



National Fullerton  
Asset Management Limited

# NAFA Cash Fund (NCF)

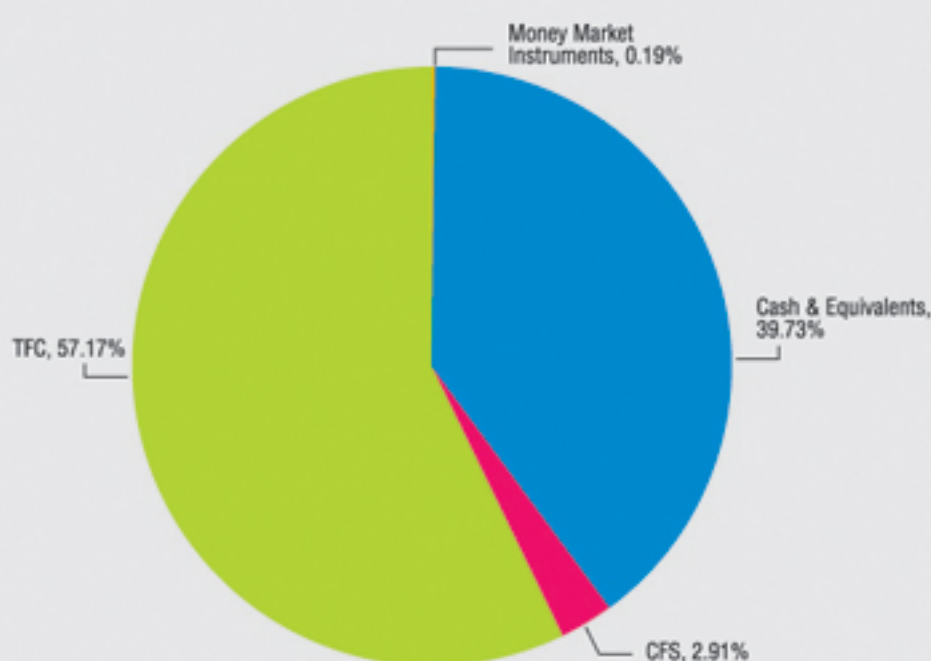
Unit Price (31/10/2008): Rs. 10.1404

October 2008

Investment Objective	Performance					
	Annualized Performance (%)*	Jan - Jun 2008	Jul - Sep 2008	Sep 2008	Oct 2008	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.	<b>NAFA Cash Fund</b>	<b>9.88%</b>	<b>11.78%</b>	<b>11.94%</b>	<b>12.04%</b>	<b>10.51%</b>
	<b>Benchmark</b>	11.20%	14.10%	14.80%	15.35%	10.81%
	<b>Profit on Rs. 100,000 invested</b>	Rs. 4,812	Rs. 2,846	Rs. 931	Rs. 970	**Rs. 28,790
	* Returns are net of management fee & all other expenses ** Represents cumulative profit since inception					

General Information	Fund Manager's Commentary
<p>Launch Date: April 22, 2006 Fund Size: Rs. 14,338 million 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)</p>	<p>NAFA Cash Fund has completed 30 months of operations in October. It remains the best performing fund, in terms of risk-adjusted return since inception among its peer group. The unit price has not dropped by even one paisa on any day since the launch of the Fund. NAFA Cash Fund has earned an annualized return of 12.04% in October. Weighted average rating of NAFA Cash Fund's TFC portfolio is "AA-".</p>
<p>Listing: Lahore Stock Exchange Custodian &amp; Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson &amp; Co. Chartered Accountants Benchmark: 1-Month KIBOR Fund Manager: Ms. Rukhsana Narejo, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (as on 31st October 2008)



The freeze of all funds invested directly in the Stock Market by SECP raised concerns among investors regarding money market and income funds. Due to misreporting by some newspapers, fixed income funds witnessed redemptions from different investors. We paid back the redemptions on an average of 2 business days. This has given comfort to investors and we expect these investors to soon re-invest in the Fund as the liquidity situation improves in the market and the investors' confidence revive. Going forward, we expect restoration of confidence in capital markets as international financial assistance to Pakistan becomes available.

The month of October started with severe liquidity crunch for the financial sector. The situation has largely reverted back to normal by the month-end, thanks to the easing policies of SBP including 4% reduction in CRR (3% in October, 1% announced for November), and exemption of 1-year and above Time and Deposit liabilities of commercial banks from SLR.

During the month of October, the 6-Month KIBOR closed at 15.10% versus 14.52% in the previous month. The reason behind volatility in KIBOR was liquidity crunch witnessed during the month.

The attached Chart shows the asset allocation of the Fund. We expect the Fund's return to improve further over the next couple of months.

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