



NAFA Income Fund (NIF)

NBP Fullerton
Asset Management Limited

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/09/2011): Rs. 9.3654

September 2011

Performance

Performance %	September 2011*	Jan. - Sep. 2011 **	Trailing 12 Months *	Since Launch March 29, 2008*
NAFA Income Fund	13.63%	-6.34%	-3.96%	1.81%
Benchmark	13.38%	10.05%	13.47%	12.51%

* Represent Annualized Return - (based on morning star formula)

** Represent Cumulative Return

(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date:	March 29, 2008
Fund Size:	Rs. 444 million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Fri) 9:00 A.M to 4:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1.0%, Back end: 0%
Management Fee:	2.0% per annum
Risk Profile:	Low
Fund Stability Rating	"A- (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	6-Month KIBOR
Fund Manager:	Ahmad Nouman, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' by PACRA

Investment Objective

To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.

Fund Manager Commentary

The Fund generated an annualized return of 13.63% during September 2011. Second restructuring of Agritech has been completed and we expect the provisioning held to reverse in the coming quarters.

The Fund has high allocation in TFCs of around 67.4% of its size. All TFCs in your Fund are floating rate instruments linked to KIBOR. During first nine months of CY 2011 average 6-Month KIBOR was around 13.66% as against 12.46% for the same period last year. Weighted average price of the TFC portfolio is around Rs.79 against the par value of Rs.100.

The weighted average Yield-to-Maturity of the Fund is around 21.69% p.a. while its weighted average time to maturity is 2.64 years. Thus, the Fund is expected to perform well over three to four year horizon. However, since there are TFCs / Sukuks in the portfolio whose prices may go up and down. Therefore, only long-term investors are advised to invest in this Fund.

Details of Non-Compliant Investments

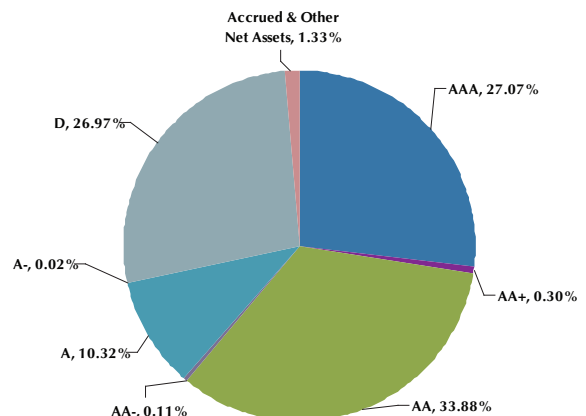
Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
Saudi Pak Leasing***	TFC	51,529,950	17,507,455	34,022,495	7.67%	7.59%	28.10%
Agritech Limited II	TFC	149,880,000	112,410,000	37,470,000	8.44%	8.36%	40.96%
Eden Housing (Sukuk II)	Sukuk	69,375,000	21,184,211	48,190,789	10.86%	10.76%	43.07%
New Allied Electronics (Sukuk II)	Sukuk	49,054,371	49,054,371	-	0.00%	0.00%	N/A
Total		319,839,321	200,156,037	119,683,284	26.97%	26.71%	

***Book Value, performing but below investment grade

Excess Exposure

Particulars	Exposure Type	% of Net Assets	Limit	Excess Exposure
Engro Fertilizer Limited (PPTFC)	Per Party	21.18%	10.00%	11.18%
Eden Housing (Sukuk II)	Per Party	10.86%	10.00%	0.86%
Chemical Sector	Sector	29.62%	25.00%	4.62%

Credit Quality of the Portfolio as of September 30, 2011 (% of NAV)



Asset Allocation (% of NAV) 30-Sep-11 30-Aug-11

TFCs / Sukuks	67.41%	70.40%
T-Bills	27.01%	25.10%
Cash Equivalents	4.25%	2.13%
Other Net Assets	1.33%	2.37%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top TFC/SUKUK Holdings (as at September 30, 2011)

Name of TFCs / Sukuks	% of Net Assets
Engro Fertilizer Limited (PPTFC)	21.18%
Eden Housing (Sukuk II)	10.86%
World Call Telecom Limited	10.30%
United Bank Limited IV	8.96%
Agritech Limited II	8.44%
Saudi Pak Leasing	7.67%
Total	67.41%

Name of the Members of Investment Committee

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

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 any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.