



# 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 (31/05/2011): Rs. 8.2140

May 2011

## Performance

Performance % *	May 2011	FYTD Jul. 2010 - May 2011	Trailing 12 Months***	Since Launch October 29, 2007
NAFA Islamic Aggressive Income Fund <i>Formerly NAFA Islamic Income Fund</i>	60.66%	9.43%	35.71%	1.17%
Benchmark	7.98%	7.00%	6.94%	6.36%

\* 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 29, 2007
Fund Size:	Rs. 179 million
Type:	Open-end – Shariah Compliant Aggressive Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Fri) 9:00 A.M to 4:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1.0%, Back end: 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
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 60.66% during May 2011 against the benchmark return of 7.98%, thus an out-performance of 52.68%. The annualized return for first five months of the current CY is 14.59% against the benchmark return of 7.63%, hence an out-performance of 6.96%. The high return is attributable to recovery in sukuk prices which was previously non-performing.

Your Fund is invested in sukuk of Cement, Fertilizer and Consumer Electronics sub-sectors. Around 9% allocation in the Government Ijara sukuk and 12% in the bank deposits provides diversification and liquidity to the portfolio.

The Yield-to-Maturity of the sukuk portfolio of your Fund is around 24.66% p.a. while its weighted average time to maturity is 3.05 years. The weighted average maturity of your Fund is 2.40 years. Hence, for investors with an investment horizon of three to four years, the Fund offers an attractive opportunity to earn handsome returns. However, since there are sukuk in the portfolio and their prices may go up and down, only long-term investors are advised to invest in this Fund.

## Asset Allocation (% of NAV) 31-May-11 29-Apr-11

	31-May-11	29-Apr-11
Sukuk	69.15%	69.34%
GOP Ijara Sukuk - Govt. Backed	9.48%	9.69%
Cash Equivalents	11.77%	12.65%
Other Net Assets	9.60%	8.32%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## Top Sukuk Holdings (as at May 31, 2011)

Name of Sukuks	% of Net Assets
Kohat Cement (Sukuk)	36.11%
Engro Fertilizer Limited (Sukuk)	15.11%
Maple Leaf Cement (Sukuk I)	9.31%
Pak Elektron Limited (Sukuk)	8.23%
GOP Ijarah Sukuk V	5.53%
GOP Ijarah Sukuk I	2.83%
GOP Ijarah Sukuk VII	1.12%
Maple Leaf Cement Limited (Sukuk II)	0.39%
<b>Total</b>	<b>78.63%</b>

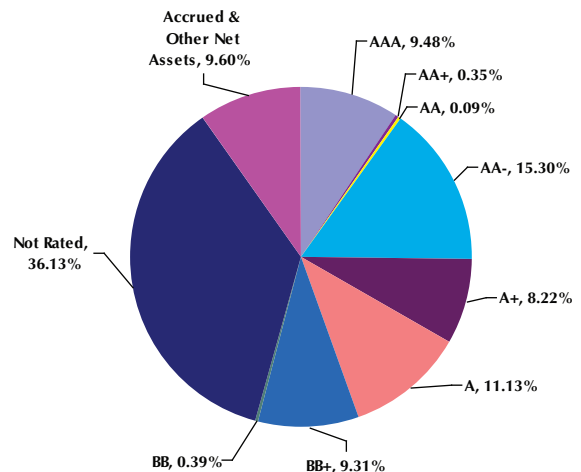
## Name of the Members of Investment Committee

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

## Details of Non-Compliant Investments

Excess exposure				
Particulars	Exposure Type	% of Net Assets	Limit	Excess Exposure
Kohat Cement Sukuk	Per Party	36.11%	15.00%	21.11%
Construction and Materials	Sector	45.82%	35.00%	10.82%

## Credit Quality of the Portfolio (% of NAV)



**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.