



Performance

Performance % *	December 2011	Since Launch October 28, 2011
NAFA Financial Sector Income Fund	11.65%	13.05%
Benchmark	10.80%	10.78%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date:	October 28, 2011
Fund Size:	Rs. 1,050 million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Front end: 0%, Back end: 0%
Management Fee:	1.5% per annum
Risk Profile:	Low
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	70% 6-Month KIBOR & 30% average 3-Month deposit rates (A & above rated banks)
Fund Manager:	Khalid Anwar Chapra
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' by PACRA

Investment Objective

To provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.

Fund Manager Commentary

The annualized return generated by NFSIF for the month of December 2011 is 11.65% versus the benchmark return of 10.8% p.a., thus out-performing the benchmark return by 0.85% p.a. Since its inception the Fund's annualized out-performance against the benchmark is 2.27%. This outperformance is net of management fee and all other expenses.

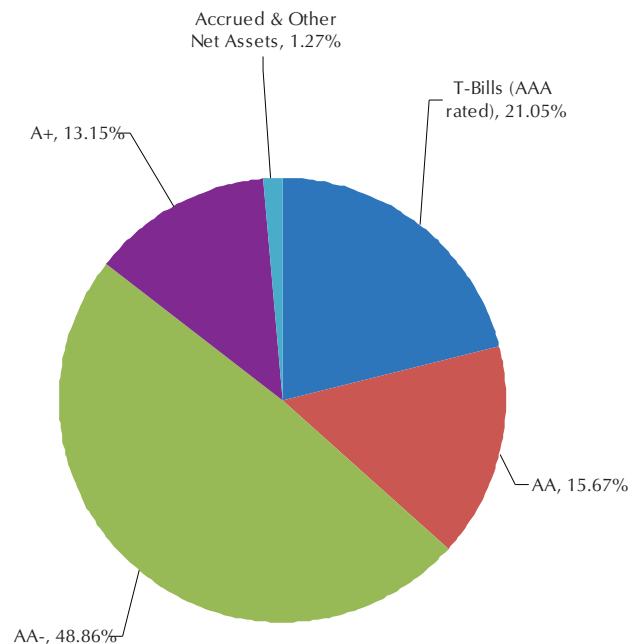
The Fund is unique as it invests a minimum of 70% of its assets in financial sector debt securities, instruments or deposits. Minimum entity rating of issuers of debt securities (mainly banks) is AA-. This minimizes credit risk and at the same time enhances the liquidity of the Fund. All debt securities in the Fund are floating rate i.e. linked to KIBOR. Duration of the Fund cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances the liquidity profile of the Fund.

The weighted average time to maturity of the Fund is 2.54 years. The weighted average yield to maturity of the Fund is 12.91% while that of TFCs portfolio is 13.71%. The weighted average credit quality of the Fund is AA.

Asset Allocation (% of NAV) 30-Dec-11 30-Nov-11

Asset Allocation (% of NAV)	30-Dec-11	30-Nov-11
T-Bills	21.05%	24.07%
TFCs	69.04%	61.76%
Cash Equivalents	8.64%	10.13%
Other Net Assets	1.27%	4.04%
Total	100.00%	100.00%
Leverage	Nil	Nil

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



Top Holdings (as at December 30, 2011)

Name of TFC	% of Net Assets
Faysal Bank Limited II	17.53%
NIB Bank Limited	13.14%
United Bank Limited IV	12.04%
Bank Alfalah Limited (Floater)	11.73%
Askari Bank Limited IV	4.79%
Askari Bank Limited III	4.68%
Allied Bank Limited I	2.10%
United Bank Limited III	1.85%
Engro Fertilizer Limited (PRP I)	1.18%
Total	69.04%

Name of the Members of Investment Committee

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