



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/12/2012): Rs.10.0535

December 2012

**Performance**

| Performance %                          | December 2012 * | FYTD Jul 12 - Dec 12 * | Trailing 12 Months (Jan 12 to Dec 12) * | Since Launch May 16, 2009 ** |
|--|-----------------|------------------------|---|------------------------------|
| NAFA Government Securities Liquid Fund | 7.90%           | 9.24%                  | 9.85%                                   | 10.77%                       |
| Benchmark                              | 8.13%           | 9.04%                  | 9.85%                                   | 10.74%                       |

\* Simple Annualized Return - \*\* (Annualized Return Based on Morningstar Methodology)  
(Returns are net of management fee & all other expenses)

**General Information**

|                        |  |
|------------------------|--|
| Launch Date:           | May 16, 2009   |
| Fund Size:             | Rs. 13,873 million   |
| Type:                  | Open-end – Money Market Fund   |
| Dealing Days:          | Daily – Monday to Saturday   |
| Dealing Time:          | (Mon - Thr) 9:00 A.M to 5:00 P.M<br>(Friday) 9:00 A.M to 5:30 P.M<br>(Saturday) 9:00 A.M to 1:00 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:              | KPMG Taseer Hadi & Co.<br>Chartered Accountants  |
| Benchmark:             | 70% 3-Month T-Bills & 30% average<br>3-Month deposit rates (AA & above rated<br>banks)               |
| Fund Manager:          | Muhammad Ali Bhabha, CFA, FRM  |
| Minimum Subscription:  | Growth Unit: Rs. 10,000/-<br>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.

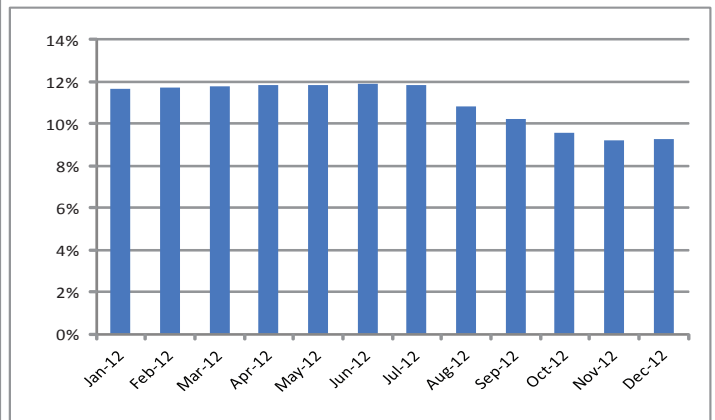
**Fund Manager Commentary**

The Fund earned an annualized return of 7.90% during December 2012 against the benchmark return of 8.13%. The annualized return in the first six months of FY 2012-13 is 9.24% against the benchmark return of 9.04%. The return generated by the Fund is net of management fees and all other expenses. Lower return of the fund is due to 50-60 bps reduction in T-bills rate in line with reduction in discount rate.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. Average daily allocation for the last 365 days' in short-term Government Securities was 89.37% of the Fund size. While, at the end of the month government securities comprised 84.57% of the Total Assets (85.4% of Net Assets). Weighted average time to maturity of the Fund is 36 days. Placements with AA and above Banks/DFIs stand at 11.43% at the end of December.

In the last T-Bills auction of December, Ministry of Finance rejected entire bids. The return on the Fund will track the yield on T-Bills and increase in interest rates will bode well for the Fund due to its short maturity.

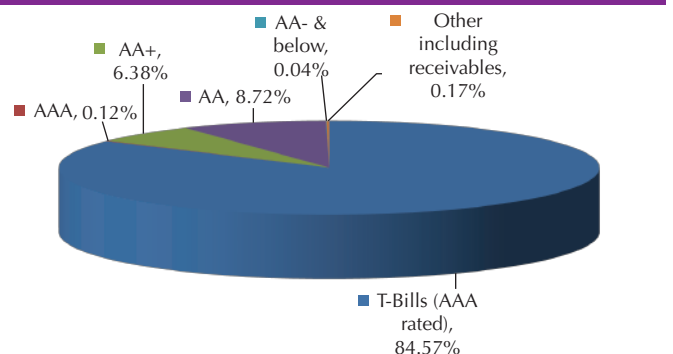
**Monthly Average Yields of 3 month T-Bills for the last 12 Months**



**Asset Allocation (% of Total Assets) 31-Dec-12 30-Nov-12**

|  | 31-Dec-12      | 30-Nov-12      |
|--|----------------|----------------|
| T-Bills (Including Reverse Repo via Master Repurchase Agreement) | 84.57%         | 86.90%         |
| Placements with DFIs (AA & above rated)                          | 4.29%          | 8.50%          |
| Placements with Banks  | 7.14%          |                |
| Cash Equivalents   | 3.83%          | 4.44%          |
| Other including receivables                                      | 0.17%          | 0.16%          |
| <b>Total</b>   | <b>100.00%</b> | <b>100.00%</b> |
| Leverage   | Nil            | Nil            |

**Credit Quality of the Portfolio as of December 31, 2012 (% of Total Assets)**



**WORKERS' WELFARE FUND (WWF)**

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 76,231,045/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0552/0.60%. For details investors are advised to read note 10 of the Financial Statements of the Scheme for the period ended September 30, 2012.

**Name of the Members of Investment Committee**

- Dr. Amjad Waheed, CFA
- Sajjad Anwar, CFA
- Muhammad Ali Bhabha, CFA, FRM

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.