



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/01/2012): Rs. 8.7552

Januray 2012

Performance

Performance %	Januray 2012*	Jul. 2011-Jan. 2012**	Trailing 12 Months*	Since Launch March 29, 2008**
NAFA Income Fund	3.27%	(9.84)%	(10.79)%	(0.43)%
Benchmark	11.90%	7.27%	13.09%	57.13%

* Represent Annualized Return - (based on morning star formula)

** Represent Cumulative Return

(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date:	March 29, 2008
Fund Size:	Rs. 406 million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 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:	MCB Financial Services Limited
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	6-Month KIBOR
Fund Manager:	Ahmad Nouman, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' 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 earned an annualized return of 3.27% during January 2012. This is low owing to mark to market losses on a Fertilizer TFC, and suspension of accrual income in two TFCs.

The Fund has high allocation in TFCs of around 65% of its net assets. All TFCs in the Fund are floating rate instruments linked to KIBOR. Further, the weighted average price of the TFC portfolio is around Rs.86 against the par value of Rs.100. The Trustee of the Fund has been changed from CDC to MCB Financial Services Ltd. during the last month.

The weighted average Yield-to-Maturity of the Fund is around 18.32% p.a. while its weighted average time to maturity is 1.8 years. Thus, the Fund is expected to perform well over medium term horizon. However, TFCs prices may go up and/or down. Therefore, only long-term investors are advised to invest in this Fund.

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
Eden Housing (Sukuk II)	SUKUK	67,500,000	23,531,243	43,968,757	10.82%	10.71%	43.10%
Saudi Pak Leasing	TFC	51,529,950	17,507,455	34,022,495	8.37%	8.29%	19.43%
Agritech Limited II	TFC	149,875,800	149,875,800	-	0.00%	0.00%	N/A
Agritech Limited V	TFC	22,180,000	22,180,000	-	0.00%	0.00%	N/A
New Allied Electronics (Sukuk II)	SUKUK	49,054,371	49,054,371	-	0.00%	0.00%	N/A
Total		340,140,121	262,148,869	77,991,252	19.19%	19.00%	

Excess Exposure

Particulars	Exposure Type	% of Net Assets	Limit	Excess Exposure
Engro Fertilizer Limited (PPTFC)	Per Party	23.17%	10.00%	13.17%
Eden Housing (Sukuk II)	Per Party	10.82%	10.00%	0.82%

Asset Allocation (% of NAV) 31-Jan-12 30-Dec-11

TFCs / Sukuks	64.92%	65.41%
T-Bills	28.91%	27.50%
Cash Equivalents	4.46%	5.80%
Other Net Assets	1.71%	1.29%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top TFC/SUKUK Holdings (as at Januray 31, 2012)

Name of TFCs / Sukuks	% of Net Assets
Engro Fertilizer Limited (PPTFC)	23.17%
Eden Housing (Sukuk II)	10.82%
World Call Telecom Limited	8.57%
Saudi Pak Leasing	8.37%
Faysal Bank Limited	6.36%
United Bank Limited IV	3.68%
Bank Alfalah Limited (Floater)	2.51%
NIB Bank Limited	1.44%
Total	64.92%

Name of the Members of Investment Committee

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

Credit Quality of the Portfolio as of Januray 31, 2012 (% of NAV)

