

National Fullerton
Asset Management Limited

NAFA Multi Asset Fund (NMF)

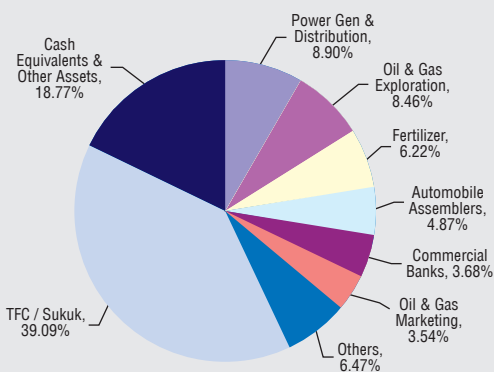
Unit Price (31/01/2010): Rs. 9.3852

January 2010

Investment Objective	Performance							
	Performance (%)*	Jan - Jun 2007	Jul - Jun 2007 - 08	Jul - Jun 2008 - 09	Jul - Dec 2009	January 2010	Since Launch January 22, 2007	
	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.	NAFA Multi Asset Fund	28.96%	5.12%	(22.56)%	9.60%	0.89%	16.08%
		Benchmark (50% KSE-30 Index & 50% 1-month KIBOR)	15.22%	(2.49)%	(20.83)%	18.17%	1.60%	6.78%
*Returns are net of management fee & all other expenses								

General Information		Fund Manager's Commentary
Launch Date:	January 22, 2007	<p>During the month under review, NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) increased by 0.89% while the benchmark (50% KSE-30 index & 50% 1-month KIBOR) increased by 1.60%. Thus your Fund under-performed the benchmark by 0.71% during the month. Since inception on January 22, 2007 your Fund has increased by 16.08%, while the benchmark has increased by 6.78%. Thus, to-date the out-performance of your Fund stands at 9.30%.</p> <p>The key factor responsible for the under performance of the Fund during the month was underperformance of some of our holdings in Jute, Technology and communication and automobile sectors. We are expecting that these stocks will perform well due to their attractive valuations. In the beginning of the month we had around 60% weight in equity. Anticipating a correction in the stock market we reduced our allocation in equity below the market weight during the latter half of the month.</p> <p>The Stock market performed very well during the first half of the month. KSE-30 Index increased by around 6.6% as of January 19, 2010. However, the release of detailed decision by Supreme Court of Pakistan on NRO judgment prompted fear of rift between presidency and judiciary that dampened the investors' confidence. Moreover, statement of imposition of capital gain tax on the stock market by the Finance Minister created anxiety among the investors. Foreign portfolio Investment activity also remained subdued. Trading activity improved in the month of January with average daily traded volume recorded at 187.2 million shares as against 119.2 million shares during the previous month.</p> <p>In its Monetary Policy Statement of January 2010 State Bank of Pakistan kept the policy rate unchanged at 12.5%. Interest rates showed declining trend during the month. 6-month KIBOR declined by 20 basis points to close the month at 12.23% from 12.43% at the start of the month. Year-on-year CPI inflation in the month of December was recorded at 10.5%.</p>
Fund Size:	Rs. 1,055 million	
Type:	Open-end – Balanced Fund	
Dealing Days:	Daily – Monday to Friday	
Settlement:	2-3 business days	
Pricing Mechanism:	Forward Pricing	
Load:	Front end – 3%, Back end - 0%	
Management Fee:	2.5% per annum	
Risk Profile:	Moderate	
Listing:	Lahore Stock Exchange	
Custodian & Trustee:	Central Depository Company (CDC)	
Auditors:	A. F. Ferguson & Co. Chartered Accountants	
Benchmark:	50% KSE-30 Index & 50% 1-month KIBOR	
Fund Manager:	Sajjad Anwar, CFA	
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	
Asset Manager Rating:	AM2-	

Asset Allocation (as on 31st January 2010)



Leverage: (Amount of leveraging / borrowing done by the Fund.)	Nil
Name of the members of Investment Committee:	Dr. Amjad Waheed, CFA Sajjad Anwar, CFA Tanvir Abid, CFA Irfan Malik, CFA

We are expecting the performance of the Fund to improve as we are holding positions in high dividend yielding stocks with stable earnings stream and superior management quality.

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell the fund. All investments in mutual funds are subject to market risks. The price of units may go up as well as down. Past performance is not necessarily indicative of future results.