



Performance

Performance %	August 2013 *	FYTD Jul 2013 - Aug 2013*	Trailing 12 Months Sep 12 -Aug 13 *	Since Launch March 29, 2008 **
NAFA Income Fund	6.00%	6.67%	6.37%	1.96%
Benchmark	9.12%	9.10%	9.52%	11.86%

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

General Information

Launch Date: March 29, 2008
Fund Size: Rs. 495 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: 1% (Nil on investment above Rs. 16 million), 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: MCB Financial Services Limited
Auditors: M. Yousuf Adil Saleem & Co. Chartered Accountants
Benchmark: 6-Month KIBOR
Fund Manager: Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription: Rs. 10,000/-
Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2 by PACRA (Very High Investment Management Standards)

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 posted an annualized return of 6.00% during August 2013 versus the benchmark return of 9.12%. Subdued performance of the Fund during the month is due to mark to market loss related to fertilizer sector TFC. The annualized return generated by the Fund in the CY-13 is 8.22% against the benchmark return of 9.39%.

As the allocation of the Fund shows, exposure in TFCs and Sukuks stand at 43.70%. The weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is around Rs. 90 against the par value of Rs.100. All TFCs in the Fund are floating rate instruments linked to KIBOR.

The weighted average Yield-to-Maturity of the Fund is around 14.86% p.a. while its weighted average time to maturity is 1.35 years. This yield does not include potential recovery in fully provided TFCs (Face Value of Rs. 221 million), which is potential upside for the Fund. Thus, the Fund is expected to perform well over the medium to long term horizon. However, since TFCs prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

Asset Allocation (% of Total Assets) 30-Aug-13 31-July-13

	30-Aug-13	31-July-13
TFCs / Sukuks	43.70%	47.12%
PIBs	0.10%	0.10%
GOP Ijara Sukuks - Govt. Backed	0.70%	0.71%
Placement with DFIs	4.98%	5.02%
Cash Equivalents	48.04%	45.15%
Other including receivables	2.48%	1.90%
Total	100.00%	100.00%
Leverage	Nil	Nil

Details of Non-Compliant Investments

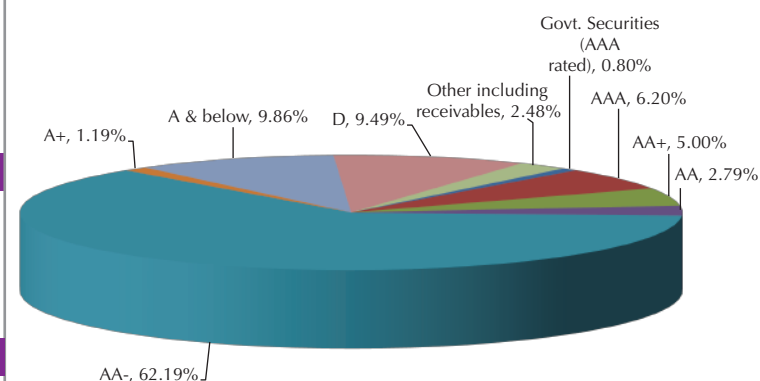
Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
World Call Telecom Limited	TFC	29,982,002	25,484,702	4,497,300	0.91%	0.90%	49.31%
Saudi Pak Leasing***	TFC	44,724,090	-	22,362,045	4.52%	4.46%	51.72%
Eden Housing (Sukuk II)	SUKUK	31,875,000	11,111,976	20,763,024	4.20%	4.14%	80.13%
AgriTech Limited II	TFC	149,875,800	149,875,800	-	n/a	n/a	n/a
AgriTech Limited V	TFC	22,180,000	22,180,000	-	n/a	n/a	n/a
New Allied Electronics (Sukuk II)	SUKUK	49,054,371	49,054,371	-	n/a	n/a	n/a
Total		327,691,263	257,706,848	47,622,369	9.63%	9.50%	

***Said TFC is performing but classified as Non-Compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

Top 10 TFC (as at August 30th, 2013)

Name of TFC / Sukuk	% of Total Assets
Pakistan Mobile Communication Limited	8.37%
Engro Fertilizers Limited 30-NOV-07	6.18%
Standard Chartered Bank (Pakistan) Limited IV	5.94%
Faysal Bank Limited	5.27%
Saudi Pak Leasing	4.46%
Eden Housing (Sukuk II)	4.14%
Engro Fertilizer Limited (PPTFC)	2.76%
Bank Alfalah Limited (Floater)	2.12%
Allied Bank Limited II	1.89%
NIB Bank Limited	1.19%
Total	42.32%

Credit Quality of the Portfolio as of August 30th, 2013 (% of Total Assets)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.2,439,484/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0455/0.52%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2013.

Name of the Members of Investment Committee

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

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