



NAFA Income Fund (NIF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/08/2010): Rs. 10.0491

August 2010

Performance

Performance % *	August 2010	Jan. - Aug. 2010	Jan. - Dec. 2009	Since Launch March 29, 2008
NAFA Income Fund	8.62%	-1.07%	13.50%	4.37%
Benchmark	12.42%	12.08%	12.38%	12.12%

* Represent Annualized Return
(Returns are net of management fee & all other expenses)

General Information

Launch Date:	March 29, 2008
Fund Size:	Rs. 536 million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 P.M
Dealing Time: (Ramadan)	9:00 A.M to 2:00 P.M 8:30 A.M to 12:30 P.M (Friday)
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1.0%
Management Fee:	1.5% per annum
Risk Profile:	Low
Fund Stability Rating:	"A (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	3-Months T-Bills
Fund Manager:	Ahmad Nouman, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective

To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.

Fund Manager Commentary

During the month of August 2010, NAFA Income Fund earned an annualized return of 8.62%.

The weighted average yield to maturity of NAFA Income Fund is around 24.25% p.a. The weighted average maturity of NAFA Income Fund is 3.53 years. Thus, the Fund is expected to perform well over a 3-year horizon.

For investors with an investment horizon of more than three years, NIF offers an attractive yield although with some credit risk.

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
Saudi Pak Leasing	TFC	56,227,500	15,303,607	*40,923,893	7.64%	48.38%
Eden Housing Sukuk 2	Sukuk	75,000,000	21,393,975	*53,606,025	10.00%	50.39%
Total		131,227,500	36,697,582	94,529,918	17.64%	

* Book Value, performing but below investment grade

Asset Allocation %

	31-Aug-10	31-Jul-10
TFC / Sukuk	90.06%	89.95%
Cash Equivalents & Other Net Assets	9.94%	10.05%
Total	100.00%	100.00%
Leverage	Nil	Nil

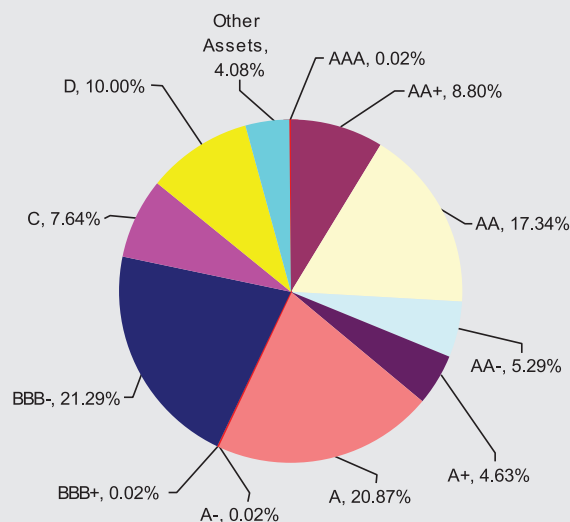
TFC/SUKUK Holdings (% of Net Assets)

Agritech Limited II	21.29%
World Call Limited	20.70%
Engro Chemical (Perpetual)	17.14%
Eden Housing Limited - Sukuk II	10.00%
UBL IV	8.66%
Saudi Pak Leasing	7.64%
Pakistan Mobile Comm (PPTFC)	4.63%

Name of the Members of Investment Committee

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

Credit Quality of the Portfolio (% of Net Assets)



Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell the fund. All investments in mutual funds are subject to market risks. The price of units may go up as well as down. Past performance is not necessarily indicative of future results.