



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/06/2012): Rs.11.3932

June 2012

Performance

| Performance % * | June 2012 | Trailing 12 Months Jul. 2011-Jun. 2012 | Since Launch August 21, 2010 |
|----------------------------|-----------|--|------------------------------|
| NAFA Asset Allocation Fund | (0.25%) | 14.38% | 36.63% |
| Benchmark | 0.45% | 8.01% | 21.21% |

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

General Information

| | |
|-----------------------|---|
| Launch Date: | August 21, 2010 |
| Fund Size: | Rs.488 million |
| Type: | Open-end – Asset Allocation 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 – 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 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.

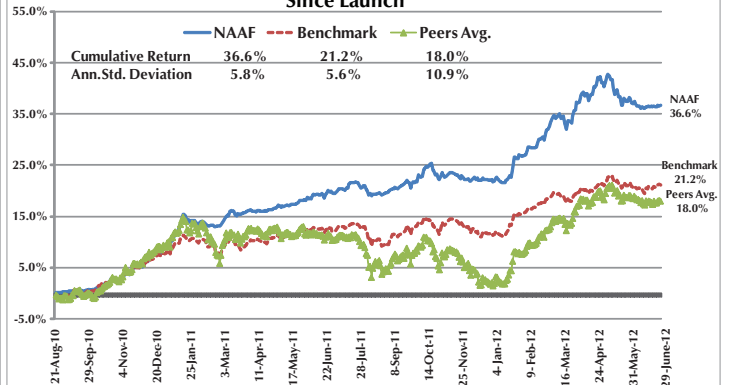
Fund Manager's Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) Net Asset Value (NAV) decreased by 0.25% while the benchmark increased by 0.45%. Thus your Fund under-performed the benchmark by 0.70%. Since inception on August 21, 2010 the Fund has increased by 36.63%, while the Benchmark has increased by 21.21%. Thus, to-date the out-performance of your Fund stands at 15.42%. In FY2012, the Fund outperformed the benchmark and peer group by 6.37% and 7.58% respectively.

At the beginning of the month, NAAF was around 34% invested in equities. During the first half of the month we lowered the Fund's allocation in equities to protect the downside as the market maintained a descending trend. Towards the end of the month, we enhanced the weightage of equities. Fund's key holdings in the Banking and Fertilizer sub-sectors out-performed the market, which benefited the Fund. On the other hand, the Fund has sizeable overweight positions in key Oil & Gas Exploration and Cement stocks that under-performed the market thereby contributing to its under-performance. During the month we increased the weightage of NAAF in the Banking sector and Fertilizer sub-sector. While the weightage in Construction & Material sector and Oil & Gas Exploration sub-sector was reduced.

As the graph depicts, NAAF has generated superior return along with downside protection due to proactive asset allocation and better security selection. We will strive to offer better returns to the investor going forward as well.

Relative Performance of NAFA Asset Allocation Fund (NAAF) Since Launch



Top Ten Holdings (as on 29 June, 2012)

| Name | Asset Class | % of Total Assets |
|--------------------------------------|-------------|-------------------|
| Hub Power Company | Sukuk | 7.15% |
| Allied Bank Limited I | TFC | 4.70% |
| Attock Cement Pakistan.Ltd | Equity | 4.08% |
| Lucky Cement Limited | Equity | 3.79% |
| Engro Corporation Rupiya Certificate | TFC | 3.17% |
| Fauji Fertilizer Co. Ltd. | Equity | 2.97% |
| Pakistan Petroleum Ltd. | Equity | 2.97% |
| MCB Bank Limited | Equity | 2.87% |
| United Bank Limited III | TFC | 2.31% |
| Pakistan Oilfields Ltd. | Equity | 1.97% |
| Total | | 35.98% |

Asset Allocation (% of Total Assets) 29-June-12 31-May-12

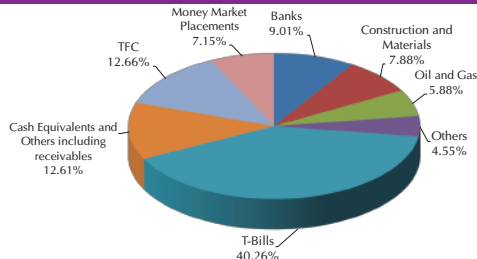
| | 29-June-12 | 31-May-12 |
|--|------------|-----------|
| Equities / Stocks | 27.32% | 33.80% |
| TFCs | 12.66% | 13.57% |
| Cash Equivalents | 9.82% | 20.03% |
| Money Market Placements (Short Term Sukuk) | 7.15% | 13.69% |
| T-Bills | 40.26% | 7.94% |
| Others including receivables | 2.79% | 10.97% |
| Total | 100.00% | 100.00% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio**

| | PER | PBV | DY |
|--------|-----|-----|------|
| NAAF | 5.6 | 2.1 | 8.5% |
| KSE-30 | 7.2 | 3.5 | 7.9% |

** Based on NAFA's estimates

Asset Allocation (as on 29 June, 2012)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 1,962,204/-If the same were not made the NAV per unit/return of scheme would be higher by Rs.0458./ 0.40%. For details investors are advised to read the Note 6 of the Financial Statements of the Scheme for the period ended 31, March 2012.

Name of the Members of Investment Committee

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

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