



NAFA Income Fund (NIF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/10/2010): Rs. 9.9784

October 2010

Performance

Performance %	October 2010 *	Jul. - Oct. 2010 *	Jan. - Dec. 2009 **	Since Launch March 29, 2008 **
NAFA Income Fund	-0.66%	-4.47%	13.50%	3.80%
Benchmark	1.02%	4.03%	12.38%	12.15%

* Represent Cumulative Return

** Represent Annualized Return

(Returns are net of management fee & all other expenses)

General Information

Launch Date:	March 29, 2008
Fund Size:	Rs. 523 million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1.0%, Back end: 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

The Unit Price of the Fund declined by 0.66% during the month of October 2010. The return is low because of distressed selling in a TFC.

The weighted average Yield to Maturity of NAFA Income Fund is around 21% p.a. The weighted average maturity of NAFA Income Fund is 3.48 years. Thus, the Fund is expected to perform well over a three years horizon. However, since there are TFCs/Sukuks in the portfolio and their prices may go up and down, therefore only long-term investors are advised to invest in this Fund.

Details 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
Agritech Limited 2	TFC	149,880,000	41,966,400	107,913,600	20.64%	26.57%
Saudi Pak Leasing	TFC	55,574,700	14,650,807	40,923,893	7.83%	18.65%
Eden Housing Sukuk 2	Sukuk	75,000,000	23,329,350	***51,670,650	9.88%	36.25%
Total		280,454,700	79,946,557	200,508,143	38.35%	

*** Book value, performing but below investment grade

Asset Allocation %

	31-Oct-10	30-Sep-10
TFC / Sukuk	82.76%	91.11%
Cash Equivalents	16.41%	6.09%
Other Assets	0.83%	2.80%
Total	100.00%	100.00%
Leverage	Nil	Nil

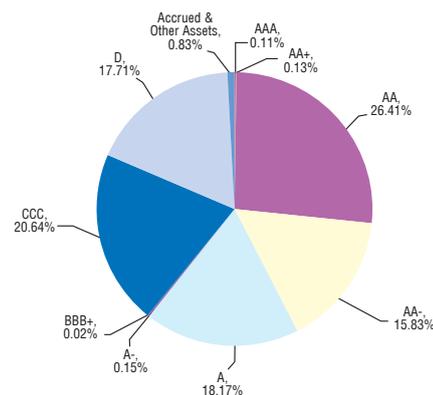
TFC/SUKUK Holdings (% of Net Assets)

Agritech II	20.64%
World Call	18.13%
Engro Chemical (Perpetual)	17.13%
Eden Housing Limited	9.88%
United Bank Limited IV	9.15%
Saudi Pak Leasing	7.83%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Usman Khan

Credit Quality of the Portfolio (% of Net Assets)



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