

## Performance

| Performance %   | September 2011* | Jan. - Sep. 2011** | Trailing 12 Months** | Since Launch October 29, 2007** |
|---|-----------------|--------------------|----------------------|---------------------------------|
| NAFA Islamic Aggressive Income Fund<br><i>Formerly NAFA Islamic Income Fund</i> | -1.03%          | 9.71%              | 5.17%                | 1.41%                           |
| Benchmark   | 0.62%           | 7.72%              | 7.44%                | 6.49%                           |

\* 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

|                        |   |
|------------------------|---|
| Launch Date:           | October 29, 2007  |
| Fund Size:             | Rs. 172 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<br>(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:              | KPMG Taseer Hadi & Co.<br>Chartered Accountants                     |
| Benchmark:             | Average 3-month deposit rate of Islamic Banks                       |
| Fund Manager:          | Hussain Yasar   |
| Minimum Subscription:  | Growth Unit: Rs. 10,000/-<br>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's unit price declined by 1.03% during September 2011. The return is negative on account of reversal of mark-up following delay in payment by a Sukuk holding in the portfolio. The annualized return for the first nine months of the CY 2011 is 9.71% against the benchmark return of 7.72%, hence an out-performance of 1.99%.

Your Fund is invested in sukuk of Cement, Fertilizer and Consumer Electronics sub-sectors. Around 7% of the portfolio is allocated to the Government Ijara sukuk and 16% in bank deposits, which provide diversification and liquidity to the portfolio.

The Yield-to-Maturity of the sukuk portfolio of your Fund is around 24.65% p.a. while, its weighted average time to maturity is 2.98 years. The weighted average time to maturity of your Fund is 1.97 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 sukuk 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-Sep-11 30-Aug-11

|                                |                |                |
|--------------------------------|----------------|----------------|
| Sukuk                          | 70.31%         | 69.20%         |
| GOP Ijara Sukuk - Govt. Backed | 6.90%          | 9.71%          |
| Cash Equivalents               | 15.93%         | 11.98%         |
| Other Net Assets               | 6.86%          | 9.11%          |
| <b>Total</b>                   | <b>100.00%</b> | <b>100.00%</b> |
| Leverage                       | Nil            | Nil            |

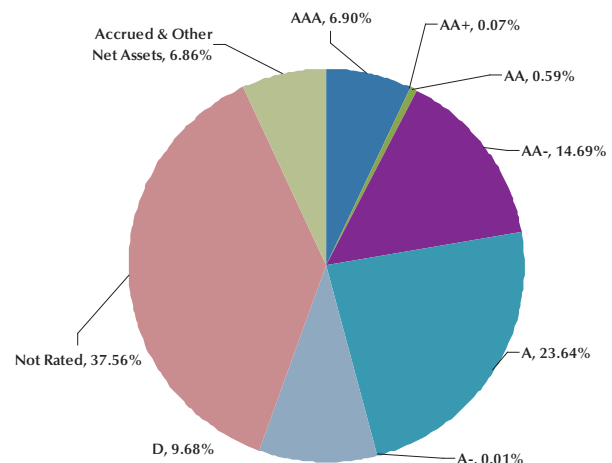
## Details of Non-Compliant Investments

| Excess exposure              |               |                 |        |                 |
|------------------------------|---------------|-----------------|--------|-----------------|
| Particulars                  | Exposure Type | % of Net Assets | Limit  | Excess Exposure |
| Kohat Cement Limited (Sukuk) | Per Party     | 37.56%          | 15.00% | 22.56%          |
| Construction and Material    | Sector        | 47.24%          | 35.00% | 12.24%          |

## Top Sukuk Holdings (as at September 30, 2011)

| Name of Sukuk                    | % of Net Assets |
|----------------------------------|-----------------|
| Kohat Cement Limited (Sukuk)     | 37.56%          |
| Engro Fertilizer Limited (Sukuk) | 14.55%          |
| Maple Leaf Cement (Sukuk I)      | 9.68%           |
| Pak Elektron Limited (Sukuk)     | 8.52%           |
| GOP Ijarah (Sukuk V)             | 5.73%           |
| GOP Ijarah (Sukuk VII)           | 1.17%           |
| <b>Total</b>                     | <b>77.21%</b>   |

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



## Name of the Members of Investment Committee

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