

National Fullerton
Asset Management Limited

NAFA Multi Asset Fund (NMF)

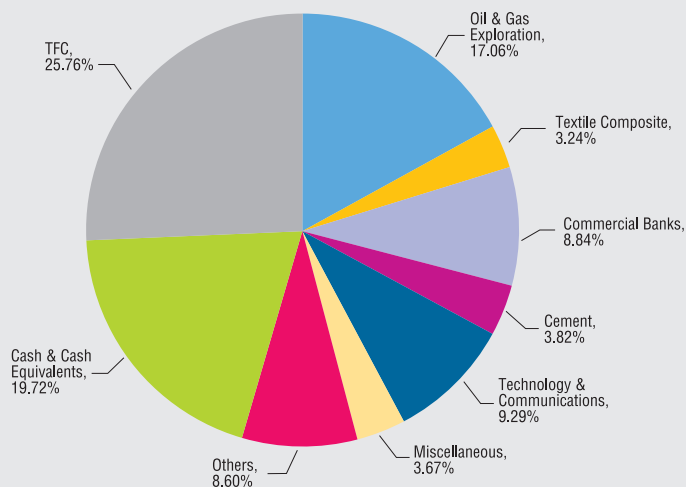
NAV per unit (30/09/2008): Rs. 9.6493

September 2008

Investment Objective	Performance					
To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.	Return (%)*	Jan - Dec 2007	Jan - Jun 2008	Jul - Sep 2008	Sep 2008	Since Launch January 22, 2007
	NAFA Multi Asset Fund	44.06%	-5.90%	-13.13%	-0.02%	17.76%
	Benchmark (50% KSE-30 Index & 50% 1-month KIBOR)	17.50%	-4.38%	-14.37%	-0.05%	-3.79%
*Returns are net of management fee & all other expenses						

General Information	Fund Manager's Commentary
<p>Launch Date: January 22, 2007</p> <p>Fund Size: Rs. 2,177 million</p> <p>Type: Open-end – Balance Fund</p> <p>Dealing: Daily</p> <p>Settlement: 2-3 business days</p> <p>Load: Front end – 3%, Back end - 0%</p> <p>Management Fee: 2.5% per annum</p>	<p>During the month under review, NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) decreased by 0.016% while the benchmark (50% KSE-30 Index & 50% 1-month KIBOR) decreased by 0.053%. Thus your Fund out-performed the benchmark by 0.037% during the month.</p> <p>Since inception on January 22, 2007, your Fund has risen by 17.76%, while the benchmark has fallen by 3.79%. Thus, to-date the out-performance of your Fund stands at 21.55%.</p> <p>The imposition of Price Floor mechanism, at least, deferred the impact of deteriorating macro-economics on the market. Stock market remained flat during the month and trading activity also evaporated significantly.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Trustee: Central Depository Company</p> <p>Auditors: A. F. Ferguson & Co. Chartered Accountants</p> <p>Benchmark: 50% KSE-30 Index & 50% 1-month KIBOR</p> <p>Fund Manager: Adnan Faisal, CFA</p> <p>Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (as on 30th September 2008)



On the fixed income side, the liquidity crunch in the domestic financial sector saw the overnight rates reach as high as 23%. The CFS rates also jumped to almost 40% during the month. With the continuing deterioration in the macro-economic equation, the rising interest rate scenario seems most likely.

At the beginning of the month, your Fund was invested almost 60% in equities but we were able to bring this down to 54% and diverted these assets to fixed income avenues to capitalize upon the rising rates. Although equities have priced in the macro-economic imbalances to a large extent, the liquidity crunch still may cause further pressure on them.

In view of our assessment of equities and fixed income we are endeavoring to further shift our focus towards fixed income avenues to capitalize upon the rising interest rate scenario. We are also ensuring to keep the minimum possible duration of our fixed income portfolio to avoid interest rate risk.

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