



NAFA Government Securities Liquid Fund (NGSLF)

**National Fullerton
Asset Management Limited**
(A Subsidiary of National Bank of Pakistan)

Unit Price (31/05/2010): Rs. 10.1922

May 2010

Performance

Performance (%)*	May 2010	Jan. - May 2010	Since Launch May 16, 2009
NAFA Government Securities Liquid Fund	10.36%	10.57%	10.72%

* Represents Annualized Return
(Returns are net of management fee & all other expenses)

General Information

Launch Date:	May 16, 2009
Fund Size:	Rs. 6,224 million
Type:	Open-end – Money Market Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 am – 4:30 pm
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:	“AA+(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 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
Leverage: (Amount of leveraging /borrowing done by the Fund.)	Nil

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's Commentary

The Fund earned an annualized return of 10.36% during the month. We expect this return to remain stable over short-term i.e. next few months.

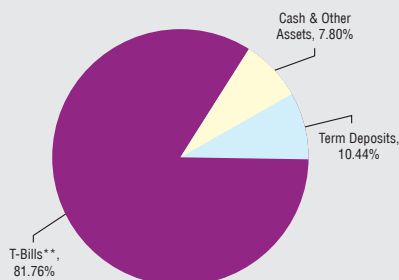
The return on your Fund is a reflection of return on short-term Government securities. The internal risk guideline of NGSLF is to buy Treasury Bills of maximum 3-months remaining maturity. In the first eleven months of FY 2010, the Central Government borrowing increased by Rs 236.5 bln from scheduled banks mainly through T-Bills. This is 32% higher as compared to the borrowing level at the start of FY 2010. The outstanding stock of market T-Bills is over Rs 1.278 trillion now. With Government financing needs intact, we expect the short-term interest rates to remain stable or inch upwards.

The investment value of NGSLF has not declined on any day since the launch of the 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 & above rated Banks.

Credit split of Fund's Assets is as follows:

Rating	% Allocation (May)	% Allocation (April)
AAA	81.78%	83.96%
AA+	6.49%	6.36%
AA	11.61%	10.31%
Accrued, deferred costs & unrealized sales/(Payables)	0.12%	(0.63)%

Asset Allocation (as on 31st May 2010)



* Includes Reverse Repo via Master Repurchase Agreement (MRA)

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Irfan Malik, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA

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.