



National Fullerton
Asset Management Limited

NAFA Islamic Income Fund (NIIF)

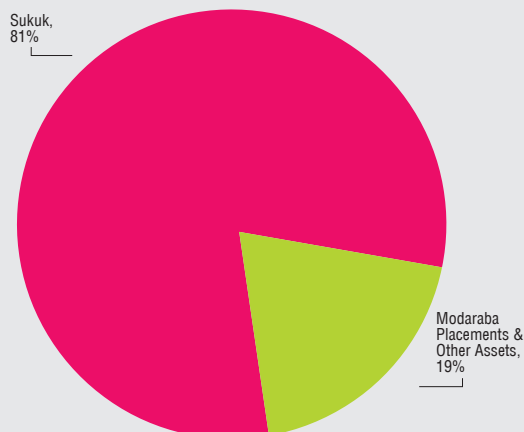
Unit Price (31/10/2009): Rs. 8.4901

October 2009

Investment Objective	Performance					
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.	Performance (%)*	Oct - Dec 2007	Jan - Dec 2008	Jan - Oct 2009	Oct 2009	Since Launch October 29, 2007
	NAFA Islamic Income Fund	7.67%	(7.88)%	(2.85)%	6.53%	(4.54)%
	Benchmark	5.31%	5.57%	7.30%	6.68%	6.26%
* Represents Annualized Return (Returns are net of management fee & all other expenses)						

General Information		Fund Manager's Commentary
Launch Date:	October 29, 2007	The Fund earned an annualized return of 6.53% during the month.
Fund Size:	Rs. 313 million	
Type:	Open-end – Shariah Compliant Income Fund	We expect liquidity situation in the market to improve in coming months on the back of foreign inflows. Consequently, NIIF can be a beneficiary if this happens due to likely capital gains in its Sukuk portfolio. However, financial position of the Kohat Cement Company Limited, of which we have a Sukuk in the portfolio, remains a concern.
Dealing:	Daily - Monday to Friday	
Settlement:	2-3 business days	With the continuing fall in inflation (CPI) numbers and signs of economic recovery starting to emerge, we are anticipating a cut in SBP policy rate. The improvement in the current account deficit and foreign reserves are being positively viewed by the market players. Furthermore, flows from Friends of Pakistan and Kerry Lugar Bill are also expected to improve liquidity in the form of foreign inflows. The stability in yields of Government Securities is also indicative of the fact that confidence in the economy is rising. All eyes are on the Government to display more discipline in fiscal and monetary management in addition to playing a role in stabilizing market imbalances of commodities. With the encouraging support of international community towards Pakistan's efforts on war on terror, foreign inflows seem more likely, which will help improve liquidity in the system.
Load:	Front end: 1.0%	
Management Fee:	1.5% per annum	
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	
Min. Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (as on 31st October 2009)



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