



National Fullerton
Asset Management Limited

NAFA Cash Fund (NCF)

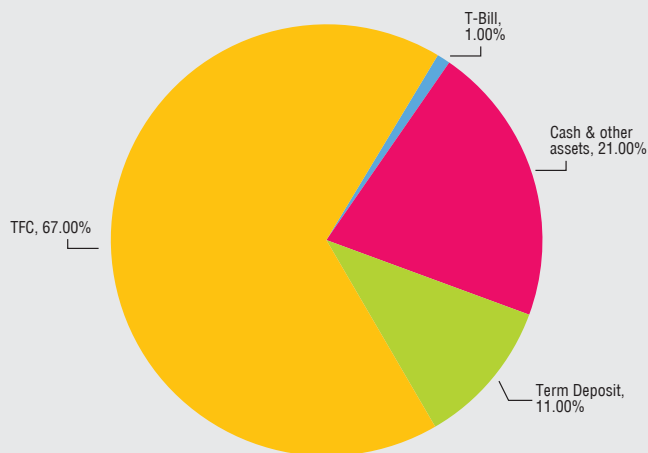
Unit Price (31/05/2009): Rs. 9.9973

May 2009

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.	Performance (%)	Jan - Dec 2008*	Jan - Mar 2009*	Apr 2009*	May 2009*	Since Launch April 22, 2006**
	NAFA Cash Fund	2.92%	17.61%	14.32%	13.49%	29.55%
	Benchmark	12.95%	13.51%	14.25%	14.41%	40.11%
* Represents Annualized Return ** Represents Cumulative Return (Returns are net of management fee & all other expenses)						

General Information	Fund Manager's Commentary
Launch Date: April 22, 2006 Fund Size: Rs. 8,327 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	NAFA Cash Fund earned an annualized return of 13.49% during the month of May, 2009. This return is slightly lower in comparison to 14.32% return earned by the investors during the month of April, 2009. The return is slightly lower because some TFCs in the portfolio traded at lower levels due to the tightening of liquidity.
Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Co. Chartered Accountants Benchmark: 1-Month KIBOR Fund Manager: Ms. Rukhsana Narejo, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (on 31st May 2009)



The liquidity situation in the money markets remained tight. The reasons attributed to current liquidity situation are (i) higher year-to-date commodity borrowing by the Government of Pakistan at Rs. 152 billion versus Rs. 78 billion during the same period last year; and (ii) lower year-to-date growth of money supply at 4.62% versus 9.34% during the same period last year. Decline in M2 figures is mainly the result of lower year-to-date private sector credit expansion at Rs. 26.85 billion in comparison to Rs. 369 billion during the same period last year.

The KIBOR rates witnessed upward trend in the rates in comparison to last month, due to tight liquidity in the Market. The six months KIBOR, offer side, which was 13.35% at the end of last month closed at 13.75% in May.

Market expects the interest rate to fall in the coming months due to the following reasons, (i) Year on Year (YoY) CPI (Consumer Price Index) decreased to 17.2% in April versus 19.1% in March; (ii) YoY Wholesale Price Index (WPI) decreased to 8.3% in April, as against 11.1% in March; (iii) improving current account deficit due to expected foreign financial inflows; (iv) slowdown in private sector credit during the eleven months of current fiscal year; (v) low economic growth; and (vi) restrained Government borrowing from the State Bank of Pakistan (SBP) as per macroeconomic stabilization package under Stand-By Agreement with IMF. Declining interest rates are positive for your portfolio as they are expected to improve the market values of TFCs in the portfolio.

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