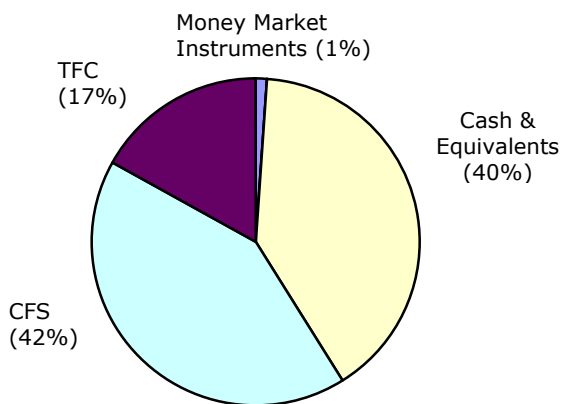


Investment Objective	Performance					
To seek preservation of capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.	Annualized Performance (%) *	HY 1 - 2006 (Jul – Dec)	HY 2 - 2007 (Jan – Jun)	May 2007	June 2007	Since Launch April 22, 2006
	NAFA Cash Fund:	10.3%	10.3%	9.6%	10.0%	10.8%
	Benchmark:	9.6%	9.6%	9.5%	9.4%	10.0%
	Profit on Rs. 100,000 invested	Rs. 5,171	Rs. 5,089	Rs. 815	Rs. 821	Rs. 12,871
* Returns are net of management fee & all other expenses						

General Information	Fund Manager Commentary
<p>Launch Date: April 22, 2006 Fund Size: Rs. 18.3 billion Type: Open-end – Fixed Income Fund Dealing: Daily Settlement: 2-3 business days Load: No entry or exit load Management Fee: 1.5% per annum Fund Stability Rating: A(f)</p>	<p>NAFA Cash Fund has experienced annualized return of over 10.8% since launch. In addition its unit has not dropped by even one paisa on any one day since launch of the Fund about 14 months ago.</p> <p>Impressed by the performance, investors have rewarded NAFA Cash Fund by continuing to invest large sums. The Fund size has crossed Rs.18 Billion in a short span of 14 months. We are thankful to investors for their support and confidence in us.</p> <p>CFS rates have declined from 19% pa about six months ago to 11.56% as of 2-weeks ago. However, the returns improved during the last week and went as high as 13.51%. This is expected to improve NAFA Cash Fund's performance going forward.</p>
<p>Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Company Benchmark: 1-month KIBOR Fund Manager(s): Ms. Rukhsana Narejo, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (as on 30th June 2007)



6-months KIBOR rates and banks deposit rates have declined sharply by about 63 basis points and 200 basis points over the last six months. This is a result of increased money supply in the economy.

Money Supply (M-2) growth has reached 16.60% as of mid of June as against the target of 13.5% for the entire FY-07; this is despite lower credit off take by the private sectors which remained at PKR 286 billion against the target amount of PKR 390 billion. Key factors responsible for the increase were: Govt. borrowing to the tune of PKR 171.75 billion as against the target of PKR130 billion and increase in the NFA (Net Foreign Assets) to PKR 178 billion against the target of PKR 9.8 billion.

Despite the falling interest rate environment your Fund has outperformed the benchmark by 80 basis points.

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

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