


## 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.

## Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	07
CONDENSED INTERIM INCOME STATEMENT	08
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	09
CONDENSED INTERIM DISTRIBUTION STATEMENT	10
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	11
CONDENSED INTERIM CASH FLOW STATEMENT	12
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	13

# 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. Shahid Anwar Khan	Chairman
Mr. Amir Shehzad	Director
Mr. Wah Geok Sum	Director
Mr. Koh Boon San	Director
Mr. Shehryar Faruque	Director
Mr. Kamal Amir Chinoy	Director
Mr. Khalid Mahmood	Director
Dr. Anjad Waheed	Chief Executive Officer

### Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

### Audit & Risk Committee

Mr. Shehryar Faruque	Chairman
Mr. Koh Boon San	Member
Mr. Amir Shehzad	Member

### Trustee

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

### Bankers to the Fund

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
NIB Bank Limited  
United Bank Limited  
National Bank of Pakistan  
KASB Bank Limited  
Standard Chartered Bank (Pak) Limited  
Barclays Bank Plc Limited

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

7<sup>th</sup> 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.  
Contact: 042-35914272

## **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:**

1st Floor, Haji Tehmas Centre,  
Near KFC, Tehkal Payan  
University Road, Peshawar.  
Phone: 92-91-5711784, 5711782  
Fax: 92-91-5211780

## **Multan Office:**

NBP City Branch, Hussain-a-Gahi, Multan.  
Phone No: 061-4502204  
Fax No: 061-4502203

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## DIRECTORS' REPORT

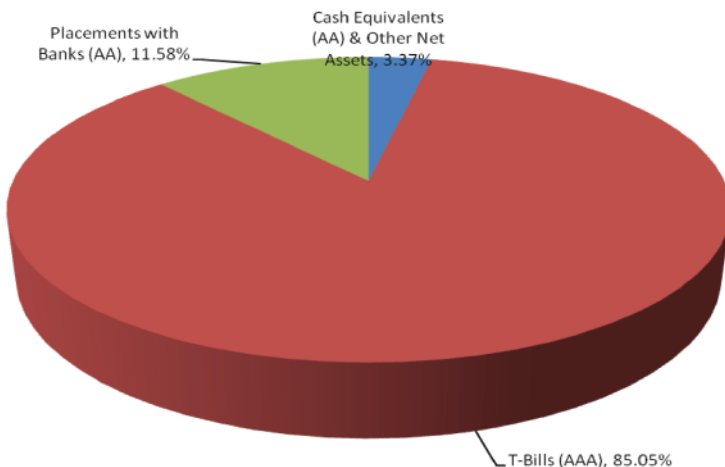
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Government Securities Liquid Fund (NGSLF) for the period ended March 31, 2013.

### Fund's Performance

The size of NAFA Government Securities Liquid Fund has declined from Rs. 14,772 million to Rs. 12,949 million during the period, i.e. a decline of 12.34%. During the nine month period, the unit price of the Fund has increased from Rs. 9.4254 (Ex-Div) on June 30, 2012 to Rs. 10.0444 on March 31, 2013, thus showing a simple annualized return of 8.75% as compared to its Benchmark (70% 3-Month T-Bills & 30% average 3-Month deposit rate of 'AA' & above rated banks) simple annualized return of 8.90% for the same period. During the third quarter the size of the Fund decreased by 6.65%. During the quarter, the unit price of the Fund has increased from Rs. 9.8646 (Ex-Div) on December 31, 2012 to Rs. 10.0444 on March 31, 2013, thus showing a simple annualized return of 7.39% as compared to its Benchmark simple annualized return of 8.17% for the same period.

NGSLF is categorized as a Money Market Scheme and is awarded stability rating of 'AAA(f)' by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. NGSLF (i) allocates 85% of the portfolio to Government Securities (this allocation has been changed to 70% in April, 2013); and (ii) maintains maximum maturity of a single T-Bill to three months. iii) Duration of T-Bill asset class is maintained at 45 days on average.

The Fund has earned total income of Rs.1,088.35 million during the period. After deducting expenses of Rs.190.49 million, the net income is Rs.897.86 million. The asset allocation of the Fund as on March 31, 2013 is as follows:



# NAFA GOVERNMENT SECURITIES LIQUID FUND

## Income Distribution

The Board of Directors of the Management Company has approved interim distribution of 6.46% of opening ex-NAV (6.491% of the par value) during the period.

## Acknowledgement

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

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

On behalf of the Board of  
NBP Fullerton Asset Management Limited

Chief Executive

Director

Date: April 26, 2013  
Place: Karachi.

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2013

	Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
------(Rupees in '000)-----			
<b>ASSETS</b>			
Balances with banks		2,022,982	1,556,170
Investments	4	11,013,149	13,319,080
Profit receivable		12,320	50,810
Prepayments and other receivables		7,163	7,093
Preliminary expenses and floatation costs		1,114	1,858
<b>Total assets</b>		<b>13,056,728</b>	<b>14,935,011</b>
<b>LIABILITIES</b>			
Payable to the Management Company		16,078	19,201
Payable to the Trustee		897	1,056
Payable to Securities and Exchange Commission of Pakistan		7,909	10,894
Payable on redemption of units		-	25,511
Accrued expenses and other liabilities		82,156	106,124
<b>Total liabilities</b>		<b>107,040</b>	<b>162,786</b>
<b>NET ASSETS</b>		<b>12,949,688</b>	<b>14,772,225</b>
<b>Unit Holders' Funds (as per statement attached)</b>		<b>12,949,688</b>	<b>14,772,225</b>
<b>Contingencies and Commitments</b>	6	(Number of Units)	
Number of units in issue		1,289,245,600	1,469,543,330
----- Rupees -----			
<b>Net asset value per unit</b>		<b>10.0444</b>	<b>10.0523</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

Note	Nine months ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- (Rupees in '000)-----				
<b>INCOME</b>				
Capital gain / (loss) on sale of investments - net	13,640	(1,202)	(96)	(2,820)
Income from government securities	943,059	989,459	257,259	383,571
Income from term deposit receipts	45,197	72,850	24,675	17,663
Income from money market placements	53,779	194,036	8,878	54,378
Profit on bank deposits	37,075	26,239	11,813	7,810
Net unrealised diminution in the value of investments classified as 'financial assets at fair value through profit or loss'	(4,399)	(7,743)	(4,060)	(453)
<b>Total Income</b>	<b>1,088,351</b>	<b>1,273,639</b>	<b>298,469</b>	<b>460,149</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	131,811	130,264	40,996	49,863
Sindh sales tax on remuneration of the Management Company	21,090	20,932	6,560	8,067
Remuneration of the Trustee	8,472	8,379	2,645	3,178
Annual fee - Securities and Exchange Commission of Pakistan	7,909	7,816	2,460	2,992
Securities transaction cost	988	3,909	219	1,708
Bank charges	564	1,270	96	569
Annual listing fee	30	30	10	10
Rating fee	182	150	72	50
Auditors' remuneration	357	324	85	76
Amortisation of preliminary expenses and floatation costs	744	745	244	247
Other charges	15	67	-	67
<b>Total Expenses</b>	<b>172,162</b>	<b>173,886</b>	<b>53,387</b>	<b>66,827</b>
<b>Net income from operating activities</b>	<b>916,189</b>	<b>1,099,753</b>	<b>245,082</b>	<b>393,322</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	-	-	-
Provision for workers' welfare fund	5 (18,324)	(20,358)	(4,902)	(6,225)
<b>Net income for the period before taxation</b>	<b>897,865</b>	<b>1,079,395</b>	<b>240,180</b>	<b>387,097</b>
Taxation	7 -	-	-	-
<b>Net income for the period after taxation</b>	<b>897,865</b>	<b>1,079,395</b>	<b>240,180</b>	<b>387,097</b>
<b>Earnings per unit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director



# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	----- (Rupees in '000)-----			
Net income for the period after taxation	897,865	1,079,395	240,180	387,097
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>897,865</u>	<u>1,079,395</u>	<u>240,180</u>	<u>387,097</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- (Rupees in '000)-----				
<b>Undistributed income brought forward</b>				
- Realised income	32,917	368,822	32,811	226,528
- Unrealised (loss) / income	(5,815)	(7,743)	(4,060)	(453)
	<u>27,102</u>	<u>361,079</u>	<u>28,751</u>	<u>226,075</u>
Final distribution for the year ended June 30, 2012:				
Nil (2011: 2.757% per unit)				
- Bonus units	-	(267,810)	-	-
- Cash distribution	-	(19,861)	-	-
	<u>27,102</u>	<u>73,408</u>	<u>28,751</u>	<u>226,075</u>
Net income for the period after taxation	897,865	1,079,395	240,180	389,817
Interim distributions during the period				
- Bonus units	(793,067)	(963,233)	(246,937)	(511,311)
- Cash distribution	(100,614)	(165,191)	(26)	(43,100)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(14,321)	34,427	(5,003)	(2,675)
Undistributed income carried forward	<u>16,965</u>	<u>58,806</u>	<u>16,965</u>	<u>58,806</u>
<b>Undistributed income carried forward comprising:</b>				
- Realised gain	21,364	66,549	21,364	66,549
- Unrealised loss	(4,399)	(7,743)	(4,399)	(7,743)
Undistributed income / (Accumulated loss) carried forward	<u>16,965</u>	<u>58,806</u>	<u>16,965</u>	<u>58,806</u>

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For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- (Rupees in '000)-----				
Net assets at the beginning of the period	14,772,225	10,810,434	13,872,812	15,635,934
Issue of 920,073,172 units - including 78,940,155 bonus units (March 31, 2012: 2,054,378 units)	8,476,495	19,617,193	2,460,689	5,230,837
Redemption of 1,100,370,902 units (March 31, 2012: 1,515,884 units)	(11,096,283) (2,619,788)	(15,383,732) 4,233,461	(3,623,967) (1,163,278)	(5,272,530) (41,693)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing accrued (income) / losses and capital (gains) / losses transferred to Income Statement	-	-	-	-
- amount representing (income) / losses that form part of the unit holders' fund transferred to Distribution Statement	14,321 14,321	(34,427) (34,427)	5,003 5,003	2,675 2,675
Unrealised diminution on investments at fair value through profit or loss - net Capital gain / (loss) on sale of investments	(4,399) 13,640	(7,743) (1,202)	(4,060) (96)	(453) (2,820)
Other income (net of expenses)	888,624	1,088,340	244,336	390,370
Net income for the period	897,865	1,079,395	240,180	387,097
Distribution:				
Final distribution for the year ended June 30, 2012:				
Nil (2011: 2.757% per unit)				
- Bonus Units	-	(267,810)	-	-
-Cash Distribution	-	(19,861)	-	-
Interim distributions during the period				
- Bonus units	(793,067)	(963,233)	(246,937)	(511,311)
- Cash distribution	(100,614)	(165,191)	(26)	(43,100)
Add: Bonus distribution				
Final Distribution	-	267,810	(546,130)	-
Interim Distribution	793,067	963,233	793,067	511,311
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing income / (losses) that form part of the unit holders' fund	(14,321)	34,427	(5,003)	(2,675)
<b>Net assets at the end of the period</b>	<u>12,949,688</u>	<u>15,938,238</u>	<u>12,949,688</u>	<u>15,938,238</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- (Rupees in '000)-----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income for the period	897,865	1,079,395	240,180	387,097
<b>Adjustments</b>				
Net unrealised diminution in the value of investments classified as 'financial assets at fair value through profit or loss'	4,399	7,743	4,060	453
Amortisation of preliminary expenses and floatation costs	744	745	244	247
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	-	-	-	-
	903,008	1,087,883	244,484	387,797
<b>(Increase) / decrease in assets</b>				
Investments	2,301,532	(5,975,957)	1,424,570	(2,231,442)
Loans and receivables		608,467	-	1,382,765
Profit receivable	38,490	14,333	(1,607)	3,285
Prepayments and other receivables	(70)	190	(160)	(189)
	2,339,952	(5,352,967)	1,422,803	(845,581)
<b>Increase / (decrease) in liabilities</b>				
Payable to the Management Company	(3,123)	8,626	(1,380)	1,364
Payable to the Trustee	(159)	357	(71)	70
Payable to Securities and Exchange Commission of Pakistan	(2,985)	1,060	2,460	2,992
Accrued expenses and other liabilities	(23,968)	39,822	4,771	25,874
	(30,235)	49,865	5,780	30,300
<b>Net cash outflow from operating activities</b>	3,212,725	(4,215,219)	1,673,067	(427,484)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts from issue of units	8,476,495	19,617,193	2,460,689	5,230,837
Payments on redemption of units	(11,121,794)	(15,377,994)	(3,650,581)	(5,263,154)
Distribution paid	(100,614)	(185,052)	(26)	(43,100)
<b>Net cash inflow from financing activities</b>	(2,745,913)	4,054,147	(1,189,918)	(75,417)
Net increase in cash and cash equivalents during the period	466,812	(161,072)	483,149	(502,901)
Opening balance of cash and cash equivalents	1,556,170	872,997	1,539,833	1,214,826
<b>Cash and cash equivalents at the end of the period</b>	<u>2,022,982</u>	<u>711,925</u>	<u>2,022,982</u>	<u>711,925</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2013

### 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 the SECP. The Registered and Principal office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and is listed on the Lahore Stock Exchange for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund is categorised as Money Market Scheme as per the criteria laid down by Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

The core 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 Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company and a stability rating of AAA (f) to the Fund.

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

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 IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2012.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2013.

#### 2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the accounting periods beginning on or after July 1, 2012:

Amendment to IFRS 7, 'Financial instruments': The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain other new standards, amendments and interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

#### 2.3 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## 3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2012.

## 4 INVESTMENTS

	Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
(Rupees in '000)			
<b>At fair value through profit or loss - held for trading</b>			
Government securities - Market Treasury Bills	4.1	11,013,149	11,229,670
		<u>11,013,149</u>	<u>11,229,670</u>
<b>Loans and receivable</b>			
Investment in certificate of investments		-	590,042
Investment in reverse repo		-	1,499,368
		<u>-</u>	<u>2,089,410</u>

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

Issue Date	Tenor	Face value			As at March 31, 2013	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2012	Purchases during the period	Sales / matured during the period				
-----Rupees in ' 000-----								
<b>Market Treasury Bills</b>								
January 12, 2012	6 Months	665,000	-	665,000	-	-	-	-
January 26, 2012	6 Months	450,000	-	450,000	-	-	-	-
August 11, 2011	12 Months	945,000	469,000	1,414,000	-	-	-	-
April 19, 2012	3 Months	720,000	1,500,000	2,220,000	-	-	-	-
July 28, 2011	12 Months	454,000	-	454,000	-	-	-	-
May 03, 2012	3 Months	1,688,000	60,000	1,748,000	-	-	-	-
May 17, 2012	3 Months	2,342,500	150,000	2,492,500	-	-	-	-
May 31, 2012	3 Months	2,424,000	5,000	2,429,000	-	-	-	-
June 14, 2012	3 Months	478,000	123,000	601,000	-	-	-	-
September 08, 2011	12 Months	500,000	100,000	600,000	-	-	-	-
March 08, 2012	6 Months	500,000	860,000	1,360,000	-	-	-	-
June 28, 2012	3 Months	212,500	212,200	424,700	-	-	-	-
November 03, 2011	12 Months	-	1,809,000	1,809,000	-	-	-	-
July 14, 2011	12 Months	-	25,000	25,000	-	-	-	-
May 17, 2012	6 Months	-	200,000	200,000	-	-	-	-
February 09, 2012	12 Months	-	50,000	50,000	-	-	-	-
August 25, 2011	12 Months	-	689,000	689,000	-	-	-	-
January 26, 2012	12 Months	-	292,800	292,800	-	-	-	-
February 23, 2012	6 Months	-	82,905	82,905	-	-	-	-
October 06, 2011	12 Months	-	526,300	526,300	-	-	-	-
February 09, 2012	6 Months	-	200,000	200,000	-	-	-	-
July 12, 2012	3 Months	-	4,656,450	4,656,450	-	-	-	-
July 12, 2012	6 Months	-	2,540,000	2,540,000	-	-	-	-
July 26, 2012	3 Months	-	1,621,275	1,621,275	-	-	-	-
July 26, 2012	6 Months	-	4,134,000	4,134,000	-	-	-	-
October 20, 2011	12 Months	-	700,000	700,000	-	-	-	-
June 28, 2012	6 Months	-	500,000	500,000	-	-	-	-
August 09, 2012	3 Months	-	4,554,600	4,554,600	-	-	-	-
August 09, 2012	6 Months	-	1,896,000	1,896,000	-	-	-	-
August 23, 2012	3 Months	-	2,014,700	2,014,700	-	-	-	-
August 23, 2012	6 Months	-	4,200,000	4,200,000	-	-	-	-
November 17, 2011	12 Months	-	2,050,000	2,050,000	-	-	-	-
September 06, 2012	3 Months	-	1,399,000	1,399,000	-	-	-	-
September 06, 2012	6 Months	-	1,657,000	1,657,000	-	-	-	-
June 14, 2012	6 Months	-	5,200,000	5,200,000	-	-	-	-
September 20, 2012	3 Months	-	1,802,000	1,802,000	-	-	-	-
September 20, 2012	6 Months	-	1,044,800	1,044,800	-	-	-	-
October 04, 2012	3 Months	-	1,118,500	1,118,500	-	-	-	-
October 18, 2012	3 Months	-	1,680,000	1,680,000	-	-	-	-
November 01, 2012	3 Months	-	969,050	969,050	-	-	-	-
November 15, 2012	6 Months	-	1,412,500	1,412,500	-	-	-	-
November 29, 2012	3 Months	-	1,292,900	1,292,900	-	-	-	-
December 13, 2012	3 Months	-	1,659,000	1,659,000	-	-	-	-
November 15, 2012	3 Months	-	1,412,500	1,412,500	-	-	-	-
October 04, 2012	6 Months	-	822,350	-	822,350	821,505	6.34	7.46
October 18, 2012	6 Months	-	1,850,000	-	1,850,000	1,841,527	14.22	16.72
November 01, 2012	6 Months	-	1,803,000	-	1,803,000	1,788,387	13.81	16.24
November 15, 2012	6 Months	-	1,750,000	-	1,750,000	1,729,640	13.36	15.71
January 10, 2013	3 Months	-	3,022,400	1,105,000	1,917,400	1,915,429	14.79	17.39
January 24, 2013	3 Months	-	311,700	-	311,700	310,272	2.40	2.82
February 21, 2013	3 Months	-	1,814,000	-	1,814,000	1,792,896	13.85	16.28
April 05, 2012	12 Months	-	3,000	-	3,000	2,997	0.02	0.03
March 07, 2013	3 Months	-	250,000	-	250,000	246,216	1.90	2.24
March 21, 2013	3 Months	-	900,000	325,000	575,000	564,280	4.36	5.12
Total as at March 31, 2012						11,013,149	85.05	100.00
<b>Carrying Value as at March 31, 2013</b>						11,017,548		
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'						(4,399)		

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## 5 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In the light of this, Mutual Fund Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court challenging the applicability of WWF on CISs which was dismissed mainly on the grounds that MUFAP is not an aggrieved party.

Subsequently, clarifications were issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. These clarifications were forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on these clarifications, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Further, a Constitutional Petition was filed with the Honorable High Court of Sindh by a CIS / mutual fund and a pension fund through their trustee and an asset management company inter alia praying to declare that mutual funds / voluntary pension funds being pass through vehicles / entities are not industrial establishments and hence, are not liable to contribute to the WWF under the WWF Ordinance. The matter is still pending with the Honorable Court.

The Management Company is hopeful that the decision of the court will be in favour of the Fund. The Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF as at March 31, 2013 amounting to Rs.81.043 million (including Rs.18.324 million for the current period) (June 30, 2012: Rs 62.719 million) in this condensed interim financial information. Had the same not been made the net asset value per unit would have been higher by Rs 0.0629.

## 6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2012 and June 30, 2012.

## 7 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 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 provision for taxation as the Management Company, on behalf of the Fund, intends to distribute at least 90 percent of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 8 INTERIM DISTRIBUTIONS

The Fund makes distribution on a monthly basis and has made following distributions during the period.

Date	Rate Per Unit	Bonus		Cash Distribution	Total
		Units	Amount		
July 30, 2012	0.0844	9,057,589	91,004	34,305	125,309
August 28, 2012	0.0824	8,664,231	87,139	33,492	120,631
September 28, 2012	0.0804	7,602,379	76,400	32,678	109,078
October 30, 2012	0.0754	10,404,845	104,654	19	104,673
November 28, 2012	0.0704	9,680,990	97,253	49	97,302
December 28, 2012	0.0653	8,928,972	89,672	45	89,717
January 29, 2013	0.0684	8,850,527	88,873	10	88,883
February 27, 2013	0.0643	8,311,935	83,418	6	83,424
March 28, 2013	0.0583	7,438,687	74,654	10	74,664
		<u>78,940,155</u>	<u>793,067</u>	<u>100,614</u>	<u>893,681</u>

As per clause 11 of the Trust Deed and clause 5 of the Offering Document, the Management Company, on behalf of the Fund, on a monthly basis (except June) distributes cash dividend, bonus, partially cash / bonus or in any other form acceptable to the Commission (such as bonus units) that may qualify under the tax laws. Net income (after deducting all the expenses of the Fund) earned on 25th of every month may be distributed by the Management Company. The Board of Directors on April 19, 2011 have passed a resolution providing standing authorisation to the Chief Executive Officer to approve and declare interim dividends out of profits earned by the Fund during the month.

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## 9 TRANSACTIONS WITH CONNECTED PERSONS

9.1 Connected persons include NBP Fullerton Asset Management Limited (NAFA) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, NAFA Provident Fund Trust, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

9.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

9.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

9.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

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

	Period ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- (Rupees in '000) -----				
<b>Management Company</b>				
Management fee expense for the period	131,811	130,264	40,996	49,863
Sindh sales tax on remuneration of the Management Company	21,090	20,932	6,560	8,067
Bonus units issued (554,163 units; March 31, 2012: 39,251 units)	-	-	-	-
Units issued (27,853,444; March 31, 2012: 6,553,694 units)	280,634	66,000	122,634	46,000
Units redeemed (14,444,743 units; March 31, 2012: 7,442,871 units)	145,906	75,506	58,706	43,150
<b>National Bank of Pakistan - Sponsor</b>				
Cash Dividend	100,434	102,641	-	4,478
T-Bills purchased during the period	3,027,715	-	3,027,715	-
T-Bills sold during the period	3,924,759	-	1,163,252	-
Bonus units issued (15,794,578; March 31, 2012: 15,759,230)	-	-	-	-
Units issued (83,980 units; March 31, 2012: 491,327,018 units)	845	5,012,398	-	9,227
Units redeemed/ transferred out (30,937,301 units; March 31, 2012: 98,514,651)	312,383	1,000,000	102,111	-
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>				
Bonus units issued (Nil units; March 31, 2012: 136,971 units)	-	-	-	-
Units redeemed (Nil units; March 31, 2012: 2,614,286 units)	-	26,573	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee fee for the period	8,472	8,379	2,645	3,178
<b>Kamal A Chinoy - Director</b>				
Bonus units issued (4,953 units; March 31, 2012: 7,338 units)	-	-	-	-
<b>Chief Executive Officer</b>				
Bonus units issued (6,688 units; March 31, 2012: 38,484 units)	-	-	-	-
Units issued (Nil; March 31, 2012: Nil units)	-	-	-	-
Units redeemed (7,955 units; March 31, 2012: 677,813 units)	80	6,880	80	-
<b>Chief Financial Officer</b>				
Bonus units issued (6,082 units; March 31, 2012: 2,344 units)	-	-	-	-
Units issued/ transfer in (Nil units; March 31, 2012: 60,878 units)	-	616.00	-	55.00
Units redeemed/ transfer out (98,171 units; March 31, 2012: 44,845 units)	988,739	456.00	988,150	27.00
<b>NAFA Provident Fund Trust - Provident Fund</b>				
Bonus units issued (28,217 units; March 31, 2012: 41,807 units)	-	-	-	-
Units issued/ transfer in (517,669 units; March 31, 2012: 1,278,327 units)	5,218	12,961	1,658	4,191
Units redeemed/ transfer out (653,283 units; March 31, 2012: 1,269,310 units)	6,592	12,868	2,559	3,588
<b>Employees of the Management Company</b>				
Bonus units issued (44,086 units; March 31, 2012: 72,419 units)	-	-	-	-
Units issued (1,694,099 units; March 31, 2012: 2,507,276 units)	17,079	25,450	4,548	(4,387)
Units redeemed (1,774,006 units; March 31, 2012: 2,942,458 units)	17,877	29,869	6,028	(1,279)
<b>NBP Employees Pension Fund</b>				
Bonus units issued (887,372 units; March 31, 2012: 1,314,868 units)	-	-	-	-
<b>NBP Endowment Funds Students Loan Scheme</b>				
Bonus units issued (2,148,565 units; March 31, 2012: 1,921,264 units)	-	-	-	-
Units issued/ transfer in (641,906 units; March 31, 2012: 13,797,370 units)	6,500	139,970	-	99,970



# NAFA GOVERNMENT SECURITIES LIQUID FUND

	Period ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- (Rupees in '000)-----				
<b>NBP Exchange Company Limited</b>				
Bonus units issued (1,169,408 units; March 31, 2012: 2,295,372 units)	-	-	-	-
Units issued/ transfer in (3,167 units; March 31, 2012: 91,005 units)	32	819	-	280
Units redeemed (24,541,962 units; March 31, 2012: Nil units)	247,778	-	224,642	-
<b>NBP Leasing Limited Employees Provident Fund</b>				
Bonus units issued (4,391 units; March 31, 2012: 4,934 units)	-	-	-	-
Units issued/ transfer in (125,438 units; March 31, 2012: 120,480 units)	1,268	1,225	100	374
Units redeemed/ transfer out (198,421 units; March 31, 2012: 92,000 units)	1,995	929	803	929
<b>International Industries Limited - Employees Provident Fund</b>				
Bonus units issued (142,825 units; March 2012: Nil Units)	-	-	-	-
Units issued/ transfer in (2,871,189 units; March 2012: Nil Units)	28,941	-	9,473	-
Units redeemed/ transfer out (2,974,199 units Mar 2012: Nil Units)	30,011	-	16,124	-
T-Bills purchased during the period	25,567	10,206	9,937	10,206
<b>International Industries Limited - Employees Gratuity Fund</b>				
Bonus units issued (172,773 units; March 2012: Nil Units)	-	-	-	-
Units issued/ transfer in (1,334,032 units; March 2012: Nil Units)	34,202	-	13,406	-
Units redeemed/ transfer out (1,043,254 units Mar 2012: Nil Units)	31,808	-	-	-
T-Bills purchased during the period	34,645	13,122	20,624	13,122
<b>International Steel Limited - Employees Gratuity Fund</b>				
Bonus units issued (16,383 units; March 2012: Nil Units)	-	-	-	-
Units issued/ transfer in (370,086 units; March 2012: Nil Units)	3,735	-	-	-
Units redeemed/ transfer out (420,054 units Mar 2012: Nil Units)	4,238	-	-	-
T-Bills purchased during the period	6,070	-	1,881	-
<b>International Steel Limited - Employees Provident Fund</b>				
Bonus units issued (37,537 units; March 2012: Nil Units)	-	-	-	-
Units issued/ transfer in (760,008 units; March 2012: Nil Units)	7,661	-	-	-
Units redeemed/ transfer out (993,926 units Mar 2012: Nil Units)	10,032	-	-	-
T-Bills purchased during the period	9232	-	2,462	-
<b>NAFA Savings Plus Fund</b>				
T-Bills purchased during the period	-	14,921	-	14,921
<b>Pak Arab Refinery Limited - Supervisory Staff Gratuity Fund</b>				
T-Bills purchased during the period	51312	-	24,641	-
<b>Gul Ahmed Textile Mills Limited - Employee Provident Fund</b>				
Units redeemed/ transfer out	6,290	-	-	-
<b>NAFA Asset Allocation Fund</b>				
T-Bills purchased during the period	38,910	-	-	-
<b>NAFA Financial Sector Income Fund</b>				
T-Bills purchased during the period	49,414	-	-	-
<b>Telenor Pakistan Ltd - Employees Provident Fund</b>				
T-Bills purchased during the period	45,753	3,937	34,039	3,937
<b>Thal Limited Employees Provident Fund</b>				
T-Bills purchased during the period	40,964	-	40,964	-
<b>Thal Limited Employees Retirement Benefit Fund</b>				
T-Bills purchased during the period	1,971	-	1,971	-

# NAFA GOVERNMENT SECURITIES LIQUID FUND

9.6 Amounts outstanding as at period / year end	(Un-audited)	(Audited)
	As at March 31, 2013	As at June 30, 2012
	(Rupees in '000)	
<b>Management Company</b>		
Receivable from the management company	6,980	6,980
Management fee payable	13,861	16,553
Sindh sales tax payable on remuneration of the Management Company	2,218	2,648.00
Other payable	-	0
Investment held by the Management Company (15,830,242 units; June 30, 2012: 1,867,379)	159,005	18,771
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	897	1,056
<b>National Bank of Pakistan - Sponsor</b>		
Investment held by the Sponsor in the Fund (391,145,181 units; June 30, 2012: 406,203,924 units)	3,928,819	4,083,284
Balance in current account	4,766	6,191
Balance in saving account	11,771	10,256
<b>Alexandra Fund Management Pte. Limited - Sponsor</b>		
Investment held by the Sponsor in the Fund (Nil units; June 30, 2012: Nil units)	-	-
<b>Chief Executive Officer</b>		
Investment held by the Chief Executive Officer (99,979 units; June 30, 2012: 101,246 units)	1,004	1,018
<b>Chief Financial Officer</b>		
Investment held by the Chief Financial Officer (42,584 units; June 30, 2012: 134,673 units)	428	1,354
<b>Kamal A Chinoy - Director</b>		
Investment held by the Director in the Fund (79,418 units; June 30, 2012: 74,465 units)	798	749
<b>NAFA Provident Fund Trust - Provident Fund</b>		
Investment held by the Sponsor in the Fund (477,886 units; June 30, 2012: 585,283 units)	4,800	5,883
<b>Employees of the Management Company</b>		
Investment held by the employees in the Fund (634,803 units; June 30, 2012: 670,624 units)	6,376	6,741
<b>NBP Employees Pension Fund</b>		
Investment held in the Fund (14,229,804 units; June 30, 2012: 13,341,432 units)	142,920	134,112
<b>NBP Endowment Funds Students Loan Scheme</b>		
Investment held in the Fund (34,451,757 units; June 30, 2012: 31,661,286 units)	346,047	318,269
<b>NBP Exchange Company Limited</b>		
Investment held in the Fund (Nil units; June 30, 2012: 23,369,387 units)	-	234,916
<b>NBP Leasing Limited Employees Provident Fund</b>		
Investment held in the Fund (9,989 units; June 30, 2012: 78,581 units)	100	790

# NAFA GOVERNMENT SECURITIES LIQUID FUND

## 10 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant changes or reclassifications were made in this condensed interim financial information.

## 11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2013.

## 12 GENERAL

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

For NBP Fullerton Asset Management Limited  
(Management Company)

Chief Executive

Director