



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

NAFA GOVERNMENT SECURITIES SAVINGS FUND

QUARTERLY REPORT

**March
31 2017**



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 SAVINGS 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. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director
Mr. Foo Chiah Shiung (Kelvin Foo)	Director
Mr. Lui Mang Yin (Martin Lui)	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Foo Chiah Shiung (Kelvin Foo)	Member
Mr. Aamir Sattar	Member

Human Resource and Remuneration Committee

Mr. Kamal Amir Chinoy	Chairman
Mr. Lui Mang Yin (Martin Lui)	Member
Mr. Abdul Hadi Palekar	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
Bank Alfalah Limited
Bank Al-Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
NIB Bank Limited
United Bank Limited
National Bank of Pakistan
Summit Bank Limited
JS Bank Limited
Khushhali Bank Limited
Sindh Bank Limited
Samba Bank Limited
Dubai Islamic Bank Pakistan Limited
Bankislami Pakistan Limited
Zarai Taraqiati Bank Limited
MCB Bank Limited

NAFA GOVERNMENT SECURITIES SAVINGS 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 SAVINGS FUND

DIRECTORS' REPORT

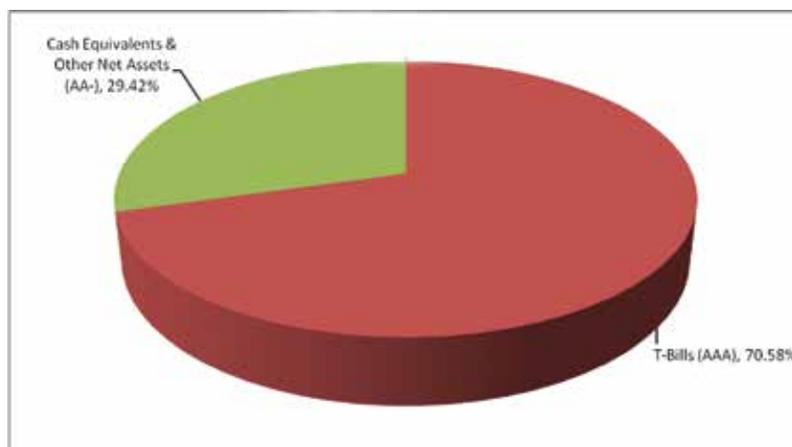
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Government Securities Savings Fund (NGSSF)** for the period ended March 31, 2017.

Fund's Performance

The size of NAFA Government Securities Savings Fund has declined from Rs. 304 million to Rs. 148 million during the period (i.e. a decline of 51%). During the period, the unit price of the Fund has increased from Rs. 10.2882 on June 30, 2016 to Rs. 10.7539 on March 31, 2017, thus showing return of 6.0% as compared to the benchmark return of 5.8% for the same period. The performance of the Fund is net of management fee and all other expenses. The Fund has been assigned a stability rating of 'AA- (f)' by PACRA.

During the period under review, State Bank of Pakistan (SBP) maintained the discount rate and policy rate at 6.25% and 5.75% respectively. The improved interbank liquidity conditions (due to net government retirement and increase in bank deposits) were well calibrated through the open market operations – keeping the weighted average overnight repo rate close to the policy rate. However, long-term sovereign yields witnessed an average increase of around 60 basis points, indicating investors' demand for higher term premium. CPI on year-on-year basis was recorded at 4.01% in 9MFY17 as compared to 2.64% in corresponding period last year.

The Fund has earned total income of Rs.8.93 million during the period. After deducting expenses of Rs.2.50 million, the net income is Rs.6.43 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSSF.



NAFA GOVERNMENT SECURITIES SAVINGS 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 28, 2017
Place: Karachi.

ڈائریکٹرز رپورٹ

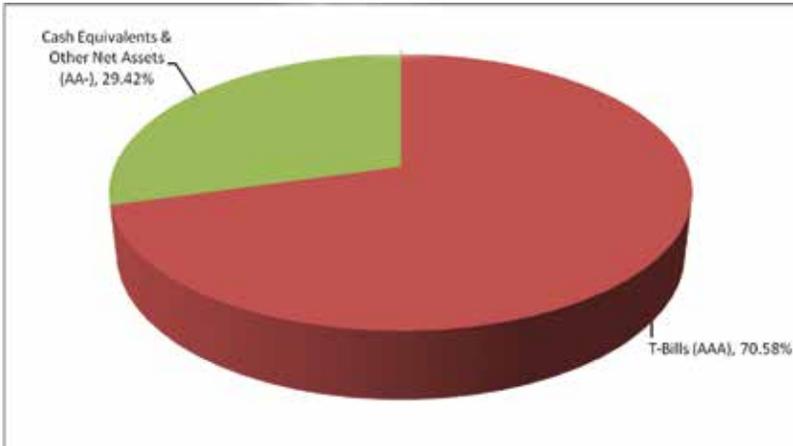
NBP فلٹرن ایسیٹ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کا سائز اس مدت کے دوران 31 مارچ 2017ء کو ختم ہونے والی مدت کے لیے NAFA گورنمنٹ سیکیورٹیز سیونگز فنڈ (NGSSF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

NAFA گورنمنٹ سیکیورٹیز سیونگز فنڈ کا سائز اس مدت کے دوران 304 ملین روپے سے گھٹ کر 148 ملین روپے تک پہنچ گیا ہے، یعنی 51% کمی۔ اس مدت کے دوران یونٹ کی قیمت 30 جون 2016ء کو 10.2882 روپے سے بڑھ کر 31 مارچ 2017ء کو 10.7539 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لیے اپنے ہیٹج مارک منافع 5.8% کے مقابلے میں 6.0% منافع درج کرایا۔ فنڈ کی کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اس فنڈ کو PACRA کی طرف سے AA-(f) کی اسٹیٹیلیٹی ریٹنگ دی گئی ہے۔

زیر جائزہ مدت میں اسٹیٹ بینک آف پاکستان (SBP) نے ڈسکاؤنٹ ریٹ اور پالیسی ریٹ بالترتیب 6.25% اور 5.75% کی شرح پر برقرار رکھا۔ بہتر انٹر بینک سیالیت کی صورتحال (نیٹ گورنمنٹ ریٹائرمنٹ اور بینک ڈپازٹس میں اضافہ کے سبب) کی قدر و قیمت کا اوپن مارکیٹ آپریشنز کے ذریعہ بہتر تعین کیا گیا۔ جبکہ ریپو کے ریٹ کی شرح کی قدر کو پالیسی ریٹ سے قریب تر رکھا گیا۔ تاہم طویل المعیاد بہترین نتائج میں تقریباً 60 بنیادی پوائنٹس کا اوسط اضافہ ہوا، جس سے سرمایہ کاروں کی زیادہ مدت کے پرییمیم کی طلب کا مظاہرہ ہوا۔ مالی سال 2017ء کے نو ماہ میں سال بہ سال بنیادی پر CPI 4.01% ریکارڈ کیا گیا جو گزشتہ سال اسی مدت میں 2.64% تھا۔

فنڈ نے اس مدت کے دوران 8.93 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 2.50 ملین روپے کے اخراجات کو منہا کرنے کے بعد خالص آمدنی 6.43 ملین روپے ہے۔ درج ذیل چارٹ NGSSF کی ایسیٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



اظہارِ تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے منجمنٹ کمپنی پر اعتماد اور اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابلِ قدر یونٹ ہولڈرز کا شکر یہ ادا کرتا ہے۔ یہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان سے بھی ان کی سرپرستی اور رہنمائی کے لیے پُر خلوص اظہارِ تشکر کرتا ہے۔ بورڈ اپنے اسٹاف اور سٹریٹیجی کی طرف سے محنت، لگن اور عزم کے مظاہرے پر اپنا خراجِ تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز
NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

28 اپریل 2017ء

مقام: کراچی

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) AS AT 31 MARCH 2017

	Note	31 March 2017 (Unaudited)	30 June 2016 (Audited)
(Rupees in '000)			
Assets			
Bank balances		150,998	69,130
Investments	4	104,780	249,698
Profit receivables		71	4,102
Deposit and prepayments		988	227
Receivable against sale of units		-	700
Total assets		256,837	323,857
Liabilities			
Payable to NBP Fullerton Asset Management Limited - Management Company		2,632	2,912
Payable to Central Depository Company of Pakistan Limited - Trustee		25	71
Payable to Securities and Exchange Commission of Pakistan		102	275
Payable against purchase of investments		104,831	-
Payable against redemption of units		-	11,748
Accrued expenses and other liabilities		796	4,942
Total liabilities		108,386	19,948
Net Assets		148,451	303,909
Unit holders' fund (as per statement attached)		148,451	303,909
Contingencies and commitments			
	6	(Number of units)	
Number of units in issue		13,804,381	29,539,643
Net assets value per unit		10.7539	10.2882

The annexed notes 1 to 11 form an integral part of this interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

Note	Nine months ended		Three months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
------(Rupees in '000)-----				
Income				
Income from Market Treasury Bills	3,656	10,790	877	3,756
Income from Pakistan investment bonds	4,794	5,410	1,611	1,569
Profit on bank deposits and Term deposit receipts	2,491	5,195	669	2,218
Gain on sale of investments - net	(2,194)	1,616	(2,174)	213
Reversal of provision for Workers' Welfare Fund	1,621	-	1,621	-
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(50)	(818)	1,415	(583)
Total income	<u>10,318</u>	<u>22,193</u>	<u>4,019</u>	<u>7,173</u>
Expenses				
Remuneration of NBP Fullerton Asset Management Limited - Management Company	784	2,378	222	672
Sindh Sales Tax on remuneration of Management Company	102	386	29	109
Federal Excise Duty on remuneration of Management Company	-	381	-	108
Remuneration of Central Depository Company of Pakistan Limited - Trustee	231	472	64	168
Sindh Sales Tax on remuneration of Trustee	30	66	8	23
Annual fee - Securities and Exchange Commission of Pakistan	102	208	28	74
Accounting and operational charges to the Management Company	136	133	38	98
Securities transaction cost	1	16	1	4
Settlement and bank charges	71	99	(2)	14
Annual listing fee	33	30	11	10
Legal & Professional charges	19	-	10	-
Auditors' remuneration	382	243	87	22
Fund rating fee	162	144	37	28
Printing charges	42	38	-	7
Provision for Sindh Workers' Welfare Fund- previous years	277	-	277	-
Total expenses	<u>2,372</u>	<u>4,594</u>	<u>810</u>	<u>1,337</u>
Net income from operating activities	<u>7,946</u>	<u>17,599</u>	<u>3,209</u>	<u>5,836</u>
Element of income / (loss) and capital gains (losses) included in prices of units issued less those in units redeemed - net	(1,385)	(3,816)	(434)	(3,531)
Provision for Sindh Workers' Welfare Fund	5 (131)	-	(131)	-
Net income for the period before taxation	<u>6,429</u>	<u>13,783</u>	<u>2,644</u>	<u>2,305</u>
Taxation	7 -	-	-	-
Net income for the period after taxation	<u><u>6,429</u></u>	<u><u>13,783</u></u>	<u><u>2,644</u></u>	<u><u>2,305</u></u>

The annexed notes 1 to 11 form an integral part of this interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	<u>Nine months ended</u>		<u>Three months ended</u>	
	<u>March 31,</u> <u>2017</u>	<u>March 31,</u> <u>2016</u>	<u>March 31,</u> <u>2017</u>	<u>March 31,</u> <u>2016</u>
	<u>------(Rupees in '000)-----</u>			
Net income for the period after taxation	6,429	13,783	2,644	2,305
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>6,429</u>	<u>13,783</u>	<u>2,644</u>	<u>2,305</u>

The annexed notes 1 to 11 form an integral part of this interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months ended		Three months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	------(Rupees in '000)-----			
Undistributed income brought forward comprising:				
- Realised income	35,676	62,780	43,936	50,429
- Unrealised income / (loss)	<u>3,009</u>	<u>4,128</u>	<u>(1,465)</u>	<u>(235)</u>
	<u>38,685</u>	<u>66,908</u>	<u>42,471</u>	<u>50,194</u>
Final cash distribution for the year ended 30 June Nil (2015: 11.104%)	-	(28,191)	-	-
Net income for the period after taxation	6,429	13,783	2,644	2,305
Undistributed income carried forward	<u>45,114</u>	<u>52,500</u>	<u>45,114</u>	<u>52,500</u>
Undistributed income carried forward comprising:				
- Realised income	45,164	53,318	43,699	53,083
- Unrealised (loss) / income	<u>(50)</u>	<u>(818)</u>	<u>1,415</u>	<u>(583)</u>
	<u>45,114</u>	<u>52,500</u>	<u>45,114</u>	<u>52,500</u>

The annexed notes 1 to 11 form an integral part of this interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months ended		Three months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	------(Rupees in '000)-----			
Net assets at beginning of the period	303,909	545,763	158,099	342,831
Issue of units 8,058,625 (March 31, 2016: 46,634,044 units)	84,377	495,626	3,382	163,489
Redemption of units 23,793,887 (March 31, 2016: 67,799,486 units)	(247,650)	(742,076)	(16,108)	(223,435)
	(163,273)	(246,450)	(12,726)	(59,946)
Element of income / (loss) and capital gains (losses) included in prices of units issued less those in units redeemed - net	1,385	3,816	434	3,531
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(50)	(818)	1,415	(583)
Gain on sale of investments - net	(2,194)	1,616	(2,174)	213
Other net income for period	8,673	12,985	3,403	2,675
Total comprehensive income for the period	6,429	13,783	2,644	2,305
Final cash distribution for the year ended 30 June 2016: Nil (2015: 11.104%)	-	(28,191)	-	-
Net assets at end of period	148,451	288,721	148,451	288,721

The annexed notes 1 to 11 form an integral part of this interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months ended		Three months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
------(Rupees in '000)-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	6,429	13,783	2,644	2,305
Adjustments:				
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	1,385	3,816	434	3,530
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	50	818	(1,415)	583
	<u>7,865</u>	<u>18,417</u>	<u>1,663</u>	<u>6,419</u>
(Increase) / decrease in assets				
Investments - net	144,868	159,439	12,629	80,093
Profit receivables	4,031	2,106	3,054	971
Deposit and prepayments	(761)	105	(226)	9
Receivable against sale of units	-	70,454	-	70,454
	<u>148,138</u>	<u>232,104</u>	<u>15,457</u>	<u>151,527</u>
Increase / (decrease) in liabilities				
Payable to NBP Fullerton Asset Management Limited - Management Company	(280)	(925)	9	275
Payable to Central Depository Company of Pakistan Limited - Trustee	(46)	(39)	(31)	27
Payable to Securities and Exchange Commission of Pakistan	(173)	(445)	28	74
Payable against purchase of investments	104,831	(99,130)	49,840	(89,954)
Accrued expenses and other liabilities	(4,146)	(1,426)	(1,329)	110
	<u>100,186</u>	<u>(101,965)</u>	<u>48,517</u>	<u>(89,468)</u>
Net cash generated from / (used in) operating activities	<u>256,189</u>	<u>148,556</u>	<u>65,637</u>	<u>68,478</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Net receipts from issue of units	85,077	495,626	3,382	93,035
Net payments against redemption of units	(259,398)	(763,694)	(16,108)	(222,596)
Distribution paid	-	(28,191)	-	-
Net cash (used in) / generated from financing activities	<u>(174,321)</u>	<u>(296,259)</u>	<u>(12,726)</u>	<u>(129,561)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>81,868</u>	<u>(147,703)</u>	<u>52,911</u>	<u>(61,083)</u>
Cash and cash equivalents at beginning of the period	69,130	242,065	98,087	155,445
Cash and cash equivalents at end of the period	<u>150,998</u>	<u>94,362</u>	<u>150,998</u>	<u>94,362</u>

The annexed notes 1 to 11 form an integral part of this interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Government Securities Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management [formerly National Fullerton Asset Management Limited (NAFA)] as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 05, 2014 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2014 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 the SECP. The Registered and Principal 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 a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange. Units of the Fund are offered for public subscription on a continuous basis. These units are transferable and can be redeemed by surrendering them to the Fund. The Board of Directors have approved that the Fund should be categorised as "Income Scheme" as per the categories defined by the Securities and Exchange Commission of Pakistan.

The core objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM1 w.e.f April 21, 2017 to the Management Company and a stability rating of 'AA-(f)' to the Fund.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the 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 for interim financial reporting. Approved accounting standards comprise of International Accounting Standard (IAS) 34: 'Interim Financial Reporting', the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IAS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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, 2016.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2017.

3 SUMMARY OF SIGNIFICANT 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, 2016.

NFAF GOVERNMENT SECURITIES SAVINGS FUND

4 INVESTMENTS

Note
31 March 2017 (Unaudited)
June 30, 2016 (Audited)
(Rupees in '000)

Financial assets 'at fair value through profit or loss' - held for trading

Market Treasury Bills	4.1	104,780	165,820
Pakistan Investment Bonds	4.2	-	58,878
		<u>104,780</u>	<u>224,698</u>

Loans and receivables

Term Deposit Receipts - Long Term		-	25,000
		<u>104,780</u>	<u>249,698</u>

4.1 Market Treasury Bills

Issue date	Tenor	Face Value				Market value as at March 31, 2017	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2016	Purchases during the period	Sales/ matured during the period	As at March 31, 2017			
-----Rupees in '000-----								
6-Aug-15	12 Months	50,000	-	50,000	-	-	-	-
20-Aug-15	12 Months	-	30,000	30,000	-	-	-	-
29-Oct-15	12 Months	-	10,000	10,000	-	-	-	-
21-Jan-16	12 Months	70,000	-	70,000	-	-	-	-
4-Feb-16	12 Months	50,000	-	50,000	-	-	-	-
17-Mar-16	12 Months	-	20,000	20,000	-	-	-	-
11-Jul-16	3 Months	-	70,000	70,000	-	-	-	-
18-Aug-16	3 Months	-	30,000	30,000	-	-	-	-
27-Oct-16	3 Months	-	65,000	65,000	-	-	-	-
10-Nov-16	3 Months	-	12,000	12,000	-	-	-	-
24-Nov-16	3 Months	-	73,000	73,000	-	-	-	-
9-Jun-16	6 Months	-	55,000	55,000	-	-	-	-
8-Dec-16	3 Months	-	50,000	50,000	-	-	-	-
23-Jun-16	6 Months	-	30,000	30,000	-	-	-	-
14-Apr-16	12 Months	-	15,000	15,000	-	-	-	-
11-Jul-16	6 Months	-	55,000	55,000	-	-	-	-
4-Aug-16	6 Months	-	15,000	15,000	-	-	-	-
15-Sep-16	6 Months	-	50,000	50,000	-	-	-	-
19-Jan-17	3 Months	-	175,000	70,000	105,000	104,780	70.58	100.00
Total		<u>170,000</u>	<u>755,000</u>	<u>820,000</u>	<u>105,000</u>	<u>104,780</u>	<u>70.58</u>	<u>100.00</u>

Carrying value as at March 31, 2017

104,830

4.2 Pakistan Investment Bonds

Issue date	Tenor	Face Value				Market value as at March 31, 2017	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2016	Purchases during the period	Sales/ matured during the period	As at March 31, 2017			
-----Rupees in '000-----								
17 July 2014	3 Years	55,900	3,500	59,400	-	-	-	-
Total		<u>55,900</u>	<u>3,500</u>	<u>59,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgements were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgement dated November 10, 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgement with the prayer that the judgement dated November 10, 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. The MUFAP reviewed the issue and based on an opinion decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. The MUFAP wrote to the SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. The SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. The MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP has recommended the following to all its members on January 12, 2017:

- based on legal opinion, the entire provision against the Federal WWF held by the CISs till June 30, 2015, to be reversed on January 12, 2017; and
- the provision in respect of Sindh WWF should be made on January 12, 2017 with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Accordingly, the provision for SSWF is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 1, 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds. Accordingly, the Fund has recorded these adjustments in its books on January 12, 2017.

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 0.408 Million, If the same were not been made, the NAV per unit of the scheme would have been higher by Re 0.0296.

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2017 and 30 June 2016.

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 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 1.85% p.a. including 0.47% representing government levies on Collective Investment scheme such as Sales tax, Worker's Welfare Fundband Securities & Exchange Commission of Pakistan fee for the period.

9 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 9.1 Connected persons include NBP 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, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, entities under common management or directorships, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company and unit holders holding ten percent or more units of the Fund.
- 9.2 The transactions with connected persons are in the normal course of business, at contracted rates/agreed rates.
- 9.3 Remuneration and front-end load payable to the Management Company are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 9.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

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

	Nine month ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
-----Rupees in '000-----				
NBP Fullerton Asset Management Limited Management Company				
Remuneration of the Management Company	784	2,378	222	672
Sindh Sales Tax on remuneration of Management Company	102	386	29	109
Federal Excise Duty on remuneration of Management Company	-	381	-	108
Accounting and operational charges to the Management Company	136	133	38	98
Sales load	7	37	-	35
Units issued: 5,593,008 (31 March 2016: Nil units)	58,683	-	-	-
Employees of the Management Company				
Dividend Re-invest: Nil units (31 March 2016: 6,896 units)	-	71	-	-
Units issued: Nil (31 March 2016: 21,655 units)	-	232	-	50
Units redeemed: 36,504 (31 March 2016: 85,614 units)	381	942	-	149
Mr Khalid Mehmood - CFO				
Units issued: Nil (31 March 2016: 142,640 units)	-	1,500	-	-
Units redeemed: 144,963 (31 March 2016: 5,665 units)	1,509	60	-	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	231	472	64	168
Sindh Sales Tax on remuneration of Trustee	30	66	8	23
Service Provident Fund Trust				
Purchase of Pakistan Investment Bond	3,766	-	-	-
NAFA Income Opportunity Fund				
Sale of Market Treasury Bills	68,308	4,780	-	-
NAFA Government Securities Liquid Fund				
Sale of Market Treasury Bills	47,634	178,381	-	-
Summit Bank Limited				
Purchase of Treasury Bills	-	89,954	-	-
National Bank of Pakistan				
Sale of Market Treasury Bills	-	82,911	-	82,911
Purchase of Treasury Bills	69,704	-	-	-
* Attock Petroleum Limited				
Units issued / transferred In: Nil (March 31, 2016: 9,590,854 units)	-	100,000	-	-
Units redeemed: Nil (31 December 2015: Nil)	-	-	-	-
			31 March	30 June
			2017	2016
			Unaudited	Audited
			----- (Rupees in '000) -----	
9.6 NBP Fullerton Asset Management Limited - Management Company				
Management remuneration payable			70	186
Sindh Sales Tax payable			9	30
Federal Excise Duty payable			1,864	1,864
Sales load and transfer load payable			103	145
Sindh Sales Tax and FED payable on sales load			405	420
Accounting and operational charges to the Management Company			136	222
Other payable			45	45
Units held: 5,593,008 (30 June 2016: Nil units held)			60,147	-
Employees of the Management Company				
Units held: 29,730 (30 June 2016: 66,234 units held)			320	681
Mr Khalid Mehmood - CFO				
Units held: Nil (30 June 2016: 144,963 units)			-	1,491

NAFA GOVERNMENT SECURITIES SAVINGS FUND

	31 March 2017 Unaudited	30 June 2016 Audited
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	22	53
Sindh Sales Tax on remuneration of Trustee	3	7
Security deposit	102	102
CDS charges payable	7	11
National Bank of Pakistan		
Bank Balances	432	1,036
Summit Bank		
Bank Balances	229	278
* Attock Petroleum Limited		
Units held: Nil (30 June 2016: 10,056,987 units)	-	103,468
NAFA Asset Allocation Fund		
Net receivable against conversion of units	-	(700)
NAFA Islamic Asset Allocation Fund		
Payable against conversion of units	-	700
NAFA Money Market Fund		
Payable against conversion of units	-	(8,945)
Gul Ahmed Energy Limited		
Units held: Nil (30 June 2016: 3,598,267 units)	-	37,020
NAFA Saving Plus Fund		
Net receivable against conversion of units	-	(2,103)

* Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at period end.

10 GENERAL

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

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on April 28, 2017.

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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