



NAFA Islamic Income Fund (NIIF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (30/09/2010): Rs. 8.1081

September 2010

Performance

Performance % *	September 2010	Jan. - Sep. 2010	Since Launch October 29, 2007
NAFA Islamic Income Fund	32.60%	46.07%	0.15%
Benchmark	6.37%	6.35%	6.16%

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

General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 196 million
Type:	Open-end – Shariah Complaint 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:	Irfan Malik, CFA
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 Fund earned an annualized return of 32.60% during the month of September 2010.

The annual Yield-to-Maturity of Sukuk portfolio in your Fund is 20.12% and the weighted average time to maturity is 3.26 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.

Detail 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	24,150,000	**72,450,000	36.95%	25.15%
Maple Leaf Cement Sukuk 1	Sukuk	26,543,068	6,635,767	**19,907,301	10.15%	21.75%
Total		123,143,068	30,785,767	92,357,301	47.10%	

** Book value, performing but below investment grade

Asset Allocation %

	30-Sep-10	31-Aug-10
Sukuk	85.89%	85.61%
GOP Ijarah Sukuk	2.59%	2.60%
Cash Equivalents	6.99%	6.88%
Other Assets	4.53%	4.91%
Total	100.00%	100.00%
Leverage	Nil	Nil

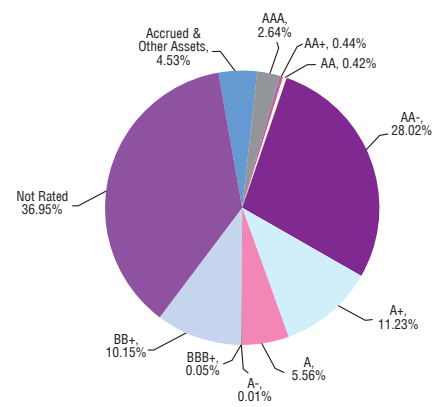
TFC/SUKUK Holdings (% of Net Assets)

Kohat Cement	36.95%
Engro Chemical Sukuk	27.56%
Pak Electron Limited	11.23%
Maple Leaf Cement Sukuk	10.15%
GOP Ijarah Sukuk	2.59%

Name of the Members of Investment Committee

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

Credit Quality of the Portfolio (% of Net Assets)



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