



NAFA MULTI ASSET FUND (NMF)

Monthly Report

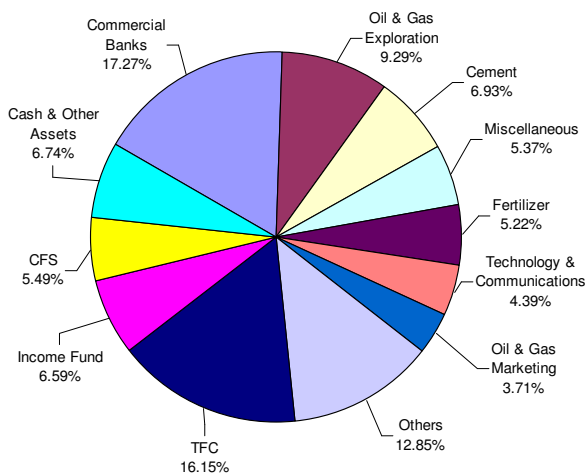
NAV per unit (29/02/2008): Rs. 12.8080

February 2008

Investment Objective	Performance					
To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.	Return (%) *	Jul. - Dec. 2007	Oct. - Dec. 2007	Jan. 2008	Feb. 2008	Since Launch Jan. 22, 07
	NAFA Multi Asset Fund	11.69%	6.63%	-1.23%	3.13%	46.74%
	Benchmark (50%KSE-30 index & 50% 1-month KIBOR)	1.98%	3.09%	0.43%	5.33%	24.30%
* Returns are net of management fee & all other expenses						

General Information	Fund Manager Commentary
Launch Date: January 22, 2007 Fund Size: Rs. 2,461 million Type: Open-end – Balance Fund Dealing: Daily Settlement: 2-3 business days Load: Front end – 3%, Back end - 0% Management Fee: 2.5% per annum	<p>During the month under review, NAFA Multi Asset Fund's NAV increased by 3.13% while the benchmark (50% KSE-30 & 50% 1-month KIBOR) increased by 5.33%. Thus your Fund underperformed the benchmark by 2.2% during the month. Since inception i.e. January 22, 2007 your Fund has risen by 46.74%, while the benchmark has risen by 24.30%. Thus to date the out performance of your Fund stands at 22.4%.</p> <p>The month of February was significant on account of the national elections in the country. The stock market waited with a baited breath for political news and daily volumes came to bare minimum before the elections. A few days before the election an expectation driven rally started. Although the results were not as per the stock market expectations, yet there was a rush of foreign portfolio investment. This foreign inflow was concentrated in the main benchmark companies and caused the KSE-30 index to rise by 11.56% in just 11 trading days. During the month the KSE-30 index also touched the record high level of 18,793.</p> <p>Your Fund was not able to catch the significant rise in the index because of the longer time horizon of our investments. Although some of them did not perform in this rally we believe they shall out perform as soon as their earning prospects become more visible to the general market. We have recently raised our weight in equities and currently our asset allocation is 65% in equity and 35% in Fixed Income.</p> <p>On the Fixed Income side, as discussed in our last report the increase in discount rate had an upward effect on the interest rates in general. KIBOR has inched up by 25 basis points. Consequently, TFCs have also exhibited improvement in their yield. We shall be increasing the weight of TFC in the Fixed Income portfolio, as returns in CFS are expected to remain range bound in the future. This will lead to an increase in returns on the Fixed Income portfolio of Your Fund and contribute to the overall Fund performance.</p>
Listing: Lahore Stock Exchange Trustee: Central Depository Company Auditors: A. F. Ferguson & Co. Chartered Accountants Benchmark: 50% KSE-30 Index & 50% 1-month KIBOR Fund Manager(s): Adnan Faisal, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

ASSET ALLOCATION (On Feb. 29, 2008)



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

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