



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/02/2012): Rs. 9.2924

February 2012

Performance

Performance %	February 2012*	Jul. 2011-Feb. 2012**	Trailing 12 Months*	Since Launch April 22, 2006*
NAFA Income Opportunity Fund	11.76%	(4.34)%	(1.02)%	5.87%
Benchmark	11.90%	8.23%	12.94%	11.74%

* 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: April 22, 2006
Fund Size: Rs. 1,839 million
Type: Open-end – Income Fund
Dealing Days: Daily – Monday to Saturday
Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M
(Friday) 9:00 A.M to 5:30 P.M
(Saturday) 9:00 A.M to 1:00 P.M
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Load: Front end: 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 earned an annualized return of 11.76% during the month of February as against its benchmark return of 11.90% p.a.

The Fund has high allocation in TFCs of around 91.13% 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. Restructuring developments are at advance stage in some of the TFCs.

The weighted average Yield to Maturity of your Fund is around 18.48% p.a. and that of the TFC portfolio is 19.89% p.a. The weighted average time to maturity of your Fund is 2.36 years. The Fund's sector allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Financial Services, 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

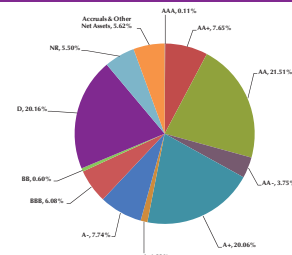
Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
BRR Guardian Modaraba***	SUKUK	48,906,250	12,226,562	36,679,688	2.00%	1.58%	23.33%
Escort Investment Bank Limited***	TFC	14,987,880	3,936,477	11,051,403	0.60%	0.48%	13.00%
Kohat Cement Limited (Sukuk)***	SUKUK	151,500,000	50,294,364	101,205,636	5.50%	4.36%	25.43%
Eden Housing (Sukuk II)	SUKUK	28,893,750	10,072,679	18,821,071	1.02%	0.81%	44.97%
Maple Leaf Cement (Sukuk I)	SUKUK	399,320,000	162,398,253	236,921,747	12.89%	10.20%	36.69%
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	7,216,149	44,212,422	2.40%	1.90%	12.37%
Saudi Pak Leasing	TFC	51,529,950	17,507,455	34,022,495	1.85%	1.47%	19.43%
Agritech Limited I	TFC	149,860,200	149,860,200	-	0.00%	0.00%	N/A
Agritech Limited V	TFC	32,320,000	32,320,000	-	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	31,706,536	31,706,536	-	0.00%	0.00%	N/A
New Allied Electronics (Sukuk II)	SUKUK	44,148,934	44,148,934	-	0.00%	0.00%	N/A
PACE Pakistan Limited	TFC	149,820,000	149,820,000	-	0.00%	0.00%	N/A
Total		1,593,577,571	1,110,663,109	482,914,462	26.26%	20.80%	

***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	15.76%	10.00%	5.76%
Maple Leaf Cement (Sukuk I)	Per Party	12.89%	10.00%	2.89%
Pakistan Mobile Communication (Listed II)	Per Party	20.06%	10.00%	10.06%
Cash and Cash Equivalent	Cash Balance	3.25%	25.00%	(21.75)%

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



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

TFCs / Sukuks	91.13%	88.56%
Cash Equivalents	3.25%	6.89%
Other Net Assets	5.62%	4.55%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top 10 TFC/SUKUK Holdings (as at February 29, 2012)

Name of TFCs / Sukuks	% of Net Assets
Pakistan Mobile Communication (Listed II)	20.06%
Engro Fertilizer Limited (PPTFC)	15.76%
Maple Leaf Cement (Sukuk I)	12.89%
Avari Hotels Limited	7.73%
Orix Leasing Pakistan (PPTFC)	7.07%
World Call Telecom Limited	6.08%
Kohat Cement Limited (Sukuk)	5.50%
Allied Bank Limited II	3.59%
Jahangir Siddiqui & Company IV	2.45%
Pak Elektron Limited (Sukuk)	2.40%
Total	83.53%

Name of the Members of Investment Committee

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

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.