

**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

NAFA GOVERNMENT SECURITIES LIQUID FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited - Management Company
(Formerly National Fullerton Asset Management Limited)

Board of Directors of the Management Company

Mr. Qamar Hussain	Chairman
Mr. Shahid Anwar Khan	Director
Mr. Gerard Lee How Cheng	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shehryar Farooque	Director
Mr. Kamal Amir Chinoy	Director
Dr. Amjad Waheed	Chief Executive Officer
Dr. Asif A. Brohi	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Gerard Lee How Cheng	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Shehryar Farooque	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd.
MCB Bank Limited
National Bank of Pakistan
United Bank Limited
NIB Bank Limited
Standard Chartered Bank (PAK) Ltd.
KASB Bank 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:

68-B-1, M. M. Alam Road,
Gulberg 3, Lahore.
UAN: 042-111-111-632,
Phone: 042-35778248-63
Fax: 042-35876806

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:

82 Khan Centre, Near SP Chowk
Abdali Road, Multan Cantt,
Multan.

NAFA GOVERNMENT SECURITIES LIQUID FUND

Contents

FUND'S INFORMATION	02
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 FLOW STATEMENT	12
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	13

NAFA GOVERNMENT SECURITIES LIQUID FUND

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited (formerly: National Fullerton Asset Management Limited) is pleased to present the unaudited financial statements of NAFA Government Securities Liquid Fund for the quarter ended September 30, 2010.

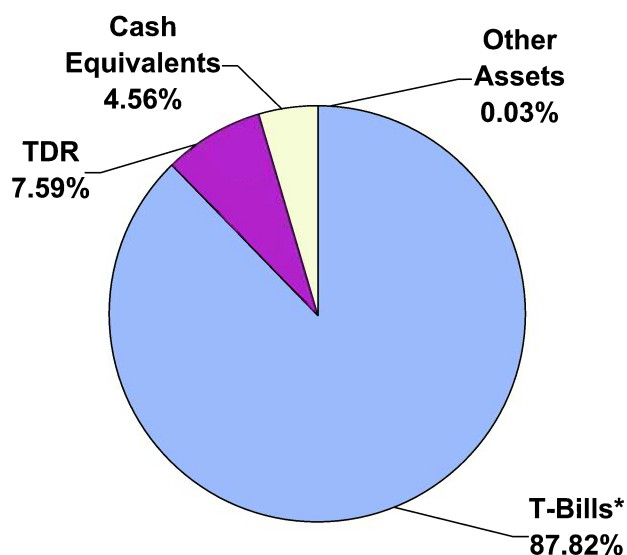
Fund's Performance

The size of NAFA Government Securities Liquid Fund has increased from Rs. 5,805 million to Rs. 6,590 million or 13.52% during the period from July 1, 2010 to September 30, 2010. During this period the Unit Price of your Fund has increased from Rs.10.0241 (Ex-Dividend) to Rs.10.2870, translating into an annualized return of 10.82%.

Rising Government borrowing and inflation has forced the SBP to raise the Discount Rate by another 50 basis points over the last two months. The money market funds with their shorter maturities clearly stood as winners as their short-term securities were reinvested at higher rates. Rising inflation, coupled with high Government borrowings, has kept money markets rates on the higher end. Hence the return on money market funds has been attractive.

NAFA Government Securities Liquid Fund has earned total income of Rs.197.89 million during the period. After deducting expenses of Rs.29.49 million, the net income is Rs.168.40 million, translating into earning per unit of Rs.0.2629.

The asset allocation of the Fund as on September 30, 2010 is as follows:



NAFA GOVERNMENT SECURITIES LIQUID FUND

Income Distribution

The Board of Directors of the Management Company has approved an interim distribution of 2.5060%. After interim distribution, the net asset value per unit will be Rs.10.0364 on September 30, 2010.

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
(formerly: National Fullerton Asset Management Limited)

Chief Executive

Director

Date: October 18, 2010
Place: Karachi.

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2010

	Note	(Un-audited) September 30, 2010	(Audited) June 30, 2010
----- (Rupees in '000) -----			
ASSETS			
Balances with banks		800,410	1,401,344
Investments	4	4,093,166	3,851,815
Loans and receivables		1,694,359	610,766
Profit receivable	5	24,014	29,671
Prepayments and other receivables		7,337	8,338
Preliminary expenses and floatation costs		3,590	3,841
Total assets		6,622,876	5,905,775
LIABILITIES			
Payable to Management Company		12,260	11,866
Payable to Trustee		500	442
Payable to Securities and Exchange Commission of Pakistan		1,334	2,982
Payable on redemption of units		2,164	74,062
Accrued expenses and other liabilities	6	16,284	11,045
Total liabilities		32,542	100,397
Net Assets		6,590,334	5,805,378
Unit Holders' Funds (as per statement attached)		6,590,334	5,805,378
Commitments	11	-	-
(Number of units)			
Number of units in issue		640,648,421	565,044,796
(Rupees)			
Net asset value per unit		10.2870	10.2742

The annexed notes form an integral part of these Condensed Interim financial statements.

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Note	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
----- (Rupees in '000) -----			
INCOME			
Capital gain / (loss) on sale of investments - net		(139)	-
Income from government securities		152,019	43,991
Income from term deposit receipts		18,002	7,917
Income from reverse repo transactions		31,129	1,659
Income from letter of placements		741	-
Profit on bank deposits		9,843	8,282
Net unrealised diminution in the value of investments at fair value through profit or loss		441	(2,286)
Total Income		<u>212,036</u>	<u>59,563</u>
EXPENSES			
Remuneration of the Management Company		22,239	7,755
Remuneration of the Trustee		1,523	577
Annual fee - Securities and Exchange Commission of Pakistan		1,334	388
Securities transaction cost		269	155
Bank charges		181	117
Annual listing fee		8	5
Auditors' remuneration		116	105
Amortisation of preliminary expenses and floatation costs		250	250
Rating Fee		50	50
Other charges		83	13
Total Expenses		<u>26,053</u>	<u>9,415</u>
		<u>185,983</u>	<u>50,148</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		(14,143)	18,465
Provision for workers' welfare fund		(3,437)	-
Net income for the period before taxation		<u>168,403</u>	<u>68,613</u>
Taxation	10	-	-
Net income for the period after taxation		<u><u>168,403</u></u>	<u><u>68,613</u></u>
Earnings per unit	9		

The annexed notes form an integral part of these Condensed Interim financial statements.

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

Note	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
	----- (Rupees in '000) -----	
Net income for the period after taxation	168,403	68,613
Other comprehensive income	-	-
Total comprehensive income for the period	<u>168,403</u>	<u>68,613</u>

The annexed notes form an integral part of these Condensed Interim financial statements.

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
	----- (Rupees in '000) -----	
Undistributed income brought forward comprising :		
- Realised income	153,313	20,051
- Unrealised (loss) / income	(1,974)	(162)
	151,339	19,889
Final distribution for the period ended June 30, 2010: 2.5010% (June 30, 2009 : 1.40%) declared on July 05, 2010 (June 30, 2009:declared on July 3, 2009)		
- Cash distribution	(6,140)	(2,941)
- Bonus units	(135,165)	(16,591)
Net income for the period	168,403	68,613
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	1,497	3,296
Undistributed income carried forward	179,934	72,266
Undistributed income comprising:		
- Realised income	181,467	26,281
- Unrealised income / (loss)	(1,533)	45,985
	179,934	72,266

The annexed notes form an integral part of these Condensed Interim financial statements.

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
	----- (Rupees in '000) -----	
Net assets at the beginning of the period	5,805,378	1,415,232
Issue of 307,993,563 units including 13,484,007 bonus units (September 30, 2009: 193,534,567 units)	2,980,928	1,945,687
Redemption of 232,389,938 units (September 30, 2009: 45,668,368 units)	(2,372,378)	(461,839)
	608,550	1,483,848
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing (income) / loss and capital (gains) / losses - transferred to Income Statement	14,143	(18,465)
- amount representing loss and capital losses that form part of unit holders' fund - transferred to Distribution Statement	(1,497)	(3,296)
	12,646	(21,761)
Net unrealised diminution in the value of investments at fair value through profit or loss	441	(2,286)
Gain / (loss) on sale of investments	(139)	-
Other income (net of expenses)	168,101	70,899
Distribution:		
Final distribution for the period ended June 30, 2010: 2.5010% (June 30, 2009:1.40%) declared on July 05, 2010 (June 30, 2009:declared on July 3, 2009)		
- Cash distribution	(6,140)	(2,941)
- Bonus units	(135,165)	(16,591)
	27,098	49,081
Add: bonus distribution	135,165	16,591
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (losses) that form part of the unit holders' fund	1,497	3,296
Net assets as at the end of the period	6,590,334	2,946,287

The annexed notes form an integral part of these Condensed Interim financial statements

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
----- (Rupees in '000) -----		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	168,403	68,613
Adjustments		
Net unrealised diminution in the value of investments at fair value through profit or loss	(441)	2,286
Amortisation of preliminary expenses and floatation costs	250	250
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	14,143	(18,465)
	182,355	52,684
(Increase) / decrease in assets		
Investments	(240,909)	(1,234,893)
Loans and receivables	(1,083,593)	(95,227)
Profit receivable	5,657	(9,803)
Prepayments and other receivables	1,001	(1,566)
	(1,317,844)	(1,341,489)
Increase / (decrease) in liabilities		
Payable to the Management Company	394	1,155
Payable to the Trustee	58	72
Payable to the Securities and Exchange Commission of Pakistan	(1,648)	274
Accrued expenses and other liabilities	5,239	(90)
	4,043	1,411
Net cash outflow on operating activities	(1,131,446)	(1,287,394)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	2,980,928	1,945,687
Payments on redemption of units	(2,444,276)	(465,169)
Distributions paid	(6,140)	(2,941)
Net cash inflow from financing activities	530,512	1,477,577
Net increase in cash and cash equivalents during the period	(600,934)	190,183
Cash and cash equivalents at the beginning of the period	1,401,344	275,045
Cash and cash equivalents at the end of the period	800,410	465,228

The annexed notes form an integral part of these Condensed Interim financial statements

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

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) (formerly National Fullerton Asset Management Limited) 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 Chundrigarh Road, Karachi.

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 to the Fund. The units of the Fund were initially offered for public subscription at par from May 11, 2009 to May 15, 2009.

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- to the Management Company and a short-term 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 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprises of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting.

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

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the financial statements for the quarter ended September 30, 2010 are same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2010.

4 INVESTMENTS

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

Note	September 30, 2010 (Un-audited)	June 30, 2010 (Audited)
	----- (Rupees in '000) -----	
4.1	<u>4,093,166</u>	<u>3,851,815</u>
	<u>4,093,166</u>	<u>3,851,815</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 as at September 30, 2010	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2010	Purchases during the period	Sales / matured during the period			
-----Rupees in '000----- %-----							
Market Treasury Bills							
January 14, 2010	6 months	200,000	-	200,000	-	-	-
July 16, 2009	12 months	405,000	-	405,000	-	-	-
April 22, 2010	3 months	310,000	-	310,000	-	-	-
May 06, 2010	3 months	274,500	100,000	374,500	-	-	-
May 20, 2010	3 months	370,000	-	370,000	-	-	-
August 27, 2009	12 months	50,000	50,000	100,000	-	-	-
February 25, 2010	6 months	450,000	-	450,000	-	-	-
February 11, 2010	6 months	765,000	-	765,000	-	-	-
August 13, 2009	12 months	300,000	-	300,000	-	-	-
June 03, 2010	3 months	420,000	-	420,000	-	-	-
June 17, 2010	3 months	310,000	-	310,000	-	-	-
September 26, 2009	12 months	50,000	775,000	825,000	-	-	-
September 10, 2009	12 months	-	325,000	325,000	-	-	-
March 25, 2010	6 months	-	400,000	400,000	-	-	-
March 11, 2010	6 months	-	765,000	765,000	-	-	-
April 08, 2010	6 months	-	500,000	400,000	100,000	99,778	1.51
July 15, 2010	3 months	-	580,000	580,000	578,713	8.78	14.14
April 22, 2010	6 months	-	434,000	434,000	431,022	6.54	10.53
July 29, 2010	3 months	-	1,350,000	1,350,000	1,340,736	20.34	32.76
October 08, 2009	12 months	-	350,000	250,000	100,000	99,778	1.51
August 26, 2010	3 months	-	767,500	767,500	754,863	11.45	18.44
August 13, 2010	3 months	-	725,000	150,000	575,000	568,313	8.62
September 09, 2010	3 months	-	175,000	175,000	171,264	2.60	4.18
June 17, 2010	6 months	-	50,000	50,000	48,699	0.74	1.19
					4,093,166	100.00	
					4,092,725		

Carrying value before fair value adjustment as at September 30,

Note

September 30, 2010 (Un-audited)	June 30, 2010 (Audited)
----- (Rupees in '000) -----	

5 PROFIT RECEIVABLE

Profit on savings deposits	383	1,384
Profit on money market placements	23,456	17,082
Profit on term deposit receipts	175	11,205
	24,014	29,671

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	120	235
Payable to brokers	126	144
Bank charges	42	6
Provision for workers' welfare fund	13,762	10,325
Others	2,234	335
	16,284	11,045

NAFA GOVERNMENT SECURITIES LIQUID FUND

8 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fullerton Asset Management Limited (NAFA) (Formerly National Fullerton Asset Management Limited) 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.

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

	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
----- (Rupees in '000) -----		
8.1 Details of the transactions with connected persons are as follows:		
Management Company		
Management fee expense for the period	22,239	7,755
Units issued (489,074 units; September 30, 2009: 883,254 units)	5,000	9,000
Units redeemed (489,074 units; September 30, 2009: 883,254 units)	5,022	9,017
National Bank of Pakistan - Sponsor		
Cash Dividend	750	420
T-Bills purchased during the period	99,576	221,258
Alexandra Fund Management Pte. Limited - Sponsor		
Bonus units issued (108,894 units; September 30, 2009: 55,986 units)	-	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	1,523	577
Chief Executive Officer		
Bonus units issued (75 units; September 30, 2009: Nil units)	-	-
Chief Financial Officer		
Bonus units issued (Nil units; September 30, 2009: 415 units)	-	-
NAFA Provident Fund Trust - Provident Fund		
Units issued (331,849 units; September 30, 2009: Nil units)	3,366	-
Units redeemed (440,961 units; September 30, 2009: Nil units)	4,492	-
Bonus units issued (10,375 units; September 30, 2009: Nil units)	-	-
Employees of the Management Company		
Units issued (954,982 units; September 30, 2009: 1,386,477 units)	9,694	14,097
Units redeemed (898,062 units; September 30, 2009: 1,125,574 units)	9,136	11,450
Bonus units issued (26,702 units; September 30, 2009: 4,582 units)	-	-
	Un-Audited As at September 30, 2010	Un-Audited As at June 30, 2010
----- (Rupees in '000) -----		
8.2 Amounts outstanding as at quarter end		
Management Company		
Receivable from management company	6,980	6,980
Management fee payable	7,303	6,909
Other payable	4,957	4,957
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	500	442
National Bank of Pakistan - Sponsor		
Investment held by the Sponsor in the Fund (3,000,000 units; June 30, 2010: 3,000,000 units)	30,861	30,823
Balance in current account	2,081	1,576
Alexandra Fund Management Pte. Limited - Sponsor		
Investment held by the Sponsor in the Fund (2,296,859 units; June 30, 2010: 4,364,524 units)	23,628	44,842
Chief Executive Officer		
Investment held by the Sponsor in the Fund (3,070 units; June 30, 2010: 2,995 units)	32	31
NAFA Provident Fund Trust - Provident Fund		
Investment held by the Sponsor in the Fund (317,107 units; June 30, 2010: 415,843 units)	3,262	4,272
Employees of Management Company		
Investment held by the employees in the Fund (1,165,711 units; June 30, 2010: 1,006,403 units)	11,992	10,340

NAFA GOVERNMENT SECURITIES LIQUID FUND

9 EARNING PER UNIT

Earning per unit (EPU) for the quarter ended September 30, 2010 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

10 TAXATION

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

11 COMMITMENTS

There were no commitments as on September 30, 2010.

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 18, 2010.

13 GENERAL

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

**For NBP Fullerton Asset Management Limited
(Formerly National Fullerton Asset Management Limited)
(Management Company)**

Chief Executive

Director