



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/02/2012): Rs. 8.8826

February 2012

Performance

Performance %	February 2012*	Jul. 2011-Feb. 2012**	Trailing 12 Months*	Since Launch March 29, 2008*
NAFA Income Fund	19.94%	(8.53)%	(12.20)%	0.26%
Benchmark	11.90%	8.23%	12.94%	12.80%

* Represent Annualized Return - (based on morning star formula)

** Represent Cumulative Return

(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date:	March 29, 2008
Fund Size:	Rs. 410 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 earned an annualized return of 19.94% during February 2012. This is owing to mark to market gains on the Fund's banking sector bonds.

The Fund reduced its allocation in TFCs from around 64.92% at the end of previous month to 50.28% at February-end. All TFCs in the Fund are floating rate instruments linked to KIBOR. Further, the weighted average price of the TFC portfolio is around Rs.85 against the par value of Rs.100. The Fund's allocation to AAA rated T-Bills has been increased to 44.88% from 28.91% at the end of previous month.

The weighted average Yield-to-Maturity of the Fund is around 16.75% p.a. while its weighted average time to maturity is 1.12 years. Thus, the Fund is expected to perform well over medium term horizon. However, TFCs prices may go up and/or down. Therefore, only long-term investors are advised to invest in this Fund.

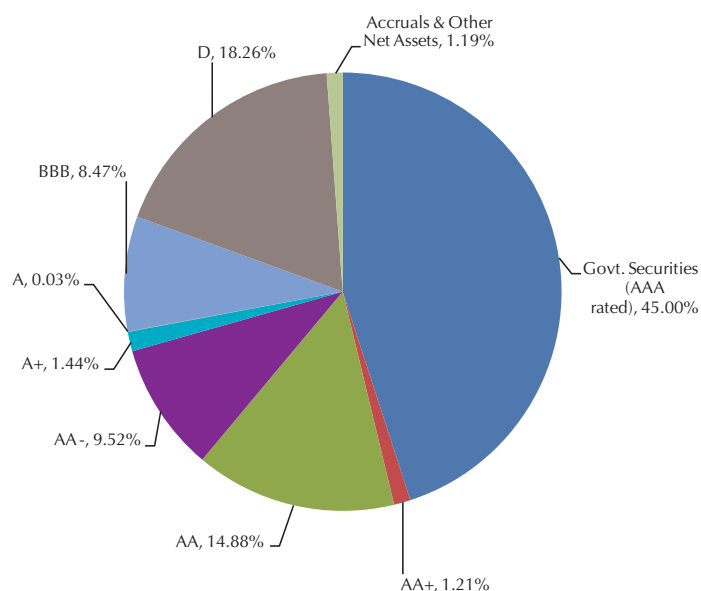
Details of Non-Compliant Investments

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	62,812,500	21,897,128	40,915,372	9.97%	9.88%	44.97%
Saudi Pak Leasing	TFC	51,529,950	17,507,455	34,022,495	8.29%	8.21%	19.43%
AgriTech Limited II	TFC	149,875,800	149,875,800	-	0.00%	0.00%	N/A
AgriTech Limited V	TFC	22,180,000	22,180,000	-	0.00%	0.00%	N/A
New Allied Electronics (Sukuk II)	SUKUK	49,054,371	49,054,371	-	0.00%	0.00%	N/A
Total		335,452,621	260,514,754	74,937,867	18.26%	18.09%	

Asset Allocation (% of NAV) 29-Feb-12 31-Jan-12

	29-Feb-12	31-Jan-12
TFCs / Sukuks	50.28%	64.92%
T-Bills	44.88%	28.91%
PIBs	0.12%	-
Islamic Commercial Paper	1.22%	-
Cash Equivalents	2.31%	4.46%
Other Net Assets	1.19%	1.71%
Total	100.00%	100.00%
Leverage	Nil	Nil

Credit Quality of the Portfolio as of February 29, 2012 (% of NAV)



Top TFC/SUKUK Holdings (as at February 29, 2012)

Name of TFCs / Sukuks	% of Net Assets
Eden Housing (Sukuk II)	9.97%
Engro Fertilizer Limited (PPTFC)	9.68%
World Call Telecom Limited	8.46%
Saudi Pak Leasing	8.29%
Faysal Bank Limited	6.30%
United Bank Limited IV	3.67%
Bank Alfalah Limited (Floater)	2.47%
NIB Bank Limited	1.44%
HUBCO CP	1.22%
Total	51.50%

Name of the Members of Investment Committee

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