

NAFA Funds

Monthly Report (October 2010)



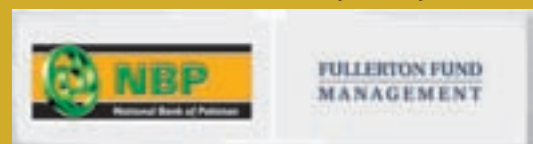
**NBP Fullerton
Asset Management Limited**
(Formerly National Fullerton Asset Management Limited)

Managed by:

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

9th Floor, Adamjee House, I. I. Chundrigar Road, Karachi.
Helpline (Toll Free): 0800-20001 Fax: (021) 32467605
UAN (Khi/Lhr/Isb): 111-111-nfa (111-111-632)
Website: www.nafafunds.com
Email: info@nafafunds.com

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Joint - Venture Partners



**NBP Fullerton
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The Biggest Challenge for the Mutual Fund Industry in Pakistan - Attracting Retail Investors

Dr. Amjad Waheed, CFA
Chief Executive Officer

Pakistan's key challenge is to improve the savings rate in the country, which at 13.8% of GDP is amongst the lowest in the world. One of the reasons for this low savings rate is that the average profit rate on about Rs 4.7 trillion of bank deposits is only about 6% p.a., which is less than half of the prevailing inflation. This encourages savers to spend rather than save.

An alternative to bank deposits are the money market funds, which invest in only AA and above rated short-term instruments. Some of the income funds have also limited their investments to short-term bank deposits and Treasury Bills, with no investment in the stock market and TFCs. The present return on such funds is 10% p.a. to 11% p.a., along with a reasonably high level of safety. Rationally, a lot of individual savers should start investing in these funds. However, in reality this has not happened as yet. Retail investment in such funds is limited to a few thousand investors, and a major chunk (over 80%) of investment in these funds belongs to corporations. Sales staff and the distribution network of mutual funds are very limited relative to the banks, and therefore the message has not gone through as yet. The key challenge for the mutual fund industry is to attract individual investors to such funds.

The Pakistani stock market has a very high volatility (standard deviation) of around 25% p.a., and therefore has not been able to attract a large number of investors. There are around 250,000 UIN numbers of which active UINs are less than 50,000.

Considering the above factors, NAFA has recently launched four Savings Plans where individual investors can invest their savings. Investment in the Plans entitles these individual investors to Free Life Insurance (both natural and accidental), without any medical tests. Employees of companies that invest their provident / pension funds in NAFA Savings Plans will also be entitled to the Free Life Insurance based on the terms of the Plans.

The key features of the Plans are:

Free Life Insurance equal to the amount invested in these plans. (up to Rs. 2,400,000/- per person).

NAFA Mahana Amdani Plan and NAFA Bachat Plan carry a low risk profile as they are invested primarily in banks (A and above rated) and Government T-bills (AAA rated). The underlying funds of these Plans do not invest in TFCs or the stock market. Presently, the return on these plans is around 10% per annum, however, it may change over time based on the inflation and interest rate environment in the country.

NAFA Sarmaya Izafa Plan and NAFA Sarmaya Izafa Plus Plan initially invest in low risk assets (banks and T-bills) and the investment is gradually switched over a two to four year period to high risk assets (TFCs and equities). The rationale behind this strategy of gradual shifting is reduction in risk and earning a reasonable rate of return for investors.

A key benefit of the plans is that investors can withdraw their investment at any time they wish, and the amount will be transferred to their bank account generally within 2 business days.

We are hoping that the benefits / advantages of such plans offered by the mutual fund industry, in terms of attractive profits and free life insurance, will encourage investors to save rather than consume. This is expected to improve the savings rate in the country in due course of time.

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Capital Market Review

October 2010

Stock Market Review

During October 2010, the stock market demonstrated decent performance led by strong corporate results. The month began with weak investors sentiments due to hike in the Policy rate, fluctuating political situation and persistent inflationary pressures. The month started with the KSE-30 Index at 9700 level and touched a high of 10297 on October 25, 2010. Later on, investors brushed aside political noise and economic worries and took positions in the market mainly focusing on healthy earnings announcements and improved Foreign Portfolio Investment. Overall, the KSE-30 Index gained around 4.97% during the month.

The inflationary pressures are showing persistence driven by food inflation due to supply side shocks. For the month of September 2010, the inflation as measured by CPI was recorded at 15.7% on a YoY basis. Net Foreign Portfolio Investment (FPI) activity slightly improved during the month. Net FPI during October 2010 was recorded at around US \$ 31.82 million, as against US \$ 22.35 million during September 2010. Trading activity improved substantially and Average Daily Traded Volume during October 2010 was recorded at 106.95 million shares, compared to 60.77 million shares in September 2010.

The Oil & Gas Exploration sub-sector out-performed the market due to healthy earnings growth. The Refineries sub-sector performed better than the market as a result of higher earnings than expectations. The Oil and Gas Marketing sub-sector demonstrated sluggish performance on the back of lower than expected corporate earnings due to the turnover tax. Banking sector out-performed the market driven by better than expected earnings announcements. Lower offtake of urea weakened investors sentiments in key companies in the Fertilizer sub-sector that resulted in their under-performance versus the market. Expectations of higher dispatches post-flood enabled the cement sub-sector to perform better than the market. Some of the key companies in the Power sub-sector under-performed the market due to lower than expected earnings.

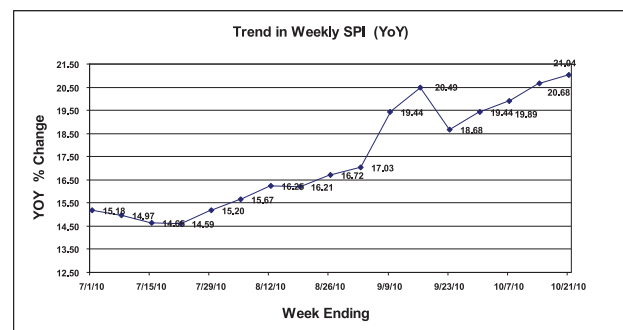
Going forward, we believe that key drivers of the stock market are: (i) launch of financing product; (ii) Foreign Portfolio Investment activity; (iii) foreign assistance and aid in the flood related areas; (iv) inflationary trends; and (v) SBP monetary stance.

Fixed Income Review

Headline inflation (Year on Year Consumer Price Index, CPI) reached 15.7% in September 2010, from 13.2% a month earlier. The below chart of the weekly YoY change in the Sensitive Price Indicator (SPI) also suggests the same trend.

In addition, Pakistan's domestic debt has swelled to Rs 4.86 trillion in August 2010 from Rs 4.05 trillion a year ago, an increase of 20.1%. These two challenges of inflation and fiscal deficit on the one hand, slow economic and private sector growth on the other hand, need to be addressed by the Government and the SBP.

Current account surplus for the month of September was USD 447 million in contrast to the average monthly deficit of USD 496 million during the first two months of the current fiscal year. This has resulted in improvement in the Current Account deficit by 7.7% in Q1, FY 2011 over Q1, FY2010. Imports declined and Workers' remittances increased to USD 2,646 million in Q1, FY2011 from USD 2,331 million in Q1, FY2010, an improvement of 13.5%.



TFC pricing volatility continued during the month and most of the income funds faced volatility. A few selected TFCs are trading at significantly lower prices. Restructuring agreements of a few remaining non-performing TFCs are expected to be finalized during November 2010. We advise that income funds' investors should take a longer term view in order to take advantage of the attractive yields on current prices of the debt securities. With increase in the Discount Rate in the previous month, the new coupons resets are occurring at higher Base rates (KIBOR). The monthly average of 6-Months KIBOR was 13.21% in October 2010 as compared to 12.92% in September 2010. This has further improved the attractiveness of the TFCs. For investors with a shorter investment horizon, NAFA Government Securities Liquid Fund, NAFA Savings Plus Fund and NAFA Riba Free Savings Fund continue to post competitive returns in line with the market. As of September 2010, the banking system deposits of over Rs 4.6 trillion are placed at a weighted average rate of 5.77%, roughly half the return of what the above mentioned short-term Funds are currently yielding.

The money market remained fairly liquid during most of October. In the two T-bills auctions of October, SBP cumulatively accepted about Rs. 228 billion against the target of Rs. 175 billion. The cut off yields for the last auction of the month were noted at 12.79%, 13.11% and 13.24% for the 3 months, 6 months and 12 months T-bills respectively. Going forward, interest rates are not expected to ease as Government borrowing is expected to remain excessive.

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NAFA Government Securities Liquid Fund (NGSLF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/10/2010): Rs. 10.1278*

October 2010

Performance

Performance % **	October 2010	Jul. - Oct. 2010	Since Launch May 16, 2009
NAFA Government Securities Liquid Fund	11.10%	10.89%	10.73%
Benchmark	11.18%	11.02%	10.89%

* Ex-Distribution Price

** Represent Annualized Return

(Returns are net of management fee & other expenses)

General Information

Launch Date:	May 16, 2009
Fund Size:	Rs. 8,110 million
Type:	Open-end – Money Market 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:	No entry or exit load
Management Fee:	1.25% per annum
Risk Profile:	Very Low
Fund Stability Rating:	"AAA (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	70% 3-Month T-Bills & 30% average 3-Month deposit rates (AA & above rated banks)
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 generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term Government Securities.

Fund Manager Commentary

The Fund earned an annualized return of 11.10% during the month. We expect the returns to remain stable or slightly improve over the next few months.

NGSLF Fund stability rating is 'AAA(f)' awarded by PACRA. This rating is usually associated with Government paper only. The rating reflects exceptionally strong credit and liquidity profile of your Fund. Also, NGSLF will maintain its maturity below 45 days to minimize any interest rate risk. The investment value of NGSLF has not declined on any day since the launch of Fund in May 2009.

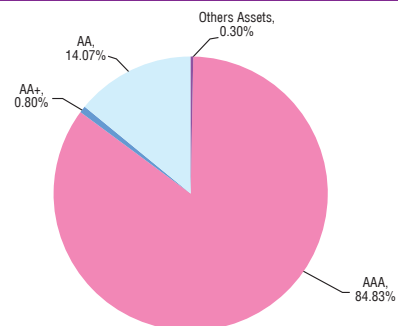
T-Bills according to remaining maturities	T-Bills outstanding (Rs. in billions)	% of T-Bills maturing in time bucket
Maturing in:		
less than 3 months	748	51%
3 months to 6 months	463	32%
6 months to 12 months	246	17%
	1,457	100%

T-Bills according to issue	T-Bills outstanding (Rs. in billions)	% of T-Bills issued tenor
Issued as:		
3 months	409	28%
6 months	365	25%
12 months	683	47%
	1,457	100%

The above data (as of October 31, 2010) suggests that the market is currently unwilling to take a longer term view and is investing mainly in short-term i.e. 3 months. This is in contrast to few months back when participants were investing more in longer tenor. This appears to be well justified considering uncertainties pertaining to inflation including possible second round impact of floods and rising fiscal deficit.

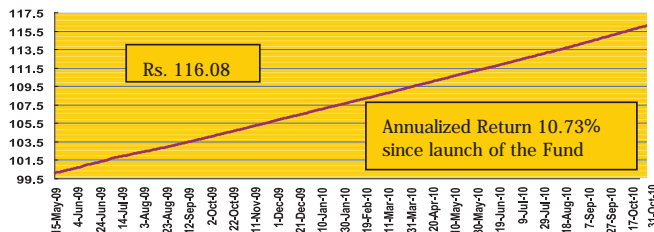
The average maturity of your Fund is 35 days, which makes it very liquid.

Credit Quality of the Portfolio (% of Net Assets)



Asset Allocation %	31-Oct-10	30-Sep-10
T-Bills (Including Reverse Repo via Master Repurchase Agreement)	84.81%	87.82%
TDR	8.63%	7.59%
Cash Equivalents	6.31%	4.53%
Other Assets	0.25%	0.06%
Total	100.00%	100.00%
Leverage	Nil	Nil

Value of Rs. 100 invested in NAFA Government Securities Liquid Fund at launch (May 16, 2009)



Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Usman Khan

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NAFA Riba Free Savings Fund (NRFSF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/10/2010): Rs. 10.1796

October 2010

Performance

Performance % *	October 2010	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	10.30%	9.44%
Benchmark	7.87%	8.89%

* Represent Annualized Return
(Returns are net of management fee & all other expenses)

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 218 million
Type:	Open-end – Shariah Compliant 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: 0%, Back end: 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:	Average 3-month deposit rate of Islamic Banks
Fund Manager:	Usman Khan
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective

To provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant banks and money market / debt securities.

Fund Manager Commentary

The annualized return of NRFSF for the month of October 2010 is 10.30%. This is better than the benchmark return by 2.43%. The Fund Size has grown to Rs 218 million, showing an increase of 70% over the previous month.

NRFSF is an Islamic Income Scheme that invests only in Shariah compliant avenues. The Fund has been awarded a stability rating of A+(f) by PACRA which denotes a strong capacity to maintain stability in returns and low exposure to risks.

The Fund intends to outperform the rate of return available to individual investors in Islamic Banks, while providing them flexibility to withdraw their money at any time, hence no lock-in period. The Fund aims to meet this objective by investing the pooled assets in Islamic Banks / Islamic windows of conventional banks (minimum A rated), and short-term Shariah compliant money market instruments (minimum AA- rated). The Fund will maintain a strong liquidity profile with a minimum 25% in cash at all times. Also, investments will only be made in avenues with a maximum maturity of six months. The Fund is not authorized to invest in corporate Sukuks and will not take direct or indirect exposure to the Stock Market.

Persistent Government borrowing, coupled with inflation may keep the money market rates high. The last month Year on Year Consumer Price Index (CPI) was reported at 15.7%. In this environment, the return on your Fund is expected to remain attractive in comparison to returns offered by Islamic Banks.

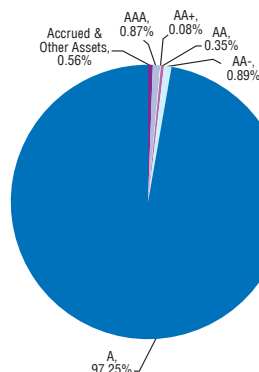
Asset Allocation %

	31-Oct-10	30-Sep-10
Cash Equivalents	99.45%	99.15%
Other Assets	0.55%	0.85%
Total	100.00%	100.00%
Leverage	Nil	Nil

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Usman Khan

Credit Quality of the Portfolio (% of Net Assets)



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NAFA Asset Allocation Fund (NAAF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/10/2010): Rs. 10.2604

October 2010

Performance

Performance % *	October 2010	Since Launch August 21, 2010
NAFA Asset Allocation Fund	1.97%	2.60%
Benchmark	2.19%	2.51%

* Cumulative returns are net of management fee & all other expenses

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 167 million
Type:	Open-end – Asset Allocation 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 – 2%, Back end - 0%
Management Fee:	2% per annum
Risk Profile:	Moderate
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index
Fund Manager:	Hussain Yasar
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective

To generate income by investing in Debt & Money Market securities and to generate capital appreciation by investing in equity and equity related securities.

Fund Manager Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) Net Asset Value (NAV) increased by 1.97% while the benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index) increased by 2.19%. Thus your Fund under-performed the benchmark by 0.22%. Since inception on August 21, 2010 your Fund has increased by 2.60%, while the Benchmark has increased by 2.51%. Thus, to-date, the out-performance of your Fund stands at 0.09%. This out-performance is net of management fee and all other expenses. During the month, the Fund size increased by 50.76% to PKR 167 million.

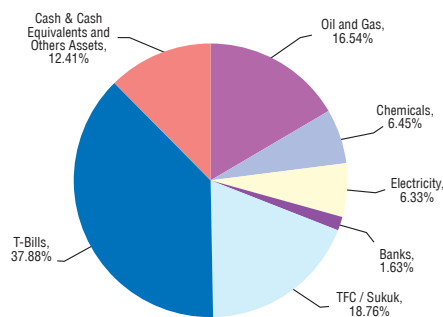
The advantage of NAAF is that it has no limit on the exposure in any asset class (money market, debt and equity) unlike stock and balanced funds. The market weight for NAAF implies 1/3 weight in each of the three asset classes i.e. money market, fixed income and equities.

At the start of the month, NAAF was around 17% invested in equities. Initially during the month, investors were cautious on the back of political noises and macro economic uncertainties. Subsequently, the advent of the quarterly results season drove the market. As the market sentiments improved, we enhanced NAAF's exposure in selected high dividend yielding and fundamentally attractive stocks. We have made investments in selected stocks in the Banking and Oil & Gas sector as well as in the Power and Fertilizer sub-sectors. In line with its policy, we enhanced our allocation in high credit quality TFCs. At the end of the month, NAAF was around 31% invested in equities, 38% in money market instruments and 19% in TFCs.

Asset Allocation %

Asset Allocation %	31-Oct-10	30-Sep-10
Equities / Stock	30.95%	16.75%
TFC / Sukuk	18.76%	17.96%
Cash Equivalents	13.49%	30.48%
T-Bills	37.88%	35.79%
Other Net Liabilities	-1.08%	-0.98%
Leverage	Nil	Nil

Asset Allocation (as on 31st October 2010)



Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Ahmad Nouman, CFA
Hussain Yasar

Top Ten Holdings

Name	Asset Class	% of Net Assets
Engro Rupiya Certificate	TFC	6.87%
PPL	Equity	6.87%
POL	Equity	6.56%
HUBC	Equity	6.33%
Allied Bank Limited	TFC	5.97%
United Bank Limited	TFC	5.91%
FFBL	Equity	3.85%
FFC	Equity	2.59%
APL	Equity	2.04%
NRL	Equity	1.07%

Details of Non-Complaint Investments

Nil

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NAFA Multi Asset Fund (NMF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/10/2010): Rs. 9.6837

October 2010

Performance

Performance % *	October 2010	FYTD Jul. - Oct. 2010	Since Launch January 22, 2007
NAFA Multi Asset Fund	2.32%	7.62%	26.96%
Benchmark	2.99%	5.29%	11.39%

* Cumulative returns are net of management fee & all other expenses

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 826 million
Type:	Open-end – Balanced 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 – 3%, Back end - 0%
Management Fee:	2.5% per annum
Risk Profile	Moderate
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	50% KSE-30 Index & 50% 1-month KIBOR
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective

To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.

Fund Manager Commentary

During the month under review, NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) increased by 2.32% while the benchmark (50% KSE-30 index & 50% 1-month KIBOR) increased by 2.99%. Thus, your Fund under-performed the benchmark by 0.67%. Since inception on January 22, 2007 your Fund has increased by 26.96%, while the benchmark has increased by 11.39%. Thus, to-date, the out-performance of your Fund stands at 15.57%. This out-performance is net of management fee and all other expenses.

NMF is a Balanced Fund and market weight implies 50% weight in equities and 50% in fixed income asset class. The Fund under-performed during the month due to the impact of depressed TFC / Sukuk prices. At the start of the month, NMF was around 50% invested in equities. The stock market sentiment was positive mainly resulting from the healthy results season. We enhanced the weightage of NMF in fundamentally attractive and high dividend yielding stocks. Towards the end of the month, NMF was around 59% invested in equities.

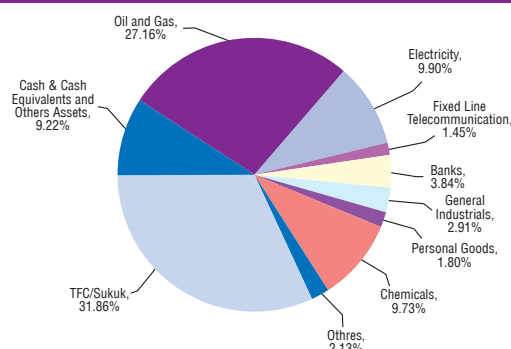
We significantly enhanced the weightage in the Oil & Gas sector. This sector is in the limelight of investors ensuing from good results announcements, healthy dividend payouts and expectations of strong earnings growth. Similarly, we slightly increased the weightage in the Electricity and Banking sectors. Selected stocks in the Electricity sector offer lucrative dividend yields and the Banking sector portrayed better than expected profitability. The weighted average Yield-to-Maturity (YTM) of the TFC / Sukuk portfolio of NMF is around 22%.

NMF is invested in high dividend yielding stocks in defensive sectors. We remain vigilant to developments in the capital market and will alter the portfolio accordingly.

Asset Allocation %

	31-Oct-10	30-Sep-10
Equities / Stock	58.92%	49.93%
TFC / Sukuk	31.86%	34.45%
Cash Equivalents	6.66%	7.03%
T-Bills	-	8.18%
Other Net Assets	2.56%	0.41%
Leverage	Nil	Nil

Asset Allocation (as on 31st October 2010)



Name of the Members of Investment Committee

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

Top Ten Holdings

Name	Asset Class	% of NAV	Name	Asset Class	% of NAV
PPL	Equity	9.35%	FFBL	Equity	5.36%
POL	Equity	9.31%	APL	Equity	4.64%
HUBC	Equity	7.61%	FFC	Equity	4.18%
Maple Leaf Cement	Sukuk	6.71%	Saudi Pak Leasing	TFC	3.30%
Orix Leasing	PPTFC	6.02%	Eden Housing	Sukuk	3.13%

Details of Non-Complaint Investments

Name of Non Compliant Investment	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	Yield to Maturity per Annum
Maple Leaf Cement Sukuk 1	Sukuk	88,383,620	32,954,275	**55,429,345	6.71%	27.63%
Saudi Pak Leasing	TFC	37,049,800	9,767,205	27,282,595	3.30%	8.60%
Eden Housing Sukuk 2	Sukuk	37,500,000	11,664,675	**25,835,325	3.13%	36.25%
Total		162,933,420	54,386,155	108,547,265	13.14%	

** Book Value, performing but below investment grade

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NAFA Savings Plus Fund (NSPF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/10/2010): Rs. 10.1120*

October 2010

Performance

Performance % **	October 2010	Jul. - Oct. 2010	Since Launch November 21, 2009
NAFA Savings Plus Fund	10.21%	9.76%	9.96%
Benchmark	8.16%	8.28%	8.11%

* Ex-Distribution Price

** Represent Annualized Return

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

General Information

Launch Date: November 21, 2009
 Fund Size: Rs. 669 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: No entry or exit load
 Management Fee: 2.0% per annum
 Risk Profile: Very Low
 Fund Stability Rating: "AA- (f)" by PACRA
 Listing: Lahore Stock Exchange
 Custodian & Trustee: Central Depository Company (CDC)
 Auditors: A. F. Ferguson & Co.
 Chartered Accountants
 Benchmark: Average 6-Month deposit rate
 (A & above rated banks)
 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 minimize risk, preserve capital and generate a reasonable return along with a high degree of liquidity from a portfolio primarily constituted of bank deposits and money market instruments.

Fund Manager Commentary

The Fund earned an annualized return of 10.21% during the month, thus outperforming the benchmark return by 2.05%. This is also better than the previous month's return by 26 basis points. The Fund intends to provide its investors consistently better returns than bank deposits while offering similar features as those of bank savings accounts. We expect the return on your Fund to further improve going forward as we may be able to lock-in investments at higher rates before year-end. This is also possible as most investments will be maturing before the year-end.

NSPF is one of the highest rated income funds in the market. It cannot invest in any avenue which has more than six months maturity, TFCs/Sukuks and the Stock Market. Moreover, it cannot invest in money market instruments below a credit rating of 'AA-'. The investment value of the Fund has not declined on any day since its launch in November 2009.

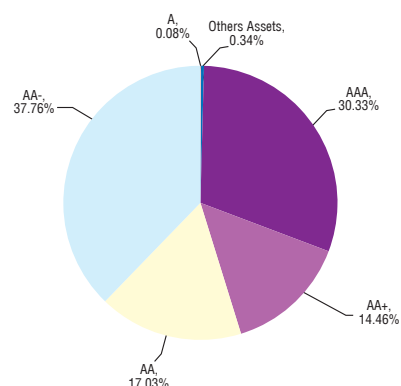
The average maturity of your Fund is around 58 days.

Asset Allocation %

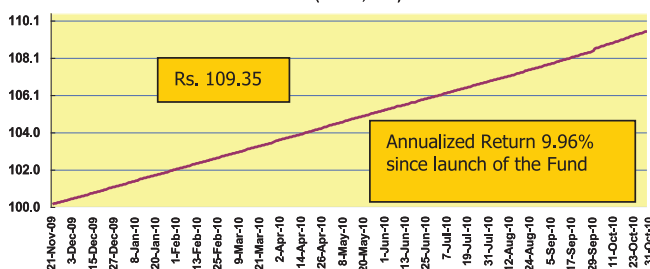
31-Oct-10 30-Sep-10

T-Bills	30.24%	17.58%
TDR	29.90%	28.33%
Money Market Placements	33.72%	15.73%
Cash Equivalents	5.80%	38.24%
Other Assets	0.34%	0.12%
Total	100.00%	100.00%
Leverage	Nil	Nil

Credit Quality of the Portfolio (% of Net Assets)



Value of Rs. 100 invested in NAFA Savings Plus Fund at launch (Nov 21, 2009)



Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
 Ahmad Nouman, CFA
 Sajjad Anwar, CFA
 Tanvir Abid, CFA, FRM
 Usman Khan

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.