



**NBP Fullerton  
Asset Management Limited**  
(Formerly National Fullerton Asset Management Limited)

# NAFA Income Fund (NIF)

Unit Price (31/07/2010): Rs. 9.9788 \*

July 2010

## Performance

Performance % *	July 2010 **	Jan. - July, 2010**	Jan. - Dec. 2009 ***	Since Launch March 29, 2008 ***
<b>NAFA Income Fund</b>	<b>-4.47%</b>	<b>-1.41%</b>	<b>13.50%</b>	<b>4.22%</b>
<b>Benchmark</b>	<b>0.97%</b>	<b>6.82%</b>	<b>12.38%</b>	<b>12.10%</b>

\* Ex-Distribution Price

\*\* Represent Cumulative Return

\*\*\* Represent Annualized Return

(Returns are net of management fee & all other expenses)

## General Information

Launch Date:	March 29, 2008
Fund Size:	Rs. 537 million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1.0%
Management Fee:	1.5% per annum
Risk Profile:	Low
Fund Stability Rating	"A (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	3-Months T-Bills
Fund Manager:	Ahmad Nouman, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

## Investment Objective

To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.

## Fund Manager's Commentary

During the month of July 2010, the unit price of NAFA Income Fund declined by 4.47%. This is due to provisioning on a non-performing TFC. However, the restructuring resolution has been signed and agreed by majority investors in this TFC issue. Fundamentals of the issuer company are also strong as this is a fertilizer company, a sector generally considered very safe. Hence, we expect recovery in this TFC price over the medium-term.

We would like to share with our investors that your Fund's return of 8.69% during the Fiscal Year 2010 was considerably better than its peer group average of income funds of 3.85%.

The weighted average Yield-to-Maturity of NAFA Income Fund is around 22.72% p.a. The weighted average maturity of NAFA Income Fund is 3.45 years. Thus the Fund is expected to perform well over a 3-year horizon.

Asset Allocation %	July-10	June-10
TFC / Sukuk	89.95%	87.82%
Cash Equivalents & Other Net Assets	10.05%	12.18%
Total	100.00%	100.00%
Leverage	Nil	Nil

## Detail of Non-Compliant Investments

Name of Non Complaint Investment	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	Yield to Maturity per Annum
Saudi Pak Leasing	TFC	56,227,500	15,303,607	*40,923,893	7.63%	45.04%
Eden Housing Sukuk 2	Sukuk	75,000,000	21,393,975	*53,606,025	9.99%	47.12%
<b>Total</b>		<b>131,227,500</b>	<b>36,697,582</b>	<b>94,529,918</b>	<b>17.62%</b>	

\* Book Value, performing but below investment grade

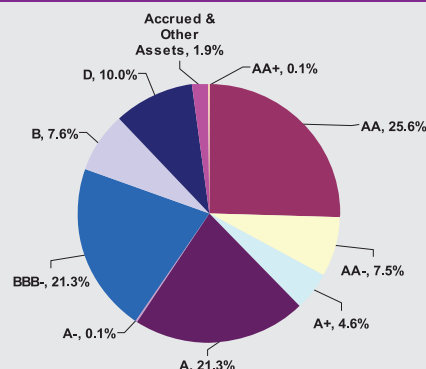
## TFC/SUKUK Allocation-Top Ten Holdings (% of Assets)

World Call	21.27%
Agritech Limited II	21.26%
Engro Fertilizer (Perpetual)	16.44%
Eden Housing Limited	9.99%
UBL IV	8.75%
Saudi Pak Leasing	7.63%
Pakistan Mobile Comm(PPTFC)	4.61%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Irfan Malik, CFA  
Ahmad Nouman, CFA  
Sajjad Anwar, CFA  
Tanvir Abid, CFA

## Credit Quality of the Portfolio (% of Net Assets)



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