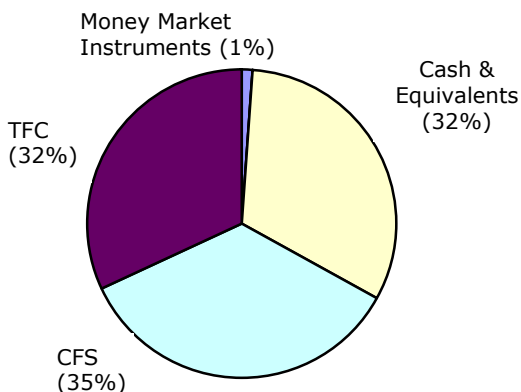


Investment Objective	Performance					
To seek preservation of capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.	Annualized Performance (%) *	HY1 - 2007 (Jul – Dec)	December 2007	January 2008	February 2008	Since Launch April 22, 2006
	NAFA Cash Fund	9.5%	9.1%	9.1%	9.4%	10.8%
	Benchmark	9.3%	9.4%	9.4%	9.5%	9.7%
	Monthly profit on Rs. 100,000 invested	Rs. 789	Rs. 776	Rs. 772	Rs. 751	** Rs. 20,138
<i>* Returns are net of management fee & all other expenses</i> <i>** Represents cumulative profit since inception</i>						

General Information	Fund Manager Commentary
<p>Launch Date: April 22, 2006 Fund Size: Rs. 24.6 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) Performance Rating: 5-Star (JCR-VIS)</p>	<p>NAFA Cash Fund posted an increase in its monthly return by 30 basis points. The Fund also witnessed 1.65% growth in its size during the month reaching Rs.24.6 Billion. The increase in Fund's return is attributed to slight enhancement in TFC allocation to 32%. KIBOR rates have also increased by 25 basis points due to an enhancement of 50 bps in discount rate. CFS returns also depicted some improvement towards the end of the month.</p> <p>Country specific economic indicators have not shown any improvements as yet. CPI Inflation has already surpassed the previous figure of 8%. Pakistan's trade gap is unlikely to stabilize in the near future due to slow export growth and rising commodity prices. The SBP has reported a Current Account deficit of US\$7.5 Bn for the first seven months of FY08. Under these circumstances interest rates are expected to remain at higher levels which will help the performance of the Fund. In our view it will take the new government at least one year to put a halt to the economic downside.</p>
<p>Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Co. Chartered Accountants Benchmark: 3-Month T-Bills Fund Manager(s): Ms. Rukhsana Narejo, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (as on 29th February 2008)



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

Direct investment and expansion plans will materialize gradually over the year. This should result in increased demand of capital, which may take the interest rates even higher. This will also lead to an increase in the issuance of new TFCs by companies which will enhance investment opportunities for Income Funds.

Due to the prevailing market conditions we maintain our stance in investments in short term tenors in order to manage returns as per interest rate movements.

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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