

Performance

Performance % *	January 2010 *	FYTD Jul. 2010 - Jan. 2011*	Trailing 12 Months *	Since Launch October 29, 2007 **
NAFA Islamic Aggressive Income Fund <i>Formerly NAFA Islamic Income Fund</i>	12.39%	6.35%	30.47%	-0.46%
Benchmark	7.64%	6.65%	6.53%	21.82%

* 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. 189 million
Type:	Open-end – Shariah Compliant 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)" 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.

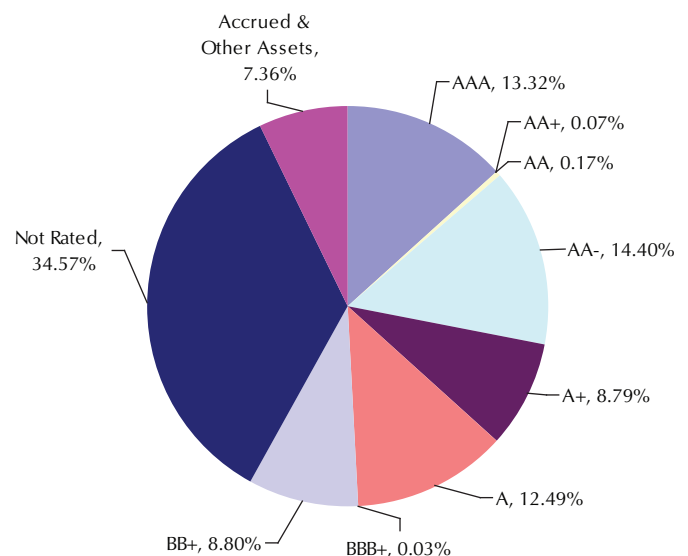
Fund Manager Commentary

The Fund earned an annualized return of 12.39% during January 2011. The return for previous CY 2010 was a staggering 30.28%. The Fund's return is expected to remain attractive in 2011.

We have also increased allocation to AAA rated Ijara Sukuks during the month which has also enhanced the credit profile of your Fund. In other Sukuks, the main exposures are in the Cement and Fertilizer sectors.

The annual Yield-to-Maturity of Sukuk portfolio in your Fund is 23.31% and the weighted average time to maturity is 3.30 years. Weighted average maturity of your Fund is 2.63 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 NAV)



Asset Allocation % of NAV 31-Jan-11 31-Dec-10

Asset Allocation % of NAV	31-Jan-11	31-Dec-10
Sukuk	66.44%	68.24%
GOP Ijara Sukuk - Govt. Backed	13.29%	2.70%
Cash Equivalents	12.91%	22.31%
Other Assets	7.36%	6.75%
Total	100.00%	100.00%
Leverage	Nil	Nil

TFC/SUKUK Holdings (as at January 31, 2011)

Name of TFCs / Sukuks	% of Net Assets
Kohat Cement Limited (Sukuk)	34.57%
Engro Fertilizer Limited (Sukuk)	14.28%
GOP Ijarah (Sukuk) V	10.60%
Maple Leaf Cement Limited (Sukuk)	8.80%
Pak Electron Limited (Sukuk)	8.79%
GOP Ijarah (Sukuk)	2.69%
Total	79.73%

Name of the Members of Investment Committee

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