

NAFA Cash Fund (NCF)

Unit Price (30/11/2009): Rs. 10.1261

November 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 - Nov 2009	Nov 2009	Since Launch April 22, 2006
NAFA Cash Fund	10.65%	10.28%	2.92%	13.28%	11.45%	9.00%
Benchmark	9.87%	10.07%	12.95%	13.66%	13.56%	11.73%

^{*} Represents Annualized Return (Returns are net of management fee & all other expenses)

General Information

Launch Date:
Fund Size:
Type:
Dealing:
Settlement:
Load:
Management Fee:

Listing: Custodian & Trustee:

Fund Manager:
Minimum Subscription:

April 22, 2006

Rs. 5,748 million

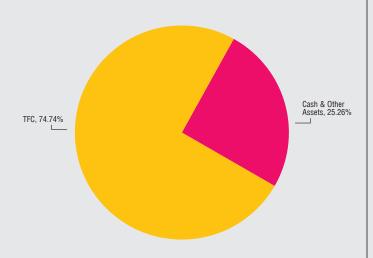
Open-end – Fixed Income Fund Daily - Monday to Friday 2-3 business days

No entry or exit loa

Lahore Stock Exchange Central Depository Company (CDC) A. F. Ferguson & Co. Chartered Accountants 1-Month KIBOR

Growth Unit: Rs.

Asset Allocation (as on 30th November 2009)



Fund Manager's Commentary

The Fund earned an annualized return of 11.45% during the month. The annualized return earned during the previous month was 11.24%.

Acknowledging the support required for real economic recovery, the SBP has opted for a gradual monetary easing stance with a 50bp cut in policy rate to 12.5%. There has been a notable improvement in 1QFY10 macro economic indicators. Headline inflation has dropped to 8.9% alongside significant improvement in current account balances over the previous year. Going forward, growth in the real economy will be determined by fiscal discipline and trends in inflation.

We expect a positive response from the market with regard to liquidity. Fiscal austerity and law and order situation will continue to set the pace of improvement in the general economic health. Timing and magnitude of inflows (non-IMF) should lead SBP monetary policy decision in the next Monetary Policy Statement due end-January, 2010.

The weighted average yield to maturity on the TFCs held in NCF is around 16.36% p.a. The proportion of TFCs in the Fund has been reduced to 74.74% during the month. In the coming months, with the expected improvement in liquidity and easing of interest rates, we expect upside potential in TFC prices. The AA rating category TFCs make up more than 65% of the TFC portfolio, whereas the A rating category are 31% which signifies the overall quality of the portfolio.

Six Month KIBOR closed at 12.41% for the month, forty three basis points lower than the previous month close.

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