NAFA Cash Fund (NCF)

National Fullerton Asset Management Limited

Unit Price (31/07/2009): Rs. 10.0036**

July 2009

Investment Objective

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.

Performance

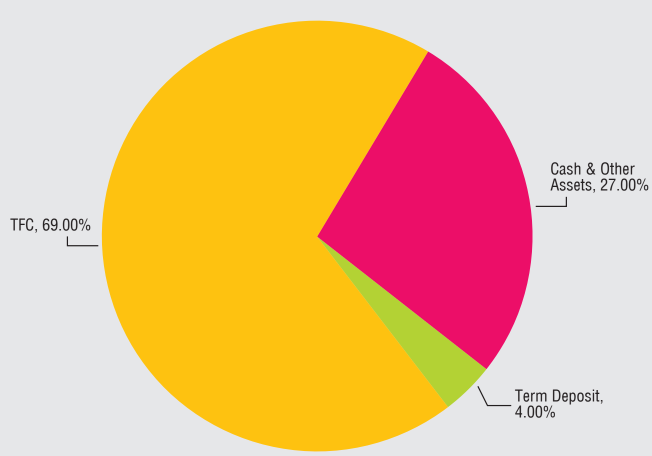
Performance (%)*	Apr - Dec 2006	Jan - Dec 2007	Jan - Dec 2008	Jan - Jun 2009	July 2009	Since Launch April 22, 2006
NAFA Cash Fund	**10.65%**	**10.28%**	**2.92%**	**15.53%**	**13.59%**	**8.90%**
Benchmark	9.87%	10.07%	12.95%	13.91%	12.77%	11.55%

* Represents Annualized Return
(Returns are net of management fee & all other expenses)
** Ex-Dividend Price

General Information

Launch Date:	April 22, 2006
Fund Size:	Rs. 7,856 million
Type:	Open-end – Fixed Income Fund
Dealing:	Daily - Monday to Friday
Settlement:	2-3 business days
Load:	No entry or exit load
Management Fee:	1.5% per annum
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	1-Month KIBOR
Fund Manager:	Rukhsana Narejo, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-

Asset Allocation (as on 31st July 2009)



Fund Manager's Commentary

NAFA Cash Fund earned an annualized return of 13.59% during July, 2009. The return earned during the month is 82 basis points better than the benchmark return. During the month the Fund also made quarterly distribution of 2.04% to its unit holders.

Liquidity and the expected cut in the Discount Rate remained the main drivers of the yields in the Money Market. Both the factors will continue to remain the driving factors of the yields till the announcement of Monetary Policy on 15th August, 2009. Yields in the money market continued the downward trend till the mid of the month. However, the short-term to medium-term rates took correction and closed at higher levels in comparison to mid of the month after the announcement of delay in the Monetary Policy.

Ministry of Finance's borrowing from the Money Market is expected to be the important factor affecting the liquidity in the market. Ministry of Finance is expected to be the net borrower during this year and its reliance on the funding of fiscal deficit from commercial banks was evident from its heavy target of T-Bills in the first quarter of FY10. Any delay in realization of International Commitments and US$840 million tranche from IMF can put upward pressure on the Money Market yields in the short-term. Ministry of Finance is trying to cover the uncertainties in external funding through long-term borrowing in 12-Month T-Bills. This fact was evident from the borrowing mainly through 12-Month T-Bills during the auctions in the month of July, 2009. In the last auction of July, 2009, the cut-off yield of 12-month paper increased by 34 basis points, whereas bids for 3-month and 6-Month T-Bills were scrapped.

Market expects the CPI to continue to slide downward on the basis of high base effect. However, there are few risks to this expectation i.e.: i) electricity prices; ii) international oil and commodity prices; iii) higher food prices during the holy month of Ramzan. On the basis of these, inflation is expected to remain in the range of 10% to 12% during the first half of FY10.

Since January, 2009, the Fund has offered an annualized return of 15.24% to its investors. The Fund is expected to continue to offer better return than bank deposits going forward as well.

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