

National Fullerton
Asset Management Limited

NAFA Multi Asset Fund (NMF)

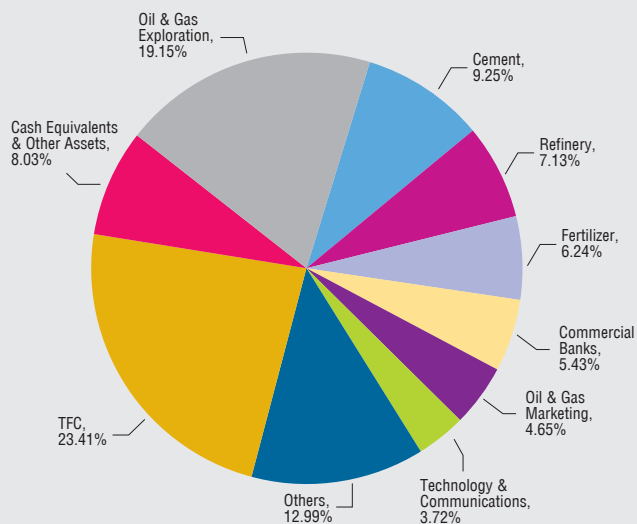
Unit Price (31/07/2009): Rs. 9.0910

July 2009

Investment Objective	Performance					
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.	Performance (%)*	Jan - Dec 2007	Jan - Dec 2008	Jul - Jun 2008 - 09	July 2009	Since Launch January 22, 2007
	NAFA Multi Asset Fund	44.06%	(39.82)%	(22.56)%	5.68%	10.94%
	Benchmark (50% KSE-30 Index & 50% 1-month KIBOR)	17.50%	(38.22)%	(20.83)%	4.65%	(6.92)%
*Returns are net of management fee & all other expenses						

General Information	Fund Manager's Commentary
<p>Launch Date: January 22, 2007</p> <p>Fund Size: Rs. 1,890 million</p> <p>Type: Open-end – Balance Fund</p> <p>Dealing: Daily - Monday to Friday</p> <p>Settlement: 2-3 business days</p> <p>Load: Front end – 3%, Back end - 0%</p> <p>Management Fee: 2.5% per annum</p>	<p>During the month under review, NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) increased by 5.68% while the benchmark (50% KSE-30 index & 50% 1-month KIBOR) increased by 4.65%. Thus, your Fund out-performed the benchmark by 1.03% during the month. Since inception on January 22, 2007, your Fund has increased by 10.94%, while the benchmark has declined by 6.92%. Thus, to date the out-performance of your Fund stands at 17.86%.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Trustee: Central Depository Company (CDC)</p> <p>Auditors: A. F. Ferguson & Co. Chartered Accountants</p> <p>Benchmark: 50% KSE-30 Index & 50% 1-month KIBOR</p> <p>Fund Manager: Sajjad Anwar, CFA</p> <p>Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (as on 31st July 2009)



Expecting a rally in the Stock Market, we were over weight in equities and under weight in fixed income during the month. This strategy helped us to outperform the peer group and the benchmark. However, delay in monetary policy statement announcement by the State Bank of Pakistan gave a negative signal to the market. Moreover, increase in yields on T-bills in the recent auction also weakened the sentiments of the investors. As a result, we have seen the correction in the stock market towards the end of the month. During the month, KSE 30 index increased by 8.25% to close the month at 8195.93.

Interest rates showed declining trend during the month in anticipation of discount rate cut by the State Bank of Pakistan. As a result, 6-month KIBOR touched a low of 11.87% as against 12.76% at the start of the month. Similarly, T-bills yield also showed declining trend during the month. However, in the last auction, 12-month T-bills yield inched up by around 34 basis points. Any positive developments in the expected IMF review are expected to fulfill borrowing requirement of the government, which would further help in lowering of interest rates. Furthermore, inflows for budgetary support would also improve liquidity in the system to a large extent.

Going forward, we are expecting the market to perform well due to interest rates cut and improvement in liquidity and economy.

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