

NAFA Cash Fund (NCF)

Unit Price (31/03/2009): Rs. 9.9809

March 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 (%)*	Jan - Jun 2008*	Jul - Dec 2008**	Jan - Mar 2009*	Mar 2009*	Since Launch April 22, 2006**
NAFA Cash Fund	9.88%	(1.80)%	17.61%	19.63%	26.76%
Benchmark	11.20%	7.17%	13.51%	12.83%	37.01%

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

General Information

Launch Date: Fund Size: Type: Open-e Dealing: Settlement: Load: Management Fee: April 22 Rs. 8,30 Open-e Daily 2-3 bus No entr

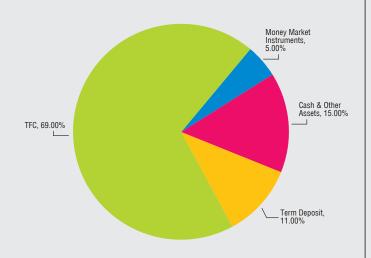
Listing: Custodian & Trustee: Auditors:

Fund Manager:
Minimum Subscription:

April 22, 2006 Rs. 8,304 million Open-end – Fixed Income Fund Daily - Monday to Friday 2-3 business days No entry or exit load 1.5% per annum

Lahore Stock Exchange
Central Depository Company (CDC)
A. F. Ferguson & Co.
Chartered Accountants
1-Month KIBOR
Ms. Rukhsana Narejo, CFA
Growth Unit: Rs. 10,000/-

Asset Allocation (on 31st March 2009)



Fund Manager's Commentary

NAFA Cash Fund (NCF) earned an annualized return of 19.63% during the month of March. The return earned during the month is 116 basis points higher than the return earned during the last month and 680 basis points better than the benchmark return.

Liquidity situation at the start of the month improved further from its levels in the month of February. However, the rates, after continuing the declining trend from the last month, corrected themselves in the later part of the current month. Three important reasons behind this behavior were; 1) increase in the T-Bills cutoffs by the State Bank of Pakistan in the range of 4 to 11 basis points during the last T-Bills auction for the month of March; 2) withdrawal of the advance tax money for the quarter from the Commercial Banks and; 3) withdrawal of the deposits by the Employees Old-Age Benefit Institution (EOBI) from the Commercial Banks to deposit the amount in the State Bank of Pakistan to reduce Governmental Borrowing from the Central Bank.

Due to the above stated factors, 6-month KIBOR closed at 12.85% after touching a low of 12.43%. Rising trend was also witnessed in the 1-year Government paper, which after witnessing a low of 11.15% closed at 12.43% during the month.

Going forward, the liquidity situation is expected to continue to improve due to low private sector credit expansion, expected development loans from Friends of Pakistan, US assistance for the war against terrorism, and development loans from multilateral agencies like the World Bank and Asian Development Bank. On the basis of above, rates are expected to continue the declining trend. We expect NAFA Cash Fund to continue to offer attractive returns due to the expected capital gains and attractive yield to maturities on its Term Finance Certificate portfolio, which accounts for 69.0% of the Fund Size.

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