



NAFA Income Fund (NIF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (30/09/2010): Rs. 10.0446

September 2010

Performance

Performance %	September 2010 *	Jan. - Sep. 2010 *	Jan. - Dec. 2009 **	Since Launch March 29, 2008 **
NAFA Income Fund	-0.04%	-0.76%	13.50%	4.21%
Benchmark	0.98%	8.94%	12.38%	12.13%

* 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. 530 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 0.04% during the month of September, 2010. The return is low because of provisioning in a TFC.

The weighted average yield to maturity of NAFA Income Fund is around 22.67% p.a. The weighted average maturity of NAFA Income Fund is 3.42 years. Thus, the Fund is expected to perform well over a three year horizon. However, since there are Sukuks in the portfolio and their prices may go up and down, only long-term investors are advised to invest in this Fund.

Detail of Non-Compliant Investments

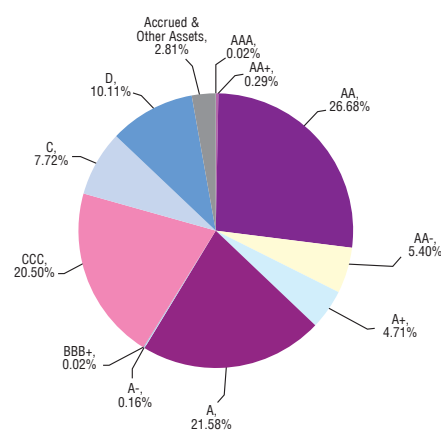
Name of Non Compliant Investment	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	Yield to Maturity per Annum
Agritech Limited	TFC	149,880,000	41,217,000	108,663,000	20.50%	25.80%
Saudi Pak Leasing	TFC	56,227,500	15,303,607	40,923,893	7.72%	42.86%
Eden Housing Sukuk 2	Sukuk	75,000,000	21,393,975	***53,606,025	10.11%	45.11%
Total		281,107,500	77,914,582	203,192,918	38.33%	

*** Book value, performing but below investment grade

Asset Allocation %

	30-Sep-10	31-Aug-10
TFC / Sukuk	91.11%	90.06%
Cash Equivalents	6.09%	5.87%
Other Assets	2.80%	4.07%
Total	100.00%	100.00%
Leverage	Nil	Nil

Credit Quality of the Portfolio (% of Net Assets)



TFC/SUKUK Holdings (% of Net Assets)

World Call	21.54%
Pak American Fertilizer II	20.50%
Engro Chemical (Perpetual)	17.62%
Eden Housing Limited	10.11%
UBL IV	8.91%
Saudi Pak Leasing	7.72%
Pakistan Mobile Comm (PPTFC)	4.71%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Irfan Malik, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM

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