



**National Fullerton  
Asset Management Limited**

# NAFA Multi Asset Fund (NMF)

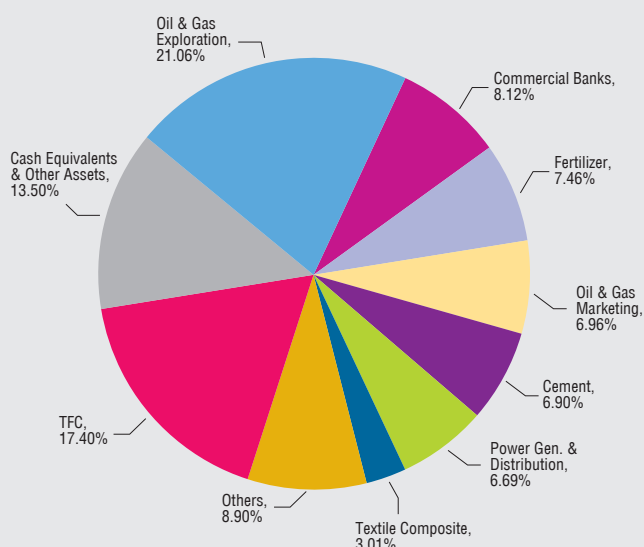
Unit Price (30/06/2009): Rs. 8.6020

June 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.	<b>Performance (%)*</b>	<b>Jan - Dec 2007</b>	<b>Jan - Dec 2008</b>	<b>Jul - Jun 2008 - 09</b>	<b>Jun 2009</b>	<b>Since Launch January 22, 2007</b>
	<b>NAFA Multi Asset Fund</b>	<b>44.06%</b>	<b>(39.82)%</b>	<b>(22.56)%</b>	<b>(2.50)%</b>	<b>4.98%</b>
	<b>Benchmark (50% KSE-30 Index &amp; 50% 1-month KIBOR)</b>	17.50%	(38.22)%	(20.83)%	(1.23)%	(11.05)%
*Returns are net of management fee & all other expenses						

General Information	Fund Manager's Commentary
<p>Launch Date: January 22, 2007            Fund Size: Rs. 1,777 million            Type: Open-end – Balance Fund            Dealing: Daily - Monday to Friday            Settlement: 2-3 business days            Load: Front end – 3%, Back end - 0%            Management Fee: 2.5% per annum</p>	<p>During the month under review, NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) decreased by 2.50% while the benchmark (50% KSE-30 index &amp; 50% 1-month KIBOR) decreased by 1.23%. Thus your Fund under-performed the benchmark by 1.27% during the month. Since inception on January 22, 2007 your Fund has increased by 4.98%, while the benchmark has declined by 11.05%. Thus, to date the out-performance of your Fund stands at 16.03%.</p>
<p>Listing: Lahore Stock Exchange            Trustee: Central Depository Company            Auditors: A. F. Ferguson &amp; Co. Chartered Accountants            Benchmark: 50% KSE-30 Index &amp; 50% 1-month KIBOR            Fund Manager: Sajjad Anwar, CFA            Minimum Subscription: Growth Unit: Rs. 10,000/-            Income Unit: Rs. 100,000/-</p>	

**Asset Allocation (as on 30th June 2009)**



Expecting a pre-budget or post-budget rally in the Stock Market, we were over weight in equities and under weight in fixed income at the end of the last month. However, due to an expansionary budget, investors shied away from the Market. Moreover, uncertain law and order situation in connection with the on going military operation in northern areas and tight liquidity situation kept the investors on the sidelines. This is evident from the thin trading activity. Average traded value in the market was Rs. 5.6 billion during June 2009 as against Rs. 6 billion in the previous month. During the month, KSE 30 index declined by 3.71% to close the month at 7571.

During the month, the federal budget for the FY 2009-10 was announced with sizable Public Sector Development Programme (PSDP) allocation including the infrastructure spending. This came at a time when governments around the world are also providing stimulus to their ailing economies in the absence of private sector investments. However, financing of fiscal deficit which is, to a large extent, dependent on foreign inflows is the key risk factor. Interest rates in the Market have started coming down as is evident by a 0.99% decline in the 6-month KIBOR during the month. We are expecting further decline in interest rate due to easing of inflation in the coming months and improvement of liquidity due to foreign inflows. This bodes well for the Stock Market.

In view of the expected slow down in the manufacturing sectors, we are holding positions in the defensive sectors with stable earning streams and attractive dividend yields. We expect FY 2010 to be a good year for our investors in the fund.

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