



Performance

| Performance % * | June 2012 | Jan. - June. 2012 | Since Launch October 28, 2011 |
|-----------------------------------|-----------|-------------------|-------------------------------|
| NAFA Financial Sector Income Fund | 14.90% | 12.54% | 12.67% |
| Benchmark | 10.79% | 10.75% | 10.76% |

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

General Information

| | |
|------------------------|--|
| Launch Date: | October 28, 2011 |
| Fund Size: | Rs. 2,768 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: | A+(f) by PACRA |
| 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: | Salman Ahmed |
| Minimum Subscription: | Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- |
| Asset Manager Rating: | AM2 by PACRA |

Investment Objective

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 June 2012 is 14.90% versus the benchmark return of 10.79% p.a., thus an out-performance of 4.11%. Since its inception the Fund's annualized return is 12.67% against the benchmark return of 10.76% p.a., hence out-performing the benchmark by 1.91%. 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 is AA-. This minimizes credit risk and at the same time enhances the liquidity of the Fund. 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 Fund Size increased by around 6.6% during the month. Exposure in TFCs is 62.9% at the month-end. The Fund targets to increase the allocation in high credit quality AA category TFCs to 70%.

The weighted average time-to-maturity and yield-to-maturity of the Fund is 2.80 years and 12.39% p.a. respectively, while that of the TFC portfolio is 4.39 years and 13.21%. The weighted average credit quality of the Fund is AA+.

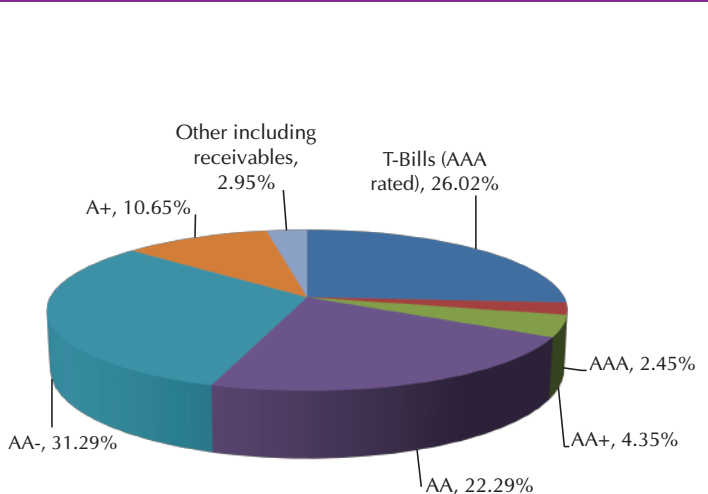
Asset Allocation (% of Total Assets) 30-June-12 31-May-12

| | 30-June-12 | 31-May-12 |
|-----------------------------|----------------|----------------|
| T-Bills | 26.02% | 25.70% |
| TFCs | 62.91% | 64.39% |
| Placement with DFIs | 4.31% | 4.60% |
| Cash Equivalents | 3.81% | 2.14% |
| Other including receivables | 2.95% | 3.17% |
| Total | 100.00% | 100.00% |
| Leverage | Nil | Nil |

Top Ten TFC Holdings (as at June 30, 2012)

| Name of TFCs | % of Total Assets |
|---|-------------------|
| United Bank Limited IV | 15.03% |
| Bank Alfalah Limited IV - FT | 13.29% |
| Faysal Bank Limited III | 11.18% |
| NIB Bank Limited | 8.50% |
| Jahangir Siddiqui & Company Limited V | 2.41% |
| Allied Bank Limited II | 2.25% |
| Soneri Bank Limited | 2.14% |
| Bank Alfalah Limited IV - FX | 2.12% |
| Standard Chartered Bank (Pakistan) Limited IV | 1.80% |
| Bank AL Habib Limited I | 1.60% |
| Total | 60.32% |

Credit Quality of the Portfolio as of June 30, 2012 (% of Total Assets)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 2,720,778/-. If the same were not made the NAV per unit/ FY 2012 return of scheme would be higher by Rs. 0.0102/ 0.16% p.a. For details investors are advised to read note 7 of the 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
- Salman Ahmed