



NAFA Islamic Aggressive Income Fund (NIAIF)

Formerly NAFA Islamic Income Fund

NBP Fullerton
Asset Management Limited
(Formerly National Fullerton Asset Management Limited)

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/12/2010): Rs. 7.9562

December 2010

Performance

Performance % *	December 2010 *	FYTD Jul. - Dec. 2010 *	Trailing 12 Months *	Since Launch October 29, 2007 **
NAFA Islamic Aggressive Income Fund <i>Formerly NAFA Islamic Income Fund</i>	21.10%	5.37%	30.28%	-1.44%
Benchmark	6.99%	6.48%	6.42%	21.06%

* Represent Annualized Return - (based on morning star formula)

** Represent Cumulative Return

(Returns are net of management fee & all other expenses)

General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 188 million
Type:	Open-end – Shariah Complaint Aggressive Income fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Front end: 1.0%
Management Fee:	2.0% per annum
Risk Profile:	Low to Medium
Fund Stability Rating:	BBB (f) ^o by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average 3-month deposit rate of Islamic Banks (Benchmark changed with effect from 15-12-2010. Previous Benchmark was Avg. 1-month Deposit rate of Islamic Banks)
Fund Manager:	Usman Khan
Minimum Subscription:	Growth Unit: Rs. 10,000/ Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective

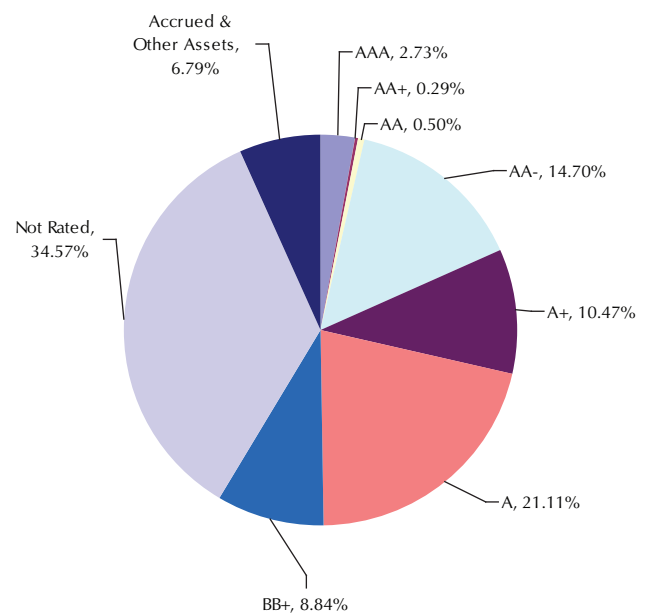
To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.

Fund Manager Commentary

The Fund earned an annualized return of 21.10% during December 2010. The return for CY 2010 has been an impressive 30.28%. The return is expected to remain attractive in 2011.

The annual Yield-to-Maturity of the Sukuk portfolio in your Fund is 24.61% and the weighted average time to maturity is 3.38 years. The weighted average maturity of your Fund is 2.40 years. Hence for investors with an investment horizon of three to four years, NIAIF offers an attractive opportunity to earn handsome returns, as evident by its current annual yield to maturity. However, since there are Sukuks in the portfolio and their prices may go up and down, only long-term investors are advised to invest in this Fund.

Credit Quality of the Portfolio (% of Net Assets)



Asset Allocation

	31-Dec-10	30-Nov-10
Sukuk	68.24%	68.20%
GOP Ijara Sukuk	2.70%	2.72%
Cash Equivalents	22.31%	22.55%
Other Assets	6.75%	6.53%
Total	100.00%	100.00%
Leverage	Nil	Nil

TFC/SUKUK Holdings (as at December 31, 2010)

Name of TFCs / Sukuks	% of Net Assets
Kohat Cement Limited (Sukuk)	34.57%
Engro Fertilizer Limited (Sukuk)	14.35%
Pak Electron Limited (Sukuk)	10.48%
Maple Leaf Cement Limited (Sukuk)	8.84%
GOP Ijarah (Sukuk)	2.70%
Total	70.94%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Usman Khan

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.