

National Fullerton
Asset Management Limited

NAFA Income Fund (NIF)

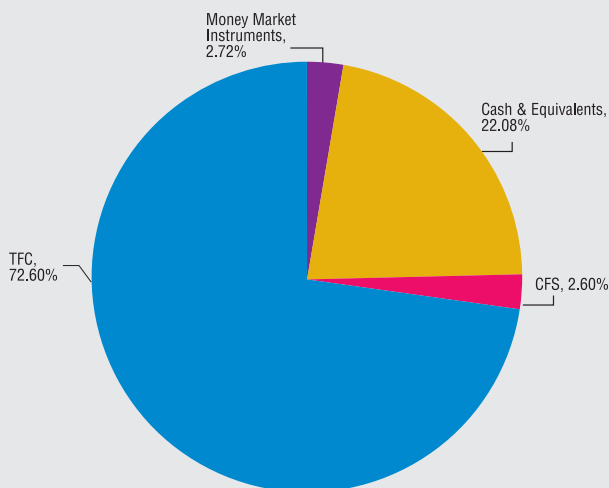
Unit Price (30/09/2008): Rs. 10.2691

September 2008

Investment Objective	Performance				
To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.	Annualized Performance (%)*	Apr - Jun 2008	Jul - Sep 2008	Sep 2008	Since Launch March 29, 2008
	NAFA Income Fund	8.50%	11.06%	13.14%	9.73%
	Benchmark	10.89%	12.90%	13.32%	11.87%
	Profit on Rs. 100,000 invested	Rs. 2,055	Rs. 2,680	Rs. 1,020	**Rs. 4,843
* Returns are net of management fee & all other expenses ** Represents cumulative profit since inception					

General Information		Fund Manager's Commentary								
Launch Date:	March 29, 2008	NAFA Income Fund has earned an annualized return of 13.14% during the month of September, 2008. The annualized return for the current month is 326 basis points higher than the return earned in August, 2008 (see attached chart). The improved performance of the Fund is attributable to the resetting of TFC coupons at higher rates and a rising trend in money market rates.								
Fund Size:	Rs. 1,470 million									
Type:	Open-end – Fixed Income Fund									
Dealing:	Daily									
Settlement:	2-3 business days									
Load:	Front end: 1.0%	<p style="text-align: center;">Annualized Return</p> <table border="1"> <caption>Annualized Return Data</caption> <thead> <tr> <th>Period</th> <th>Annualized Return (%)</th> </tr> </thead> <tbody> <tr> <td>Since Inception</td> <td>9.73%</td> </tr> <tr> <td>August 08</td> <td>9.88%</td> </tr> <tr> <td>September 08</td> <td>13.14%</td> </tr> </tbody> </table>	Period	Annualized Return (%)	Since Inception	9.73%	August 08	9.88%	September 08	13.14%
Period	Annualized Return (%)									
Since Inception	9.73%									
August 08	9.88%									
September 08	13.14%									
Management Fee:	1.5% per annum									
Listing:	Lahore Stock Exchange									
Custodian & Trustee:	Central Depository Company (CDC)									
Auditors:	A. F. Ferguson & Co.									
Benchmark:	3-Month T-Bills									
Fund Manager:	Mr. Ahmed Nouman									
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-									

Asset Allocation (as on 30th September 2008)



Money market remained short in liquidity due to: (i) quarter-end liquidity crunch; and (ii) continuous outflow of foreign exchange. The Six-month KIBOR, due to shortage of liquidity, maintained its rising trend and closed at 14.52% as compared to 13.76% a month earlier.

The attached chart shows the asset allocation of the Fund. As on September 30, 2008, allocation in TFCs, Cash and Equivalents, Money market Instruments and CFS are 72.60%, 22.08%, 2.72% and 2.60% of the Fund size respectively.

In order to take advantage of rising interest rates, NAFA Income Fund is maintaining short duration of the Fund.

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