



# NAFA Islamic Aggressive Income Fund (NIAIF)

Formerly NAFA Islamic Income Fund

**NBP Fullerton  
Asset Management Limited**  
(Formerly National Fullerton Asset Management Limited)

MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/06/2011): Rs. 8.2457

June 2011

## Performance

Performance % *	June 2011	Jan. - Jun. 2011	FY 2010 - 11	Since Launch October 29, 2007
NAFA Islamic Aggressive Income Fund <i>Formerly NAFA Islamic Income Fund</i>	4.80%	12.90%	9.04%	1.25%
Benchmark	7.87%	6.67%	7.07%	6.40%

\* 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 29, 2007
Fund Size:	Rs. 178 million
Type:	Open-end – Shariah Compliant Aggressive 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 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 3-month deposit rate of Islamic Banks
Fund Manager:	Usman Khan
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' 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 generated an annualized return of 4.8% in June 2011. The annualized return for first six months of the current CY 2011 is 12.90% against the benchmark return of 7.67%, hence an out-performance of 5.23%.

Your Fund is invested in sukuk of Cement, Fertilizer and Consumer Electronics sub-sectors. Around 9% is allocated to the Government Ijara sukuk and 15% in bank deposits, combined these provide diversification and liquidity to the portfolio.

The Yield-to-Maturity of the sukuk portfolio of your Fund is around 25.3% p.a. while its weighted average time to maturity is 3.23 years. The weighted average maturity of your Fund is 2.53 years. Hence, for investors with an investment horizon of three to four years, the Fund offers an attractive opportunity to earn handsome returns. However, since there are sukuk in the portfolio and their prices may go up and down; therefore only long-term investors are advised to invest in this Fund.

## Asset Allocation (% of NAV) 30-Jun-11 31-May-11

Sukuk	68.96%	69.15%
GOP Ijara Sukuk - Govt. Backed	9.45%	9.48%
Cash Equivalents	14.65%	11.77%
Other Net Assets	6.94%	9.60%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

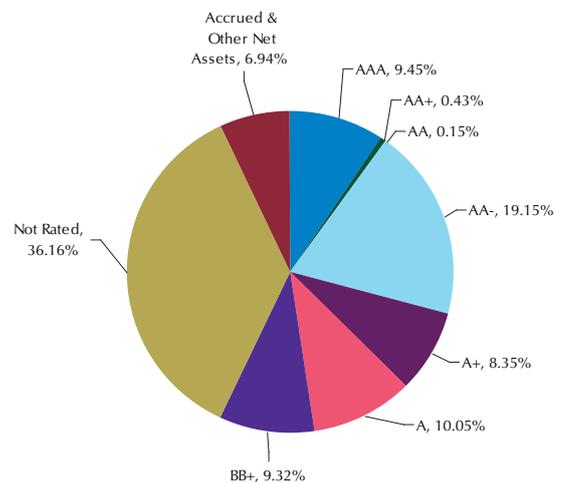
## Details of Non-Compliant Investments

Excess exposure				
Particulars	Exposure Type	% of Net Assets	Limit	Excess Exposure
Kohat Cement Sukuk	Per Party	36.16%	15.00%	21.16%
Construction and Materials	Sector	45.48%	35.00%	10.48%

## Top Sukuk Holdings (as at June 30, 2011)

Name of Sukuks	% of Net Assets
Kohat Cement Limited (Sukuk)	36.16%
Engro Fertilizer Limited (Sukuk)	15.13%
Maple Leaf Cement Limited (Sukuk I)	9.32%
Pak Elektron Limited (Sukuk)	8.35%
GOP Ijarah (Sukuk) V	5.51%
GOP Ijarah (Sukuk) I	2.82%
GOP Ijarah (Sukuk) VII	1.12%
<b>Total</b>	<b>78.41%</b>

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



## Name of the Members of Investment Committee

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

**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.