



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2013): Rs. 10.1113

August 2013

Performance

Performance %	August 2013 *	FYTD Jul 2013 - Aug 2013*	Trailing 12 Months Sep12 -Aug 13 *	Since Launch April 22, 2006 **
NAFA Income Opportunity Fund	6.49%	5.32%	10.11%	6.74%
Benchmark	9.12%	9.10%	9.51%	11.46%

* Annualized Simple Return - ** (Annualized Return Based on Morningstar Methodology)
(Returns are net of management fee & all other expenses)

General Information

Launch Date: April 22, 2006
Fund Size: Rs. 1,710 million
Type: Open-end – Income Fund
Dealing Days: Daily – Monday to Saturday (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
Dealing Time: 2-3 business days
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
Fund Stability Rating: "BBB+(f)" by PACRA
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark: 6-Month KIBOR
Fund Manager: Muhammad Imran, CFA, ACCA
Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2 by PACRA (Very High Investment Management Standards)

Investment Objective

To seek preservation of Capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.

Fund Manager Commentary

The Fund posted an annualized return of 6.49% during August 2013 as compared to the benchmark return of 9.12%. Subdued performance of the Fund during the month is due to provisioning in an Electronic sector sukuk. During the last one year the Fund has out-performed its benchmark by 0.60% by earning an annualized return of 10.11%.

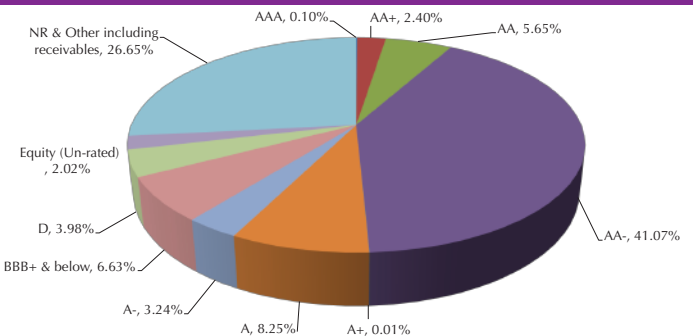
Weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is Rs. 82.59 against the par value of Rs. 100. The weighted average Yield to Maturity of the Fund is around 17.37% p.a. and that of the TFC portfolio is 26.92% p.a. The weighted average time to maturity of the Fund is about 1.54 years. The Fund's sector allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Financial Services, Banking, and Leisure (Hotel) sub-sectors. TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. Therefore, in case of increase in interest rates, the coupon income of the Fund will improve. However, since TFCs prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
BRR Guardian Modaraba***	SUKUK	43,593,750	-	32,695,313	1.91%	1.45%	41.41%
Escort Investment Bank Limited***	TFC	7,493,940	-	5,525,702	0.32%	0.25%	18.00%
Kohat Cement Limited (Sukuk)***	SUKUK	37,893,905	-	28,420,429	1.66%	1.26%	7.67%
Saudi Pak Leasing***	TFC	44,724,090	-	22,362,045	1.31%	0.99%	51.70%
World Call Telecom Limited	TFC	96,370,722	81,915,114	14,455,608	0.85%	0.64%	49.34%
Eden Housing (Sukuk II)	SUKUK	14,662,500	5,111,509	9,550,991	0.56%	0.42%	80.13%
Maple Leaf Cement (Sukuk I)	SUKUK	359,150,000	215,490,000	143,660,000	8.40%	6.39%	38.79%
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	41,047,817	10,380,754	0.61%	0.46%	425.84%
Agritech Limited I	TFC	149,860,200	149,860,200	-	n/a	n/a	n/a
Agritech Limited V	TFC	32,320,000	32,320,000	-	n/a	n/a	n/a
Azzard Nine Limited III	TFC	108,376,850	108,376,850	-	n/a	n/a	n/a
Azzard Nine Limited V	TFC	82,180,000	82,180,000	-	n/a	n/a	n/a
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	n/a	n/a	n/a
Ghanibwal Cement Limited (PPTFC)	TFC	24,355,500	24,355,500	-	n/a	n/a	n/a
New Allied Electronics (PPTFC)	TFC	31,706,536	31,706,536	-	n/a	n/a	n/a
New Allied Electronics (Sukuk II)	SUKUK	44,148,934	44,148,934	-	n/a	n/a	n/a
PACE Pakistan Limited	TFC	149,820,000	149,820,000	-	n/a	n/a	n/a
Azzard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	-	n/a	n/a	n/a
Agritech Limited Shares	Equity	141,403,150	95,952,137	45,451,013	2.66%	2.02%	n/a
Total		1,569,501,502	1,212,297,450	312,501,855	18.27%	13.89%	

***Said TFCs are performing but classified as Non-Compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

Credit Quality of the Portfolio as of August 31st, 2013 (% of Total Assets)



Asset Allocation (% of Total Assets) 31-Aug-13 31-July-13

TFCs / Sukuks	37.28%	36.74%
Placement with DFIs	2.22%	2.19%
Equity	2.02%	1.99%
Cash Equivalents	33.10%	33.57%
Other including receivables	25.38%	25.51%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top 10 TFC/Sukuk Holdings (as at August 31st, 2013)

Name of TFCs / Sukuks	% of Total Assets
Pakistan Mobile Communication (Listed II)	6.80%
Engro Fertilizer Limited (PPTFC)	6.75%
Maple Leaf Cement (Sukuk I)	6.39%
Bank Alfalah Limited V	4.54%
Avari Hotels Limited	2.92%
Allied Bank Limited II	2.83%
BRR Guardian Modaraba	1.45%
Kohat Cement Limited (Sukuk)	1.26%
Engro Fertilizer Limited	1.12%
Saudi Pak Leasing	0.99%
Total	35.05%

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.15,617,860/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0924/1.01%. For details investors are advised to read note 6 of the Financial Statement of the Scheme for the period ended March 31, 2013.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Syed Suleman Akhtar, CFA
Muhammad Imran, CFA, ACCA

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.