

National Fullerton
Asset Management Limited

NAFA Islamic Multi Asset Fund (NIMF)

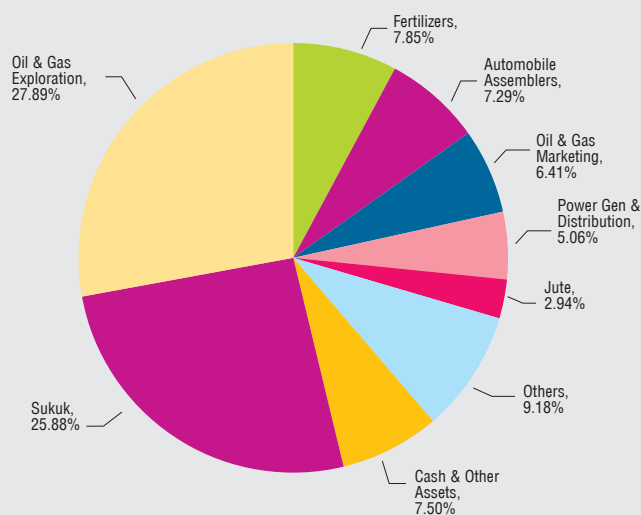
Unit Price (30/11/2009): Rs. 9.7864

November 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 - Oct 2008 - 09	Nov 2009	Since Launch October 29, 2007
	NAFA Islamic Multi Asset Fund	(2.42)%	(35.94)%	4.65%	(1.93)%	(2.14)%
	*Returns are net of management fee & all other expenses					

General Information	Fund Manager's Commentary
<p>Launch Date: October 29, 2007</p> <p>Fund Size: Rs. 541 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 November 2009, Net Asset Value (NAV) of NAFA Islamic Multi Asset Fund (NIMF) decreased by 1.93%, whereas the benchmark increased by 1.04%, thus an under-performance of 2.97% was recorded. Since January 2009 your fund has increased by 53.64% while the benchmark has increased by 43.79% thus an out-performance of 9.85% has been achieved.</p> <p>We were underweight in equities and over-weight in fixed income asset class at the start of the month. NIMF is a Balanced Fund and market weight implies 50% weight in equity and 50% in fixed income. During the month we gradually increased our allocation in equity above the market weight in sectors where we felt valuations were attractive. Towards the end of the month we were over-weight in equities and under weight in fixed income asset class.</p> <p>The stock market remained largely subdued during the month. Investor sentiment was weak on the back of uneasiness on the domestic political front and controversy over the National Reconciliation Ordinance (NRO) issue. Foreign portfolio inflows decreased significantly to USD 12.9m during the month against USD 38.3m during October. Trading activity further declined to PKR 6.7 bn compared to PKR 10.8 bn during the preceding month. Consequently, the KSE-30 remained flat and closed 0.45% higher during the month. The automobile sector outperformed the benchmark while most of the other sectors broadly performed in line with the market. Cement sector fundamentals have deteriorated recently causing some cement companies to delay their payments on debt and TFCs/Sukuks. In line with this, NIMF has made provisioning in respect of investment in the Sukuks belonging to the cement sector.</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 (as on 30th November 2009)



During the month the SBP slashed the discount rate by 50bps to 12.5%. Further, inflation (CPI) during October declined to the single digit level at 8.9%. As a result we have seen downward shift in the yield curve. The 6-month KIBOR decreased by around 43 basis points and closed the month at 12.41%. Broad Money (M-2) growth during July 2009 to date shows improvement and stands at around 2.17% following recent improvement in private sector credit disbursement. Going forward, the expected release of the fourth IMF tranche would further improve the external account.

Going forward, inflation remains a concern on firming up in domestic petroleum prices. Key triggers for the stock market are improvement in the political situation, foreign flows and progress on the new leverage product.

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