

NBP Fullerton Asset Management Ltd.

A Subsidiary of National Bank of Pakistan l

NAFA Islamic Aggressive Income Fund (NIAIF)

MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (28/09/2012): Rs. 8.5344

September 2012

Performance				
Performance % *	September 2012	FYTD Jul 12 - Sep 12	Trailing 12 Months Oct Sep 2011 - 2012	Since Launch October 29, 2007
NAFA Islamic Aggressive Income Fund	1.52%	-2.85%	17.15%	4.42%
Benchmark	7.67%	7.75%	7.85%	6.76%

^{*} Represent Annualized Return - (based on morning star formula) (Fund's returns are net of management fee & all other expenses)

General Information

Launch Date: October 29, 2007 Fund Size: Rs. 177 million

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 (Friday) 9:00 A.M to 5:30 P.M 2-3 business days

Settlement: Pricing Mechanism

Forward Pricing Front end: 1.0%, Back end: 0% Load:

Management Fee: 2.0% per annum Risk Profile: Fund Stability Rating: Low to Medium
"BBB+ (f)" by PACRA
Lahore Stock Exchange Listing: Custodian & Trustee: MCB Financial Services Limited Auditors:

KPMG Taseer Hadi & Co.

Chartered Accountants Average 3-month deposit rate of Islamic Banks Benchmark:

Fund Manager: Hussain Yasar

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

AM2 by PACRA Asset Manager Rating:

Asset Allocation (% of Total Assets) 28-Sep-12 31-Aug-12

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Sukuks	37.08%	40.70%
GOP Ijara Sukuks - Govt. Backed	26.57%	24.95%
Islamic Money Market Placements	13.88%	13.91%
Cash Equivalents	15.17%	12.05%
Other including receivables	7.30%	8.39%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top 10 Sukuk Holdings (Including Short Term Sukuk) (as at September 28, 2012)

Name of Sukuk / Short Term Sukuk	% of Total Assets	
Engro Fertilizer Limited (Sukuk)	12.26%	
HUBCO Short Term Islamic Sukuk I	11.11%	
Kohat Cement Limited (Sukuk)	11.09%	
GOP Ijarah (Sukuk IX)	8.34%	
GOP Ijarah (Sukuk X)	7.78%	
Maple Leaf Cement (Sukuk I)	5.74%	
GOP Ijarah (Sukuk V)	5.45%	
Pak Elektron Limited (Sukuk)	4.72%	
Sui Southern Gas Company Limited (Sukuk)	3.27%	
HUBCO Short Term Islamic Sukuk II	2.78%	
Total	72.54%	

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1,221,001/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0587/0.81%. For details investors are advised to read note 7 of the Financial Statements of the Scheme for the period ended March 31, 2012.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA Sajjad Anwar, CFA Muhammad Ali Bhabha, CFA, FRM Tanvir Abid, CFA, FRM Hussain Yasar

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.

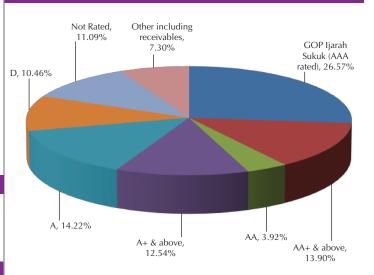
Fund Manager Commentary

The Fund earned an annualized return of 1.52% during September 2012. The return is depressed owing to increased provisions in cement sector Sukuk. However, the return for trailing 12 months is an impressive 17.15% and for the first nine months of CY 2012 annualized return is 15.55%. This performance is net of management fee and all other expenses.

The Funds allocation in corporate sukuks is 37.08% diversified among Cement, Fertilizer, Utlilities and Consumer Electronics sub-sectors. Around 26.57% of the portfolio is allocated to AAA rated Government of Pakistan Ijara Sukuks which coupled with 15.17% 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 of the sukuk portfolio is around 15.28% p.a. while, its weighted average time to maturity is 2.03 years. The weighted average time to maturity of the Fund is 0.72 years. Hence, for investors with medium term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, Sukuks prices may go up and down. Therefore, only long-term investors are advised to invest in this Fund.

Credit Quality of the Portfolio as of September 28, 2012 (% 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.