



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/01/2013): Rs. 8.7853

January 2013

Performance

| Performance % | January 2013 * | FYTD Jul 12 - Jan 13* | Trailing 12 Months Feb. - Jan 2012 - 2013 * | Since Launch October 29, 2007 ** |
|-------------------------------------|----------------|-----------------------|---|----------------------------------|
| NAFA Islamic Aggressive Income Fund | 5.51% | 3.75% | 12.19% | 4.70% |
| Benchmark | 6.558% | 7.18% | 7.50% | 6.77% |

* Annualized Simple Return - ** (Annualized Return Based on Morningstar Methodology)
(Returns are net of management fee & all other expenses)

General Information

| | |
|------------------------|---|
| Launch Date: | October 29, 2007 |
| Fund Size: | Rs. 182 million |
| Type: | Open-end – Shariah Compliant Aggressive 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: 1% (Nil on investment above Rs. 5 million), Back end: 0% |
| Management Fee: | 2.0% per annum |
| Risk Profile: | Low to Medium |
| Fund Stability Rating: | "BBB+ (f)" by PACRA |
| Listing: | Lahore Stock Exchange |
| Custodian & Trustee: | MCB Financial Services Limited |
| Auditors: | KPMG Taseer Hadi & Co. Chartered Accountants |
| Benchmark: | Average 3-month deposit rate of Islamic Banks |
| Fund Manager: | Ammar Rizki |
| 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 posted an annualized return of 5.51% as compared to the benchmark return of 6.58%. Lower return depicted by the Fund during the month is on account of i) Mark to Market impact in a Fertilizer sector TFC. The annualized return for the trailing 12 months is 12.19% versus the benchmark return of 7.50%. This out-performance is net of management fee and all other expenses.

The allocation in corporate Sukuks / instruments with current weightage at 49.55% of the Fund size is diversified among Cement, Fertilizer, Electricity and Consumer Electronics sub-sectors. Around 26% of the portfolio is allocated to AAA rated Government of Pakistan Ijara Sukuks coupled with 17.47% allocation in bank deposits provides diversification and liquidity to the portfolio. Going forward, the Fund intends to maintain the present allocation.

The weighted average Yield-to-Maturity (YTM) of the sukuk portfolio including GOP Ijara Sukuks is around 18.59% p.a. and weighted average time to maturity is 1.86 years. The weighted average time to maturity of the Fund is 1.28 years. Hence, for investors with medium to long term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, prices of Sukuks may go up and down. Therefore, investors with medium to long-term investment horizon are advised to invest in this Fund.

Asset Allocation (% of Total Assets) 31-Jan-13 31-Dec-12

| | 31-Jan-13 | 31-Dec-12 |
|---------------------------------|----------------|----------------|
| Sukuks | 30.58% | 31.28% |
| GOP Ijara Sukuks - Govt. Backed | 25.94% | 26.07% |
| Islamic Money Market Placements | 18.97% | 19.06% |
| Cash Equivalents | 17.47% | 17.19% |
| Other including receivables | 7.04% | 6.40% |
| Total | 100.00% | 100.00% |
| Leverage | Nil | Nil |

Top 10 Sukuk (Including Islamic Money Market Placements) (as at January 31, 2013)

| Name of Sukuk / Short Term Sukuk | % of Total Assets |
|-----------------------------------|-------------------|
| Engro Fertilizer Limited (Sukuk) | 12.02% |
| HUBCO Short Term Islamic Sukuk I | 10.84% |
| Kohat Cement Limited (Sukuk) | 9.33% |
| GOP Ijarah (Sukuk IX) | 8.14% |
| GOP Ijarah (Sukuk X) | 7.59% |
| Maple Leaf Cement (Sukuk I) | 5.46% |
| KAPCO Short Term Islamic Sukuk | 5.42% |
| GOP Ijarah (Sukuk V) | 5.32% |
| Pak Elektron Limited (Sukuk) | 3.77% |
| HUBCO Short Term Islamic Sukuk II | 2.71% |
| Total | 70.60% |

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1,281,079/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0619/0.79%. For details investors are advised to read note 10 of the Financial Statements of the Scheme for the period ended September 30, 2012.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Syed Suleman Akhtar, CFA
Ammar Rizki

Credit Quality of the Portfolio as of January 31, 2013 (% of Total Assets)

