



National Fullerton
Asset Management Limited

NAFA Islamic Multi Asset Fund (NIMF)

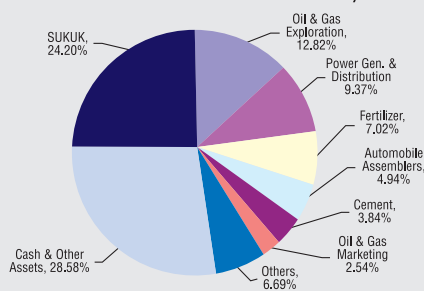
Unit Price (28/02/2010): Rs. 9.5083

February 2010

Investment Objective	Performance						
	Performance (%)*	Oct - Dec 2007	Oct - Jun 2007 - 08	Jul - Jun 2008 - 09	Jul - Jan 2009 - 10	February 2010	Since Launch October 29, 2007
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.	NAFA Islamic Multi Asset Fund	(2.64)%	(4.64)%	(10.09)%	10.90%	0.004%	(4.92%)
	*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. 483 million</p> <p>Type: Shariah Compliant - Open-end Balanced Fund</p> <p>Dealing Days: Daily - Monday to Friday</p> <p>Settlement: 2-3 business days</p> <p>Price Mechanism: Forward Pricing</p> <p>Load: Front end -3%, Back end-0%</p> <p>Management Fee: 3% per annum</p> <p>Risk Profile: Moderate</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>Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p> <p>Asset Manager Rating: AM2- by PACRA</p>	<p>During the month of February 2010, Net Asset Value (NAV) of NAFA Islamic Multi Asset Fund (NIMF) increased by 0.004%, whereas the benchmark increased by 0.78%, thus your Fund under-performed the benchmark by 0.776%.</p> <p>Key factor for the underperformance of the Fund versus the benchmark during the month was trading of Pak Electron Limited (PEL) sukuk at lower price. NIMF is a balanced Fund and market weight implies 50% weight in equities and 50% in fixed income asset class. The month started with 39% weight in equities. During the month we over-weighted equities on the expectation of better corporate earnings. However, towards the end of the month we reduced our allocation in equities below the market weight.</p> <p>The Stock Market remained range bound during the month. The month started with KMI-30 Index around 14216 levels and touching a high of 14639 on February 22, 2010, closed the month at 14363. Rift between presidency and judiciary over the appointment of judges, resignation of the Finance Minister and imposition of Capital Gain Tax on the Stock Market created anxiety among the investors. Foreign portfolio Investment activity also remained subdued with portfolio inflow recorded at US \$ 16.65 million for the month of February. Uncertainty on the political front and delay in introduction of financing product overshadowed the result season. Trading activity further shrunk in the month of February with average daily traded volume recorded at 163.6 million shares.</p> <p>CPI inflation in the month of January increased to 13.7%. As a result, interest rates showed upward trend during the month. 6-month KIBOR increased by 20 basis points to close the month at 12.43% from 12.23% at the start of the month. Yield on 6-month T-bill increased to 12.22% from 11.93% at the start of the month.</p> <p>We are holding positions in high dividend yielding stocks with stable earnings stream and attractive valuations. The yield to maturity on our Sukuk portfolio is also attractive at 13.74% per annum.</p>

Asset Allocation (as on 28th February 2010)



Leverage: (Amount of leveraging / borrowing done by the Fund.) Nil

Top Five Holdings

FFC	HUBC	INDU	OGDC	PPL
Name of the Members of Investment Committee:		Dr. Amjad Waheed, CFA Sajjad Anwar, CFA Tanvir Abid, CFA Irfan Malik, CFA		

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell the fund. All investments in mutual funds are subject to market risks. The price of units may go up as well as down. Past performance is not necessarily indicative of future results.