



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/12/2011): Rs. 9.5749

December 2011

Performance

Performance %	December 2011*	Jul. - Dec. 2011*	Jan. - Dec. 2011**	Since Launch April 22, 2006**
NAFA Income Opportunity Fund	(0.73%)	(1.43)%	0.73%	6.60%
Benchmark	0.93%	6.22%	13.25%	11.74%

* 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:	April 22, 2006
Fund Size:	Rs. 2,082 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: 0%, Back end: 0%
Management Fee:	1.5% per annum
Risk Profile:	Low
Fund Stability Rating:	"A (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	6-Month KIBOR
Fund Manager:	Hussain Yasar
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' by PACRA

Investment Objective

To seek preservation of Capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.

Fund Manager Commentary

The Fund's unit price declined by 0.73% during December 2011. This is owing to delay in timely payment of TFC by a Fertilizer company.

The Fund has high allocation in TFCs of around 90% of the Fund size. All TFCs in your Fund are floating rate instruments linked to KIBOR. Weighted average price of the TFC portfolio is Rs. 87 against the par value of Rs100.

The weighted average Yield to Maturity of your Fund is around 18.34% p.a. and that of the TFC portfolio is 19.74% p.a. The weighted average time to maturity of your Fund is 2.32 years. The Fund's sector allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Textile, Leasing, Real Estate, Banking, and Leisure (Hotel) sub-sectors. However, TFCs prices may go up and down. Therefore, only long-term investors are advised to invest in this Fund.

Details of Non-Compliant Investments

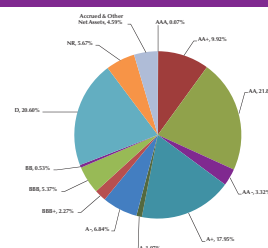
Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
BRR Guardian Modaraba***	SUKUK	49,218,750	12,304,687	36,914,063	1.77%	1.44%	20.48%
Escort Investment Bank Limited***	TFC	14,987,880	3,936,477	11,051,403	0.53%	0.43%	13.00%
Kohat Cement Limited (Sukuk)***	SUKUK	176,500,000	58,593,764	117,906,236	5.66%	4.60%	27.48%
Eden Housing (Sukuk II)	SUKUK	31,050,000	10,824,375	20,225,625	0.97%	0.79%	43.10%
Maple Leaf Cement (Sukuk I)	SUKUK	399,320,000	162,398,302	236,921,698	11.38%	9.25%	34.12%
PACE Pakistan Limited	TFC	149,820,000	49,064,402	100,755,598	4.84%	3.93%	29.40%
Saudi Pak Leasing	TFC	51,529,950	17,507,455	34,022,495	1.64%	1.33%	27.62%
Agritech Limited	TFC	149,860,200	149,860,200	-	0.00%	0.00%	N/A
Azgard Nine Limited (PPTFC)	TFC	249,800,000	249,800,000	-	0.00%	0.00%	N/A
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	0.00%	0.00%	N/A
Gharibwal Cement Limited (PPTFC)	TFC	24,355,500	24,355,500	-	0.00%	0.00%	N/A
Maple Leaf Cement (Sukuk II)***	SUKUK	15,000,000	15,000,000	-	0.00%	0.00%	N/A
New Allied Electronics (PPTFC)	TFC	31,706,539	31,706,539	-	0.00%	0.00%	N/A
New Allied Electronics (Sukuk II)	SUKUK	44,148,934	44,148,934	-	0.00%	0.00%	N/A
Total		1,537,297,753	979,500,635	557,797,118	26.79%	21.77%	

***Book Value, performing but below authorized minimum credit rating grade

Excess / (Short) exposures

Particulars	Exposure Type	% of Net Assets	Limit	Excess / (Short) exposures
Engro Fertilizer Limited (PPTFC)	Per Party	14.26%	10.00%	4.26%
Maple Leaf Cement (Sukuk I)	Per Party	11.38%	10.00%	1.38%
Orix Leasing Pakistan (PPTFCs & Sukuk)	Per Party	10.21%	10.00%	0.21%
Pakistan Mobile Communication (Listed II)	Per Party	17.95%	10.00%	7.95%
Cash and Cash Equivalent	Cash Balance	5.44%	25.00%	(19.56)%

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



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

TFCs / Sukuks	89.97%	93.47%
Cash Equivalents	5.44%	3.07%
Other Net Assets	4.59%	3.46%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top 10 TFC/SUKUK Holdings (as at December 30, 2011)

Name of TFCs / Sukuks	% of Net Assets
Pakistan Mobile Communication (Listed II)	17.95%
Engro Fertilizer Limited (PPTFC)	14.26%
Maple Leaf Cement (Sukuk I)	11.38%
Orix Leasing Pakistan (PPTFC)	9.42%
Avari Hotels Limited	6.82%
Kohat Cement Limited (Sukuk)	5.66%
World Call Telecom Limited	5.37%
PACE Pakistan Limited	4.84%
Allied Bank Limited II	3.05%
Pak Elektron Limited (Sukuk)	2.27%
Total	81.02%

Name of the Members of Investment Committee

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