



Performance

Performance % *	August 2012	FYTD Jul 12 - Aug 12	Jan. - Aug. 2012	Since Launch October 28, 2011
NAFA Financial Sector Income Fund	11.18%	11.20%	12.20%	12.37%
Benchmark	9.93%	10.37%	10.65%	10.68%

\* Represent Annualized Return - (based on morning star formula)  
(Returns are net of management fee & all other expenses)

General Information

Launch Date:	October 28, 2011
Fund Size:	Rs. 3,313 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: 1%, 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:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	70% 6-Month KIBOR & 30% average 3-Month deposit rates (A & above rated banks)
Fund Manager:	Salman Ahmed
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA

Investment Objective

To provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.

Fund Manager Commentary

The Fund generated an annualized return of 11.18% for the month of August 2012 versus the benchmark return of 9.93% p.a. thus an out-performance of 1.25%. Since its launch the Fund offered an annualized return of 12.37% against benchmark return of 10.68% p.a., hence out-performance of 1.69%. This outperformance is net of management fee and all other expenses.

The Fund is unique as it invests a minimum of 70% of its assets in financial sector debt securities, instruments or deposits. Minimum entity rating of issuers of debt securities (mainly banks) is AA-. This minimizes credit risk and at the same time enhances the liquidity of the Fund. Duration of the Fund cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances the liquidity profile of the Fund.

The Fund Size increased by around 8.6% during the month. Exposure in TFCs was 55.28% at the end of the month while, exposure to Government Securities was around 28.42%. The highlight of the month was a historic reduction in Policy Rate by 1.5% to 10.5% by SBP against market expectations of 0.5%.

The weighted average time-to-maturity and yield-to-maturity of the Fund is 2.52 years and 10.78% p.a. respectively, while that of the TFC portfolio is 4.43 years and 11.80%. The weighted average credit quality of the Fund is AA.

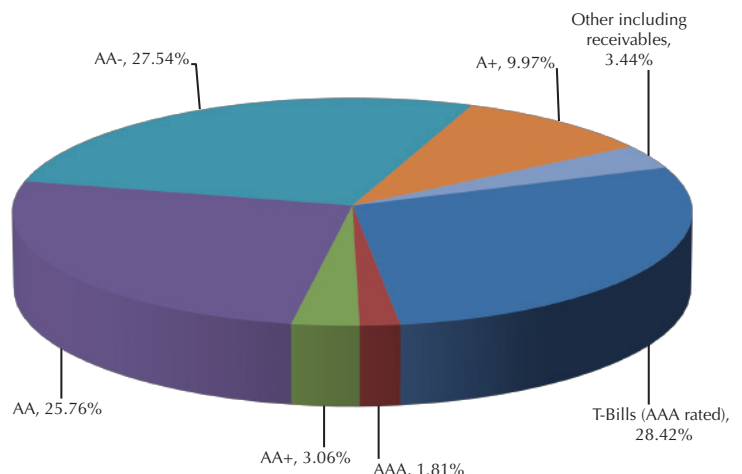
Asset Allocation (% of Total Assets) 31-Aug-12 31-July-12

Asset Allocation (% of Total Assets)	31-Aug-12	31-July-12
T-Bills	28.42%	28.53%
TFCs	55.28%	56.69%
Money Market Placements	3.00%	-
Placement with DFIs	-	6.53%
Cash Equivalents	9.86%	4.37%
Other including receivables	3.44%	3.88%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top TFC Holdings (as at August 31, 2012)

Name of TFCs	% of Total Assets
United Bank Limited IV	12.53%
Bank Alfalah Limited IV - FT	10.86%
Faysal Bank Limited III	9.23%
NIB Bank Limited	8.17%
Askari Bank Limited III	3.57%
HUBCO Short Term Islamic Sukuk	3.00%
Jahangir Siddiqui & Company Limited V	2.04%
Allied Bank Limited II	1.96%
Bank Alfalah Limited IV - FX	1.85%
Soneri Bank Limited	1.79%
Total	55.00%

Credit Quality of the Portfolio as of August 31, 2012 (% of Total Assets)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 3,834,036/-. If the same were not made the NAV per unit/ since inception annualized return of scheme would be higher by Rs. 0.0119/0.15%. For details investors are advised to read note 7 of the Financial Statements of the Scheme for the period ended March 31, 2012.

Name of the Members of Investment Committee

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

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