



NAFA Riba Free Savings Fund (NRFSF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/10/2010): Rs. 10.1796

October 2010

Performance

| Performance % * | October 2010 | Since Launch August 21, 2010 |
|------------------------------------|---------------|---------------------------------|
| NAFA Riba Free Savings Fund | 10.30% | 9.44% |
| Benchmark | 7.87% | 8.89% |

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

General Information

| | |
|------------------------|---|
| Launch Date: | August 21, 2010 |
| Fund Size: | Rs. 218 million |
| Type: | Open-end – Shariah Compliant Income fund |
| Dealing Days: | Daily – Monday to Friday |
| Dealing Time: | 9:00 A.M to 4:30 P.M |
| Settlement: | 2-3 business days |
| Pricing Mechanism | Forward Pricing |
| Load: | Front end: 0%, Back end: 0% |
| Management Fee: | 1.5% per annum |
| Risk Profile: | Low |
| Fund Stability Rating: | A+(f) by PACRA |
| Listing: | Lahore Stock Exchange |
| Custodian & Trustee: | Central Depository Company (CDC) |
| Auditors: | A. F. Ferguson & Co. Chartered Accountants |
| Benchmark: | Average 3-month deposit rate of Islamic Banks |
| Fund Manager: | Usman Khan |
| Minimum Subscription: | Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- |
| Asset Manager Rating: | AM2- by PACRA |

Investment Objective

To provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant banks and money market / debt securities.

Fund Manager Commentary

The annualized return of NRFSF for the month of October 2010 is 10.30%. This is better than the benchmark return by 2.43%. The Fund Size has grown to Rs 218 million, showing an increase of 70% over the previous month.

NRFSF is an Islamic Income Scheme that invests only in Shariah compliant avenues. The Fund has been awarded a stability rating of A+(f) by PACRA which denotes a strong capacity to maintain stability in returns and low exposure to risks.

The Fund intends to outperform the rate of return available to individual investors in Islamic Banks, while providing them flexibility to withdraw their money at any time, hence no lock-in period. The Fund aims to meet this objective by investing the pooled assets in Islamic Banks / Islamic windows of conventional banks (minimum A rated), and short-term Shariah compliant money market instruments (minimum AA- rated). The Fund will maintain a strong liquidity profile with a minimum 25% in cash at all times. Also, investments will only be made in avenues with a maximum maturity of six months. The Fund is not authorized to invest in corporate Sukuks and will not take direct or indirect exposure to the Stock Market.

Persistent Government borrowing, coupled with inflation may keep the money market rates high. The last month Year on Year Consumer Price Index (CPI) was reported at 15.7%. In this environment, the return on your Fund is expected to remain attractive in comparison to returns offered by Islamic Banks.

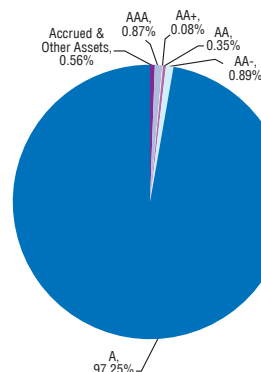
Asset Allocation %

| | 31-Oct-10 | 30-Sep-10 |
|------------------|-----------|-----------|
| Cash Equivalents | 99.45% | 99.15% |
| Other Assets | 0.55% | 0.85% |
| Total | 100.00% | 100.00% |
| Leverage | Nil | Nil |

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Usman Khan

Credit Quality of the Portfolio (% of Net Assets)



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