



National Fullerton  
Asset Management Limited

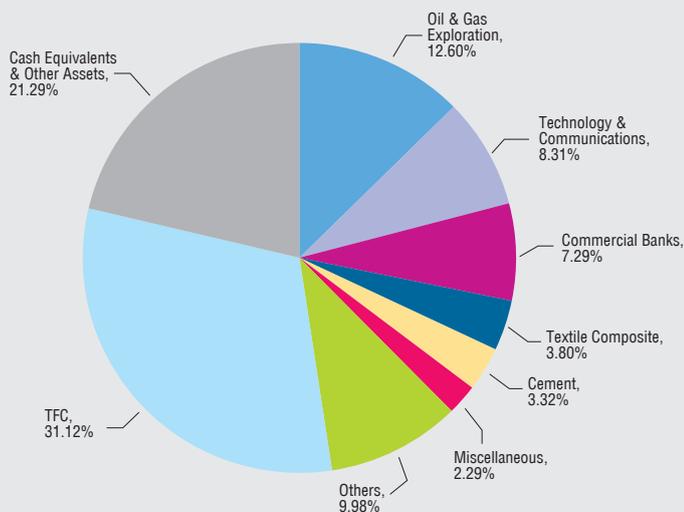
# NAFA Multi Asset Fund (NMF)

December 2008

| Investment Objective   | Performance   |                       |                       |                       |                 |  |
|--|---|-----------------------|-----------------------|-----------------------|-----------------|--|
| To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc. | <b>Return (%)*</b>  | <b>Jan - Dec 2007</b> | <b>Jan - Jun 2008</b> | <b>Jul - Sep 2008</b> | <b>Sep 2008</b> | <b>Since Launch<br/>Till Sept 30, 2008</b> |
|  | <b>NAFA Multi Asset Fund</b>                                    | <b>44.06%</b>         | <b>-5.90%</b>         | <b>-13.13%</b>        | <b>-0.02%</b>   | <b>17.76%</b>                              |
|  | <b>Benchmark<br/>(50% KSE-30 Index &amp; 50% 1-month KIBOR)</b> | 17.50%                | -4.38%                | -14.37%               | -0.05%          | -3.79%                                     |
| *Returns are net of management fee & all other expenses  |   |                       |                       |                       |                 |  |

| General Information   |   | Fund Manager's Commentary   |
|-----------------------|---|---|
| Launch Date:          | January 22, 2007  | On December 15, 2008 the price floor mechanism imposed on August 27, 2008 was removed. Subsequently, the market fell by 37%, and from its peak level (15,700) it has fallen by 63%. As per the valuations, Pakistani stock market is almost 50% cheaper than its historical averages as well as regional markets.   |
| Fund Size:            | Rs. 1,590 million                                       |   |
| Type:                 | Open-end – Balance Fund                                 | The money market yields declined due to 3.13% growth in Money Supply (M2) during November as compared to a 2% decline during July to October period. Liquidity in TFC market also improved and they traded above the prices set by SECP. We believe that after December 31, 2008 liquidity lying with the large financial institutions may also find its way in the capital markets. Thus, an improvement in TFC prices is likely.  |
| Dealing:              | Daily   |   |
| Settlement:           | 2-3 business days                                       |   |
| Load:                 | Front end – 3%, Back end - 0%                           | The macro-economic situation seems to be improving as the FY 2009 trade deficit is expected to be USD 16 billion, which is likely to be financed by USD 7 billion foreign remittances and USD 9 billion inflows from International Financial Institutions (IFIs). Thus, further pressure on the exchange rate seems unlikely. Expectations with respect to budget deficit and inflation points towards declining interest rates and rising asset prices across the board. |
| Management Fee:       | 2.5% per annum  |   |
| Listing:              | Lahore Stock Exchange                                   | NMF is 48% invested in equities. Due to extremely low daily traded values at the stock exchanges, sale of assets and determination of their saleable prices have become impossible. Therefore, if we had not suspended the dealing in units, investors redeeming would have benefited at the expense of those not redeeming.  |
| Trustee:              | Central Depository Company                              |   |
| Auditors:             | A. F. Ferguson & Co.<br>Chartered Accountants           |   |
| Benchmark:            | 50% KSE-30 Index & 50%<br>1-month KIBOR                 |   |
| Fund Manager:         | Khurram Shehzad, CFA                                    | NMF is well positioned to capitalize upon any uptrend in the equity markets as an additional 22% of the Fund can be deployed in equities depending upon the market conditions. The fixed income portfolio is already yielding returns in excess of 20% due to resetting of coupon rates on TFCs & Sukuks at higher KIBOR levels and SECP directed discounts on TFCs & Sukuks prices.  |
| Minimum Subscription: | Growth Unit: Rs. 10,000/-<br>Income Unit: Rs. 100,000/- |   |

Asset Allocation (as on 31st December 2008)



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