

## Performance

Performance % *	January 2011*	FYTD Jul. 2010 - Jan. 2011**	Trailing 12 Months**	Since Launch April 22, 2006**
NAFA Income Opportunity Fund <i>Formerly NAFA Cash Fund</i>	-2.37%	1.32%	2.60%	7.21%
Benchmark	1.10%	12.94%	12.69%	11.46%

\* Represent Cumulative Return  
\*\* 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. 3,334 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:	No entry or exit load
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's unit price declined by 2.37% during January 2011. This is because of unrealized losses on the TFC portfolio. The gradual increase in KIBOR also bodes well for the floating rate TFCs in your Fund. The 6 Months KIBOR, the base rate for TFCs in your Fund, has increased to 13.83% at January-end. This is 1.46% more than the 6-M KIBOR at the start of the Fiscal Year 2011.

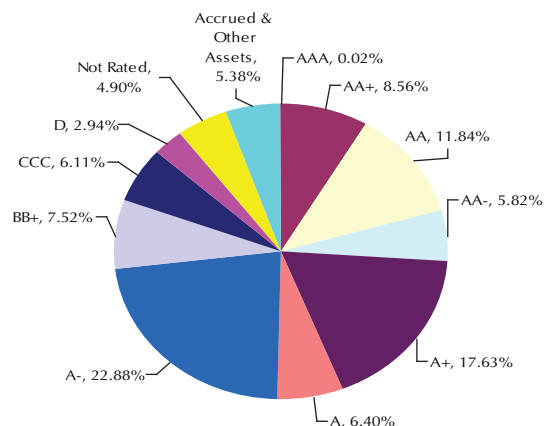
The annual Yield to Maturity of your Fund is currently around 20.4% while that of the TFC portfolio is around 26%. The weighted average maturity of your Fund is 2.31 years. Going forward, we expect healthy returns on your Fund with three year investment horizon because most TFCs are trading at a significant discount to their fair values hence offering attractive yields.

## 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	2.29%	41.77%
Azgard Nine Limited PPTFC	TFC	249,800,000	122,402,000	127,398,000	3.82%	40.09%
Kohat Cement Limited	Sukuk	241,500,000	78,096,511	***163,403,489	4.90%	31.51%
Maple Leaf Cement Sukuk I	Sukuk	399,660,000	149,015,229	***250,644,771	7.52%	29.24%
BRR Guardian Modaraba Sukuk	Sukuk	50,000,000	12,500,000	37,500,000	1.12%	34.55%
Saudi Pak Leasing	TFC	54,595,500	17,995,571	36,599,929	1.10%	23.69%
Eden Housing Sukuk II	Sukuk	34,500,000	10,731,501	23,768,499	0.71%	38.86%
<b>Total</b>		<b>1,179,935,500</b>	<b>464,182,012</b>	<b>715,753,488</b>	<b>21.46%</b>	

\*\*\* Book value, performing but below investment grade

## Credit Quality of the Portfolio (% of NAV)



## Asset Allocation % of NAV

	31-Jan-11	31-Dec-10
TFC / Sukuk	70.75%	72.97%
Cash Equivalents	23.87%	21.66%
Other Assets	5.38%	5.37%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## TFC/SUKUK Holdings (as at January 31, 2011)

Name of TFCs / Sukuks	% of Net Assets
Pakistan Mobile Comm (Listed II)	9.95%
Engro Fertilizer (PPTFC)	8.28%
Orix Leasing Pakistan (PPTFC)	7.74%
Maple Leaf Cement (Sukuk)	7.52%
World Call Telecom Limited	4.93%
Kohat Cement Limited (Sukuk)	4.90%
Azgard Nine PPTFC	3.82%
Avari Hotels Limited	3.51%
Century Paper & Board (Sukuk)	3.05%
Pace Pakistan Limited	2.92%
<b>Total</b>	<b>56.62%</b>

## Name of the Members of Investment Committee

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