



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (28/09/2012): Rs. 9.3830

September 2012

Performance

Performance % *	September 2012	FYTD Jul 12 - Sep 12	Trailing 12 Months Oct - Sep 2011 - 2012	Since Launch March 29, 2008
NAFA Income Fund	31.30%	16.27%	0.21%	1.45%
Benchmark	10.40%	11.15%	11.79%	12.35%

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

General Information

Launch Date: March 29, 2008
Fund Size: Rs. 432 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: M. Yousuf Adil Saleem & Co.
Chartered Accountants
Benchmark: 6-Month KIBOR
Fund Manager: Muhammad Ali Bhabha, CFA, FRM
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 earned an annualized return of 31.30% during September 2012 versus the benchmark return of 10.40%. Main development during the month was change of status from non-performing to performing in a Leasing sector TFC, which bodes well for the Fund going forward as the TFC price may improve.

The Fund is invested in TFCs with 56.96% weightage and 31.39% in T-Bills. All TFCs in the Fund are floating rate instruments linked to KIBOR. The weighted average price of the TFC portfolio is around Rs. 87.56 against the par value of Rs.100.

The weighted average Yield-to-Maturity of the Fund is around 16.35% p.a. while its weighted average time to maturity is 2.36 years. This yield does not include potential recovery in fully provided TFCs (Face Value of Rs. 221 mln) which is potential upside for the Fund. 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) 28-Sep-12 31-Aug-12

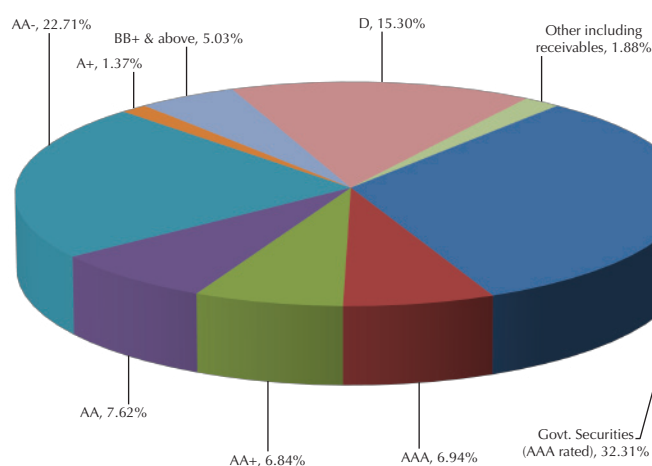
	28-Sep-12	31-Aug-12
TFCs / Sukuks	56.96%	56.81%
T-Bills	31.39%	31.61%
PIBs	0.12%	0.12%
Islamic Commercial Paper	6.85%	7.00%
GOP Ijara Sukuks - Govt. Backed	0.80%	0.82%
Cash Equivalents	2.00%	1.22%
Other including receivables	1.88%	2.42%
Total	100.00%	100.00%
Leverage	Nil	Nil

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	29,982,002	7,958,273	22,023,729	5.10%	5.03%	23.59%
Saudi Pak Leasing***	TFC	48,827,655	16,612,340	32,215,315	7.45%	7.36%	19.87%
Eden Housing (Sukuk II)	SUKUK	53,437,500	18,628,900	34,808,600	8.05%	7.95%	56.35%
Agritech Limited II	TFC	149,875,800	149,875,800	-	n/a	n/a	n/a
Agritech Limited IV	TFC	22,180,000	22,180,000	-	n/a	n/a	n/a
New Allied Electronics (Sukuk II)	SUKUK	49,054,371	49,054,371	-	n/a	n/a	n/a
Total		353,357,328	264,309,684	89,047,644	20.60%	20.34%	

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

Credit Quality of the Portfolio as of September 28, 2012 (% of Total Assets)



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

Name of TFC / Sukuk / Short Term Sukuk	% of Total Assets
Engro Fertilizer Limited (PPTFC)	8.73%
Eden Housing (Sukuk II)	7.95%
Saudi Pak Leasing	7.36%
Standard Chartered Bank (Pakistan) Limited IV	6.94%
Faysal Bank Limited	5.79%
HUBCO Short Term Islamic Sukuk I	5.71%
Pakistan Mobile Communication Limited	5.65%
World Call Telecom Limited	5.03%
United Bank Limited IV	3.46%
Bank Alfalah Limited (Floater)	2.41%
Total	59.03%

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 2,193,828/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0476/ 0.51%. For details investors are advised to read note 6 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

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