



Performance				
Performance % *	January 2011 *	FYTD Jul. 2010 - Jan. 2011*	Trailing 12 Months **	Since Launch March 29, 2008 **
NAFA Income Fund	-1.85%	-3.22%	0.96%	3.93%
Benchmark	1.10%	7.35%	12.48%	12.25%

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

General Information	
Launch Date:	March 29, 2008
Fund Size:	Rs. 499 million
Type:	Open-end – 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%, Back end: 0%
Management Fee:	2.0% per annum
Risk Profile:	Low
Fund Stability Rating	"A- (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	6-Month KIBOR (Benchmark changed with effect from 15-12-2010. Previous Benchmark was 3-Months T-Bills)
Fund Manager:	Ahmad Nouman, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective
To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.

Fund Manager Commentary
The Fund's unit price declined by 1.85% during January 2011. This is because of unrealized losses on the TFC portfolio. The gradual increase in KIBOR also bodes well for the floating rate TFCs in your Fund. The 6 Months KIBOR, the base rate for TFCs in your Fund, has increased to 13.83% at January-end. This is 1.46% more than the 6 Months KIBOR at the start of the Fiscal Year 2011.

The weighted average Yield to Maturity of NAFA Income Fund is around 23.6% p.a. The weighted average maturity of NAFA Income Fund is 3.4 years. Thus, the Fund is expected to perform well over a three to four years horizon. However, since there are TFCs / 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	31-Jan-11	31-Dec-10
TFC / Sukuk	84.11%	82.57%
T-Bills	9.94%	9.55%
Cash Equivalents	3.95%	5.76%
Other Assets	2.00%	2.12%
Total	100.00%	100.00%
Leverage	Nil	Nil

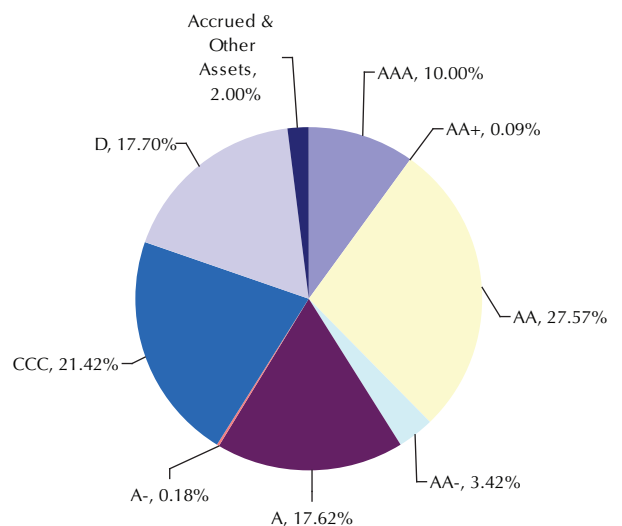
Details of Non-Compliant Investments

Name of Non Compliant Investment	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	Yield to Maturity per annum
Agritech Limited II	TFC	149,880,000	43,150,835	106,729,165	21.41%	28.57%
Saudi Pak Leasing	TFC	54,595,500	17,995,571	36,599,929	7.34%	23.69%
Eden Housing Sukuk II	Sukuk	75,000,000	23,329,350	51,670,650	10.36%	38.86%
Total		279,475,500	84,475,756	194,999,744	39.11%	

TFC/SUKUK Holdings (as at January 31, 2011)

Credit Quality of the Portfolio (% of NAV)

Name of TFCs / Sukuks	% of Net Assets
Agritech Limited II	21.41%
Engro Fertilizer (PPTFC)	17.85%
World Call Telecom Limited	17.58%
Eden Housing Limited Sukuk-II	10.36%
United Bank Limited IV	9.57%
Saudi Pak Leasing	7.34%
Total	84.11%



Name of the Members of Investment Committee

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