



National Fullerton
Asset Management Limited

NAFA Government Securities Liquid Fund (NGSLF)

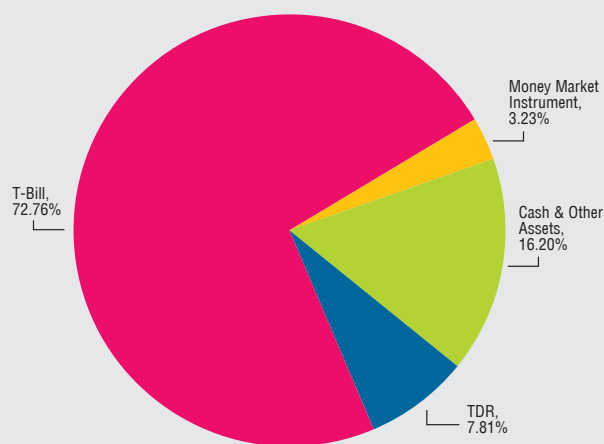
Unit Price (30/09/2009): Rs. 10.2515

September 2009

Investment Objective	Performance				
	Performance (%)*	Jul - Sep 2009	Aug 2009	Sep 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	10.25%	9.53%	10.54%	10.79%
	Benchmark	11.41%	11.47%	11.69%	11.80%
	* Represents Annualized Return (Returns are net of management fee & all other expenses)				

General Information		Fund Manager's Commentary
Launch Date:	May 16, 2009	<p>NAFA Government Securities Fund (NGSLF) earned an annualized return of 10.54% during the month of September. The return earned during the month is better than the previous month's return due to reinvesting of maturing securities at higher rates.</p> <p>In the fortnightly T-Bill auctions held during September 2009, the cut-off for 3-Month T-Bill was 12.52% on September 10 and 12.49% on September 26, 2009. Overall, the money market remained tight during the month; 90 day PKRV (Pakistan revaluation rates) remained within the range of 12.31% to 12.38%. For the coming quarter i.e October to December, 2009 the SBP has announced T-Bill auction target of Rs. 145 bn against the maturities of around Rs. 62 bn. Market rates should remain firm to attract the banks help achieve SBP T-Bills auction target. In the recent Monetary Policy announcement the SBP kept the Discount Rate unchanged at 13% p.a. Next Monetary Policy announcement is due in end-November, 2009. We expect a 50-100 basis points reduction in the Discount Rate at that time.</p> <p>Outstanding stock of T-Bills (MTBs) is more than a trillion rupees now. Data from SBP suggests that banks are holding T-Bills considerably in excess of the Statutory Liquidity Requirement (SLR). This coincides with the banks' risk aversion stance. Credit to private sector has declined by around Rs. 69 bn during the period from July 01, 2009 to September 12, 2009. Rising Net Foreign Assets (NFA) has brought some relief to the liquidity situation as NFA of the banking system has increased by around Rs. 126 bn or 24.5% during the period of July 01, 2009 to September 12, 2009. Expected foreign inflows may provide some meaningful improvement in the liquidity in the coming months, but that is yet to be seen. The positive balance in the Current Account through declining imports and rising expatriates' remittances is a healthy sign for interest rates stability. In the long-run structural reforms in fiscal management, rise in productivity and exports remain the key areas.</p> <p>Going forward, we expect the return of your Fund to remain stable at around the current levels.</p>
Fund Size:	Rs. 2,946 million	
Type:	Open-end – Money Market Fund	
Dealing:	Daily – Monday to Friday	
Settlement:	2-3 business days	
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 and 30% average 3-Month deposit rates (AA and above rated banks)	
Fund Manager:	Ahmad Nouman	
Min. Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (as on 30th September 2009)



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