



National Fullerton  
Asset Management Limited

# NAFA Income Fund (NIF)

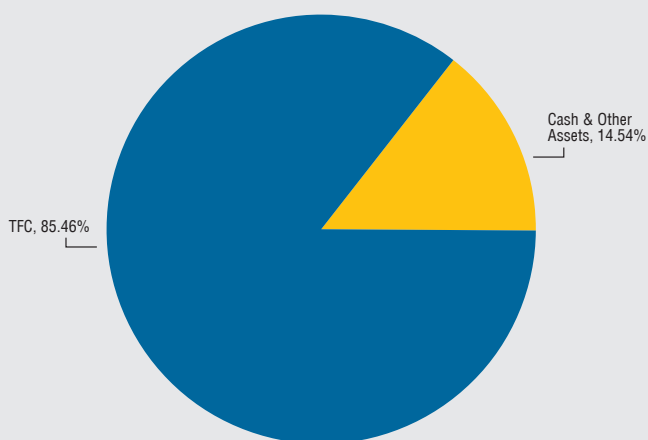
Unit Price (30/11/2009): Rs. 10.3497

November 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 - Nov 2009*	Nov 2009*	Since Launch March 29, 2008**
	<b>NAFA Income Fund</b>	<b>(2.04)%</b>	<b>13.25%</b>	<b>10.31%</b>	<b>10.32%</b>
	<b>Benchmark</b>	12.53%	13.20%	13.07%	22.56%
* 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. 669 million Type: Open-end – Fixed Income Fund Dealing: Daily - Monday to Friday Settlement: 2-3 business days Load: Front end: 1.0% Management Fee: 1.5% per annum	<p>The Fund earned an annualized return of 10.31% during the month. We expect the liquidity situation in the market to improve in the coming months on the back of foreign inflows. Consequently, NIF can be a beneficiary of likely improvement in TFCs prices.</p> <p>Acknowledging the support required for real economic recovery, SBP has opted for a gradual monetary easing stance with a 50bp cut in policy rate to 12.5%. There has been a notable improvement in 1QFY10 macro economic indicators. Headline inflation has dropped to 8.9% alongside significant improvement in current account balances over the previous year. Going forward, growth in the real economy will be determined by fiscal discipline and trends in inflation.</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/-	

Asset Allocation (as on 30th November 2009)



We expect a positive response from the market with regard to liquidity. Fiscal austerity and law and order situation will continue to set the pace of improvement in the general economic health. Timing and magnitude of inflows (non-IMF) should lead SBP monetary policy decision in the next Monetary Policy Statement due end-January, 2010.

The weighted average yield to maturity on the TFCs held in NIF is around 15.33%p.a. With improvement in liquidity, we expect upside potential in TFC prices. The AA rating category TFCs make up is more than 57% of the TFC portfolio whereas the A rating category is 20% which signifies the overall quality of the portfolio.

Six Month KIBOR closed at 12.41% for the month, forty three basis points lower than the previous month close.

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