



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/12/2011): Rs.9.0122

December 2011

Performance

Performance % *	December 2011	Jul. - Dec. 2011	Jan. - Dec. 2011	Since Launch October 29, 2007
NAFA Islamic Multi Asset Fund	(1.22%)	(1.01%)	7.70%	28.04%
Benchmark	(2.13%)	0.18%	7.07%	NA**

* Cumulative returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses

** KMI-30 Index was launched from September 2008

General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 242 million
Type:	Shariah Compliant - Open-end - Balanced 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 - 3%, Back end - 0%
Management Fee:	3% per annum
Risk Profile:	Moderate
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	50% KMI - 30 Index & 50% average 3-month profit rate of Islamic banks.
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2-'Positive Outlook' by PACRA

Investment Objective

To provide investors with a combination of capital growth and income by investing in Shariah compliant investments. NIMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of Shariah compliant securities, instruments and avenues such as Equities, Musharakah, Murabahah, Ijarah etc.

Fund Manager Commentary

During the month under review, Net Asset Value (NAV) of NAFA Islamic Multi Asset Fund (NIMF) decreased by 1.22%, whereas the benchmark (50% KMI-30 index & 50% average 3-month profit rate of Islamic Banks) decreased by 2.13%, thus your Fund out-performed the benchmark by 0.91%. During the Current Calendar Year, the Fund earned a return of 7.70% versus 7.07% benchmark return.

NIMF is a Balanced Fund and market weight implies 50% weight in equities and 50% in fixed income asset class. The stock market continued to depict a weak trend ensuing from concerns on the macro and political front as well as structural issues. NIMF out-performed mainly on account of its under-weight position in equities. Further, some of the Fund's holdings performed better than the market. NIMF was under-weight in selected stocks in the Construction & Materials and Chemicals sectors as well as in the OMCs sub-sector, which benefited the Fund. Moreover, NIMF's key holdings in the Fertilizer and Oil & Gas Exploration sub-sectors performed better than the market, which also benefited the Fund. At the start of the month, NIMF was around 36% invested in equities. During the period we lowered the Fund's weightage in equities as the market lacked any positive triggers. However, during the latter half of the month we enhanced the allocation of NIMF in stocks with high dividend yields and attractive valuations primarily in the Power and Oil & Gas Exploration sub-sectors. On the other hand, we reduced the weightage in the Fertilizer sub-sector. At the end of the month NIMF was around 38% invested in equities.

NIMF is invested in high dividend yielding Shariah Compliant stocks of defensive sectors. The portfolio of NIMF is priced at forward earnings multiple of 6.9x offering 12.2% dividend yield. We are vigilant to the events in the capital and financial markets and will alter the portfolio of NIMF accordingly.

Asset Allocation (% of NAV)

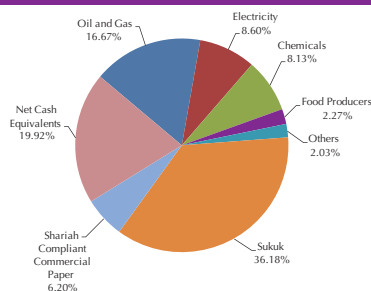
	30-Dec-11	30-Nov-11
Equities / Stocks	37.70%	36.32%
Sukuks	36.18%	39.46%
Shariah Compliant Commercial Paper	6.20%	6.12%
Cash Equivalents	19.55%	17.04%
Other Net Assets	0.37%	1.06%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio***

	PER	PBV	DY
NIMF	6.9	4.4	12.2%
KMI-30	6.5	3.7	9.5%

*** Based on NAFA's estimates

Asset Allocation (as on 30th December 2011)



Top Ten Holdings (as on 30th December 2011)

Name	Asset Class	% of NAV	Name	Asset Class	% of NAV
Maple Leaf Cement I	Sukuk	12.24%	Fauji Fertilizer Co. Ltd.	Equity	7.24%
Kohat Cement Ltd.	Sukuk	9.75%	Hub Power Company Ltd.	CP	6.20%
Hub Power Company Ltd.	Equity	8.60%	Eden Housing II	Sukuk	4.54%
Pak Elektron Ltd.	Sukuk	8.14%	Pak Petroleum Ltd.	Equity	3.93%
Pakistan Oilfields Ltd.	Equity	8.13%	Oil & Gas Dev.Co	Equity	3.80%

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	YTM Per Annum
Eden Housing II	SUKUK	16,875,000	5,882,812	10,992,188	4.54%	4.39%	43.10%
Maple Leaf Cement I	SUKUK	49,915,000	20,299,782	29,615,218	12.24%	11.84%	34.12%
Kohat Cement Limited ***	SUKUK	35,300,000	11,718,753	23,581,247	9.75%	9.42%	27.48%
Pak Elektron Limited ***	SUKUK	21,428,571	1,738,307	19,690,264	8.14%	7.87%	18.44%
Maple Leaf Cement II ***	SUKUK	1,875,000	1,875,000	-	0.00%	0.00%	N/A
Total		125,393,571	41,514,654	83,878,917	34.67%	33.52%	

***Book Value, performing but below A- (A minus)

Name of the Members of Investment Committee

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

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.