



Performance

Performance % *	September 2012	FYTD Jul 12 - Sep 12	Trailing 12 Months Oct. - Sep 2011 - 2012	Since Launch April 22, 2006
NAFA Income Opportunity Fund	-3.07%	3.46%	2.21%	6.10%
Benchmark	10.39%	11.14%	11.78%	11.73%

* 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. 1,539 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 Net Asset Value (NAV) of the Fund declined by 0.25% during Sep 2012. This is on account of increased provisions in cement sector Sukuk. On the other hand, 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 66.37% 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. 81.81 against the par value of Rs. 100.

The weighted average Yield to Maturity of the Fund is around 19.14% p.a. and that of the TFC portfolio is 24.55% p.a. The weighted average time to maturity of the Fund is about 1.76 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.

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	47,812,500	11,953,125	35,859,375	2.33%	1.77%	24.90%
Escort Investment Bank Limited***	TFC	12,489,900	3,280,397	9,209,503	0.60%	0.45%	18.00%
Kohat Cement Limited (Sukuk)***	SUKUK	66,602,810	16,650,702	49,952,108	3.25%	2.47%	10.53%
Saudi Pak Leasing***	TFC	48,827,655	16,612,340	32,215,315	2.09%	1.59%	19.87%
World Call Telecom Limited***	TFC	96,370,722	25,580,163	70,790,559	4.60%	3.50%	23.59%
Eden Housing (Sukuk II)	SUKUK	24,581,250	8,569,294	16,011,956	1.04%	0.79%	56.35%
Maple Leaf Cement (Sukuk I)	SUKUK	389,150,000	233,490,000	155,660,000	10.12%	7.69%	57.67%
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	22,372,817	29,055,754	1.89%	1.43%	11.75%
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	249,800,000	249,800,000	-	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
Gharibwal Cement Limited (PPTFC)	TFC	24,355,500	24,355,500	-	n/a	n/a	n/a
Maple Leaf Cement (Sukuk II)	SUKUK	11,666,667	11,666,667	-	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
Total		1,663,134,099	1,264,379,529	398,754,570	25.92%	19.69%	

***Book Value, performing but below authorized minimum credit rating grade

Excess / (Short) exposures

Particulars	Exposure Type	% of Net Assets	Limit	Excess / (Shortfall)
Engro Fertilizer Limited (PPTFC)	Per Party	10.47%	10.00%	0.47%
Maple Leaf Cement (Sukuk I)	Per Party	10.12%	10.00%	0.12%
Pakistan Mobile Communication (Listed II)	Per Party	10.94%	10.00%	0.94%

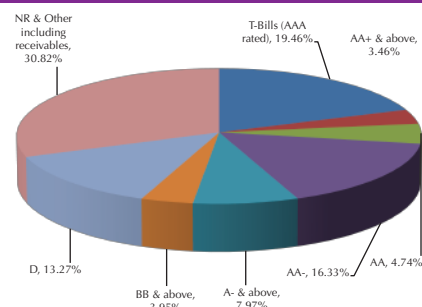
WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 13,017,358/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0824/0.86%. For details investors are advised to read note 7 of the latest 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
Muhammad Ali Bhabha, CFA, FRM
Tanvir Abid, CFA, FRM
Hussain Yasar

Credit Quality of the Portfolio as of September 29, 2012 (% of Total Assets)



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