



NAFA Government Securities Liquid Fund (NGSLF)

NBP Fullerton
Asset Management Limited
(Formerly National Fullerton Asset Management Limited)

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/12/2010): Rs. 10.3115

December 2010

Performance

Performance % *	December 2010	FYTD Jul. - Dec. 2010	Trailing 12 Months	Since Launch May 16, 2009
NAFA Government Securities Liquid Fund	11.57%	11.04%	10.78%	10.79%
Benchmark	11.46%	11.13%	10.89%	10.93%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee & all other expenses)

General Information

Launch Date:	May 16, 2009
Fund Size:	Rs. 7,483 million
Type:	Open-end – Money Market Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	No entry or exit load
Management Fee:	1.25% per annum
Risk Profile:	Very Low
Fund Stability Rating:	"AAA (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	70% 3-Month T-Bills & 30% average 3-Month deposit rates (AA & above rated banks)
Fund Manager:	Ahmad Nouman, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective

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

Fund Manager Commentary

The Fund earned an annualized return of 11.57% during the month. This is better than the previous months return by 43 basis points. This is due to reinvestments at higher T-Bills rates after the Policy Rate hike at the end of November, 2010. We expect the returns to remain attractive in the near future.

NGSLF's Fund stability rating is 'AAA(f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of your Fund. NGSLF will (i) allocate a minimum of 85% to Government Securities; (ii) maintain T-Bill portfolio maturity / duration below 45 days to minimize any interest rate risk; (iii) maintain maximum maturity of a single T-Bill to three months. The investment value of NGSLF has not declined on any day since the launch of Fund in May 2009.

In the current Fiscal Year, SBP has raised the Discount Rate by 1.5% so far. Going forward, the upward pressure in interest rates is not expected to ease due to persistent Government borrowing and inflation and associated expectations.

In the three T-bill auctions of December, SBP cumulatively accepted about Rs. 335 billion against the target of Rs. 225 billion. The cut off yields for the last auction of the month were noted at 13.25%, 13.46% and 13.78% for the 3 months, 6 months and 12 months T Bills respectively.

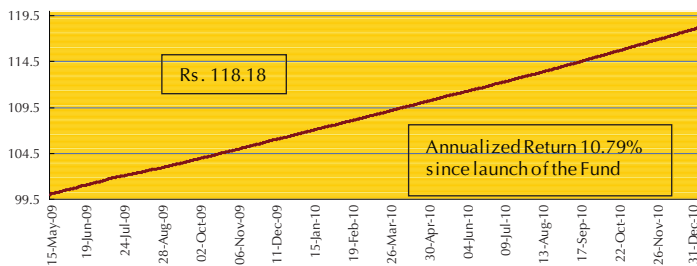
The average maturity of your Fund is 43 days.

Asset Allocation

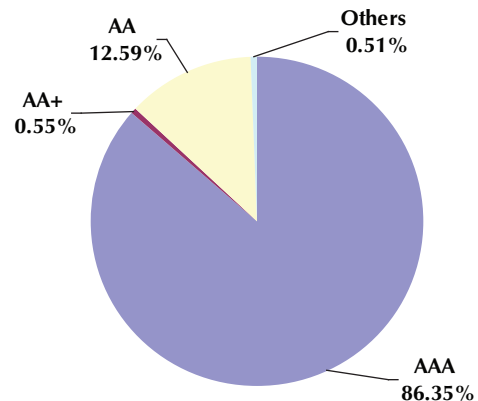
31-Dec-10 30-Nov-10

T-Bills (Including Reverse Repo via Master Repurchase Agreement)	86.34%	87.12%
TDR	9.35%	8.47%
Cash Equivalents	4.08%	4.36%
Other Assets	0.23%	0.05%
Total	100.00%	100.00%
Leverage	Nil	Nil

Value of Rs. 100 invested in NAFA Government Securities Liquid Fund at launch (May 16, 2009)



Credit Quality of the Portfolio (% of Net Assets)



Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Usman Khan

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