



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/07/2012): Rs. 9.7395

July 2012

### Performance

Performance % *	July 2012	Trailing 12 Months Aug. - Jul 2011 - 2012	Since Launch April 22, 2006
NAFA Income Opportunity Fund	9.89%	-0.99%	6.26%
Benchmark	12.01%	12.22%	11.76%

\* Represent Annualized Return - (based on morning star formula)  
(Returns are net of management fee & all other expenses)

### General Information

Launch Date: April 22, 2006  
Fund Size: Rs. 1,544 million  
Type: Open-end – Income Fund  
Dealing Days: Daily – Monday to Saturday  
Dealing Time: (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  
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: Hussain Yasar  
Minimum Subscription: Growth Unit: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2 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 earned an annualized return of around 9.89% during July 2012. Moreover, some of the non-performing TFCs are at an advanced stage of restructuring, which will result in some recoveries in due course of time.

The Fund has high allocation in TFCs which currently stands at around 73.51% of the Net Assets. All TFCs in the Fund are floating rate instruments linked to KIBOR. Weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is Rs. 83.21 against the par value of Rs. 100.

The weighted average Yield to Maturity of the Fund is around 20.44% p.a. and that of the TFC portfolio is 24.59% p.a. The weighted average time to maturity of the Fund is about 2.02 years. The Fund's sector allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Financial Services, Banking, and Leisure (Hotel) sub-sectors. However, since TFCs 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
BRR Guardian Modaraba***	SUKUK	48,125,000	12,031,250	36,093,750	2.34%	1.78%	24.50%
Escort Investment Bank Limited***	TFC	12,489,900	3,280,397	9,209,503	0.60%	0.45%	18.00%
Kohat Cement Limited (Sukuk)***	SUKUK	75,500,000	19,782,738	55,717,263	3.61%	2.75%	12.07%
Eden Housing (Sukuk II)	SUKUK	26,737,500	9,320,987	17,416,513	1.13%	0.86%	52.50%
Maple Leaf Cement (Sukuk I)	SUKUK	399,150,000	179,617,500	219,532,500	14.22%	10.84%	41.66%
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	17,228,931	34,199,640	2.22%	1.69%	9.50%
Saudi Pak Leasing	TFC	49,428,420	16,793,454	32,634,966	2.11%	1.61%	19.70%
World Call Telecom Limited	TFC	128,494,292	32,123,573	96,370,719	6.24%	4.76%	48.90%
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 (PPTFC)	TFC	249,800,000	249,800,000	-	n/a	n/a	n/a
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	n/a	n/a	n/a
Gharibwal Cement Limited (PPTFC)	TFC	24,355,500	24,355,500	-	n/a	n/a	n/a
Maple Leaf Cement (Sukuk II)	SUKUK	15,000,000	15,000,000	-	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
<b>Total</b>		<b>1,638,364,853</b>	<b>1,137,190,000</b>	<b>501,174,854</b>	<b>32.47%</b>	<b>24.74%</b>	

\*\*\*Book Value, performing but below authorized minimum credit rating grade

### Excess / (Short) exposures

Particulars	Exposure Type	% of Net Assets	Limit	Excess / (Shortfall)
Engro Fertilizer Limited (PPTFC)	Per Party	10.98%	10.00%	0.98%
Maple Leaf Cement (Sukuk I)	Per Party	14.22%	10.00%	4.22%
Pakistan Mobile Communication (Listed II)	Per Party	10.98%	10.00%	0.98%
Cash and Cash Equivalents	Cash Balance	9.16%	25.00%	(15.84)%

### Asset Allocation (% of Total Assets) 31-July-12 30-June-12

TFCs / Sukus	56.05%	59.08%
T-Bills	8.86%	-
Cash Equivalents	6.99%	12.85%
Other including receivables	28.10%	28.07%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

### Top 10 TFC/Sukuk Holdings (as at July 31, 2012)

Name of TFCs / Sukus	% of Total Assets
Maple Leaf Cement (Sukuk I)	10.84%
Pakistan Mobile Communication (Listed II)	8.37%
Engro Fertilizer Limited (PPTFC)	8.37%
Avari Hotels Limited	7.12%
World Call Telecom Limited	4.76%
Allied Bank Limited II	3.33%
Orix Leasing Pakistan (PPTFC)	3.22%
Kohat Cement Limited (Sukuk)	2.75%
BRR Guardian Modaraba	1.78%
Pak Elektron Limited (Sukuk)	1.69%
<b>Total</b>	<b>52.23%</b>

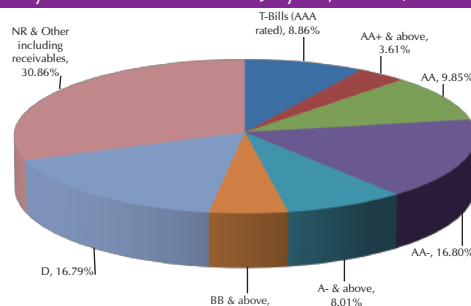
### WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 12,368,666/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.078/0.79%. For details investors are advised to read note 7 of the latest Financial Statement of the Scheme for the period ended March 31, 2012.

### Name of the Members of Investment Committee

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

### Credit Quality of the Portfolio as of July 31, 2012 (% of Total Assets)



**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.