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

NAFA GOVERNMENT SECURITIES SAVINGS FUND

**QUARTERLY
REPORT
September
30 2016**



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. Koh Boon San | Director |
| Mr. Lui Mang Yin (Martin Lui) | Director |
| Mr. Kamal Amir Chinoy | Director |
| Mr. Shehryar Faruque | Director |
| Mr. Saiyed Hashim Ishaque | 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. 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 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 Taraqiati Bank Limited

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 quarter ended September 30, 2016.

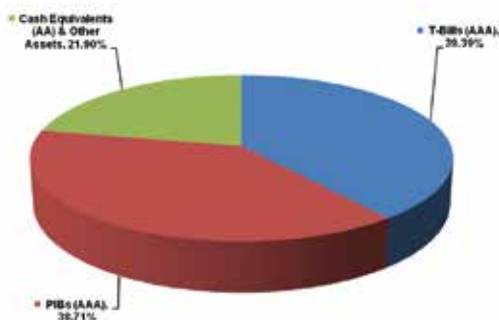
Fund's Performance

The size of NAFA Government Securities Savings Fund has decreased from Rs. 304 million to Rs. 150 million during the quarter, i.e. a decline of 51%. During the period under review, the unit price of the Fund has increased from Rs. 10.2882 on June 30, 2016 to Rs. 10.4119 on September 30, 2016, thus posting a return of 4.77% as compared to its Benchmark (6-Month PKRV) return of 5.49%. The performance of the Fund is net of management fee and all other expenses.

NAFA Government Securities Savings Fund (NGSSF) invests a minimum of 70% in Government Securities. The Fund invests at least 10% of its assets in less than 90 days T-Bills or saving accounts with banks, which enhances liquidity profile of the Fund.

During the period under review, State Bank of Pakistan (SBP) in its bi-monthly monetary policy announcements in July and September 2016 maintained the policy rate owing to YoY increase in monetary aggregates (M2), comfortable liquidity conditions coupled with record-high foreign exchange reserves and CPEC related projects gathering momentum. Besides, SBP also highlighted that the expected pick up in domestic demand, improvements in current & expected economic conditions and rise in consumer confidence are the main drivers for determining inflation during FY17. However, uncertain global oil price continues to remain a major risk along with challenged exports outlook, heavy scheduled foreign loan payments during FY17 and possible currency devaluation. We see pickup in inflation to 5.0% by year-end due to partial recovery in commodity prices, measured expected devaluation, and uptick in private sector borrowing.

The Fund has earned total income of Rs.2.67 million during the period. After deducting expenses of Rs.0.89 million, the net income is Rs.1.78 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: October 28, 2016

Place: Karachi.

ڈائریکٹرز رپورٹ

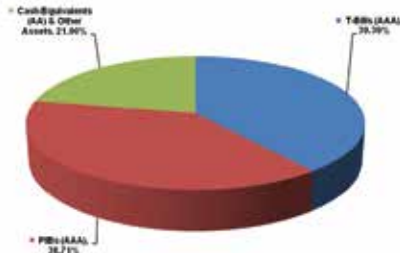
NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2016ء کو ختم ہونے والی سہ ماہی کے لیے NAFA گورنمنٹ سیکیورٹیز سیونگز فنڈ (NGSSF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتا ہے۔

فنڈ کی کارکردگی

NAFA گورنمنٹ سیکیورٹیز سیونگز فنڈ کا فنڈ سائز اس مدت کے دوران 304 ملین روپے سے گھٹ کر 150 ملین روپے تک پہنچ گیا ہے، یعنی 51% کمی۔ اس مدت کے دوران یونٹ کی قیمت 30 جون 2016 کو 10.2882 روپے سے بڑھ کر 30 ستمبر 2016 کو 10.4119 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لیے اپنے شیئنگ مارک منافع (6 ماہی PKRV) کے مقابلے میں 4.77% منافع درج کرایا۔ فنڈ کی کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NAFA گورنمنٹ سیکیورٹیز سیونگز فنڈ (NGSSF) کم از کم 70% سرمایہ کاری گورنمنٹ سیکیورٹیز میں کرتا ہے۔ فنڈ اپنے اثاثوں کے کم از کم 10% کی سرمایہ کاری 90 دن سے کم میعاد والے T-بلز یا بینکوں کے سیونگزر کا پونٹس میں کرتا ہے، جس سے فنڈ کے لیکویڈیٹی پروفاکٹل میں اضافہ ہوتا ہے۔ زیر جائزہ مدت کے دوران اسٹیٹ بینک آف پاکستان نے اپنے جولائی اور ستمبر 2016 کے دو ماہی مالیاتی پالیسی بیانات میں پالیسی ریٹ برقرار رکھا جس کا بنیادی سبب مالیاتی مجموعوں (M2) میں سال بہ سال اضافہ، لیکویڈیٹی کی باسہولت صورت حال کے ساتھ زرمبادلہ کے ریکارڈ بلند ذخائر اور سی پیک سے متعلق منصوبوں کی رفتار میں اضافہ ہے۔ علاوہ ازیں اسٹیٹ بینک آف پاکستان نے یہ بھی نشان دہی کی ہے کہ ملکی طلب میں متوقع اضافے، موجودہ اور متوقع اقتصادی صورت حال میں بہتری اور صارف کے اعتماد میں اضافہ مالی سال 2017 کے دوران افراط زر کے تعین کے لیے مرکزی محرکات ہیں۔ تاہم تیل کی غیر یقینی عالمی قیمتیں، برآمدات سے متعلق چیلنج آمیز امکانات و مالی سال 2017 میں شیڈیول غیر ملکی قرضوں کی بھاری واپسی اور کرنسی کی قدر میں ممکنہ کمی کے ہمراہ بدستور بڑا خطرہ رہیں گی۔ ہم ایشیائے صرف کی قیمتوں میں جزوی بحالی، روپے کی قدر میں نیلی متوقع کمی اور نجی شعبے کی طرف سے قرضوں میں اضافے کی وجہ سے سال کے اختتام تک افراط زر میں 5% تک معتدل اضافہ دیکھ رہے ہیں۔

فنڈ نے اس مدت کے دوران 2.67 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 0.89 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1.78 ملین روپے ہے۔ درج ذیل چارٹ NGSSF کی ایسیٹ لیکویشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیکاش شدہ اوسط کریڈٹ رینٹنگ 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 شکریہ ادا کرتا ہے۔ یہ سکیورٹیز اینڈ ایگزیکٹو 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 ٹرسٹی 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

تاریخ

28 اکتوبر 2016

مقام: کراچی

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016

| | Note | Un-Audited September 30, 2016 | Audited June 30, 2016 |
|---|------|-------------------------------------|-----------------------------|
| (Rupees in '000) | | | |
| ASSETS | | | |
| Balances with banks | | 35,828 | 69,130 |
| Investments | 4 | 117,381 | 249,698 |
| Profit receivable | 5 | 1,487 | 4,102 |
| Receivable against conversion of units | | - | 700 |
| Deposits and prepayments | | 808 | 227 |
| Total assets | | 155,504 | 323,857 |
| LIABILITIES | | | |
| Payable to the Management Company | | 2,778 | 2,912 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 27 | 71 |
| Payable to Securities and Exchange Commission of Pakistan | | 45 | 275 |
| Payable against redemption of units | | 8 | - |
| Payable against conversion of units | | - | 11,748 |
| Accrued expenses and other liabilities | 6 | 2,347 | 4,942 |
| Total liabilities | | 5,205 | 19,948 |
| NET ASSETS | | 150,299 | 303,909 |
| UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED) | | 150,299 | 303,909 |
| CONTINGENCIES AND COMMITMENTS | 7 | | |
| Number of units in issue | | 14,435,313 | 29,539,643 |
| NET ASSET VALUE PER UNIT | | 10.4119 | 10.2882 |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

| | Note | Quarter Ended September 30, 2016 | Quarter Ended September 30, 2015 |
|--|------|--|--|
| (Rupees in '000) | | | |
| INCOME | | | |
| Income from treasury bills | | 2,001 | 2,660 |
| Income from Pakistan Investment Bonds | | 1,585 | 2,256 |
| Profit on bank deposits | | 910 | 1,947 |
| Capital loss/gain on sale of investments - net | | (10) | 1,646 |
| Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | | (724) | 549 |
| Total income | | 3,762 | 9,058 |
| EXPENSES | | | |
| Remuneration of the Management Company | | 340 | 901 |
| Sindh sales tax on remuneration of the Management Company | | 44 | 146 |
| FED on remuneration of the Management Company | | - | 144 |
| Accounting and operational expenses | | 60 | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | | 102 | 153 |
| Sindh sales tax on remuneration of Trustee | | 13 | 21 |
| Annual fee - Securities and Exchange Commission of Pakistan | | 45 | 68 |
| Securities transaction cost | | - | 11 |
| Settlement and bank charges | | 32 | 91 |
| Annual listing fee | | 10 | 10 |
| Auditors' remuneration | | 120 | 137 |
| Fund rating fee | | 92 | 58 |
| Printing charges | | 28 | 25 |
| Other charges | | - | 2 |
| Total Expenses | | 886 | 1,767 |
| Net Income from operating activities | | 2,876 | 7,291 |
| Net element of income/(loss) and capital gains/(losses) included 'in prices of units issued less those in units redeemed' | | (1,093) | (24,354) |
| Provision for Workers' Welfare Fund | 8 | - | - |
| Net Income/loss for the period before taxation | | 1,783 | (17,063) |
| Taxation | 9 | - | - |
| Net income/loss for the period after taxation | | 1,783 | (17,063) |
| Earnings per unit | 10 | | |

The annexed notes 1 to 14 form an integral part of these condensed 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 (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

| | Quarter Ended September 30, 2016 | Quarter Ended September 30, 2015 |
|---|--|--|
| | (Rupees in '000) | |
| Net income/loss for the period after taxation | 1,783 | (17,063) |
| Other Comprehensive Income | - | - |
| Total comprehensive income/loss for the period | <u>1,783</u> | <u>(17,063)</u> |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

| | Quarter Ended September 30, 2016 | Quarter Ended September 30, 2015 |
|--|--|--|
| | (Rupees in '000) | |
| Undistributed income brought forward | | |
| Realised income | 35,676 | 62,780 |
| Unrealised income | <u>3,009</u> | <u>4,128</u> |
| | 38,685 | 66,908 |
| Net income/loss for the period | 1,783 | (17,063) |
| Final distribution for the year ended June 30, 2016 : Nil (2015: 11.104%) - Cash distribution | - | (28,191) |
| Undistributed income carried forward | <u>40,468</u> | <u>21,654</u> |
| Undistributed income carried forward | | |
| Undistributed income comprising of: | | |
| Realised income | 41,192 | 21,105 |
| Unrealised loss/income | <u>(724)</u> | <u>549</u> |
| | <u>40,468</u> | <u>21,654</u> |

The annexed notes 1 to 14 form an integral part of these condensed 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 (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

| | Quarter Ended September 30, 2016 | Quarter Ended September 30, 2015 |
|---|--|--|
| | (Rupees in '000) | |
| Net assets at the beginning of the period | 303,909 | 545,763 |
| Issue of 1,164,022 units (2015: 27,509,287 units) | 12,006 | 291,162 |
| Redemption of 16,268,352 units (2015: 40,210,745 units) | (168,492) | (446,173) |
| | (156,486) | (155,011) |
| Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed | 1,093 | 24,354 |
| Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | (724) | 549 |
| Capital gain/loss on sale of investments - net | (10) | 1,646 |
| Other income (net of expenses) for period | 2,517 | (19,258) |
| | 1,783 | (17,063) |
| Final distribution for the year ended June 30, 2016 : Nil (2015: 11.104%) | | |
| - Cash distribution | - | (28,191) |
| Net assets at the end of the period | 150,299 | 369,852 |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

| | Quarter Ended September 30, 2016 | Quarter Ended September 30, 2015 |
|---|--|--|
| | (Rupees in '000) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Income/loss for the period before taxation | 1,783 | (17,063) |
| Adjustments | | |
| Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 724 | (549) |
| Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed | 1,093 | 24,354 |
| | <u>3,600</u> | <u>6,742</u> |
| (Increase) / decrease in assets | | |
| Investments | 131,593 | 55,958 |
| Profit receivable | 2,615 | 2,524 |
| Deposits and prepayments | (581) | 28 |
| | <u>133,627</u> | <u>58,510</u> |
| Increase / (decrease) in liabilities | | |
| Payable to the Management Company | (134) | (1,273) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (44) | (64) |
| Payable to the Securities and Exchange Commission of Pakistan | (230) | (585) |
| Payable against purchase of investments | - | (99,130) |
| Accrued expenses and other liabilities | (2,595) | (113) |
| | <u>(3,003)</u> | <u>(101,165)</u> |
| Net cash generated from / (used in) operating activities | <u>134,224</u> | <u>(35,913)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net receipts from issue of units | 12,706 | 361,616 |
| Net payments on redemption of units | (180,232) | (468,607) |
| Distribution made | - | (28,191) |
| Net cash (used in) from financing activities | <u>(167,526)</u> | <u>(135,182)</u> |
| Net (decrease) in cash and cash equivalents during the period | <u>(33,302)</u> | <u>(171,095)</u> |
| Cash and cash equivalents at the beginning of the period | 69,130 | 242,065 |
| Cash and cash equivalents at the end of the period | <u><u>35,828</u></u> | <u><u>70,970</u></u> |

The annexed notes 1 to 14 form an integral part of these condensed 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 THESE FINANCIAL STATEMENTS (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

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 June 05, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2014, under 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 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. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund is categorized as an Open-End "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 NAFA Government Securities Savings Fund is to provide competitive return from portfolio of low credit risk 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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the 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 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 IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

The directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Principal accounting policies adopted for the preparation of these condensed interim financial statements for the quarter ended September 30, 2016 are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2016.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

| | Note | September 30, 2016 (Un-audited) | June 30, 2016 (Audited) |
|--|------|---------------------------------------|-------------------------------|
| 4 Investments | | | (Rupees in '000) |
| At fair Value through profit and loss | | | |
| Market Treasury Bills | 4.1 | 59,208 | 165,820 |
| Pakistan Investment Bonds | 4.2 | 58,173 | 58,878 |
| | | <u>117,381</u> | <u>224,698</u> |
| Loans and receivables | | | |
| Term Deposit Receipts | | - | 25,000 |
| | | <u>117,381</u> | <u>249,698</u> |

4.1 Market Treasury Bills

| Issue date | Tenor | Face Value | | | | Market value as at September 30, 2016 | 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 September 30, 2016 | | | |
| Rupees in '000 | | | | | | | | |
| -----%----- | | | | | | | | |
| Treasury Bills | | | | | | | | |
| 6-Aug-15 | 12 Months | 50,000 | - | 50,000 | - | - | - | |
| 20-Aug-15 | 12 Months | - | 30,000 | 30,000 | - | - | - | |
| 21-Jan-16 | 12 Months | 70,000 | - | 70,000 | - | - | - | |
| 4-Feb-16 | 12 Months | 50,000 | - | 20,000 | 30,000 | 29,405 | 19.56 | |
| 11-Jul-16 | 3 Months | - | 70,000 | 70,000 | - | - | - | |
| 18-Aug-16 | 3 Months | - | 30,000 | - | 30,000 | 29,803 | 19.83 | |
| | | | | | | <u>59,208</u> | <u>39.39</u> | <u>50.44</u> |
| Carrying value before fair value adjustment as at September 30, 2016 | | | | | | <u>59,227</u> | | |

4.2 Pakistan Investment Bonds

| Issue date | Tenor | Face Value | | | | Market value as at September 30, 2016 | 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 September 30, 2016 | | | |
| Rupees in '000 | | | | | | | | |
| -----%----- | | | | | | | | |
| 17-Jul-14 | 3 Years | 55,900 | - | - | 55,900 | 58,173 | 38.70 | 249.56 |
| | | | | | | <u>58,173</u> | <u>38.70</u> | <u>49.56</u> |
| Carrying value before fair value adjustment as at September 30, 2016 | | | | | | <u>58,878</u> | | |

| | Note | September 30, 2016 (Un-audited) | June 30, 2016 (Audited) |
|---|------|---------------------------------------|-------------------------------|
| 5 PROFIT RECEIVABLE | | | (Rupees in '000) |
| Savings deposits | | 161 | 18 |
| Term deposit receipts | | - | 1,198 |
| Pakistan Investment Bonds | | 1,326 | 2,886 |
| | | <u>1,487</u> | <u>4,102</u> |
| 6 ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Provision for Workers' Welfare Fund | | 1,619 | 1,619 |
| Auditors' remuneration | | 450 | 330 |
| Settlement charges | | 13 | - |
| Bank charges | | 47 | 39 |
| Printing charges | | 112 | 84 |
| Withholding tax | | 17 | 2,564 |
| Capital gain tax | | 79 | 275 |
| Legal fee | | 2 | 23 |
| Brokerage Payable | | 8 | 8 |
| | | <u>2,347</u> | <u>4,942</u> |

NAFA GOVERNMENT SECURITIES SAVINGS FUND

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at September 30, 2016 and June 30, 2016.

8 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015. Accordingly no further provision for WWF has recorded subsequent to June 30, 2015.

However, without prejudice to the above and owing to the fact that the decision of Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to record and retain provision of WWF in financial statements for the quarter ended September 30, 2015 which aggregates to Rs. 1.619 million. Had the same not been made the net asset value per unit / return of the Fund would have been higher by Re 0.1122 per unit respectively.

9 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 the required minimum Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

10 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

11 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 1.49% p.a. including 0.20% representing government levies on collective Investment scheme such as Sales tax, Worker's Welfare Fund and Securities & Exchange Commission of Pakistan fee for the period.

12 TRANSACTIONS WITH CONNECTED PERSONS

- 12.1 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 and Alexandra Fund Management Pte. Limited being the sponsors, NAFA provident Trust Fund 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.
- 12.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 12.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 12.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC regulation and the Trust Deed.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

| | (Un-Audited) September 30, 2016 | (Audited) June 30, 2016 |
|--|---------------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- | | |
| 12.5 Details of the transactions with connected persons are as follows: | | |
| NBP Fullerton Asset Management Limited - Management Company | | |
| Remuneration of the Management Company | 340 | 901 |
| Sindh sales tax on remuneration of the Management Company | 44 | 146 |
| FED on remuneration of the Management Company | - | 144 |
| Sales load | 2 | 168 |
| Accounting and operational expenses | 60 | - |
| NAFA Government Securities Liquid Fund | | |
| Treasury Bills purchased | - | 168,451 |
| Treasury Bills sold | 29,800 | - |
| NAFA Income Opportunity Fund | | |
| Treasury Bills sold | 68,308 | - |
| Employees of the Management Company | | |
| Dividend Re-invest: Nil (2015: 6,896 units) | - | 71 |
| Units issued / transferred In: Nil (2015: 16,040 units) | - | 172 |
| Units redeemed / transferred out 9,778 units (2015: 66,106 units) | 101 | 733 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration | 102 | 153 |
| Sindh sales tax on remuneration of Trustee | 13 | 21 |
| Mr Khalid Mehmood - CFO | | |
| Units redeemed / transferred out 96,149 units (2015: Nil units) | 1,000 | - |
| Attock Petroleum Limited | | |
| Units issued / transferred In Nil units (2015: 9,590,854 units) | - | 100,000 |
| Gul Ahmed Energy Limited | | |
| Units redeemed / transferred out 1,662,966 units (2015: Nil units) | 17,310 | - |
| | (Un-Audited) September 30, 2016 | (Audited) June 30, 2016 |

12.6 Amounts outstanding as at period end

| | (Un-Audited) September 30, 2016 | (Audited) June 30, 2016 |
|--|---------------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- | | |
| NBP Fullerton Asset Management Limited - Management Company | | |
| Management remuneration payable | 75 | 186 |
| Sindh Sales Tax payable | 10 | 30 |
| Federal Excise Duty payable | 1,865 | 1,864 |
| Accounting and operational expenses | 282 | 222 |
| Sales load and transfer load payable | 97 | 145 |
| Sindh Sales Tax and FED payable on sales load | 404 | 420 |
| Other payable | 45 | 45 |
| Employees of the Management Company | | |
| "Units held: 56,456 units (June 30, 2016) | 588 | 681 |

NAFA GOVERNMENT SECURITIES SAVINGS FUND

| | (Un-Audited) September 30, 2016 | (Audited) June 30, 2016 |
|---|---------------------------------------|-------------------------------|
| | ----- (Rupees in '000) ----- | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee fee payable | 24 | 53 |
| CDS charges payable | 13 | 11 |
| Security deposit | 102 | 102 |
| Sindh Sales Tax payable | 3 | 7 |
| Mr Khalid Mehmood - CFO | | |
| "Units held: 48,814 units (June 30, 2016 144,963 units) " | 508 | 1,491 |
| Gul Ahmed Energy Limited | | |
| "Units held: 1,935,302 units (June 30, 2016 3,598,267 units) " | 20,150 | 37,020 |
| National Bank of Pakistan | | |
| Bank Balance in Savings account | 1,530 | 1,036 |
| Summit Bank | | |
| Bank Balance in Current account | 189 | 278 |
| Attock Petroleum Limited | | |
| "Units issued / transferred In Nil units (June 30, 2016 10,056,987 units)" | - | 103,468 |
| Sindh Insurance Limited | | |
| "Units held: 1,485,342 units (June 30, 2016 Nil units) " | 15,465 | - |
| NAFA Asset Allocation Fund | | |
| Net (payable) / net receivable against conversion of units | - | (700) |
| NAFA Islamic Asset Allocation Fund | | |
| Net receivable / (payable) against conversion of units | - | 700 |
| NAFA Money Market Fund | | |
| Net (payable) against conversion of units | - | (8,945) |
| NAFA Saving Plus Fund | | |
| Net (payable) / net receivable against conversion of units | - | (2,103) |

13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 28, 2016.

14 GENERAL

14.1 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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