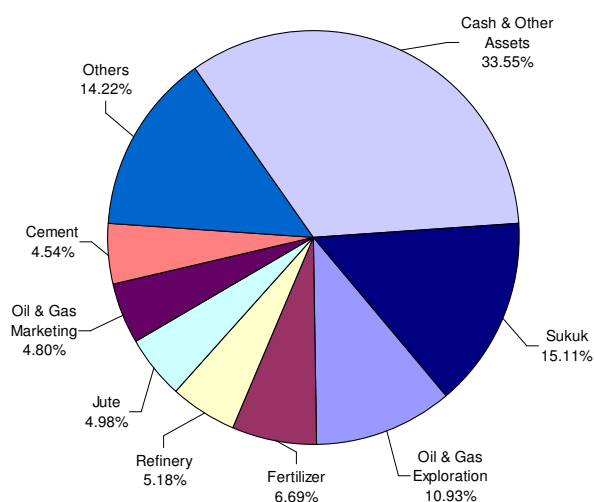


Investment Objective	Performance				
To provide investors with a combination of capital growth and income by investing in Shariah compliant investments. NIMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of Shariah compliant securities, instruments and avenues such as Equities, Musharakah, Murabahah, Ijarah etc.	<b>Return (%) *</b>	November 2007	December 2007	January 2008	<b>Since Launch</b> October 29, 2007
	<b>NAFA Islamic Multi Asset Fund</b>	-0.28%	-2.15%	0.75%	-1.91%
	<b>Benchmark</b> (50% Dow Jones Islamic Pakistan Index – 50% Average 1-month deposit rate of 4 Islamic Banks)	-0.78%	-0.72%	1.04%	-0.10%
<i>* Returns are net of management fee &amp; all other expenses</i>					

General Information	Fund Manager Commentary
<p>Launch Date: October 29, 2007 Fund Size: Rs. 825.10 million Type: Shariah Compliant - Open-end Balanced Fund Dealing: Daily Settlement: 2-3 business days Load: Front end – 3%, Back end - 0% Management Fee: 3% per annum</p>	<p>The stock market remained very choppy throughout the month. The market experienced quick downswings as well as upswings without consistently following a particular direction. Despite the strength in corporate earnings in certain sectors (e.g. oil &amp; gas) and the promising prospects in certain other sectors (e.g. cement), the investor sentiment continued to shift almost on a daily basis. Political uncertainty and concerns regarding law &amp; order situation loomed large over investors' minds.</p>
<p>Listing: Lahore Stock Exchange Trustee: Central Depository Company Auditors: A. F. Ferguson &amp; Co. Chartered Accountants Benchmark: 50% Dow Jones Islamic Pakistan Index – 50% Average 1-month deposit rate of 4 Islamic Banks Fund Manager(s): Abdul Rehman Warraich Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

**Asset Allocation (as on 31<sup>st</sup> January 2008)**



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

Our Fund showed a positive return during the month despite the erratic behavior of the market. We are quite confident that business prospects in certain sectors are good and their expected performance warrants upside in their stock prices. At the same time, we also realize that political uncertainty can keep investors bogged down for a while. Our strategy has been simple – we decided not to panic and adopt a neutral profile in the short term i.e. we should neither be overweight nor underweight in equities. Thus we managed to avoid over-trading (that results from panic selling and panic buying) that usually happens when the market keeps outguessing the investors by turning bullish and bearish after quick intervals. Our exposure in equities remained close to 50%, on average, during the month.

We are keen to increase our investment in sukus. We expect some of the new sukus, that we have already subscribed, to be issued during the month of February. This will improve the yield on our income portfolio. Our investment in spread transactions remained above 5% during the month. We continue to explore opportunities for spread transactions that can improve the return on our income portfolio.

Going forward, we are keeping our fingers crossed that the elections will be held, a democratic government be formed and the law & order situation will improve. This will create a favorable, and much needed, socio-political environment where investments will flourish.

**National Fullerton Asset Management Ltd.**

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