



Performance			
Performance % *	April 2012	Jan. - Apr. 2012	Since Launch October 28, 2011
NAFA Financial Sector Income Fund	11.34%	12.19%	12.48%
Benchmark	10.72%	10.73%	10.74%

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

General Information	Investment Objective
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Launch Date: October 28, 2011
Fund Size: Rs. 1,938 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
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: A. F. Ferguson & Co.
Chartered Accountants
Benchmark: 70% 6-Month KIBOR & 30% average 3-Month deposit rates (A & above rated banks)
Fund Manager: Khalid Anwar Chapra
Minimum Subscription: Growth Unit: Rs. 10,000/-
Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2- 'Positive Outlook' by PACRA

To provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.

Fund Manager Commentary

The annualized return generated by NFSIF for the month of April 2012 is 11.34% versus the benchmark return of 10.72% p.a., thus out-performing the benchmark return by 0.62%. Since its inception the Fund's annualized return is 12.48% against benchmark return of 10.74%, hence out-performing the benchmark by 1.74%. This outperformance is net of management fee and all other expenses.

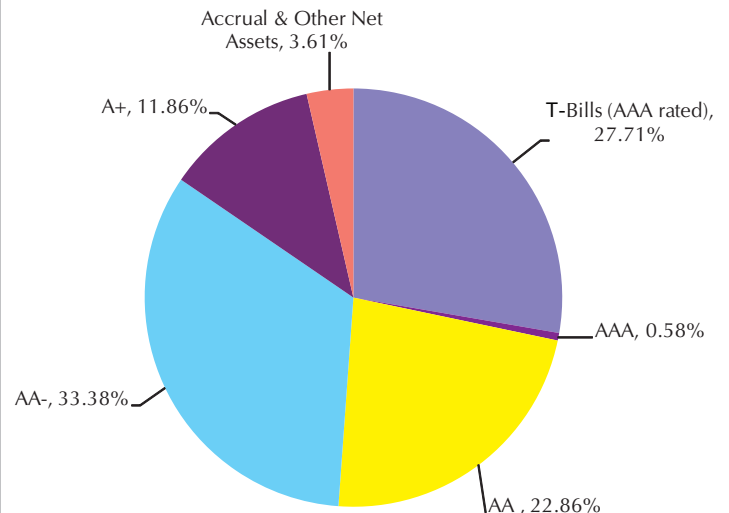
The Fund is unique as it invests a minimum of 70% of its assets in financial sector debt securities, instruments or deposits. Minimum entity rating of issuers of debt securities (mainly banks) is AA-. This minimizes credit risk and at the same time enhances the liquidity of the Fund. All debt securities in the Fund are floating rate i.e. linked to KIBOR. Duration of the Fund cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances the liquidity profile of the Fund.

The allocation in TFCs decreased during the month due to increase in Fund size. We will increase the exposure in AA rated TFCs which will improve the yield of the Fund. Moreover, exposure in banks will be enhanced to benefit from high profit rate on TDR due to half year end effect.

The weighted average time-to-maturity and yield-to-maturity of the Fund is 1.67 years and 12.34% p.a. respectively, while that of the TFC portfolio is 2.74 years and 13.56%. The weighted average credit quality of the Fund is AA.

Asset Allocation (% of NAV)	30-Apr-12	31-Mar-12
T-Bills	27.71%	28.02%
TFCs	59.95%	63.65%
Placement with DFIs	4.38%	2.19%
Cash Equivalents	4.35%	3.97%
Other Net Assets	3.61%	2.17%
Total	100.00%	100.00%
Leverage	Nil	Nil

Credit Quality of the Portfolio as of April 30, 2012 (% of NAV)



Top Holdings (as at April 30, 2012)

Name of TFC	% of Net Assets
United Bank Limited IV	14.28%
Bank Alfalah Limited (Floater)	14.26%
Faysal Bank Limited II	13.55%
NIB Bank Limited	7.24%
Soneri Bank Limited	4.62%
Allied Bank Limited II	3.35%
Allied Bank Limited I	1.13%
United Bank Limited III	0.83%
Askari Bank Limited III	0.69%
Total	59.95%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Ahmad Nouman, CFA
Tanvir Abid, CFA, FRM
Khalid Anwar Chapra