

Performance

Performance % **	July 2011	Jan. - Jul. 2011	Trailing 12 Months	Since Launch April 22, 2006
NAFA Income Opportunity Fund <i>Formerly NAFA Cash Fund</i>	14.51%	5.85%	5.99%	7.67%
Benchmark	13.80%	13.74%	13.38%	11.67%

* Ex-Dividend Price

** 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:	April 22, 2006
Fund Size:	Rs. 2,398 million
Type:	Open-end – 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: 0%, 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:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	6-Month KIBOR
Fund Manager:	Hussain Yasar
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' by PACRA

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 generated an annualized return of 14.51% during July 2011. We believe that aside from stable coupon income on the Fund's TFC portfolio, there is room of recovery in prices in the presently non-performing TFCs/ Sukuks.

The Fund has high allocation in TFCs of around 92% of the Fund size. All TFCs in your Fund are floating rate instruments linked to KIBOR. During first seven months of CY 2011 average 6-Month KIBOR was around 13.74% as against 12.34% for the same period last year, which is expected to remain high going forward. Hence, your Fund is expected to benefit from stable coupon income on these TFCs. Further, the weighted average price of the TFC portfolio is Rs.84 against the par value of Rs100.

The Yield to Maturity of your Fund is around 21.70% p.a. and that of the TFC portfolio is 23.51% p.a. The weighted average time to maturity of your Fund is 2.90 years. The Fund's sectoral allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Textile, Leasing, Real Estate, Banking, Paper & Board and Leisure (Hotel) sub-sectors. However, there are TFCs in the portfolio whose prices may go up and down. Therefore, only long-term investors are advised to invest in this Fund.

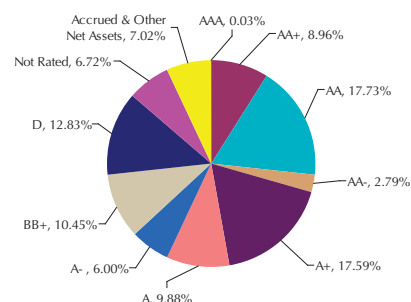
Details of Non-Compliant Investments

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
AgriTech Limited	TFC	149,880,000	107,913,600	41,966,400	1.75%	1.46%	67.17%
Azgard Nine Limited PPTFC	TFC	249,800,000	179,856,000	69,944,000	2.92%	2.43%	44.76%
Kohat Cement Limited***	Sukuk	241,500,000	80,172,204	161,327,796	6.73%	5.60%	34.03%
Maple Leaf Cement Sukuk I***	Sukuk	399,490,000	148,951,844	250,538,156	10.45%	8.69%	30.06%
BRR Guardian Modaraba Sukuk***	Sukuk	50,000,000	12,500,000	37,500,000	1.56%	1.30%	23.53%
Saudi Pak Leasing***	TFC	52,637,100	17,883,613	34,753,487	1.45%	1.21%	26.22%
Eden Housing Sukuk II	Sukuk	32,775,000	10,008,108	22,766,892	0.95%	0.79%	42.20%
PACE Pakistan Limited***	TFC	149,820,000	49,064,402	100,755,598	4.20%	3.50%	34.16%
Maple Leaf Cement Sukuk II***	Sukuk	15,000,000	15,000,000	-	0.00%	0.00%	0.00%
Gharibwal Cement Limited PPTFC	TFC	24,355,500	24,355,500	-	0.00%	0.00%	0.00%
New Allied Electronics PPTFC	TFC	31,706,536	31,706,536	-	0.00%	0.00%	0.00%
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	0.00%	0.00%	0.00%
New Allied Electronics Sukuk II	Sukuk	44,148,934	44,148,934	-	0.00%	0.00%	0.00%
Total		1,591,113,070	871,560,741	719,552,329	30.01%	24.98%	

*** Book Value, performing but below investment grade

Excess / (Short) exposures	Particulars	Exposure Type	% of Net Assets	Limit	Excess / (Short) exposures
	Engro Fertilizer Limited (PPTFC)	Per Party	12.15%	10%	2.15%
	Pakistan Mobile Comm (L2)	Per Party	15.50%	10%	5.50%
	Cash and Cash Equivalent	Cash Balance	1.25%	25%	(23.75)%

Credit Quality of the Portfolio as of July 30, 2011 (% of NAV)



Asset Allocation (% of NAV) 30-Jul-11 30-Jun-11

TFCs / Sukuks	91.73%	92.20%
Cash Equivalents	1.25%	1.24%
Other Net Assets	7.02%	6.56%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top 10 TFC/SUKUK Holdings (as at July 30, 2011)

Name of TFCs / Sukuks	% of Net Assets
Pakistan Mobile Communication (Listed II)	15.50%
Engro Fertilizer Limited (PPTFC)	12.15%
Maple Leaf Cement (Sukuk I)	10.45%
Orix Leasing Pakistan (PPTFC)	8.20%
Kohat Cement Limited (Sukuk)	6.73%
World Call Telecom Limited	6.13%
Avari Hotels Limited	5.99%
Pace Pakistan Limited	4.20%
Jahangir Siddiqui & Company IV	3.79%
Allied Bank Limited II	2.74%
Total	75.88%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Hussain Yasar