



National Fullerton
Asset Management Limited

NAFA Income Fund (NIF)

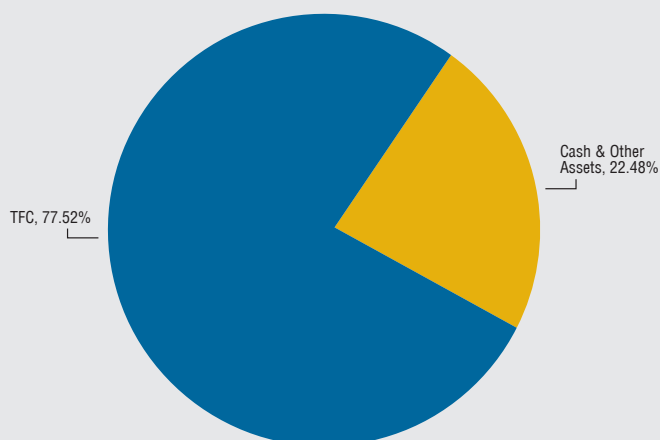
Unit Price (30/04/2009): Rs. 9.8021

April 2009

Investment Objective	Performance					
	Performance (%)	Apr - Jun 2008*	Jul - Dec 2008**	Jan - Mar 2009*	Apr 2009*	Since Launch March 29, 2008**
To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.	NAFA Income Fund	8.50%	(3.59)%	15.01%	10.36%	2.73%
	Benchmark	10.89%	6.54%	13.30%	13.36%	14.00%
	* Represents Annualized Return ** Represents Cumulative Return (Returns are net of management fee & all other expenses)					

General Information		Fund Manager's Commentary
Launch Date: March 29, 2008 Fund Size: Rs. 1,047 million Type: Open-end – Fixed Income Fund Dealing: Daily - Monday to Friday Settlement: 2-3 business days 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 & Co. Chartered Accountants Benchmark: 3-Month T-Bills Fund Manager: Ahmad Nouman Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	<p>NAFA Income Fund (NIF) has earned an annualized return of 10.36% during the month of April 2009.</p> <p>Liquidity situation in the money markets remained constrained during April as compared to March. This is evident from increase in daily average 6-M KIBOR to 13.28% during April, as against 12.55% during March. Also, the last 3-month T-Bill auction (April 23, 2009) cut-off rate was 12.98% as compared to 11.74% in March 26, 2009 auction.</p> <p>Going forward, other developments are expected to reverse this rising trend in rates. Foremost among these, the Discount Rate was reduced to 14% from 15% on April 20, 2009. Other positive developments include (i) Year on Year (YoY) Wholesale Price Index (WPI) for March, 2009 was 11.1% as against 15% in February 2009 and YoY CPI (Consumer Price Index also called Headline Inflation number) was 19.1% in March, as against 21.1% a month ago. In brief, falling inflation means higher prices of financial assets including TFCs in your Fund (ii) Friends of Pakistan have pledged more than \$5 bln to Pakistan over next two years. This implies higher domestic liquidity in the banking system, which is likely to translate into higher prices of TFCs and increase in the return of your Fund (iii) Commitments from bilateral and multi-lateral agencies for development projects (iv) Continuing improvement in the current account deficit and fiscal deficit. In addition, any capital inflows in the form of Foreign Direct Investment in infrastructure and other sectors can provide further breathing space to improving macro-economic environment in Pakistan.</p> <p>The TFCs secondary market trading observed some volatility during the month mainly due to liquidity reasons discussed above. However, as liquidity is expected to ease out substantially over the next few months, resulting in a potential rise in the TFCs prices in NIF, the return on the Fund is expected to remain attractive in Calendar Year 2009.</p>

Asset Allocation (on 30th April 2009)



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