



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/11/2012): Rs. 9.6998

November 2012

### Performance

Performance % *	November 2012	FYTD Jul 12 - Nov12	Trailing 12 Months Dec. - Nov 2011 - 2012	Since Launch April 22, 2006
NAFA Income Opportunity Fund	-9.19%	0.94%	0.57%	5.87%
Benchmark	9.44%	10.53%	11.36%	11.68%

\* Represent Annualized Return - (based on morning star formula)  
(Fund's returns are net of management fee & all other expenses)

### General Information

Launch Date: April 22, 2006  
Fund Size: Rs. 1,630 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: Hussain Yasar  
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 loss of 9.19% during November 2012 as compared to benchmark return of 9.44%. The Fund generated an annualized return of 0.94% against the benchmark return of 10.53% during FYTD (July – Nov 2012). Lower return is on account of i) Provisioning in a Telecom sector TFC; ii) Provisioning in a Consumer Electronics sub sector sukuk and iii) Provisioning in a Cement sector sukuk. However, some of the non-performing TFCs are at an advanced stage of restructuring, which will result in some recoveries in due course of time.

The Fund has high allocation in TFCs which currently stands at around 59.40% of the Net Assets. All TFCs in the Fund are floating rate instruments linked to KIBOR. Weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is Rs. 80.07 against the par value of Rs. 100.

The weighted average Yield to Maturity of the Fund is around 19.26% p.a. and that of the TFC portfolio is 26.67% p.a. The weighted average time to maturity of the Fund is about 1.54 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 and down, therefore, only long-term investors are advised to invest in this Fund.

### Asset Allocation (% of Total Assets) 30-Nov-12 31-Oct-12

	30-Nov-12	31-Oct-12
TFCs / Sukuks	45.82%	48.62%
T-Bills	21.20%	11.42%
Cash Equivalents	7.35%	11.58%
Other including receivables	25.63%	28.38%
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	47,500,000	-	35,625,000	2.19%	1.69%	34.47%
Escort Investment Bank Limited**	TFC	9,991,920	-	7,367,602	0.45%	0.35%	18.00%
Kohat Cement Limited (Sukuk)**	SUKUK	66,602,810	-	49,952,108	3.06%	2.36%	10.34%
Saudi Pak Leasing**	TFC	48,227,145	-	31,819,113	1.95%	1.51%	26.50%
World Call Telecom Limited	TFC	96,370,722	45,776,093	50,594,629	3.10%	2.39%	133.01%
Eden Housing (Sukuk II)	SUKUK	24,581,250	8,569,294	16,011,956	0.98%	0.76%	58.11%
Maple Leaf Cement (Sukuk I)	SUKUK	389,150,000	233,490,000	155,660,000	9.55%	7.37%	36.60%
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	25,484,708	25,943,863	1.59%	1.23%	73.27%
AgriTech Limited I	TFC	149,860,200	149,860,200	-	n/a	n/a	n/a
AgriTech Limited V	TFC	32,320,000	32,320,000	-	n/a	n/a	n/a
Azgard Nine Limited III	TFC	108,396,850	108,396,850	-	n/a	n/a	n/a
Azgard 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
Gharibalw Cement Limited (PPTFC)	TFC	24,355,500	24,355,500	-	n/a	n/a	n/a
Maple Leaf Cement (Sukuk II)	SUKUK	8,333,333	8,333,333	-	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
Azgard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	-	n/a	n/a	n/a
AgriTech Limited Shares	Equity	141,403,150	141,403,150	-	n/a	n/a	n/a
Total		1,656,389,775	1,235,857,452	372,974,270	22.88%	17.65%	

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

### Top 10 TFC/Sukuk Holdings (as at November 30, 2012)

Name of TFCs / Sukuks	% of Total Assets
Maple Leaf Cement (Sukuk I)	7.37%
Engro Fertilizer Limited (PPTFC)	7.19%
Pakistan Mobile Communication (Listed II)	7.17%
Avari Hotels Limited	6.92%
Orix Leasing Pakistan (PPTFC)	3.08%
Allied Bank Limited II	2.99%
World Call Telecom Limited	2.39%
Kohat Cement Limited (Sukuk)	2.36%
BRR Guardian Modaraba	1.69%
Saudi Pak Leasing	1.51%
Total	42.67%

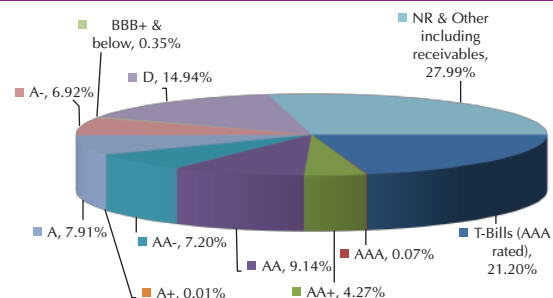
### WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 13,095,373/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0779/0.81%. For details investors are advised to read note 8 of the latest Financial Statement of the Scheme for the period ended September 30, 2012.

### Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Tanvir Abid, CFA, FRM  
Hussain Yasar

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



**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.