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**NBP Fullerton
Asset Management Ltd.**
A Subsidiary of
National Bank of Pakistan

NAFA GOVERNMENT SECURITIES LIQUID FUND

QUARTERLY REPORT

MARCH 31

2016




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 & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource and Remuneration 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
Sindh Bank Limited
Samba Bank Limited
Zarai Taraqati 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:

7th 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:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632 (nfa)
Fax: 091-5703202

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, 2016.

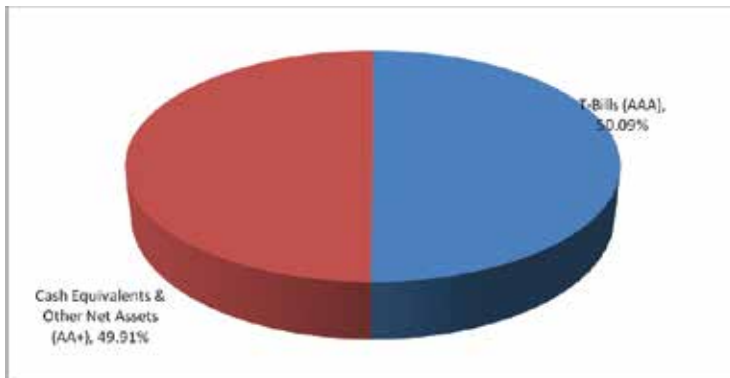
Fund's Performance

The size of NAFA Government Securities Liquid Fund has declined from Rs. 7,013 million to Rs. 4,957 million during the period, i.e. a decline of 29.3%. During the period, the unit price of the Fund has increased from Rs. 10.1423 on June 30, 2015 to Rs. 10.5777 on March 31, 2016, thus showing a return of 5.70% as compared to the benchmark (70% 3-Month T-Bills & 30% average 3-Month deposit rate of 'AA' & above rated banks) return of 6.09% for the same period. The performance of the Fund is net of management fee and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risk is exceptionally low due to 70% minimum investment in Government securities (T-Bills) with average maturity of the overall portfolio at 45 days. The Fund invests in AA and above rated Banks/DFIs with maximum maturity of six months.

During the period under review, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP highlighted: i) benign inflation readings and anchored near-term inflation expectation; ii) high real lending rates; iii) comfortable external account position; and (iv) improving law and order situation; and macroeconomic stability. Sovereign securities responded to the loose monetary policy stance. The T-Bills yield declined by around 78 bps and PIB yield declined by 142 bps, 183 bps and 141 bps for 3year, 5 year 10 Year maturity respectively. Foreign exchange reserves reached a comfortable level of USD 20 billion. Inflation as measured by the CPI clocked-in at 3.9% on a year-on-year basis in March compared to 3.2% in June 2015.

The Fund has earned total income of Rs.265.40 million during the period. After deducting expenses of Rs.61.34 million, the net income is Rs.204.06 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 29, 2016
Place: Karachi.

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2016

| | Note | Un-Audited March 31, 2016 | Audited June 30, 2015 |
|---|------|---------------------------------|-----------------------------|
| (Rupees in '000) | | | |
| ASSETS | | | |
| Balances with banks | | 3,637,205 | 1,962,658 |
| Investments | 4 | 2,483,104 | 3,024,546 |
| Profit receivable | | 715 | 1,770 |
| Receivable against conversion of units | | - | 2,514,448 |
| Prepayments and other receivables | | 6,650 | 7,151 |
| Preliminary expenses and floatation costs | | - | - |
| Total assets | | 6,127,674 | 7,510,573 |
| LIABILITIES | | | |
| Payable to the Management Company | | 47,283 | 46,866 |
| Payable to the Trustee | | 490 | 590 |
| Payable to Securities and Exchange Commission of Pakistan | | 3,308 | 7,535 |
| Payable on redemption of units | | 1,375 | 25,282 |
| Payable against conversion of units | | - | 6,485 |
| Payable against investments | | 998,265 | - |
| Dividend payable | | - | 278,346 |
| Accrued expenses and other liabilities | | 119,949 | 132,014 |
| Total liabilities | | 1,170,670 | 497,118 |
| NET ASSETS | | 4,957,004 | 7,013,455 |
| Unit Holders' Funds (as per statement attached) | | 4,957,004 | 7,013,455 |
| Contingencies and Commitments | 6 | | |
| Number of units in issue | | 468,626,771 | 691,506,600 |
| | | -----Rupees----- | |
| Net asset value per unit | | 10.5777 | 10.1423 |

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 MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

| Note | Nine Month Ended | | Quarter Ended | |
|--|------------------|----------------|----------------|----------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| (Rupees in '000) | | | | |
| INCOME | | | | |
| Capital (loss) / gain on sale of investments - net | (159) | 10,914 | - | 8,350 |
| Income from government securities | 216,904 | 538,180 | 43,047 | 177,750 |
| Income from term deposit receipts | - | 33,938 | - | 15,413 |
| Income from money market placements | 18,699 | 48,585 | 7,192 | 24,818 |
| Profit on bank deposits | 73,875 | 131,636 | 25,201 | 30,941 |
| Net unrealised (diminution) / appreciation in the value of investments classified as 'financial assets at fair value through profit or loss' | (950) | 1,076 | 1,178 | 1,465 |
| Total Income | 308,369 | 764,329 | 76,618 | 258,737 |
| EXPENSES | | | | |
| Remuneration of the Management Company | 38,340 | 79,600 | 6,278 | 27,555 |
| Sindh sales tax on remuneration of the Management Company | 6,226 | 13,850 | 1,019 | 4,794 |
| Federal Excise Duty on remuneration to Management | 6,134 | 12,736 | 1,004 | 4,409 |
| Remuneration of the Trustee | 3,868 | 6,226 | 1,004 | 2,147 |
| Sindh sales tax on remuneration of Trustee | 542 | - | 141 | - |
| Annual fee - Securities and Exchange Commission of Pakistan | 3,309 | 5,696 | 819 | 1,995 |
| Allocated expenses | 1,539 | - | 1,091 | - |
| Securities transaction cost | 209 | 424 | 35 | 193 |
| Bank charges | 371 | 455 | 96 | 24 |
| Annual listing fee | 30 | 30 | 10 | 10 |
| Rating fee | 254 | 188 | 86 | 54 |
| Auditors' remuneration | 412 | 462 | 112 | 83 |
| Amortisation of preliminary expenses and floatation costs | - | - | - | - |
| Legal and professional charges | 10 | 38 | 10 | 13 |
| Printing Charges | 96 | 122 | 76 | 108 |
| Total Expenses | 61,340 | 119,827 | 11,781 | 41,385 |
| Net income from operating activities | 247,029 | 644,502 | 64,837 | 217,352 |
| Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed | (42,966) | - | 39,433 | - |
| Provision for workers' welfare fund | 5 | (12,890) | - | (4,347) |
| Net income for the period before taxation | 204,063 | 631,612 | 104,270 | 213,005 |
| Taxation | 7 | - | - | - |
| Net income for the period after taxation | 204,063 | 631,612 | 104,270 | 213,005 |

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 MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

| | Nine Month Ended | | Quarter Ended | |
|--|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | (Rupees in '000) | | | |
| Net income for the period after taxation | 204,063 | 631,612 | 104,270 | 213,005 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 204,063 | 631,612 | 104,270 | 213,005 |

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 DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

| | Note | Nine Month Ended | | Quarter Ended | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| (Rupees in '000) | | | | | |
| Undistributed income brought forward | | | | | |
| - Realised income | | 86,154 | 28,075 | 187,416 | 423,586 |
| - Unrealised (loss) / income | | (659) | (3,692) | (2,128) | 1,465 |
| | | <u>85,495</u> | <u>24,383</u> | <u>185,288</u> | <u>425,051</u> |
| Net income for the period after taxation | | 204,063 | 631,612 | 104,270 | 213,005 |
| Interim distributions during the period | | | | | |
| - Bonus units | 8 | - | - | - | - |
| - Cash distribution | 8 | - | - | - | - |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed | | - | 20,227 | - | 38,166 |
| Undistributed income carried forward | | <u>289,558</u> | <u>676,222</u> | <u>289,558</u> | <u>676,222</u> |
| Undistributed income carried forward comprising: | | | | | |
| - Realised gain | | 290,508 | 675,146 | 288,380 | 675,146 |
| - Unrealised (loss) / INCOME | | (950) | 1,076 | 1,178 | 1,076 |
| Undistributed income carried forward | | <u>289,558</u> | <u>676,222</u> | <u>289,558</u> | <u>676,222</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 (UN-AUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

| | Nine Month Ended | | Quarter Ended | |
|---|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | (Rupees in '000) | | | |
| Net assets at the beginning of the period | 7,013,455 | 9,858,623 | 3,723,517 | 9,575,490 |
| Issue of 1,121,139,715 units (March 31, 2015: 570,883,663 units) | 11,472,580 | 5,953,447 | 2,120,128 | 2,982,773 |
| Redemption of 1,344,019,544 units (March 31, 2015: 548,804,052 units) | (13,776,060) | (5,711,213) | (951,478) | (2,038,799) |
| | (2,303,480) | 242,234 | 1,168,650 | 943,974 |
| Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed | - | (20,227) | - | (38,166) |
| Unrealised diminution on investments at fair value through profit or loss - net Capital gain / (loss) on sale of investments | (950) | 1,076 | 1,178 | 1,465 |
| Other income (net of expenses) | (159) | 10,914 | - | 8,350 |
| | 205,172 | 619,622 | 103,092 | 203,190 |
| Net income for the period | 204,063 | 631,612 | 104,270 | 213,005 |
| Distribution: | | | | |
| Interim distributions during the period | | | | |
| - Bonus units | - | - | - | - |
| - Cash distribution | - | - | - | - |
| Add: Bonus distribution | | | | |
| Interim Distribution | - | - | - | - |
| 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 | 42,966 | 20,227 | (39,433) | 38,166 |
| Net assets at the end of the period | 4,957,004 | 10,732,469 | 4,957,004 | 10,732,469 |

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 MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

| | Nine Month Ended | | Quarter Ended | |
|--|-------------------|--------------------|-------------------|--------------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | (Rupees in '000) | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net income for the period | 204,063 | 631,612 | 104,270 | 213,005 |
| Adjustments | | | | |
| Net unrealised appreciation / (diminution) in the value of investments classified as 'financial assets at fair value through profit or loss' | 950 | (1,076) | (1,178) | (1,465) |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed | 42,966 | - | (39,433) | - |
| | 247,979 | 630,536 | 63,659 | 211,540 |
| (Increase) / decrease in assets | | | | |
| Investments | 540,492 | 1,322,996 | 1,018,902 | (1,285,370) |
| Profit receivable | 1,055 | (12,162) | 11,714 | 6,608 |
| Prepayments and other receivables | 501 | 124 | 364 | 2,979 |
| Receivable from a connected person | - | - | - | - |
| | 542,048 | 1,310,958 | 1,030,980 | (1,275,783) |
| Increase / (decrease) in liabilities | | | | |
| Payable to the Management Company | 417 | 21,507 | 430 | 5,675 |
| Payable to the Trustee | (100) | (128) | 102 | 97 |
| Payable to Securities and Exchange Commission of Pakistan | (4,227) | (4,958) | 818 | 1,995 |
| Payable against purchase of investment | 998,265 | - | (2,000,196) | - |
| Accrued expenses and other liabilities | (12,065) | 13,956 | 3,469 | 6,092 |
| | 982,290 | 30,377 | (1,995,377) | 13,859 |
| Net cash (outflow) / Inflow from operating activities | 1,772,317 | 1,971,871 | (900,738) | (1,050,384) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Receipts from issue of units | 13,987,028 | 5,953,447 | 2,120,128 | 2,982,773 |
| Payments on redemption of units | (13,806,452) | (11,543,306) | (951,327) | (2,035,530) |
| Distribution paid | (278,346) | - | - | - |
| Net cash inflow / (outflow) from financing activities | (97,770) | (5,589,859) | 1,168,801 | 947,243 |
| Net increase / (decrease) in cash and cash equivalents during the period | 1,674,547 | (3,617,988) | 268,063 | (103,141) |
| Opening balance of cash and cash equivalents | 1,962,658 | 7,730,161 | 3,369,142 | 4,215,314 |
| Cash and cash equivalents at the end of the period | 3,637,205 | 4,112,173 | 3,637,205 | 4,112,173 |

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 MONTH PERIOD AND QUARTER ENDED MARCH 31, 2016

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, 2015.

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, 2016.

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, 2015.

NAFA GOVERNMENT SECURITIES LIQUID FUND

4 INVESTMENTS

(Un-audited) (Audited)
March 31, June 30,
2016 2015
(Rupees in '000)

At fair value through profit or loss - held for trading
Government securities - Market Treasury Bills

4.1 2,483,104 3,024,546

2,483,104 3,024,546

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

| Issue date | Tenor | Face Value | | | As at March 31, 2016 | Market value as at March 31, 2016 | Market value as a percentage of net assets | Market value as a percentage of total investments |
|-----------------------------------|-----------|---------------------|-----------------------------|----------------------------------|----------------------|-----------------------------------|--|---|
| | | As at July 01, 2015 | Purchases during the period | Sales/ matured during the period | | | | |
| | | | | | Rupees in '000 | -----%----- | | |
| Market Treasury Bills | | | | | | | | |
| 13-Nov-14 | 12 Months | - | 4,300,000 | 4,300,000 | - | - | - | - |
| 8-Jan-15 | 6 Months | 495,000 | 99,200 | 594,200 | - | - | - | - |
| 8-Jan-15 | 12 Months | - | 4,747,500 | 4,747,500 | - | - | - | - |
| 27-Nov-14 | 12 Months | - | 125,000 | 125,000 | - | - | - | - |
| 22-Jan-15 | 6 Months | - | 873,000 | 873,000 | - | - | - | - |
| 22-Jan-15 | 12 Months | - | 942,300 | 942,300 | - | - | - | - |
| 6-Feb-15 | 6 Months | - | 284,000 | 284,000 | - | - | - | - |
| 6-Feb-15 | 12 Months | - | 685,000 | 685,000 | - | - | - | - |
| 19-Feb-15 | 12 Months | - | 620,000 | 620,000 | - | - | - | - |
| 5-Mar-15 | 6 Months | - | 1,148,500 | 1,148,500 | - | - | - | - |
| 5-Mar-15 | 12 Months | - | 1,930,000 | 1,930,000 | - | - | - | - |
| 19-Mar-15 | 6 Months | - | 666,000 | 666,000 | - | - | - | - |
| 19-Mar-15 | 12 Months | - | 750,000 | 750,000 | - | - | - | - |
| 16-Apr-15 | 12 Months | - | 1,500,000 | - | 1,500,000 | 1,496,447 | 30.19 | 60.27 |
| 14-May-15 | 3 Months | - | 600,000 | 600,000 | - | - | - | - |
| 28-May-15 | 3 Months | 55,000 | 10,000 | 65,000 | - | - | - | - |
| 29-Jun-15 | 6 Months | 2,500,000 | 100,000 | 2,600,000 | - | - | - | - |
| 9-Jul-15 | 3 Months | - | 1,625,000 | 1,625,000 | - | - | - | - |
| 23-Jul-15 | 3 Months | - | 2,780,000 | 2,780,000 | - | - | - | - |
| 6-Aug-15 | 6 Months | - | 1,346,000 | 1,346,000 | - | - | - | - |
| 25-Jun-15 | 3 Months | - | 800,000 | 800,000 | - | - | - | - |
| 14-May-15 | 6 Months | - | 400 | 400 | - | - | - | - |
| 30-Oct-14 | 12 Months | - | 900,000 | 900,000 | - | - | - | - |
| 20-Aug-15 | 6 Months | - | 900,000 | 900,000 | - | - | - | - |
| 3-Sep-15 | 6 Months | - | 4,000 | 4,000 | - | - | - | - |
| 3-Sep-15 | 3 Months | - | 301,000 | 301,000 | - | - | - | - |
| 30-Apr-15 | 6 Months | - | 1,970,000 | 1,970,000 | - | - | - | - |
| 15-Oct-15 | 6 Months | - | 600,000 | - | 600,000 | 598,579 | 12.08 | 24.11 |
| 17-Sep-15 | 6 Months | - | 3,113,000 | 3,113,000 | - | - | - | - |
| 29-Oct-15 | 3 Months | - | 16,900 | 16,900 | - | - | - | - |
| 29-Oct-15 | 6 Months | - | 250,000 | 250,000 | - | - | - | - |
| 12-Nov-15 | 3 Months | - | 1,100,000 | 1,100,000 | - | - | - | - |
| 12-Nov-15 | 6 Months | - | 250,000 | 250,000 | - | - | - | - |
| 28-May-15 | 6 Months | - | 3,824,500 | 3,824,500 | - | - | - | - |
| 17-Sep-15 | 3 Months | - | 3,250,500 | 3,250,500 | - | - | - | - |
| 23-Jul-15 | 6 Months | - | 447,000 | 447,000 | - | - | - | - |
| 9-Jul-15 | 6 Months | - | 1,943,000 | 1,943,000 | - | - | - | - |
| 10-Dec-15 | 3 Months | - | 1,000,000 | 1,000,000 | - | - | - | - |
| 26-Nov-15 | 3 Months | - | 1,358,700 | 1,358,700 | - | - | - | - |
| 7-Jan-16 | 3 Months | - | 2,896,500 | 2,896,500 | - | - | - | - |
| 21-Jan-16 | 3 Months | - | 389,000 | - | 389,000 | 388,078 | 7.83 | 15.63 |
| 1-Oct-15 | 6 Months | - | 6,000 | 6,000 | - | - | - | - |
| Total as at March 31, 2016 | | | | | | <u>2,483,104</u> | <u>50.09</u> | <u>100.00</u> |

Carrying Value before fair value adjustment as at March 31, 2016

2,484,054

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), challenging the applicability of WWF to the CISs, which is pending adjudication.

NAFA GOVERNMENT SECURITIES LIQUID FUND

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 47.575 million in these condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at March 31, 2016 would have been higher by Rs 0.2459 per unit.

The Finance Act, 2015 has excluded Collective Investment Schemes (CISs) from the definition of 'industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, the Management Company has discontinued further provisioning of WWF with effect from 1 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending before the Sindh High Court (SHC).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2016 and June 30, 2015.

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 ninety percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision for taxation has been made in this condensed interim financial information.

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

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:

| | ----- (Un-Audited) ----- | | | |
|---|----------------------------|-------------------|-------------------|-------------------|
| | Nine months ended | | Quarter ended | |
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | ----- Rupees in '000 ----- | | | |
| Management Company | | | | |
| Management fee expense for the period | 38,340 | 79,600 | 6,278 | 27,555 |
| Sindh sales tax on remuneration of the Management Company | 6,226 | 13,850 | 1,019 | 4,794 |
| Federal Excise Duty on remuneration to Management | 6,134 | 12,736 | 1,004 | 4,409 |
| Allocated expenses | 1,539 | - | 1,091 | - |
| Units issued (7,181,054 units ; March 31, 2015; 14,947,469 units) | 73,662 | 156,000 | - | 79,000 |
| Units redeemed (13,692,744 units; March 31, 2015: 29,148,197 units) | 141,013 | 301,003 | - | 39,348 |
| National Bank of Pakistan - Sponsor | | | | |
| T-Bills purchased during the period | 1,697,849 | 1,291,199 | 1,697,849 | - |
| T-Bills sold during the period | - | 3,503,165 | - | 498,231 |
| Payment against redemption of units | 3,689,732 | - | - | - |
| Bank profit earned by the fund on deposit in saving account | 30 | - | - | - |
| Profit earned by the fund on term deposit receipt | - | - | - | - |
| Central Depository Company of Pakistan Limited - Trustee | | | | |
| Trustee fee for the period | 3,868 | 6,226 | 1,004 | 2,147 |
| Sindh sales tax on remuneration of Trustee | 542 | - | 141 | - |
| Chief Executive Officer | | | | |
| Units redeemed (9,568 units; March 31, 2015: Nil units) | 214 | - | 64 | - |
| Chief Financial Officer | | | | |
| Units redeemed (162,221 units; March 31, 2015: Nil units) | 1,675 | - | 350 | - |
| Company Secretary / Chief Operating Officer | | | | |
| Units redeemed (9,569 units; March 31, 2015: Nil units) | 100 | - | 100 | - |
| NAFA Provident Fund Trust - Provident Fund | | | | |
| Units issued/ transfer in Nil (units; March 31, 2015: 154,582 units) | - | 1,567 | - | - |
| Units redeemed: Nil (31 March 2015: 154,582 units) | - | 1,572 | - | - |
| Employees of the Management Company | | | | |
| Units issued (343,432 units; March 31, 2015: 1,305,803 units) | 3,518 | 13,414 | 270 | 155 |
| Units redeemed (401,586 units; March 31, 2015:1,631,057 units) | 4,126 | 17,075 | 256 | 8,682 |
| Cherat Cement Company Limited | | | | |
| Units issued/ transfer in (11,051,126 units; March 31, 2015: Nil units) | 112,278 | - | - | - |
| Units redeemed/ transfer out (22,088,364 units; March 31, 2015: Nil units) | 224,735 | - | - | - |

NAFA GOVERNMENT SECURITIES LIQUID FUND

| | ----- (Un-Audited) ----- | | | |
|--|----------------------------|-------------------|-------------------|-------------------|
| | Nine months ended | | Quarter ended | |
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | ----- Rupees in '000 ----- | | | |
| NBP Endowment Funds Students Loan Scheme | | | | |
| Units redeemed (242,850 units (March 31, 2015: 4,356,019 units) | 2,500 | 45,500 | - | 1,500 |
| NBP Exchange Company Limited | | | | |
| Units issued/ transfer in (Nil units; March 31, 2015: 8,772,264 units) | - | 92,000 | - | - |
| Units redeemed (4,926,691 units; March 31, 2015: 5,908,303 units) | 50,000 | 60,000 | - | - |
| NBP Leasing Limited Employees Provident Fund | | | | |
| Units issued/ transfer in (Nil units; March 31, 2015: 96,324 units) | - | 999 | - | - |
| Units redeemed/ transfer out (49,970 units; March 31, 2015: 96,324 units) | 521 | 1,019 | - | 1,019 |
| Taurus Securities Limited | | | | |
| Units issued (Nil units: March 31, 2015: 1,876,049 units) | - | 20,000 | - | 20,000 |
| International Industries Limited - Employees Provident Fund | | | | |
| Units issued/ transfer in (Nil units; March 2015: 315,519 Units) | - | 3,207 | - | - |
| Units redeemed/ transfer out (Nil units Mar 2015: 2,148,656 Units) | - | 22,312 | - | - |
| International Industries Limited - Employees Gratuity Fund | | | | |
| Units issued/ transfer in (Nil units; March 2015: 315,519 Units) | - | 20,950 | - | 6,778 |
| Units redeemed/ transfer out (Nil units Mar 2015: 2,148,656 Units) | - | 39,898 | - | 30,452 |
| International Steel Limited - Employees Gratuity Fund | | | | |
| Units issued/ transfer in (Nil units; March 2015: 179,834 Units) | - | 1,828 | - | - |
| Units redeemed/ transfer out (Nil units Mar 2015: 396,476 Units) | - | 4,087 | - | - |
| International Steel Limited - Employees Provident Fund | | | | |
| Units issued/ transfer in (units; March 2015: 289,768 Units) | - | 2,929 | - | - |
| Units redeemed/ transfer out (units Mar 2015: 688,435 Units) | - | 7,081 | - | - |
| Market Treasury Bills purchased | - | 7,569 | - | - |
| Pak Arab Refinery Limited - Supervisory Staff Gratuity Fund | | | | |
| Market Treasury Bills purchased | 34,255 | 41,166 | - | 23,335 |
| Market Treasury Bills sold | 2,490 | - | - | - |
| Mutual Fund Association of Pakistan - MUFAP | | | | |
| units issued (539,332 units; March 31, 2015: 689,879 units) | 5,500 | 7,000 | - | - |
| units redeemed (527,576 units; March 31, 2015: 547,236 units) | 5,450 | 5,665 | - | 1,000 |
| Thal Limited Employees Provident Fund | | | | |
| Market Treasury Bills purchased | 12,005 | - | - | - |
| Market Treasury Bills sold | 3,983 | - | - | - |
| NAFA Income Opportunity Fund | | | | |
| Market Treasury Bills purchased | - | 239,491 | - | 239,491 |

NAFA GOVERNMENT SECURITIES LIQUID FUND

| | ----- (Un-Audited) ----- | | | |
|--|----------------------------|-------------------|-------------------|-------------------|
| | Nine months ended | | Quarter ended | |
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | ----- Rupees in '000 ----- | | | |
| Mutual Fund Association of Pakistan - MUFAP | | | | |
| Units issued (539,332 units: March 31, 2015: 689,879 units) | 5,500 | 7,000 | - | - |
| Units redeemed (527,576 units: March 31, 2015: 547,236 units) | 5,450 | 5,665 | - | 1,000 |
| Thall Limited - Treasury Division | | | | |
| Units issued (14,775,413 units: March 31, 2014: 4,980,377 units) | 150,000 | 450,000 | - | 450,000 |
| Units redeemed (9,638,668 units: March 31, 2014: 14,922,997 units) | 100,000 | 250,000 | - | 250,000 |
| Market Treasury Bills purchased | 4,972 | - | - | - |
| Market Treasury Bills sell | 3,983 | - | - | - |
| NAFA Government Securities Saving Fund | | | | |
| Market Treasury Bills purchased | 178,381 | - | - | - |
| Byco Oil Pakistan Limited- Employee Provident Fund | | | | |
| Market Treasury Bills purchased | 20,944 | 6,934 | - | - |
| Units issued (223,155 units: March 31, 2015: Nil units) | 2,333 | - | 2,333 | - |
| Units redeemed (223,155 units: March 31, 2014: Nil units) | 2,338 | - | 2,338 | - |
| Byco Petroleum Pakistan Limited –Employee Provident Fund | | | | |
| Market Treasury Bills purchased | 33,411 | 6,934 | - | - |
| Units issued (529,575 units: March 31, 2015: Nil units) | 5,543 | - | 4,802 | - |
| Units redeemed (529,575 units: March 31, 2015: Nil units) | 5,571 | - | 5,571 | - |
| NAFA Money Market Fund | | | | |
| Market Treasury Bills purchased | 246,978 | 2,842,265 | - | 819,818 |
| Market Treasury Bills sell | 895,370 | 1,545,183 | - | 1,446,414 |
| NAFA Income Fund | | | | |
| Market Treasury Bills purchased | - | 98,943 | - | - |
| NAFA Income Opportunity Fund | | | | |
| Market Treasury Bills purchased | - | 239,491 | - | 239,491 |
| Millat Tractor Limited Employees Pension Fund | | | | |
| Market Treasury Bills purchased | - | 28,984 | - | - |
| Indus Motor Company Limited | | | | |
| Units issued (194,852,954 units: March 31, 2015: Nil units) | 2,000,000 | - | 750,000 | - |
| Units redeemed (123,212,191 units: March 31, 2015: Nil units) | 1,283,378 | - | 283,378 | - |
| Cherat Cement Company Limited | | | | |
| Units issued (1,105,126 units: March 31, 2015: Nil units) | 112,278 | - | - | - |
| Units redeemed (22,088,364 units: March 31, 2015: Nil units) | 224,735 | - | - | - |
| Maple Leaf Cement Factory Limited Employees Provident Fund | | | | |
| Market Treasury Bills purchased | - | 2489 | - | 2489 |

NAFA GOVERNMENT SECURITIES LIQUID FUND

| | (Un-Audited) As at March 31, 2016 | (Audited) As at June 30, 2015 |
|---|--|-------------------------------------|
| 9.6 Amounts outstanding as at period / year end | ----- | ----- |
| Management Company | | |
| Receivable from the management company | 6,980 | 6,980 |
| Management fee payable | 2,279 | 7,126 |
| FED Payable on remuneration | 44,634 | 38,501 |
| Sindh sales tax payable on remuneration of the Management Company | 370 | 1,239 |
| Investment held by the Management Company (4,103,580 units; June 30, 2015: 10,615,271) | 43,406 | 107,663 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable | 302 | 590 |
| National Bank of Pakistan - Sponsor | | |
| Balance in current account | 1,601 | 2,474 |
| Balance in saving account | 216 | 490 |
| Cash dividend payable | - | 271,389 |
| Payable against redemption of units | - | 3,689,732 |
| Chief Executive Officer | | |
| Investment held by the Chief Executive Officer (311,382 units; June 30, 2015: 317,418 units) | 3,294 | 3,367 |
| Company Secretary & Chief Operating Officer | | |
| 59,572 units held (2015: 50,004 units) | 630 | 507 |
| Chief Financial Officer | | |
| Investment held by the Chief Financial Officer (308,271 units; June 30, 2015: Nil units) | 3,261 | - |
| Employees of the Management Company | | |
| Investment held by the employees in the Fund (235,247 units; June 30, 2015: 763,892 units) | 2,488 | 7,748 |
| NBP Employees Pension Fund | | |
| Investment held in the Fund 16,823,405 units held (2015: 16,823,405 units) | 177,953 | 170,628 |
| NBP Endowment Funds Students Loan Scheme | | |
| Investment held in the Fund 13,953,347 units held (2015: 14,196,197 units) | 147,594 | 143,982 |
| NBP Exchange Company Limited | | |
| Investment held in the Fund 15,551,135 units held (2015: 20,477,826 units) | 164,495 | 207,692 |
| NBP Leasing Limited Employees Provident Fund | | |
| Investment held in the Fund Units held: Nil (2015: 49,971 units) | - | 507 |
| Cherat Cement Company Limited | | |
| Investment held in the Fund Units held: Nil (2015: 11,037,238) | - | 111,943 |

NAFA GOVERNMENT SECURITIES LIQUID FUND

| | (Un-Audited) As at March 31, 2016 | (Audited) As at June 30, 2015 |
|--|--|-------------------------------------|
| | ----- (Rupees in '000) ----- | |
| Summit Bank Limited | | |
| Balance in Current Account | 10,051 | 7,595 |
| Thal Limited - Treasury Division | | |
| Units held: 5,136,746 units (2015: Nil units) | 54,335 | - |
| K&NS Food (pvt) Limited | | |
| Units held : 46,982,633 units (2015: 46,982,633 units) | 496,968 | 476,512 |
| Indus Motor Company Limited | | |
| Units held : 71,640,765 units (2015: Nil units) | 757,795 | - |
| Mutual Fund Association of Pakistan - MUFAP | | |
| Units held: 11,756 (2014: Nil units) | 124 | - |
| NAFA Saving Fund | | |
| Payable against conversion of units | 50 | - |

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 29 April 2016 .

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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