



NAFA Multi Asset Fund (NMF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (30/09/2010): Rs. 9.4644

September 2010

Performance

Performance % *	September 2010	CYTD Jan. - Sep. 2010	Since Launch January 22, 2007
NAFA Multi Asset Fund	1.11%	7.85%	24.08%
Benchmark	0.38%	3.87%	8.16%

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

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 915 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 1.11% while the benchmark (50% KSE-30 index & 50% 1-month KIBOR) increased by 0.38%. Thus, your Fund out-performed the benchmark by 0.73% during the month. Since inception on January 22, 2007 your Fund has increased by 24.08%, while the benchmark has increased by 8.16%. Thus, to-date the out-performance of your Fund stands at 15.92%. This out-performance is net of management fee and all other expenses.

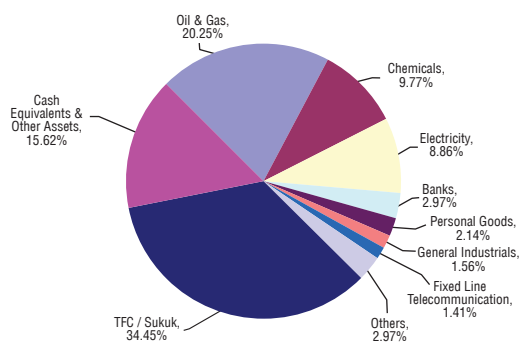
NMF is a Balanced Fund and market weight implies 50% weight in equities and 50% in fixed income asset class. At the start of the month, NMF was around 41% invested in equities. The market trend was lackluster during most of the initial week of the month. Subsequently, sentiment improved as hopes rekindled of developments on the leverage product and as investors came to terms with the implications of the floods damage. We enhanced the weightage of NMF in high dividend yielding stocks and defensive sectors. Towards the end of the month NMF was around 50% invested in equities. Our overweight strategy in the Oil & Gas Exploration sub-sector contributed to the outperformance of the Fund. We further enhanced NMF's weightage in this sector considering strong sector fundamentals and high dividend yields. Similarly, the weightage in the high dividend yielding Power sub-sector was increased. The exposure of NMF in selected high dividend yielding stocks in the Fertilizer sub-sector was also enhanced. During the month, NMF remained significantly underweight in the Banking sector. On the Fixed Income side, NMF benefited from regularization of previously nonperforming Sukuk and consequent reversal in their value. The Fund's investment in T-Bills was in paper with maturity below 30 days in anticipation of further increase in the discount rate.

NMF is invested in high dividend yielding stocks that offer currency hedges, have stable earnings stream and low business risk. We are constantly monitoring the capital market conditions and will alter the asset allocation of the portfolio accordingly.

Asset Allocation %

	30-Sep-10	31-Aug-10
Equities / Stock	49.93%	41.48%
TFC / Sukuk	34.45%	34.62%
Cash Equivalents	7.03%	5.37%
T-Bills	8.18%	27.13%
Other Net Assets / (Liabilities)	0.41%	-8.60%
Leverage	Nil	Nil

Asset Allocation (as on 30th September 2010)



Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Irfan Malik, CFA

Top Ten Holdings (% of Net Assets)

Name	Asset Class	% of NAV	Name	Asset Class	% of NAV
FFC	Equity	8.05%	Orix Leasing	PPTFC	5.11%
HUBC	Equity	7.80%	Pakistan Mobile	PPTFC	4.09%
PPL	Equity	7.72%	Saudi Pak Leasing	TFC	2.98%
Maple Leaf Cement	Sukuk	7.25%	Eden Housing	Sukuk	2.93%
POL	Equity	7.01%	OGDC	Equity	2.87%

Details of Non-Complaint Investments

Name of Non Complaint 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	22,095,905	**66,287,715	7.25%	21.75%
Saudi Pak Leasing	TFC	37,485,000	10,202,405	27,282,595	2.98%	42.86%
Eden Housing Sukuk 2	Sukuk	37,500,000	10,696,987	**26,803,013	2.93%	45.11%
Total		163,368,620	47,393,805	120,373,323	13.16%	

** Book Value, performing but below investment grade

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.