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Rated by PACRA



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

NAFA GOVERNMENT SECURITIES SAVINGS FUND

QUARTERLY REPORT

MARCH 31

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource and Remuneration Committee

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

Trustee

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

NAFA GOVERNMENT SECURITIES SAVINGS FUND

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

Plot No. 395, 396
Industrial Area, 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

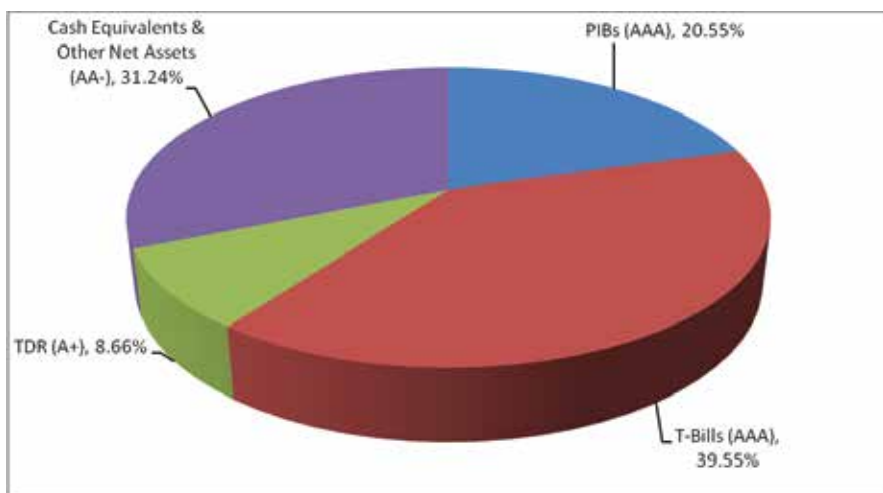
The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the unaudited financial statements of **NAFA Government Securities Savings Fund (NGSSF)** for the period ended March 31, 2016.

Fund's Performance

The size of NAFA Government Securities Savings Fund has declined from Rs. 546 million to Rs. 289 million during the period, i.e. a decline of 47.1%. During the period, the unit price of the Fund has increased from Rs. 10.2889 (Ex-Div) on June 30, 2015 to Rs. 10.8054 on March 31, 2016, thus showing return of 6.66% as compared to the benchmark (70% average 6-Month PKRV & 30% average 3-Month deposit rates of 'A+' & above rated banks) return of 6.28% for the same period. The performance of the Fund is net of management fee and all other expenses. The Fund has been assigned a stability rating of 'AA- (f)' by PACRA.

During the period under review, the State Bank of Pakistan reduced the discount rate by 50 bps to 6.5%. SBP highlighted: i) benign inflation readings and anchored near-term inflation expectation; ii) high real lending rates; iii) comfortable external account position; and (iv) improving law and order situation; and macroeconomic stability. Sovereign securities responded to the loose monetary policy stance. The T-Bills yield declined by around 78 bps and PIB yield declined by 142 bps, 183 bps and 141 bps for 3year, 5 year 10 Year maturity respectively. Foreign exchange reserves reached a comfortable level of USD 20 billion. Inflation as measured by the CPI clocked-in at 3.9% on a year-on-year basis in March compared to 3.2% in June 2015.

The Fund has earned total income of Rs.18.38 million during the period. After deducting expenses of Rs.4.60 million, the net income is Rs.13.78 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: April 29, 2016
Place: Karachi.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) AS AT 31 MARCH 2016

	Note	Un-Audited March 31, 2016	Audited June 30, 2015
(Rupees in '000)			
Assets			
Bank balances		94,362	242,065
Investments	4	198,517	358,774
Profit receivables		1,968	4,074
Deposit and prepayments		113	218
Receivable against sale of units		-	70,454
Total assets		294,960	675,585
Liabilities			
Payable to NBP Fullerton Asset Management Limited - Management Company		2,706	3,631
Payable to Central Depository Company of Pakistan Limited - Trustee		83	122
Payable to Securities and Exchange Commission of Pakistan		208	653
Payable against purchase of investments		-	99,130
Payable against redemption of units		1,050	22,668
Accrued expenses and other liabilities		2,192	3,618
Total liabilities		6,239	129,822
Net Assets		288,721	545,763
Unit holders' fund (as per statement attached)		288,721	545,763
Contingencies and commitments			
Number of units in issue		26,720,104	47,885,546
Net assets value per unit		10.8054	11.3972

The annexed notes 1 to 10 form an integral part of these interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

Note	Nine Months Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in '000)			
Income				
Income from Market Treasury Bills	10,790	8,612	3,756	3,277
Income from Pakistan investment bonds	5,410	45,660	1,569	14,695
Income from term finance certificates	-	304	-	-
Profit on bank deposits and Term deposit receipts	5,195	14,887	2,218	3,690
Gain on sale of investments - net	1,616	14,812	213	3,806
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(818)	27,135	(583)	7,920
Total income	22,193	111,410	7,173	33,388
Expenses				
Remuneration of NBP Fullerton Asset Management Limited - Management Company	2,378	6,580	672	2,152
Sindh Sales Tax on remuneration of Management Company	386	1,145	109	375
Federal Excise Duty on remuneration of Management Company	381	1,053	108	345
Remuneration of Central Depository Company of Pakistan Limited - Trustee	472	1,095	168	365
Sindh Sales Tax on remuneration of Trustee	66	-	23	-
Annual fee - Securities and Exchange Commission of Pakistan	208	493	74	161
Allocation of operational expenses from the Management Company	133	-	98	-
Securities transaction cost	16	112	4	5
Settlement and bank charges	99	217	14	35
Annual listing fee	30	10	10	-
Auditors' remuneration	243	339	22	72
Fund rating fee	144	62	28	62
Printing charges	38	73	7	24
Other charges	-	38	-	13
Total expenses	4,594	11,217	1,337	3,609
Net income from operating activities	17,599	100,193	5,836	29,779
Element of income / (loss) and capital gains (losses) included in prices of units issued less those in units redeemed - net	(3,816)	-	(3,531)	-
Provision for Workers' Welfare Fund	5	(2,003)	-	(595)
Net income for the period before taxation	13,783	98,190	2,305	29,184
Taxation	7	-	-	-
Net income for the period after taxation	13,783	98,190	2,305	29,184

The annexed notes 1 to 10 form an integral part of these interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>(Rupees in '000)</u>			
Net income for the period after taxation	13,783	98,190	2,305	29,184
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	13,783	98,190	2,305	29,184

The annexed notes 1 to 10 form an integral part of these interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine Months Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in '000)			
Undistributed income brought forward comprising:				
- Realised income	62,780	-	50,429	31,048
- Unrealised income / (loss)	4,128	-	(235)	19,215
	<u>66,908</u>	<u>-</u>	<u>50,194</u>	<u>50,263</u>
Element of income / (loss) and capital gains (losses) included in prices of units issued less those in units redeemed - net	-	(12,402)	-	6,341
Final cash distribution for the year ended 30 June 2015: 11.104% (2014:Nil)	(28,191)	-	-	-
Net income for the period after taxation	13,783	98,190	2,305	29,184
Undistributed income carried forward	<u>52,500</u>	<u>85,788</u>	<u>52,500</u>	<u>85,788</u>
Undistributed income carried forward comprising:				
- Realised income	53,318	58,653	53,083	77,868
- Unrealised (loss) / income	(818)	27,135	(583)	7,920
	<u>52,500</u>	<u>85,788</u>	<u>52,500</u>	<u>85,788</u>

The annexed notes 1 to 10 form an integral part of these interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine Months Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in '000)			
Net assets at beginning of the period	545,763	-	342,831	723,138
Issue of units 46,634,044 (March 31, 2015: 226,975,833 units)	495,626	2,356,458	163,489	722,280
Redemption of units 67,799,486 (March 31, 2015: 150,763,159)	(742,076)	(1,606,732)	(223,435)	(626,686)
	(246,450)	749,726	(59,946)	95,594
Element of income / (loss) and capital gains (losses) included in prices of units issued less those in units redeemed - net	3,816	(12,402)	3,531	6,341
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(818)	27,135	(583)	7,920
Gain on sale of investments - net	1,616	14,812	213	3,806
Other net income for period	12,985	56,243	2,675	17,458
Total comprehensive income for the period	13,783	98,190	2,305	29,184
Final cash distribution for the year ended 30 June 2015: 11.104%	(28,191)	-	-	-
Element of income / (loss) and capital gains (losses) included in prices of units issued less those in units redeemed - net	-	12,402	-	(6,341)
Net assets at end of period	288,721	847,916	288,721	847,916

The annexed notes 1 to 10 form an integral part of these interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine Months Ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	13,783	98,190	2,305	29,184
Adjustments:				
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	3,816	-	3,530	-
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	818	(27,135)	583	(7,920)
	18,417	71,055	6,419	21,264
(Increase) / decrease in assets				
Investments - net	159,439	(721,476)	80,093	(230,075)
Profit receivables	2,106	(13,527)	971	10,888
Deposit and prepayments	105	(282)	9	62
Receivable against sale of units	70,454	(1,370)	70,454	(541)
	232,104	(736,655)	151,527	(219,666)
Increase / (decrease) in liabilities				
Payable to NBP Fullerton Asset Management Limited - Management Company	(925)	3,934	275	1,491
Payable to Central Depository Company of Pakistan Limited - Trustee	(39)	135	27	34
Payable to Securities and Exchange Commission of Pakistan	(445)	493	74	161
Payable against purchase of investments	(99,130)	-	(89,954)	-
Accrued expenses and other liabilities	(1,426)	3,388	110	1,486
	(101,965)	7,950	(89,468)	3,172
Net cash generated from / (used in) operating activities	148,556	(657,650)	68,478	(195,230)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net receipts from issue of units	495,626	2,356,458	93,035	722,280
Net payments against redemption of units	(763,694)	(1,408,990)	(222,596)	(429,401)
Distribution paid	(28,191)	-	-	-
Net cash (used in) / generated from financing activities	(296,259)	947,468	(129,561)	292,879
Net (decrease) / increase in cash and cash equivalents during the period	(147,703)	289,818	(61,083)	97,649
Cash and cash equivalents at beginning of the period	242,065	-	155,445	192,169
Cash and cash equivalents at end of the period	94,362	289,818	94,362	289,818

The annexed notes 1 to 10 form an integral part of these interim financial statements.

For NBP Fullerton Asset Management Limited
(Management Company)

Chief Executive

Director

NAFA GOVERNMENT SECURITIES SAVINGS FUND

NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Government Securities Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fullerton Asset Management [formerly National Fullerton Asset Management Limited (NAFA)] as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 05, 2014 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2014 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The Registered 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. Units of the Fund are offered for public subscription on a continuous basis. These units are transferable and can be redeemed by surrendering them to the Fund. The Board of Directors have approved that the Fund should be categorised as "Income Scheme" as per the categories defined by the Securities and Exchange Commission of Pakistan.

The core objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' to the Management Company and a 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 the 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 for interim financial reporting. Approved accounting standards comprise of International Accounting Standard (IAS) 34: 'Interim Financial Reporting', the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the 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 IAS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the 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, 2015.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2016.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2015.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

4 INVESTMENTS

Note March 31, 2016 June 30, 2015
(Un-audited) (Audited)
(Rupees in '000)

Financial assets 'at fair value through profit or loss' - held for trading

Market Treasury Bills	5.1	114,185	298,695
Pakistan Investment Bonds	5.2	59,333	60,079
		<u>173,517</u>	<u>358,774</u>

Loans and receivables

Term Deposit Receipts - Long Term	5.3	25,000	-
		<u>198,517</u>	<u>358,774</u>

4.1 Market Treasury Bills

Issue date	Tenor	Face Value				Market value as at March 31, 2016	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2015	Purchases during the period	Sales/ matured during the period	As at March 31, 2016			
Rupees in '000								
8-Jan-15	6 Months	200,000	-	200,000	-	-	-	-
8-Jan-15	12 Months	-	90,000	90,000	-	-	-	-
22-Jan-15	6 Months	-	50,000	50,000	-	-	-	-
22-Jan-15	12 Months	-	70,000	70,000	-	-	-	-
19-Feb-15	6 Months	-	50,000	50,000	-	-	-	-
5-Mar-15	6 Months	-	40,000	40,000	-	-	-	-
5-Mar-15	12 Months	-	70,000	70,000	-	-	-	-
28-May-15	3 Months	-	49,000	49,000	-	-	-	-
29-Jun-15	6 Months	100,000	100,000	200,000	-	-	-	-
9-Jul-15	3 Months	-	100,000	100,000	-	-	-	-
6-Aug-15	6 Months	-	25,000	25,000	-	-	-	-
20-Aug-15	12 Months	-	95,000	95,000	-	-	-	-
3-Sep-15	12 Months	-	160,000	160,000	-	-	-	-
30-Apr-15	6 Months	-	30,000	30,000	-	-	-	-
26-Nov-15	3 Months	-	70,000	70,000	-	-	-	-
21-Jan-16	12 Months	-	70,000	-	70,000	66,671	23.09	33.58
4-Feb-16	12 Months	-	50,000	-	50,000	47,514	16.46	23.93
7-Jan-16	3 Months	-	55,000	55,000	-	-	-	-
Total		<u>300,000</u>	<u>1,174,000</u>	<u>1,354,000</u>	<u>120,000</u>	<u>114,185</u>	<u>39.55</u>	<u>57.52</u>
Carrying value as at March 31, 2016						<u>114,257</u>		

4.2 Pakistan Investment Bonds

Issue date	Tenor	Face Value				Market value as at March 31, 2016	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2015	Purchases during the period	Sales/ matured during the period	As at March 31, 2016			
Rupees in '000								
17 July 2014	3 Years	55,900	-	-	55,900	59,333	19.36	28.16
26 March 2015	3 Years	-	100,000	100,000	-	-	-	-
Total		<u>55,900</u>	<u>100,000</u>	<u>100,000</u>	<u>55,900</u>	<u>59,333</u>	<u>19.36</u>	<u>28.16</u>
Carrying value as at March 31, 2016						<u>60,079</u>		

4.3 Term Deposit Receipt

Name of Issuer	Maturity Date	Rate	Face Value
		----- % ----- Rupees in 000
Khushali Bank Limited	6-Jul-16	10	25,000

- 5 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 ("WWF Ordinance"). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds ("CISs") whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 1.619 million in these condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at March 31, 2016 would have been higher by Rs 0.0606 per unit.

The Finance Act, 2015 has excluded Collective Investment Schemes (CISs) from the definition of 'industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, the Management Company has discontinued further provisioning of WWF with effect from 1 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending before the Sindh High Court (SHC).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2016 and 30 June 2015.

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 ninety percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision for taxation has been made in this condensed interim financial information.

The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

8 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 8.1 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 (NBP) and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, entities under common management or directorships, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company and unit holders holding ten percent or more units of the Fund.
- 8.2 The transactions with connected persons are in the normal course of business, at contracted rates/agreed rates.
- 8.3 Remuneration and front-end load payable to the Management Company are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 8.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

NAFA GOVERNMENT SECURITIES SAVINGS FUND

----- (Un-Audited) -----
 Nine months ended Quarter ended
 March 31, March 31, March 31, March 31,
 2016 2015 2016 2015
 ----- Rupees in '000 -----

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

NBP Fullerton Asset Management Limited Management Company

Remuneration of the Management Company	2,378	6,580	672	4,470
Sindh Sales Tax on remuneration of Management Company	386	1,145	109	753
Federal Excise Duty on remuneration of Management Company	381	1,053	108	715
Allocation of operational expenses from the Management Company	133	-	98	-
Sales load	37	998	35	778

Employees of the Management Company

Dividend Re-invest: 6,896 units (31 March 2015: Nil)	71	-	-	-
Units issued: 21,655 (31 March 2015: 1,542,178 units)	232	16,064	50	8,832
Units redeemed: 85,614 (31 March 2015: 1,389,599 units)	942	14,582	149	9,443

Mr Khalid Mehmood - CFO

Units issued: 142,640 (31 March 2015: Nil)	1,500	-	-	-
Units redeemed: 5,665 (31 March 2015: Nil)	60	-	-	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	472	1,095	168	745
Sindh Sales Tax on remuneration of Trustee	66	-	23	-

NAFA Income Opportunity Fund

Sale of Market Treasury Bills	4,780	-	-	-
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NAFA Government Securities Liquid Fund

Sale of Market Treasury Bills	178,381	-	-	-
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Summit Bank Limited

Purchase of Treasury Bills	89,954	-	-	-
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National Bank of Pakistan

Sale of Market Treasury Bills	82,911	-	82,911	-
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Attock Petroleum Limited

Units issued / transferred In 9,590,854 units (March 31, 2015: Nil)	100,000	-	-	-
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NAFA GOVERNMENT SECURITIES SAVINGS FUND

	(Un-Audited) March 31, 2016	(Audited) June 30, 2015
------(Rupees in '000)-----		
8.6 Amounts outstanding as at period end:		
NBP Fullerton Asset Management Limited - Management Company		
Management remuneration payable	226	726
Sindh Sales Tax payable	37	126
Federal Excise Duty payable	1,774	1,393
Sales load and transfer load payable	491	1,420
Allocation of operational expenses from the Management Company	133	-
Other payable	45	45
Employees of the Management Company		
Units held: 54,305 (30 June 2015: 111,369 units held)	587	1,269
Mr Khalid Mehmood - CFO		
Units held: 136,975 (30 June 2015: Nil)	1,480	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	60	122
Sindh Sales Tax on remuneration of Trustee	8	-
Security deposit	102	102
CDS charges payable	15	4
National Bank of Pakistan		
Bank Balances	907	3,277
Summit Bank		
Bank Balances	296	457
Attock Petroleum Limited		
Units held: 9,590,854 (30 June 2015: Nil)	103,633	-
NAFA Asset Allocation Fund		
Net receivable against conversion of units	-	4,202
NAFA Financial Sector Income Fund		
Net receivable against conversion of units	-	3,735
NAFA Islamic Asset Allocation Fund		
Payable against conversion of units	1,000	251
NAFA Money Market Fund		
Payable against conversion of units	-	21,070
NAFA Riba Free Savings Fund		
Payable against conversion of units	-	347
NAFA Saving Plus Fund		
Net receivable against conversion of units	-	62,466
NAFA Government Securities Liquid Fund		
Receivable against conversion of units	-	51

9 GENERAL

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

10 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on April 29, 2016.

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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