

Performance

Performance % *	January 2011	Since Launch August 21, 2010
NAFA Asset Allocation Fund	3.91%	13.78%
Benchmark	1.80%	10.26%

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

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 219 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- 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 3.91% 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 1.80%. Thus your Fund out-performed the benchmark by 2.11%. Since inception on August 21, 2010 your Fund has increased by 13.78%, while the Benchmark has increased by 10.26%. Thus, to-date the out-performance of your Fund stands at 3.52%. This out-performance is net of management fee and all other expenses.

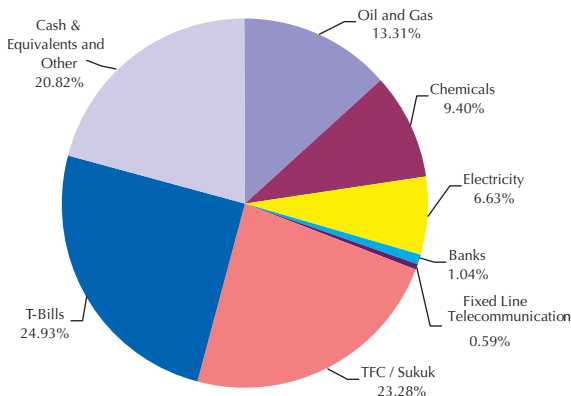
NAAF is an asset allocation fund and market weight implies 33% weight in equities, 33% in money market instruments and 33% in fixed income asset class. At the start of the month NAAF was around 46% invested in equities. The stock market was driven by foreign flows and healthy corporate earnings and payouts announcements. We reduced the weightage of NAAF in equities to the market weight as the market depicted signs of a correction. The overweight stance of NAAF in the Oil & Gas Exploration, Refinery and Fertilizer sub-sectors contributed to the out-performance of the Fund. During the month, we remained underweight in the Banking sector, which contributed to the outperformance of the Fund. At the end of the month, NAAF was around 31% invested in equities, 25% in money market instruments and around 23% in TFCs. The Fund only invests in AA rated category TFCs.

NAAF is invested in high dividend yielding stocks with stable earnings stream and low business risk. We are monitoring the capital market conditions closely and will shift our allocation accordingly.

Asset Allocation % NAV 31-Jan-11 31-Dec-10

Asset Allocation % NAV	31-Jan-11	31-Dec-10
Equities / Stock	30.97%	46.33%
TFC	23.28%	22.77%
Cash Equivalents	18.51%	16.68%
T-Bills	24.93%	17.13%
Other Net Assets / (Liabilities)	2.31%	-2.91%
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as of 31st January 2011)



Name of the Members of Investment Committee

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

Top Ten Holdings (as on 31st January 2011)

Name	Asset Class	% of NAV	Name	Asset Class	% of NAV
Engro Rupiya Certificate	TFC	7.77%	Bank Al-Falah Ltd.	TFC	4.52%
Pakistan Oilfields Ltd.	Equity	7.36%	Allied Bank Ltd.	TFC	4.13%
United Bank Limited III	TFC	6.86%	Pak Petroleum Ltd.	Equity	2.91%
Hub Power Co. Ltd.	Equity	6.17%	Fauji Fertilizer Bin Qasim	Equity	2.17%
Fauji Fertilizer Co. Ltd.	Equity	5.11%	Lotte Pakistan Pta Ltd.	Equity	2.12%