

NAFA MULTI ASSET FUND (NMF) Monthly Report

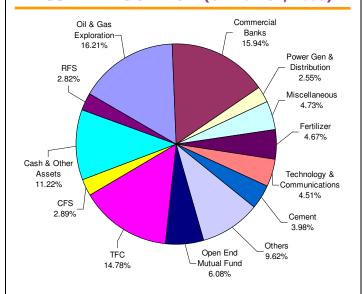
NAV per unit (31/03/2008): Rs. 12.9501

March 2008

Investment Objective	Performance Performance					
To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.	Return (%) *	Jan.22-Dec.31 2007	Oct Mar. 2007-08	Jan. – Mar. 2008	Mar. 2008	Since Launch Jan. 22, 07
	NAFA Multi Asset Fund	44.06%	9.83%	2.99%	1.11%	48.37%
	Benchmark (50%KSE-30 index & 50% 1-month KIBOR)	17.50%	9.78%	6.49%	0.66%	25.12%
	* Returns are net of management fee & all other expenses					

General Information				
Launch Date:	January 22, 2007			
Fund Size:	Rs. 2,688 million			
Type:	Open-end – Balance Fund			
Dealing:	Daily			
Settlement:	2-3 business days			
Load:	Front end – 3%, Back end - 0%			
Management Fee:	2.5% per annum			
Listing:	Lahore Stock Exchange			
Trustee:	Central Depository Company			
Auditors:	A. F. Ferguson & Co.			
	Chartered Accountants			
Benchmark:	50% KSE-30 Index & 50% 1-month			
	KIBOR			
Fund Manager(s):	Adnan Faisal, CFA			
Minimum Subscription:	Growth Unit: Rs. 10,000/-			
	Income Unit: Rs. 100,000/-			

ASSET ALLOCATION (On Mar. 31, 2008)



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

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Fund Manager Commentary

During the month under review, NAFA Multi Asset Fund's NAV increased by 1.11% while the benchmark (50% KSE-30 & 50% 1-month KIBOR) increased by 0.66%. Thus your Fund out-performed the benchmark by 0.45% during the month. Since inception on January 22, 2007 your Fund has risen by 48.37%, while the benchmark has risen by 25.12%. Thus, to date the out performance of your Fund stands at 23.25%.

The Equity market remained range bound during the month under the review. Formation of the new government removed political uncertainties and considerably improved the stock market sentiments. However financial turmoil in the global markets, specifically the US, led to portfolio readjustments by foreign investors. Consequently foreign portfolio investment witnessed a net outflow above US\$100mn during the month. In spite of this, KSE-30 index closed the month with an increase of 0.39%. We believe, this resilience indicates inherent strength in the market. Low correlation between Pakistan market and developed markets also indicate lower downside risk.

At the close of the month our weight in Equity is 62% and 38% in Fixed income. We remain over-weight in Equity asset class, however the sector allocation - relative to benchmark weight - is tilted towards defensive sectors, e.g. Oil & gas exploration, Power and Fertilizer sectors. We remain cautious on the Banking sector due to its direct vulnerability to the macro economic front.

On the Fixed Income side, interest rates have improved and we continue to increase the weight of TFCs in the Fixed Income portfolio. We are in the process of assessing the impact of conditionalities attached with MK-II on CFS returns in our portfolio. The reduction in cost structure is expected to improve the CFS returns and contribute to the overall Fund performance.

Your investments & "NAFA" grow together





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