

FUNDS' INFORMATION

Management Company

National Fullerton Asset Management Limited.

Board of Directors of the Management Company

Mr. Masood Karim Shaikh	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Gerard Lee How Cheng	Director
Khawaja Iqbal Hassan	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shahid Anwar Khan	Director
Mr. Masroor Ahmed Qureshi	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Gerard Lee How Cheng	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Masroor Ahmed Qureshi	Member

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block "B", S.M.C.H.S
Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

NAFA INCOME FUND

Bank Alfalah Limited
KASB Bank Limited
National Bank of Pakistan
NIB Bank Limited

NAFA Funds

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No.1-C
I.I. Chundrigar Road
P.O. Box 4716
Karachi.

Legal Advisor

Aly Shah & Co. Advocates and Legal Consultants
Suite 502, 5th Floor
Marine Pride, BC-2, Block-7,
Khayaban-e-Iqbal
Clifton, Karachi.

Head Office

9th Floor, Adamjee House
I.I. Chundrigar Road
Karachi.

Lahore Office

83-A-E/1, Main Boulevard
Gulberg III
Lahore.

Islamabad Office

4th Floor, Ali Plaza
1-E, Blue Area
Islamabad.

DIRECTORS' REPORT

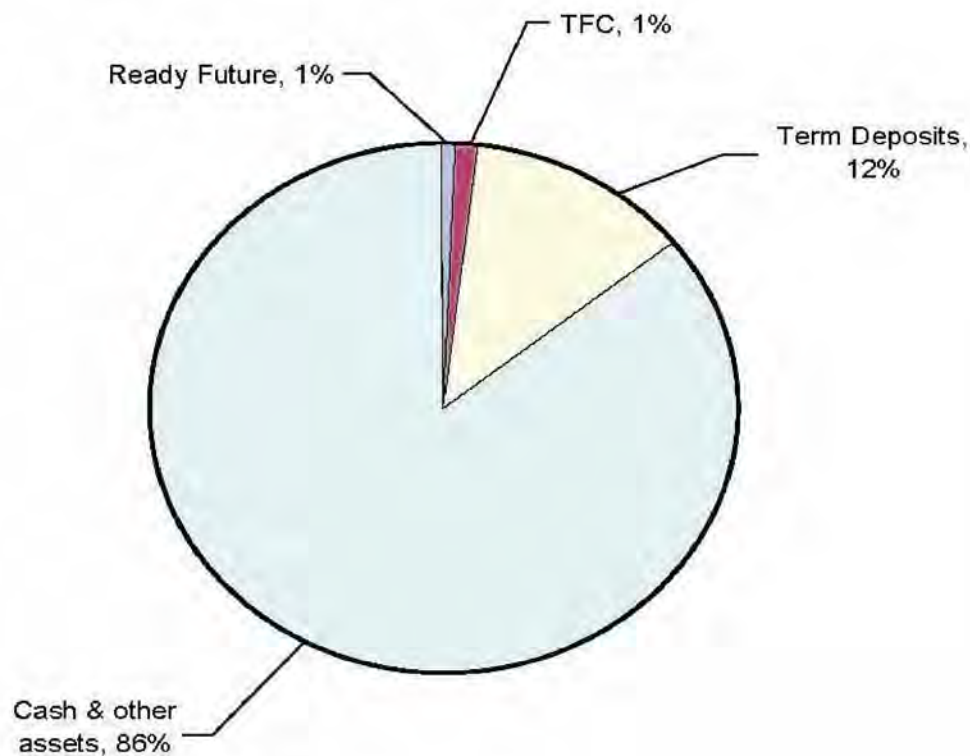
The Board of Directors of National Fullerton Asset Management Limited is pleased to present the un-audited financial statements of **NAFA Income Fund** for the period from March 7, 2008 ended March 31, 2008.

Fund's Performance

NAFA Income Fund commenced its operations on March 31, 2008 with the net assets of Rs.2,904.92 million and 290.34 million units outstanding. NAFA Income Fund has earned a total income of Rs.1.96 million during the said period. After deducting total expenses of Rs.0.47 million, the net profit is Rs.1.49 million, which translates into an earning per unit of Rs.0.0051.

The asset allocation of the Fund as at March 31, 2008 is as follows:

Asset Allocation as on March 31, 2008



NAFA Income Fund

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the management, and providing us with the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee for their continued support and cooperation.

On behalf of the Board of
National Fullerton Asset Management Limited

Masood Karim Shaikh, FCA
Chairman

Dr. Amjad Waheed, CFA
Chief Executive

Date: April 16, 2008
Place: Karachi.

Nafa Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) AS AT MARCH 31, 2008

	Note	March 31, 2008 (Rupees in '000')
ASSETS		
Balances with banks		2,634,510
Investments	4	58,456
Loans and receivables		150,000
Receivable against issuance of units		5,121
Advances, deposits and prepayments		3,629
Accrued income and other receivable	5	85,834
Preliminary expenses and floatation costs		4,992
Total assets		2,942,542
LIABILITIES		
Accrued expenses and other liabilities		727
Payable against purchase of investments		27,804
Payable to National Fullerton Asset Management Limited - Management Company		9,037
Payable to Central Depository Company of Pakistan Limited - Trustee		30
Payable to Securities and Exchange Commission of Pakistan - Annual fee		22
Total liabilities		37,620
NET ASSETS		2,904,922
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,904,922
COMMITMENTS		
	6	Number of units
NUMBER OF UNITS IN ISSUE		290,342,871
		Rupees
NET ASSET VALUE PER UNIT		10.0051

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Income Fund

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE PERIOD FROM MARCH 7, 2008 TO MARCH 31, 2008

Note For the period
from March 7,
2008 to March
31, 2008
(Rupees in '000')

INCOME

Profit on bank deposits	1,713
Income from Term Finance Certificates	9
	1,722
Net unrealised appreciation in the value of financial instruments at fair value through profit or loss	87
Total Income	1,809

EXPENSES

Remuneration of National Fullerton Asset Management Limited - Management Company	333
Remuneration of Central Depository Company of Pakistan Limited - Trustee	30
Annual fee - Securities and Exchange Commission of Pakistan	22
Annual listing fee	1
Brokerage and other transaction costs	54
Settlement charges and bank charges	14
Auditors' remuneration	6
Amortisation of preliminary expenses and floatation costs	8
Total Expenses	468
Net income from operating activities	1,341
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	154
Net income for the period	1,495

Earnings per unit

7

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE PERIOD FROM MARCH 7, 2008 TO MARCH 31, 2008

For the period
from March 7,
2008 to March
31, 2008
(Rupees in '000')

Undistributed income brought forward	-
Net income for the period	1,495
Undistributed income carried forward	<u>1,495</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE PERIOD FROM MARCH 7, 2008 TO MARCH 31, 2008

	For the period from March 7, 2008 to March 31, 2008 (Rupees in '000')
Issue of 290,342,871 units	2,903,581
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - amount representing accrued (income) / loss and capital (gains) / losses - transferred to Income Statement	(154)
Net income for the period	1,495
Net assets as at the end of the period	<u>2,904,922</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD FROM MARCH 7, 2008 TO MARCH 31, 2008**

**For the period
from March 7,
2008 to March
31, 2008
(Rupees in '000')**

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period	1,495
Adjustments for non-cash items:	
Net unrealised appreciation in the value of financial instruments at fair value through profit or loss	(87)
Amortization of preliminary expenses and floatation costs	8
Remuneration of National Fullerton Asset Management Limited - Management Company	333
Remuneration of Central Depository Company of Pakistan Limited - Trustee	30
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(154)
	1,625

(Increase) in assets

Investments	(30,565)
Loans and receivables	(150,000)
Advances, deposits, and prepayments	(3,629)
Accrued income and other receivable	(85,834)
Preliminary expenses and floatation costs	(5,000)
	(275,028)

Increase in liabilities

Accrued expenses and other liabilities	727
Payable to Securities and Exchange Commission of Pakistan - Annual fee	22
Payable to National Fullerton Asset Management Limited - Management Company	8,704
	9,453

Net cash (outflow) on operating activities (263,950)

CASH FLOWS FROM FINANCING ACTIVITIES

Net receipts from issue of units 2,898,460

Net cash inflow from financing activities 2,898,460

Net increase in cash and cash equivalents during the period 2,634,510

Cash and cash equivalents at the beginning of the period -

Cash and cash equivalents at the end of the period 2,634,510

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

**For National Fullerton Asset Management Limited
(Management Company)**

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Income Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD FROM MARCH 7, 2008 TO MARCH 31, 2008

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Income Fund (the Fund) was established under a Trust Deed executed between National Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 03, 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 29, 2008 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2007.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering to the Fund. The Fund is listed on the Lahore Stock Exchange. The units of the Fund were initially offered for public subscription at par from March 25, 2008 to March 28, 2008.

The core objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The fund will comprise of investments of various investment horizons with the significant amount invested in short term investments for the purpose of maintaining liquidity.

In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Trust Property was first paid or transferred to the Trustee i.e. March 7, 2008.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

2.2 Accounting Convention

These condensed interim financial statements have been prepared under the historical cost convention except that certain investments are carried at fair value in accordance with the criteria laid down in International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement'.

2.3 Critical accounting estimates and judgements

The preparation of condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Fund's accounting policies. Estimates and judgements are continually evaluated

and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgement was exercised in application of accounting policies are as follows:

- i) Classification and valuation of investments, and
- ii) Amortisation of preliminary expenses and floatation costs

These condensed interim financial statements have been prepared in Pak Rupees, which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below:

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances.

3.2 Investments

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell the assets.

The management determines the appropriate classification of the investments made by the Fund in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement', at the time of purchase and re-evaluates this classification on a regular basis. Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'Financial assets at fair value through profit or loss'. These investments are marked to market using the closing market rates at the end of each day and are carried on the Statement of Assets and Liabilities at fair value. Net gains and losses arising on changes in fair values of these investments are taken to the Income Statement.

b) Held to maturity financial assets

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Fund has the positive intention and ability to hold to maturity.

Held to maturity investments are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition these investments are carried at amortised cost.

c) Available for sale

Investments intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices, are classified as 'available for sale'.

Investments categorised as available for sale are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition, 'available for sale' investments are measured at fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity until the available for sale investment is derecognised. At this time, the

cumulative gain or loss previously recognised directly in equity is transferred to the income statement.

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset classified as available for sale is impaired. If evidence of impairment exists, the cumulative loss recognised in equity is removed from equity and recognised in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Fund has transferred substantially all risks and rewards of ownership.

d) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are initially recognised at fair value plus transaction costs. Subsequent to initial recognition these are carried at amortised cost.

3.3 Securities under resale agreements – Continuous Funding System (CFS) transactions

Securities purchased under an agreement to resell (reverse repo) are included as receivable against CFS transactions at the fair value of the consideration given. All purchases and sales of securities that require delivery within the time frame established by the regulations or market convention such as 'T+2' purchases and sales are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell the asset. The CFS transactions are accounted for on the settlement date. The difference between the purchase and sale price is treated as income from CFS transactions in the Income Statement and is recognised over the term of the respective transactions. Transaction costs are included in the initial measurement of all CFS transactions except for transaction costs that may be incurred on disposal.

3.4 Spread transactions (Ready-Future Transactions)

The Fund enters into certain transactions involving purchase of a security in the ready market and simultaneous sale of the same security in the futures market. Securities purchased by the Fund in the ready market are carried on the Statement of Assets and Liabilities till their eventual disposal, and the forward sale of securities in the futures market is accounted for separately as a 'derivative' in accordance with the requirements of International Accounting Standard 39: "Financial Instruments: Recognition and Measurement".

3.5 Impairment

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognised immediately in the financial statements.

3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the Net Asset Value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Currently the Fund is charging sales load (Front-end load) at the rate of 1% of NAV.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the Net Asset Value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Currently the Fund is not charging any back-end load or duties or charges.

3.7 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to income / (losses) that form part of the Unit Holders' Funds in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

3.8 Net Asset Value per unit

The Net Asset Value per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

3.9 Revenue recognition

- Capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income on reverse repurchase (reverse repo) transactions and Continuous Funding System (CFS) transactions is recognised on an accrual basis.
- Dividend income is recognised on the date of book closure of the investee company / institution declaring the dividend.
- Income on Term Finance Certificates is recognised on time proportion basis.
- Income from clean placements and Certificates of Investment is recognised on an accrual basis.
- Unrealised gains / (losses) arising on revaluation of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Profit on bank deposits is recognised on an accrual basis.

3.10 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund.

3.11 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.12 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost.

3.13 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the management company has the intention to distribute at least 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that these will be available for set off against future taxable profits. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Fund has not recognised any amount of deferred tax in these condensed interim financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least 90 percent of its accounting income for the year as reduced by capital gains, whether realized or unrealised to its unit holders every year.

3.14 Dividend distribution

Dividend distribution to the Fund's unit holders is recognised as a liability at the time of its declaration.

3.15 Financial assets and financial liabilities

Financial assets carried on the Statement of Assets and Liabilities include balances with banks, investments, loans and receivables, income receivable and certain other receivables.

Financial liabilities carried on the Statement of Assets and Liabilities include payable to National Fullerton Asset Management Limited – Management Company, payable to Central Depository Company of Pakistan Limited – Trustee, payable to Securities and Exchange Commission of Pakistan - Annual fee and accrued expenses and other liabilities.

3.16 Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

Note	(Unaudited) March 31, 2008
	(Rupees in '000')

4 INVESTMENTS

Assets at fair value through profit or loss

Equity securities purchased under future sale contracts	4.1	28,021
Term Finance Certificates	4.2	<u>30,435</u>
		<u>58,456</u>

4.1 Equity securities purchased under future sale contracts - 'Assets at fair value through profit or loss'

These securities are held under Ready-Future transactions. These securities are purchased in the ready "T+2" market and simultaneously sold in the future market. The fund has no open exposure to the stock market. The details are as follows:

NAFA Income Fund

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless otherwise specified

Name of the investee company	Number of Shares					Market Value as at March 31, 2008	Market Value as a Percentage of Net Assets
	Opening	Purchases during the period	Bonus / Right	Sales during the period	As at March 31, 2008		
						(Rs. in '000')	
Commercial Banks							
The Bank of Panjab	-	67,500	-	-	67,500	4,479	0.15%
JS Bank Limited	-	72,500	-	-	72,500	1,566	0.05%
MCB Bank Limited	-	29,500	-	-	29,500	12,257	0.42%
Insurance							
Adamjee Insurance Company Limited	-	2,000	-	-	2,000	764	0.03%
Textile							
Azgard Nine Limited	-	7,500	-	-	7,500	505	0.02%
Oil and Gas Exploration Company							
Pakistan Oil Fields Limited	-	23,000	-	-	23,000	8,450	0.29%
						<u>28,021</u>	
Cost of investments as at March 31, 2008						<u><u>27,790</u></u>	

4.2 Term Finance certificates - 'Assets at fair value through profit or loss'

Name of the investee company	Number of Certificate				Market Value as at March 31, 2008	Market Value as a Percentage of Net Assets	
	Opening	Purchases during the period	Sales during the period	As at March 31, 2008			
						(Rs. in '000')	
NIB Bank Limited - Rs 5,000 each	-	6,000	-	6,000	30,435	1.05%	
Cost of term finance certificates as at March 31, 2008						<u><u>30,345</u></u>	

- 4.3 Fair value of listed Term Finance Certificates classified as investments at fair value through profit or loss is determined using MUFAP rates.

5 ACCRUED INCOME AND OTHER RECEIVABLE

It includes an amount of Rs 83.886 million as a deposit margin held with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades.

(Unaudited)
March 31,
2008
(Rupees in '000')

6 COMMITMENTS

Continuous Funding System (CFS) transactions (including transactions to be rolled over) entered into by the Fund in respect of which the purchase transactions have not been settled as at period end

696,144

Spread Transactions (including transactions to be rolled over) entered into by the Fund in respect of which the sale transactions have not been settled as at period end

27,982

NAFA Income Fund

7 EARNINGS PER UNIT

Earnings per unit (EPU) for the period ended March 31, 2008 has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

8 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include National Fullerton Asset Management Limited being the Management Company, NIB Bank Limited and Central Depository Company of Pakistan Limited being the Trustee.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market norms.

8.1 Transactions during the period

	(Unaudited) March 31, 2008 (Rupees in '000')
National Fullerton Asset Management Limited - Management Company	
Management fee expense for the period	333
Units Issued (10,000,000 units)	100,000
NIB Bank Limited	
Income from bank deposits	466
Investment in Term Finance Certificates	30,345
Income from Term Finance Certificates	9
Central Depository Company of Pakistan Limited - Trustee	
Units issued (2,500,000 units)	25,000
Remuneration of the Trustee for the period	30
Other Executives of the Management Company	
Units issued (4,000 units)	40

(Unaudited)
March 31,
2008
(Rupees in '000')

8.2 Balances outstanding as at period end

National Fullerton Asset Management Limited - Management Company	
Investment held in the Fund (10,000,000 units)	100,051
Management fee payable	333
Sales load payable	54
Payable against Pre-IPO profit	444
Others	8,650
NIB Bank Limited - Sponsor	
Deposit held with the Sponsor	700,865
Profit receivable on bank deposits	296
Investment in Term Finance Certificates	30,435
Profit receivable on Term Finance Certificates	251

NAFA Income Fund

(Unaudited)
March 31,
2008

(Rupees in '000')

Central Depository Company of Pakistan Limited - Trustee

Investment held in the Fund (2,500,000 units)

25,013

Remuneration payable

30

Other Executives of the Management Company

Investment held in the Fund (4,000 units)

40

9 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 16, 2008 by the Board of Directors of the Management Company.

10 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman