

Performance

Performance % *	December 2010	FYTD Jul. - Dec. 2010	Trailing 12 Months	Since Launch January 22, 2007
NAFA Multi Asset Fund	4.63%	17.80%	20.80%	38.98%
Benchmark	3.93%	13.64%	15.45%	20.22%

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

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 791 million
Type:	Open-end – Balanced 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 – 3%, Back end - 0%
Management Fee:	2.5% per annum
Risk Profile:	Moderate
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	50% KSE-30 Index & 50% 3-month KIBOR (Benchmark changed with effect from 15-12-2010. Previous Benchmark was 50% KSE-30 Index and 50% 1M KIBOR.)
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective

To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.

Fund Manager Commentary

During the month under review, NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) increased by 4.63% while the benchmark (50% KSE-30 index & 50% 3-month KIBOR) increased by 3.93%. Thus your Fund out-performed the benchmark by 0.70%. Since inception on January 22, 2007 your Fund has increased by 38.98%, while the benchmark has increased by 20.22%. Thus, to-date the out-performance of your Fund stands at 18.76%. This out-performance is net of management fee and all other expenses.

NMF is a Balanced Fund and market weight implies 50% weight in equities and 50% in fixed income asset class. At the start of the month NMF was around 56% invested in equities. The stock market movement during the month continued to remain positive. We enhanced the allocation of NMF in high dividend yielding and undervalued stocks and sectors. At the end of the month NMF was around 61% invested in equities. The holdings of NMF in the Jute, Fertilizer and Oil & Gas Exploration sub-sectors contributed to the out-performance of the Fund. During the month, we enhanced the weightage of NMF in the Banking sector and the Fertilizer and Power sub-sectors.

NMF is overweight in the Oil & Gas sector and Fertilizer and Power sub-sectors. On the other hand, the exposure of NMF in banks is below the market weight. Improved TFC / Sukuk prices have also contributed to the out-performance of NMF during the month. The weighted average Yield-to-Maturity (YTM) of the TFC / Sukuk portfolio of NMF is around 22.6% p.a.

The holdings of NMF comprises of stocks with attractive dividend payouts and good fundamentals. We are vigilant to the developments in the capital markets and will alter the portfolio accordingly.

Top Ten Holdings (as on 31st December 2010)

Name	Asset Class	% of NAV	Name	Asset Class	% of NAV
Pak Oilfields Ltd.	Equity	9.79%	Fauji Fertilizer Ltd.	Equity	5.19%
Pak Petroleum Ltd.	Equity	9.38%	Nishat Power Ltd.	Equity	3.85%
Hub Power Co. Ltd.	Equity	7.26%	Fauji Bin Qasim	Equity	3.76%
Maple Leaf Cement	Sukuk	7.00%	Thall Limited	Equity	3.61%
Orix Leasing	PPTFC	6.22%	Eden Housing	Sukuk	3.26%

Details of Non-Compliant Investments

Name of Non Compliant Investment	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	YTM Per Annum
Maple Leaf Cement Sukuk 1	Sukuk	88,364,826	32,947,267	**55,417,559	7.00%	28.58%
Saudi Pak Leasing	TFC	36,614,600	11,832,850	24,781,750	3.13%	22.70%
Eden Housing Sukuk 2	Sukuk	37,500,000	11,664,675	**25,835,325	3.26%	37.68%
Total		162,479,426	56,444,792	106,034,634	13.40%	

** Book Value, performing but below investment grade

Asset Allocation

31-Dec-10

30-Nov-10

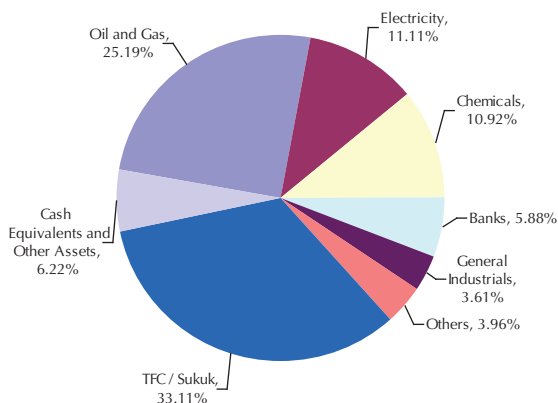
Equities / Stock	60.67%	55.89%
TFC / Sukuk	33.11%	32.73%
Cash Equivalents	8.20%	5.40%
T-Bills	-	3.75%
Other Net Assets / (Liabilities)	-1.98%	2.23%
Total	100.00%	100.00%

Leverage

Nil

Nil

Asset Allocation (as on 31st December 2010)



Name of the Members of Investment Committee

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