



**Performance**

| Performance % *                   | September 2012 | FYTD Jul 12 - Sep 12 | Jan. - Sep. 2012 | Since Launch October 28, 2011 |
|-----------------------------------|----------------|----------------------|------------------|-------------------------------|
| NAFA Financial Sector Income Fund | 10.29%         | 10.91%               | 11.99%           | 12.19%                        |
| Benchmark                         | 9.48%          | 10.09%               | 10.53%           | 10.58%                        |

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

**General Information**

Launch Date: October 28, 2011  
Fund Size: Rs. 3,359 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% (Nil on investment above Rs. 5 million), 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/Sukuku, Bank deposits and short-term money market instruments.

**Fund Manager Commentary**

The Fund generated an annualized return of 10.29% for the month of September 2012 versus the benchmark return of 9.48%, thus an out-performance of 0.81%. Since its launch the Fund offered an annualized return of 12.19% against benchmark return of 10.58%, hence an out-performance of 1.61%. 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.

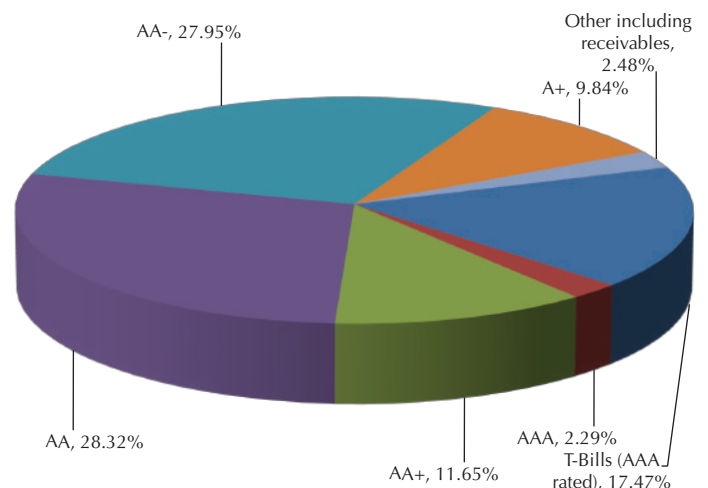
The Fund Size increased by around 1.39% during the month. Exposure in TFCs was 55.95% at the end of the month while, exposure to Government Securities was around 17.47%.

The weighted average time-to-maturity and yield-to-maturity of the Fund is 2.55 years and 10.78% p.a. respectively, while that of the TFC portfolio is 4.43 years and 11.58% p.a. The weighted average credit quality of the Fund is AA.

**Asset Allocation (% of Total Assets) 29-Sep-12 31-Aug-12**

| Asset Allocation (% of Total Assets) | 29-Sep-12 | 31-Aug-12 |
|--------------------------------------|-----------|-----------|
| T-Bills                              | 17.47%    | 28.42%    |
| TFCs                                 | 55.95%    | 55.28%    |
| Money Market Placements              | 4.08%     | 3.00%     |
| Placement with DFIs                  | 7.39%     | -         |
| Cash Equivalents                     | 12.63%    | 9.86%     |
| Other including receivables          | 2.48%     | 3.44%     |
| Total                                | 100.00%   | 100.00%   |
| Leverage                             | Nil       | Nil       |

**Credit Quality of the Portfolio as of September 29, 2012 (% of Total Assets)**



**Top 10 TFC (Including Short Term Sukuk) (as at September 29, 2012)**

| Name of TFC / Short Term Sukuk        | % of Total Assets |
|---------------------------------------|-------------------|
| United Bank Limited IV                | 13.14%            |
| Bank Alfalah Limited IV - FT          | 10.95%            |
| Faysal Bank Limited III               | 8.84%             |
| NIB Bank Limited                      | 8.07%             |
| HUBCO Short Term Islamic Sukuk        | 4.08%             |
| Askari Bank Limited III               | 3.52%             |
| Jahangir Siddiqui & Company Limited V | 2.01%             |
| Allied Bank Limited II                | 1.92%             |
| Bank Alfalah Limited IV - FX          | 1.82%             |
| Soneri Bank Limited                   | 1.76%             |
| Total                                 | 56.11%            |

**WORKERS' WELFARE FUND (WWF)**

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 4,363,623/-. If the same were not made the NAV per unit/ since inception annualized return of scheme would be higher by Rs. 0.0135/0.16%. 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  
Muhammad Ali Bhabha, CFA, FRM  
Tanvir Abid, CFA, FRM  
Salman Ahmed

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