



National Fullerton  
Asset Management Limited

# NAFA Income Fund (NIF)

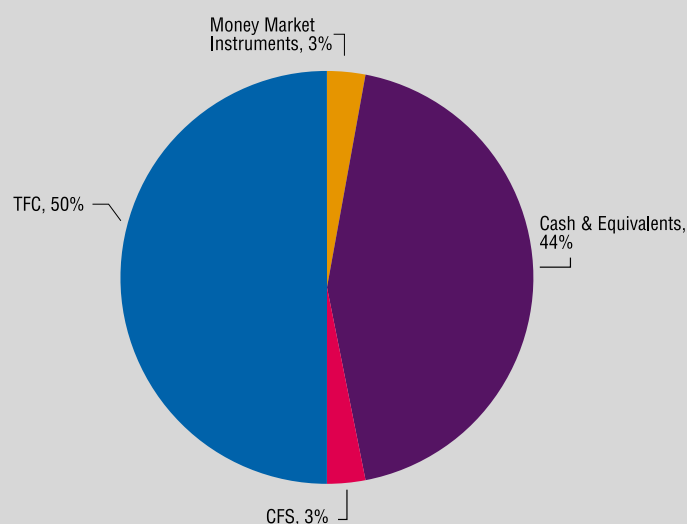
Unit Price (30/06/2008): Rs. 10.2107

June 2008

Investment Objective	Performance			
	Annualized Performance (%)*	Apr - June 2008	June 2008	Since Launch April 22, 2006
To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.	<b>NAFA Income Fund:</b>	<b>8.50%</b>	<b>8.56%</b>	<b>8.43%</b>
	<b>Benchmark:</b>	10.89%	11.95%	10.86%
	<b>Profit on Rs. 100,000 invested</b>	Rs. 2,055	Rs. 677	**Rs. 2,107
	* Returns are net of management fee & all other expenses ** Represents cumulative profit since inception			

General Information		Fund Manager's Commentary
Launch Date:	March 29, 2008	During the month of June 2008 NAFA Income Fund has earned an annualized return of 8.56% which is a 67 basis improvement over the previous month.
Fund Size:	Rs. 1.828 billion	
Type:	Open-end – Fixed Income Fund	<p>Inflation as measured by CPI has increased to 11.10% for the period July-May 2008. Continuous increase in inflation is attributable to rising food and oil prices. Inflation in the coming months is also expected to be higher due to possible increase in oil, food and utility prices. NAFA Income Fund's portfolio in TFCs has increased to 50% of Fund size in comparison to 49% of the Fund size a month earlier. Coupon rates on its TFC portfolio are linked to KIBOR Rates. 6-Month KIBOR rates closed at 14.19% during the month. As the TFC Portfolio resets to higher KIBOR, the rate on the Fund is expected to improve significantly.</p> <p>Money market during the month witnessed liquidity shortage. Money market rates remained on the higher side due to last month's increase in SLR and CRR limits of banks as well as June end effect.</p> <p>CFS rates remained volatile during the month. Rates touched a low of 14.76% and high of 20.33%. Activity in CFS remained dull due to lower volumes in equity market.</p> <p>NAFA Income Fund's 50% of portfolio is allocated to TFCs, Term Deposit Receipts accounts for 30% of the Fund size and rest of the size is invested in CFS and money market instruments.</p> <p>Almost all of the portfolio of NIF is in short term instruments, which will be reset at the higher Interest rates over the next three months. We expect the return on the Fund to improve quickly due to its short duration.</p>
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.	
Benchmark:	3-Month T-Bills	
Fund Manager(s):	Ms. Rukhsana Narejo, CFA	
Minimum 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).