

Performance

Performance %	September 2011*	Jan. - Sep. 2011**	Trailing 12 Months**	Since Launch April 22, 2006**
NAFA Income Opportunity Fund <i>Formerly NAFA Cash Fund</i>	-3.21%	0.39%	3.21%	6.83%
Benchmark	1.07%	13.66%	13.49%	11.73%

* 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. 2,243 million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Fri) 9:00 A.M to 4:30 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 unit price declined by 3.21% during September 2011. The return is negative on account of reversal of mark-up following delay in payment by a Sukuk holding in the portfolio. Further, we made regulatory provision in Azgard Nine TFC, which is now fully provided.

The Fund has high allocation in TFCs of around 92.8% of the Fund. All TFCs in your Fund are floating rate instruments linked to KIBOR. During the first nine months of CY 2011 average 6-Month KIBOR was around 13.66% as against 12.46% for the same period last year. Weighted average price of the TFC portfolio is Rs.77 against the par value of Rs100.

The Yield to Maturity of your Fund is around 20.62% p.a. and that of the TFC portfolio is 22.03% p.a. The weighted average time to maturity of your Fund is 2.75 years. The Fund's sector allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Textile, Leasing, Real Estate, Banking, Paper & Board 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

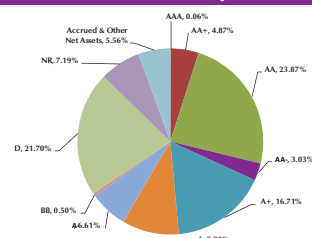
Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
BRR Guardian Modaraba***	SUKUK	49,687,500	12,421,875	37,265,625	1.66%	1.37%	25.37%
Escort Investment Bank Limited***	TFC	14,987,880	3,746,970	11,240,910	0.50%	0.41%	65.90%
Kohat Cement Limited (Sukuk)***	SUKUK	241,500,000	80,172,204	161,327,796	7.19%	5.92%	30.12%
Saudi Pak Leasing***	TFC	51,529,950	17,507,455	34,022,495	1.52%	1.25%	28.10%
Agritech Limited	TFC	149,880,000	107,913,600	41,966,400	1.87%	1.54%	39.26%
Eden Housing (Sukuk II)	SUKUK	31,912,500	9,744,737	22,167,763	0.99%	0.81%	43.07%
Maple Leaf Cement (Sukuk I)	SUKUK	399,490,000	148,951,844	250,538,156	11.17%	9.20%	34.13%
PACE Pakistan Limited	TFC	149,820,000	49,064,402	100,755,598	4.49%	3.70%	34.03%
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
Total		1,603,818,800	944,534,057	659,284,743	29.39%	24.20%	

***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	12.99%	10.00%	2.99%
Maple Leaf Cement (Sukuk I)	Per Party	11.17%	10.00%	1.17%
Pakistan Mobile Communication (Listed II)	Per Party	16.71%	10.00%	6.71%
Cash and Cash Equivalent	Cash Balance	1.63%	25.00%	(23.37%)

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



Asset Allocation (% of NAV) 30-Sep-11 30-Aug-11

TFCs / Sukuks	92.82%	89.94%
Cash Equivalents	1.63%	2.80%
Other Net Assets	5.55%	7.26%
Total	100.00%	100.00%
Leverage	Nil	Nil

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

Name of TFCs / Sukuks	% of Net Assets
Pakistan Mobile Communication (Listed II)	16.71%
Engro Fertilizer Limited (PPTFC)	12.99%
Maple Leaf Cement (Sukuk I)	11.17%
Orix Leasing Pakistan (PPTFC)	8.77%
Kohat Cement Limited (Sukuk)	7.19%
Avari Hotels Limited	6.60%
World Call Telecom Limited	6.55%
PACE Pakistan Limited	4.49%
Jahangir Siddiqui & Company IV	4.04%
Allied Bank Limited II	2.93%
Total	81.44%

Name of the Members of Investment Committee

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