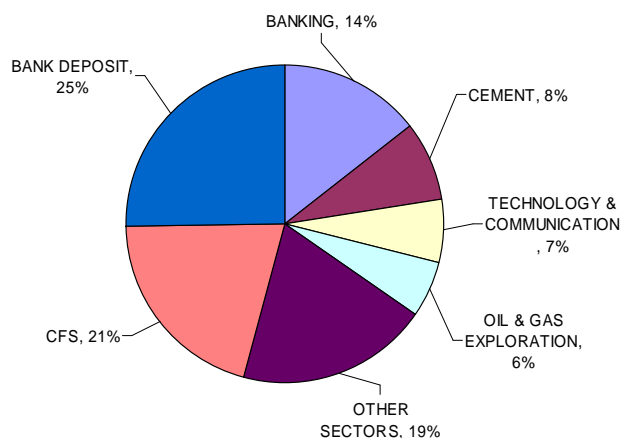


Investment Objective	Performance					
To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.	Return (%) *	Feb 07	Mar 07	Apr 07	May 07	Since Launch Jan 22, 2007
	NAFA Multi Asset Fund	0.79%	1.31%	9.39%	5.11%	21.05%
	Benchmark (50%KSE-30 index & 50% 1-month KIBOR)	-0.24%	0.2%	5.1%	3.18%	11.72%
	* 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. 1,117 million</p> <p>Type: Open-end – Balanced 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% per annum</p>	<p>During the month of May, NAFA Multi Asset Fund's NAV improved from 11.5174 to 12.1054, reflecting an increase of 5.11%. The benchmark has risen by 3.18% during the same time period.</p> <p>The Fund is currently invested 54% in Equity and 46% in Fixed Income (F.I). We have kept this asset allocation considering the impact of increased liquidity into the financial system. The private and foreign inflows continue to play a role in asset price inflation.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Trustee: Central Depository Company</p> <p>Auditors: A. F. Ferguson & Company</p> <p>Benchmark: 50% KSE-30 Index & 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 31st May 2007)



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

Equities performed well during this month. This is because the stock market absorbed considerable portion of the private and foreign inflows. The prevalent political uncertainty and CFS cap were unable to check the bull run. We remain cautiously optimistic about the future performance. However we remain ready to increase our exposure in cash by selling equities, in case we expect political developments to negatively impact the market. Our portfolio companies have strong fundamentals and sound management.

Fixed Income returns have also been affected by the increased liquidity; albeit in a negative manner. During the month of May, 6-month KIBOR declined by 9 bp to 10.14% p.a. CFS rates remained depressed due to excess liquidity. We have developed a pipeline of good quality TFCs and have started investing in TFCs.

We are actively monitoring the portfolio performance and continuously refining the investment process. We remain ready to alter our asset class allocation based on any change in fundamentals of capital markets.

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.

Website: www.nafafunds.com Email: info@nafafunds.com

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