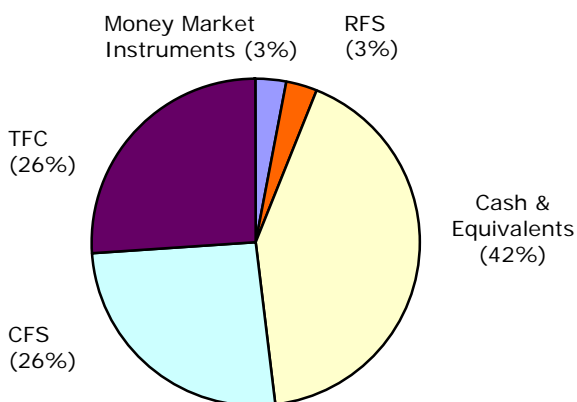


Investment Objective	Performance					
To seek preservation of capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.	Annualized Performance (%) *	HY 1 - 2006 (Jul - Dec)	HY 2 - 2007 (Jan - Jun)	Q1-2007 (Jul-Sep)	September 2007	Since Launch April 22, 2006
	NAFA Cash Fund:	10.3%	10.3%	9.6%	9.3%	10.8%
	Benchmark:	9.6%	9.6%	9.5%	9.6%	10.2%
	Monthly profit on Rs. 100,000 invested	Rs. 862	Rs. 848	Rs. 803	Rs. 762	Rs. 15,619
* Returns are net of management fee & all other expenses						

General Information	Fund Manager Commentary
<p>Launch Date: April 22, 2006 Fund Size: Rs. 20.7 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>Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Co. Benchmark: 1-month KIBOR Fund Manager(s): Ms. Rukhsana Narejo, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	<p>Due to political uncertainty, the business community has been on the sidelines- not expanding and borrowing, in general. As a result, banks are flushed with liquidity, which has drastically reduced interest rates in the last few months. Bank deposit rates, CFS rates and KIBOR rates have all declined significantly. Since, income mutual funds invest in all these avenues, their performance has suffered over the last few months.</p> <p>6-Month KIBOR closed at 9.97% down from last month's closing of 10.09%. Main reason for the slide in KIBOR rates has been excess liquidity in the market. We expect KIBOR rates to increase from hereon based on higher expected inflation figures and expected increase in corporate borrowing due to textile sewing season during the coming months. Business activity is expected to pick up once things settle down on the political front, which will further enhance corporate borrowing and interest rates. NAFA Cash Fund is focusing on building its TFC portfolio. Our TFC portfolio increased to 26% up from 21% during the last month, despite a 7% increase in the Fund size.</p> <p>SECP has decided to uncap current CFS limit, which is expected to come in effect in the next few weeks. CFS rates after touching a low of 10.23% (Source: Invest Cap) few weeks ago, have started going up again. Another important reason for expected increase in CFS rates is anticipated increase in trading volumes in the stock market during the coming months as it is trading at attractive valuations.</p>

Asset Allocation (as on 30th September 2007)



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

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