



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together



Joint - Venture Partners

NAFA GOVERNMENT SECURITIES LIQUID FUND



QUARTERLY REPORT
SEPTEMBER 30
2013

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. Khalid Mahmood	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	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. Khalid Mahmood	Chairman
Mr. Wah Geok Sum	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
Standard Chartered Bank (Pak) Limited
Barclays Bank Plc Limited
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:

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.

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

NAFA GOVERNMENT SECURITIES LIQUID FUND

DIRECTORS' REPORT

The Board of Directors of **NBP Fullerton Asset Management Limited** is pleased to present the unaudited financial statements of **NAFA Government Securities Liquid Fund (NGSLF)** for the quarter ended September 30, 2013.

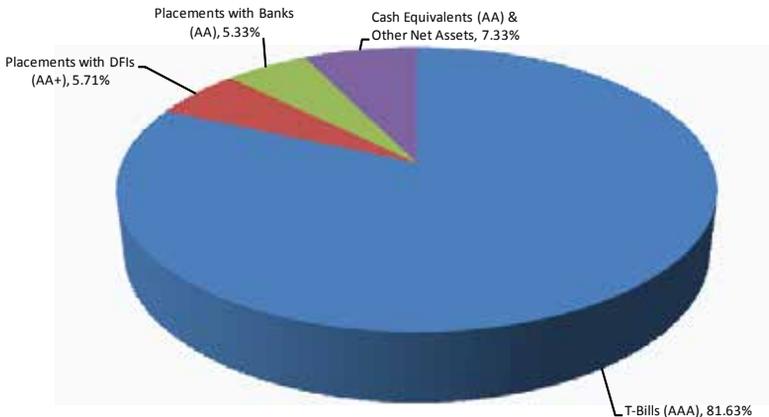
Fund's Performance

The size of NAFA Government Securities Liquid Fund has increased from Rs. 12,402 million to Rs. 13,128 million during the quarter, i.e. an increase of 5.85%. During the said quarter, the unit price of the Fund has increased from Rs. 9.8633 (Ex-Div) on June 30, 2013 to Rs. 10.0409 on September 30, 2013, thus showing an annualized simple return of 7.14% as compared to its Benchmark (70% 3-Month T-Bills & 30% average 3-Month deposit rate of 'AA' & above rated banks) annualized simple return of 7.97% for the same period.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of your 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-Bill) with average maturity of the overall portfolio at 45 days. The Fund invests in AA and above rated Bank/DFIs with maximum maturity of six months.

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

The Fund has earned total income of Rs.285.06 million during the period. After deducting expenses of Rs.54.55 million, the net income is Rs.230.51 million. The asset allocation of the Fund as on September 30, 2013 is as follows:



NAFA GOVERNMENT SECURITIES LIQUID FUND

Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 1.77% of opening ex-NAV (1.776% of the par value) during the quarter.

Acknowledgement

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

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

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: October 30, 2013

Place: Karachi.

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2013

	Note	(Un-Audited) September 30, 2013	(Audited) June 30, 2013
------(Rupees in '000)-----			
ASSETS			
Balances with banks		1,771,387	1,849,896
Investments	4	11,466,108	4,785,275
Profit receivable	5	5,100	16,870
Prepayments and other receivables		7,074	7,105
Receivable from a connected person			5,846,012
Preliminary expenses and floatation costs		617	867
Total assets		13,250,285	12,506,025
LIABILITIES			
Payable to Management Company		16,712	8,433
Payable to Trustee		837	482
Payable to Securities and Exchange Commission of Pakistan		2,443	9,628
Payable on redemption of units		12,183	10
Accrued expenses and other liabilities	6	90,497	85,546
Total liabilities		122,671	104,099
Net Assets		<u>13,127,614</u>	<u>12,401,926</u>
Unit Holders' Funds (as per statement attached)		<u>13,127,614</u>	<u>12,401,926</u>
Contingencies & Commitments	11	-	-
		(Number of Units)	
Number of units in issue		<u>1,307,416,371</u>	<u>1,235,387,776</u>
		----- Rupees -----	
Net asset value per unit		<u>10.0409</u>	<u>10.0389</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UN-AUDITED)

	Note	Quarter Ended September 30, 2013	Quarter Ended September 30, 2012
------(Rupees in '000)-----			
INCOME			
Capital Gain on sale of investments - net		763	9,844
Income from government securities		215,969	385,788
Income from term deposit receipts		39,264	12,690
Income from reverse repo transactions		-	4,374
Income from letter of placements		3,261	1,908
Income from certificate of investment		3,340	14,856
Profit on bank deposits		25,267	9,538
Net unrealised diminution in the value of investments at fair value through profit or loss		(2,805)	(2,409)
Total Income		285,058	436,589
EXPENSES			
Remuneration of the Management Company		33,314	46,494
Sindh Sales Tax on Management Fee		5,330	7,439
Federal Excise Duty on Management Fee		5,330	-
Remuneration of the Trustee		2,521	2,979
Annual fee - Securities and Exchange Commission of Pakistan		2,443	2,790
Securities transaction cost		282	587
Bank charges		191	276
Annual listing fee		10	10
Auditors' remuneration		114	122
Amortisation of preliminary expenses and floatation costs		250	249
Rating Fee		61	55
Total Expenses		49,845	61,001
		235,213	375,588
Provision for workers' welfare fund	7	(4,704)	(7,512)
Net income for the period before taxation		230,509	368,076
Taxation	10	-	-
Net income for the period after taxation		230,509	368,076
Earnings per unit	9		

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UN-AUDITED)

	Quarter Ended September 30, 2013	Quarter Ended September 30, 2012
	------(Rupees in '000)-----	
Net income for the period after taxation	230,509	368,076
Other comprehensive income	-	-
Total comprehensive income for the period	<u>230,509</u>	<u>368,076</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UN-AUDITED)

	Quarter Ended September 30, 2013	Quarter Ended September 30, 2012
	------(Rupees in '000)-----	
Undistributed income brought forward comprising :		
- Realised income	10,863	32,917
- Unrealised (loss)	(259)	(5,815)
	<u>10,604</u>	<u>27,102</u>
Final distribution for the period ended June 30, 2013: Nil (June 30, 2012 : Nil)		
- Cash distribution	-	-
- Bonus units	-	-
Interim distribution declared on July 30, 2013: 0.5720% (July 25, 2012 : 0.8440%)		
- Cash distribution	(12)	(34,305)
- Bonus units	(72,248)	(91,009)
Interim distribution declared on August 29, 2013: 0.6020% (August 27, 2012: 0.8240%)		
- Cash distribution	(13)	(33,492)
- Bonus units	(77,415)	(87,139)
Interim distribution declared on September 27, 2013: 0.6020% (Sep 28, 2012: 0.804%)		
- Cash distribution	(13)	(32,678)
- Bonus units	(78,173)	(76,401)
Net income for the period	230,509	368,076
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(32)	(7,425)
Undistributed income carried forward	<u>13,207</u>	<u>32,729</u>
Undistributed income comprising:		
- Realised income	16,012	35,138
- Unrealised (loss)	(2,805)	(2,409)
	<u>13,207</u>	<u>32,729</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UN-AUDITED)

	Quarter Ended September 30, 2013	Quarter Ended September 30, 2012
------(Rupees in '000)-----		
Net assets at the beginning of the period	12,401,926	14,772,225
Issue of 207,338,299 units (September 30, 2012: 362,078,830 units)	2,086,968	3,396,864
Redemption of 158,009,648 units (September 30, 2012: 478,053,944 units)	(1,591,750) 495,218	(4,824,648) (1,427,784)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing loss and capital losses that form part of unit holders' fund - transferred to Distribution Statement	32 32	7,425 7,425
Net unrealised diminution in the value of investments at fair value through profit or loss	(2,805)	(2,409)
Gain / (loss) on sale of investments	763	9,844
Other income (net of expenses)	232,551 230,509	360,641 368,076
Less: Distribution		
Final distribution for the period ended June 30, 2013: Nil (June 30, 2012 : Nil)	-	-
- Cash distribution	-	-
- Bonus units	-	-
Interim distribution declared on July 30, 2013: 0.5720% (July 25, 2012 : 0.8440%)	(12)	(34,305)
- Cash distribution	(72,248)	(91,009)
- Bonus units		
Interim distribution declared on August 29, 2013: 0.6020% (August 27, 2012: 0.8240%)	(13)	(33,492)
- Cash distribution	(77,415)	(87,139)
- Bonus units		
Interim distribution declared on September 27, 2013: 0.6020% (Sep 28, 2012: 0.804%)	(13)	(32,679)
- Cash distribution	(78,173)	(76,401)
- Bonus units		
Add: Bonus distribution	(227,874)	(355,025)
Final distribution	-	-
Interim distribution; Issue of 22,699,944 bonus units	227,836	254,549
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	(32)	(7,425)
Net assets as at the end of the period	<u>13,127,614</u>	<u>13,612,041</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UN-AUDITED)

	Quarter Ended September 30, 2013	Quarter Ended September 30, 2012
------(Rupees in '000)-----		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	230,509	368,076
Adjustments		
Net unrealised diminution in the value of investments at fair value through profit or loss	2,805	2,409
Amortisation of preliminary expenses and floatation costs	250	249
	233,564	370,734
(Increase) / decrease in assets		
Investments	(6,683,638)	1,177,063
Profit receivable	11,770	38,728
Receivable from a connected person	5,846,012	-
Prepayments and other receivables	31	24
	(825,825)	1,215,815
Increase / (decrease) in liabilities		
Payable to the Management Company	8,279	(1,994)
Payable to the Trustee	355	(103)
Payable to the Securities and Exchange Commission of Pakistan	(7,185)	(8,104)
Accrued expenses and other liabilities	4,951	(1,299)
	6,400	(11,500)
Net cash (outflow) / inflow from operating activities	(585,862)	1,575,049
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	2,086,968	3,396,864
Payments on redemption of units	(1,579,577)	(4,841,249)
Distributions paid	(38)	(100,475)
Net cash inflow / (outflow) from financing activities	507,353	(1,544,860)
Net (decrease) / increase in cash and cash equivalents during the period	(78,509)	30,189
Cash and cash equivalents at the beginning of the period	1,849,896	1,556,170
Cash and cash equivalents at the end of the period	1,771,387	1,586,359

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES LIQUID FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (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) 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 of the Fund can be transferred to / from the Funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The Fund is categorised as an Open-End "Money Market Scheme" as per the criteria laid down by Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

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

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

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

2 STATEMENT OF COMPLIANCE

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

2.1 The directors of the Asset Management Company declare that these condensed interim financial statements give a true and fair view of the Fund.

3 SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted for the preparation of the financial statements for the quarter ended September 30, 2013 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2013.

4 INVESTMENTS

At fair value through profit or loss - held for trading

Government securities - Market Treasury Bills	4.1	10,716,108	4,635,268
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Loans and receivables

Investment in certificate of investments		-	150,007
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Investment in letter of placement	4.2	750,000	-
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		<u>11,466,108</u>	<u>4,785,275</u>
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Note	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
	(Rupees in '000)	

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, 2013	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2013	Purchases during the period	Sales / matured during the period	As at September 30, 2013			
		-----Rupees in '000-----					-----	----- % -----
Market Treasury Bills								
January 10, 2013	6 Months	4,725	50,275	55,000	-	-	0.00%	0.00%
January 24, 2013	6 Months	-	2,020,300	2,020,300	-	-	0.00%	0.00%
February 21, 2013	6 Months	-	1,136,800	1,136,800	-	-	0.00%	0.00%
April 18, 2013	3 Months	6,800	95,700	102,500	-	-	0.00%	0.00%
May 2, 2013	3 Months	-	7,291,500	7,291,500	-	-	0.00%	0.00%
July 12, 2012	12 Months	2,145,000	63,000	2,208,000	-	-	0.00%	0.00%
July 26, 2012	12 Months	2,500,000	-	2,500,000	-	-	0.00%	0.00%
May 30, 2013	3 Months	-	489,000	489,000	-	-	0.00%	0.00%
September 6, 2012	12 Months	-	8,640,000	8,640,000	-	-	0.00%	0.00%
August 23, 2012	12 Months	-	1,457,800	1,457,800	-	-	0.00%	0.00%
September 20, 2012	12 Months	-	3,766,800	3,766,800	-	-	0.00%	0.00%
June 27, 2013	3 Months	-	24,500	24,500	-	-	0.00%	0.00%
August 7, 2013	3 Months	-	1,080,000	-	1,080,000	1,071,699	8.16%	9.35%
September 19, 2013	3 Months	-	2,231,900	-	2,231,900	2,191,489	16.69%	19.11%
November 1, 2012	12 Months	-	3,200,000	-	3,200,000	3,175,405	24.19%	27.69%
May 2, 2013	6 Months	-	100,000	-	100,000	99,231	0.76%	0.87%
May 30, 2013	6 Months	-	1,200,000	-	1,200,000	1,182,510	9.01%	10.31%
July 12, 2013	3 Months	-	4,886,000	2,387,900	2,498,100	2,496,161	19.01%	21.77%
October 4, 2012	12 Months	-	500,000	-	500,000	499,612	3.81%	4.36%
						10,716,108	81.63%	93%
Carrying value before fair value adjustment as at September 30, 2013						10,718,913		

4.2 Loans and receivables

Name of issuer	Maturity date	Rate	As at September 30, 2013
Letter of Placement			
Pak Brunei Investment Company Limited	18-Nov-13	9.65%	750,000
			750,000
			September 30, 2013
			June 30, 2013
			(Un-audited)
			(Audited)
			(Rupees in '000)

5 PROFIT RECEIVABLE

Profit on savings deposits	3,380	1,187
Profit on money market placements	991	-
Profit on certificates of investment	-	233
Profit on term deposit receipts	729	15,450
	5,100	16,870

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	429	315
Payable to brokers	355	253
Distribution payable	12	8
Bank charges	56	57
Provision for workers' welfare fund	89,333	84,628
Others	312	285
	90,497	85,546

7 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CIS's.

A clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the year 2012, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Sindh High Court (SHC) in various Constitutional Petitions declared that amendments introduced in the WWF Ordinance, 1971 through Finance Act 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the court.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF for the year ended 30 September 2013. As at 30 September 2013 the management has maintained provision against Workers' Welfare Funds' amounting to Rs. 89.333 million, if the same were not made the net asset value per unit of the Fund would have been higher by Rs. 0.0683.

8 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

NAFA GOVERNMENT SECURITIES LIQUID FUND

(Un-Audited) Quarter Ended September 30, 2013

(Un-Audited) Quarter Ended September 30, 2012

(Rupees in '000)

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

NBP Fullerton Asset Management Limited - Management Company

Management fee expense for the period	33,314	46,494
Sindh Sales Tax for the period on management fee	5,330	7,439
FED for the period on management fee	5,330	-
Units issued (5,957,104 units; September 30, 2012: 9,092,399 units)	60,000	91,634
Units redeemed (6,738,470 units; September 30, 2012: 5,112,705 units)	68,000	51,603
Bonus units issued (260,125 units; September 30, 2012: 115,231 units)	-	-

National Bank of Pakistan - Sponsor

Units issued (Nil units; September 30, 2012: 83,980 units)	-	845
Bonus units issued (10,993,430 units; September 30, 2012: Nil units)	-	-
Cash Dividend	-	100,434
T-Bills sold during the period	4,395	349,303
T-Bills purchased during the period	11,431	-
Placement of Term deposit receipt during the period	2,500	-
Bank profit in saving account	784	-
Bank profit in term deposit receipt	37,890	-

Central Depository Company of Pakistan Limited - Trustee

Trustee fee for the period	2,521	2,979
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Kamal A Chinoy - Director

Bonus units issued (1,442 units; September 30, 2012: 1,846 units)	-	-
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Aamir Sattar - Director

Bonus units issued (954 units; September 30, 2012: Nil units)	-	-
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Chief Executive Officer

Units redeemed (3,535 units; September 30, 2012: Nil units)	36	-
Bonus units issued (3,535 units; September 30, 2012: 2,510 units)	-	-

Chief Financial Officer

Units issued (49,688 units; September 30, 2012: Nil units)	500	-
Units redeemed (9,927 units; September 30, 2012: 28,630 units)	100	288
Bonus units issued (1,012 units; September 30, 2012: 2,907 units)	-	-

NAFA Provident Fund Trust - Provident Fund

Units issued (61,833 units; September 30, 2012: 91,622 units)	623	924
Units redeemed (30,290 units; September 30, 2012: 352,381 units)	305	3,557
Bonus units issued (8,610 units; September 30, 2012: 8,128 units)	-	-

NAFA GOVERNMENT SECURITIES LIQUID FUND

	(Un-Audited) Quarter Ended September 30, 2013	(Un-Audited) Quarter Ended September 30, 2012
	(Rupees in '000)	
Employees of the Management Company		
Units issued (276,086 units: September 30, 2012: 650,078 units)	2,779	6,563
Units redeemed (259,468 units: September 30, 2012: 759,179 units)	2,610	7,661
Bonus units issued (9,788 units: September 30, 2012: 16,363 units)	-	-
NBP Employees Pension Fund		
Bonus units issued (258,370 units: September 30, 2012: 330,812 units)	-	-
NBP Endowment Funds Students Loan Scheme		
Units issued (Nil units: September 30, 2012: 641,906 units)	-	6,500
Bonus units issued (553,744 units: September 30, 2012: 800,985 units)	-	-
Units redeemed (4,460,885 units: September 30, 2012: Nil units)	45,000	-
NBP Exchange Company Limited		
Units issued (Nil units: September 30, 2012: 3,167 units)	-	32
Units Redeemed (Nil units: September 30, 2012: 2,295,737 units)	-	23,136
Bonus units issued (Nil units: September 30, 2012: 561,175 units)	-	-
NBP Leasing Limited Employees Provident Fund		
Units issued (Nil units: September 30, 2012: 76,871 units)	-	778
Units Redeemed (10,310 units: September 30, 2012: 118,508 units)	104	1,192
Bonus units issued (120 units: September 30, 2012: 1,932 units)	-	-
CDC Trustee NAFA Asset Allocation Fund		
T-Bills purchased during the period	-	38,910
CDC Trustee NAFA Financial Sector Income Fund		
T-Bills purchased during the period	-	49,414
International Industries Limited - Employees Provident Fund		
Units issued (166,266 units: September 30, 2012: 402,839 units)	1,678	4,061
Units Redeemed (Nil units: September 30, 2012: 968,442 units)	-	9,790
Bonus units issued (39,570 units: September 30, 2012: 42,102 units)	-	-
T-Bills purchased during the period	68,609	15,630
T-Bills sold during the period	7,951	-
International Industries Limited - Employees Gratuity Fund		
Units issued (259,902 units: September 30, 2012: 449,517 units)	2,622	4,532
Units Redeemed (1,867,935 units: September 30, 2012: 1,672,365 units)	18,762	16,875
Bonus units issued (69,115 units: September 30, 2012: 46,059 units)	-	-
T-Bills purchased during the period	87,809	14,021
T-Bills sold during the period	66,681	-
International Steel Limited - Employees Gratuity Fund		
Units issued (20,875 units: September 30, 2012: 92,339 units)	210	933
Units Redeemed (147,920 units: September 30, 2012: 154,060 units)	1,487	1,555
Bonus units issued (6,438 units: September 30, 2012: 4,651 units)	-	-
T-Bills purchased during the period	8,400	4,189

NAFA GOVERNMENT SECURITIES LIQUID FUND

	(Un-Audited) Quarter Ended September 30, 2013	(Un-Audited) Quarter Ended September 30, 2012
	(Rupees in '000)	
International Steel Limited - Employees Provident Fund		
Units issued (31,342 units: September 30, 2012: 117,014 units)	316	1,180
Units Redeemed (46,954 units: September 30, 2012: 272,736 units)	473	2,758
Bonus units issued (8,044 units: September 30, 2012: 12,200 units)	-	-
T-Bills purchased during the period	9,862	6,770
Pak Arab Refinery Limited - Supervisory Staff Gratuity Fund		
T-Bills purchased during the period	151,013	26,671
T-Bills sold during the period	43,796	-
Telenor Pakistan Pvt Limited - Employee Provident Fund		
T-Bills purchased during the period	3,594	11,714
Thal Limited Employees Provident Fund		
T-Bills purchased during the period	366,584	-
T-Bills sold during the period	11,442	-
Thal Limited Employees Retirement Benefit Fund		
T-Bills purchased during the period	18,504	-
T-Bills sold during the period	499	-
Summit Bank Limited		
Bank profit during the period	310	-
NAFA Money Market Fund		
T-Bills sold during the period	1,797,352	-
Thal Limited		
Bonus units Issued (379,534 units; September 30, 2012: Nil units)	-	-
	(Un-Audited) As at September 30, 2013	(Audited) As at June 30, 2013
	(Rupees in '000)	

8.2 Amounts outstanding as at period end

NBP Fullerton Asset Management Limited - Management Company

Receivable from management company	6,980	6,980
Management fee payable	11,324	6,729
Sindh Sales Tax Payable on remuneration payable	1,812	1,077
FED Payable on remuneration	3,576	627
Investment held by the Management Company in the Fund (14,000,714 units; June 30, 2013: 14,521,954 units)	140,580	145,784

NAFA GOVERNMENT SECURITIES LIQUID FUND

	(Un-Audited) As at September 30, 2013	(Audited) As at June 30, 2013
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	837	482
National Bank of Pakistan - Sponsor		
Investment held by the Sponsor in the Fund (628,627,696 units; June 30, 2013: 614,634,266 units)	6,311,988	6,200,369
Balance in current account	993	691
Balance in saving account	11,619	11,171
Term deposit receipt	-	500,000
Chief Executive Officer		
Investment held by the Chief Executive Officer in the Fund (199,284 units; June 30, 2013: 199,285 units)	2,001	2,001
Chief Financial Officer		
Investment held by the Chief Financial Officer in the Fund (84,216 units; June 30, 2013: 43,443 units)	846	436
Kamal A Chinoy - Director		
Investment held by the Director the Fund (82,462 units; June 30, 2013: 81,019 units)	828	813
Aamir Sattar - Director		
Investment held by the Director the Fund (54,552 units; June 30, 2013: Nil units)	548	-
NAFA Provident Fund Trust - Provident Fund		
Investment held in the Fund (533,318 units; June 30, 2013: 493,166 units)	5,355	4,951
Employees of Management Company		
Investment held by the employees in the Fund (584,444 units; June 30, 2013: 651,128 units)	5,868	6,537
NBP Employees Pension Fund		
Investment held in the Fund (14,774,164 units; June 30, 2012: 14,515,794 units)	148,346	145,723
NBP Endowment Funds Students Loan Scheme		
Investment held in the Fund (29,036,135 units; June 30, 2013: 32,943,276 units)	291,549	330,714
NBP Leasing Limited Employees Provident Fund		
Investment held in the Fund (Nil units; June 30, 2013: 10,191 units)	-	102
NAFA Money Market Fund		
Amount receivable due to transfer of units on behalf of NBP		5,846,012
International Steels Limited - Employees Provident Fund		
Investment held: 449,647 units (June 30, 2013: 457,214 units)	4,515	4,589
International Steels Limited - Employees Graduity Fund		
Investment held: 381,987 units (June 30, 2013: 502,594 units)	3,835	5,045

NAFA GOVERNMENT SECURITIES LIQUID FUND

	(Un-Audited) As at September 30, 2013	(Audited) As at June 30, 2013
	(Rupees in '000)	
International Industries Limited - Employee Graduity Fund Investment held: 4,124,467 units (June 30, 2013: 5,663,385 units)	41,413	56,848
International Industries Limited - Employee Provident Fund Units held: 2,372,928 units (June 30, 2013: 2,167,092 units)	23,826	21,753
Thal Limited Investment held: 21,702,543 units (June 30, 2013: Nil units)	217,913	-
Summit Bank Limited Balance in Saving Account	624	13,956
Balance in Current Account	10,968	-

9 Earning per Unit

Earning per unit (EPU) for the quarter ended September 30, 2013 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 CONTINGENCIES & COMMITMENTS

There were no contingencies and commitments as on September 30, 2013 and June 30, 2013.

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October, 2013.

13 GENERAL

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

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Your investments & "NAFA" grow together



Joint - Venture Partners

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