



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2011): Rs. 8.7295

December 2011

## Performance

Performance %	December 2011*	Jul. - Dec. 2011 *	Jan. - Dec. 2011 **	Since Launch March 29, 2008*
NAFA Income Fund	(7.99)%	(10.11)%	(12.73)%	(0.73)%
Benchmark	0.93%	6.22%	13.25%	55.59%

\* Represent Cumulative Return

\*\* 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:	March 29, 2008
Fund Size:	Rs. 406 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: 1.0%, 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:	MCB Financial Services Limited
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's unit price declined by 7.99% during December 2011. This is owing to delay in timely payment of TFC by a Fertilizer company, and consequently provision had to be booked.

The Fund has high allocation in TFCs of around 65.4% of its size. All TFCs in your Fund are floating rate instruments linked to KIBOR. Further, the weighted average price of the TFC portfolio is around Rs.87 against the par value of Rs.100. The Trustee of the Fund has been changed from CDC to MCB Financial Services Ltd. during the month.

The weighted average Yield-to-Maturity of the Fund is around 18.02% p.a. while its weighted average time to maturity is 1.81 years. Thus, the Fund is expected to perform well over three to four year horizon. However, TFCs prices may go up and/or 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
Eden Housing (Sukuk II)	SUKUK	67,500,000	23,531,250	43,968,750	10.84%	10.75%	43.10%
Saudi Pak Leasing	TFC	51,529,950	17,507,455	34,022,495	8.38%	8.32%	27.62%
Agritech Limited II	TFC	149,875,800	149,875,800	-	0.00%	0.00%	N/A
New Allied Electronics (Sukuk II)	SUKUK	49,054,371	49,054,371	-	0.00%	0.00%	N/A
<b>Total</b>		<b>317,960,121</b>	<b>239,968,876</b>	<b>77,991,245</b>	<b>19.22%</b>	<b>19.07%</b>	

## Excess Exposure

Particulars	Exposure Type	% of Net Assets	Limit	Excess Exposure
Engro Fertilizer Limited (PPTFC)	Per Party	23.59%	10.00%	13.59%
Eden Housing (Sukuk II)	Per Party	10.84%	10.00%	0.84%

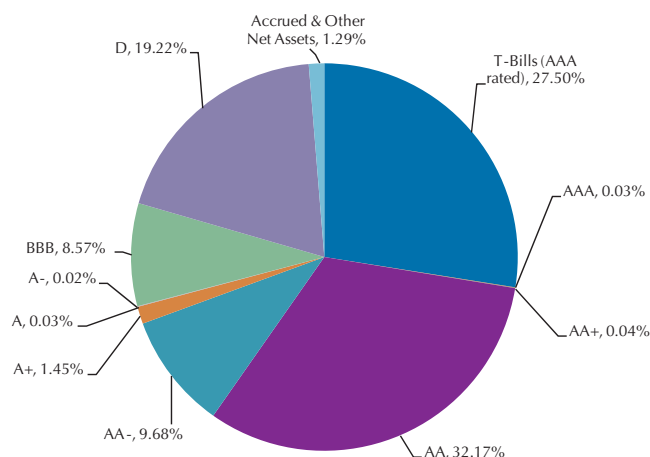
## Asset Allocation (% of NAV) 30-Dec-11 30-Nov-11

	30-Dec-11	30-Nov-11
TFCs / Sukuks	65.41%	69.94%
T-Bills	27.50%	25.20%
Cash Equivalents	5.80%	3.46%
Other Net Assets	1.29%	1.40%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

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

Name of TFCs / Sukuks	% of Net Assets
Engro Fertilizer Limited (PPTFC)	23.59%
Eden Housing (Sukuk II)	10.84%
World Call Telecom Limited	8.57%
Saudi Pak Leasing	8.38%
Faysal Bank Limited	6.37%
United Bank Limited IV	3.68%
Bank Alfalah Limited (Floater)	2.53%
NIB Bank Limited	1.45%
<b>Total</b>	<b>65.41%</b>

## Credit Quality of the Portfolio as of December 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