



Performance

Performance %	May 2013 *	FYTD Jul 12 - May13 *	Trailing 12 Months Jun-12 - May-13 *	Since Launch April 22, 2006 **
NAFA Income Opportunity Fund	7.42%	8.81%	8.94%	6.54%
Benchmark	9.60%	9.97%	10.14%	11.54%

* Simple Annualized Return - ** (Annualized Return Based on Morningstar Methodology)
(Returns are net of management fee & all other expenses)

General Information

Launch Date: April 22, 2006
Fund Size: Rs. 1,788 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: "BBB+(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: Ammar Rizki
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 posted an annualized return of 7.42% during May 2013 as compared to the benchmark return of 9.60%. Subdued performance of the Fund during the month is due to provisioning in an Electronic sector sukuk.

Weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is Rs. 82.71 against the par value of Rs. 100. The weighted average Yield to Maturity of the Fund is around 16.97% p.a. and that of the TFC portfolio is 25.04% p.a. The weighted average time to maturity of the Fund is about 1.58 years. The Fund's sector allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Financial Services, Banking and Leisure (Hotel) sub-sectors. However, since TFCs prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

Asset Allocation (% of Total Assets) 31-May-13 30-Apr-13

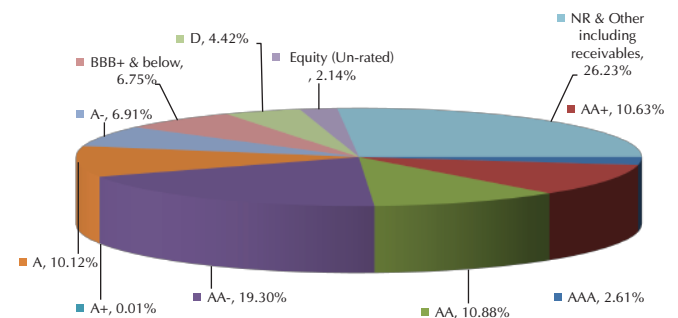
TFCs / Sukuks	41.31%	41.79%
Money Market Placements	5.99%	6.03%
T-Bills	-	0.31%
Placement with DFIs	-	2.88%
Equity	2.14%	2.15%
Cash Equivalents	25.91%	21.95%
Other including receivables	24.65%	24.89%
Total	100.00%	100.00%
Leverage	Nil	Nil

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	45,312,500	-	33,984,375	1.90%	1.50%	40.42%
Escort Investment Bank Limited***	TFC	7,493,940	-	5,525,702	0.31%	0.24%	18.00%
Kohat Cement Limited (Sukuk)***	SUKUK	47,812,085	-	35,859,064	2.01%	1.58%	8.81%
Saudi Pak Leasing***	TFC	45,925,140	-	22,962,570	1.28%	1.01%	46.59%
World Call Telecom Limited	TFC	96,370,722	81,915,114	14,455,608	0.81%	0.64%	64.28%
Eden Housing (Sukuk II)	SUKUK	17,250,000	6,013,540	11,236,460	0.63%	0.49%	70.68%
Maple Leaf Cement (Sukuk I)	SUKUK	369,150,000	221,490,000	147,660,000	8.26%	6.50%	38.42%
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	33,714,000	17,714,571	0.99%	0.78%	199.37%
Agriotech Limited I	TFC	149,860,200	149,860,200	-	n/a	n/a	n/a
Agriotech Limited V	TFC	32,320,000	32,320,000	-	n/a	n/a	n/a
Azzard Nine Limited III	TFC	108,376,850	108,376,850	-	n/a	n/a	n/a
Azzard Nine Limited V	TFC	82,180,000	82,180,000	-	n/a	n/a	n/a
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	n/a	n/a	n/a
Ghanbwal Cement Limited (PPTFC)	TFC	24,355,500	24,355,500	-	n/a	n/a	n/a
New Allied Electronics (PPTFC)	TFC	31,706,536	31,706,536	-	n/a	n/a	n/a
New Allied Electronics (Sukuk II)	SUKUK	44,148,934	44,148,934	-	n/a	n/a	n/a
PACE Pakistan Limited	TFC	149,820,000	149,820,000	-	n/a	n/a	n/a
Azzard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	-	n/a	n/a	n/a
Agriotech Limited Shares	Equity	141,403,150	92,760,466	48,642,684	2.72%	2.14%	n/a
Total		1,594,926,982	1,208,673,993	338,041,034	18.90%	14.88%	

***Said TFCs are performing but classified as Non-Compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

Credit Quality of the Portfolio as of May 31st, 2013 (% of Total Assets)



Top 10 TFC/Sukuk Holdings (as at May 31st, 2013)

Name of TFCs / Sukuks	% of Total Assets
Pakistan Mobile Communication (Listed II)	6.74%
Avari Hotels Limited	6.62%
Maple Leaf Cement (Sukuk I)	6.50%
Engro Fertilizer Limited (PPTFC)	6.32%
Bank Alfalah Limited V	4.45%
HUBCO Short Term Islamic Sukuk V	3.74%
Allied Bank Limited II	2.77%
HUBCO Short Term Islamic Sukuk VI	2.25%
Kohat Cement Limited (Sukuk)	1.58%
BRR Guardian Modaraba	1.50%
Total	42.47%

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.14,523,848/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0848/0.88%. For details investors are advised to read note 6 of the Financial Statement of the Scheme for the period ended March 31, 2013.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Syed Suleman Akhtar, CFA
Ammar Rizki

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