



National Fullerton
Asset Management Limited

NAFA Income Fund (NIF)

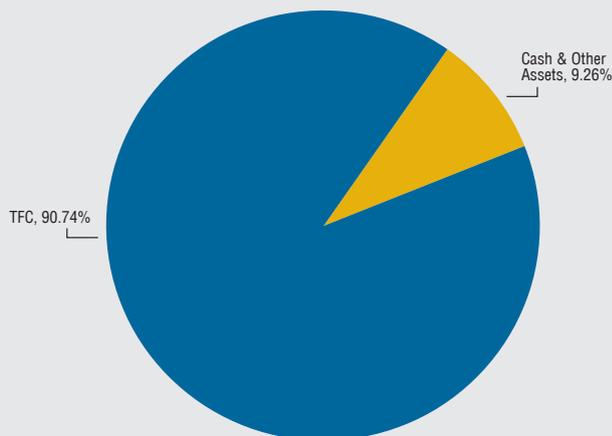
Unit Price (31/07/2009): Rs. 10.1025***

July 2009

Investment Objective	Performance				
To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.	Performance (%)	Mar - Dec 2008*	Jan - Jun 2009*	July 2009*	Since Launch March 29, 2008**
	NAFA Income Fund	(2.04)%	16.30%	19.09%	7.69%
	Benchmark	12.53%	13.46%	12.28%	17.63%
* Represents Annualized Return ** Represents Cumulative Return (Returns are net of management fee & all other expenses) *** Ex-Dividend Price					

General Information		Fund Manager's Commentary
Launch Date:	March 29, 2008	During the month of July, 2009, NAFA Income Fund (NIF) has earned an annualized return of 19.09%. This is 6.81% higher than the benchmark return. During the month the Fund also made quarterly distribution of 1.75% to its unit holders.
Fund Size:	Rs. 770 million	
Type:	Open-end – Fixed Income Fund	The better return of your Fund is attributable to improved prices of TFCs in the secondary market. The main reason for this was enhanced market liquidity. This can be established from the decline in Money Market rates including KIBOR and short-term Government securities. Three-month T-Bill, which is also the benchmark of your Fund, was trading at around 11.80% p.a. by end-July as against 12.45% p.a. at the end of June. Similarly, 6-Months KIBOR closed the month of July at 11.99% p.a., as against 12.76% p.a. in the previous month.
Dealing:	Daily - Monday to Friday	
Settlement:	2-3 business days	
Load:	Front end: 1.0%	
Management Fee:	1.5% per annum	We are of the view that the worst has passed, and FY 2010 will bring some meaningful recovery in the economic environment of the country. Very importantly, prices of crude oil in international markets have shown stability and the same can be expected to continue due to the slow global economic revival scenario. With this expectation, Pakistan is expected to continue to show improvement in the current account deterioration. Furthermore, Pakistan's agreement with the IMF will keep a check on any potential fiscal slippages. Controlling these two deficits will go a long way in setting the trend of long-term economic recovery of the country. This, coupled with declining inflation, shall enhance the economic growth rate of Pakistan. All measures of inflation i.e. Consumer Price Index, Core Inflation, Sensitive Price Indicator and Wholesale Price Index have shown declining trend of Year-on-Year inflation in June. Lower inflation leads to low interest rates and hence higher capacity of the businesses and consumers to borrow, which can kick start the economic activity. At the same time, lower interest rates also reduce the cost of government borrowings and hence leave more space for Government to spend on development projects, which also provide a stimulus to economic growth.
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	Since January, 2009, the Fund has offered an annualized return of 16.70% to its investors. The Fund is expected to continue to offer better return than bank deposits going forward as well.
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (as on 31st July 2009)



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