

Performance

Performance % *	August 2011	Jan. - Aug. 2011	Trailing 12 Months	Since Launch August 21, 2010
NAFA Asset Allocation Fund	(0.52%)	9.62%	19.74%	20.04%
Benchmark	(2.35%)	1.67%	11.56%	10.12%

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

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 319 million
Type:	Open-end – Asset Allocation 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 – 2%, Back end - 0%
Management Fee:	2% per annum
Risk Profile	Moderate
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index
Fund Manager:	Hussain Yasar
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2-'Positive Outlook' by PACRA

Investment Objective

To generate income by investing in Debt & Money Market securities and to generate capital appreciation by investing in equity and equity related securities.

Fund Manager Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) Net Asset Value (NAV) decreased by 0.52% while the benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index) decreased by 2.35%. Thus your Fund out-performed the benchmark by 1.83%. Since inception on August 21, 2010 your Fund has increased by 20.04%, while the Benchmark has increased by 10.12%. Thus, to-date the out-performance of your Fund stands at 9.92%. This out-performance is net of management fee and all other expenses.

In the first year of its operations completed on August 19, 2011, the Fund has posted 19.17% return versus 3.73% return by the peer group, thus an outperformance of 15.44%. Further during the same period the Fund has outperformed the benchmark by 9.95%.

NAAF is an asset allocation fund and market weight implies 33% weight in equities, 33% in money market instruments and 33% in fixed income asset class. At the start of the month around 29% of the portfolio was invested in equities. The market trend was predominately bearish. We therefore aggressively divested the NAAF's equity portfolio to protect the downside that contributed to the out-performance of the Fund. Moreover, the Fund's key holdings in the Fertilizer, Oil & Gas Exploration, and Power sub-sectors contributed to the out-performance of the Fund. In addition, the under-weight stance in the key companies of Oil & Gas and Chemical sectors which lagged the market also contributed to the out-performance of the Fund. During the month we reduced the weightage of NAAF in the Fertilizer, Refineries, Oil & Gas Exploration, Power and Oil & Gas Marketing sub-sectors. At the end of the month, NAAF was around 8% invested in equities, 62% in money market instruments and around 16% in "AA" rated category TFCs.

We are monitoring the developments in the capital market and will rebalance the portfolio proactively.

Asset Allocation (% of NAV) 30-Aug-11 29-Jul-11

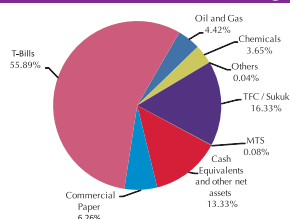
	30-Aug-11	29-Jul-11
Equities / Stocks	8.11%	28.76%
TFCs	16.33%	17.35%
Cash Equivalents	10.35%	12.68%
Commercial Paper	6.26%	-
T-Bills	55.89%	35.74%
MTS	0.08%	1.50%
Other Net Assets	2.98%	3.97%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NAAF	6.7	2.3	10.6%
KSE-30	6.6	3.1	7.2%

** Based on NAFA's estimates

Asset Allocation (as on 30th August 2011)



Name of the Members of Investment Committee

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

Top Ten Holdings (as on 30th August 2011)

Name	Asset Class	% of NAV
Hub Power Company Limited	CP	6.26%
Engro Corporation Rupiya Certificate	TFC	5.28%
United Bank Limited III	TFC	4.76%
Pakistan Oilfields Ltd.	Equity	3.23%
Allied Bank Limited	TFC	3.16%
Bank Alfalah Limited II	TFC	3.13%
Fauji Fertilizer Co. Ltd.	Equity	2.16%
Fauji Fertilizer Bin Qasim	Equity	1.48%
Pak Petroleum Ltd.	Equity	1.15%
Hub Power Company Limited	Equity	0.04%
Total		30.65%