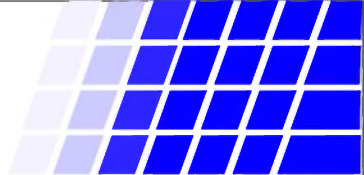


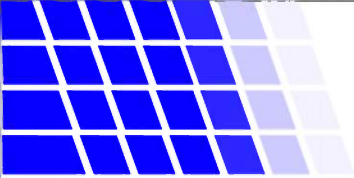
NAFA INCOME FUND



NAFA INCOME FUND

**QUARTERLY REPORT
FOR THE PERIOD ENDED MARCH 31, 2009
(UN-AUDITED)**





NAFA INCOME FUND

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NAFA INCOME FUND

DIRECTORS' REPORT

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the unaudited financial statements of NAFA Income Fund for the period ended March 31, 2009.

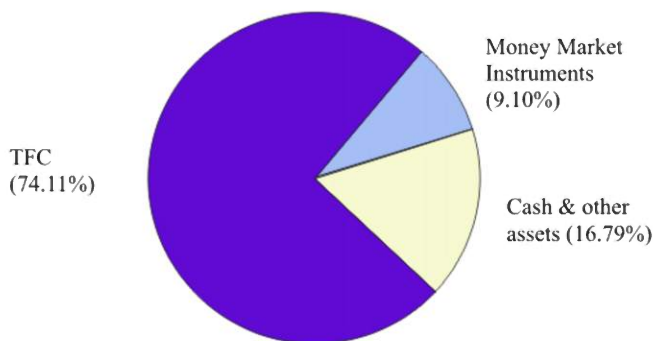
Fund's Performance

The size of NAFA Income Fund dropped to its lowest at Rs.1 billion during the period. This was due to an overall run on the mutual funds industry as a result of a liquidity crunch in the financial markets, the resultant drop in value of all assets classes, and general uncertainty among investors. However, due to attractive annualized returns of 15.01% during the quarter Jan-Mar 2009, fresh investments were experienced into the Fund, resulting in an increase in the Fund size to Rs.1.1 billion as of March 31, 2009. This translates into a growth of 10% from its bottom. During the said quarter, NAFA Income Fund has also outperformed its benchmark (3-Month T-Bills) by 1.71%.

NAFA Income Fund has earned a total income of Rs.70.68 million during the period from July 01, 2008 to March 31, 2009. After deducting total expenses of Rs.65.94 million, the net gain is Rs.4.75 million. During the period, the unit price of NAFA Income Fund has reduced from Rs.9.7427 on June 30, 2008 (Ex-Div) to Rs.9.7230 on March 31, 2009. The resultant per unit loss is Rs.0.0197.

The asset allocation of NAFA Income Fund as on March 31, 2009 is as follows:

Asset Allocation as on March 31, 2009





NAFA INCOME FUND

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing 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

On behalf of the Board of
National Fullerton Asset Management Limited

Masood Karim Shaikh, FCA
Chairman

Dr. Amjad Waheed, CFA
Chief Executive

Date: April 17, 2009
Place: Karachi.

NAFA INCOME FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2009

	(Unaudited) Note March 31, 2009	(Audited) June 30, 2008
-----Rupees in '000-----		
Assets		
Balances with banks	83,893	759,564
Receivable against Continuous Funding System (CFS) transactions	-	58,656
Investments	4 814,144	921,423
Loans and receivables	100,000	50,000
Profit receivable	5 42,918	41,451
Preliminary expenses and floatation costs	3,997	4,744
Advances, deposits, prepayments and other receivables	65,459	6,919
Total assets	1,110,411	1,842,757
Liabilities		
Payable to National Fullerton Asset Management Limited - Management Company	6,816	8,742
Payable to Central Depository Company of Pakistan Limited - Trustee	174	251
Payable to Securities and Exchange Commission of Pakistan	882	705
Payable on redemption of units	2,994	3,333
Accrued expenses and other liabilities	6 1,009	1,809
Total liabilities	11,875	14,840
Net assets	1,098,536	1,827,917
Unit holders' fund (as per statement attached)	1,098,536	1,827,917
Commitments	7	
	-----Number of units-----	
Number of units in issue	112,982,822	179,019,887
	-----Rupees-----	
Net asset value per unit	9.7230	10.2107

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman

NAFA INCOME FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2009

	Note		Quarter ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Income				
Income from Continuous Funding System (CFS) transactions	5,733	-	16	-
Profit on bank deposits	21,749	1,713	4,244	1,713
Income from term finance certificates, sukuk bonds and commercial papers	107,737	9	34,318	9
Income from certificates of deposit and clean placements	857	-	40	-
Loan on sale of investment - net	(7,325)	-	(2,754)	-
Net unrealised appreciation / (diminution) in the value of investments at fair value through profit or loss	(66,602)	87	18,099	87
Total income	62,149	1,809	53,963	1,809
Expenses				
Remuneration of National Fullerton Asset Management Limited - Management Company	14,641	333	3,902	333
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,727	30	507	30
Annual fee - Securities and Exchange Commission of Pakistan	882	22	195	22
Annual listing fee	7	1	-	1
Brokerage and other Securities transaction costs	114	54	-	54
Auditors' remuneration	250	6	65	6
Provision for impairment	45,098	-	30,098	-
Settlement and bank charges	1,031	14	111	14
Amortisation of preliminary expenses and floatation costs	747	8	247	8
Printing and related costs	438	-	118	-
Other expenses	1,002	-	479	-
Total expenses	65,937	468	35,722	468
Net income / (loss) from operating activities	(3,788)	1,341	18,241	1,341
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	8,534	154	(168)	154
Net income / (loss) for the period	4,746	1,495	18,073	1,495

Earnings / (loss) per unit

10

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman

NAFA INCOME FUND

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2009

Note	Nine months ended		Quarter ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Undistributed income brought forward	37,719	-	(34,505)	-
Final distribution for the year ended June 30, 2008; 2.10%				
- Bonus units	(31,331)	-	-	-
- Cash distribution	(6,191)	-	-	-
Interim distribution for the quarter ended September 30, 2008; 2.67%				
- Bonus units	(36,591)	-	-	-
- Cash distribution	(692)	-	-	-
Net element of losses and capital losses included in the price of units issued less those in units repurchased, amount representing losses that form part of the unit holders' funds	14,966	-	(942)	-
Net income/(loss) for the period	4,746 (55,093)	1,495	18,073 17,131	1,495
Loss carried forward	<u>(17,374)</u>	<u>1,495</u>	<u>(17,374)</u>	<u>1,495</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman

NAFA INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2009

	Note	Nine months ended		Quarter ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
		----- Rupees in '000 -----		----- Rupees in '000 -----	
Net assets at the beginning of the period		1,827,917	-	1,036,288	-
Issue of 122,095,771 units including 6,767,371 bonus units (2008 : 290,342,871 units)		1,149,571	2,903,581	257,705	2,903,581
Redemption of 188,132,836 units (2008 : Nil units)		(1,854,115) (704,544)	- 2,903,581	(232,032) 25,673	- 2,903,581
Final distribution for the year ended June 30, 2008; 2.10% : Bonus units		31,331	-	-	-
Interim distribution for the quarter ended September 30, 2008; 2.67% : Bonus units		36,591	-	-	-
Net element of losses and capital losses included in prices of units issued less those in units redeemed					
- amount representing losses and capital losses - transferred to Income Statement		(8,534)	(154)	168	(154)
- amount representing losses that form part of the unit holder's fund - transferred to Distribution Statement		(14,966) (23,500)	- (154)	942 1,110	- (154)
Final distribution for the year ended June 30, 2008; 2.10% : Bonus units		(31,331)	-	-	-
Interim distribution for the quarter ended September 30, 2008; 2.67% : Bonus units		(36,591)	-	-	-
Net unrealised diminution in the value of investments classified as 'available for sale'		(14,166)	-	18,334	-
Net income for the period		4,746	1,495	18,073	1,495
Net element of loss and capital losses included in the prices of units sold less those in units repurchased - amount representing loss that forms part of the unit holders' funds		14,966	-	(942)	-
Final cash distribution for the year ended June 30, 2008		(6,191)	-	-	-
Interim cash distribution for the period ended September 30, 2008		(692)	-	-	-
Net assets as at the end of the period		<u>1,098,536</u>	<u>2,904,922</u>	<u>1,098,536</u>	<u>2,904,922</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman

NAFA INCOME FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2009

	Note	Nine months ended		Quarter ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
		----- Rupees in '000 -----		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss) for the period		4,746	1,495	18,073	1,495
Adjustments					
Amortisation of preliminary expenses and floatation costs		747	8	247	8
Net unrealised (appreciation)/diminution in value of investments at fair value through profit or loss		66,602	(87)	(18,099)	(87)
Provision for impairment		45,098	-	30,098	-
Net element of losses and capital losses included in prices of units issued less those in units redeemed		(8,534)	(154)	168	(154)
Loss on sale of investment		7,325	-	2,754	-
		115,984	1,262	33,241	1,262
(Increase) / decrease in assets					
Receivable against Continuous Funding System (CFS) transactions		58,656	-	10,105	-
Investments		(25,912)	(30,565)	135,955	(30,565)
Loans and receivable		(50,000)	(150,000)	(100,000)	(150,000)
Profit receivable		(1,467)	(85,834)	6,745	(85,834)
Advances, deposits, prepayments and other receivables		(58,540)	(3,629)	(56,991)	(3,629)
Receivable against sale of investments		-	-	8,794	-
Preliminary expenses and floatation costs		-	(5,000)	-	(5,000)
		(77,263)	(275,028)	4,608	(275,028)
Increase/ (Decrease) in liabilities					
Accrued expenses and other liabilities		(800)	727	(793)	727
Payable on redemption of units		(339)	-	(5,627)	-
Payable to National Fullerton Asset Management Limited - Management Company		(1,926)	9,037	(270)	9,037
Payable to Central Depository Company of Pakistan Limited - Trustee		(77)	30	(8)	30
Payable to Securities and Exchange Commission of Pakistan		177	22	195	22
		(2,965)	9,816	(6,503)	9,816
Net cash inflow from operating activities		35,756	(263,950)	31,346	(263,950)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts from issue of units		1,149,571	2,898,460	257,705	2,898,460
Payments on redemption of units		(1,854,115)	-	(232,032)	-
Distribution paid		(6,883)	-	-	-
Net cash outflow on financing activities		(711,427)	2,898,460	25,673	2,898,460
Net (decrease)/increase in cash and cash equivalents during the period		(675,671)	2,634,510	57,019	2,634,510
Cash and cash equivalents at the beginning of the period		759,564	-	26,874	-
Cash and cash equivalents at the end of the period		83,893	2,634,510	83,893	2,634,510

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman

NAFA INCOME FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2009

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Income Fund (NIF) 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 3, 2008 and was authorized 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.

NIF 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 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 comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.

JCR-VIS Credit Rating Company Limited (JCR-VIS) has revised the rating of the Management Company to AM2- from AM2 on February 12, 2009.

2 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, 2008 (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 SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by 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.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the period from March 7, 2008 to June 30, 2008.

Note	(Unaudited) March 31, 2009	(Audited) June 30, 2008
(Rupees in '000)		
4. INVESTMENTS		
At fair value through profit or loss	4.1 608,310	582,940
Available for sale	4.2 <u>205,834</u>	<u>338,483</u>
	<u>814,144</u>	<u>921,423</u>
4.1 At fair value through profit or loss		
Equity securities - listed	4.1.2 -	-
Units of open end mutual fund	4.1.3 -	-
Term finance certificates - listed	4.1.4 237,250	131,245
Term finance certificates - unlisted	4.1.5 366,158	401,360
Sukuk bonds	4.1.6 <u>4,902</u>	<u>50,335</u>
	<u>608,310</u>	<u>582,940</u>

NAFA INCOME FUND

- 4.1.1** NAFA Income Fund has entered into a Voluntary Continuous Funding System Mark-II Square Up Program (the Program) with National Clearing Company of Pakistan Limited for squaring up of its outstanding exposure in CFS. The need for this program developed due to the large number of suspension of members in December 2008 following eight days of continuous market lower locks in the underlying CFS shares posing great difficulty in squaring up and the likelihood of systemic risk emanating therein. The aim of this program is to ensure the full repayment of financier funds and prevent mass scale broker defaults enabling a vast majority of them to return from suspension.

Under the terms of the Program, CFS shares and their associated margins in the form of exposure shares (i.e those shares which were deposited as collateral against the specific shares financed in the CFS market by the relevant financee broker) were sold to the financiers at a discount of 12.5% and 15% respectively to their closing prices prevailing as at December 24, 2008. The financiers opting into the program have purchased shares of an amount equal to 30% of the total value they had financed in the CFS market at the aforementioned price. The remaining 70% that they had financed in the CFS market along with the mark-up accrued thereon was to be settled in cash.

Consequent to the announcement of the Program, NAFA Income Fund has purchased shares of an amount equal to approximately 30% of the total value that they had financed in the CFS market which have been classified as short-term investments. The remaining 70% CFS balance along with the entire mark-up accrued thereon has been received subsequent to the period ended December 31, 2008.

The SECP vide its circular no. NBFC-1/MUFAP/01/2009 dated January 1, 2009, has permitted all income / money market funds to keep the shares acquired under the Program for a period of three months extendable to another three months upon application to SECP. However, in case the price of these shares attains the level determined in the program i.e. 12.5% discount to the closing price as of December 24, 2008, the Fund is required to dispose of these shares immediately.

4.1.2 Equity securities - listed

Name of the investee company	Number of shares				Market value as at March 31, 2009 (Rs. in "000")	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Sales during the period	As at March 31, 2009			

All the holding are in shares of Rs. 10/- each unless otherwise stated.

Investment Banks / Companies

Arif Habib Limited	-	52	52	-	-	-	-
Arif Habib Securities Limited	-	13,084	13,084	-	-	-	-
Dawood Equities Limited	-	14	14	-	-	-	-
Frist National Equities Limited	-	2	2	-	-	-	-
Jahangir Siddiqui Company Limited	-	851	851	-	-	-	-
Jahangir Siddiqui Investment Company Limited	-	29	29	-	-	-	-
Javed Omer Vohra and Company	-	163	163	-	-	-	-
Pervez Ahmed Securities Limited	-	434	434	-	-	-	-

Commercial Banks

Allied Bank Limited	-	29	29	-	-	-	-
Askari Bank Limited	-	16,740	16,740	-	-	-	-
Arif Habib Bank Limited	-	2,053	2,053	-	-	-	-
Bank Al-Falah Limited	-	5,517	5,517	-	-	-	-
Bank Al Habib Limited	-	13	13	-	-	-	-
The Bank of Punjab	-	154	154	-	-	-	-
BankIslami Pakistan Limited	-	961	961	-	-	-	-
Faysal Bank Limited	-	57	57	-	-	-	-
Habib Bank Limited	-	32	32	-	-	-	-
MCB Bank Limited	-	2	2	-	-	-	-
Meezan Bank Limited	-	24	24	-	-	-	-
National Bank of Pakistan	-	102	102	-	-	-	-
NIB Bank Limited	-	1,202	1,202	-	-	-	-
JS Bank Limited	-	892	892	-	-	-	-
Saudi Pak Commercial Bank Limited	-	1,046	1,046	-	-	-	-
Soneri Bank Limited	-	38	38	-	-	-	-
United Bank Limited	-	141	141	-	-	-	-
Balance carried forward							

NAFA INCOME FUND

Name of the investee company	Number of shares				Market value as at March 31, 2009 (Rs. in '000')	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Sales during the period	As at March 31, 2009			
Balance brought forward				-	-	0.00%	0.00%
Insurance							
Adamjee Insurance Company Limited	-	12	12	-	-	-	-
EFU General Insurance Limited	-	55	55	-	-	-	-
Pakistan Reinsurance Limited	-	95	95	-	-	-	-
Textile Spinning							
D.S Industries Limited	-	7	7	-	-	-	-
Textile Composite							
Azgard Nine Limited (Non-voting) shares	-	31,504	31,504	-	-	-	-
Dawood Lawrencepur Limited	-	23	23	-	-	-	-
Nishat (Chunian) Mills Limited	-	140	140	-	-	-	-
Nishat Mills Limited	-	19,699	19,699	-	-	-	-
Synthetic and Rayon							
Dewan Salman Fibre Limited	-	219	219	-	-	-	-
Cement							
Al Abbas Cement Company Limited	-	105	105	-	-	-	-
D.G Khan Cement Company Limited	-	139	139	-	-	-	-
Deewan Cement Limited	-	126	126	-	-	-	-
Lucky Cement Limited	-	1,044	1,044	-	-	-	-
Fauji Cement Company Limited	-	702	702	-	-	-	-
Maple Leaf Cement Factory Limited	-	78	78	-	-	-	-
Pakistan Cement Company Limited	-	1,832	1,832	-	-	-	-
Pioneer Cement Limited	-	84	84	-	-	-	-
Refinery							
Attock Refinery Limited	-	33	33	-	-	-	-
Bosicor Pakistan Limited	-	744	744	-	-	-	-
Pakistan Refinery Limited	-	25	25	-	-	-	-
Power and Generation and Distribution							
The Hub Power Company Limited	-	478	478	-	-	-	-
Kot Addu Power Company Limited	-	7	7	-	-	-	-
Oil and Gas Marketing Companies							
Attock Petroleum Limited	-	28	28	-	-	-	-
Pakistan State Oil Company Limited	-	94	94	-	-	-	-
Sui Southern Gas Company Limited	-	107	107	-	-	-	-
Sui Northern Gas Company Limited	-	2,519	2,519	-	-	-	-
Oil and Gas Exploration Companies							
Oil and Gas Development Company Limited	-	498	498	-	-	-	-
Pakistan Oilfields Limited	-	34	34	-	-	-	-
Pakistan Petroleum Limited	-	44	44	-	-	-	-
Engineering							
Crescent Steel and Allied Products Limited	-	120	120	-	-	-	-
Dost Steel Limited	-	209	209	-	-	-	-
Automobile Assemblers							
Honda Atlas Cars (Pakistan) Limited	-	64	64	-	-	-	-
Indus Motor Company Limited	-	6	6	-	-	-	-
Balance carried forward							

NAFA INCOME FUND

Name of the investee company	Number of shares				Market value as at March 31, 2009 (Rs. in "000")	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Sales during the period	As at March 31, 2009			
Balance brought forward				-	-	0.00%	0.00%
Cable and Electrical Goods							
Pak Electron Limited	-	194	194	-	-	-	-
Transport							
Pakistan International Container Terminal Limited	-	3	3	-	-	-	-
Technology and Communications							
Pakistan Telecommunication Company Limited	-	154	154	-	-	-	-
Netsol Technologies Limited	-	5,895	5,895	-	-	-	-
TRG Pakistan Limited	-	1,020	1,020	-	-	-	-
Telecard Limited	-	332	332	-	-	-	-
Worldcall Telecom Limited	-	1,659	1,659	-	-	-	-
Fertilizers							
Engro Chemicals Pakistan Limited	-	46	46	-	-	-	-
Fauji Fertilizer Company Limited	-	143	143	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	5,951	5,951	-	-	-	-
Chemicals							
BOC Pakistan Limited	-	5	5	-	-	-	-
ICI Pakistan Limited	-	10	10	-	-	-	-
Pakistan PTA Limited	-	688	688	-	-	-	-
Sitara Peroxide Limited	-	69	69	-	-	-	-
Paper and Board							
Packages Limited	-	9	9	-	-	-	-
Closed end Mutual Fund							
JS Value Fund	-	370	370	-	-	-	-
PICIC Growth Fund	-	94	94	-	-	-	-
Pakistan Premier Fund Limited	-	351	351	-	-	-	-
Miscellaneous							
Pace (Pakistan) Limited	-	2,696	2,696	-	-	-	-
Tri Pack Films Limited	-	19	19	-	-	-	-
				-	-	-	-
Cost as at March 31, 2009					-		

NAFA INCOME FUND

4.1.3 Units of open end mutual fund

Name of the investee fund	Number of units				Market value as at March 31, 2009 (Rs. in "000")	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Sales during the period	As at March 31, 2009			
Open end mutual fund							
NAFA Cash Fund	-	13,860,405	13,860,405	-	-	-	-
					<u>-</u>	<u>0.00%</u>	<u>0.00%</u>

Cost as at March 31, 2009

-

Term finance certificates - At fair value through profit or loss

Name of the investee company	Number of certificates				Market value as at March 31, 2009 (Rs. in "000")	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Sales during the period	As at March 31, 2009			

4.1.4 Term finance certificates - listed

Engro Chemicals Pakistan Limited	10,000	-	2,000	8,000	39,184	3.57%	4.81%	
NIB Bank Limited	1,000	-	-	1,000	4,775	0.43%	0.59%	
Saudi Pak Leasing Company Limited	15,000	-	-	15,000	55,478	5.05%	6.81%	
United Bank Limited	-	65,000	35,000	30,000	137,813	12.55%	16.93%	
					<u>54,000</u>	<u>237,250</u>	<u>21.60%</u>	<u>29.14%</u>

4.1.5 Term finance certificates - unlisted

Engro Chemicals Pakistan Limited	20,000	-	-	20,000	88,000	8.01%	10.81%	
Pak American Fertilizer Limited	30,000	-	-	30,000	140,777	12.81%	17.29%	
Pakistan Mobile Communication Limited	30,000	-	-	30,000	137,381	12.51%	16.87%	
					<u>80,000</u>	<u>366,158</u>	<u>33.33%</u>	<u>44.97%</u>
					<u>134,000</u>	<u>603,408</u>	<u>54.93%</u>	<u>74.11%</u>

Cost as at March 31, 2009

670,010

4.1.6 Sukuk bonds - At fair value through profit or loss

Name of the investee company	Number of certificates				Market value as at March 31, 2009 (Rs. in "000")	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Sales during the period	As at March 31, 2009			

Sukuk bonds

New Allied Electronics Industries (Private) Limited (note 4.1.9)	10,000	-	-	10,000	4,902	0.45%	0.60%	
					<u>10,000</u>	<u>4,902</u>	<u>0.45%</u>	<u>0.60%</u>

Cost as at March 31, 2009

50,000

Provision for impairment loss

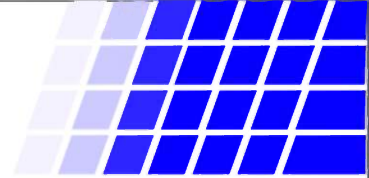
45,098

4.1.7 All term finance certificates and sukuk bonds have a face value of Rs 5,000 each.

4.1.8 All open-end mutual funds are to value term finance certificates as per the requirement of SECP circular No. 01/2009 dated January 06, 2009.

4.1.9 This represents investment in privately placed sukuk bonds with a term of five years. On December 3, 2008, the scheduled profit payment date, the investee company defaulted on its obligations amounting to Rs. 3,750 thousand. The Fund has outstanding suspended income of Rs. 3,851 thousand as at March 31, 2009. Impairment losses amounting to Rs. 45,098 thousand have been charged to income statement. Out of this amount Rs. 34,376 thousand is in excess of the requirement of Circular No. 01/2009.

NAFA INCOME FUND



	Note	March 31, 2009	June 30, 2008
4.2 Available for sale investments			
		(Rupees in '000)	
Term finance certificates - listed	4.2.1	110,972	120,000
Sukuk bonds	4.2.2	94,862	100,000
Commercial papers	4.2.3	-	118,483
		<u>205,834</u>	<u>338,483</u>

Name of the investee company	Number of certificates				Market value as at March 31, 2009 (Rs. in "000")	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2008	Purchases during the period	Sales during the period	As at March 31, 2009			

4.2.1 Term finance certificates - listed

Worldcall Telecom Limited	24,000	-	-	24,000	110,972	10.10%	13.63%
				<u>24,000</u>	<u>110,972</u>	<u>10.10%</u>	<u>13.63%</u>
Cost as at March 31, 2009				<u>120,000</u>			

4.2.2 Sukuk bonds

Eden Housing Limited	20,000	-	-	20,000	94,862	8.64%	11.65%
				<u>20,000</u>	<u>94,862</u>	<u>9.64%</u>	<u>11.65%</u>
Cost as at March 31, 2009				<u>100,000</u>			

4.2.3 Commercial paper

Azgard Nine Limited	15,000	-	15,000	-	-	-	-
IGI Insurance Limited	10,000	-	10,000	-	-	-	-
				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cost as at March 31, 2009				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

4.2.4 All term finance certificates and sukuk bonds have a face value of Rs 5,000 each.

	March 31, 2009	June 30, 2008
5. PROFIT RECEIVABLE		
	(Rupees in '000)	
Income accrued on Continuous Funding System (CFS) transactions	-	684
Profit on savings and term deposit accounts	1,453	14,273
Income accrued on term finance certificates and sukuk bonds	45,276	25,210
Less: Suspended Income	(3,851)	-
	41,425	25,210
Income accrued on money market instruments	40	1,284
Other receivables	-	-
	<u>42,918</u>	<u>41,451</u>
6. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	150	182
Settlement charges payable	313	76
Withholding tax payable	-	291
Bank charges payable	31	6
NCCPL fee payable	-	27
Payable to brokers	79	1,227
Printing and related costs payable	436	-
	<u>1,009</u>	<u>1,809</u>

NAFA INCOME FUND

7. COMMITMENTS	March 31, 2009	June 30, 2008
	(Rupees in '000)	
Continuous Funding System (CFS) transactions (including transactions to be rolled over) entered into by the Fund in respect of which the purchase and sale transactions have not been settled as at period / year end	-	7,955

8. TAXATION

The Fund is exempt from income tax under clause 99 of part 1 of the Second Schedule to 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.

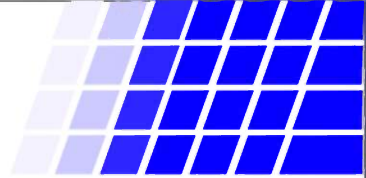
9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include National Fullerton Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee and National Bank of Pakistan, NIB Bank Limited and Alexandra Fund Management Pte. Limited being the Sponsors, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

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

9.1 Transactions during the period	(Unaudited)		(Unaudited)	
	Nine months ended		Quarter ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	(Rupees in '000)		(Rupees in '000)	
National Fullerton Asset Management Limited - Management Company				
Management fee expense for the period	14,641	333	3,902	333
Units issued / Transferred in - (Nil units : 2008 : 10,000,000 units)	-	100,000	-	100,000
Bonus units issued - (480,345 units : 2008 : Nil units)	-	-	-	-
NIB Bank Limited - Sponsor				
Profit on bank deposits	5,154	466	1,478	466
Income from Term Finance Certificates	526	9	182	9
Dr. Amjad Waheed (Chief Executive Officer)				
Bonus units issued - (1,412 units : 2008 : Nil units)	-	-	-	-
Other Executives of the Management Company				
Bonus units issued - (19,135 units : 2008 : Nil units)	-	-	-	-
Units issued / transferred in - (1,074,320 units : 2008 : 4000 units)	10,877	40	1,610	40
Units redeemed / transferred out - (533,982 units : 2008 : Nil units)	5,284	-	794	-
Central Depository Company of Pakistan Limited - Trustee				
Units issued / transferred in - (Nil units : 2008 : 2,500,000 units)	-	25,000	-	25,000
Trustee Remuneration	1,727	30	507	30
CDC Charges	47	-	4	-
NAFA Employees Provident Fund				
Bonus units issued - (6,586 units : 2008 : Nil units)	-	-	-	-
Units issued / transferred in - (248,337 units : 2008 : Nil units)	2,545	-	-	-
NAFA Multi Asset Fund				
Bonus units issued - (346,629 units : 2008 : Nil units)	-	-	-	-
Units issued / transferred in - (8,708,694 units : 2008 : Nil units)	90,000	-	-	-
Units redeemed / transferred out - (14,574,359 units : 2008 : Nil units)	140,046	-	28,644	-
Term finance certificates sold	175,000	-	-	-
NAFA Cash Fund				
Bonus units issued - (154,910 units : 2008 : Nil units)	-	-	-	-
Units redeemed / transferred out - (7,546,476 units : 2008 : Nil units)	75,613	-	-	-
Units issued / transferred in - (7,391,566 units : 2008 : Nil units)	75,000	-	-	-
NAFA Cash Fund - Investments held by the Fund				
Units purchased - (13,615,160 units : 2008 : Nil units)	140,000	-	-	-
Bonus units issued - (245,244 units : 2008 : Nil units)	-	-	-	-
Units redeemed / transferred out - (13,860,404 units : 2008 : Nil units)	133,954	-	53,954	-

NAFA INCOME FUND



	Unaudited March 31, 2009	Audited June 30, 2008
	(Rupees in '000)	
9.2 Amounts outstanding as at year end		
National Fullerton Asset Management Limited		
Management Fee payable	1,337	2,529
Investment held in the Fund - 10,480,345 units (June 30, 2008 : 10,000,000)	101,900	102,107
Front end load payable	504	1,238
Other payable	4,975	4,975
National Bank of Pakistan - Sponsor		
Balances in current accounts	445	1,479
NIB Bank Limited - Sponsor		
Balances in savings accounts	11,515	181,396
Profit receivable on bank deposits	-	80
Investment in term finance certificates	4,775	5,062
Profit receivable on term finance certificates	50	1,259
Dr. Amjad Waheed (Chief Executive Officer)		
Investment held in the Fund - 30,812 units (June 30, 2008 : 29,400)	299	300
Executives of the Management Company		
Investment held in the Fund - 1,29,869 units (June 30, 2008 : 8,060)	1,263	82
NAFA Multi Asset Fund		
Investment held in the Fund - Nil units (June 30, 2008 : 5,519,036)	-	56,353
NAFA Provident Fund		
Investment held in the Fund - 254,923 units (June 30, 2008 : Nil)	2,479	-
NAFA Cash Fund		
Investment held in the Fund - Nil units (June 30, 2008: 7,391,566 units)	-	75,473
Investment held by the Fund - Nil units (June 30, 2008 : Nil)	-	-
Central Depository Company of Pakistan Limited		
Remuneration payable	174	251
CDC Charges	1	76
Security deposit	100	100

10. EARNINGS / (LOSS) PER UNIT

Earning/(loss) per unit for the period ended March 31, 2009 has not been disclosed as in the opinion of the management determination management determination of weighted average units for calculating LPU is not practicable.

11. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statement were authorised for issue on April 17, 2009 by the Board of Directors of the Management Company.

12. GENERAL

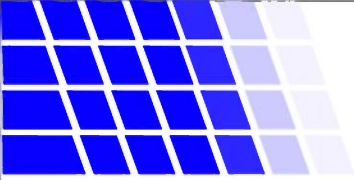
12.1 Figures have been rounded off to the nearest thousand rupees.

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

Dr. Amjad Waheed, CFA
Chief Executive

Masood Karim Shaikh, FCA
Chairman

Quarterly Report



NAFA INCOME FUND