

Your Investment and
NAFA
grow together...

NAFA CASH FUND

HALF YEARLY REPORT

For the Period ended December 31, 2006



Managed by:

National Fullerton Asset Management Limited

A Joint Venture of

FULLERTON FUND
MANAGEMENT



MISSION STATEMENT

To rank in the top quartile
in performance of
NAFA Cash Fund
relative to the competition,
and
to consistently offer
superior risk-adjusted
returns to investors

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FUND'S INFORMATION

Management Company

National Fullerton Asset Management Limited.

Board of Directors of the Management Company

Mr Masood Karim Shaikh	Chairman
Dr Amjad Waheed	Chief Executive Officer
Mr Gerard Lee How Cheng	Director
Khawaja Iqbal Hassan	Director
Mr Patrick Pang Chin Hwang	Director
Mr Masroor Ahmed Qureshi	Director
Mr Shahid Anwar Khan	Director

Company Secretary & CFO of the Management Company

Mr Muhammad Muraza Ali

Audit & Risk Committee

Mr Gerard Lee How Cheng	Chairman
Mr Masroor Ahmed Qureshi	Member
Mr Shahid Anwar Khan	Member

Trustee

Central Depository Company of Pakistan Limited (CDC)

CDC House, 99-B, Block "B", S.M.C.H.S, Main Shakra-e-Faisal, Karachi

Bankers to the Fund

Allied Bank Limited	Askari Commercial Bank Limited
Atlas Bank Limited	Bank Al-Habib Limited
Bank Alfalah Limited	KASB Bank Limited
Habib Bank Limited	My Bank Limited
Muslim Commercial Bank Limited	NIB Bank Limited
National Bank of Pakistan	Saudi Pak Commercial Bank Limited
PICIC Commercial Bank Limited	United Bank Limited
Soneri Bank Limited	

Auditors

A.F Ferguson & Co. Chartered Accountants, State Life Building No.1-C, 11 Chundrigar Road, P.O. Box 4716, Karachi

Legal Advisor

Aly Shah & Co. Advocates and Legal Consultants, Suite 502, 5th Floor, Marine Pride, BC-2, Block-7, Khayaban-e-Iqbal, Clifton, Karachi

Head Office

9th Floor, Adamjee House, 11 Chundrigar Road, Karachi.

Lahore Office

83-A-E/1, Main Boulevard, Gulberg III, Lahore.

Islamabad Office

4th Floor, Ali Plaza, 1-E, Blue Area, Islamabad.

SHARE FUND



DIRECTORS REPORT

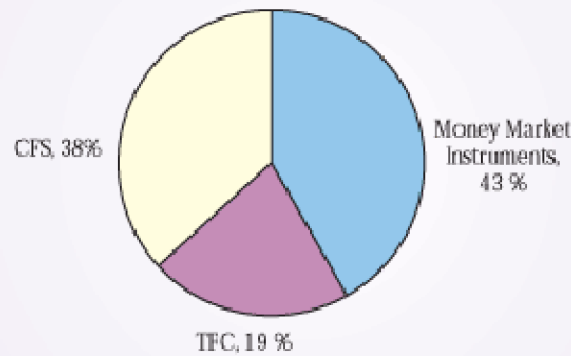
The Board of Directors of National Fullerton Asset Management Limited is pleased to present the Half Yearly Report of NAFA Cash Fund for the period from July 01, 2006 to December 31, 2006.

Fund's Performance

During the period under review, net sales of NAFA Cash Fund have crossed Rs. 1 billion and Net Assets of the Fund have crossed Rs. 5 billion. This indicates the confidence of investors in our performance. During the period under review, CFS rates have declined marginally due to slow activity observed at the Karachi Stock Exchange. Despite decline in CFS rates, NAFA Cash Fund has managed to out perform its benchmark and competition.

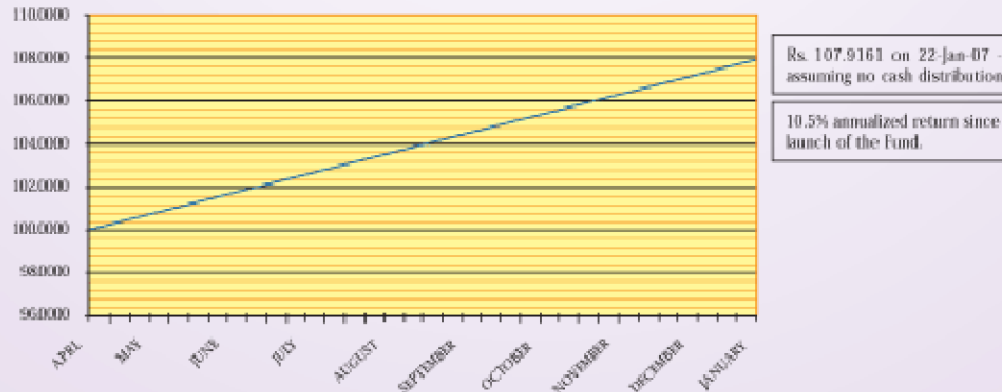
The net income for the half year ended December 31, 2006, was Rs.258.917 million translating into Earnings per Unit of Rs.0.53. During this quarter, the Fund earned an annualized rate of return of 10.5%. NAFA Cash Fund has no direct exposure in the stock market, and invested its funds in Term Finance Certificates (TFC), Continuous Funding System (CFS), Bank Deposits, and Money Market Instruments. Asset allocation as of December 31, 2006 is as follows:

Asset Allocation (as on December 31, 2006)



NAFA Cash Fund has not observed a decline in unit price by even one paisa on any one day since launch of the Fund in April 2006. The following chart shows a uniform growth in the value of investment of NAFA Cash Fund.

Value of Rs. 100 invested in NAFA Cash Fund at launch (April 22, 2006)



Credit Rating

Fund Stability Rating

JCR-VIS Credit Rating Company Limited has assigned a Fund Stability Rating of "A(0)" to NAFA Cash Fund. While assigning the rating, JCR-VIS has stated that the management company draws technical support from its sponsor i.e. Fullerton Fund Management Group and has been able to put in place extensive risk management guidelines. The information technology infrastructure also provides adequate support to the fund manager to monitor investment parameters versus policy guidelines. With respect to the expected asset allocation of NAFA Cash Fund, adequate limits ensuring portfolio diversification are in place.

Management Quality Rating

JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of "AM2" to National Fullerton Asset Management Limited, which indicates 'high management quality'. While assigning the rating, JCR-VIS has stated that the management quality rating of NAFA is based on the Company's sound risk management capabilities and operational controls. Further, the investment processes and tools to assess / monitor investment related risk have been clearly defined in the manuals and incorporated into the management information systems.

Change in Accounting Policy

During the current period, with effect from August 2, 2006, the management has brought in line its policy of accounting for transactions involving outright purchase of securities in the ready market and sale of the same securities in the future market in accordance with the requirements of IAS 39. This change in the accounting policy has been explained in note 3 to the financial statements.

Auditors' Qualifications

The NBFC Rules requires the valuation of TFCs on the basis of prices quoted on the stock exchange. TFCs quoted on stock exchange are not updated on a regular basis and therefore, the management believes that their listed prices are not representative of their fair values. Most of the mutual fund, including NAFA Cash Fund, value their TFCs on a price based on the consensus of quotes available from reputable brokerage houses, believing that these quotes are a better reflection of the fair value of the TFCs than those listed on the stock exchange. This issue has been taken up by Mutual Fund Association of Pakistan with Securities & Exchange Commission of Pakistan for relevant amendments in the NBFC Rules. The auditors have quantified the difference in Net Asset Value of the Fund as at December 31, 2006, which would have been lower by Rs. 1.2 million out of the total fund size of Rs. 5,152 million (0.02%). This shows that the difference has insignificant impact on the unit price as of December 31, 2006 (not even by a single paisa).

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders and investors for their confidence and patronage. It would like to express its gratitude to Securities & Exchange Commission of Pakistan for its continued help and guidance.

The Board also wishes to place on record its appreciation for the hard work and dedication shown by the staff.

On behalf of the Board of
National Fullerton Asset Management Limited

Masood Karim Shaikh, FCA
Chairman

Dr. Amjad Waheed, CFA
Chief Executive Officer

Date: February 15, 2007
Place: Karachi.



REVIEW REPORT TO THE UNIT HOLDERS

We have reviewed the annexed condensed interim statement of assets and liabilities of NAFA Cash Fund as at December 31, 2006, and the related condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unitholders' funds together with the notes forming part thereof (here-in-after referred to as the condensed interim financial statements), for the six months then ended. These condensed interim financial statements are the responsibility of the Management Company (National Fulerton Asset Management Limited). Our responsibility is to issue a report on these condensed interim financial statements based on our review. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unitholders' fund for the quarter ended December 31, 2006 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2006.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the condensed interim financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the management company and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The management does not revalue its investment of the Fund in Term Finance Certificates (TFC) on a daily basis. However, the investment of the Fund in TFCs is revalued by the management on a weekly basis using the average of the rates quoted by certain brokerage houses. In this connection Rule 2 (xxxv) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) requires these investments to be revalued using the rates quoted on the stock exchanges on which these investments are listed. Had the investment of the Fund in TFCs been revalued on the basis of rates quoted on the Karachi Stock Exchange (Guarantee) Limited, Lahore Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited as at December 31, 2006 (after adjusting the stock exchange value for redemptions), the investment and the Net Asset Value (NAV) of the Fund, as at this date, would have been lower by Rs. 1,226,199. In addition, the NAV calculation of the Fund and consequently the calculations of number of units issued as well as the net element of income and capital gains included in units issued less those in units redeemed by the Fund, during the period would also have been different. These effects have not been quantified, as it was impracticable to do so.

Based on our review, except for the effects of the matter stated in the preceding paragraph, nothing has come to our attention that causes us to believe that the annexed condensed interim financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

A.F. Ferguson & Co.
Chartered Accountants
Dated: February 5, 2007
Karachi

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES as at December 31, 2006

		Un-audited December 31, 2006	Audited June 30, 2006
	Note	Rupees in '000'	
ASSETS			
Balances with banks		1,879,661	2,111,086
Receivable against Continuous Funding System (CFS) transactions		1,997,445	242,492
Receivable against spread transactions	3.1	-	557,083
Investments	4	1,002,737	170,635
Loans and receivables		307,250	760,000
Security deposits		1,100	1,100
Income receivable	5	81,186	44,768
Preliminary expenses and floatation costs		2,152	2,404
Total assets		5,271,531	3,889,568
LIABILITIES			
Accrued expenses and other liabilities	6	9,125	1,039
Short term borrowing	7	100,000	-
Payable to National Fullerton Asset Management Limited -Management Company		7,144	13,068
Payable to Central Depository Company of Pakistan Limited -Trustee		536	411
Payable to Securities and Exchange Commission of Pakistan - Annual fee		2,720	681
Total liabilities		119,525	15,199
Net assets		5,152,006	3,874,369
Unit Holders' Funds (as per statement attached)		5,152,006	3,874,369
Commitments	9		
		Number of units	
Number of units in issue		489,247,407	380,152,449
		Rupees	
Net asset value per unit		10.53	10.19

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed, CFA
Chief Executive Officer

Masood Karim Shaikh, FCA
Chairman



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) for the Six Months and Quarter ended December 31, 2006

	Six month ended December 31, 2006	Quarterly ended December 31, 2006
Note	(Rupees in '000')	
Income		
Profit on bank deposits	91,170	41,979
Income from Continuous Funding System (CFS) transactions	152,927	92,315
Income from spread transactions	14,014	1,717
Income from Term Finance Certificates	62,412	38,555
Income on certificates of deposit and clean placements	32,622	11,735
Amortization of discount on term finance certificates	1,712	512
Net unrealised appreciation in the value of investment at fair value through profit or loss	3,275	718
Total income	358,132	187,531
Expenses		
Remuneration of National Fullerton Asset Management Limited - Management Company	40,800	20,590
Remuneration of Central Depository Company of Pakistan Limited - Trustee	3,224	1,625
Annual fee - Securities and Exchange Commission of Pakistan	2,720	1,373
Annual listing fee	16	7
Brokerage	21,861	11,122
Settlement charges	3,176	1,884
Financial charges	610	572
Auditors' remuneration	239	110
Provision against loan and receivables	7,750	7,750
Amortization of preliminary expenses and floatation costs	252	126
Total Expenses	80,648	45,159
Net income from operating activities	277,484	142,372
Net element of income and capital gains included in prices of units issued less those in units redeemed	(18,567)	(15,348)
Net income	258,917	127,024
Earnings per unit	10	

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed, CFA
Chief Executive Officer

Masood Karim Shaikh, FCA
Chairman

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) for the Six Months and Quarter ended December 31, 2006

	Six month ended December 31, 2006	Quarter ended December 31, 2006
	Rupees in '000'	
Undistributed income brought forward	72,844	132,508
Distribution: Bonus issue at the rate of 1.9% (declared on July 4, 2006)	(72,229)	-
Net income for the period	258,917	127,024
Undistributed income carried forward	<u>259,532</u>	<u>259,532</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed, CFA
Chief Executive Officer

Masood Karim Shaikh, FCA
Chairman



**CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUNDS (UN-AUDITED)
for the Six Months and Quarter ended December 31, 2006**

Six month ended
December 31, 2006 Quarter ended
December 31, 2006
Rupees in '000'

Net assets at the beginning of the period	3,874,369	5,275,639
Issue of 652,606,155 units including 7,222,897 bonus units. (305,506,491 units for the quarter ended December 31, 2006)	6,604,777	3,169,130
Redemption of 543,511,197 units (330,572,221 units for the quarter ended December 31, 2006)	(5,604,624)	(3,435,135)
	1,000,153	(266,005)
Net element of income and capital gains included in prices of units issued less those in units redeemed	18,567	15,348
Net unrealised appreciation in the value of investments at fair value through profit or loss	3,275	718
Net other income	255,642	126,306
Net income for the period	258,917	127,024
Net assets as at the end of the period	<u>5,152,006</u>	<u>5,152,006</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed, CFA
Chief Executive Officer

Masood Karim Shaikh, FCA
Chairman

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) for the Six Months and Quarter ended December 31, 2006

	Six month ended December 31, 2006	Quarter ended December 31, 2006
CASH FLOW FROM OPERATING ACTIVITIES		
	Rupees in '000'	
Net income for the period	258,917	127,024
Adjustments		
Unrealised gain on investments at fair value through profit or loss - net	(3,275)	(718)
Amortization of preliminary expenses and floatation costs	252	126
Amortization of discount on term finance certificates	(1,712)	(512)
Remuneration of National Fullerton Asset Management Limited - Management Company	40,800	20,590
Remuneration of Central Depository Company of Pakistan Limited - Trustee	3,224	1,625
Net element of income and capital gains included in prices of units issued less those in units redeemed	18,567	15,348
	316,773	163,483
(Increase)/decrease in assets		
Receivable against Continuous Funding System (CFS) transactions	(1,754,953)	69,121
Receivable against spread transactions	557,083	-
Investments	(827,115)	59,989
Loans and receivables	452,750	232,750
Income receivable	(36,418)	(18,912)
	(1,608,653)	342,948
Increase/(decrease) in liabilities		
Accrued expenses and other liabilities	7,680	999
Short term borrowing	100,000	100,000
Payable to National Fullerton Asset Management Limited	(2,468)	31
Payable to Securities and Exchange Commission of Pakistan - Annual fee	2,039	691
	107,251	101,721
Remuneration paid to National Fullerton Asset Management Limited	(44,256)	(20,742)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee	(3,099)	(1,662)
Net cash inflow/(outflow) on operating activities	(1,231,984)	585,748
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	6,604,777	3,169,129
Payments on redemption of units	(5,604,218)	(3,435,310)
	1,000,559	(266,181)
Net increase/(decrease) in cash and cash equivalents during the period	(231,425)	319,567
Opening cash and cash equivalents	2,111,086	1,560,094
Cash and cash equivalents as at December 31, 2006	1,879,661	1,879,661

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited

Dr. Amjad Waheed, CFA
Chief Executive Officer

(Management Company)

Masood Karim Shaikh, FCA
Chairman



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS for the Six Months and Quarter ended December 31, 2006

1. LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Cash Fund (NCF) was established under a Trust Deed executed between National Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on February 11, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 30, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

NCF is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing primarily in money market and debt securities having a good credit rating and liquidity.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of the NBFC Rules, the requirements of the Companies Ordinance, 1984, directives issued by the SECP and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the NBFC Rules, the Companies Ordinance, 1984 or directives issued by the SECP differ with the requirements of these standards, the requirements of the NBFC Rules, the Companies Ordinance, 1984 and the said directives take precedence. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard-34: Interim Financial Reporting.

Initial Application of an Interpretation

IFRIC 10, "Interim Financial Reporting and Impairment" is effective for annual periods beginning on or after November 1, 2006 and requires that an entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. Adoption of this interpretation may have an effect on the future financial statements of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published financial statements of the Fund for the period from February 11, 2006 to June 30, 2006, except in respect of Ready - Future transactions.

3.1 Transactions involving outright purchase of securities in the ready market and sale of the same securities in the futures market (Ready - Future transactions)

The Fund enters into certain transactions involving purchase of a security in the ready market and simultaneous sale of the same security in the futures market. During the current period with effect from August 2, 2006, the management has decided to change the accounting treatment for these transactions to bring it in line with the requirements of International Accounting Standard 39: 'Financial Instruments: Recognition and Measurement'. Consequently, securities purchased by the Fund in the ready market are now carried on the Statement of Assets and Liabilities till their eventual disposal, and the forward sale of securities in the futures market is accounted for separately as a 'derivative'. Previously these transactions were accounted for by the Fund as 'spread transactions' by deleting the cost of investments from the books and recording the receivable based on the forward sale price. The difference between these two amounts was taken to the Income Statement over the period of the forward transaction.

The effect of the above change has not been quantified as it was impracticable to do so.

	Note	Un-audited December 31, 2006	Audited June 30, 2006
(Rupees in '000')			
4. INVESTMENTS			
At fair value through profit or loss	4.1	626,190	144,369
Available for sale	4.2	376,547	26,266
		1,002,737	170,635
4.1 Investments at fair value through profit or loss			
Equities securities purchased under future sale contracts	4.1.1	-	-
Term Finance certificates	4.1.2	626,190	144,369
		626,190	144,369

4.1.1 Equities securities purchased under future sale contracts

These securities are held under Ready-Future transactions. These securities are purchased in the ready "T+3" market and simultaneously sold in the future market. The details are as follows:

Name of the investee company	Number of shares				Market value as at December 31, 2006	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2006	Purchases during the period	Sales during the period	As at December 31, 2006		
All the holdings are in shares of Rs. 10/- each unless otherwise stated. (Rupees in '000')						
Investment Banks/ Cos./ Securities						
Pakistan Industrial Credit & Inv. Corp.	-	2,500,000	2,500,000	-	-	-
Commercial Banks						
Askari Commercial Bank Ltd.	-	200,000	200,000	-	-	-
The Bank of Punjab	-	38,500	38,500	-	-	-
Faysal Bank Ltd.	-	375,000	375,000	-	-	-
National Bank of Pakistan	-	900,000	900,000	-	-	-
Textile Composite						
Nishat Mills Ltd.	-	5,000	5,000	-	-	-
Oil & Gas Marketing Cos.						
Pakistan State Oil Co. Ltd.	-	100,000	100,000	-	-	-
Sui Southern Gas Co. Ltd.	-	28,500	28,500	-	-	-
Oil & Gas Exploration Cos.						
Pakistan Petroleum Ltd.	-	100,000	100,000	-	-	-
Technology & Communication						
Pakistan Telecommunication Co. Ltd.	-	500,000	500,000	-	-	-
Fertilizer						
Engro Chemical (Pakistan) Ltd.	-	50,000	50,000	-	-	-
Fauji Fertilizer Bin Qasim Ltd.	-	480,500	480,500	-	-	-
					-	-

4.1.2 Term Finance certificates - Listed

Name of the investee company	Number of Certificates				Market value as at December 31, 2006	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2006	Purchases during the period	Sales during the period	As at December 31, 2006		
(Rupees in '000')						
United Bank Ltd.	3,000	-	-	3,000	15,000	0.29
Faysal Bank Ltd.	-	10,000	-	10,000	48,625	0.94
First International Inv. Bank Ltd.	-	5,947	-	5,947	30,359	0.59
Jahangir Siddiqui & Co. Ltd.	-	18,000	-	18,000	90,000	1.75
Gharibwal Cement Ltd.	-	10,000	-	10,000	50,000	0.97
Chanda Oil and Gas Securitization Co. Ltd.	6,895	5,000	-	11,895	50,736	0.98
Pakistan Mobile Communications (Pvt) Ltd.	20,000	-	-	20,000	101,470	1.97
Orix Leasing Pakistan Ltd.	-	40,000	-	40,000	200,000	3.88
Escort Investment Bank Ltd.	-	8,000	-	8,000	40,000	.78
					626,190	
					622,915	

Cost of term finance certificates at fair value through profit or loss

4.1.3 Fair value of listed Term Finance Certificates classified as investments at fair value through profit or loss is determined using average of market rates obtained from brokers.

4.1.4 All Term Finance Certificates have a face value of Rs 5,000 each.

4.2 Available for sale

Term Finance certificates - Un-listed

Name of the investee company	Number of Certificates				Market value as at December 31, 2006	Percentage of investments in relation to net assets of the Fund
	As at July 01, 2006	Purchases during the period	Sales during the period	As at December 31, 2006		
Dewan Mushtaq Textile Mills Ltd.	8,266	-	8,266	-	(Rupees in '000')	-
Dewan Textile Mills Ltd.	8,000	-	8,000	-	-	-
Argard Nine Ltd.	-	50,000	-	50,000	250,000	4.85
Pak Electronic Ltd.	-	10,000	-	10,000	50,000	0.97
Pakistan Mobile Communications (Pvt.) Ltd.	-	60,000	60,000	-	-	-
Pakistan Mobile Communications (Pvt.) Ltd.	-	20,000	-	20,000	76,547	1.49
					<u>376,547</u>	

4.2.1 Unlisted Term Finance Certificates classified as available for sale are valued at cost as these are not quoted in the market.

4.2.2 All Term Finance Certificates have a face value of Rs 5,000 each.

Un-audited December 31, 2006	Audited June 30, 2006
(Rupees in '000')	

5. INCOME RECEIVABLE

Dividend receivable on shares held under Continuous Funding System (CFS) transactions	9,492	2,161
Dividend receivable on shares held under spread transactions	-	6,955
Income accrued on Continuous Funding System (CFS) transactions	12,378	607
Income accrued on spread transactions	-	4,892
Profit on savings and term deposits	26,653	19,275
Income accrued on Term Finance Certificates	30,634	2,396
Income accrued on clean placements	1,167	4,973
Income accrued on Certificates of Investment	-	3,509
Others	862	-
	<u>81,186</u>	<u>44,768</u>

6. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	247	200
Payable to Alexandra Fund Management Pte. Limited	-	544
Payable to unit holders against redemption of units	406	-
Listing fee payable	-	15
Settlement charges payable	666	160
Brokerage	7,576	104
Accrued mark-up on short term borrowing	113	-
Others	117	16
	<u>9,125</u>	<u>1,039</u>



7. During the current period, a running finance facility amounting to Rs. 400 million was obtained from Saudi Pak Commercial Bank Limited to be utilized for the purpose of meeting redemption requests. This facility is secured by lien on cash deposits placed by the Fund with Saudi Pak Commercial Bank Limited, carries mark-up at the rate equal to the deposit rate charged by the Saudi Pak Commercial Bank Limited on cash deposits of the Fund placed with it plus 1.5% and is due to expire on July 29, 2007.

8. TAXATION

The Fund is exempt from income tax under clause 99 of part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains whether realized or unrealized, is distributed among its unit holders. The management intends to avail the tax benefit at the year end. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

9. COMMITMENTS

	(Rupees in '000)
Continuous Funding System (CFS) transactions (including transactions to be rolled over) entered into by the Fund in respect of which the purchase transactions have not been settled as at period end	733,578

10. EARNINGS PER UNIT

Earnings per unit (EPU) for the six months ended December 31, 2006 has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

11. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include National Fullerton Asset Management Limited being the Management Company and National Bank of Pakistan, NIB Bank Limited and Alexandra Fund Management Pte. Limited being the Sponsors.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market norms.

Un-audited Un-audited
Six month ended Quarter ended
December 31, December 31,
2006 2006
(Rupees in '000')

11.1 Amount of transactions during the period

	Un-audited Six month ended December 31, 2006	Un-audited Quarter ended December 31, 2006
National Fullerton Asset Management Limited - Management Company		
Management fee expense for the period	40,800	20,590
National Bank of Pakistan - Sponsor		
237,500 bonus units issued	2,375	-
NIB Bank Limited - Sponsor		
380,000 bonus units issued	3,800	-
Income on bank deposit	17,631	5,029
Alexandra Fund Management Pte. Limited - Sponsor		
190,000 bonus units issued	1,900	-
Chief Executive Officer		
15,684 bonus units issued	157	-
Spouse of Chief Executive Officer		
145,794 units issued	1,500	1,000
145,794 units redeemed	1,533	1,494

Un-audited Audited
December 31, June 30,
2006 2006
(Rupees in '000')

11.2 Amounts outstanding as at period end

	Un-audited December 31, 2006	Audited June 30, 2006
National Fullerton Asset Management Limited - Management Company		
Management fee payable	6,766	10,222
Others	378	2,846
National Bank of Pakistan - Sponsor		
Deposit held by the Fund with the Sponsor	635	2,419
NIB Bank Limited - Sponsor		
Deposit held by the Fund with the Sponsor	5,412	192,141

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 15, 2007 by the Board of Directors of the Management Company.



13. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed, CFA
Chief Executive Officer

Masood Karim Shaikh, FCA
Chairman