



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/05/2012): Rs.11.4209

May 2012

Performance

Performance % *	May 2012	Jul. 2011- May. 2012	Trailing 12 Months	Since Launch August 21, 2010
NAFA Asset Allocation Fund	(2.38%)	14.66%	15.31%	36.96%
Benchmark	(0.25%)	7.54%	7.23%	20.68%

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

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs.485 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-'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's Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) Net Asset Value (NAV) decreased by 2.38% while the benchmark decreased by 0.25%. Thus your Fund under-performed the benchmark by 2.13%. Since inception on August 21, 2010 the Fund has increased by 36.96%, while the Benchmark has increased by 20.68%. Thus, to-date the out-performance of your Fund stands at 16.28%.

NAAF remained overweight in equities throughout the month, that contributed to the under-performance of the Fund. Fund's key holdings in the Construction & Materials sector out-performed the market, which benefited the Fund. On the other hand, the Fund's under-weight position in selected stocks in the Food Producers and Chemicals sectors contributed to NAAF's under-performance. During the month we increased the weightage of NAAF in the Construction & Material and Telecommunication sectors. While the weightage in Banks sector, Oil & Gas Marketing and Fertilizer sub-sectors 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.

Asset Allocation (% of Total Assets) 31-May-12 30-Apr-12

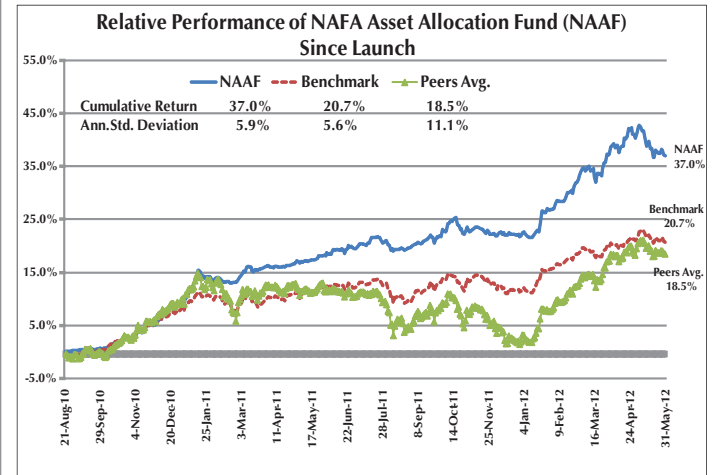
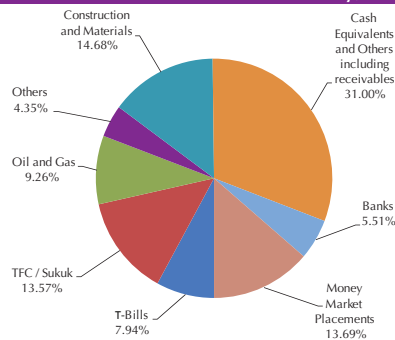
	31-May-12	30-Apr-12
Equities / Stocks	33.80%	48.69%
TFCs	13.57%	14.05%
Cash Equivalents	20.03%	9.50%
Money Market Placements (Short Term Sukuk)	13.69%	13.52%
T-Bills	7.94%	2.98%
Others including receivables	10.97%	11.26%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NAAF	5.5	2.0	8.0%
KSE-30	7.4	3.4	7.9%

** Based on NAFA's estimates

Asset Allocation (as on 31st May, 2012)



Top Ten Holdings (as on 31st May, 2012)

Name	Asset Class	% of Total Assets
Hub Power Company	Sukuk	7.65%
Lucky Cement Limited	Equity	6.78%
Kot Addu Power Company	Sukuk	6.04%
Allied Bank Limited I	TFC	4.99%
Pakistan Petroleum Ltd.	Equity	4.66%
Pakistan Oilfields Ltd.	Equity	4.59%
Attock Cement Pakistan Ltd	Equity	4.41%
D. G. Khan Cement Co.	Equity	3.49%
Engro Corporation Rupiya Certificate	TFC	3.44%
Fauji Fertilizer Co. Ltd.	Equity	2.68%
Total		48.73%

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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