



National Fullerton
Asset Management Limited

NAFA Government Securities Liquid Fund (NGSLF)

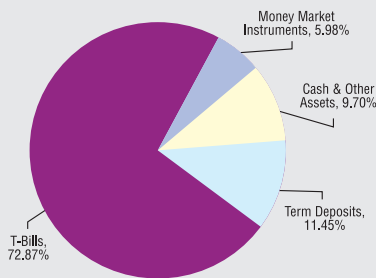
Unit Price (28/02/2010): Rs. 10.1828 **

February 2010

Investment Objective	Performance					
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.	Performance (%)*	Jul - Sep 2009	Oct - Dec 2009	January 2010	February 2010	Since Launch May 16, 2009
	NAFA Government Securities Liquid Fund	10.25%	10.85%	10.65%	10.39%	10.75%
	Benchmark	11.41%	11.34%	11.26%	11.08%	11.53%
* Represents Annualized Return (Returns are net of management fee & all other expenses) ** Ex. Dividend Price						

General Information	Fund Manager's Commentary
Launch Date: May 16, 2009 Fund Size: Rs. 4,804 million Type: Open-end – Money Market Fund Dealing Days: Daily – Monday to Friday Settlement: 2-3 business days Pricing Mechanism: Forward Pricing Load: No entry or exit load Management Fee: 1.5% per annum Risk Profile: Very Low Fund Stability Rating: "AA+(f)" by PACRA	The Fund earned an annualized return of 10.39% during the month. The annualized return earned during the previous month was 10.65%. The unit price of NGSLF has not declined on any day since the launch of Fund in May, 2009. This is an indicator of the stability and safety of your Fund based on its investment policy of investing only in short-term Govt. T-Bills and AA and above rated banks.
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, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- Asset Manager Rating: AM2- by PACRA	
In January the State Bank of Pakistan kept the policy rate unchanged at 12.5% in its Monetary Policy Statement. Next monetary policy statement is due in March 2010. Lower current account deficit and trade deficit coupled with higher remittances have gradually improved the forex reserves. Furthermore, government borrowing from the State Bank remained in check. These among other macro economic indicators suggest the country is on the path of gradual economic recovery, with challenges in few areas. Inflation stood at 10.30% from July to December 2009 and is expected to be around 12% annualized during the current fiscal year. Due to gradual removal of subsidies, Month on Month (CPI) during January 2010 was 2.40%. However, recent improvements in weekly data of Sensitive Price Indicator (SPI) indicate that inflation is expected to ease during February.	

Asset Allocation (as on 28th February 2010)



Credit split of Fund's Assets is as follows:

Rating	% Allocation (February)	% Allocation (January)
AAA	72.90%	75.10%
AA+	10.31%	4.74%
AA	16.48%	19.67%
Accrued, deferred & unrealized sales	0.31%	0.49%

Leverage: (Amount of leveraging / borrowing done by the Fund.)	Nil
Name of the Members of Investment Committee:	Dr. Amjad Waheed, CFA Irfan Malik, CFA Ahmad Nouman, CFA Sajjad Anwar, CFA Tanvir Abid, CFA

In the last T-Bill auction held on February 24, 2010, the cut-off rates for 3-Months and 6-Months were 12.19% and 12.28%, respectively. Compared to the previous auction of February 10, 2010, 3-Month and 6-Month cut-off rates increased by 27 bps and 23 bps respectively. Going forward the return of your fund is expected to remain fairly stable.

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.