



National Fullerton  
Asset Management Limited

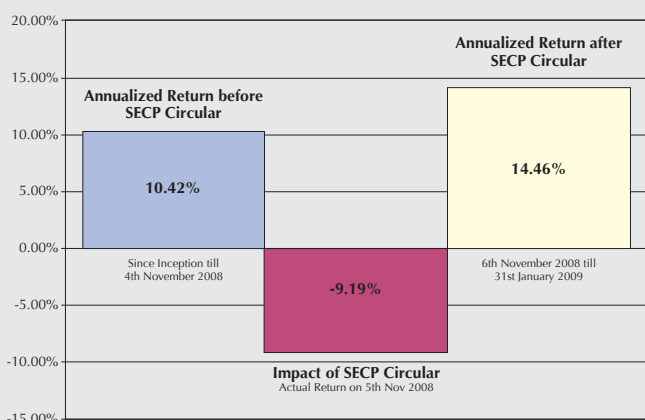
# NAFA Income Fund (NIF)

Unit Price (31/01/2009): Rs. 9.5015

January 2009

Investment Objective	Performance					
	Performance (%)	Apr - Jun 2008*	Jul - Dec 2008**	Dec 2008*	Jan 2009*	Since Launch March 29, 2008**
To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.	<b>NAFA Income Fund</b>	<b>8.50%</b>	<b>(3.59)%</b>	<b>13.99%</b>	<b>14.42%</b>	<b>(0.42)%</b>
	<b>Benchmark</b>	10.89%	6.54%	14.15%	14.28%	10.66%
	* Represents Annualized Return ** Represents cumulative Return (Returns are net of management fee & all other expenses)					

General Information	Fund Manager's Commentary
Launch Date: March 29, 2008 Fund Size: Rs. 1,125 million Type: Open-end – Fixed Income Fund Dealing: Daily Settlement: 2-3 business days Load: Front end: 1.0% Management Fee: 1.5% per annum	<p>During January 2009, NAFA Income Fund (NIF) earned an annualized rate of return of 14.42%. This is 43 basis points more than the last month.</p> <p>In the secondary market, TFCs' prices have already started to improve, as compared with previous few months. This trend is expected to continue. As on January 31 2009, TFCs, money market instruments and cash and other assets account for around 73%, 11% and 16% of the Fund size respectively. This high allocation in TFCs shall be a positive for your Fund in coming months, as TFCs are presently yielding 24% p.a.</p> <p>Positive developments on other fronts are also being observed. Stabilization in Balance of Payments, stable PKR/USD rates, declining commodity prices and improving liquidity of banking system have all been contributing to relative macro-economic stability, as against last half of CY 2008. We expect Foreign Direct Investment inflows into Pakistan in the coming months and the circular debt issue to be largely resolved by June 2009. If this happens, one can expect further improvement in domestic liquidity which shall be a positive for your Fund, via higher TFCs prices.</p> <p>6-M KIBOR, to which the coupons of TFCs in your Fund are linked, declined to 15.10% as compared to 15.70% a month earlier. Declining interest rates and inflation should help TFCs recover to their par values in due course of time. This should help investors earn good profits going forward.</p> <p>We reiterate our stance that these times offer meaningful opportunity to 1) existing unit-holders to increase their investment in NIF 2) new investors, to earn extra yields at current depressed unit price of NIF.</p>
Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Co. Chartered Accountants Benchmark: 3-Month T-Bills Fund Manager: Ahmad Nouman Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	



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