



Performance

Performance % *	February 2012	Since Launch October 28, 2011
NAFA Financial Sector Income Fund	13.21%	12.68%
Benchmark	10.73%	10.74%

* 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:	October 28, 2011
Fund Size:	Rs. 1,570 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
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:	Khalid Anwar Chapra
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' 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 annualized return generated by NFSIF for the month of February 2012 is 13.21% versus the benchmark return of 10.73% p.a., thus out-performing the benchmark by 2.48%. Since its inception the Fund's annualized out-performance against the benchmark is 1.94%. This outperformance is net of management fee and all other expenses. The industry benchmark for lending, 6-Month KIBOR closed the month at 11.94% as compared to 11.82% during the previous month.

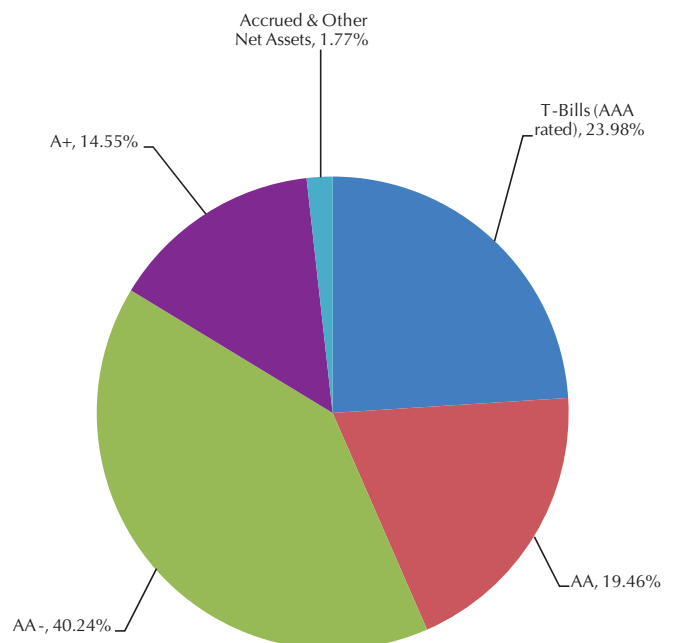
The Fund is unique as it invests a minimum of 70% of its assets in financial sector debt securities, instruments or deposits. Minimum entity rating of issuers of debt securities (mainly banks) is AA-. This minimizes credit risk and at the same time enhances the liquidity of the Fund. All debt securities in the Fund are floating rate i.e. linked to KIBOR. 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 weighted average time to maturity and yield to maturity of the Fund is 2.26 years and 12.74% p.a. respectively. The weighted average credit quality of the Fund is AA and duration of 84 days.

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

Asset Allocation (% of NAV)	29-Feb-12	31-Jan-12
T-Bills	23.98%	25.54%
TFCs	69.91%	74.67%
Cash Equivalents	4.34%	4.50%
Other Net Assets / (Liabilities)	1.77%	(4.71)%
Total	100.00%	100.00%
Leverage	Nil	Nil

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



Top Holdings (as at February 29, 2012)

Name of TFC	% of Net Assets
United Bank Limited IV	17.71%
Bank Alfalah Limited (Floater)	17.42%
Faysal Bank Limited II	16.69%
NIB Bank Limited	8.84%
Soneri Bank Limited	5.71%
Allied Bank Limited I	1.42%
United Bank Limited III	1.24%
Askari Bank Limited III	0.88%
Total	69.91%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Khalid Anwar Chapra