



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/01/2012): Rs.10.8968

January 2012

Performance

Performance % *	January 2012	Jul. 2011- Jan. 2012	Trailing 12 Months	Since Launch August 21, 2010
NAFA Asset Allocation Fund	4.09%	6.10%	11.38%	26.74%
Benchmark	3.71%	2.92%	4.75%	15.50%

* 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. 397 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 Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) Net Asset Value (NAV) increased by 4.09% 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 3.71%. Thus your Fund out-performed the benchmark by 0.38%. Since inception on August 21, 2010 your Fund has increased by 26.74%, while the Benchmark has increased by 15.50%. Thus, to-date the out-performance of your Fund stands at 11.24%.

At the beginning of the month, NAAF was around 25% invested in equities. The stock market continued to depict downward trend during the first half of the month on the back of noise in domestic politics, strain in PAK-US relations, and lack of any positive trigger. However, it rebounded sharply during the latter half of the month. The Fund out-performed during the month as its key holdings in the Fertilizer and Cement sub-sectors performed better than the market. Moreover, Fund's underweight position in the key Oil and Gas exploration company and Food Producer sector, which lagged the market contributed to the out-performance. On the other hand, drag on the Fund's performance was its over-weight in Electricity sector, which under-performed the market. We promptly built positions in key Banking sector stocks, which performed better than the market that benefited the Fund. The Fund invests in AA & above rated investment category TFCs.

NAAF is invested in stocks with sanguine valuations, stable earnings stream and low business risk. We are keeping a close watch on the developments in capital market and will shift our allocation accordingly.

Top Ten Holdings (as on 31st January 2012)

Name	Asset Class	% of NAV
Pakistan Oilfields Ltd.	Equity	8.59%
Fauji Fertilizer Co. Ltd.	Equity	8.15%
Kot Addu Power	CP	7.56%
Allied Bank Limited I	TFC	6.33%
MCB Bank Limited	Equity	5.78%
Hub Power Company Limited	CP	5.04%
Pak Petroleum Ltd.	Equity	4.98%
Lucky Cement Limited	Equity	4.78%
United Bank Ltd.	Equity	4.32%
Engro Corporation Rupiya Certificate	TFC	4.31%
Total		59.84%

Characteristics of Equity Portfolio**

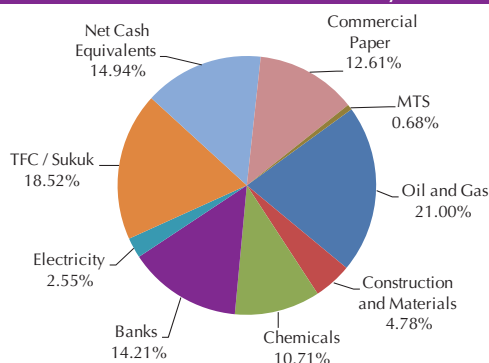
	PER	PBV	DY
NAAF	5.9	3.1	9.1
KSE-30	7.1	4.2	8.4

** Based on NAFA's estimates

Asset Allocation (% of NAV) 31-Jan-12 30-Dec-11

Asset Allocation (% of NAV)	31-Jan-12	30-Dec-11
Equities / Stocks	53.25%	25.34%
TFCs	18.52%	18.29%
Cash Equivalents	5.74%	14.83%
Commercial Paper	12.61%	12.44%
T-Bills	-	23.56%
MTS	0.68%	4.78%
National Savings Bond	-	2.50%
Other Net Assets / (Liabilities)	9.20%	(1.74%)
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as on 31st January 2012)



Name of the Members of Investment Committee

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