



NAFA Islamic Income Fund (NIIF)

**National Fullerton
Asset Management Limited**
(A Subsidiary of National Bank of Pakistan)

Unit Price (31/05/2010): Rs. 7.1622

May 2010

Performance

Performance (%)*	May 2010	Jan. - May 2010	Since Launch October 29, 2007
NAFA Islamic Income Fund	11.72%	3.81%	(9.67)%

* Represents Annualized Return
(Returns are net of management fee & all other expenses)

General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 170 million
Type:	Open-end – Shariah Compliant Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 am – 4:30 pm
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1.0%
Management Fee:	1.5% per annum
Risk Profile:	Low to Medium
Fund Stability Rating:	In process
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average 1-month deposit rate of Islamic banks
Fund Manager:	Irfan Malik, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA
Leverage: (Amount of leveraging / borrowing done by the Fund.)	Nil

Investment Objective

To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.

Fund Manager's Commentary

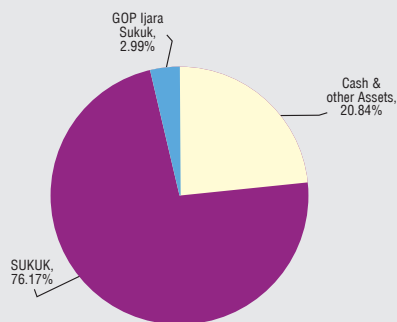
The Fund earned an annualized return of 11.72% during the month, which is an improvement over previous month's annualized return of 9.29%. This consistent improvement in return is attributed to recovery in prices of some Sukuk holdings in your Fund.

We believe that the current Sukuk prices are attractive, and the Sukuk portfolio is expected to perform well over the next couple of years. For new investors who want to invest in Islamic avenues only, we believe, NIIF provides them an opportunity to out-perform the rates available with Islamic Banks over medium-term time horizon.

Name of the Members of Investment Committee

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

Asset Allocation (as on 31st May 2010)



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.