



National Fullerton
Asset Management Limited

NAFA Islamic Income Fund (NIIF)

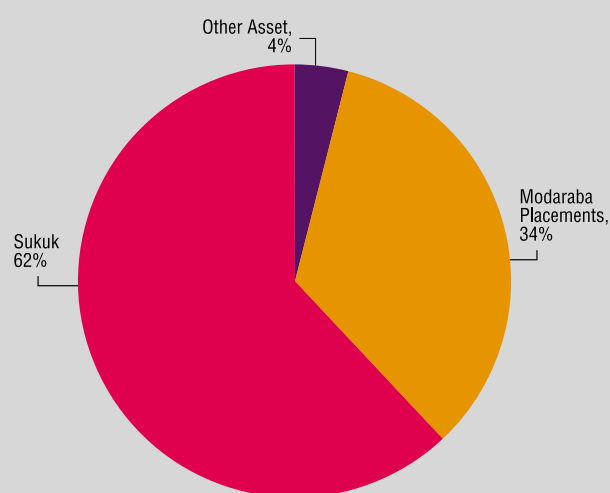
Unit Price (30/06/2008): Rs.10.3532

June 2008

Investment Objective	Performance				
To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.	Annualized Performance (%)*	Jan - June 2008	Apr - June 2008	June 2008	Since Launch October 29, 2007
	NAFA Islamic Income Fund:	8.62%	9.03%	9.35%	8.37%
	Benchmark: (Average 1-month deposit rate of Islamic Banks)	5.31%	5.30%	5.31%	5.31%
	Profit on Rs. 100,000 invested	Rs. 4,209	Rs. 2,178	Rs. 738	**Rs. 5,569
*Returns are net of management fee & all other expenses **Represents cumulative profit since inception					

General Information		Fund Manager's Commentary
Launch Date:	October 29, 2007	<p>During the month of June, NAFA Islamic Income Fund (NIIF) generated an annualized return of 9.35% as against 8.88% during the previous month, translating into an improvement of 47 basis points. During the month of June 2008, average annualized rate of return offered by the Islamic banks was calculated at 5.31%.</p> <p>Liquidity crunch which started post SBP monetary tightening measures during the end of May 2008 became more pronounced during the outgoing month. 6-month KIBOR reached 14.19% during the month of June 2008 as against 13.07% the previous month. Yield on our sukuk portfolio has started improving gradually because it is linked to KIBOR.</p> <p>Asset allocation of NIIF is shown in the attached chart. As of June 30, 2008, sukuks accounted for 62% of the Fund size as against 49% the previous month. Allocation in both short term and long term mudaraba placements decreased to 34% of the Fund size as compared to 51% last month. To maintain liquidity for possible redemptions and investment in other high yielding instruments, we made no investment in spread transactions.</p> <p>Going forward, we expect the performance of our Fund to improve further due to reset of the profit rate on majority of the sukuk portfolio at the end of June 2008, and increase in profit rate on short term mudaraba placements.</p>
Fund Size:	Rs. 881 million	
Type:	Open-end – Fixed Income Fund	
Dealing:	Daily	
Settlement:	2-3 business days	
Load:	Front end - 1.0%	
Management Fee:	1.5% per annum	
Listing:	Lahore Stock Exchange	
Custodian & Trustee:	Central Depository Company (CDC)	
Auditors:	A. F. Ferguson & Co. Chartered Accountants	
Benchmark:	Average 1-month deposit rate of Islamic banks	
Fund Manager(s)	Sajjad Anwar, CFA	
Min. Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (as on 30th June 2008)



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