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

NAFA GOVERNMENT SECURITIES SAVINGS FUND

HALF YEARLY REPORT DECEMBER 31 2015



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. Nigel Poh Cheng	Director
Mr. Koh Boon San	Director
Mr. Kamal Amir Chinoy	Director
Mr. Shehryar Faruque	Director
Mr. Aamir Sattar	Director
Mr. Abdul Hadi Palekar	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource and Remuneration Committee

Mr. Nausherwan Adil	Chairman
Mr. Nigel Poh Cheng	Member
Mr. Kamal Amir Chinoy	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
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 Taraqati 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, 1-9/3 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

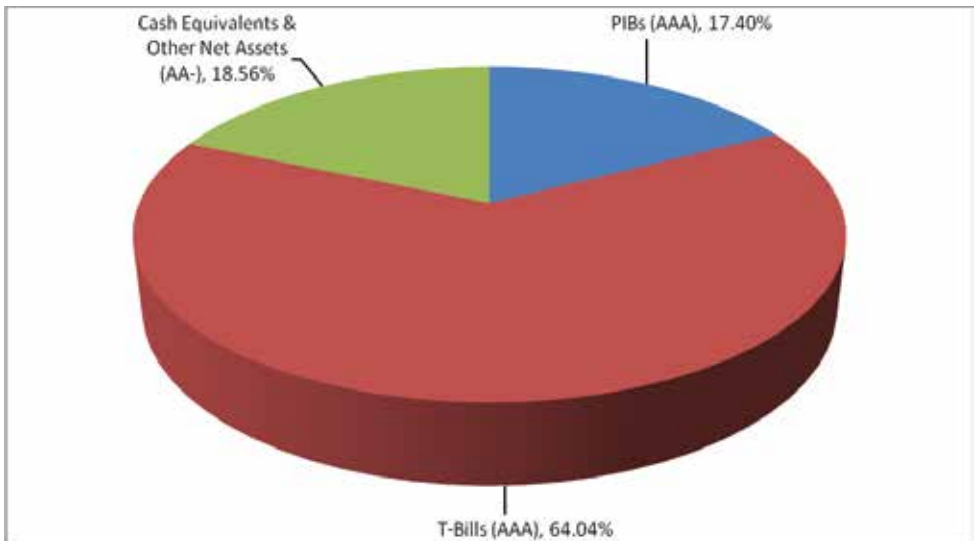
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the reviewed financial statements of **NAFA Government Securities Savings Fund** (NGSSF) for the half year ended December 31, 2015.

Fund's Performance

The size of NAFA Government Securities Savings Fund has declined from Rs. 546 million to Rs. 343 million during the period, i.e. a decline of 37.2%. During the period, the unit price of the Fund has increased from Rs. 10.2889 (Ex-Div) on June 30, 2015 to Rs. 10.6455 on December 31, 2015, thus showing return of 6.87% as compared to the benchmark (70% average 6-Month PKRV & 30% average 3-Month deposit rates of 'A+' & above rated banks) return of 6.45% 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, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP highlighted: i) benign inflation readings and anchored near-term expectation; ii) high real lending rates; iii) comfortable external account position; and (iv) improving law and order situation and macroeconomic stability. Sovereign securities responded to the loose monetary policy stance with yields on the PIBs and T-Bills declining accordingly.

The Fund has earned total income of Rs.14.73 million during the period. After deducting expenses of Rs.3.25 million, the net income is Rs.14.48 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: February 26, 2016
Place: Karachi.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

TRUSTEE REPORT TO THE UNIT HOLDERS NAFA GOVERNMENT SECURITIES SAVINGS FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Government Securities Savings Fund (the Fund) are of the opinion that NBP Fullerton Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 25, 2016

NAFA GOVERNMENT SECURITIES SAVINGS FUND

Report on review of Condensed Interim Financial Information to the Unit Holders

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Government Securities Savings Fund** ("the Fund") as at 31 December 2015 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matter

The figures for the three months period ended 31 December 2015 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Date: February 26, 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Nadeem

NAFA GOVERNMENT SECURITIES SAVINGS FUND

Condensed Interim Statement of Assets and Liabilities As at 31 December 2015

	Note	(Un- Audited) December 31' 2015 (Rupees in '000)	(Audited) June 30, 2015
Assets			
Bank balances	6	155,445	242,065
Investments	7	279,193	358,774
Profit receivables		2,939	4,074
Receivable against conversion of units	8	-	70,454
Deposit and prepayments		122	218
Total assets		<u>437,699</u>	<u>675,585</u>
Liabilities			
Payable to NBP Fullerton Asset Management Limited - Management Company	9	2,431	3,631
Payable to Central Depository Company of Pakistan Limited - Trustee	10	56	122
Payable to Securities and Exchange Commission of Pakistan		134	653
Payable against purchase of investments		89,954	99,130
Payable against redemption of units		211	1,000
Payable against conversion of units	8	-	21,668
Accrued expenses and other liabilities	11	2,082	3,618
Total liabilities		<u>94,868</u>	<u>129,822</u>
Net assets		<u>342,831</u>	<u>545,763</u>
Unit holders' fund (as per statement attached)		<u>342,831</u>	<u>545,763</u>
Contingencies and commitments	12		
		(Number of units)	
Number of units in issue		<u>32,204,413</u>	<u>47,885,546</u>
		-----Rupees-----	
Net assets value per unit		<u>10.6455</u>	<u>11.3972</u>

The annexed notes 1 to 17 form an integral part of these 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 six and three months period ended 31 December 2015

	Note	Half year ended		Quarter ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
----- Rupees in '000 -----					
Income					
Income from Market Treasury Bills		7,034	5,335	4,374	2,569
Income from Pakistan Investment Bonds		3,841	30,965	1,585	16,695
Income from term finance certificates		-	304	-	-
Profit on bank deposits		2,977	11,197	1,030	5,613
Gain / (loss) on sale of investments - net		1,403	11,006	(243)	11,442
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	7.3	(235)	19,215	(784)	17,099
Total income		15,020	78,022	5,962	53,418
Expenses					
Remuneration of NBP Fullerton Asset Management Limited - Management Company	9.1	1,706	4,428	805	2,318
Sindh Sales Tax on remuneration of Management Company	9.2	277	770	131	378
Federal Excise Duty on remuneration of Management Company	9.3	273	708	129	370
Remuneration of Central Depository Company of Pakistan Limited - Trustee		304	730	151	380
Sindh Sales Tax on remuneration of Trustee	10.1	43	-	22	-
Annual fee - Securities and Exchange Commission of Pakistan		134	332	66	174
Allocation of expenses related to registrar services, accounting, operation and valuation services	13	35	-	35	-
Auditors' remuneration		221	267	84	155
Securities transaction cost		12	107	1	49
Settlement and bank charges		85	182	(6)	81
Listing fee		20	10	10	(1)
Mutual fund rating fee		116	-	58	(56)
Printing charges		31	49	6	27
Other charges		-	25	(2)	14
Total expenses		3,257	7,608	1,490	3,889
Net income from operating activities		11,763	70,414	4,472	49,529
Element of income / (loss) and capital gains (losses) included in prices of units issued less those in units redeemed - net		(286)		(913)	-
Provision for Workers' Welfare Fund	11.1	-	(1,408)	-	(990)
Net income for the period before taxation		11,477	69,006	3,559	48,539
Taxation	14	-	-	-	-
Net income for the period		11,477	69,006	3,559	48,539

The annexed notes 1 to 17 form an integral part of these 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 six and three months period ended 31 December 2015

	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- Rupees in '000 -----			
Net income for the period	11,477	69,006	3,559	48,539
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>11,477</u>	<u>69,006</u>	<u>3,559</u>	<u>48,539</u>

The annexed notes 1 to 17 form an integral part of these interim financial statements.

Chief Executive

For NBP Fullerton Asset Management Limited
(Management Company)

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

Condensed Interim Distribution Statement (Unaudited) For the six and three months period ended 31 December 2015

	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- Rupees in '000 -----			
Undistributed income brought forward comprising:				
- Realised income	62,780	-	46,086	21,402
- Unrealised income	4,128	-	549	2,116
	<u>66,908</u>	<u>-</u>	<u>46,635</u>	<u>23,518</u>
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount representing income / (loss) that form part of the unit holders' fund - net	-	(18,743)	-	(21,794)
Final cash distribution for the year ended 30 June 2015: 11.104% (2014:Nil)	(28,191)	-	-	-
Net income for the period	11,477	69,006	3,559	48,539
Undistributed income carried forward	<u>50,194</u>	<u>50,263</u>	<u>50,194</u>	<u>50,263</u>
Undistributed income carried forward comprising:				
- Realised income	50,429	31,048	50,429	31,048
- Unrealised (loss) / income	(235)	19,215	(235)	19,215
	<u>50,194</u>	<u>50,263</u>	<u>50,194</u>	<u>50,263</u>

The annexed notes 1 to 17 form an integral part of these interim financial statements.

Chief Executive

For NBP Fullerton Asset Management Limited
(Management Company)

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited) For the six and three months period ended 31 December 2015

	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
----- Rupees in '000 -----				
Net assets at beginning of the period [Rs. 11.3972 per unit]	545,763	-	369,852	1,086,812
Issue of 31,374,290 (2014: 161,454,040 units)	332,137	1,634,178	40,975	252,092
Redemption of 47,055,423 (2014: 94,166,424 units)	(518,641)	(980,046)	(72,468)	(664,305)
	(186,504)	654,132	(31,493)	(412,213)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net - amount representing loss transferred to condensed interim income statement	286	-	913	-
- amount representing income transferred to condensed interim distribution statement	-	(18,743)	-	(21,794)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(235)	19,215	(784)	17,099
Gain / (loss) on sale of investments - net	1,403	11,006	(243)	11,442
Other net income for period	10,309	38,785	4,586	19,998
Total comprehensive income for the period	11,477	69,006	3,559	48,539
Final cash distribution for the year ended 30 June 2015: 11.104% (2014: Nil)	(28,191)	-	-	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (loss) that form part of the unit holders' fund - net	-	18,743	-	21,794
Net assets at end of the period [Rs.10.6455 per unit (2014: Rs. 10.7470)]	<u>342,831</u>	<u>723,138</u>	<u>342,831</u>	<u>723,138</u>

The annexed notes 1 to 17 form an integral part of these 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 six and three months period ended 31 December 2015

Note	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
----- Rupees in '000 -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	11,477	69,006	3,559	48,539
Adjustments:				
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	235	(19,215)	784	(17,099)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	286	-	913	-
	11,998	49,791	5,256	31,440
Decrease / (increase) in assets				
Investments - net	79,346	(491,401)	23,388	476,336
Profit receivables	1,135	(24,415)	(1,389)	(7,813)
Deposit and prepayments	96	(344)	68	(344)
	80,577	(516,160)	22,067	468,179
(Decrease) / increase in liabilities				
Payable to NBP Fullerton Asset Management Limited - Management Company	(1,200)	2,443	73	681
Payable to Central Depository Company of Pakistan Limited - Trustee	(66)	101	(2)	(48)
Payable to Securities and Exchange Commission of Pakistan	(519)	332	66	174
Payable against purchase of investments	(9,176)	-	89,954	-
Accrued expenses and other liabilities	(1,536)	1,902	(1,423)	852
	(12,497)	4,778	88,668	1,659
Net cash generated from / (used in) operating activities	80,078	(461,591)	115,991	501,278
CASH FLOWS FROM FINANCING ACTIVITIES				
Amounts received on issue of units	402,591	1,633,349	40,974	251,363
Payments against redemption of units	(541,098)	(979,589)	(72,491)	(664,872)
Distribution paid	(28,191)	-	-	-
Net cash (used in) / from financing activities	(166,698)	653,760	(31,517)	(413,509)
Net (decrease) / increase in cash and cash equivalents during the period	(86,620)	192,169	84,474	87,769
Cash and cash equivalents at beginning of the period	242,065	-	70,971	104,400
Cash and cash equivalents at end of the period	6 155,445	192,169	155,445	192,169

The annexed notes 1 to 17 form an integral part of these 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 condensed interim financial statements (Unaudited) For the six and three months period ended 31 December 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Fund is an open-ended mutual fund and is listed on the Lahore Stock Exchange (subsequent to the period end due to demutualization, all Stock Exchange are integrated into Pakistan Stock Exchange). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an "Income Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorization of Collective Investment Schemes (CIS).

The objective of the Fund is to provide unit holders with competitive return from portfolio of low credit risk securities by investing primarily in Government Securities.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of AM2+ to the Management Company and 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 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 requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

2.1.1 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund as at and for the year ended 30 June 2015.

2.1.2 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (2) (f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).

2.2 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest thousand of rupees except otherwise stated.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

3. 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 financial statements of the Fund for the year ended 30 June 2015, except for the following standards which became effective during the period.

3.1 New, Amended And Revised Standards And Interpretations of IFRSs

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IFRS 13 'Fair Value Measurements'. These standards became applicable from 1 January 2015, as per the adoption status of IFRS in Pakistan.

The application of IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the financial statements of the Fund.

IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 did not have an impact on the financial statements of the Fund, except certain additional disclosures.

4 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2015.

5 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2015.

6 BANK BALANCES

	Note	(Un-Audited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
In current accounts		368	456
In savings accounts	6.1	<u>155,077</u>	<u>241,609</u>
		<u>155,445</u>	<u>242,065</u>

6.1 These accounts carry rates of return ranging from 4.00% to 9.00% per annum (30 June 2015: 4.50% to 10.75%).

7 INVESTMENTS

	Note	(Un-Audited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
Financial assets 'at fair value through profit or loss' - held for trading			
Market Treasury Bills	7.1	219,552	298,695
Pakistan Investment Bonds	7.2	<u>59,641</u>	<u>60,079</u>
		<u>279,193</u>	<u>358,774</u>

NAFA GOVERNMENT SECURITIES SAVINGS FUND

7.1 Market Treasury Bills

Issue Date	Tenor	Face value				Market value as at December 31, 2015	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2015	Purchases during the period	Sales / matured during the period	As at December 31, 2015			
		-----Rupees in '000-----				----- % -----		
8 January 2015	6 Months	200,000	-	200,000	-	-	-	
8 January 2015	12 Months	-	90,000	-	90,000	89,890	26.22	
22 January 2015	6 Months	-	50,000	50,000	-	-	32.20	
22 January 2015	12 Months	-	10,000	10,000	-	-	-	
19 February 2015	6 Months	-	50,000	50,000	-	-	-	
5 March 2015	6 Months	-	40,000	40,000	-	-	-	
30 April 2015	6 Months	-	30,000	30,000	-	-	-	
28 April 2015	3 Months	-	49,000	49,000	-	-	-	
29 June 2015	6 Months	100,000	100,000	200,000	-	-	-	
20 August 2015	12 Months	-	95,000	-	95,000	91,307	26.63	
3 September 2015	12 Months	-	160,000	120,000	40,000	38,355	11.19	
Total			674,000	749,000	225,000	219,552	64.04	
						<u>219,349</u>		

Carrying value before fair value adjustment as at 31 December 2015

219,349

7.1.1 These carry rate of return ranging from 6.25 % to 7.00% per annum (30 June 2015: 6.50% to 10.20%).

7.2 Pakistan Investment Bonds

Issue Date	Tenor	Face value				Market value as at December 31, 2015	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2015	Purchases during the period	Sales / matured during the period	As at December 31, 2015			
		-----Rupees in '000-----				----- % -----		
17 July 2014	3 Years	55,900	-	-	55,900	59,641	17.40	
26 March 2015	3 Years	-	100,000	100,000	-	-	21.36	
Total			100,000	100,000	55,900	59,641	17.40	
						<u>60,079</u>		

Carrying value before fair value adjustment as at 31 December 2015

60,079

7.2.1 These carry rate of return ranging from 7.31% to 8.00% per annum (30 June 2015: 7.00% to 13.35%).

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
7.3 Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'			
		(Rupees in '000)	

Market value of investments	7.1 & 7.2	279,193	510,616
Less: carrying value of investments	7.1 & 7.2	<u>(279,428)</u>	<u>(491,401)</u>
		<u>(235)</u>	<u>19,215</u>

8 RECEIVABLE / (PAYABLE) AGAINST CONVERSION OF UNITS

As at year end 30 June 2015, units of Rs. 386.907 million were issued and units of Rs. 338.121 million were redeemed (conversion / switching of units) as per the instructions of units holders of the respective funds between funds managed by the Management Company. However, receivable and payable were stated based on net settlement basis among funds and these were settled during the six months period ended 31 December 2015.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
9 PAYABLE TO NBP FULLERTON ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration	9.1	208	726
Sindh Sales Tax	9.2	33	126
Federal Excise Duty	9.3	1,666	1,393
Sales and transfer load		53	776
Sindh Sales Tax and FED on sales load		391	565
Allocation of expenses related to registrar services, accounting, operation and valuation services		35	-
Other payable		45	45
		2,431	3,631

9.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on 25 November 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 1.5 percent of average annual net assets. The Management Company has charged its remuneration at the rate of 10% of net income of the Fund subject to Upper Cap of 1.00% and Lower Cap of 0.5% of the average net assets for the current period (30 June 2015: 1% of Average Annual Net Assets).

9.2 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 15% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2014. However, the rate has been revised from 15% to 14% effective from 1 July 2015.

9.3 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. In 2014, the Honourable High Court of Sindh in a Constitutional petition relating to levy of FED on Mutual Funds has granted a stay order for the recovery of FED. As a matter of abundant caution, without prejudice to the above, the Management Company has made a provision with effect from 13 June 2013, aggregating to Rs. 1.666 million. Had the provision not been made, the Net Asset Value (NAV) per unit of the Fund as at 31 December 2015 would have been higher by Rs. 0.5173 per unit (30 June 2015: Rs. 0.0291 per unit).

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
10 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration		49	122
Sindh Sales Tax	10.1	7	-
		56	122

10.1 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 14% on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2015.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Workers' Welfare Fund	11.1	1,619	1,619
Auditors' remuneration		264	335
Printing charges		59	99
Withholding tax		42	88
Capital gain tax		15	1,318
Settlement charges		16	4
Legal and professional charges		25	125
Brokerage Payable		9	-
Bank charges		33	30
		2,082	3,618
11.1	There has been no change in the status of litigation relating to Workers' Welfare Fund as reported in annual financial statements of the Fund for the year ended 30 June 2015.		
	However, after the exclusion of the Mutual Funds from federal statute on Workers Welfare Fund, from 1 July 2015, the Fund has discontinued making the provision in this regard. Had the provision not been maintained, the Net Assets Value (NAV) per unit of the Fund as at 31 December 2015 would have been higher by Rs. 0.0502 per unit (30 June 2015: Rs. 0.0339 per unit).		
12 CONTINGENCIES AND COMMITMENTS			
	There were no contingencies and commitments as at 31 December 2015 and 30 June 2015.		
13 ALLOCATION OF EXPENSES RELATED TO REGISTRAR SERVICES, ACCOUNTING, OPERATION AND VALUATION SERVICES			
	Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated 25 November 2015 has revised the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In the revised regulations a new clause 60(s) has been introduced allowing the management company to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less" from the mutual funds managed by it.		
	The expenses represents the allocation of expenses relating to registrar services, accounting, operations and valuation services at 0.1% of average net annual assets of the Fund with effect from 25 November 2015.		
14 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 management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end as cash dividend, to the unit holders. Accordingly, no provision in respect of taxatoin has been made in this condensed interim financial information. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.		
15 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS			
15.1	Connected persons include NBP Fullerton Asset Management Limited being the Management Company (NAFA), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Alexandra Fund Management Pte. Limited being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding 10 percent or more units of the Fund.		
15.2	The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.		
15.3	Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.		
15.4	The details of significant transactions carried out by the Fund with connected persons and balances with them at period / year end are as follows:		

NAFA GOVERNMENT SECURITIES SAVINGS FUND

15.5 Transactions during the period:

	----- (Un-Audited) -----			
	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
----- Rupees in '000 -----				
NBP Fullerton Asset Management Limited Management Company				
Remuneration of the Management Company	1,706	4,428	805	2,318
Sindh Sales Tax on remuneration of Management Company	277	770	131	378
Federal Excise Duty on remuneration of Management Company	273	708	129	370
Allocation of expenses related to registrar services, accounting, operation and valuation services	35	-	35	-
Sales load	2	998	1	778
Thal Limited - Employees Provident Fund				
Purchases of Market Treasury Bills	-	5,000	-	-
International Steel Limited - Employees Provident Fund				
Purchase of Pakistan Investment Bond	-	1,600	-	-
National Bank of Pakistan				
Sale of Market Treasury Bills	-	149,646	-	-
Sale of Pakistan Investment Bond	-	137,308	-	137,308
Employees of the Management Company				
Dividend Re-invest: 6,896 units (31 December 2014: Nil)	71	-	-	-
Units issued: 16,973 (31 December 2014: 1,097,575 units)	182	11,221	10	3,989
Units redeemed: 71,735 (31 December 2014: 1,002,385 units)	793	10,345	60	5,206
Mr Khalid Mehmood - CFO				
Units issued: 142,640 (31 December 2014: Nil)	1,500	-	-	-
Units redeemed: 5,665 (31 December 2014: Nil)	60	-	-	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	304	730	151	380
Sindh Sales Tax on remuneration of Trustee	43	-	22	-
NAFA Money Market Fund				
Sale of Market Treasury Bills	-	230,061	-	230,061
NAFA Income Opportunity Fund				
Sale of Pakistan Investment Bond	-	105,210	-	105,210
Sale of Market Treasury Bills	4,780	-	4,780	-
NAFA Government Securities Liquid Fund				
Sale of Market Treasury Bills	178,381	-	9,930	-
Summit Bank Limited				
Purchase of Treasury Bills	89,954	-	89,954	-
Attock Petroleum Limited				
Units issued / transferred In 9,590,854 units (31 December 2014: Nil)	102,099	-	2,099	-

NAFA GOVERNMENT SECURITIES SAVINGS FUND

As at December 31, 2015
(Un-Audited) As at June 30, 2015
(Audited)

(Rupees in '000)

15.6 Amounts outstanding as at period end:

NBP Fullerton Asset Management Limited - Management Company		
Management remuneration payable	208	726
Sindh Sales Tax payable	33	126
Federal Excise Duty payable	1,666	1,393
Sales load and transfer load payable	53	776
Sindh Sales Tax and FED payable on sales load	391	565
Allocation of expenses related to registrar services, accounting, operation and valuation services	35	-
Other payable	45	45
Employees of the Management Company		
Units held: 63,504 (30 June 2015: 111,369 units held)	676	1,269
Mr Khalid Mehmood - CFO		
Units held: 136,975 (30 June 2015: Nil)	1,458	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	49	122
Sindh Sales Tax payable	7	-
Security deposit	102	102
CDS charges payable	16	4
National Bank of Pakistan		
Bank balances	3,187	3,277
Summit Bank		
Bank balance in Current account	368	457
NAFA Asset Allocation Fund		
Net receivable against conversion of units	-	4,202
NAFA Financial Sector Income Fund		
Net receivable against conversion of units	-	3,735
NAFA Islamic Asset Allocation Fund		
Payable against conversion of units	-	251
NAFA Money Market Fund		
Payable against conversion of units	-	21,070
NAFA Riba Free Savings Fund		
Payable against conversion of units	-	347
NAFA Saving Plus Fund		
Net receivable against conversion of units	-	62,466
NAFA Government Securities Liquid Fund		
Receivable against conversion of units	-	51
Attock Petroleum Limited		
Units held: 9,590,854 (30 June 2015: Nil)	102,099	-

NAFA GOVERNMENT SECURITIES SAVINGS FUND

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Funds financial assets which are measured at fair value:

	As at December 31, 2015 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Assets	-----Rupees in '000-----			
Investment in securities - at fair value through profit or loss	-	279,193	-	279,193

	As at June 30, 2015 (Audited)			
	Level 1	Level 2	Level 3	Total
Assets	-----Rupees in '000-----			
Investment in securities - at fair value through profit or loss	-	358,774	-	358,774

There was no transfer between levels during the period.

There were no changes in valuation techniques during the period.

The Fund has not disclosed the fair values of all other financial assets and financial liabilities as their carrying amounts are reasonable approximation of their fair values.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on February 26, 2016 by the Board of directors of the Management Company.

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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