



**National Fullerton
Asset Management Limited**

NAFA Cash Fund (NCF)

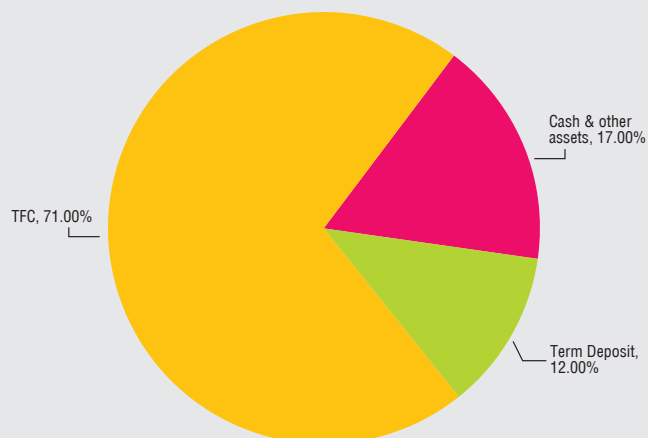
Unit Price (30/06/2009): Rs. 10.0959

June 2009

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.	Performance (%)*	Jan - Dec 2007	Jan - Dec 2008	Jul - Jun 2008-09	Jun 2009	Since Launch April 22, 2006
	NAFA Cash Fund	10.28%	2.92%	5.49%	12.68%	8.78%
	Benchmark	10.07%	12.95%	14.32%	14.28%	11.52%
* Represents Annualized Return (Returns are net of management fee & all other expenses)						

General Information		Fund Manager's Commentary
Launch Date:	April 22, 2006	<p>NAFA Cash Fund earned an annualized return of 12.68% during the month of June, 2009. The return earned during the month is slightly lower in comparison to 13.49% return earned by the investors during the month of May, 2009. The return during the month decreased because of the decrease in prices of a few Term Finance Certificates (TFCs) in the portfolio. Liquidity was generally tight in the month of June, which impacted valuation of some TFCs.</p> <p>The medium to long term money market rates witnessed a downward trend in this month. The reasons for the decrease in the rates are expected 100 basis points cut in the Policy Rate and expected decline of inflation rate in the vicinity of single digit during FY10. The expectation of decline in inflation rate is based on the high base effect, and lower food inflation. Besides these factors, liquidity is expected to improve, which will put a downward pressure on the interest rates. The liquidity situation is expected to improve going forward due to; i) expected foreign aid for Internally Displaced People (IDP); ii) budgetary help being sought from IMF and the release of the funds from Friends of Democratic Pakistan; and iii) tripling of the economic and development aid by the United States of America. Responding to expected improvement in liquidity and expected 100 basis points cut in the Policy Rates, the 6-Month KIBOR also decreased by 99 basis points and closed at 12.76% at the end of the month.</p> <p>Though medium to long-term rates in the money market especially Government securities have decreased considerably during the last one month, Yield to Maturities of Term Finance Certificates are yet to follow the trend. We expect that the prices of TFCs will recover as market interest rates come down and liquidity in the system improves. We expect FY10 to be a good year for investors in the Fund.</p>
Fund Size:	Rs. 7,665 million	
Type:	Open-end – Fixed Income 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:	1-Month KIBOR	
Fund Manager:	Rukhsana Narejo, CFA	
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (as on 30th June 2009)



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