NAFA Islamic Aggressive Income Fund (NIAIF)
Formerly NAFA Islamic Income Fund

NAFA
NBP Fullerton Asset Management Limited

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/08/2011): Rs. 7.3609

August 2011

Performance

Performance % *	August 2011	Jan. - Aug. 2011	Trailing 12 Months	Since Launch October 29, 2007
NAFA Islamic Aggressive Income Fund *Formerly NAFA Islamic Income Fund*	14.79%	12.77%	8.82%	1.71%
Benchmark	7.92%	7.74%	7.34%	6.46%

* 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:	October 29, 2007
Fund Size:	Rs. 174 million
Type:	Open-end – Shariah Compliant Aggressive 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: 1.0%, Back end: 0%
Management Fee:	2.0% per annum
Risk Profile:	Low to Medium
Fund Stability Rating:	"BBB (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average 3-month deposit rate of Islamic Banks
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 maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.

Fund Manager Commentary

The Fund generated an annualized return of 14.79% in August 2011 against the benchmark return of 7.92%. The annualized return for first eight months of the CY 2011 is 12.77% against the benchmark return of 7.74%, hence an out-performance of 5.03%.

Your Fund is invested in sukuks of Cement, Fertilizer and Consumer Electronics sub-sectors. Around 10% is allocated to the Government Ijara sukuks and 12% in bank deposits, which provide diversification and liquidity to the portfolio.

The Yield-to-Maturity of the sukuk portfolio of your Fund is around 25.51% p.a. while, its weighted average time to maturity is 2.97 years. The weighted average maturity of your Fund is 1.93 years. Hence, for investors with an investment horizon of three to four years, the Fund offers an attractive opportunity to earn handsome returns. However, since there are sukuks in the portfolio and their prices may go up and down; therefore only long-term investors are advised to invest in this Fund.

Asset Allocation (% of NAV)

	30-Aug-11	30-Jul-11
Sukuks	69.20%	70.00%
GOP Ijara Sukuks - Govt. Backed	9.71%	9.83%
Cash Equivalents	11.98%	12.01%
Other Net Assets	9.11%	8.16%
Total	100.00%	100.00%
Leverage	Nil	Nil

Details of Non-Compliant Investments

Excess exposure

Particulars	Exposure Type	% of Net Assets	Limit	Excess Exposure
Kohat Cement Limited (Sukuk)	Per Party	37.11%	15.00%	22.11%
Construction and Material	Sector	46.68%	35.00%	11.68%

Top Sukuk Holdings (as at August 30, 2011)

Name of Sukuks	% of Net Assets
Kohat Cement Limited (Sukuk)	37.11%
Engro Fertilizer Limited (Sukuk)	14.38%
Maple Leaf Cement (Sukuk I)	9.57%
Pak Elektron Limited (Sukuk)	8.13%
GOP Ijarah (Sukuk V)	5.66%
GOP Ijarah (Sukuk I)	2.90%
GOP Ijarah (Sukuk VII)	1.16%
Total	78.91%

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

- Accrued & Other Net Assets, 9.11%
- AAA, 9.71%
- AA+, 0.07%
- AA, 0.31%
- AA-, 14.52%
- A, 19.59%
- A-, 0.01%
- BB+, 9.57%
- Not Rated, 37.11%
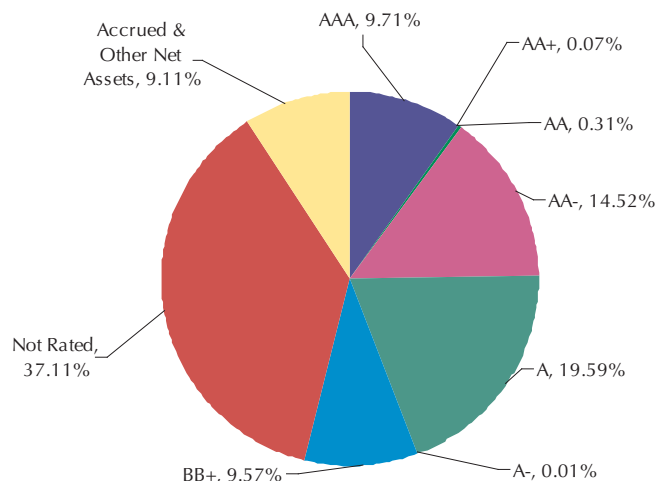
Name of the Members of Investment Committee

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