

National Fullerton
Asset Management Limited

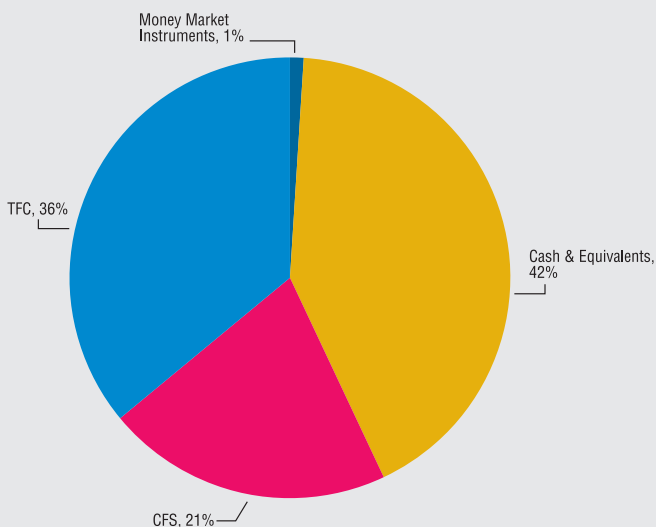
NAFA Cash Fund (NCF)

Unit Price (31/05/2008): Rs. 10.6873

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 (%)*	May - Apr (07 - 08)	Nov - Apr (07 - 08)	Feb - Apr 2008	May 2008	Since Launch April 22, 2006
	NAFA Cash Fund:	9.9%	9.7%	9.9%	9.6%	10.3%
	Benchmark:	10.2%	10.4%	10.5%	11.8%	10.1%
	Monthly profit on Rs. 100,000 invested	Rs. 9,894	Rs. 4,705	Rs. 2,347	Rs. 778	**Rs. 22,984
* Returns are net of management fee & all other expenses ** Represents cumulative profit since inception						

General Information		Fund Manager's Commentary
Launch Date:	April 22, 2006	NAFA Cash Fund, during the month, has earned an annualized return of 9.60%. The returns during the month are attributable to increase in CFS rates and short-term bank deposit rates.
Fund Size:	Rs. 23.212 billion	
Type:	Open-end – Fixed Income Fund	The State Bank of Pakistan, in continuation with its tight monetary policy, has increased the Discount Rate by 1.50% to 12.00%. It also increased Cash Reserve Requirement and Statutory Liquidity Requirement by 1.00% each to 9.00% and 19.00% respectively. Liquidity crunch witnessed due to the above announcement had its positive effect on CFS rates, KIBOR rates as well as deposit rates.
Dealing:	Daily	
Settlement:	2-3 business days	
Load:	No entry or exit load	
Management Fee:	1.5% per annum	
Fund Stability Rating:	A(f)	Subsequent to the announcement of increase in policy rates, the market witnessed a severe liquidity crisis, which led to significant jump in CFS rates to 23.00%.
Performance Rating:	5-Star (JCR-VIS)	
Listing:	Lahore Stock Exchange	Effects of tight monetary policy rates were witnessed on 6-Month KIBOR rates. 6-Month KIBOR rates during the month increased from 11.40% to 13.93% but has closed at 13.07% at the end of the month. As per our expectation of the rising interest rates scenario, we have been building our floating rate Term Finance Certificate (TFC) portfolio, which is linked to 6-Month KIBOR.
Custodian & Trustee:	Central Depository Company (CDC)	
Auditors:	A. F. Ferguson & Co.	
Benchmark:	Ms. Rukhsana Narejo, CFA	
Fund Manager(s)	Growth Unit: Rs. 10,000/-	NAFA Cash Fund, being a short duration fund, is invested in CFS, Ready Future Spread, floating rate TFCs and Term Deposit Receipts. All the above-mentioned avenues are short-term and are major beneficiaries of the rising interest rates scenario. As the KIBOR rate is revised to the new rate on our TFCs portfolio, the performance of the Fund is expected to improve.
Minimum Subscription:	Income Unit: Rs. 100,000/-	

Asset Allocation (as on 31st May 2008)



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Going forward, we intend to maintain the short duration of the Fund as the macro-economic scenario does not reflect any likelihood of easing the monetary situation.

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