



National Fullerton
Asset Management Limited

NAFA Cash Fund (NCF)

Unit Price (31/01/2009): Rs. 9.7031

January 2009

Investment Objective	Performance					
	Performance (%)	Jan - Jun 2008*	Jul - Dec 2008**	Dec 2008*	Jan 2009*	Since Launch April 22, 2006**
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.	NAFA Cash Fund	9.88%	(1.80)%	6.70%	14.87%	23.24%
	Benchmark	11.20%	7.17%	15.32%	14.37%	34.32%
	* Represents Annualized Return ** Represents cumulative Return (Returns are net of management fee & all other expenses)					

General Information	Fund Manager's Commentary
<p>Launch Date: April 22, 2006</p> <p>Fund Size: Rs. 7,886 million</p> <p>Type: Open-end – Fixed Income Fund</p> <p>Dealing: Daily</p> <p>Settlement: 2-3 business days</p> <p>Load: No entry or exit load</p> <p>Management Fee: 1.5% per annum</p> <p>Fund Stability Rating: A(f)</p>	<p>NAFA Cash Fund (NCF) earned an annualized rate of return of 14.87% during the month of January 2009. Annualized rate of return of 14.87% offered by NCF during the month is 0.50% better than the benchmark return of 14.37% per annum.</p> <p>As on January 31, 2009 TFCs, Term Deposits and Cash & other assets account for around 75%, 22% and 3% of the Fund size respectively. Weighted average yield to maturity (return) of the TFC portfolio is around 23% p.a. and weighted average duration is around 88 days. We have seen significant trading volume in TFCs/ sukuks during the month of January 2009. In our view, this increased trading activity indicates the upside in prices of TFCs with further improvement in the liquidity conditions, which will benefit our existing and fresh investors in the coming months.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Custodian & Trustee: Central Depository Company (CDC)</p> <p>Auditors: A. F. Ferguson & Co. Chartered Accountants</p> <p>Benchmark: 1-Month KIBOR</p> <p>Fund Manager: Rukhsana Narejo, CFA</p> <p>Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	
<p>The chart displays the fund's performance metrics. The 'Annualized Return before SECP Circular' is 10.52% (blue bar). The 'Impact of SECP Circular' is -7.32% (red bar), representing the actual return on 5th Nov 2008. The 'Annualized Return after SECP Circular' is 13.72% (yellow bar) for the period from 6th November 2008 to 31st January 2009.</p>	<p>The improvement in liquidity conditions, slowdown in the private sector borrowing and easing of inflation is putting downward pressure on the KIBOR. As a result, the 6-M KIBOR dropped to 15.10% as against 15.70% the previous month. Moreover, reversal in the trend as seen in 2008 has also been witnessed in the recently conducted T-Bill auction on January 28, 2009. There was active participation in long tenors and also decrease in T-bills cut off yields for three months and twelve months. This points to improvement in liquidity situation in the market and expectation of rising asset values including TFCs.</p> <p>We expect the performance of the Fund to improve further in the coming months due to attractive yield on the TFCs portfolio and improvement in the prices of TFCs and sukuks.</p>

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