



NAFA Islamic Multi Asset Fund (NIMF)

National Fullerton
Asset Management Limited

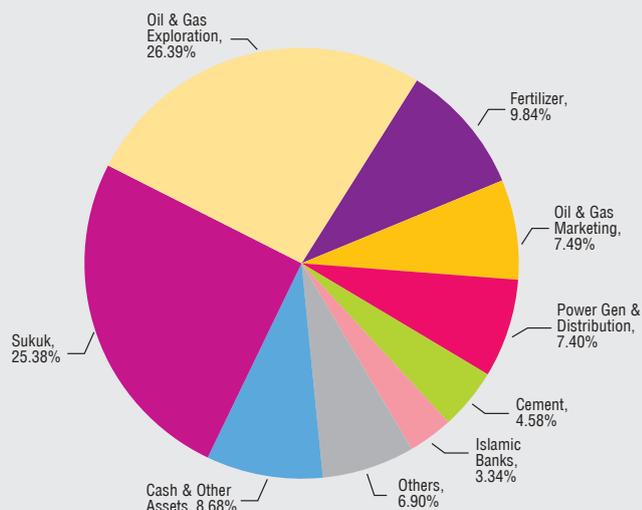
NAV Unit Price (31/05/2009): Rs. 8.5003

May 2009

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.	Performance (%)*	Nov - Dec 2007	Jan - Dec 2008	Jul - Apr 2008 - 09	May 2009	Since Launch October 29, 2007
	NAFA Islamic Multi Asset Fund	(2.42)%	(35.94)%	(11.67)%	0.92%	(15.00)%
	Benchmark**	-	-	-	2.49%	-
	* Returns are net of management fee & all other expenses ** KMI - 30 Index was launched on 1st Sep, 2008					

General Information	Fund Manager's Commentary
<p>Launch Date: October 29, 2007</p> <p>Fund Size: Rs. 527 million</p> <p>Type: Shariah Compliant - Open-end Balanced Fund</p> <p>Dealing: Daily - Monday to Friday</p> <p>Settlement: 2-3 business days</p> <p>Load: Front end - 3%, Back end - 0%</p> <p>Management Fee: 3% per annum</p>	<p>During the month of May 2009, Net Asset Value (NAV) of NAFA Islamic Multi Asset Fund (NIMF) increased by 0.92%, whereas the benchmark increased by 2.49%, thus an under-performance of 1.57% was recorded.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Custodian & Trustee: Central Depository Company (CDC)</p> <p>Auditors: A. F. Ferguson & Co. Chartered Accountants</p> <p>Benchmark: 50% KMI - 30 Index & 50% average 1-month profit rate of Islamic banks</p> <p>Fund Manager: Sajjad Anwar, CFA</p> <p>Min. Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (on 31st May 2009)



Anticipating negative fallout of military operations in the Swat valley, we had under-weight equities and overweight fixed income in the Fund during the month. However, the stock market showed strong resilience and KSE 100 Index maintained 7000 level. The month started with KMI 30 Index at 10168 and after touching a low of 9965 closed the month at 10609 showing an increase by 4.34%. NIMF is a balanced fund and market weight implies 50% equities and 50% fixed income.

Interest rate increased during the month due to liquidity shortage. 6-month KIBOR increased by 40 basis points to close the month at 13.75% as against 13.35% the previous month. Average overnight lending rate also increased to 12.90% compared with 12.80% during the last month. However, with the expected inflow of US \$ 1.5 billion in coming two months the liquidity conditions in the market is expected to improve. This should put downward pressure on overnight and inter bank lending rates. On a year on year basis, CPI inflation decreased to 17.2% from 19.1% the previous month. IMF inflation forecast for Pakistan is 7.5% for the FY 2009-10. As a result, we are expecting significant reduction in policy rate by State Bank of Pakistan in their upcoming monetary policy in July 2009. This is expected to boost stock valuations as well as the stock market in the coming months.

We are expecting a pre-budget or post-budget rally in the stock market. Therefore, at the end of the month we have overweighted equities and underweighted our fixed income portfolio.

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