



NAFA Government Securities Liquid Fund (NGSLF)

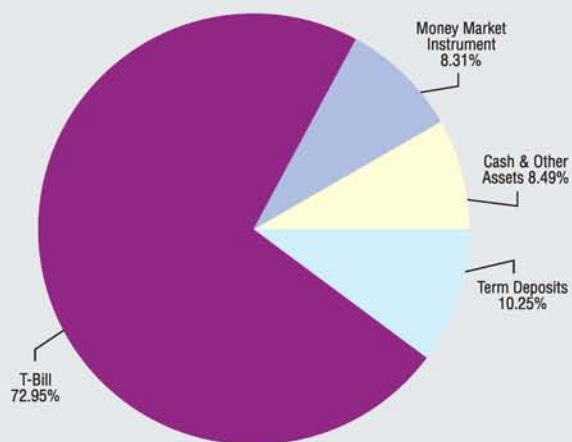
Unit Price (31/12/2009): Rs. 10.2663

December 2009

| Investment Objective | Performance | | | | | |
|--|---|----------------|----------------|----------------|---------------|---------------------------|
| | Performance (%)* | May - Jun 2009 | Jul - Sep 2009 | Oct - Dec 2009 | December 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 | 11.88% | 10.25% | 10.85% | 10.76% | 10.81% |
| | Benchmark | 12.58% | 11.41% | 11.34% | 11.23% | 11.62% |
| | * 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 10.76% during the month. The annualized return earned during the previous month was 11.08%. 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. |
| Fund Size: | Rs. 3,413 million | |
| Type: | Open-end – Money Market Fund | |
| Dealing: | Daily – Monday to Friday | |
| Settlement: | 2-3 business days | |
| Load: | No entry or exit load | The macro-economic indicators have been improving in the current FY 2010, importantly current account deficit. During November, Year on Year (YoY) Core Inflation numbers have continued the downward trend observed throughout CY 2009 and were around 10.5%. However, month-on-month CPI number of November at 1.4% is worrisome. As subsidies continue to be removed gradually, this impact will further raise the cost of production and inflation. |
| Management Fee: | 1.5% per annum | |
| Stability Rating: | "AA+(f)" - PACRA | |
| Listing: | Lahore Stock Exchange | |
| Custodian & Trustee: | Central Depository Company (CDC) | |
| Auditors: | A. F. Ferguson & Co. Chartered Accountants | Credit split of Fund's Assets is as follows: |
| Benchmark: | 70% 3-Month T-Bills and 30% average 3-Month deposit rates (AA and above rated banks) | |
| Fund Manager: | Ahmad Nouman | |
| Minimum Subscription: | Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- | |

Asset Allocation (as on 31st December 2009)



| Rating | % Allocation (December) | % Allocation (November) |
|---|-------------------------|-------------------------|
| AAA | 73.0% | 72.2% |
| AA+ | 6.3% | 5.2% |
| AA | 19.5% | 22.3% |
| Accruals, deferred costs & unrealized sales | 1.2% | 0.3% |

In the last T-Bill auction held on December 31, 2009, the cut-off rates for 3-Months and 6-Months were 12.06% and 12.10%, respectively. 3-Month and 6-Month cut-off rate declined by 31 bps and 22 bps, respectively, as compared to the last auction of November held on November 19, 2009. The Government borrowing through T-Bills from scheduled banks has been increasing over the last few months. Outstanding stock of all T-Bills is now over Rs 1.1 trillion, more than double than at the end of 2008.

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