



# NAFA Islamic Income Fund (NIIF)

**NBP Fullerton  
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/10/2010): Rs. 7.5472

October 2010

## Performance

Performance % *	October 2010	Jul. - Oct. 2010	Since Launch October 29, 2007
<b>NAFA Islamic Income Fund</b>	<b>-6.92%</b>	<b>-2.61%</b>	<b>-6.51%</b>
<b>Benchmark</b>	<b>0.53%</b>	<b>2.10%</b>	<b>19.75%</b>

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

## General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 180 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: 1.0%
Management Fee:	1.5% per annum
Risk Profile:	Low to Medium
Fund Stability Rating:	"BBB- (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average 1-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 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.

## Fund Manager Commentary

The Unit Price of the Fund declined by 6.92% during the month of October, 2010. The return is low because of marking down the prices of some Sukuks of the Cement sector.

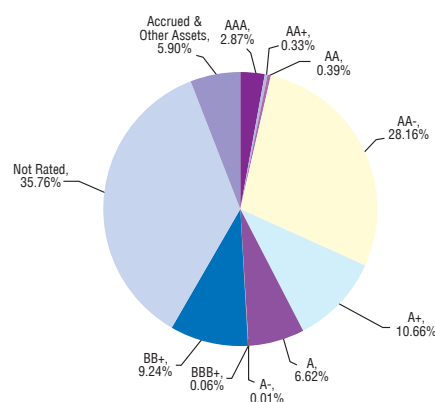
The annual Yield-to-Maturity of Sukuk portfolio of your Fund is 23.87% and the weighted average time to maturity is 3.20 years. Hence for investors with an investment horizon of three to four years, NIIF offers an attractive opportunity to earn handsome returns, as evident by its current annual yield to maturity. However, since there are Sukuks in the portfolio and their prices may go up and down, therefore, only long-term investors are advised to invest in this Fund.

## Details of Non-Compliant 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
Kohat Cement Limited Sukuk	Sukuk	96,600,000	32,189,632	**64,410,368	35.76%	30.20%
Maple Leaf Cement Sukuk 1	Sukuk	26,543,068	9,896,716	**16,646,352	9.24%	27.63%
<b>Total</b>		<b>123,143,068</b>	<b>42,086,348</b>	<b>81,056,720</b>	<b>45.00%</b>	

\*\* Book value, performing but below investment grade

## Credit Quality of the Portfolio (% of Net Assets)



## Asset Allocation %

	31-Oct-10	30-Sep-10
Sukuk	83.48%	85.89%
GOP Ijarah Sukuk	2.82%	2.59%
Cash Equivalents	7.80%	6.99%
Other Assets	5.90%	4.53%
Total	100.00%	100.00%
Leverage	Nil	Nil

## TFC/SUKUK Holdings (% of Net Assets)

Kohat Cement	35.76%
Engro Chemical Sukuk	27.82%
Pak Electron Limited	10.66%
Maple Leaf Cement Sukuk	9.24%
GOP Ijarah Sukuk	2.82%

## 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.