



National Fullerton
Asset Management Limited

NAFA Cash Fund (NCF)

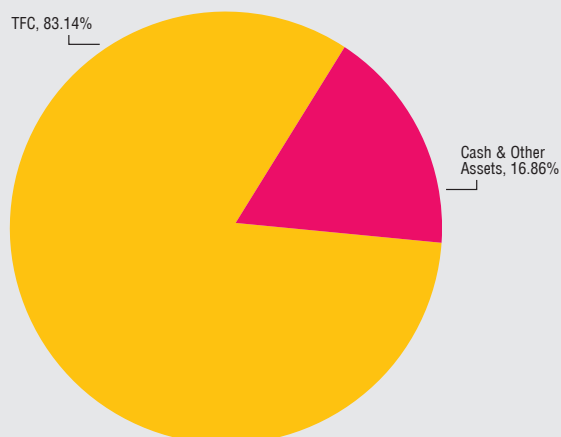
Unit Price (31/10/2009): Rs. 10.0363

October 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 (%)*	Apr - Dec 2006	Jan - Dec 2007	Jan - Dec 2008	Jan - Oct 2009	Oct 2009	Since Launch April 22, 2006
	NAFA Cash Fund	10.65%	10.28%	2.92%	13.46%	11.24%	8.94%
	Benchmark	9.87%	10.07%	12.95%	13.68%	13.66%	11.69%
* Represents Annualized Return (Returns are net of management fee & all other expenses)							

General Information		Fund Manager's Commentary
Launch Date:	April 22, 2006	<p>The Fund earned an annualized return of 11.24% during the month. The annualized return earned during the previous month was 11.23%.</p> <p>With the continuing fall in inflation (CPI) numbers and signs of economic recovery starting to emerge, we are anticipating a cut in SBP policy rate. The improvement in the current account deficit and foreign reserves are being positively viewed by the market players. Furthermore, flows from Friends of Pakistan and Kerry Lugar Bill are also expected to improve liquidity in the form of foreign inflows. The stability in yields of Government Securities is also indicative of the fact that confidence in the economy is rising. All eyes are on the Government to display more discipline in fiscal and monetary management in addition to playing a role in stabilizing market imbalances of commodities. With the encouraging support of international community towards Pakistan's efforts on war on terror, foreign inflows seem more likely, which will help improve liquidity in the system.</p> <p>The weighted average yield to maturity on the TFCs held in NCF is around 18% p.a. The proportion of TFCs in the Fund has edged up. However with expected decline in interest rates coupled with improvement in liquidity, we expect upside potential in TFC prices. This strategy bodes well with our view of ease in monetary policy in the next few months. The "AA" rating category TFCs make up more than 66% of the TFC portfolio whereas the "A" rating category are 29% which signify the overall quality of the portfolio. This simultaneously shows that the Fund is geared up to realize anticipated price increase in the TFC universe.</p>
Fund Size:	Rs. 6,053 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:	Irfan Malik, CFA	
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (as on 31st October 2009)



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