



NAFA Government Securities Liquid Fund (NGSLF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/07/2010): Rs. 10.1102 *

July 2010

Performance

Performance % **	July 2010	Jan. - July, 2010	Since Launch May 16, 2009
NAFA Government Securities Liquid Fund	10.59%	10.53%	10.67%
Benchmark	10.84%	10.67%	10.85%

* Ex-Distribution Price

** Represent Annualized Return

(Returns are net of management fee & other expenses)

General Information

Launch Date: May 16, 2009
 Fund Size: Rs. 7,446 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: "AA+ (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's Commentary

The Fund earned an annualized return of 10.59% during the month. This is better than previous month's return by 35 basis points on the back of higher T-Bills rates. Allocation to short-term Government Securities increased to 81% during the month. The internal risk management guideline of NGSLF is to buy T-Bills of maximum 3-months remaining maturity. The investment value of NGSLF has not declined on any day since the launch of Fund in May 2009.

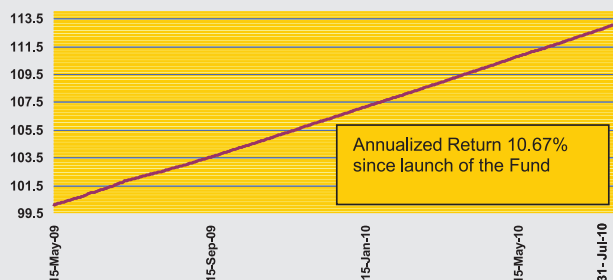
Banks are required to hold a certain percentage of their deposits in liquid Government Securities, called Statutory Liquidity Requirement (SLR), which is currently 19%. As per latest available data on SBP website, banks are holding Rs 1.63 trillion in such assets as against the requirement of Rs 871.6 billion, thus an excess of approx 87%. This is due to Government's unending borrowing appetite for funding its fiscal operations, and also due to banks' risk aversion stance as reflected by poor private sector borrowing data. If this continues, T-Bill rates may not decline over coming months. The SBP has increased the Discount rate by 50 bps to 13.00% in its monetary policy announcement on 30th July 2010. This is expected to slightly improve the return of the Fund.

The average maturity of your Fund is 44 days.

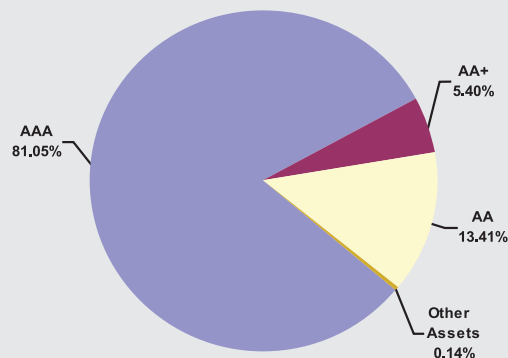
Asset Allocation %

	July-10	June-10
T-Bills (Includes Reverse Repo via Master Repurchase Agreement)	81.03%	76.87%
TDR	14.77%	18.95%
Cash Equivalents & Other Assets	4.20%	4.18%
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
 Irfan Malik, CFA
 Ahmad Nouman, CFA
 Sajjad Anwar, CFA
 Tanvir Abid, CFA

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 the fund. All investments in mutual funds are subject to market risks. The price of units may go up as well as down. Past performance is not necessarily indicative of future results.