



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/12/2011): Rs. 10.1821

December 2011

Performance

Performance % *	December 2011	Jul. - Dec. 2011	Jan. - Dec. 2011	Since Launch May 16, 2009
NAFA Government Securities Liquid Fund	10.06%	11.47%	11.68%	11.13%
Benchmark	10.61%	11.10%	11.34%	11.09%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date: May 16, 2009
Fund Size: Rs. 15,632 million
Type: Open-end – Money Market Fund
Dealing Days: Daily – Monday to Friday
Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M
(Friday) 9:00 A.M to 5:30 P.M
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Load: Front end: 0%, Back end: 0%
Management Fee: 1.25% per annum
Risk Profile: Exceptionally 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 Growth Unit: Rs. 10,000/-
Subscription: Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2- 'Positive Outlook' 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 10.06% during December 2011. The return for the CY 2011 is 11.68% against the benchmark return of 11.34%, hence an out-performance of 34 bps. This outperformance is net of management fee and all other expenses. The management is announcing monthly dividends since July 2011 and intends to continue this policy in the future as well.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of your Fund. NGSLF (i) allocates a minimum of 85% to Government Securities; and (ii) maintains maximum maturity of a single T-Bill to three months. In the CY 2011, average daily allocation in short-term Government Securities was 88.53%, while the daily average time to maturity of T-Bills for last 365 days was 41 days. The investment value of NGSLF has not declined on any day since the launch of the Fund in May 2009.

The average overnight repo rate for December 2011 was at 10.72% against 11.38% in previous months, as the market remained very liquid during the last week of the month. The highlight of the month was Ministry of Finance decision to reject all the T-Bills bids in auction of December 14, 2011 which had a target of Rs 100 billion. Also, the last auction of T-Bills on December 28, 2011 was also fairly under-subscribed as market placed bids of only Rs 23.88 billion against the target of Rs 65 billion and only Rs 3.54 billion (realized value) was raised. This resulted in weekly injections by SBP reducing from Rs 340 bln at start of month to Rs 174 billion in the last injection on December 30, 2011.

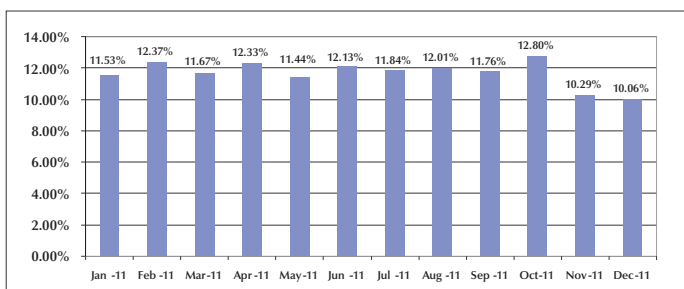
As of December 30, 2011, weighted average time to maturity of your Fund is around 41 days while that of T-Bills is around 37 days.

Asset Allocation (% of NAV) 30-Dec-11 30-Nov-11

T-Bills (Including Reverse Repo via Master Repurchase Agreement)	86.27%	86.43%
Placements with Banks	5.12%	4.93%
Placements with DFIs (AA+ & above rated)	6.08%	6.70%
Cash Equivalents	2.66%	2.25%
Other Net Liabilities	(0.13)%	(0.31)%
Total	100.00%	100.00%

Leverage Nil Nil

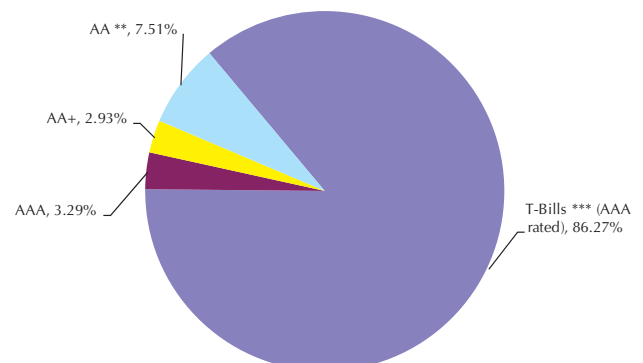
Monthly Annualized Returns of NGSLF for last 12 months



Name of the Members of Investment Committee

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

Credit Quality of the Portfolio as of December 30, 2011 (% of NAV)



** Net of Other Net Liabilities

*** Including Reverse Repo via Master Repurchase Agreement