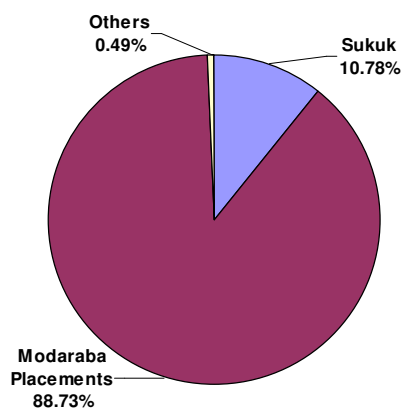


Investment Objective	Performance		
To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.	Annualized Performance (%)	November	Since Launch October 29, 2007
	NAFA Islamic Income Fund:	6.37%	7.21%
	Benchmark:	5.17%	5.18%
	Profit on Rs. 100,000 invested	Rs. 523	Rs. 652
* Returns are net of management fee & all other expenses			

General Information		Fund Manager Commentary
Launch Date:	October 29, 2007	NAFA Islamic Income Fund commenced investment activity on October 29, 2007 after the successful close of the IPO with the fund size of PKR 975 million. We are thankful to our valued investor for reposing confidence and trust in NAFA Funds and its products. The annualized return in the first month of this Fund has been 6.37%, which is higher relative to the average deposit rate of Islamic banks in the country of 5.2%.
Fund Size:	Rs. 1.03 billion	
Type:	Open-end – Fixed Income Fund	
Dealing:	Daily	
Settlement:	2-3 business days	Inline with the Fund objective the prime focus in portfolio construction has been to provide the investor a halal stream of income and long term preservation of capital. Constrained by the limited investment classes and instruments, major allocation has been in both short-term and long-term mudaraba placements, along with some allocation in sukuks and spread transactions. The attached chart shows the portfolio allocation.
Load:	Front end: 1.0%	
Management Fee:	1.5% per annum	
Listing:	Lahore Stock Exchange	
Custodian & Trustee:	Central Depository Company (CDC)	
Auditors:	A. F. Ferguson & Company Chartered Accountants	The spread on the spread transactions narrowed in the month of November to 4.55% from 4.96% in the previous month. There has been excess liquidity in the market due to slow down in the private sector borrowing and increase in the Net Foreign Assets (NFA) on the back of higher remittances and foreign investments. High food prices have pushed inflation to 9.3% in October 2007 from 6.5% recorded in July- Aug 2007. Year- on- year current account deficit has increased by 11.6% in Oct-07 against narrowing of 22% in Jul-Aug-07. Recently the liquidity has started to shrink due to excessive government borrowing to finance fiscal deficit and demand of the fund by the banking industry.
Benchmark:	Average 1-month deposit rate of 4- Islamic banks	
Fund Manager(s)	Sajjad Anwar, CFA	
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

Asset Allocation (as on 30th November 2007)



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

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