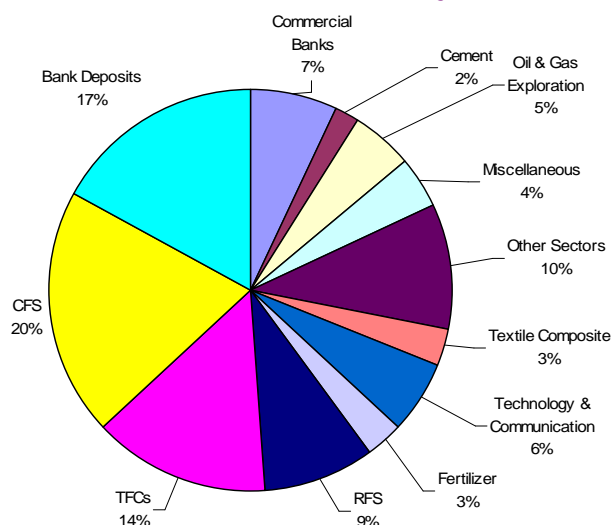


Investment Objective	Performance					
To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.	Return (%) *	Since Launch - Mar.31 2007	Apr. - June 2007	June 2007	July 2007	Since Launch January 22, 2007
	NAFA Multi Asset Fund	5.29%	23.67%	7.91%	5.32%	34.28%
	Benchmark (50%KSE-30 index & 50%KIBOR)	3.34%	11.88%	2.90%	(0.76%)	14.46%
* Returns are net of management fee & all other expenses						

General Information	Fund Manager Commentary
<p>Launch Date: January 22, 2007</p> <p>Fund Size: Rs. 1,680 million</p> <p>Type: Open-end – Balance Fund</p> <p>Dealing: Daily</p> <p>Settlement: 2-3 business days</p> <p>Load: Front end - 3%, Back end - 0%</p> <p>Management Fee: 2.5% per annum</p>	<p>During the month under review, NAFA Multi Asset Fund's NAV grew by 5.32%, while the benchmark fell by 0.76%. The benchmark is composed of 50% KSE-30 index and 50% 1-Month KIBOR. Although KIBOR contributed 40 basis points to the benchmark, yet a 2.21% downfall in the KSE-30 index negated growth of the benchmark. In this scenario, growth in your Fund's NAV is ample proof of the conservative investment objective of NAFA Multi Asset Fund. The Fund out-performed the benchmark by 6.08% during the month under review and 19.82% since inception.</p> <p>Equity markets fell victim to the fast changing political situation in the country. Militant activities in some parts of the country unnerved some foreign investors. This potential turbulence was pointed out in our previous reports and timely asset allocation enabled us to safeguard unit value. We believe news flow on the political end would dominate stock market sentiments, keeping it directionless in the near term. Our asset allocation is currently 40% in Equity and 60% in Fixed Income. We remain vigilant to alter this allocation, if the market conditions require so.</p> <p>In the Equity asset class, our stock selection is based on sound fundamentals and good company management. We are actively tracking earning drivers of invested companies and are confident that going forward their earnings growth will be higher than the market average, translating into better share price appreciation.</p> <p>On the Fixed Income side, CFS returns remained in a depressed state and averaged 11.66% p.a. during the month. We have invested the Fund's excess liquidity in good quality TFCs and Sukooks (Islamic Bonds). Currently 14% of the portfolio is invested in these instruments. We continue to explore new investment avenues to increase the net yield on Fixed Income.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Trustee: Central Depository Company</p> <p>Auditors: A. F. Ferguson &amp; Company</p> <p>Benchmark: 50% KSE-30 Index &amp; 50% 1-month KIBOR</p> <p>Fund Manager(s): Adnan Faisal, CFA</p> <p>Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (as on 31<sup>st</sup> July 2007)



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

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