



NAFA Islamic Income Fund (NIIF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/07/2010): Rs. 7.7737 *

July 2010

Performance

Performance % **	July 2010	Jan. - July, 2010	Since Launch October 29, 2007
NAFA Islamic Income Fund	3.79%	51.50%	-1.36%
Benchmark	6.32%	6.35%	6.15%

* Ex-Distribution Price

** Represent Annualized Return

(Returns are net of management fee & all other expenses)

General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 193 million
Type:	Open-end – Shariah Compliant Income fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1.0%
Management Fee:	1.5% per annum
Risk Profile:	Low to Medium
Fund Stability Rating:	In process
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average 1-month deposit rate of Islamic Banks
Fund Manager:	Irfan Malik, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective

To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.

Fund Manager's Commentary

The Fund earned an annualized return of 3.79% during the month of July 2010. Some positive developments have started in the Sukuk portfolio of your Fund as a previously non-performing Sukuk was re-categorized as a performing security during June. The Fund's unit price has increased by 27% since January 2010.

The annual Yield-to-Maturity of Sukuk portfolio in your Fund is 20.03% and the weighted average time to maturity is 3.49 years.

Detail of Non-Compliant Investments

Name of Non Compliant Investment	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	Yield to Maturity per Annum
Kohat Cement Limited Sukuk	Sukuk	96,600,000	24,150,000	*72,450,000	37.62%	24.24%
Maple Leaf Cement Sukuk 1	Sukuk	26,548,712	7,956,712	18,592,000	9.65%	23%
Maple Leaf Cement Sukuk 2	Sukuk	996,000	298,800	697,200	0.36%	38.51%
Total		124,144,712	32,405,512	91,739,200	47.63%	

* Book Value, performing but below investment grade

Asset Allocation %

	July-10	June-10
Sukuk	86.34%	82.78%
GOP Ijara Sukuk	2.64%	2.51%
Cash Equivalents & Other Net Assets	11.02%	14.71%
Total	100.00%	100.00%
Leverage	Nil	Nil

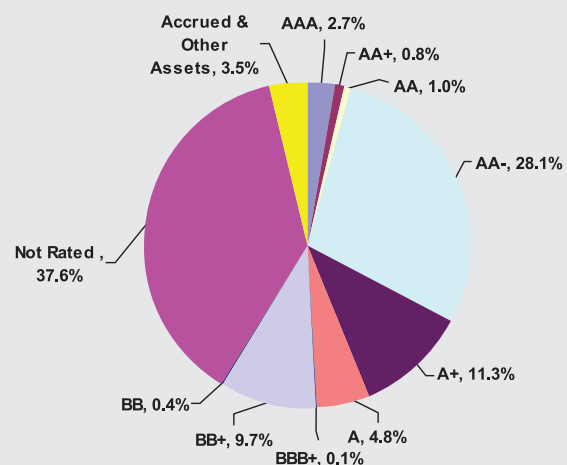
TFC/SUKUK Allocation-Top Ten Holdings (% of Assets)

Kohat Cement Limited	37.62%
Engro Fertilizer Sukuk	27.38%
Pak Electron Limited	11.33%
Maple Leaf Cement Sukuk I	9.65%
GOP Ijarah Sukuk	2.64%
Maple Leaf Cement Sukuk II	0.36%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Irfan Malik, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA

Credit Quality of the Portfolio (% of Net Assets)



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