



# NAFA Islamic Aggressive Income Fund (NIAIF)

Formerly NAFA Islamic Income Fund

NBP Fullerton  
Asset Management Limited  
*(Formerly National Fullerton Asset Management Limited)*

MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (28/02/2011): Rs. 8.0983

February 2011

## Performance

Performance % *	February 2010	FYTD Jul. 2010 - Feb. 2011	Trailing 12 Months	Since Launch October 29, 2007
NAFA Islamic Aggressive Income Fund <i>Formerly NAFA Islamic Income Fund</i>	10.68%	6.84%	32.44%	0.10%
Benchmark	7.27%	6.72%	6.59%	6.26%

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

## General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 189 million
Type:	Open-end – Shariah Compliant Aggressive Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Front end: 1.0%
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 (Benchmark changed with effect from 15-12-2010. Previous Benchmark was Avg. 1-month Deposit rate of Islamic Banks)
Fund Manager:	Usman Khan
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 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 earned an annualized return of 10.68% during February 2011. The Fund's return is expected to remain attractive in the future as well.

We have increased allocation to AAA rated GOP Ijara Sukuks during the month, which has also enhanced the credit profile of your Fund.

The annual Yield-to-Maturity of Sukuk portfolio in your Fund is around 23.4% and the weighted average time to maturity is 3.2 years. The weighted average maturity of your overall Fund is 2.6 years. Hence for investors with an investment horizon of three to four years, NIAIF offers an attractive opportunity to earn handsome returns, as evident by its current annual yield to maturity. However, since there are Sukuks in the portfolio and their prices may go up and down, only long-term investors are advised to invest in this Fund.

## Asset Allocation (% of NAV) 28-Feb-11 31-Jan-11

Sukuk	66.18%	66.44%
GOP Ijara Sukuk - Govt. Backed	14.76%	13.29%
Cash Equivalents	10.51%	12.91%
Other Assets	8.55%	7.36%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

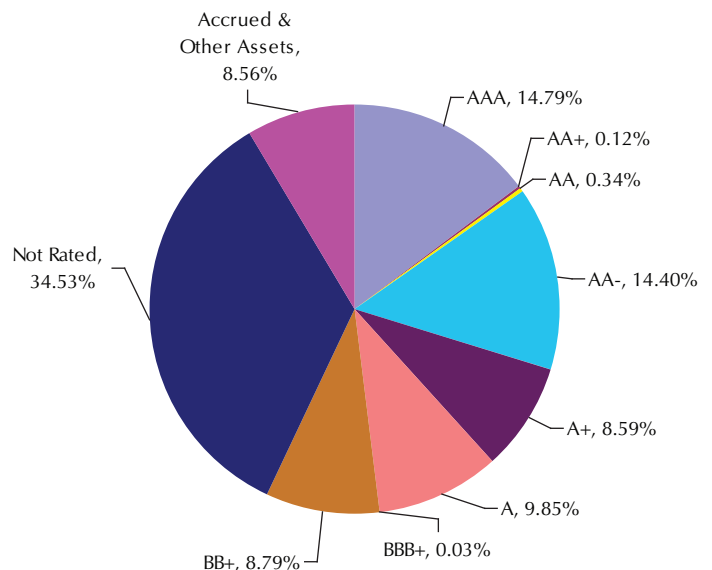
## TFC/Sukuk Holdings (as at February 28, 2011)

Name of TFCs / Sukuks	% of Net Assets
Kohat Cement Limited (Sukuk)	34.53%
Engro Fertilizer Limited (Sukuk)	14.27%
GOP Ijarah (Sukuk) V	12.08%
Maple Leaf Cement Limited (Sukuk)	8.79%
Pak Electron Limited (Sukuk)	8.59%
GOP Ijarah (Sukuk)	2.68%
<b>Total</b>	<b>80.94%</b>

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Ahmad Nouman, CFA  
Sajjad Anwar, CFA  
Tanvir Abid, CFA, FRM  
Usman Khan

## Credit Quality of the Portfolio (% of NAV)



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