



National Fullerton  
Asset Management Limited

# NAFA Cash Fund (NCF)

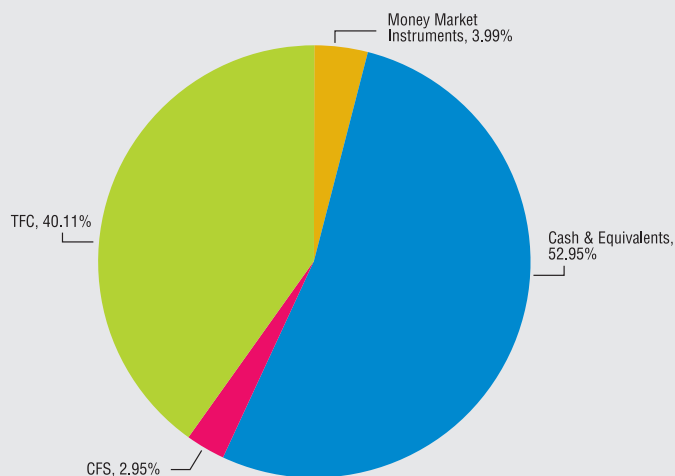
Unit Price (30/09/2008): Rs. 10.3268

September 2008

| 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. | <b>Annualized Performance (%)*</b>    | <b>Jan - Jun 2008</b> | <b>Jul - Sep 2008</b> | <b>Sep 2008</b> | <b>Since Launch April 22, 2006</b> |
|   | <b>NAFA Cash Fund</b>                 | <b>9.88%</b>          | <b>11.78%</b>         | <b>11.94%</b>   | <b>10.46%</b>                      |
|   | <b>Benchmark</b>                      | 11.20%                | 14.10%                | 14.80%          | 10.65%                             |
|   | <b>Profit on Rs. 100,000 invested</b> | Rs. 4,812             | Rs. 2,846             | Rs. 931         | **Rs. 27,553                       |
| * Returns are net of management fee & all other expenses<br>** Represents cumulative profit since inception   |                                       |                       |                       |                 |                                    |

| General Information    |   | Fund Manager's Commentary  |
|------------------------|---|--|
| Launch Date:           | April 22, 2006  | <p>NAFA Cash Fund has offered an annualized return of 11.94% during the month. Weighted average rating of NAFA Cash Fund's TFC portfolio is "AA-". Coupon rates on TFCs are linked to KIBOR, which are reset on a semi-annual or a quarterly basis. The return on the TFC portfolio increased to around 14.69% during the month as compared to 14% a month earlier. We expect the coupons to further increase in the coming months as KIBOR is expected to maintain its rising trend, which will help to enhance the return of the Fund.</p> <p>The 6-Month KIBOR has increased to 14.52% as compared to 13.76% in August. The reasons behind the increase in KIBOR are (i) decrease in liquidity available with commercial banks; and (ii) outflow of foreign Exchange.</p> <p>The KSE Index has fallen by 41% from its peak. With the falling index, CFS funding requirement has also decreased to Rs.15 billion from Rs. 55 billion. CFS activity remained negligible for last few months after the announcement of floor prices in Karachi Stock Exchange and CFS rates touched 3-year high during the current month.</p> <p>The attached chart shows the asset allocation of the Fund. As of September 30, 2008 allocation in TFCs, Cash and Equivalents, Money Market Instruments and CFS are 40.11%, 52.95%, 3.99% and 2.95% of the Fund size respectively.</p> <p>NAFA Cash Fund is expected to offer a higher return to its investors in the coming months, as it is maintaining short duration of the Fund to take advantage of rising interest rates.</p> |
| Fund Size:             | Rs. 21,032 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)  |  |
| Performance Rating:    | 5-Star (JCR-VIS)  |  |
| Listing:               | Lahore Stock Exchange                                   |  |
| Custodian & Trustee:   | Central Depository Company (CDC)                        |  |
| Auditors:              | A. F. Ferguson & Co.<br>Chartered Accountants           |  |
| Benchmark:             | 1-Month KIBOR   |  |
| Fund Manager:          | Ms. Rukhsana Narejo, CFA                                |  |
| Minimum Subscription:  | Growth Unit: Rs. 10,000/-<br>Income Unit: Rs. 100,000/- |  |

Asset Allocation (as on 30th September 2008)



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