

Performance

Performance % *	August 2011	Jan. - Aug. 2011	Trailing 12 Months	Since Launch April 22, 2006
NAFA Income Opportunity Fund <i>Formerly NAFA Cash Fund</i>	2.86%	5.50%	6.17%	7.59%
Benchmark	13.37%	13.69%	13.43%	11.70%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date:	April 22, 2006
Fund Size:	Rs. 2,378 million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Fri) 9:00 A.M to 4:30 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:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	6-Month KIBOR
Fund Manager:	Hussain Yasar
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' 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 generated an annualized return of 2.86% during August 2011. The return is low due to delay in payment by a Real Estate sector TFC.

The Fund has high allocation in TFCs of around 89.9% of the Fund size. All TFCs in your Fund are floating rate instruments linked to KIBOR. During first eight months of CY 2011 average 6-Month KIBOR was around 13.7% as against 12.4% for the same period last year, which is expected to remain high going forward. Hence, your Fund is expected to benefit from stable coupon income on these TFCs. Further, the weighted average price of the TFC portfolio is Rs.83 against the par value of Rs100.

The Yield to Maturity of your Fund is around 21.75% p.a. and that of the TFC portfolio is 23.82% p.a. The weighted average time to maturity of your Fund is 2.79 years. The Fund's sectoral allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Textile, Leasing, Real Estate, Banking, Paper & Board and Leisure (Hotel) sub-sectors. However, there are TFCs in the portfolio whose prices may go up and down. Therefore, only long-term investors are advised to invest in this Fund.

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	49,843,750	12,460,938	37,382,812	1.57%	1.30%	24.45%
Kohat Cement Limited (Sukuk)**	SUKUK	241,500,000	80,172,204	161,327,796	6.78%	5.63%	34.07%
Maple Leaf Cement (Sukuk I)**	SUKUK	399,490,000	148,951,844	250,538,156	10.54%	8.74%	29.82%
PACE Pakistan Limited	TFC	149,820,000	49,064,402	100,755,598	4.24%	3.51%	34.02%
Saudi Pak Leasing**	TFC	52,310,700	17,772,717	34,537,983	1.45%	1.20%	27.65%
AgriTech Limited	TFC	149,880,000	107,913,600	41,966,400	1.76%	1.46%	44.25%
Azgard Nine Limited (PPTFC)	TFC	249,800,000	179,856,000	69,944,000	2.94%	2.44%	53.27%
Eden Housing (Sukuk II)	SUKUK	31,912,500	9,744,737	22,167,763	0.93%	0.77%	43.07%
Maple Leaf Cement (Sukuk II)**	SUKUK	15,000,000	15,000,000	-	0.00%	0.00%	NA
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	0.00%	0.00%	NA
Gharibwal Cement Limited (PPTFC)	TFC	24,355,500	24,355,500	-	0.00%	0.00%	NA
New Allied Electronics (PPTFC)	TFC	31,706,536	31,706,536	-	0.00%	0.00%	NA
New Allied Electronics (Sukuk II)	SUKUK	44,148,934	44,148,934	-	0.00%	0.00%	NA
Total		1,589,767,920	871,147,412	718,620,508	30.21%	25.05%	

Asset Allocation (% of NAV) 30-Aug-11 30-Jul-11

TFCs / Sukuks	89.94%	91.73%
Cash Equivalents	2.80%	1.25%
Other Net Assets	7.26%	7.02%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top 10 TFC/SUKUK Holdings (as at August 30, 2011)

Name of TFCs / Sukuks	% of Net Assets
Pakistan Mobile Communication (Listed II)	15.31%
Engro Fertilizer Limited (PPTFC)	12.25%
Maple Leaf Cement (Sukuk I)	10.54%
Orix Leasing Pakistan (PPTFC)	8.20%
Kohat Cement Limited (Sukuk)	6.78%
World Call Telecom Limited	6.18%
Avari Hotels Limited	6.04%
PACE Pakistan Limited	4.24%
Jahangir Siddiqui & Company IV	3.80%
Azgard Nine Limited (PPTFC)	2.94%
Total	76.28%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Hussain Yasar

Excess / (Short) exposures

Particulars	Exposure Type	% of Net Assets	Limit	Excess / (Short) exposures
Engro Fertilizer Limited (PPTFC)	Per Party	12.25%	10%	2.25%
Pakistan Mobile Communication (Listed II)	Per Party	15.31%	10%	5.31%
Cash and Cash Equivalent	Cash Balance	2.80%	25%	(22.20)%

Credit Quality of the Portfolio as of August 30, 2011 (% of NAV)

