



Performance

Performance %	June 2014*	FY 2014*	FY 2013*	FY 2012*	FY 2011*	FY 2010*	Since Launch April 22, 2006 **
NAFA Income Opportunity Fund	41.64%	16.60%	10.33%	(0.53%)	5.49%	5.81%	7.92%
Benchmark	10.17%	9.82%	9.92%	12.37%	13.26%	12.44%	11.31%

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

General Information

Launch Date: April 22, 2006
Fund Size: Rs. 4,353 million
Type: Open-end – Income Fund
Dealing Days: Daily – Monday to Saturday
Ramazan Dealing Time: (Mon - Thr) 8:00 A.M to 2:00 P.M
(Friday) 8:00 A.M to 12:30 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% (Nil on investment above Rs. 16 million), 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 41.6% in June 2014 as compared to the Benchmark return of 10.2%. Superior performance of the Fund during the month is due to mark to market gain of Cement Sector Sukuk which was reclassified as performing during the month. During the last one year the Fund has outperformed its Benchmark by 6.8% by earning an annualized return of 16.6%.

Weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is Rs. 94.49 against the par value of Rs. 100. The weighted average Yield to Maturity of the Fund is around 12.41% p.a. and that of the TFC portfolio is 18.56% p.a. The weighted average time to maturity of the Fund is about 1.59 years. The Fund's sector allocation is fairly diversified with exposure to Chemical, Electricity Banking, Construction & Material, Travel & Leisure and Financial Services sub-sectors. TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. However, since TFCs 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) 30-June-14 31-May-14

	30-June-14	31-May-14
TFCs / Sukuks	24.63%	22.76%
Commercial Paper	0.95%	1.03%
PIBs	30.85%	33.57%
Equity	0.84%	0.98%
Cash Equivalents	29.73%	27.69%
Others including receivables	13.00%	13.97%
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	35,781,250	-	26,746,484	0.61%	0.54%	53.74%
Escort Investment Bank Limited***	TFC	2,497,980	-	1,841,901	0.04%	0.04%	18.00%
Saudi Pak Leasing	TFC	41,321,115	41,321,115	-	n/a	n/a	n/a
World Call Telecom Limited	TFC	96,370,722	96,370,722	-	n/a	n/a	n/a
Eden Housing (Sukuk II)	SUKUK	9,056,250	9,056,250	-	n/a	n/a	n/a
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	51,428,571	-	n/a	n/a	n/a
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
Azzgard Nine Limited III	TFC	108,376,850	108,376,850	-	n/a	n/a	n/a
Azzgard 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
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
Azzgard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	-	n/a	n/a	n/a
AgriTech Limited Shares	Equity	141,403,150	99,830,624	41,572,526	0.96%	0.84%	n/a
Total		1,126,284,412	1,046,432,656	70,160,911	1.61%	1.42%	

***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 June 30, 2014 (% of Total Assets)

Top 10 TFC/Sukuk Holdings (as at June 30, 2014)

Name of TFCs / Sukuks	% of Total Assets
Engro Fertilizer Limited (PPTFC)	5.20%
Maple Leaf Cement (Sukuk I)	4.65%
K Electric Azm Sukuk	4.49%
Engro Fertilizer Limited	2.58%
Bank Alfalah Limited V	2.05%
Jahangir Siddiqui and Company Ltd. 08-APR-14	1.52%
Allied Bank Limited II	1.32%
Jahangir Siddiqui and Company Ltd. 30-OCT-12	1.16%
Avari Hotels Limited	1.02%
BRR Guardian Modaraba	0.54%
Total	24.53%

WORKERS' WELFARE FUND (WWF)

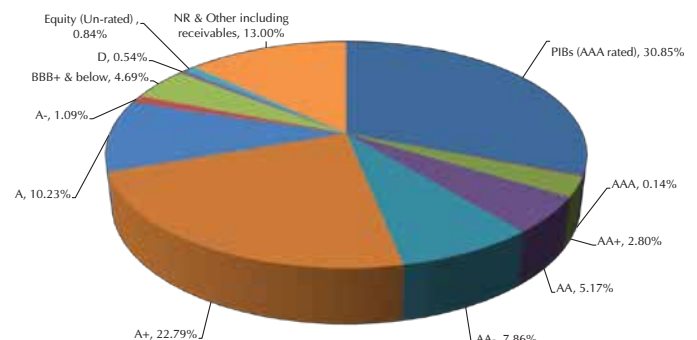
The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.24,976,017/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0601/0.67%. For details investors are advised to read note 6 of the Financial Statements of the Scheme for the period ended March 31, 2014.

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

Note: 1) The calculation of performance does not include cost of front-end load.

2) Taxes apply. Further, tax credit also available as per section 62 of Income Tax Ordinance.



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 dependent 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.

*This version of the FMR has been uploaded on July 16, 2014 after incorporating additional requirements as prescribed in 'Circular 16 of 2014' dated July 03, 2014"