

MONTHLY REPORT (MUFAP's Recommended Format)

Unit Price (30/12/2011): Rs. 7.6620

December 2011

| Performance | | | | |
|-------------------------------------|-------------------|--------------------|--------------------|------------------------------------|
| Performance % | December 2011* | Jul Dec. 2011** | Jan Dec. 2011** | Since Launch October 29, 2007** |
| NAFA Islamic Aggressive Income Fund | 4.18% | 12.62% | 12.76% | 2.55% |
| Benchmark | 0.63% | 7.91% | 7.79% | 6.58% |

* Represent Cumulative Return

** Represent Annualized Return - (based on morning star formula)

(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

| General Information | | Investment Objective | |
|---|--|--|--|
| Launch Date:October 29, 2007Fund Size:Rs. 163 millionType:Open-end – Shariah Compliant Aggressive | | To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & deb securities having good credit rating and liquidity. | |
| Dealing Days: | Income Fund Daily – Monday to Friday | Fund Manager Commentary | |
| Dealing Time: Settlement: Pricing Mechanism Load: | (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M 2-3 business days Forward Pricing Front end: 1.0%, Back end: 0% | The Fund's unit price increased by 4.18% during December 2011. The return for the CY 2011 is 12.76% p.a. against the benchmark return of 7.79% p.a., hence an out-performance of 497 basis points. This outperformance is net of management fee and all other expenses. | |
| Management Fee: Risk Profile: Fund Stability Rating: Listing: Custodian & Trustee: Auditors: Benchmark: | 2.0% per annum Low to Medium "BBB (f)" by PACRA Lahore Stock Exchange MCB Financial Services Limited KPMG Taseer Hadi & Co. Chartered Accountants Average 3-month deposit rate of Islamic | Your Fund is mainly invested in sukuks of Cement, Fertilizer and Consumer Electronics sub-sectors. Around 7.3% of the portfolio is allocated to the Government Ijara sukuks and 26.4% in bank deposits, which provide diversification and liquidity to the portfolio. The Fund will increase allocation to GOP Ijara Sukuk to around 20% in the coming month. The Trustee of the Fund has been changed from CDC to MCB Financial Services Ltd. during the month. | |
| Fund Manager: Minimum Subscription: Asset Manager Rating: | Banks Hussain Yasar Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- AM2- 'Positive Outlook' by PACRA | The weighted average Yield-to-Maturity of the sukuk portfolio of your Fund is around 22.59% p.a. while, its weighted average time to maturity is 1.75 years. The weighted average time to maturity of your Fund is 1.0 years. Hence, for investors with an investment horizon of three to four years, the Fund offers an attractive opportunity to earn decent returns. However, | |

| Asset Allocation (% of NAV) | 30-Dec-11 | 30-Nov-11 |
|---------------------------------|-----------|-----------|
| Sukuks | 61.40% | 71.75% |
| GOP Ijara Sukuks - Govt. Backed | 7.29% | 7.56% |
| Cash Equivalents | 26.36% | 14.42% |
| Other Net Assets | 4.95% | 6.27% |
| Total | 100.00% | 100.00% |
| Leverage | Nil | Nil |

Top Sukuk Holdings (as at December 30, 2011)

| Name of Sukuks | % of Net Assets |
|----------------------------------|-----------------|
| Kohat Cement Limited (Sukuk) | 28.95% |
| Engro Fertilizer Limited (Sukuk) | 14.33% |
| Maple Leaf Cement (Sukuk I) | 9.66% |
| Pak Elektron Limited (Sukuk) | 8.46% |
| GOP Ijarah (Sukuk V) | 6.05% |
| GOP Ijarah (Sukuk VII) | 1.24% |
| Total | 68.69% |

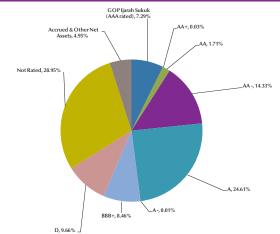
Name of the Members of Investment Committee

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

Sukuks prices may go up and down. Therefore, only long-term investors are advised to invest in this Fund.

| Excess exposure | | | | | |
|------------------------------|------------------|--------------------|--------|--------------------|--|
| Particulars | Exposure Type | % of Net Assets | Limit | Excess Exposure | |
| Kohat Cement Limited (Sukuk) | Per Party | 28.95% | 15.00% | 13.95% | |
| Construction and Material | Sector | 38.60% | 35.00% | 3.60% | |

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



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.