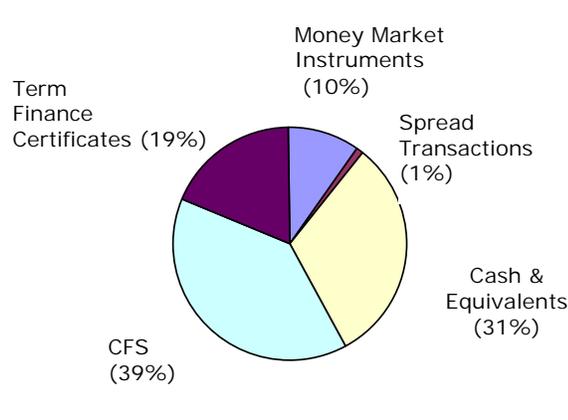


Investment Objective	Performance					
To seek preservation of capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.	Annualized Performance (%)	June 2006	July 2006	August 2006	September 2006	Since Launch (April 22, 006)
	NAFA Cash Fund:	9.7%	9.7%	10.4%	10.2%	10.2%
	Benchmark:	8.9%	9.2%	9.7%	9.4%	9.4%
Profit on Rs. 100,000 invested	Rs. 798	Rs. 818	Rs. 886	Rs. 838	Rs. 4,497	

General Information		Fund Manager Commentary
<p>Launch Date: April 22, 2006</p> <p>Fund Size: Rs. 5.3 billion</p> <p>Type: Open-end – Fixed Income Fund</p> <p>Dealing: Daily</p> <p>Settlement: 2-3 business days</p> <p>Load: No entry or exit load</p> <p>Management Fee: 1.5% per annum</p>	<p>Listing: Lahore Stock Exchange</p> <p>Custodian & Trustee: Central Depository Company (CDC)</p> <p>Auditors: A. F. Ferguson & Company</p> <p>Benchmark: 1-month KIBOR rate</p> <p>Fund Manager(s): Ms. Rukhsana Narejo</p> <p>Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	<p>SECP has announced new guidelines for CFS. Once these guidelines are finally implemented in November, in-house badla will be phased out and cap on CFS will be enhanced from Rs.25 Billion to Rs.55 Billion. This is expected to put upward pressure on CFS rates, which is expected to further improve Fund's performance.</p> <p>Presently, SECP does not allow mutual funds to place margins while investing in CFS. It has been decided by SECP that from October 9, 2006 onwards all shares financed under current CFS procedures will be allowed to be held in a separate account with CDC, thus these shares will meet margin requirement of Karachi Stock Exchange. Since brokers will now not be required to place margins on behalf of mutual funds, NAFA and other funds will be able to negotiate lower commission rates with the brokers, thus enhancing the returns on their funds.</p> <p>Reversing its earlier decision, Government has allowed corporate sector to invest in National Saving Schemes (NSS). Since NSS instruments provide ease of entry and exit to investors, liquidity is expected to flow from banks to National Saving Schemes. Liquidity crunch is expected to force banks to not only increase their deposit rates but also lending rates to different entities. KIBOR rates are expected to rise as a result. Since our investment in TFCs is KIBOR linked, we expect better yield from our TFC portfolio. Presently, TFCs contribute 19% of the Fund size, however we have been able to identify some attractive investment opportunities and expect our holding in TFCs to increase to 25% of Fund size by mid-November 2006.</p>
<p>Asset Allocation</p> 		
<p>Disclaimer: <i>The price of units may go down as well as up. Please refer to respective offering document(s).</i></p>		
<p>National Fullerton Asset Management Ltd. 9th Floor, Adamjee House, I.I.Chundrigar Road, Karachi-74000, Pakistan. Toll Free: 0800-20001 UAN: +92-21-111-111-632 Fax: +92-21-2467605</p> <p>Website: www.nafafunds.com Email: info@nafafunds.com</p>		<p><i>Your investments and "NAFA" grow together</i></p>  <p>Joint – Venture Partners</p>