

## Performance

Performance % **	July 2011	Jan. - Jul. 2011	Trailing 12 Months	Since Launch May 16, 2009
NAFA Government Securities Liquid Fund	11.84%	11.89%	11.56%	11.08%
Benchmark	11.70%	11.59%	11.42%	11.11%

\* Ex-Dividend Price

\*\* 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. 12,350 million
Type:	Open-end – Money Market Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Fri) 9:00 A.M to 4:30 P.M (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:	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- '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 11.84% during July 2011, which is better than the benchmark return by 14 basis points (bps). The annualized return for first seven months of the CY 2011 is 11.89% against the benchmark return of 11.59%, hence an out-performance of 30 bps.

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; (ii) maintains T-Bill portfolio maturity / duration below 45 days to minimize any interest rate risk; and (iii) maintains 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 the Fund in May 2009.

Over last three years Government has been relying heavily on scheduled banks to finance its fiscal deficit. As a result, outstanding stock of T-Bills is now over Rs1.85 trillion. Persistent continuation of this trend suggests that interest rates may remain high. This is likely to keep the return of your Fund attractive.

The SBP reduced the Policy Rate / Discount Rate by 50 bps to 13.5% in its bi-monthly Monetary Policy Announcement at end of July. The inter-bank money market remained very tight during the month with over-night repo rate average of 13.75% against 12.49% in previous month.

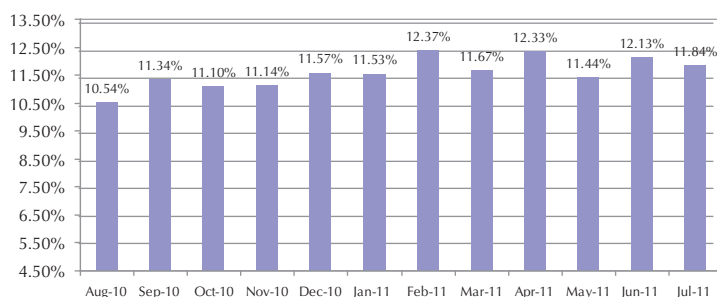
In the first seven months of the calendar year 2011 daily average allocation in short-term Government Securities is 88.5%. In the same period, T-Bills asset class maturity has ranged from a minimum of 24 days to a maximum of 45 days, with the daily average at 39 days.

The average maturity of your Fund is around 38 days.

## Asset Allocation (% of NAV)

	30-Jul-11	30-Jun-11
T-Bills (Including Reverse Repo via Master Repurchase Agreement)	92.73%	86.28%
Placements with Banks	4.86%	9.48%
Cash Equivalents	2.53%	4.14%
Other (Liabilities) / Assets	-0.12%	0.10%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

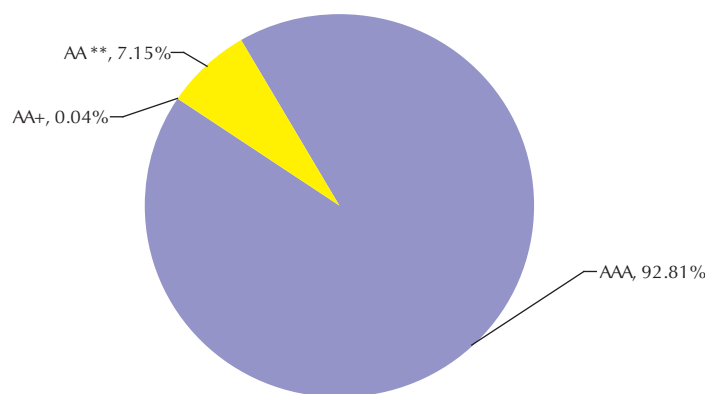
## 12-Month Trailing Annualized Returns of NGSLF



## 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 July 30, 2011 (% of NAV)



\*\* Net of Other Liabilities