

Performance

Performance % *	March 2011	FYTD Jul. 2010 - Mar. 2011	Trailing 12 Months	Since Launch April 22, 2006
NAFA Income Opportunity Fund <i>Formerly NAFA Cash Fund</i>	42.07%	6.55%	5.87%	7.83%
Benchmark	13.74%	13.11%	12.91%	11.54%

* 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. 2,869 million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 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 (Benchmark changed with effect from 15-12-2010. Previous Benchmark was 1-Month KIBOR)
Fund Manager:	Usman Khan
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 42.07% during March 2011. This is better than the benchmark return by 28.33%. This is higher owing to recovery in prices of some of the TFCs. Your Fund has high allocation in TFCs of around 84%. The coupon rate of all TFCs in your Fund are floating rate linked to KIBOR. During Jan-March 2011 average 6-Month KIBOR stood at 13.75% as against 12.35% for the same period last year, and is expected to remain high. Hence, your Fund is expected to benefit from rising coupon income on these TFCs. Further, the weighted average price of the TFC portfolio is Rs82 against the par value of Rs100, which suggests improved returns going forward, as we believe all TFCs with high credit risk have been restructured.

The annual Yield to Maturity of your Fund is currently around 22.8% while that of the TFC portfolio is 24.7%. The weighted average maturity of your Fund is 2.6 years. The Fund's sector allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Textile, Leasing, Real Estate, Banking, Paper & Board and Leisure (Hotel) sectors. However, since there are TFCs in the portfolio and their prices may go up and down, only long-term investors are advised to invest in this Fund

Asset Allocation (% of NAV) 31-Mar-11 28-Feb-11

TFC / Sukuk	83.53%	83.25%
Cash Equivalents	25.68%	26.52%
Other Liabilities	-9.21%	-9.77%
Total	100.00%	100.00%
Leverage	Nil	Nil

TFC/SUKUK Holdings (as at March 31, 2011)

Name of TFCs / Sukuks	% of Net Assets
Pakistan Mobile Comm (Listed II)	11.83%
Engro Fertilizer (PPTFC)	10.05%
Orix Leasing Pakistan (PPTFC)	9.08%
Maple Leaf Cement (Sukuk)	8.73%
World Call Telecom Limited	6.14%
Kohat Cement Limited (Sukuk)	5.62%
Azgard Nine PPTFC	4.44%
Avari Hotels Limited	4.35%
Century Paper & Board (Sukuk)	3.31%
Jahangir Siddiqui & Company IV	3.16%
Total	66.71%

Name of the Members of Investment Committee

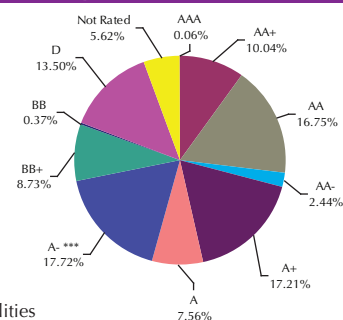
Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Usman Khan

Details of Non-Compliant Investments

Name of Non Compliant Investment	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	Yield to Maturity per annum
AgriTech Limited	TFC	149,880,000	73,441,200	76,438,800	2.66%	42.38%
Azgard Nine Limited PPTFC	TFC	249,800,000	122,402,000	127,398,000	4.44%	40.62%
Kohat Cement Limited	Sukuk	241,500,000	80,172,204	**161,327,796	5.62%	32.39%
Maple Leaf Cement Sukuk 1	Sukuk	399,575,000	148,983,537	**250,591,463	8.73%	29.19%
BRR Guardian Modaraba Sukuk	Sukuk	50,000,000	12,500,000	37,500,000	1.31%	36.09%
Saudi Pak Leasing	TFC	53,942,700	18,327,194	**35,615,506	1.24%	24.96%
Eden Housing Sukuk 2	Sukuk	33,637,500	10,271,480	**23,366,020	0.81%	38.93%
PACE Pakistan Limited	TFC	149,880,000	62,949,600	86,930,400	3.03%	39.71%
Maple Leaf Cement Sukuk 2	Sukuk	15,000,000	4,439,115	**10,560,885	0.37%	54.92%
Total		1,343,215,200	533,486,330	809,728,870	28.21%	

** Book value, performing but below investment grade

Credit Quality of the Portfolio (% of NAV)



*** Net of other Liabilities