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

NAFA GOVERNMENT SECURITIES LIQUID 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 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. 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 Taraqiyati 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 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, 2016.

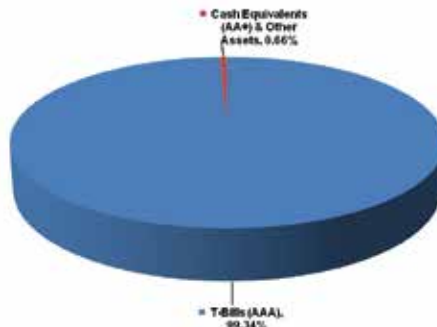
Fund's Performance

The size of NAFA Government Securities Liquid Fund has increased from Rs. 3,172 million to Rs. 4,696 million during the quarter, i.e. an increase of 48%. During the period under review, the unit price of the Fund has increased from Rs. 10.1464 on June 30, 2016 to Rs. 10.2823 on September 30, 2016, thus posting a return of 5.31% as compared to its Benchmark (70% 3-Month PKRV & 30% average 3-Month deposit rates of three AA rated banks as selected by MUFAP) return of 5.40%. The performance of the Fund is net of management fee and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. NGSFLF is the largest Fund in Pakistan in this rating category. 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 risks are exceptionally low due a minimum 70% investment in Government securities (T-Bill) with average maturity of the overall portfolio at 40 days. The Fund is allowed to invest in AA & above rated Banks/DFIs with maximum maturity of six months.

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 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.72.57 million during the period. After deducting expenses of Rs.10.54 million, the net income is Rs.62.03 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSFLF.



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 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 سیکورٹیز لیکویڈ فنڈ (NGSLF) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتا ہے۔

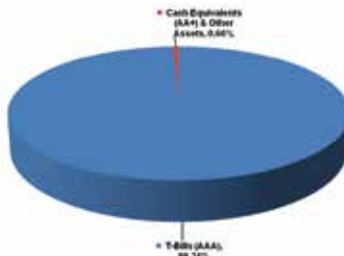
فنڈ کی پرفارمنس

NAFA گورنمنٹ سیکورٹیز لیکویڈ فنڈ کا سائز میں اس سہ ماہی کے دوران 3,172 ملین روپے سے 4,696 ملین روپے تک اضافہ ہوا ہے، یعنی 48% اضافہ۔ زیر جائزہ مدت کے دوران یونٹ کی قیمت 30 جون 2016ء 10.1464 روپے سے 30 ستمبر 2016ء 10.2823 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لیے اپنے بیچ مارک منافع (3 ماہ) PKRV کے 70% اور MUFAP کے منتخب کردہ تین AA ریٹنگ والے ٹینکس کے 3 ماہ کے ڈپازٹ ریٹس کا اوسط منافع) 5.40% کے مقابلے میں 5.31% منافع درج کر لیا۔ فنڈ کی کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NGSLF PACRA کی طرف سے دی گئی اسٹیبلٹی ریٹنگ (f) 'AAA' ہے۔ NGSLF پاکستان میں اس ریٹنگ کیٹیگری میں سب سے بڑا فنڈ ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈٹی پر وفا کی عکاسی کرتی ہے۔ T بلاز اس فنڈ کی بڑی ایسیٹ کلاس ہیں۔ مجموعی پورٹ فولیو کی 45 دن کی اوسط پیچورٹی کے ساتھ گورنمنٹ سیکورٹیز (T بلاز) میں کم از کم 70% انویسٹمنٹ کے ساتھ فنڈ کے کریڈٹ، لیکویڈٹی اور انٹرسٹ ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی پیچورٹی کے ساتھ AA یا زائد ریٹنگ والے ٹینکوں DFIs میں انویسٹ کرنے کی اجازت ہے۔

زیر جائزہ مدت کے دوران اسٹیٹ بینک آف پاکستان نے اپنے جولائی اور ستمبر 2016ء کے دو ماہی مالیاتی پالیسی بیانات میں پالیسی ریٹ برقرار رکھا جس کا بنیادی سبب مالیاتی مجموعوں (M2) میں اضافہ، لیکویڈٹی کی باسہولت صورت حال کے ساتھ زرمبادلہ کے ریکارڈ بلند ذخائر کے ساتھ 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 2017ء کے دوران افراط زر کے تعین کے لیے مرکزی محرکات ہیں۔ تاہم تیل کی غیر یقینی عالمی قیمتیں، برآمدات سے متعلق چیلنج آمیز امکانات اور مالی سال 2017ء میں شیڈیول غیر ملکی قرضوں کی بھاری واپسی اور کرنسی کی قدر میں کمزوری کے ہمراہ بدستور بڑا خطرہ رہیں گی۔ ہم ایشیائے صرف کی قیمتوں میں جزوی بحالی، روپے کی قدر میں تلی 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 72.57 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 10.54 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 62.03 ملین روپے ہے۔ درج ذیل چارٹ NGSLF کی ایسیٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



اظہار تشکر

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

منجانب بورڈ آف ڈائریکٹرز
NBP فلٹرن ایسیٹ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

بتاریخ

28 اکتوبر 2016

مقام: کراچی

NAFA GOVERNMENT SECURITIES LIQUID 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		2,202,325	3,487,801
Investments	4	4,664,902	542,065
Profit receivable	5	1,378	661
Receivable against conversion of units		19	22,735
Advances, Prepayments and other receivables		13,722	7,176
Total assets		6,882,346	4,060,438
LIABILITIES			
Payable to Management Company		48,001	51,156
Payable to Trustee		407	421
Payable to Securities and Exchange Commission of Pakistan		879	4,311
Payable against redemption of units		5,293	-
Payable against conversion of units		-	673,634
Dividend Payable		-	5,439
Accrued expenses and other liabilities	6	2,131,789	153,529
Total liabilities		2,186,369	888,490
Net Assets		4,695,977	3,171,948
Unit Holders' Funds (as per statement attached)		4,695,977	3,171,948
Contingencies & Commitments	12	-	-
Number of units			
Number of units in issue		456,707,675	312,616,936
-----Rupees-----			
Net asset value per unit		10.2822	10.1464

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 LIQUID FUND

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

	Note	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
(Rupees in '000)			
INCOME			
(Loss) / Capital Gain on sale of investments - net		(63)	126
Income from government securities		61,230	119,137
Income from certificate of investment		-	2,055
Profit on bank deposits		12,101	20,433
Net unrealised appreciation / (diminution) in the value of investments at fair value through profit or loss		<u>(1,710)</u>	<u>257</u>
Total Income		<u>71,558</u>	<u>142,008</u>
EXPENSES			
Remuneration of the Management Company		6,078	19,809
Sindh Sales Tax on Management Fee		790	3,217
Federal Excise Duty on Management Fee		-	3,170
Remuneration of the Trustee		1,068	1,667
Sindh Sales Tax on Trustee Fee		139	233
Accounting and operational charges to the Management Company		1,173	-
Annual fee - Securities and Exchange Commission of Pakistan		879	1,482
Securities transaction cost		55	93
Bank charges		92	222
Annual listing fee		17	10
Auditors' remuneration		128	175
Rating Fee		23	84
Printing Charges		38	-
Legal fee		62	-
Total Expenses		<u>10,542</u>	<u>30,162</u>
Net income from operating activities		<u>61,016</u>	<u>111,846</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		1,015	(17,741)
Provision for workers' welfare fund	7	-	-
Net income for the period before taxation		<u>62,031</u>	<u>94,105</u>
Taxation	11	-	-
Net income for the period after taxation		<u>62,031</u>	<u>94,105</u>
Earnings per unit	9		

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 LIQUID FUND

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

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Net income for the period after taxation	62,031	94,105
Other comprehensive income	-	-
Total comprehensive income for the period	<u>62,031</u>	<u>94,105</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 LIQUID FUND

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

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Rupees in '000)	
Undistributed income brought forward comprising :		
- Realised income	86,890	86,154
- Unrealised (loss)	<u>(90)</u>	<u>(659)</u>
	86,800	85,495
Net income for the period	62,031	94,105
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	-	-
Undistributed income carried forward	<u>148,831</u>	<u>179,600</u>
Undistributed income comprising:		
- Realised income	150,541	179,343
- Unrealised (loss)	<u>(1,710)</u>	<u>257</u>
	<u>148,831</u>	<u>179,600</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 LIQUID 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	3,171,948	7,013,455
Issue of 255,030,977 units (September 30, 2015: 882,936,983 units)	2,597,002	8,977,336
Redemption of 110,940,238 units (September 30, 2015: 921,763,485 units)	(1,133,989) 1,463,013	(9,388,832) (411,496)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing (income) transferred to income statement	(1,015)	17,741
- amount representing (income) transferred to distribution statement	-	-
Net unrealised diminution in the value of investments at fair value through profit or loss	-	257
Gain / (loss) on sale of investments	(63)	126
Other income (net of expenses)	62,094 62,031	93,722 94,105
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	-	-
Net assets as at the end of the period	4,695,977	6,713,805

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 LIQUID 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 for the period before taxation	62,031	94,105
Adjustments		
Net unrealised diminution in the value of investments at fair value through profit or loss	1,710	-
Element of income and capital gains included in prices of units issued less those in units redeemed	(1,015)	17,741
	<u>62,726</u>	<u>111,846</u>
(Increase) / decrease in assets		
Investments	(4,124,547)	(1,048,179)
Profit receivable	(717)	(1,196)
Advances, Prepayments and other receivables	(6,546)	54
	<u>(4,131,810)</u>	<u>(1,049,321)</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	(3,155)	1,686
Payable to the Trustee	(14)	(17)
Payable to the Securities and Exchange Commission of Pakistan	(3,432)	(6,053)
Accrued expenses and other liabilities	1,978,260	(14,015)
	<u>1,971,659</u>	<u>(18,399)</u>
Net cash inflow (used in) on operating activities	<u>(2,097,425)</u>	<u>(955,874)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	2,619,718	11,491,397
Payments on redemption of units	(1,802,330)	(9,419,403)
Distributions paid	(5,439)	(278,346)
Net cash generated from financing activities	<u>811,949</u>	<u>1,793,648</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(1,285,476)</u>	<u>837,774</u>
Cash and cash equivalents at the beginning of the period	3,487,801	1,962,658
Cash and cash equivalents at the end of the period	<u><u>2,202,325</u></u>	<u><u>2,800,432</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 LIQUID FUND

NOTES TO AND FORMING PART OF THIS CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

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 Pakistan 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.

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, 2016 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2016.

NAFA GOVERNMENT SECURITIES LIQUID FUND

4 INVESTMENTS	Note	(Un-audited) September 30, 2016	(Audited) June 30, 2016
(Rupees in '000)			
At fair value through profit or loss - held for trading			
Government securities - Market Treasury Bills	4.1	4,664,902	542,065
		<u>4,664,902</u>	<u>542,065</u>

4.1 Investment in government securities - 'at fair value through profit or loss'

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			
Market Treasury Bills						Rupees in '000	-----%-----	
21-Jan-16	6 Months	500,000	650,000	1,150,000	-	-	-	-
12-May-16	3 Months	-	100,000	100,000	-	-	-	-
20-Aug-15	12 Months	-	3,300,000	3,300,000	-	-	-	-
6-Aug-15	12 Months	44,000	1,000,000	1,044,000	-	-	-	-
3-Sep-15	12 Months	-	1,000,000	1,000,000	-	-	-	-
11-Jul-16	3 Months	-	30,000	30,000	-	-	-	-
21-Jul-16	3 Months	-	400,000	400,000	-	-	-	-
11-Jul-16	3 Months	-	2,630,500	2,630,500	-	-	-	-
1-Sep-16	3 Months	-	875,000	-	875,000	867,314	18.47	18.59
18-Aug-16	3 Months	-	4,629,000	2,000,000	2,629,000	2,611,747	55.62	55.99
4-Aug-16	3 Months	-	1,191,000	-	1,191,000	1,185,841	25.25	25.42
6-Aug-15	12 Months	-	100,000	100,000	-	-	-	-
20-Aug-15	12 Months	-	3,200,000	3,200,000	-	-	-	-
					<u>4,664,902</u>	<u>99.34</u>	<u>100</u>	
Carrying value before fair value adjustment as at September 30, 2016						<u>4,666,612</u>		

5 PROFIT RECEIVABLE	Note	(Un-audited) September 30, 2016	(Audited) June 30, 2016
(Rupees in '000)			
Profit on savings deposits		<u>1,378</u>	<u>661</u>
		<u>1,378</u>	<u>661</u>
6 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		564	435
Payable to brokers		1,990,621	303
Bank charges		250	232
Provision for workers' welfare fund		115,239	115,239
Withholding tax		1,110	23,062
Capital Gain Tax		14,557	13,606
Legal charges		72	10
Others		9,376	642
		<u>2,131,789</u>	<u>153,529</u>

NAFA GOVERNMENT SECURITIES LIQUID FUND

7 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 of WWF has been 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, 2016 which aggregates to Rs. 115.239 million. Had the same not been made the net asset value per unit / return of the Fund would have been higher by Re.0.2523 per unit respectively.

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.

Note	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
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(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	6,078	19,809
Sindh Sales Tax for the period on management fee	790	3,217
FED for the period on management fee	-	3,170
Units issued (Nil units; September 30, 2015: 7,181,054 units)	-	73,662
Units redeemed (Nil units; September 30, 2015: 3,474,799 units)	-	35,500
Accounting and operational charges to the Management Company	1,173	-

National Bank of Pakistan - Sponsor

Market Treasury Bills purchases during the period	1,294,958	-
Market Treasury Bills sold during the period	247,466	-
Payment against redemption of units	-	3,689,732

Central Depository Company of Pakistan Limited - Trustee

Trustee fee for the period	1,068	1,667
Sindh Sales Tax for the period on Trustee fee	139	233

NAFA Provident Fund Trust - Provident Fund

Units issued (Nil units; September 30, 2014: 154,582 units)	-	-
Units redeemed (Nil units; September 30, 2014: 154,582 units)	-	-

NAFA GOVERNMENT SECURITIES LIQUID FUND

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
Note	(Rupees in '000)	
Chief Financial Officer		
Units issued (Nil units: September 30, 2015: 99,926 units)	-	1,025
Units redeemed (36,402 units: September 30, 2015: Nil units)	372	-
Chief Operating Officer & Company Secretary		
Units Redeemed (62,637 units: September 30, 2015: Nil units)	640	-
Employees of the Management Company		
Units issued (Nil units: September 30, 2015: 215,307 units)	-	2,188
Units redeemed (Nil units: September 30, 2015: 337,968 units)	-	3,451
NBP Exchange Company Limited		
Units Redeemed (Nil units: September 30, 2015: 4,926,691 units)	-	50,000
NAFA Money Market Fund		
Market Treasury Bills sold during the period	-	895,370
Mutual Fund Association of Pakistan - MUFAP		
Units issued (588,766 units: September 30, 2015: 539,332 units)	6,000	5,500
Units Redeemed (Nil units: September 30, 2015: 213,182 units)	-	2,185
Pakistan Petroleum Limited		
Units issued (Nil units: September 30, 2015: 72,610,753 units)	-	741,000
Cherat Cement Company Limited		
Units issued (Nil units: September 30, 2015: 11,051,126 units)	-	112,278
Units Redeemed (Nil units: September 30, 2015: 22,088,364 units)	-	224,735
NAFA Government Securities Saving Fund		
Market Treasury Bills purchased during the period	29,800	168,452
Byco Petroleum Pakistan Limited –Employee Provident Fund		
Market Treasury Bills purchased during the period	-	33,411
Byco Oil Pakistan Limited- Employee Provident Fund		
Market Treasury Bills purchased during the period	-	20,944

NAFA GOVERNMENT SECURITIES LIQUID FUND

	Un-Audited As at September 30, 2016	Audited As at June 30, 2016
	(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	1,968	2,151
Sindh Sales Tax Payable on remuneration	256	350
FED Payable on remuneration	45,779	45,779
Investment held by the Management Company in the Fund : (Nil units; June 30, 2016: Nil units)	-	-
Accounting and operational charges to the Management Company	4,048	2,876
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	360	590
Sindh Sales Tax Payable on remuneration	48	-
National Bank of Pakistan - Sponsor		
Balance in current account	1,215	304
Balance in saving account	342	5,206
Payable against redemption of units	-	-
Chief Financial Officer		
units held: Nil (June 2016: 36,402 units)	-	369
Chief Operating Officer		
units held : Nil (June 2016: 62,637 units)	-	636
Employees of the Management Company		
units held : 73,316 (June 2016: 73,316 units)	754	744
Mutual Fund Association of Pakistan - MUFAP		
units held : 588,766 (June 2016: Nil units)	6,054	-
NBP Employees Pension Fund		
units held : 17,785,249 (June 2016: 17,785,249 units)	182,873	180,456
NBP Endowment Funds Students Loan Scheme		
units held 12,259,978 (June 2016: 12,259,978 units)	126,061	124,395
NBP Leasing Limited Employees Provident Fund		
units held 458,302 (June 2016: 458,302 units)	4,712	4,650
Summit Bank Limited		
Balance in current account	-	8,703
NAFA Islamic Stock Fund		
Net receivable against conversion of units	19	-
NAFA Money Market Fund		
Net (payable) / receivable against conversion of units	-	(567,951)

NAFA GOVERNMENT SECURITIES LIQUID FUND

Un-Audited
As at September
30, 2016
Audited
As at June
30, 2016
(Rupees in '000)

NAFA Savings Plus Fund		
Net (payable) / receivable against conversion of units	-	(14,778)
NAFA Islamic Aggressive Income Fund		
Net payable against conversion of units	-	(90,905)
NAFA Islamic Energy Fund		
Net receivable against conversion of units	-	5,171
NAFA Stock Fund		
Net receivable / (payable) against conversion of units	-	715
NAFA Financial Sector Income Fund		
Net receivable against conversion of units	-	15,437
NAFA Islamic Asset Allocation Fund		
Net receivable / (payable) against conversion of units	-	1,412

9 Earning per Unit

Earning per unit (EPU) for the quarter ended September 30, 2016 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

10 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by Average net assets value for the period) is 0.9% p.a. including 0.16% 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.

11 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.

12 CONTINGENCIES & COMMITMENTS

There were no commitments as on September 30, 2016 and June 30, 2016.

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

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: NAFA INVEST to 8080

Fax: 021-35825335

Email: info@nafafunds.com

Website: www.nafafunds.com

 /nafafunds