



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/05/2012): Rs. 9.0045

May 2012

Performance

Performance %	May 2012*	Jul. 2011-May. 2012**	Trailing 12 Months**	Since Launch March 29, 2008*
NAFA Income Fund	18.60%	-7.27%	-14.21%	0.57%
Benchmark	12.01%	11.36%	12.51%	12.43%

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

** Represent Cumulative Return shown due to one time impact
(Returns are net of management fee & all other expenses)

General Information

Launch Date:	March 29, 2008
Fund Size:	Rs. 416 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 earned an annualized return of 18.60% during May 2012. This was higher on account of receipt of profit and partial principal payment in a real estate Sukuk. This payment was received after a delay of more than one month.

The Fund increase allocation in higher yielding TFCs by reducing the weight in Government Securities. All TFCs in the Fund are floating rate instruments linked to KIBOR. The weighted average price of the TFC portfolio is around Rs.86.88 against the par value of Rs.100.

The weighted average Yield-to-Maturity of the Fund is around 17.67% p.a. while its weighted average time to maturity is 1.76 years. This yield does not include potential recovery in fully provided TFCs (Rs 221 mln Face Value) which if materializes would increase the future returns. 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.

Asset Allocation (% of Total Assets) 31-May-12 30-Apr-12

	31-May-12	30-Apr-12
TFCs / Sukuks	62.30%	56.85%
T-Bills	28.76%	37.61%
PIBs	0.12%	0.12%
Islamic Commercial Paper	1.19%	1.21%
GOP Ijara Sukuks - Govt. Backed	0.83%	0.84%
Cash Equivalents	4.10%	1.01%
Other including receivables	2.70%	2.36%
Total	100.00%	100.00%
Leverage	Nil	Nil

Details of Non-Compliant Investments

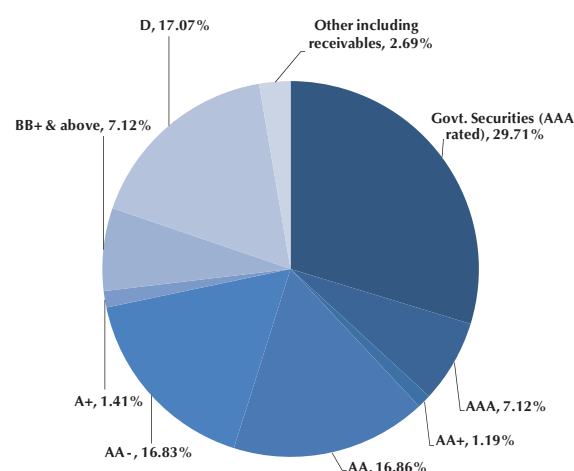
Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
World Call Telecom Limited***	TFC	39,976,002	9,994,000	29,982,002	7.21%	7.12%	23.59%
Eden Housing (Sukuk II)	SUKUK	58,125,000	20,263,014	37,861,986	9.11%	8.99%	52.42%
Saudi Pak Leasing	TFC	51,529,950	17,507,455	34,022,495	8.18%	8.08%	20.44%
Agritech Limited II	TFC	149,875,800	149,875,800	-	-	-	-
Agritech Limited V	TFC	22,180,000	22,180,000	-	-	-	-
New Allied Electronics (Sukuk II)	SUKUK	49,054,371	49,054,371	-	-	-	-
Total		370,741,123	268,874,640	101,866,483	24.50%	24.19%	

***Book Value, performing but below authorized minimum credit rating grade

Top TFC / Sukuk Holdings (as at May 31, 2012)

Name of TFCs / Sukuks	% of Total Assets
Engro Fertilizer Limited (PPTFC)	9.32%
Eden Housing (Sukuk II)	8.99%
Saudi Pak Leasing	8.08%
Standard Chartered Bank (Pakistan) Limited IV	7.12%
World Call Telecom Limited	7.12%
Faysal Bank Limited	5.94%
Pakistan Mobile Communication Limited	5.85%
United Bank Limited IV	3.58%
Bank Alfalah Limited (Floater)	2.50%
Allied Bank Limited II	2.39%
Total	60.89%

Credit Quality of the Portfolio as of May 31, 2012 (% of Total Assets)



Name of the Members of Investment Committee

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

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