

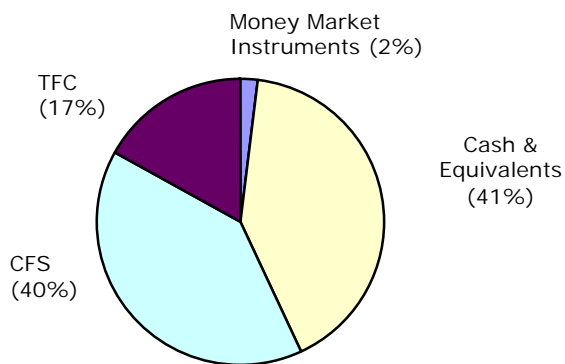
Investment Objective	Performance					
To seek preservation of capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.	Annualized Performance (%)	HY - 2006 (Jul - Dec)	January 2007	February 2007	March 2007	Since Launch April 22, 2006
	NAFA Cash Fund:	10.3%	10.6%	11.0%	10.3%	10.8%
	Benchmark:	9.6%	9.9%	9.7%	9.7%	9.9%
Profit on Rs. 100,000 invested	Rs. 5,171	Rs. 899	Rs. 847	Rs. 876	Rs. 9,748	

General Information	Fund Manager Commentary
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<p>Launch Date: April 22, 2006 Fund Size: Rs. 10.4 billion 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</p>	<p>In March, NAFA Cash Fund crossed the Rs.10 billion mark, in only 11 months of its launch. We are thankful to our investors for the confidence shown in us.</p> <p>Interest rates continued their downward trend during the month as average return on 6-month KIBOR and CFS decreased by 6 and 250 basis points, respectively. There are various reasons for this decline.</p>
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<p>Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Company Benchmark: 1-month KIBOR Fund Manager(s): Ms. Rukhsana Narejo, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	<p>First, NFA (Net Foreign Assets) increased to Rs.41 Billion against full year target of Rs.9.8 Billion, as a result of increase in Foreign Direct Investment (FDI).</p> <p>Second, release of large amounts of funds from NSS (National Saving Schemes) and the low rate of return on these schemes.</p>
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Asset Allocation (as on 31st March 2007)



Third, private sector borrowing has decreased by 38% on year on year basis.

Interest rates (KIBOR, CFS etc.) have fallen despite the tight monetary policy of SBP because the supply of funds through NSS maturities and increase in NFA has ensured ample liquidity in the market. The Money Supply has witnessed a year-to-date increase of 9.82% versus 9.07% in the same period last year.

Return on NAFA Cash Fund has fallen in line with the general decline in the interest rates.

The fund continued to search for attractive investment opportunities in the TFC market, as is evident from increase in TFC portfolio size. However, the proportion of the funds invested in TFCs fell from 18% to 17% of the fund size, due to increase in fund size.

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

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