



Performance			
Performance % *	March 2012	Jan. - Mar. 2012	Since Launch October 28, 2011
NAFA Financial Sector Income Fund	12.80%	12.47%	12.70%
Benchmark	10.78%	10.73%	10.75%

\* 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. 1,825 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 March 2012 is 12.80% versus the benchmark return of 10.78% p.a., thus out-performing the benchmark return by 2.02%. Since its inception the Fund's annualized out-performance against the benchmark is 1.95%. This outperformance is net of management fee and all other expenses.

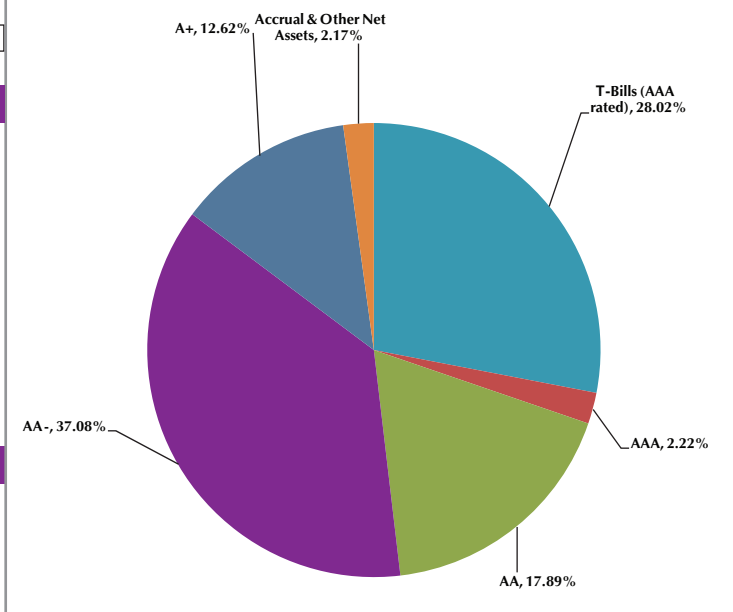
The Fund size registered an increase of 16.24% during March 2012. The management has stopped providing for WWF since March 14, 2012, which will help improve the Fund's return going forward.

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 1.92 years and 12.53% p.a. respectively, while that of the TFC portfolio is 2.96 years and 13.44%. The weighted average credit quality of the Fund is AA+.

Asset Allocation (% of NAV)	31-Mar-12	29-Feb-12
T-Bills	28.02%	23.98%
TFCs	63.65%	69.91%
Placement with DFIs	2.19%	0.00%
Cash Equivalents	3.97%	4.34%
Other Net Assets	2.17%	1.77%
Total	100.00%	100.00%
Leverage	Nil	Nil

**Credit Quality of the Portfolio as of March 31, 2012 (% of NAV)**



**Top Holdings (as at March 31, 2012)**

Name of TFC	% of Net Assets
United Bank Limited IV	15.26%
Bank Alfalah Limited (Floater)	14.99%
Faysal Bank Limited II	14.36%
NIB Bank Limited	7.69%
Soneri Bank Limited	4.94%
Allied Bank Limited II	3.55%
Allied Bank Limited I	1.21%
United Bank Limited III	0.89%
Askari Bank Limited III	0.76%
Total	63.65%

**Name of the Members of Investment Committee**

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