

Performance

Performance % *	September 2011	Jan. - Sep. 2011	Trailing 12 Months	Since Launch August 21, 2010
NAFA Asset Allocation Fund	1.55%	11.32%	21.14%	21.90%
Benchmark	2.70%	4.41%	12.73%	13.09%

* 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. 360 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 1.55% 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 2.70%. Thus your Fund under-performed the benchmark by 1.15%. Since inception on August 21, 2010 your Fund has increased by 21.90%, while the Benchmark has increased by 13.09%. Thus, to-date the out-performance of your Fund stands at 8.81%. This out-performance is net of management fee, WWF and all other expenses.

In CYTD 2011, the Fund has posted 11.32% return (Benchmark return 4.41%) versus -1.59% average return by the peer group, thus an outperformance of 12.91%.

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 8% of the portfolio was invested in equities. We enhanced NAAF's exposure in selected high dividend yielding and fundamentally attractive stocks. We have made investments in selected stocks in the Banking and Oil & Gas sectors as well as in the Power and Fertilizer sub-sectors. Moreover, the Fund's key holdings in the Fertilizer, Oil & Gas Exploration and Power sub-sectors contributed to the performance of the Fund. At the end of the month, NAAF was around 34% invested in equities, 44% in money market instruments and around 14% 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.

Top Ten Holdings (as on 30th September 2011)

Name	Asset Class	% of NAV
Pakistan Oilfields Ltd.	Equity	7.59%
Fauji Fertilizer Co. Ltd.	Equity	7.17%
Fauji Fertilizer Bin Qasim	Equity	6.46%
Hub Power Co. Ltd.	CP	5.56%
Pak Petroleum Ltd.	Equity	5.00%
Engro Corporation Rupiya Certificate	TFC	4.69%
United Bank Limited III	TFC	4.16%
Allied Bank Limited	TFC	2.82%
Bank Alfalah Limited II	TFC	2.79%
Hub Power Co. Ltd.	Equity	2.47%
Total		48.71%

Asset Allocation (% of NAV) 30-Sep-11 30-Aug-11

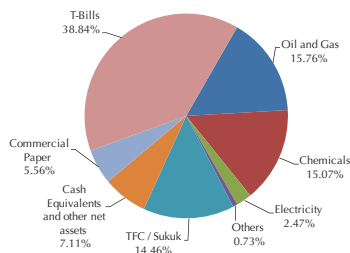
	30-Sep-11	30-Aug-11
Equities / Stocks	34.03%	8.11%
TFCs	14.46%	16.33%
Cash Equivalents	8.93%	10.35%
Commercial Paper	5.56%	6.26%
T-Bills	38.84%	55.89%
MTS	-	0.08%
Other Net (Liabilities) / Assets	-1.82%	2.98%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NAAF	6.9	2.0	9.2%
KSE-30	7.0	3.2	7.2%

** Based on NAFA's estimates

Asset Allocation (as on 30th September 2011)



Name of the Members of Investment Committee

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