

NAFA MULTI ASSET FUND (NMF) Monthly Report

NAV per unit (30/06/2007): Rs. 12.8960

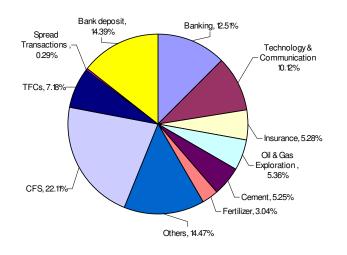
June 2007

| Investment Objective | Performance Performance | | | | | |
|--|--|-----------------------|---------------|-------------|--------------|-------------------------------------|
| To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, | Return (%) * | Jan.22-Mar.31 2007 | April 2007 | May 2007 | June 2007 | Since Launch January 22, 2007 |
| | NAFA Multi Asset Fund | 5.29% | 9.88% | 5.88% | 7.91% | 28.96% |
| | Benchmark (50%KSE-30 index & 50%KIBOR) | 3.32% | 5.41% | 3.59% | 2.90% | 15.22% |
| bonds, money market instruments, CFS etc. | * Returns are net of management fee & all other expenses | | | | | |

^{*} Returns are net of management fee & all other expenses

| General Information | | | | | |
|-----------------------|------------------------------|--|--|--|--|
| Launch Date: | January 22, 2007 | | | | |
| Fund Size: | Rs. 1,248 million | | | | |
| Type: | Open-end – Balance Fund | | | | |
| Dealing: | Daily | | | | |
| Settlement: | 2-3 business days | | | | |
| Load: | Front end – 3%, Back end - 0 | | | | |
| Management Fee: | 2% per annum (Jun, 2007) | | | | |
| Management Fee: | 2.5% per annum (July, 2007) | | | | |
| Listing: | Lahore Stock Exchange | | | | |
| Trustee: | Central Depository Company | | | | |
| Auditors: | A. F. Ferguson & Company | | | | |
| Benchmark: | 50% KSE-30 Index & 50% 1- | | | | |
| | month KIBOR | | | | |
| Fund Manager(s): | Adnan Faisal, CFA | | | | |
| Minimum Subscription: | Growth Unit: Rs. 10,000/- | | | | |
| | Income Unit: Rs. 100,000/- | | | | |

Asset Allocation (as on 30th June 2007)



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

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Fund Manager Commentary

During the month of June, NAFA Multi Asset Fund's Net Asset Value improved by 7.91%. During the same time period the benchmark rose by 2.90%. This reflects an out-performance of 5.01% during the month. The cumulative out performance since inception, now stands at 13.74% versus the benchmark.

Equities performed very well. The stock market continued its bull run during the month, on the back of increased foreign investment. Foreign investors are attracted by cheap valuations of our stock market relative to comparable. They also seem to believe that the political risks to the economy are low. We believe negative developments on the political front could cause temporary turbulence, yet the long term economic trajectory is indeed positive. Therefore we have invested in sectors with sustainable growth and long term economic potential. Our sector allocation in technology, fertilizers, banking and selective cement companies is reflective of this strategy. We are confident that the earnings growth of these sectors shall out perform other sectors.

Fixed Income returns slightly increased during the month. 1month KIBOR increased by 10 basis points from 9.23% to 9.33%. CFS rates touched a low of 11.56% p.a. during the month. However the returns improved during the last week of June and went as high as 13.51% p.a. Your Fund remains invested 22% in CFS. On the TFC side, your Fund has invested in some investment grade TFCs and more are in the pipeline.

Our asset allocation is currently 56% in Equities and 44% in Fixed Income. The portfolio performance is being rigorously monitored. We remain ready to alter our asset class allocation based on any change in fundamentals of capital markets.

Your investments & "NAFA" grow together





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