



NAFA Government Securities Liquid Fund (NGSLF)

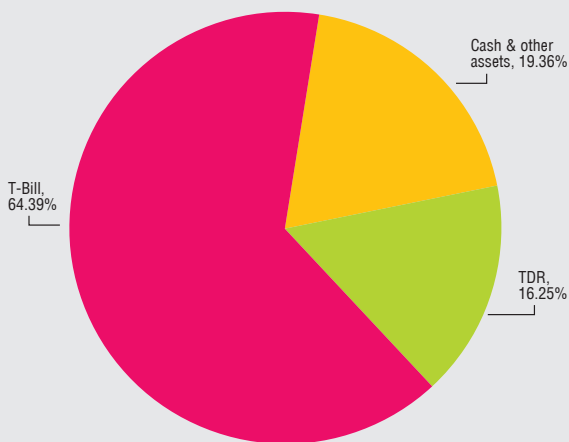
Unit Price (30/06/2009): Rs. 10.1425

June 2009

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 (%)*	June 2009	Since Launch May 16, 2009
	NAFA Government Securities Liquid Fund	11.51%	11.88%
	Benchmark	11.56%	12.58%
	* Represents Annualized Return (Returns are net of management fee & all other expenses)		

General Information		Fund Manager's Commentary
Launch Date:	May 16, 2009	NAFA Government Securities Liquid Fund earned an annualized return of 11.51% during the month.
Fund Size:	Rs. 1,415 million	
Type:	Open-end – Money Market Fund	
Dealing:	Daily - Monday to Friday	
Settlement:	2-3 business days	<p>The NAFA Government Securities Liquid Fund with a AA+ (f) stability rating is among the highest rated funds in the industry. The average bank deposit rate at present based on SBP statistics is 6.60%. In comparison, NAFA Government Securities Liquid Fund is presently yielding 11.51% (tax-exempt), which we believe is very attractive for our investors. In case of redemptions, we are generally paying our investors within 1 business day.</p> <p>The medium to long-term money market rates witnessed a downward trend in this month. The reasons for the decrease in the rates are; i) expected 100 basis points cut in the Policy Rate; and ii) expected decline of inflation rate in the vicinity of single digit during FY10. The market expectation of decline in inflation rate is based on the high base effect, and lower food inflation. Besides these factors, liquidity is expected to improve, which will put a downward pressure on the interest rates. The liquidity situation is expected to improve going forward due to, i) expected foreign aid for Internally Displaced People (IDP); ii) Budgetary help being sought from IMF and the release of the funds from Friends of Democratic Pakistan; and iii) tripling of the economic and development aid by the United States of America. Market expectation of the decrease in the interest rates was visible from heavy participation in 6- Month and 1-year T-Bill auctions and decrease in the T-Bill cut-off rates in the range of 70 basis points. The medium to long-term rates have decreased significantly during the month, we expect the short-term rates to follow the trend at the start of next quarter due to expected improvement in the liquidity in the market.</p> <p>We expect NAFA Government Securities Liquid Fund to continue to remain attractive to investors and offer a higher return than bank deposits.</p>
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 & 30% average 3-month deposit rate (AA & above rated banks)	
Fund Manager:	Rukhsana Narejo, CFA	
Min. Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (as on 30th June 2009)



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