

NAFA Government Securities Liquid Fund (NGSLF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/06/2018): Rs. 10.6986

June 2018

Performance %

| Performance Period | June 2018 | CYTD 2018 | FY 2018 (Rolling 12 months) | FY 2017 | FY 2016 | FY 2015 | FY 2014 | Last 3 years* | Last 5 years* | Since Launch May 15, 2009* |
|--|-----------|-----------|--------------------------------|---------|---------|---------|---------|---------------|---------------|----------------------------|
| NAFA Government Securities Liquid Fund | 5.3% | 5.2% | 5.3% | 7.6% | 5.7% | 8.3% | 8.1% | 6.2% | 7.0% | 8.5% |
| Benchmark** | 5.9% | 5.5% | 5.4% | 5.3% | 6.0% | 8.7% | 8.6% | 5.6% | 6.8% | 8.5% |

* Annualized Return Based on Morning Star Methodology
All other returns are Annualized Simple Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

General Information

| | |
|------------------------|--|
| Launch Date: | May 15, 2009 |
| Fund Size: | Rs. 5,791 million |
| Type: | Open-end – Money Market Fund |
| Dealing Days: | Daily – Monday to Saturday |
| Dealing Time: | (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M |
| Settlement: | 2-3 business days |
| Pricing Mechanism: | Forward Pricing |
| Load: | Front end: 0%, Back end: 0% |
| Management Fee: | 8% of Net Income (Min 0.5% p.a., Max 1.0% p.a.) |
| Total Expense Ratio: | 1.00% p.a. (including 0.26% government levies) |
| Risk Profile: | Exceptionally Low |
| Fund Stability Rating: | "AAA (f)" by PACRA |
| Listing: | Pakistan Stock Exchange |
| Custodian & Trustee: | Central Depository Company (CDC) |
| Auditors: | Deloitte Yousuf Adil Chartered Accountants |
| Benchmark:** | 70% 3-Month PKRV & 30% average 3-Month deposit rates of three AA rated banks as selected by MUFAP |
| Fund Manager: | Muhammad Ali Bhabha, CFA, FRM |
| Minimum Subscription: | Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- |
| Asset Manager Rating: | AM1 by PACRA (Very High Quality) |

** effective from September 01, 2016; previously 70% 3-Month T-Bills & 30% average 3-Month deposit rates (AA & above rated banks)

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 5.3% during June 2018 versus the Benchmark return of 5.9%. The return generated by the Fund is net of management fee and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. NGSLF is the largest Fund in Pakistan with this rating. The rating reflects exceptionally strong credit and liquidity profile of the Fund. Average daily allocation for the last 365 days in short-term T-Bills was 78% of net assets. While at the end of the month, T-Bills comprised around 41% of the Total Assets and around 71% of Net Assets. Weighted average time to maturity of the Fund is 13 days.

We will rebalance the allocation of the Fund proactively based on the capital market outlook.

Credit Quality of the Portfolio as of June 30, 2018 (% of Total Assets)

| | |
|------------------------------|---------------|
| T-Bills (AAA rated) | 41.0% |
| AAA | 3.4% |
| AA+ | 55.1% |
| AA | 0.1% |
| AA- | 0.1% |
| A- | 0.1% |
| Others including receivables | 0.2% |
| Total | 100.0% |

Asset Allocation (% of Total Assets) 30-June-18 31-May-18

| | | |
|------------------------------|---------------|---------------|
| T-Bills | 41.0% | 94.2% |
| Bank Deposits | 58.8% | 5.5% |
| Others including receivables | 0.2% | 0.3% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 12,162,783/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0225/0.22%. For details investors are advised to read note 5 of the financial statements of the Scheme for the period ended March 31, 2018.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Hassan Raza, CFA

Notes: 1) The calculation of performance does not include cost of front end load.
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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