

NAFA CASH FUND

**QUARTERLY REPORT
FOR THE QUARTER ENDED
SEPTEMBER 30, 2009
(UN-AUDITED)**

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NAFA CASH FUND

DIRECTORS' REPORT

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Cash Fund for the quarter ended September 30, 2009.

Fund's Performance

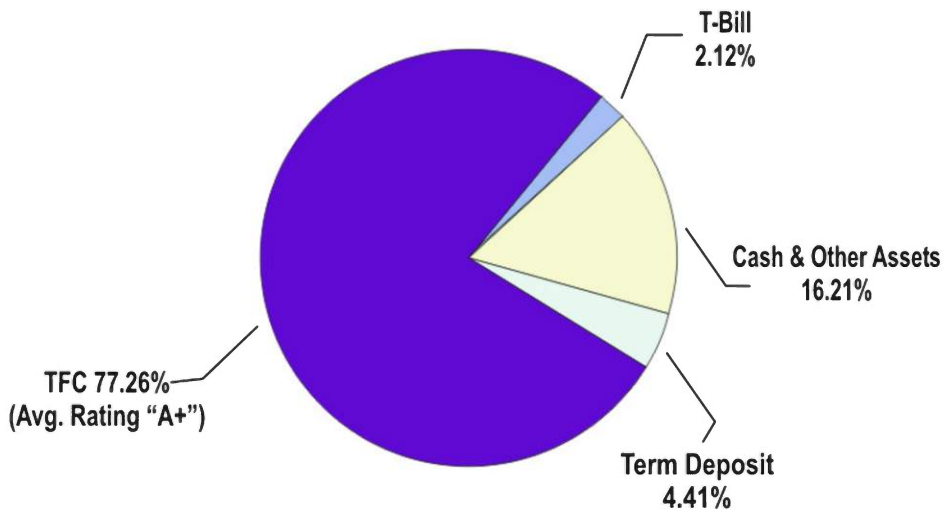
The size of NAFA Cash Fund has reduced from Rs.7,665 million to Rs.6,798 million during the quarter, i.e. a decline of 11.31%. During the quarter, the unit price of NAFA Cash Fund has increased from Rs.9.8959 (Ex-Div) on June 30, 2009 to Rs.10.1422 on September 30, 2009, thus showing an annualized return of 10.25% as compared to its benchmark return (1-Month KIBOR) of 13.21% for the same period.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a stability rating of A'(f) to NAFA Cash Fund.

NAFA Cash Fund has earned total income of Rs.255.83 million during the period. After deducting expenses of Rs.10.40 million, the net income is Rs.245.43 million, translating into earning per unit of Re.0.2463.

The asset allocation of the Fund as on September 30, 2009 is as follows:

Asset Allocation as on September 30, 2009



NAFA CASH FUND

Income Distribution

The Board of Directors of the Management Company has approved an interim distribution of 1.979%. After interim distribution, the net asset value per unit will be Rs.9.9443 on September 30, 2009.

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

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

On behalf of the Board of
National Fullerton Asset Management Limited

Chief Executive

Director

Date: October 28, 2009
Place: Karachi.

NAFA CASH FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2009 (Un-audited)

	Note	September 30, 2009	June 30, 2009
----- Rupees in '000 -----			
Assets			
Balances with banks		860,601	1,595,275
Investments	4	5,396,834	5,422,447
Loans and receivables		300,000	300,000
Dividend and profit receivable	5	243,868	382,806
Advances, deposits, prepayments and other receivables	6	15,915	5,603
Preliminary expenses and floatation costs		774	903
Total assets		6,817,992	7,707,034
Liabilities			
Payable to National Fullerton Asset Management Limited - Management Company		9,631	11,702
Payable to Central Depository Company of Pakistan Limited - Trustee		698	744
Payable to Securities and Exchange Commission of Pakistan		1,463	12,096
Payable on redemption of units		5,689	14,884
Accrued expenses and other liabilities	7	2,060	2,504
Total liabilities		19,541	41,930
Net Assets		6,798,451	7,665,104
Unit Holders' Funds (As per statement attached)		6,798,451	7,665,104
Contingencies and Commitments	8		
Number of units in issue		670,311,355	759,231,532
Net asset value per unit		10.1422	10.0959

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

**For National Fullerton Asset Management Limited
(Management Company)**

Chief Executive

Director

NAFA CASH FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

	Note	Quarter Ended September 30, 2009	Quarter Ended September 30, 2008
----- Rupees in '000 -----			
INCOME			
(Loss) / gain on sale of investments - net		(1,284)	909
Income from term finance certificates		209,350	298,121
Income on certificates of deposit and clean placements		-	11,373
Income from treasury bills		6,634	-
Income from Continuous Funding System (CFS) transactions		-	86,180
Income from spread transactions		-	5,527
Profit on bank deposits and term deposits		49,757	362,315
Unrealized (loss) / gain on investments at fair value through profit or loss - net		33,720	(12,412)
Total income		298,177	752,013
EXPENSES			
Remuneration of National Fullerton Asset Management Limited - Management Company		29,267	85,775
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,203	5,970
Annual fee - Securities and Exchange Commission of Pakistan		1,463	5,718
Securities transaction cost		33	2,543
Settlement and bank charges		-	5,906
Annual listing fee		8	8
Auditors' remuneration		143	124
Printing charges		-	-
Fund rating fee		40	-
Amortization of preliminary expenses and floatation costs		129	126
Other expenses		-	536
Impairment loss on investments classified as 'available for sale' and 'held for trading'		(22,890)	-
Impairment loss on loans and receivables		-	1,168
Total expenses		10,396	107,874
Net income from operating activities		287,781	644,139
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		(42,353)	(53,902)
Net income for the period before taxation		245,428	590,237
Taxation	9	-	-
Net income for the period after taxation		245,428	590,237
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)**

Chief Executive

Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

	Quarter Ended September 30, 2009	Quarter Ended September 30, 2008
	----- Rupees in '000 -----	
Undistributed income brought forward	290,606	1,684,637
Final distribution for the year ended June 30, 2009: 2.00% (2008: 7.34%) (Date of distribution: 03 July, 2009)		
-Cash Distribution	(73,660)	(389,760)
-Bonus units	(78,184)	(1,252,063)
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing income that form part of the unit holders' funds	25,541	(13,081)
Net income for the period	245,428	590,237
Undistributed income carried forward	<u>409,731</u>	<u>619,970</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)**

Chief Executive

Director

NAFA CASH FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

	Quarter Ended September 30, 2009	Quarter Ended September 30, 2008
	----- Rupees in '000 -----	
Net assets at the beginning of the year	7,665,104	24,043,799
Issue of 132,251,096 units including 7,900,178 bonus units (2008: 662,477,621 units including 124,690,658 bonus units)	1,239,482	5,444,522
Redemption of 221,171,273 units (2008: 856,824,614 units)	(2,224,503) (985,021)	(8,701,931) (3,257,409)
Final distribution Issue of 7,900,178 bonus units for the year ended June 30, 2009: 2.00% (2008: 7.34%)	78,184	1,252,063
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		
- amount representing losses / (income) and capital losses / (gains)		
- transferred to Income Statement	42,353	53,902
- amount representing income that form part of the unit holders' funds		
- transferred to Distribution Statement	(25,541) 16,812	13,081 66,983
Net unrealized (diminution) / appreciation in the market value of investments classified as 'available for sale'	(95,753)	(8,188)
Unrealized (loss) / gain on investments at fair value through profit or loss - net	33,720	(12,412)
Unrealized gain on revaluation of futures sale contracts	-	-
(Loss) / gain on sale of investments - net	(1,284)	909
Other income (net of expenses)	212,992	601,740
Distribution: Final distribution for the year ended June 30, 2009: 2.00% (2008: 7.34%)		
-Cash Distribution	(73,660)	(389,760)
-Bonus units	(78,184)	(1,252,063)
	93,584	(1,051,586)
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing income that form part of the unit holders' funds	25,541	(13,081)
Net assets at the end of the period	6,798,451	21,032,581

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

**For National Fullerton Asset Management Limited
(Management Company)**

Chief Executive

Director

NAFA CASH FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

	Quarter Ended September 30, 2009	Quarter Ended September 30, 2008
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	245,428	590,237
Adjustments		
Unrealized loss / (gain) on investments at fair value through profit or loss - net	(33,720)	12,412
Gain on sale of investments	1,284	(909)
Amortization of preliminary expenses and floatation costs	129	126
Impairment loss on investment classified as "Available for Sale" and "Held for trading"	22,890	-
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	42,353	53,902
	<u>278,364</u>	<u>655,768</u>
(Increase) / decrease in assets		
Receivable against sale of investments	-	254,258
Investments	(60,594)	(45,137)
Loans and receivables	-	1,291,168
Receivable against Continuous Funding System (CFS) transactions	-	3,372,634
Dividend and profit receivable	138,938	(159,185)
Advances, deposits, prepayments and other receivables	(10,312)	42,570
	<u>68,032</u>	<u>4,756,308</u>
Increase / (decrease) in liabilities		
Payable to National Fullerton Asset Management Limited - Management Company	(2,071)	(985)
Payable to Central Depository Company of Pakistan Limited - Trustee	(46)	(48)
Payable to Securities and Exchange Commission of Pakistan	(10,633)	5,719
Payable on redemption of units	(9,195)	(61,997)
Accrued expenses and other liabilities	(444)	(5,291)
	<u>(22,389)</u>	<u>(62,602)</u>
Net cash inflow from / (outflow on) operating activities	324,007	5,349,474
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	1,239,482	5,444,522
Payments on redemption of units	(2,224,503)	(8,701,931)
Distributions paid	(73,660)	(389,760)
Net cash (outflow on) / inflow from financing activities	(1,058,681)	(3,647,169)
Net (decrease) / increase in cash and cash equivalents during the period	(734,674)	1,702,305
Cash and cash equivalents at the beginning of the period	1,595,275	4,551,072
Cash and cash equivalents at the end of the period	<u>860,601</u>	<u>6,253,377</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)**

Chief Executive

Director

NAFA CASH FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

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. The Fund offers units 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.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2-' to the Management Company, PACRA has assigned the stability rating of 'A+(f)' to the Fund. Based on the performance of the Fund for the period ended June 30, 2009, It has assigned performance ranking of "Three Star" for short term (tailoring 12 months) and "Four Star" for long term (tailoring 36 months) to the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulation or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. 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'.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the financial statements for the quarter ended September 30, 2009 are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2009.

4 INVESTMENTS

At fair value through profit or loss - held for trading

	Note	September 30, 2009	June 30, 2008
----- Rupees in '000 -----			
Equity Securities - Listed	4.1.1	-	-
Government Securities - Market Treasury Bills	4.1.2	144,134	-
Term finance certificates - listed	4.2	1,390,040	1,481,667
		1,534,174	1,481,667

Available for sale

Term finance certificates - listed	4.3	824,037	622,193
Term finance certificates - unlisted	4.3	1,761,618	2,064,754
Sukuk bonds	4.3	1,277,005	1,253,833
		3,862,660	3,940,780
		5,396,834	5,422,447

NAFA CASH FUND

4.1.1 Equity securities - listed

Name of the investee company	Number of shares					Value as at September 30, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the year	Bonus	Sales during the year	As at September 30, 2009		Net Assets	Market Value of Total Investment	Paid-up Capital of Investee Company

(Rupees in '000) %

Fully paid ordinary shares of Rs 10 each.

Textile composite

Azgard Nine Limited (Non-voting)	308	-	-	-	308	-	-	-	-
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Cost of investments as at September 30, 2009

13

Impairment losses

13

4.1.2 Investment in government securities - 'At fair value through profit or loss'

Issue Date	Tenor	Face Value				Market value as at June 30, 2009			Market Value as a % of Net assets	Market Value of % total investments
		As at July 1, 2009	Purchases during the Period	Sales/ matured during the period	As at September 30, 2009	Cost	Market Value	Appreciation / Diminution		

Treasury Bills

January 29, 2009	1 Year	-	150,000	-	150,000	144,446	144,134	(312)	2.12	2.67
February 26, 2009	6 Month	-	250,000	250,000	-	-	-	-	-	-
March 26, 2009	6 Month	-	300,000	300,000	-	-	-	-	-	-
						144,446	144,134			

NAFA CASH FUND

4.2 Term finance certificates - listed

Name of the investee company	Number of certificates				Market value as at September 30, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Sales during the period	As at September 30, 2009		Net Assets	Market Value of Total Investment	Issue Size
						(Rupees in '000)-----%		
Azgard Nine Limited	30,000	-	-	30,000	105,606	1.38	1.95	7.50
Bank Alfalah Limited - II	128	-	-	128	610	0.01	0.01	0.05
Engro Chemical Pakistan Limited	25,000	-	-	25,000	115,929	1.51	2.14	3.13
Escort Investment Bank Limited	10,000	-	-	10,000	41,074	0.54	0.76	10.00
Gharibwal Cement Limited (4.3.4)	5,000	-	-	5,000	18,876	0.25	0.35	6.25
Jahangir Siddiqui & Company Limited	18,000	-	-	18,000	83,616	1.09	1.54	9.00
NIB Bank Limited	37,000	-	-	37,000	172,964	2.26	3.19	4.63
Orx Leasing Pakistan Limited	50,000	-	-	50,000	232,320	3.03	4.28	10.00
Pace (Pakistan) Limited	30,000	-	-	30,000	126,624	1.65	2.34	10.00
Pak Arab Fertilizers Limited	45,000	-	-	45,000	217,389	2.84	4.01	4.50
Saudi Pak Leasing Company Limited	15,000	-	-	15,000	48,543	0.63	0.90	10.00
United Bank Limited - IV	70,000	-	20,000	50,000	226,489	2.95	4.18	5.83
					315,128	1,390,040	18.14	25.65

Carrying value of investments as at September 30, 2009

1,362,122

Impairment losses

6,114

4.2.1 Fair value of listed term finance certificates classified as investments at fair value through profit or loss is determined using rates notified by the Mutual Funds Association of Pakistan.

4.2.2 All term finance certificates have a face value of Rs 5,000 each.

4.3 Term finance certificates and sukuk bonds - available for sale

Name of the investee company	Number of certificates				Market value as at September 30, 2009	Investment as a percentage of		
	As at July 1, 2009	Purchases during the period	Sales during the period	As at September 30, 2009		Net Assets	Market Value of Total Investment	Issue Size
						(Rupees in '000)-----%		
Term finance certificate - listed								
Pakistan Mobile Communications (Private) Limited	85,000	-	-	85,000	392,063	5.11	7.23	10.00
Worldcall Telecom Limited	45,000	-	-	45,000	197,559	2.58	3.64	5.63
Allied Bank Limited	53,400	-	-	53,400	234,415	3.06	4.32	8.90
					183,400	824,037	10.75	15.19
Term finance certificate - unlisted								
Avari Hotels International	35,040	-	-	35,040	159,215	2.08	2.94	5.57
Azgard Nine Limited	50,000	-	-	50,000	242,056	3.16	4.46	10.00
Dewan Cement Limited (note 4.3.5)	30,000	-	-	30,000	-	-	-	-
Engro Chemical Pakistan Limited	80,000	-	-	80,000	352,000	4.59	6.49	10.00
First Dawood Investment Bank Limited	6,900	-	-	6,900	25,875	0.34	0.48	10.00
Jahangir Siddiqui & Company Limited - V	21,000	-	-	21,000	95,998	1.25	1.77	8.40
New Allied Electronics Industries (Private) Limited (note 4.3.6)	15,000	-	-	15,000	17,413	0.23	0.32	8.33
Orx Leasing Pakistan Limited	5,000	-	-	5,000	412,055	5.38	7.60	0.50
Pak American Fertilizers Limited	30,000	-	-	30,000	143,611	1.87	2.65	10.00
Pakistan Mobile Communication (Private) Limited	66,600	-	-	66,600	313,395	4.09	5.78	9.51
					339,540	1,761,618	36.80	52.00

NAFA CASH FUND

Name of the investee company	Number of certificates			Market value as at September 30, 2009	Investment as a percentage of			
	As at July 1, 2009	Purchases during the period	Sales during the period		Net Assets	Market Value of Total Investment	Issue Size	
(Rupees in '000) %								
Sukuk bonds								
BRR Guardian Modaraba	10,000	-	-	10,000	46,191	0.60	0.85	6.25
Century Paper and Board Mills Limited	33,000	-	-	33,000	161,728	2.11	2.98	6.14
Eden Builders Limited	7,956	-	-	7,956	39,780	0.52	0.73	1.16
Engro Chemical Pakistan Limited	60,000	-	-	60,000	294,907	3.85	5.44	10.00
Kohat Cement Company Limited (note 4.3.7)	50,000	-	-	50,000	204,563	2.67	3.77	10.00
Maple Leaf Cement Factory Limited	80,000	-	-	80,000	364,000	4.75	6.71	5.00
New Allied Electronics Industries (Private) Limited (note 4.3.8)	9,000	-	-	9,000	17,000	0.22	0.31	6.00
Orix Leasing Pakistan Limited	10,000	-	-	10,000	48,882	0.64	0.90	9.52
Pak Elektron Limited	24,000	-	-	24,000	99,954	1.30	1.84	10.00
				283,956	1,277,005	16.66	23.53	
				806,896	3,862,660	64.21	90.72	

Cost of investments as at September 30, 2009

4,194,115

Impairment losses

232,940

- 4.3.1** All term finance certificates and sukuk bonds have a face value of Rs. 5,000 each.
- 4.3.2** Term finance certificates are valued as per the requirements of SECP circular No. 01/2009 dated January 06, 2009.
- 4.3.3** During the period from July 01, 2008 to September 30, 2009, the Fund did not receive redemption of principal and / or profit amounts on some of its investments, the details of which are as follows:
- 4.3.4** This represents investment in privately placed term finance certificates. On July 18, 2009, the scheduled redemption date, principal redemption of Rs. 5 thousand and profit redemption of Rs. 2.291 million were not received by the Fund. The management has recognized an impairment loss of Rs.6.114 million during the period ended September 30, 2009. In accordance with the requirement of SECP Circular no. 01/2009 and the provisioning policy approved by the Board of Directors, the excess provision comes out to Rs.2.722 million as on September 30, 2009. The income suspended on these term finance certificates is amounting to Rs.3.057 million.
- 4.3.5** The Fund had advanced an amount of Rs. 150 million in respect of Pre-IPO placement of Dewan Cement Limited (DCL) under an agreement which required public offering to be completed within 270 days of the date of agreement (which was January 9, 2008). During the last financial year, DCL failed to complete the public offering within the said time period and has also defaulted in payment of principal and profit. The management has already recognized an impairment loss of Rs.150 million till June 30, 2009. In accordance with the requirement of SECP Circular no. 01/2009 and the provisioning policy approved by the Board of Directors, the excess provision comes out to Rs.66.39 million as on September 30, 2009. The income suspended on these term finance certificates is amounting to Rs.38.67 million.
- 4.3.6** This represents investment in privately placed term finance certificates. On November 15, 2008, the scheduled redemption date, principal redemption of Rs. 6.250 million and profit redemption of Rs. 2.774 million were not received by the Fund. The management has recognized an impairment loss of Rs.18.003 million till September 30, 2009 out of which Rs.0.708 million pertains to the current period. In accordance with the requirement of SECP Circular no. 01/2009 and the provisioning policy approved by the Board of Directors, the excess provision comes out to Rs.0.109 million as on September 30, 2009. The income suspended on these term finance certificates is amounting to Rs.8.670 million.

NAFA CASH FUND

4.3.7 This represents investment in privately placed sukuk bonds issue with a term of five years. On December 20, 2008, that is, the scheduled redemption date, principal redemption of Rs.17.0 million and profit redemption of Rs.18.126 million were not received by the Fund. The management has recognized an impairment loss of Rs.36.937 million till September 30, 2009. The income suspended on these term finance certificates is amounting to Rs. 10.024 million.

4.3.8 This represents investment in privately placed sukuk bonds. On December 3, 2008, that is, the scheduled redemption date, profit redemption of Rs. 3.415 million was not received by the Fund. The management has recognized an impairment loss of Rs.28 million till September 30, 2009 out of which Rs.7.225 million pertains to the current period. In accordance with the requirement of SECP Circular no. 01/2009 and the provisioning policy approved by the Board of Directors, the excess provision comes out to Rs.6.542 million as on September 30, 2009. The income suspended on these bonds is amounting to Rs.7.210 million.

	September 30, 2009	June 30, 2009
	----- Rupees in '000 -----	
5 DIVIDEND AND PROFIT RECEIVABLE		
Profit on savings and term deposits	50,473	154,104
Income accrued on term finance certificates and sukuk bonds	261,029	228,702
Less: Suspended Income	(67,634)	-
	<u>193,395</u>	<u>228,702</u>
	<u>243,868</u>	<u>382,806</u>
6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Security deposits with:		
-National Clearing Company of Pakistan Limited	3,500	3,500
-Central Depository Company of Pakistan Limited	100	100
Prepaid listing fee	22	-
Advance tax	1,265	1,265
Receivable from NAFA Multi Asset Fund on transfer-in of units	10,835	-
Receivable from NAFA Income Fund on transfer-in of units	-	508
Receivable from NAFA Government Securities Liquid Fund on transfer-in of units	-	5
Others	-	-
	<u>193</u>	<u>225</u>
	<u>15,915</u>	<u>5,603</u>
7 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	130	290
Settlement charges payable	257	474
Payable to brokers	499	529
Printing charges	727	552
Others	447	659
	<u>2,060</u>	<u>2,504</u>
8 CONTINGENCIES AND COMMITMENTS	<u>NIL</u>	<u>NIL</u>

NAFA CASH FUND

9 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I 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 amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company has decided to distribute at least 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realized or unrealized) to its unit holders.

10 EARNINGS PER UNIT

Earnings per unit (EPU) for the Quarter ended September 30, 2009 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

11.1 Connected persons include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being Trustee, National Bank of Pakistan, NIB Bank Limited and Alexandra Fund Management Pte. Limited being the sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

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

11.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

11.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

	Quarter Ended September 30,2009	Quarter Ended September 30,2008
	----- Rupees in '000 -----	
11.5 Details of the transactions with connected persons are as follows:		
National Fullerton Asset Management Limited - Management Company		
Management fee expense for the year	29,267	85,775
NAFA Provident Fund Trust		
Bonus units issued (5,303 units; 2008: 30,906 units)	52	310
National Bank of Pakistan - Sponsor		
Cash dividend	720	2,650
NIB Bank Limited - Sponsor		
Cash dividend	-	14,718
Income on bank deposits	37,322	11,144
Alexandra Fund Management Pte. Limited - Sponsor		
Bonus units issued (180,102 units; 2008: 843,433 units)	1,782	8,469
Chief Executive Officer		
Units redeemed / transferred out (Nil units; 2008: 3,403,635 units)	-	34,524
Bonus units issued (Nil units; 2008: 232,417 units)	-	2,334
Spouse of Chief Executive		
Units redeemed / transferred out (20,486 units; 2008: 546 units)	206	6
Bonus units issued (406 units; 2008: 1,374 units)	4	14

NAFA CASH FUND

Quarter Ended September 30,2009 Quarter Ended September 30,2008
----- Rupees in '000 -----

NAFA Multi Asset Fund

Units redeemed / transferred out (Nil units ; 2008: 20,145,035 units) - 202,480
Bonus units issued (Nil units; 2008: 1,375,603 units) - 13,812

NAFA Stock Fund

Units redeemed / transferred out (Nil units; 2008: 2,509,450 units) - 25,223
Bonus units issued (Nil units; 2008: 171,358 units) - 1,721

Central Depository Company of Pakistan Ltd. - Trustee

Remuneration 2,203 5,970
CDS charges 2 -

Employees of Management Company

Units issued / transferred in (733,115 units; 2008: 1,160,225 units) 7,361 11,733
Units redeemed / transferred out (813,420 units; 2008: 1,148,503 units) 8,180 11,674
Bonus units issued (7,836 units; 2008: 16,578 units) 78 166

As at September 30,2009 As at June 30,2009
----- Rupees in '000 -----

11.6 Amounts outstanding as at year end

National Fullerton Asset Management Limited - Management Company

Management fee payable 9,240 9,930
Legal charges payable 900 2,281
Other receivable from the management company 509 509

NAFA Employees Provident Fund Trust

Investment held by NAFA Provident Fund Trust (267,677 units; June 30, 2009: 262,374 units) 2,714 2,649

National Bank of Pakistan - Sponsor

Investment held by the sponsor in the Fund (3,601,691 units; June 30, 2009: 3,601,691 units) 36,529 36,362
Balances in current account 1,936 94

NIB Bank Limited - Sponsor

Balances in savings account 167,131 303,323
Profit receivable on bank deposits 2 98
Investment in term finance certificates 172,964 170,946
Profit receivable on term finance certificates 1,806 8,184

Alexandra Fund Management Pte. Limited - Sponsor

Investment held by the Sponsor in the Fund (9,091,474 units; June 30, 2009: 8,911,372 units) 92,208 89,968

Spouse of Chief Executive

Investment held in the Fund (Nil units; June 30, 2009: 20,080 units) - 203

Employees of Management Company

Investment held in the Fund (315,272 units; June 30, 2009: 445,667 units) 3,197 4,499

Central Depository Company of Pakistan Ltd. - Trustee

Remuneration payable 698 744
CDS charges 1 1
Security deposit 100 100

NAFA CASH FUND

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on October 28, 2009.

13 GENERAL

Figures have been rounded off to the nearest thousand rupees.

The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the year as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

**For National Fullerton Asset Management Limited
(Management Company)**

Chief Executive

Director

