



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (29/06/2013): Rs. 10.6694

June 2013

**Performance**

Performance %	June 2013 *	FYTD Jul 12 - June13 *	CYTD Jan 13 - Jun 13	Since Launch April 22, 2006 **
NAFA Income Opportunity Fund	27.27%	10.46%	14.11%	6.79%
Benchmark	9.42%	9.92%	9.49%	11.51%

\* Simple Annualized 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. 1,871 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: Forward Pricing  
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: Ammar Rizki  
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 posted an annualized return of 27.27% during June 2013 as compared to benchmark return of 9.42%. Outperformance of the Fund during the month is due to i) profit payment of non-performing electronic sector Sukuk ii) profit & principal repayment of cement sector and real estate sector Sukuks which are valued at a discount to their par values.

Weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is Rs. 84.22 against the par value of Rs. 100. The weighted average Yield to Maturity of the Fund is around 16.63% p.a. and that of the TFC portfolio is 24.98% p.a. The weighted average time to maturity of the Fund is about 1.49 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 / Sukuks prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

**Asset Allocation (% of Total Assets) 29-June-13 31-May-13**

Asset Allocation (% of Total Assets)	29-June-13	31-May-13
TFCs / Sukuks	39.37%	41.31%
Money Market Placements	5.77%	5.99%
Placement with DFIs	2.12%	-
Equity	1.99%	2.14%
Cash Equivalents	26.75%	25.91%
Other including receivables	24.00%	24.65%
Total	100.00%	100.00%
Leverage	Nil	Nil

**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	44,843,750	-	33,632,813	1.80%	1.43%	41.13%
Escort Investment Bank Limited***	TFC	7,493,940	-	5,525,702	0.30%	0.23%	18.00%
Kohat Cement Limited (Sukuk)***	SUKUK	37,893,905	-	28,420,429	1.52%	1.21%	7.67%
Saudi Pak Leasing***	TFC	45,524,790	-	22,762,395	1.22%	0.97%	48.06%
World Call Telecom Limited	TFC	96,370,722	81,915,114	14,455,608	0.77%	0.61%	42.31%
Eden Housing (Sukuk II)	SUKUK	14,662,500	5,111,509	9,550,991	0.51%	0.41%	70.22%
Maple Leaf Cement (Sukuk I)	SUKUK	359,150,000	215,490,000	143,660,000	7.68%	6.10%	38.82%
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	38,571,428	12,857,143	0.69%	0.55%	291.37%
Agriotech Limited I	TFC	149,860,200	149,860,200	-	n/a	n/a	n/a
Agriotech 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
Agriotech Limited Shares	Equity	141,403,150	94,618,908	46,784,242	2.50%	1.99%	n/a
Total		1,571,552,202	1,208,487,833	317,649,322	16.98%	13.49%	

\*\*\*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.

**Top 10 TFC/Sukuk Holdings (as at June 29th, 2013)**

Name of TFCs / Sukuks	% of Total Assets
Pakistan Mobile Communication (Listed II)	6.50%
Avari Hotels Limited	6.47%
Engro Fertilizer Limited (PPTFC)	6.33%
Maple Leaf Cement (Sukuk I)	6.10%
Bank Alfalah Limited V	4.31%
HUBCO Short Term Islamic Sukuk V	3.61%
Allied Bank Limited II	2.75%
HUBCO Short Term Islamic Sukuk VI	2.17%
BRR Guardian Modaraba	1.43%
Kohat Cement Limited (Sukuk)	1.21%
Total	40.88%

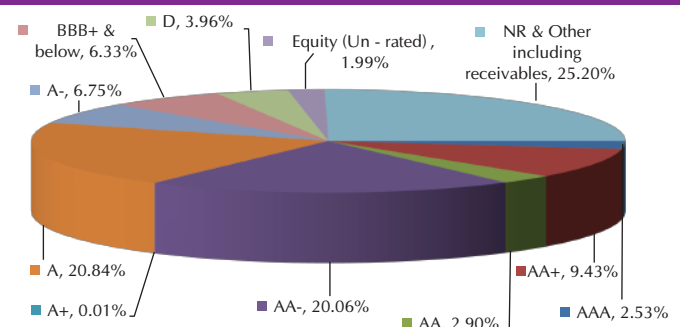
**WORKERS' WELFARE FUND (WWF)**

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.15,289,137/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0872/0.90%. 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  
Ammar Rizki

**Credit Quality of the Portfolio as of June 29th, 2013 (% 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.