



NAFA Government Securities Liquid Fund (NGSLF)

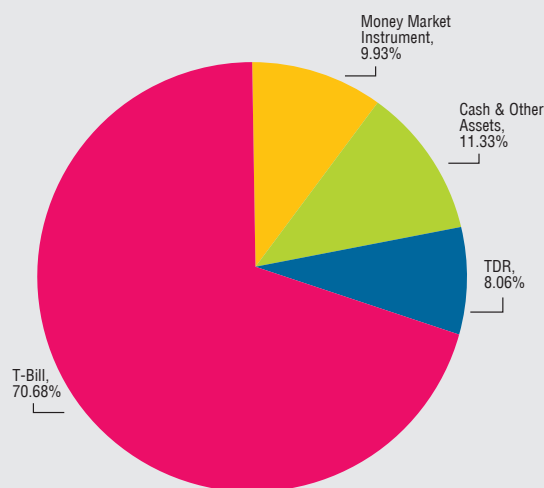
Unit Price (31/10/2009): Rs. 10.0901

October 2009

Investment Objective	Performance				
	Performance (%)*	Jul - Oct 2009	Sep 2009	Oct 2009	Since Launch May 16, 2009
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	NAFA Government Securities Liquid Fund	10.36%	10.54%	10.71%	10.78%
	Benchmark	11.42%	11.69%	11.43%	11.73%
	* Represents Annualized Return (Returns are net of management fee & all other expenses)				

General Information		Fund Manager's Commentary
Launch Date:	May 16, 2009	The Fund earned an annualized return of 10.71% during the month. The annualized return earned during the previous month was 10.54%. The Government's revenues are not increasing and expenses are high mainly because of defense and law & order expenses. Foreign committed inflows have not materialized as yet and Government's reliance on T-Bills and National Saving Schemes remain high. As a result, rates on T-Bills are higher than what one could expect in a normal situation.
Fund Size:	Rs. 2,854 million	
Type:	Open-end – Money Market Fund	With the continuing fall in inflation (CPI) numbers and signs of economic recovery starting to emerge, we are anticipating a cut in SBP policy rate. The improvement in the current account deficit and foreign reserves are being positively viewed by the market players. Furthermore, flows from Friends of Pakistan and Kerry Lugar Bill are also expected to improve liquidity in the form of foreign inflows. The stability in yields of Government Securities is also indicative of the fact that confidence in the economy is rising. All eyes are on the Government to display more discipline in fiscal and monetary management in addition to playing a role in stabilizing market imbalances of commodities. With the encouraging support of international community towards Pakistan's efforts on war on terror, foreign inflows seem more likely, which will help improve liquidity in the system.
Dealing:	Daily – Monday to Friday	
Settlement:	2-3 business days	
Load:	No entry or exit load	
Management Fee:	1.5% per annum	
Listing:	Lahore Stock Exchange	
Custodian & Trustee:	Central Depository Company (CDC)	
Auditors:	A. F. Ferguson & Co. Chartered Accountants	
Benchmark:	70% 3-Month T-Bills and 30% average 3-Month deposit rates (AA and above rated banks)	
Fund Manager:	Ahmad Nouman	
Min. Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (as on 31st October 2009)



In the last T-Bill auction held on October 22, 2009, the cut-off rates for 3-Months, 6-Months and 1 Year T-Bill were 12.47%, 12.60% and 12.61% respectively. 3-Month T-Bill cut-off rate declined by 2 bps, 6-Month T-Bill rate remained unchanged and 1-year T-Bill rate increased by 7 bps as compared to the auction held one month back on September 26, 2009.

Disclaimer: The price of units may go down as well as up. Please refer to the respective offering document(s).