February 6, 2015	3 Months	-	1,750,000	-	1,750,000	1,738,384	16.20	25.57
October 30, 2014	6 Months	-	3,196,000	1,300,000	1,896,000	1,883,414	17.55	27.70
May 2, 2014	12 Months	-	1,195,000	-	1,195,000	1,187,068	11.06	17.46
November 27, 2014	6 Months	-	1,835,100	1,000,000	835,100	824,488	7.68	12.13
<b>Total as at March 31, 2015</b>						5,999,786	55.90	88.23
<b>Carrying Value as at March 31, 2015</b>								
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'						5,998,710		

### 4.2 Investment in Certificate of Investment

Name of issuer	Maturity date	Rate	As at March 31, 2015
Pak Brunei Investment Company Ltd	25-Jun-15	10.30%	800,000
			800,000

# 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 led by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2012, the Honourable 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, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 120.250 million (including Rs 12.890 million for the current period) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at March 31, 2015 would have been higher by Rs 0.1199 per unit.

## 6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2015 and June 30, 2014.

## 7 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.

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

## 8 INTERIM DISTRIBUTIONS

The Fund has not announced distributions during the period.

## 9 TRANSACTIONS WITH CONNECTED PERSONS

- 9.1 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.
- 9.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 9.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 9.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

# NAFA GOVERNMENT SECURITIES LIQUID FUND

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

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
------(Rupees in '000)-----				
<b>Management Company</b>				
Management fee expense for the period	79,600	107,152	27,555	39,228
Sindh sales tax on remuneration of the Management Company	13,850	19,988	4,794	7,281
Federal Excise Duty on remuneration to Management	12,736	17,144	4,409	6,276
Bonus units issued (Nil units; March 31, 2014: 899,755 units)	-	-	-	-
Units issued (14,947,469; March 31, 2014: 18,565,146 units)	156,000	187,000	79,000	65,000
Units redeemed (29,148,197 units; March 31, 2014: 15,925,153 units)	301,003	160,700	39,348	48,700
<b>National Bank of Pakistan - Sponsor</b>				
T-Bills purchased during the period	1,291,199	12,030,324	-	-
T-Bills sold during the period	3,503,165	8,352,381	498,231	1,715,829
Bonus units issued (Nil; March 31, 2014: 35,445,779)	-	-	-	-
Units redeemed/ transferred out (Nil units; March 31, 2014: 19,921,509)	-	200,000	-	-
Placement of Term deposit receipt during the period	-	2,500,000	-	-
Bank profit earned by the fund on deposit in saving account	-	1,217	-	250
Profit earned by the fund on term deposit receipt	-	37,890	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee fee for the period	6,226	7,927	2,147	2,829
<b>Kamal A Chinoy - Director</b>				
Bonus units issued (Nil units; March 31, 2014: 4,703 units)	-	-	-	-
<b>Aamir Sattar - Director</b>				
Bonus units issued (Nil units; March 31, 2014: 3,111 units)	-	-	-	-
<b>Chief Executive Officer</b>				
Bonus units issued (Nil units; March 31, 2014: 11,415 units)	-	-	-	-
Units redeemed (Nil units; March 31, 2014: 3,535 units)	-	36	-	-
<b>Chief Financial Officer</b>				
Bonus units issued (Nil units; March 31, 2014: 3,816 units)	-	-	-	-
Units issued/ transfer in (Nil units; March 31, 2014: 49,688 units)	-	500	-	-
Units redeemed/ transfer out (Nil units; March 31, 2014: 49,674 units)	-	500	-	400
<b>NAFA Provident Fund Trust - Provident Fund</b>				
Bonus units issued (Nil units; March 31, 2014: 26,547 units)	-	-	-	-
Units issued/ transfer in (154,582 units; March 31, 2014: 240,278 units)	1,567	2,423	-	1,800
Units redeemed/ transfer out (154,582 units; March 31, 2014: 660,701 units)	1,572	6,648	-	6,343
<b>Employees of the Management Company</b>				
Bonus units issued (Nil units; March 31, 2014: 37,039 units)	-	-	-	-
Units issued (1,305,803 units; March 31, 2014: 2,755,249 units)	13,414	27,776	155	22,304
Units redeemed (1,631,057 units; March 31, 2014: 2,597,371 units)	17,075	26,230	8,682	22,274
<b>NBP Employees Pension Fund</b>				
Bonus units issued (Nil units; March 31, 2014: 842,531 units)	-	-	-	-
<b>NBP Endowment Funds Students Loan Scheme</b>				
Bonus units issued (Nil units; March 31, 2014: 1,649,896 units)	-	-	-	-
Units issued/ transfer in (Nil units; March 31, 2014: 941,788 units)	-	9,500	-	-
Units redeemed (4,356,019 units (March 31, 2014: 10,004,755 units)	45,500	101,000	1,500	53,000

# NAFA GOVERNMENT SECURITIES LIQUID FUND

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
------(Rupees in '000)-----				
<b>NBP Exchange Company Limited</b>				
Bonus units issued (Nil units; March 31, 2014: 608,992 units)	-	-	-	-
Units issued/ transfer in (8,772,264 units; March 31, 2014: 15,402,173 units)	92,000	155,080	-	-
Units redeemed (5,908,303 units; March 31, 2014: Nil units)	60,000	-	-	-
<b>NBP Leasing Limited Employees Provident Fund</b>				
Bonus units issued (Nil units; March 31, 2014: 2,647 units)	-	-	-	-
Units issued/ transfer in (96,324 units; March 31, 2014: 111,740 units)	999	1,125	-	272
Units redeemed/ transfer out (96,324 units; March 31, 2014: 10,310 units)	1,019	104	1,019	-
<b>Taurus Securities Limited</b>				
Units issued (1,876,049 units; March 31, 2014: Nil units)	20,000	-	20,000	-
<b>International Industries Limited - Employees Provident Fund</b>				
Bonus units issued (Nil units; March 2014: 131,260 Units)	-	-	-	-
Units issued/ transfer in (315,519 units; March 2014: 166,266 Units)	3,207	1,678	-	-
Units redeemed/ transfer out (2,148,656 units Mar 2014: 285,875 Units)	22,312	2,873	-	2,873
Market Treasury Bills purchased	-	94,624	-	21,550
Market Treasury Bills sold	-	7,951	-	-
<b>International Industries Limited - Employees Gratuity Fund</b>				
Bonus units issued (Nil units; March 2014: 223,624 Units)	-	-	-	-
Units issued/ transfer in (2,022,923 units; March 2014: 552,657 Units)	20,950	5,572	6,778	2,950
Units redeemed/ transfer out (3,800,656 units Mar 2014: 3,228,205 Units)	39,898	32,437	30,452	13,675
Market Treasury Bills purchased	-	111,808	-	23,999
Market Treasury Bills sold	-	66,681	-	-
<b>International Steel Limited - Employees Gratuity Fund</b>				
Bonus units issued (Nil units; March 2014: 22,738 Units)	-	-	-	-
Units issued/ transfer in (179,834 units; March 2014: 168,367 Units)	1,828	1,696	-	1,486
Units redeemed/ transfer out (396,476 units Mar 2014: 330,145 Units)	4,087	3,318	-	1,831
Market Treasury Bills purchased	2,261	10,867	-	2,467
<b>International Steel Limited - Employees Provident Fund</b>				
Bonus units issued (Nil units; March 2014: 26,755 Units)	-	-	-	-
Units issued/ transfer in (289,768 units; March 2014: 135,543 Units)	2,929	1,366	-	1,050
Units redeemed/ transfer out (688,435 units Mar 2014: 187,103 Units)	7,081	1,883	-	1,410
Market Treasury Bills purchased	7,569	13,780	-	3,918
<b>Pak Arab Refinery Limited - Supervisory Staff Gratuity Fund</b>				
Market Treasury Bills purchased	41,166	189,010	23,335	37,997
Market Treasury Bills sold	-	43,796	-	-
<b>Mutual Fund Association of Pakistan - MUFAP</b>				
units issued (689,879 units; March 31, 2014: Nil units)	7,000	-	-	-
units redeemed (547,236 units; March 31, 2014: Nil units)	5,665	-	1,000	-
<b>NAFA Financial Sector Income Fund</b>				
Market Treasury Bills purchased	-	265,535	-	196,556
<b>Thal Limited Employees Provident Fund</b>				
Market Treasury Bills purchased	4,973	473,614	4,973	107,030
Market Treasury Bills sold	-	11,442	-	-

# NAFA GOVERNMENT SECURITIES LIQUID FUND

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	------(Rupees in '000)-----			
<b>Thal Limited Employees Retirement Benefit Fund</b>				
Market Treasury Bills purchased	-	23,636	-	5,132
Market Treasury Bills sold	-	499	-	-
<b>NAFA Income Opportunity Fund</b>				
Market Treasury Bills purchased	239,491	60,603	239,491	-
<b>Summit Bank Limited</b>				
Market Treasury Bills sold	-	998,145	-	-
Bank profit earned by the fund on deposit in saving account	-	432	-	-
<b>NAFA Money Market Fund</b>				
Market Treasury Bills purchased	2,842,265	847,031	819,818	199,050
Market Treasury Bills sold	1,545,183	1,797,352	1,446,414	-
<b>Thall Limited - Treasury Division</b>				
Bonus units issued (Nil units: March 31, 2014: 840,845 units)			-	-
Units issued (43,479,842 units: March 31, 2014: 4,980,377 units)	450,000	50,000	450,000	-
Units redeemed (24,087,636 units: March 31, 2014: 14,922,997 units)	250,000	150,000	250,000	-
<b>NAFA Savings Plus Fund</b>				
Market Treasury Bills purchased	-	149,720	-	149,720
<b>Byco Oil Pakistan Limited- Employee Provident Fund</b>				
Market Treasury Bills purchased	6,934		-	
<b>Byco Petroleum Pakistan Limited –Employee Provident Fund</b>				
Market Treasury Bills purchased	6,934		-	
<b>NAFA Income Fund</b>				
Market Treasury Bills purchased	98,943		-	
<b>Millat Tractor Limited Employees Pension Fund</b>				
Market Treasury Bills purchased	28,984		-	
<b>Maple Leaf Cement Factory Limited Employees Provident Fund</b>				
Market Treasury Bills purchased	2,489		2,489	

# NAFA GOVERNMENT SECURITIES LIQUID FUND

	(Un-Audited) As at March 31, 2015	(Audited) As at June 30, 2014
<b>9.6 Amounts outstanding as at period / year end</b>		
	(Rupees in '000)	
<b>Management Company</b>		
Receivable from the management company	6,980	6,980
Management fee payable	9,735	2,242
FED Payable on remuneration	34,498	21,762
Sindh sales tax payable on remuneration of the Management Company	1,694	416
Investment held by the Management Company (4,158,947 units; June 30, 2014: 18,359,676)	44,517	184,585
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	768	896
<b>National Bank of Pakistan - Sponsor</b>		
Investment held by the Sponsor in the Fund (363,792,834 units; June 30, 2014: 363,792,834 units)	3,894,038	3,657,500
Balance in current account	1,554	1,976
Balance in saving account	489	215
Payable against redemption of units	-	5,855,272
<b>Chief Executive Officer</b>		
Investment held by the Chief Executive Officer (311,382 units; June 30, 2014: 311,382 units)	3,333	3,131
<b>Chief Financial Officer</b>		
Investment held by the Chief Financial Officer (46,899 units; June 30, 2014: 46,899 units)	502	472
<b>Kamal A Chinoy - Director</b>		
Investment held by the Director in the Fund (87,466 units; June 30, 2014: 87,466 units)	936	879
<b>Employees of the Management Company</b>		
Investment held by the employees in the Fund (11,131 units; June 30, 2014: 336,385 units)	119	3,382
<b>NBP Employees Pension Fund</b>		
Investment held in the Fund (15,670,778 units; June 30, 2014: 15,670,778 units)	167,740	157,551
<b>NBP Endowment Funds Students Loan Scheme</b>		
Investment held in the Fund (15,993,857 units; June 30, 2014: 20,349,876 units)	171,198	204,594
<b>NBP Exchange Company Limited</b>		
Investment held in the Fund (19,200,860 units; June 30, 2014: 16,336,899 units)	205,526	164,248
<b>International Steels Limited - Employees Provident Fund</b>		
Units held: 432,410 units (2014: 398,667 units)	4,344	4,008
<b>International Steels Limited - Employees Graduity Fund</b>		
Units held: 363,555 units (2014: 216,642 units)	3,652	2,178

# NAFA GOVERNMENT SECURITIES LIQUID FUND

	(Un-Audited) As at March 31, 2015	(Audited) As at June 30, 2014
	(Rupees in '000)	
<b>International Industries Limited - Employee Graduity Fund</b> Units held: 3,211,461 units (2014: 1,777,733 units)	32,263	17,873
<b>International Industries Limited - Employee Provident Fund</b> Units held: 2,178,743 units (2014: 1,833,137 units)	21,888	18,430
<b>Summit Bank Limited</b> Balance in Current Account	7,703	9,747
<b>Thal Limited - Treasury Division</b> Units held: 19,302,206 units (2014: Nil units)	207,574	-
<b>Taurus Securities Limited</b> Units held: 1,876,049 units (2014: Nil units)	20,081	-
<b>Mutual Fund Association of Pakistan - MUFAP</b> Units held: 142,643 units (2014: Nil units)	1,527	-

## 10 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.

## 11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 21, 2015.

## 12 GENERAL

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



NBP Fullerton  
Asset Management Ltd.

A Subsidiary of  
National Bank of Pakistan

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