

NBP Fullerton Asset Management Ltd. A Subsidiary of

National Bank of Pakistan

NAFA Islamic Aggressive Income Fund (NIAIF)

MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (28/02/2013): Rs. 8.8586

February 2013

Performance				
Performance %	February 2013 *	FYTD Jul 12 - Feb 13*	Trailing 12 Months Mar Feb 2012 - 2013 *	Since Launch October 29, 2007 **
NAFA Islamic Aggressive Income Fund	10.88%	4.60%	12.28%	4.80%
Benchmark	6.50%	7.20%	7.38%	6.77%

^{*} Simple Annualized Return - ** (Annualized Return Based on Morningstar Methodology) (Returns are net of management fee & all other expenses)

General Information

October 29, 2007 Rs. 183 million Launch Date: Fund Size:

Open-end – Shariah Compliant Aggressive Type: Income Fund

Dealing Days: Dealing Time: Daily – Monday to Friday (Mon - Thr) 9:00 A.M to 5:00 P.M

Settlement: Pricing Mechanism

(Mon - 1nr) 9:00 A.M to 5:30 P.M (Friday) 9:00 A.M to 5:30 P.M 2-3 business days Forward Pricing Front end: 1% (Nil on investment above Rs. 5 million), Back end: 0% 2.0% per annum

Management Fee: Risk Profile: Fund Stability Rating: Low to Medium
"BBB+ (f)" by PACRA
Lahore Stock Exchange

Listing: Custodian & Trustee: MCB Financial Services Limited KPMG Taseer Hadi & Co. Chartered Accountants Auditors:

Benchmark: Average 3-month deposit rate of Islamic Banks

Ammar Rizki Fund Manager:

Growth Unit: Rs. 10,000/-Income Unit: Rs. 100,000/-Minimum Subscription:

Asset Manager Rating: AM2 by PACRA

Asset Allocation (% of Total Assets)	28-Feb-13	31-Jan-13	
Sukuks	30.51%	30.58%	
GOP Ijara Sukuks - Govt. Backed	25.72%	25.94%	
GOP Ijara Sukuks - Govt. Backed Islamic Money Market Placements	13.44%	18.97%	
Cash Equivalents	23.44%	17.47%	
Other including receivables	6.89%	7.04%	
Total	100.00%	100.00%	Ξ
Leverage	Nil	Nil	

Top 10 Sukuk (Including Islamic Money Market Placements) (as at February 28, 2013)

Name of Sukuk / Short Term Sukuk	% of Total Assets	
Engro Fertilizer Limited (Sukuk)	12.31%	
Kohat Cement Limited (Sukuk)	9.25%	
GOP Ijarah (Sukuk IX)	8.08%	
HUBCO Short Term Islamic Sukuk I	8.06%	
GOP Ijarah (Sukuk X)	7.53%	
Maple Leaf Cement (Sukuk I)	5.41%	
GOP Ijarah (Sukuk V)	5.28%	
Pak Elektron Limited (Sukuk)	3.54%	
GOP Ijarah (Sukuk XI)	2.15%	
GOP Ijarah (Sukuk XIII)	1.61%	
Total	63.22%	

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1,297,401/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0627/0.80%. For details investors are advised to read note 11 of the Financial Statements of the Scheme for the period ended December 31, 2012.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA Sajjad Anwar, CFA Muhammad Ali Bhabha, CFA, FRM Syed Suleman Akhtar, CFA Ammar Rizki

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.

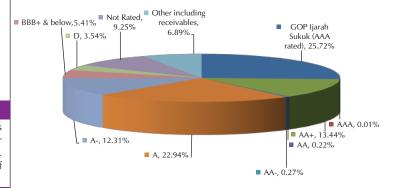
Fund Manager Commentary

The Fund posted an annualized return of 10.88% as compared to the benchmark return of 6.50% thus depicting an out-performance of 4.38%. Return during the month is high due to i) principal repayment of a cement sector sukuk which is valued at a discount to the par value; and ii) mark to market gain in fertilizer sector sukuk.

The allocation in corporate Sukuks / instruments with current weightage at 43.95% of the Fund size is diversified among Cement, Fertilizer, Electricity and Consumer Electronics sub-sectors. Around 25.72% of the portfolio is allocated to AAA rated Government of Pakistan Ijara Sukuks which coupled with 23.44% allocation in bank deposits provides diversification and liquidity to the portfolio. Going forward, the Fund intends to maintain the present allocation.

The weighted average Yield-to-Maturity (YTM) of the sukuk portfolio is around 18.58% p.a. and weighted average time to maturity is 1.79 years. The weighted average time to maturity of the Fund is 1.07 years. Hence, for investors with medium to long term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, since TFCs prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

Credit Quality of the Portfolio as of February 28, 2013 (% 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.