



Rating Action

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PACRA MAINTAINS STABILITY RATING OF NAFA GOVERNMENT SECURITIES LIQUID FUND

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating at ‘AAA (f)’ (**Triple A – fund rating**) of NAFA Government Securities Liquid Fund (NGSLF), an open-end money market fund. The fund’s rating denotes an exceptionally strong capacity to maintain relative stability in returns and possesses negligible exposure to risks.

The objective of the fund is to generate optimal return with minimum risk, and to provide a highly liquid avenue to its unit holders by investing primarily in short-term government securities. Strong credit quality of the fund’s assets and a strong liquidity profile emanates essentially from maintaining a minimum exposure of 85% in securities (primarily T-Bills) issued by Government or Government owned, managed and controlled entities. Remaining assets are to be kept only in the form of term deposits with banks / DFIs rated ‘AA’ and above. At the same time, the rating incorporates fund’s very low exposure to interest rate volatility by maintaining the duration of the T-Bills portfolio below 45 days. The fund’s net assets have grown to PKR 8.3bln as at end Nov-10, and its unit holding pattern is moderately diversified.

About the Management Company: NBP Fullerton Asset Management Limited (formerly National Fullerton Asset Management Limited) (NAFA) is the management company for the NGSLF and is rated ‘AM2-’ by PACRA. NAFA is a subsidiary of Pakistan’s largest Bank, National Bank of Pakistan. The other major shareholder is Alexandra Fund Management Pte Limited (a member of Fullerton Fund Management Group, a wholly owned subsidiary of Tamasek Holdings, Singapore). NAFA is currently managing ten mutual funds with aggregate AUM of around PKR 15.65bln as at end Nov10.

The management team of NAFA consists of qualified and experienced personnel. Dr. Amjad Waheed, CFA, the CEO of NAFA, holds a Doctorate in Business Administration with majors in Finance/Investments, besides having extensive experience in the asset management industry. The fund manager of NGSLF, Mr. Ahmad Nouman, CFA, joined NAFA in Aug08 in the Fixed Income division. Meanwhile, the quality of risk management systems and control environment of the management company are sound.

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