

## Performance

Performance % **	February 2011	Since Launch August 21, 2010
NAFA Asset Allocation Fund	(0.49%)	13.23%
Benchmark	(2.48%)	7.52%

\* Ex-Dividend Price

\*\* Cumulative returns are net of management fee & all other expenses

## General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 222 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	Growth Unit: Rs. 10,000/-
Subscription:	Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 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 0.49% 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 2.48%. Thus your Fund out-performed the benchmark by 1.99%. Since inception on August 21, 2010 your Fund has increased by 13.23%, while the Benchmark has increased by 7.52%. Thus, to-date the out-performance of your Fund stands at 5.71%. This out-performance is net of management fee and all other expenses.

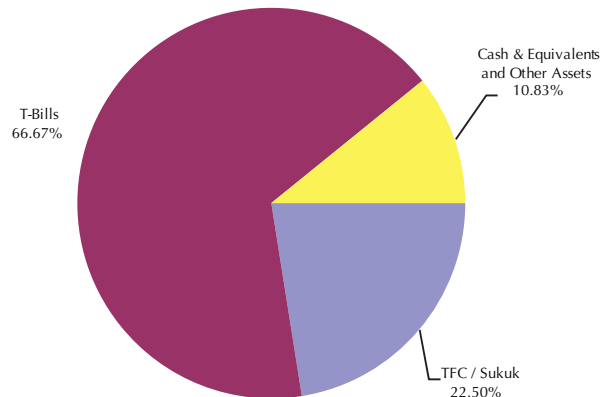
NAAF is an asset allocation fund and market weight implies 33% weight in equities, 33% in Money Market instruments and 33% in fixed income asset class. At the start of the month NAAF was around 31% invested in equities. The market trend was predominately bearish on shaky investor confidence and concerns of selling by foreign portfolio investors. We aggressively divested the Fund's equity portfolio. NAAF's equity exposure was reduced to zero to protect the return that contributed to the out-performance of the Fund. The Fund invested the major portion of the portfolio in money market instruments maintaining a weighted average maturity below 38 days reflecting a conservative stance, keeping in view the economic uncertainty and concerns of rise in interest rates. At the end of the month, NAAF was around 67% in money market instruments and around 23% in TFCs. The Fund is invested in AA rated category TFCs.

NAAF invests in high dividend yielding stocks with stable earnings stream and low business risk. We are monitoring the capital market conditions closely and will shift our allocation accordingly.

## Asset Allocation (% of NAV) 28-Feb-11 31-Jan-11

Equities / Stock	-	30.97%
TFC	22.50%	23.28%
Cash Equivalents	9.19%	18.51%
T-Bills	66.67%	24.93%
Other Net Assets	1.64%	2.31%
Total	100.00%	100.00%
Leverage	Nil	Nil

## Asset Allocation (as of 28th February 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 28th February 2011)

Name	Asset Class	% of NAV
Engro Corporation Rupiya Certificate	TFC	7.66%
United Bank Limited III	TFC	6.62%
Bank Al-Falah Limited II	TFC	4.24%
Allied Bank Limited	TFC	3.98%
Total		22.50%