



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

NAFA GOVERNMENT SECURITIES LIQUID FUND

QUARTERLY REPORT SEPTEMBER 30

2014




Your investments & "NAFA" grow together



**FULLERTON FUND
MANAGEMENT**

Joint - Venture Partners

MISSION STATEMENT



To rank in the top quartile
in performance of
NAFA FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.

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NAFA GOVERNMENT SECURITIES LIQUID FUND

FUND'S INFORMATION

Management Company

NBP Fullerton Asset Management Limited – Management Company

Board of Directors of the Management Company

Mr. Nausherwan Adil	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

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

Human Resource Committee

Mr. Nausherwan Adil	Chairman
Mr. 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
Barclays Bank Plc Limited
Summit Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited

NAFA GOVERNMENT SECURITIES LIQUID FUND

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

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

Peshawar Office:

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, 2014.

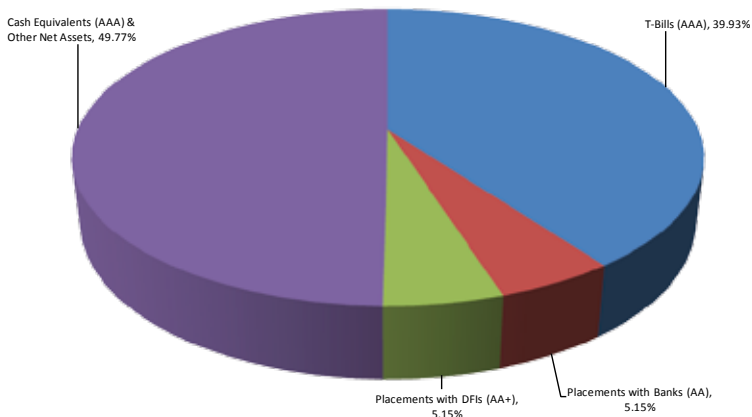
Fund's Performance

The size of NAFA Government Securities Liquid Fund has declined from Rs. 9,859 million to Rs. 9,710 million during the quarter, i.e. a decline of 1.5%. During the said quarter, the unit price of the Fund has increased from Rs. 10.0538 on June 30, 2014 to Rs. 10.2712 on September 30, 2014, thus showing an annualized return of 8.58% as compared to its Benchmark (70% 3-Month T-Bills & 30% average 3-Month deposit rate of 'AA' & above rated banks) annualized return of 9.15% for the same period.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risk is exceptionally low due to 70% minimum investment in Government securities (T-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.

During the quarter under review, the State Bank of Pakistan kept the Policy Rate unchanged at 10% despite abatement in inflationary pressures. This coupled with relatively easy liquidity conditions kept the T-Bill yields stable. The Government continued its stance of borrowing through long-term PIBs as corroborated by surge in outstanding stock of PIBs from 3,223.5 billion on June 30, 2014 to Rs. 3,457.6 billion on 30th September 2014.

The Fund has earned total income of Rs.255.58 million during the period. After deducting expenses of Rs.43.68 million, the net income is Rs.211.90 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSLF.



NAFA GOVERNMENT SECURITIES LIQUID FUND

Acknowledgement

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

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

On behalf of the Board of
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: October 30, 2014
Place: Karachi.

NAFA GOVERNMENT SECURITIES LIQUID FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2014

	Note	(Un-Audited) September 30, 2014	(Audited) June 30, 2014
------(Rupees in '000)-----			
ASSETS			
Balances with banks		4,970,801	7,730,161
Investments	4	4,877,737	8,121,706
Profit receivable	5	13,945	10,238
Prepayments and other receivables		19,608	7,117
Total assets		9,882,091	15,869,222
LIABILITIES			
Payable to Management Company		36,174	24,420
Payable to Trustee		676	896
Payable to Securities and Exchange Commission of Pakistan		1,874	10,654
Payable on redemption of units		19,247	5,865,291
Accrued expenses and other liabilities	6	113,868	109,338
Total liabilities		171,839	6,010,599
Net Assets		<u>9,710,252</u>	<u>9,858,623</u>
Unit Holders' Funds (as per statement attached)		<u>9,710,252</u>	<u>9,858,623</u>
Commitments	11	-	-
(Number of Units)			
Number of units in issue		<u>945,389,584</u>	<u>980,581,901</u>
----- Rupees -----			
Net asset value per unit		<u>10.2712</u>	<u>10.0538</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, 2014 (UN-AUDITED)

	Note	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
------(Rupees in '000)-----			
INCOME			
Capital Gain on sale of investments - net		424	763
Income from government securities		193,359	215,969
Income from term deposit receipts		5,034	39,264
Income from letter of placements		8	3,261
Income from certificate of investment		5,813	3,340
Profit on bank deposits		52,741	25,267
Net unrealised diminution in the value of investments at fair value through profit or loss		<u>(1,798)</u>	<u>(2,805)</u>
Total Income		255,581	285,058
EXPENSES			
Remuneration of the Management Company		25,953	33,314
Sindh Sales Tax on Management Fee		4,817	5,330
Federal Excise Duty on Management Fee		4,152	5,330
Remuneration of the Trustee		2,063	2,521
Annual fee - Securities and Exchange Commission of Pakistan		1,874	2,443
Securities transaction cost		58	282
Bank charges		215	191
Annual listing fee		10	10
Auditors' remuneration		138	114
Amortisation of preliminary expenses and floatation costs		-	250
Rating Fee		67	61
Other charges		13	-
Total Expenses		39,360	49,845
		<u>216,221</u>	<u>235,213</u>
Provision for workers' welfare fund	7	(4,324)	(4,704)
Net income for the period before taxation		<u>211,897</u>	<u>230,509</u>
Taxation	10	-	-
Net income for the period after taxation		<u><u>211,897</u></u>	<u><u>230,509</u></u>
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, 2014 (UN-AUDITED)

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	------(Rupees in '000)-----	
Net income for the period after taxation	211,897	230,509
Other comprehensive income	-	-
Total comprehensive income for the period	<u>211,897</u>	<u>230,509</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, 2014 (UN-AUDITED)

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	------(Rupees in '000)-----	
Undistributed income brought forward comprising :		
- Realised income	28,075	10,863
- Unrealised (loss)	(3,692)	(259)
	<u>24,383</u>	<u>10,604</u>
Interim distribution: Nil (July 30, 2013 : 0.5720%)		
- Cash distribution	-	(12)
- Bonus units	-	(72,248)
Interim distribution: Nil (August 29, 2013: 0.6020%)		
- Cash distribution	-	(13)
- Bonus units	-	(77,415)
Interim distribution: Nil (Sep 27, 2013: 0.6020%)		
- Cash distribution	-	(13)
- Bonus units	-	(78,173)
Net income for the period	211,897	230,509
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(6,475)	(32)
Undistributed income carried forward	<u>229,805</u>	<u>13,207</u>
Undistributed income comprising:		
- Realised income	231,603	16,012
- Unrealised (loss)	(1,798)	(2,805)
	<u>229,805</u>	<u>13,207</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, 2014 (UN-AUDITED)

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	------(Rupees in '000)-----	
Net assets at the beginning of the period	9,858,623	12,401,926
Issue of 132,100,902 units (September 30, 2013: 207,338,299 units)	1,339,627	2,086,968
Redemption of 167,293,219 units (September 30, 2013: 158,009,648 units)	(1,699,895) (360,268)	(1,591,750) 495,218
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	6,475 6,475	32 32
Net unrealised diminution in the value of investments at fair value through profit or loss	(1,798)	(2,805)
Gain / (loss) on sale of investments	424	763
Other income (net of expenses)	213,271 211,897	232,551 230,509
Less:Distribution		
Interim distribution: Nil (July 30, 2013 : 0.5720%)		
- Cash distribution	-	(12)
- Bonus units	-	(72,248)
Interim distribution: Nil (August 29, 2013: 0.6020%)		
- Cash distribution	-	(13)
- Bonus units	-	(77,415)
Interim distribution: Nil (Sep 27, 2013: 0.6020%)		
- Cash distribution	-	(13)
- Bonus units	-	(78,173)
	-	(227,874)
Add: Bonus distribution		
Interim distribution; Nil bouns units (Sep 30, 2014 issue of 22,699,944 bonus units)	-	227,836
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	(6,475)	(32)
Net assets as at the end of the period	<u>9,710,252</u>	<u>13,127,614</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, 2014 (UN-AUDITED)

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	------(Rupees in '000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	211,897	230,509
Adjustments		
Net unrealised diminution in the value of investments at fair value through profit or loss	1,798	2,805
Amortisation of preliminary expenses and floatation costs	-	250
	<u>213,695</u>	<u>233,564</u>
(Increase) / decrease in assets		
Investments	3,242,171	(6,683,638)
Profit receivable	(3,707)	11,770
Receivable from a connected person	-	5,846,012
Prepayments and other receivables	(12,491)	31
	<u>3,225,973</u>	<u>(825,825)</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	11,754	8,279
Payable to the Trustee	(220)	355
Payable to the Securities and Exchange Commission of Pakistan	(8,780)	(7,185)
Accrued expenses and other liabilities	4,530	4,951
	<u>7,284</u>	<u>6,400</u>
Net cash inflow / (outflow) on operating activities	<u>3,446,952</u>	<u>(585,862)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	1,339,627	2,086,968
Payments on redemption of units	(7,545,939)	(1,579,577)
Distributions paid	-	(38)
Net cash (outflow) / inflow from financing activities	<u>(6,206,312)</u>	<u>507,353</u>
Net (decrease) in cash and cash equivalents during the period	<u>(2,759,360)</u>	<u>(78,509)</u>
Cash and cash equivalents at the beginning of the period	7,730,161	1,849,896
Cash and cash equivalents at the end of the period	<u><u>4,970,801</u></u>	<u><u>1,771,387</u></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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2014 (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(f) to the Fund and an asset manager rating of AM2 to the Management Company.

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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, 2014 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2014.

4 INVESTMENTS

At fair value through profit or loss - held for trading

	Note	(Un-audited) September 30, 2014	(Audited) June 30, 2014
(Rupees in '000)			
Government securities - Market Treasury Bills	4.1	3,877,737	8,121,706
Loans and receivables			
Investment in certificate of investments	4.2	500,000	-
Investment in term deposit receipts	4.2	500,000	-
		<u>4,877,737</u>	<u>8,121,706</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, 2014	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2014	Purchases during the period	Sales / matured during the period	As at September 30, 2014			
-----Rupees in ' 000----- %-----								
Market Treasury Bills								
March 6, 2014	6 Months	1,200,000	-	1,200,000	-	-	-	
February 20, 2014	6 Months	500,000	-	500,000	-	-	-	
March 20, 2014	6 Months	940,000	-	940,000	-	-	-	
April 17, 2014	3 Months	1,249,000	-	1,249,000	-	-	-	
May 15, 2014	3 Months	2,498,500	3,750	2,502,250	-	-	-	
May 15, 2014	6 Months	-	15,000	15,000	-	-	-	
May 29, 2014	3 Months	200,000	-	200,000	-	-	-	
June 12, 2014	3 Months	357,400	221,000	578,400	-	-	-	
July 10, 2014	3 Months	-	4,949,805	4,949,805	-	-	-	
September 4, 2014	3 Months	-	2,400,000	2,400,000	-	-	-	
April 3, 2014	6 Months	-	310,000	310,000	-	-	-	
April 17, 2014	6 Months	1,300,000	-	700,000	600,000	597,340	6.15%	
August 7, 2014	3 Months	-	3,500,000	2,200,000	1,300,000	1,289,265	13.28%	
July 24, 2014	3 Months	-	2,000,000	-	2,000,000	1,991,132	20.51%	
						3,877,737	39.93%	79%
Carrying value before fair value adjustment as at September 30, 2014						3,879,535		

4.2 Loans and receivables

Name of issuer	Maturity date	Rate	As at September 30, 2014
Certificate of Investment Pak Brunei Investment Company Limited	27-Nov-14	10.35%	500,000
Term Deposit Receipts Bank Alfalah Limited	27-Feb-15	10.50%	200,000
Bank Alfalah Limited	27-Feb-15	10.50%	300,000
			500,000
			(Un-audited)
			September 30, 2014
			(Audited)
			June 30, 2014
(Rupees in '000)			

5 PROFIT RECEIVABLE

Profit on savings deposits	3,098	10,238
Profit on certificates of investment	5,813	-
Profit on term deposit receipts	5,034	-
	13,945	10,238

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	494	356
Payable to brokers	343	360
Bank charges	114	99
Provision for workers' welfare fund	111,685	107,359
Withholding tax	945	888
Others	287	276
	113,868	109,338

NAFA GOVERNMENT SECURITIES LIQUID FUND

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 connection, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, 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 December 14, 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 the Court.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 111.685 million (including Rs. 4.324 million for the current year) (2014: Rs 107.359 million for the last year) in these financial statements. Had the same not been made the net asset value per unit of the Fund as at September 30, 2014 would have been higher by Rs 0.1181 per unit.

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.

Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
------(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	25,953	33,314
Sindh Sales Tax for the period on management fee	4,817	5,330
FED for the period on management fee	4,152	5,330
Units issued (3,456,227 units; September 30, 2013: 5,957,104 units)	35,000	60,000
Units redeemed (7,347,477 units; September 30, 2013: 6,738,470 units)	74,650	68,000
Bonus units issued (Nil units; September 30, 2013: 260,125 units)	-	-

National Bank of Pakistan - Sponsor

Bonus units issued (Nil units; September 30, 2013: 10,993,430 units)	-	-
Market Treasury Bills purchased during the period	-	11,431
Market Treasury Bills sold during the period	3,004,934	4,395
Placement of Term deposit receipt during the period	-	2,500
Bank profit earned by the fund in saving account	-	784
Bank profit earned by the fund in term deposit receipt	-	37,890

NAFA GOVERNMENT SECURITIES LIQUID FUND

Quarter Ended
September 30,
2014

Quarter Ended
September 30,
2013

------(Rupees in '000)-----

Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	2,063	2,521
Kamal A Chinoy - Director		
Bonus units issued (Nil units: September 30, 2013: 1,442 units)	-	-
Aamir Sattar - Director		
Bonus units issued (Nil units: September 30, 2013: 954 units)	-	-
Chief Executive Officer		
Units redeemed (Nil units: September 30, 2013: 3,535 units)	-	36
Bonus units issued (Nil units: September 30, 2013: 3,535 units)	-	-
Chief Financial Officer		
Units issued (Nil units: September 30, 2013: 49,688 units)	-	500
Units redeemed (Nil units: September 30, 2013: 9,927 units)	-	100
Bonus units issued (Nil units: September 30, 2013: 1,012 units)	-	-
NAFA Provident Fund Trust - Provident Fund		
Units issued (154,582 units: September 30, 2013: 61,833 units)	1,567	623
Units redeemed (154,582 units: September 30, 2013: 30,290 units)	1,572	305
Bonus units issued (Nil units: September 30, 2013: 8,610 units)	-	-
Employees of the Management Company		
Units issued (865,021 units: September 30, 2013: 276,086 units)	8,847	2,779
Units redeemed (222,821 units: September 30, 2013: 259,468 units)	2,264	2,610
Bonus units issued (Nil units: September 30, 2013: 9,788 units)	-	-
NBP Employees Pension Fund		
Bonus units issued (Nil units: September 30, 2013: 258,370 units)	-	-
NBP Endowment Funds Students Loan Scheme		
Units redeemed (Nil units: September 30, 2013: 4,460,885 units)	-	45,000
Bonus units issued (Nil units: September 30, 2013: 553,744 units)	-	-
NBP Exchange Company Limited		
Units Redeemed (5,908,303 units: September 30, 2013: Nil units)	60,000	-
Bonus units issued (Nil units: September 30, 2013: Nil units)	-	-
NBP Leasing Limited Employees Provident Fund		
Units Issued (37,172 units: September 30, 2013: 10,310 units)	381	104
Bonus units issued (Nil units: September 30, 2013: 120 units)	-	-
International Industries Limited - Employees Provident Fund		
Units issued (277,445 units: September 30, 2013: 166,266 units)	2,811	1,678
Units Redeemed (130,602 units: September 30, 2013: Nil units)	1,334	-
Bonus units issued (Nil units: September 30, 2013: 39,570 units)	-	-
Market Treasury Bills purchased during the period	-	68,609
Market Treasury Bills sold during the period	-	7,951
International Industries Limited - Employees Gratuity Fund		
Units issued (723,735 units: September 30, 2013: 259,902 units)	7,319	2,622
Units Redeemed (590,438 units: September 30, 2013: 1,867,935 units)	6,019	18,762
Bonus units issued (Nil units: September 30, 2013: 69,115 units)	-	-
Market Treasury Bills purchased during the period	-	87,809
Market Treasury Bills sold during the period	-	66,681

NAFA GOVERNMENT SECURITIES LIQUID FUND

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	------(Rupees in '000)-----	
International Steel Limited - Employees Gratuity Fund		
Units issued (146,354 units: September 30, 2013: 20,875 units)	1,479	210
Units Redeemed (152,932 units: September 30, 2013: 147,920 units)	1,555	1,487
Bonus units issued (Nil units: September 30, 2013: 6,438 units)	-	-
Market Treasury Bills purchased during the period	-	8,400
International Steel Limited - Employees Provident Fund		
Units issued (283,350 units: September 30, 2013: 31,342 units)	2,863	316
Units Redeemed (263,909 units: September 30, 2013: 46,954 units)	2,667	473
Bonus units issued (Nil units: September 30, 2013: 8,044 units)	-	-
Market Treasury Bills purchased during the period	3,200	9,862
Pak Arab Refinery Limited - Supervisory Staff Gratuity Fund		
Market Treasury Bills purchased during the period	-	151,013
Market Treasury Bills sold during the period	-	43,796
Telenor Pakistan Pvt Limited - Employee Provident Fund		
Market Treasury Bills purchased during the period	-	3,594
Thal Limited Employees Provident Fund		
Market Treasury Bills purchased during the period	2,981	366,584
Market Treasury Bills sold during the period	-	11,442
Thal Limited Employees Retirement Benefit Fund		
Market Treasury Bills purchased during the period	-	18,504
Market Treasury Bills sold during the period	-	499
Summit Bank Limited		
Bank profit during the period	-	310
NAFA Money Market Fund		
Market Treasury Bills purchased during the period	98,150	-
Market Treasury Bills sold during the period	-	1,797,352
Thal Limited		
Units issued (14,852,808 units: September 30, 2013: Nil units)	150,000	-
Units Redeemed (4,924,410 units: September 30, 2013: Nil units)	50,000	-
Bonus units Issued (Nil units; September 30, 2013: 379,534 units)	-	-
Mutual Fund Association of Pakistan - MUFAP		
Units issued (689,879 units: September 30, 2013: Nil units)	7,000	-
Units Redeemed (103,897 units: September 30, 2013: Nil units)	1,065	-
Pakistan Petroleum Limited		
Units Redeemed (32,168,445 units: September 30, 2013: Nil units)	330,000	-

NAFA GOVERNMENT SECURITIES LIQUID FUND

(Un-Audited)
As at
September 30,
2014

(Audited)
As at June 30,
2014

(Rupees in '000)

8.2 Amounts outstanding as at quarter end

NBP Fullerton Asset Management Limited - Management Company

Receivable from management company	6,980	6,980
Management fee payable	8,569	2,242
Sindh Sales Tax Payable on remuneration payable	1,691	416
FED Payable on remuneration	25,914	21,762
Investment held by the Management Company in the Fund (14,468,425 units; June 30, 2014: 18,359,676 units)	148,608	184,585

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	676	896
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National Bank of Pakistan - Sponsor

Balance in current account	2,261	1,976
Balance in saving account	473	215
Payable against redemption of units	-	5,855,272
Investment held by the Sponsor in the Fund (363,792,834 units; June 30, 2014: 363,792,834 units)	3,736,589	3,657,500

Chief Executive Officer

Investment held by the Chief Executive Officer in the Fund (311,382 units; June 30, 2014: 311,382 units)	3,198	3,131
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Chief Financial Officer

Investment held by the Chief Financial Officer in the Fund (46,899 units; June 30, 2014: 46,899 units)	482	472
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Kamal A Chinoy - Director

Investment held by the Director the Fund (87,466 units; June 30, 2014: 87,466 units)	898	879
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Employees of Management Company

Investment held by the employees in the Fund (978,585 units; June 30, 2014: 336,385 units)	10,051	3,382
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NBP Employees Pension Fund

Investment held in the Fund (15,670,778 units; June 30, 2014: 15,670,778 units)	160,958	157,551
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NBP Endowment Funds Students Loan Scheme

Investment held in the Fund (20,349,876 units; June 30, 2014: 20,349,876 units)	209,018	204,594
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NBP Leasing Limited Employees Provident Fund

Investment held in the Fund (37,172 units; June 30, 2014: Nil units)	382	-
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NBP Exchange Company Limited

Investment held in the fund (10,428,595 units; June 30, 2014: 16,336,899 units)	107,114	164,248
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International Steels Limited - Employees Provident Fund

Investment held: 418,108 units (June 30, 2014: 398,667 units)	4,294	4,008
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International Steels Limited - Employees Graduity Fund

Investment held: 210,065 units (June 30, 2014: 216,642 units)	2,158	2,178
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International Industries Limited - Employee Graduity Fund

Investment held: 1,911,030 units (June 30, 2014: 1,777,733 units)	19,629	17,873
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International Industries Limited - Employee Provident Fund

Units held: 1,979,980 units (June 30, 2014: 1,833,137 units)	20,337	18,430
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NAFA GOVERNMENT SECURITIES LIQUID FUND

	(Un-Audited) As at September 30, 2014	(Audited) As at June 30, 2014
	(Rupees in '000)	
Thal Limited Investment held: 9,928,398 units (June 30, 2014: Nil units)	101,977	-
Summit Bank Limited Balance in Current Account	7,292	9,747
Pakistan Petroleum Limited Investment held in the Fund: 95,046,654 units (June 30, 2014: 127,215,099)	976,243	1,278,995
Mutual Fund Association of Pakistan - MUFAP Investment held in the Fund: 585,982 units (June 30, 2014: Nil)	6,019	-

9 Earning per Unit

Earning per unit (EPU) for the quarter ended September 30, 2014 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, 2014 and June 30, 2014.

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2014.

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

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