



National Fullerton
Asset Management Limited

NAFA Income Fund (NIF)

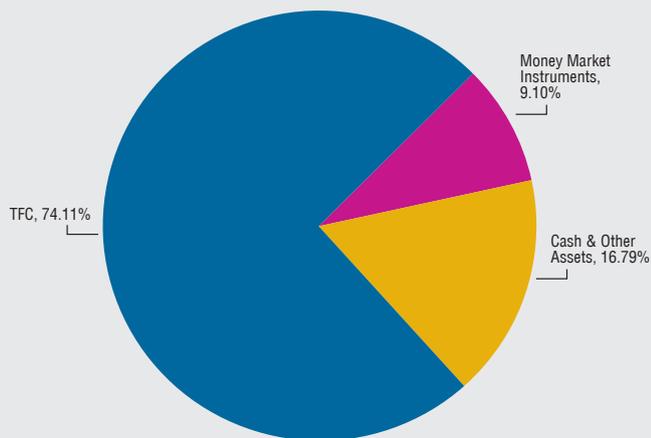
Unit Price (31/03/2009): Rs. 9.7230

March 2009

Investment Objective	Performance					
	Performance (%)	Apr - Jun 2008*	Jul - Dec 2008**	Jan - Mar 2009*	Mar 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.	NAFA Income Fund	8.50%	(3.59)%	15.01%	28.55%	1.90%
	Benchmark	10.89%	6.54%	13.30%	12.03%	12.83%
	* Represents Annualized Return ** Represents cumulative Return (Returns are net of management fee & all other expenses)					

General Information		Fund Manager's Commentary
Launch Date: Fund Size: Type: Dealing: Settlement: Load: Management Fee:	March 29, 2008 Rs. 1,098 million Open-end – Fixed Income Fund Daily - Monday to Friday 2-3 business days Front end: 1.0% 1.5% per annum	<p>NAFA Income Fund (NIF), during the month has earned an annualized return of 28.55% which is 16.52% higher than the benchmark return.</p> <p>Improved liquidity situation in the money market observed during the last week of February maintained its trend during most of March. However, we witnessed some upward revision in 6-Months KIBOR and money market rates during the last week of March. Last 3 month T-Bill auction (March 25, 2009) cutoff rate was 11.74% as compared to 12.61% in February 25, 2009 auction and 11.69% in March 11, 2009 auction. Going forward, financial inflows from abroad like development loans from Friends of Pakistan, US assistance for help in war against terror, developmental loans from multilateral agencies like World Bank and ADB will further add liquidity in the domestic banking system. This shall be a positive to your Fund via higher expected TFC prices. In addition, any capital inflows in the form of Foreign Direct Investment can provide further impetus to the improving liquidity in domestic market.</p> <p>Secondary market trading activity in the TFCs has shown an overall upward price trend in the month of March. Some of the factors contributing to this positive development include i) daily average of 6-Months KIBOR in March was 12.55% as against 14.26% in February and 15.49% in January ii) improved liquidity situation as compared to January and February iii) improved investor confidence in capital markets and iv) improvement in current account deficit. We expect this trend to continue and the Fund to continue to perform well in the coming months.</p> <p>The 6-Month KIBOR closed at 12.85% in March, approximately 16 basis points down from its closing in February. Decline in KIBOR is a direct result of market liquidity.</p> <p>As at 31st March 2009, NAFA Income Fund is approximately 74% invested in Term Finance Certificates, which is going to be a major contributor to the returns in the coming months because of expected capital gains.</p>
Listing: Custodian & Trustee: Auditors: Benchmark Fund Manager: Minimum Subscription:	Lahore Stock Exchange Central Depository Company (CDC) A. F. Ferguson & Co. Chartered Accountants 3-Month T-Bills Ahmad Nouman Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (on 31st March 2009)



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