



NAFA Government Securities Liquid Fund (NGSLF)

NBP Fullerton
Asset Management Limited
(Formerly National Fullerton Asset Management Limited)

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/01/2011): Rs. 10.4075

January 2011

Performance

Performance % *	January 2011	FYTD Jul. 2010 - Jan. 2011	Trailing 12 Months	Since Launch May 16, 2009
NAFA Government Securities Liquid Fund	11.53%	11.11%	10.86%	10.83%
Benchmark	11.57%	11.19%	10.96%	10.97%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee & all other expenses)

General Information

Launch Date:	May 16, 2009
Fund Size:	Rs. 10,422 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:	"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- 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 11.53% during the month. For the next few months we expect this return to improve by at least 35 basis points on the back of recent hike in rates of short-dated T-Bills.

NGSLF's Fund 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.

In the current Fiscal Year, SBP has raised the Discount Rate by 1.5% so far. Going forward, the upward pressure in interest rates is not expected to ease due to persistent Government borrowing and inflation and associated expectations.

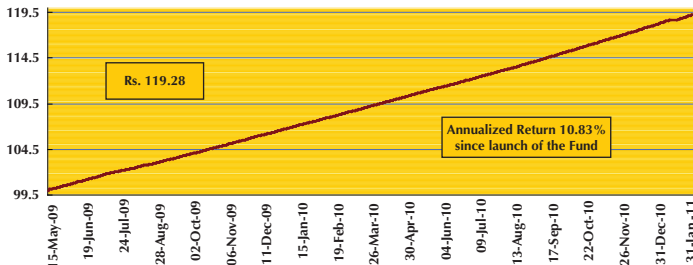
In the two T-bills auctions of January, cumulatively accepted amount was Rs. 354.62 billion against the target of Rs. 360 billion. The cut off yields for the last auction of the month were noted at 13.67%, 13.71% and 13.88% for the 3 months, 6 months and 12 months T-Bills respectively with major participation in only 3 months paper. For the 1H FY 2011, the Ministry of Finance accepted Rs 1,364 bln amount of T-Bills against the target of Rs 1,220 bln. The above data suggests that Government borrowing from the scheduled banks is on the rise. This is also crowding out private sector credit, as the Government is rightly deemed to be safe borrower in comparison with private sector.

The average maturity of your Fund is presently 35 days.

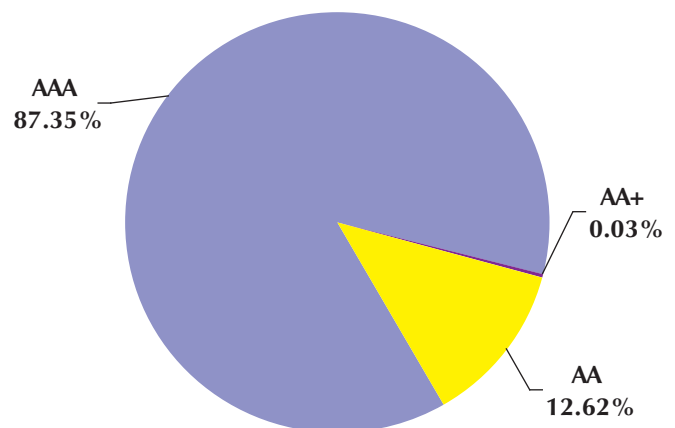
Asset Allocation % of NAV

	31-Jan-11	31-Dec-10
T-Bills (Including Reverse Repo via Master Repurchase Agreement)	87.34%	86.34%
Placements with Banks	9.59%	9.35%
Cash Equivalents	3.24%	4.08%
Other Assets / (Liabilities)	-0.17%	0.23%
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 NAV)



Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Usman Khan

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