

Performance

Performance % **	July 2011	Jan. - Jul. 2011	Since Launch August 21, 2010
NAFA Asset Allocation Fund	1.02%	10.19%	20.67%
Benchmark	0.49%	4.11%	12.76%

* Ex-Dividend Price

** 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. 301 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) increased by 1.02% while the benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index) increased by 0.49%. Thus your Fund out-performed the benchmark by 0.53%. Since inception on August 21, 2010 your Fund has increased by 20.67%, while the Benchmark has increased by 12.76%. Thus, to-date the out-performance of your Fund stands at 7.91%. This out-performance is net of management fee, WWF and all other expenses.

In CYTD 2011, the Fund has posted 10.19% return versus -0.67% average return by the peer group, thus an outperformance of 10.86%.

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 27% of the portfolio was invested in equities. Ahead of the results season, the stock market remained sideways to slightly positive during most of July 2011. However, towards the end of the month the market weakened on the back of foreign selling.

We enhanced the weightage of NAAF in the Fertilizer, Refineries and the Oil & Gas Exploration sub-sectors. While, we reduced weightage in the Power and Oil & Gas Marketing sub-sectors. Our strategy to remain overweight in the selected high dividend yielding companies in the Fertilizer and Power sub-sectors continued to significantly contribute to the out-performance of the Fund. Moreover, NAAF benefited from the under-weight stance in the Personal Goods, Banking and Construction & Materials sectors. At the end of the month, NAAF was around 29% invested in equities, 36% in money market instruments and around 17% in "AA" rated category TFCs.

NAAF's equity portfolio is predominantly invested in high dividend yielding stocks with stable earnings stream and low business risk. We are monitoring the capital market conditions and will rebalance the portfolio proactively.

Asset Allocation (% of NAV)

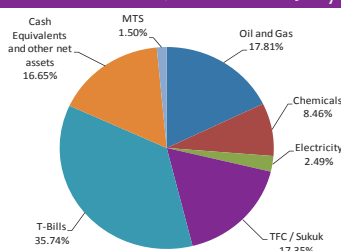
	29-Jul-11	30-Jun-11
Equities / Stocks	28.76%	27.06%
TFCs	17.35%	18.47%
Cash Equivalents	12.68%	22.27%
T-Bills	35.74%	24.63%
MTS	1.50%	4.48%
Other Net Assets	3.97%	3.09%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio***

	PER	PBV	DY
NAAF	7.0%	2.2%	9.7%
KSE-30	7.3%	3.3%	7.1%

*** Based on NAFA's estimates

Asset Allocation (as on 29th July 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 29th July 2011)

Name	Asset Class	% of NAV
Pak Petroleum Ltd.	Equity	6.73%
Pakistan Oilfields Ltd.	Equity	6.64%
Engro Corp. Rupiya Certificate	TFC	5.60%
United Bank Ltd III	TFC	5.03%
Fauji Fertilizer Co. Ltd.	Equity	4.57%
Fauji Fertilizer Bin Qasim	Equity	3.87%
Allied Bank Limited I	TFC	3.39%
Bank Alfalah - II	TFC	3.33%
Oil & Gas Dev.Co	Equity	2.51%
Hub Power co. Ltd.	Equity	2.49%
Total		44.16%