



National Fullerton
Asset Management Limited

NAFA Income Fund (NIF)

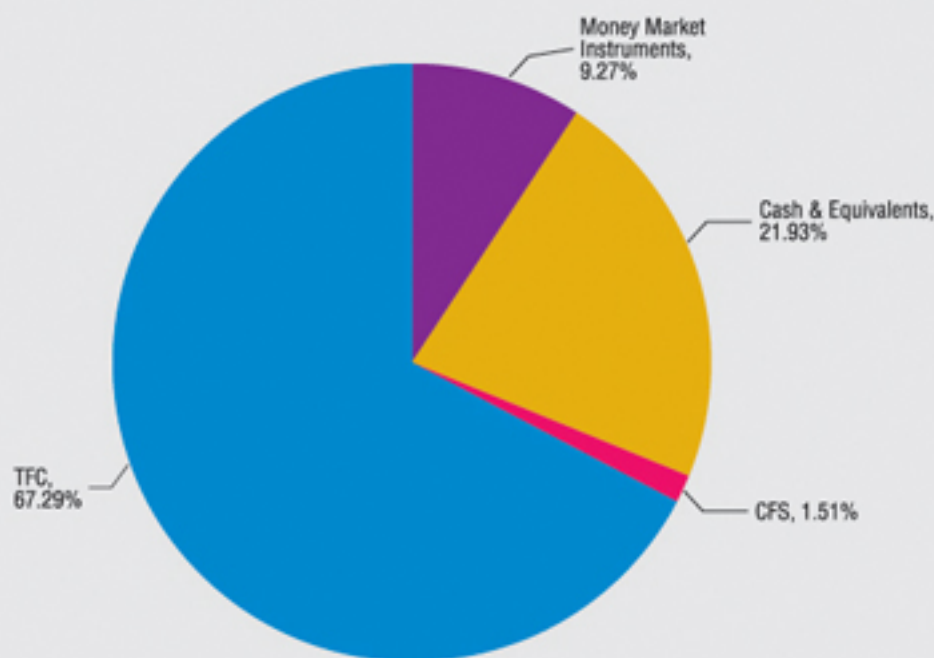
Unit Price (31/10/2008): Rs. 10.1185

October 2008

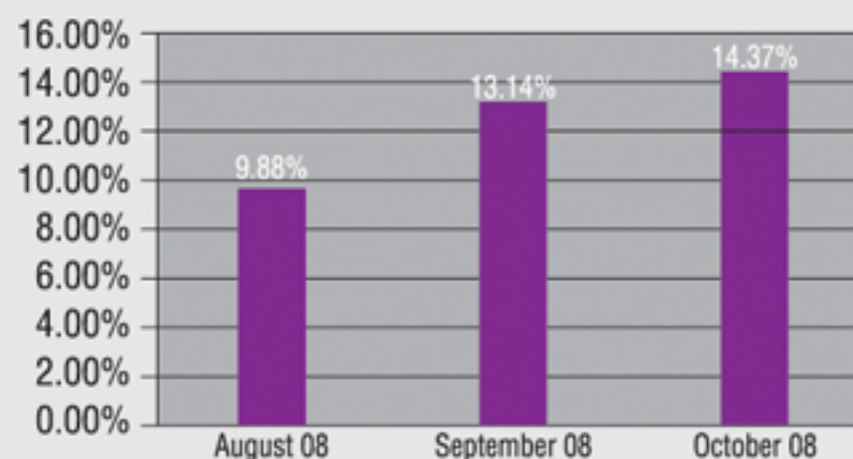
Investment Objective	Performance					
	Annualized Performance (%)*	Apr - Jun 2008	Jul - Sep 2008	Sep 2008	Oct 2008	Since Launch March 29, 2008
To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.	NAFA Income Fund	8.50%	11.06%	13.14%	14.37%	10.38%
	Benchmark	10.89%	12.90%	13.32%	13.31%	12.07%
	Profit on Rs. 100,000 invested	Rs. 2,055	Rs. 2,680	Rs. 1,020	Rs. 1,147	**Rs. 6,045
	* Returns are net of management fee & all other expenses ** Represents cumulative profit since inception					

General Information	Fund Manager's Commentary
<p>Launch Date: March 29, 2008</p> <p>Fund Size: Rs. 1,517 million</p> <p>Type: Open-end – Fixed Income Fund</p> <p>Dealing: Daily</p> <p>Settlement: 2-3 business days</p> <p>Load: Front end: 1.0%</p> <p>Management Fee: 1.5% per annum</p>	<p>NAFA Income Fund has earned an annualized return of 14.37% during the month of October, 2008. The return earned during the month is approximately 123 basis points better than return earned during the last month (see attached chart). Your Fund has maintained the upward improvement in its return due to prevailing higher KIBOR. NAFA Income Fund has invested 67.29% of its fund size in Term Finance Certificates, which is carrying weighted average rating of "AA-" and its coupon rates are linked to KIBOR. Going forward, we expect KIBOR to remain at these levels, and hence, the return of your Fund is expected to remain attractive.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Custodian & Trustee: Central Depository Company (CDC)</p> <p>Auditors: A. F. Ferguson & Co.</p> <p>Benchmark: 3-Month T-Bills</p> <p>Fund Manager: Mr. Ahmad Nouman</p> <p>Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (as on 31st October 2008)



Annualized Return



The month of October started with severe liquidity crunch for the financial markets. However, the situation has largely reverted back to normal by the month-end, thanks to the easing policies of SBP including reduction in CRR. The six month KIBOR at October-end has increased to 15.10% as compared to 14.52% a month earlier.

In order to take advantage of the current interest rate scenario, NAFA Income Fund will continue to maintain short duration of the Fund.

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