



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/10/2011): Rs. 9.5884

October 2011

### Performance

Performance %	October 2011*	Jul. - Oct 2011**	Jan. - Oct 2011*	Trailing 12 Months*	Since Launch April 22, 2006*
NAFA Income Opportunity Fund <i>Formerly NAFA Cash Fund</i>	7.03%	-1.29%	1.05%	3.54%	6.83%
Benchmark	12.23%	4.26%	13.51%	13.44%	11.73%

\* 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. 2,209 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 annualized return for month of October 2011 was 7.03%. This is low owing to delay in payment by three TFCs and downward adjustment in accrual rate of a cement sector Sukuk.

The Fund has high allocation in TFCs of around 93.5% of the Fund size. All TFCs in your Fund are floating rate instruments linked to KIBOR. Benchmark 6-Months KIBOR reduced to 11.91% from 13.25% in September-end. 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 17.35% p.a. and that of the TFC portfolio is 18.46% p.a. The weighted average time to maturity of your Fund is 2.90 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, there are TFCs in the portfolio whose prices may go up and down. Therefore, only long-term investors are advised to invest in this Fund.

### Details of Non-Compliant Investments

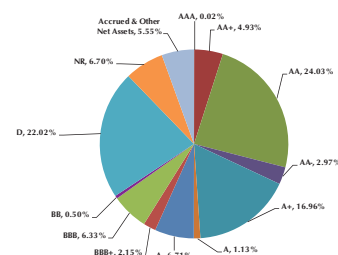
Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
BRR Guardian Modaraba***	SUKUK	49,531,250	12,382,812	37,148,438	1.68%	1.38%	23.03%
Escort Investment Bank Limited***	TFC	14,987,880	3,936,477	11,051,403	0.50%	0.41%	13.00%
Kohat Cement Limited (Sukuk)***	SUKUK	221,500,000	73,532,684	147,967,316	6.70%	5.50%	24.56%
AgriTech Limited	TFC	149,860,200	107,899,344	41,960,856	1.90%	1.56%	19.10%
Eden Housing (Sukuk II)	SUKUK	31,912,500	9,744,737	22,167,763	1.00%	0.82%	38.90%
Maple Leaf Cement (Sukuk I)	SUKUK	399,405,000	148,920,151	250,484,849	11.34%	9.31%	34.13%
PACE Pakistan Limited	TFC	149,820,000	49,064,402	100,755,598	4.56%	3.75%	19.16%
Saudi Pak Leasing	TFC	51,529,950	17,507,455	34,022,495	1.54%	1.26%	27.35%
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
<b>Total</b>		<b>1,583,557,750</b>	<b>937,999,032</b>	<b>645,558,718</b>	<b>29.22%</b>	<b>23.99%</b>	

\*\*\*Book Value, performing but below investment grade

### Excess / (Short) exposures

Particulars	Exposure Type	% of Net Assets	Limit	Excess / (Short) exposures
Engro Fertilizer Limited (PPTFC)	Per Party	13.61%	10.00%	3.61%
Maple Leaf Cement (Sukuk I)	Per Party	11.34%	10.00%	1.34%
Pakistan Mobile Communication (Listed II)	Per Party	16.96%	10.00%	6.96%
Cash and Cash Equivalent	Cash Balance	0.97%	25.00%	(24.03)%

### Credit Quality of the Portfolio as of October 31, 2011 (% of NAV)



### Asset Allocation (% of NAV) 31-Oct-11 30-Sep-11

TFCs / Sukuks	93.48%	92.82%
Cash Equivalents	0.97%	1.63%
Other Net Assets	5.55%	5.55%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

### Top 10 TFC/SUKUK Holdings (as at October 31, 2011)

Name of TFCs / Sukuks	% of Net Assets
Pakistan Mobile Communication (Listed II)	16.96%
Engro Fertilizer Limited (PPTFC)	13.61%
Maple Leaf Cement (Sukuk I)	11.34%
Orix Leasing Pakistan (PPTFC)	8.90%
Avari Hotels Limited	6.70%
Kohat Cement Limited (Sukuk)	6.70%
World Call Telecom Limited	6.33%
PACE Pakistan Limited	4.56%
Jahangir Siddiqui & Company IV	4.10%
Allied Bank Limited II	2.89%
<b>Total</b>	<b>82.09%</b>

### 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.