



National Fullerton
Asset Management Limited

NAFA Cash Fund (NCF)

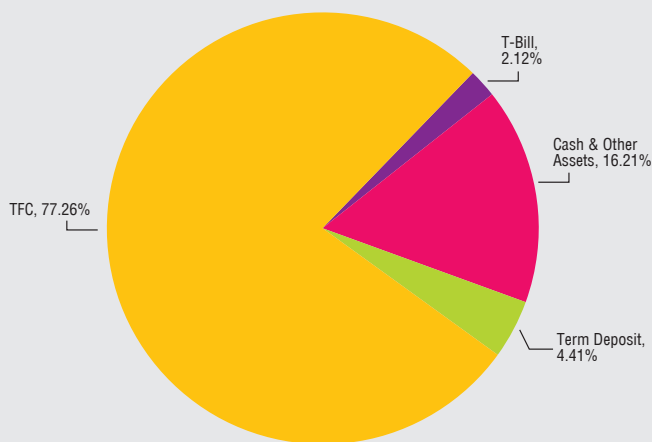
Unit Price (30/09/2009): Rs. 10.1422

September 2009

Investment Objective	Performance						
	Performance (%)*	Apr - Dec 2006	Jan - Dec 2007	Jan - Dec 2008	Jan - Sep 2009	Sep 2009	Since Launch April 22, 2006
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.	NAFA Cash Fund	10.65%	10.28%	2.92%	13.72%	11.23%	8.88%
	Benchmark	9.87%	10.07%	12.95%	13.68%	13.57%	11.64%
	* Represents Annualized Return (Returns are net of management fee & all other expenses)						

General Information		Fund Manager's Commentary
Launch Date:	April 22, 2006	NAFA Cash Fund earned an annualized return of 11.23% during September, 2009. 6-Months KIBOR remained stable during the month, starting at 12.56% and closing the month at 12.65%.
Fund Size:	Rs. 6,798 million	
Type:	Open-end – Fixed Income Fund	<p>The major news during the month were; (i) SBP announced no change in the current Discount Rate of 13% p.a. in its Monetary Policy Announcement on Sep 29, 2009; (ii) US Senate passed the Kerry-Lugar Bill worth USD 1.5 bn annual aid to Pakistan in each of the next five years; (iii) a TFC amounting to Rs. 85 bn has been issued by PEPCO to help resolve the energy sector crises because of the circular debt; (iv) IMF loan third tranche of USD 1.2 bln has been received; (v) Month on Month CPI increased to 1.7%, while YoY CPI decreased to 10.7%, YoY Core Inflation-Non-food Non-Energy(NFNE) declined to 12.6% from 14% in July; (vi) Remittances from Pakistanis working abroad reached a record high of USD 780 mn in August, 2009 as compared to USD 592 mn in August, 2008.</p> <p>With expected foreign inflows in the coming months (USA and other Friends of Pakistan), it is likely that the liquidity will improve. However, the timely materialization of these committed inflows is also critical. Expected increase in electricity prices may restrict inflation numbers to come down meaningfully. Govt.'s recent announcement of decrease in domestic fuel prices is likely to have a positive impact on inflationary expectations, going forward.</p> <p>The overall trend of macro-economic developments suggests more positives than negatives. With improved confidence in the capital markets, we believe that your Fund can likely benefit from expected improvement in TFC prices. The TFCs are still trading at significant discounts to their par values. We expect this gap to gradually decline in the coming months. Hence, we expect good return of the Fund in the coming months.</p>
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	
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (as on 30th September 2009)



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