



NAFA Asset Allocation Fund (NAAF)

NBP Fullerton
Asset Management Limited
(Formerly National Fullerton Asset Management Limited)

MONTHLY REPORT (MUFAP's Recommended Format)

Unit Price (30/06/2011): Rs. 11.3204

June 2011

Performance

Performance % *	June 2011	Jan. - Jun. 2011	Since Launch August 21, 2010
NAFA Asset Allocation Fund	1.13%	9.08%	19.45%
Benchmark	0.09%	3.60%	12.22%

* 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. 283 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 1.13% 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 0.09%. Thus your Fund out-performed the benchmark by 1.04%. Since inception on August 21, 2010 your Fund has increased by 19.45%, while the Benchmark has increased by 12.22%. Thus, to-date the out-performance of your Fund stands at 7.23%. This out-performance is net of management fee, WWF 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 around 35% of the portfolio was invested in equities. We enhanced NAAF's exposure in selected high dividend yielding and fundamentally attractive stocks, which contributed to the out-performance of the Fund during the month. Towards the end of the month, allocation in the Fertilizer, Power and the Oil & Gas Exploration sub-sectors was reduced. While, we enhanced weightage in the Oil & Gas Marketing sub-sector.

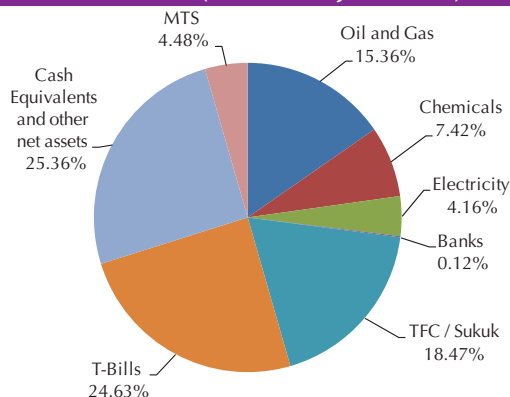
Our strategy to remain overweight in the selected high dividend yielding companies in the Fertilizer sub-sector, which out-performed the market, benefited NAAF. Our underweight stance in the key fertilizer stock that lagged the market also contributed to the out-performance of the Fund. Moreover, NAAF benefited from the under-weight stance in the Personal Goods, Banks and Construction & Materials sectors. At the end of the month, NAAF was around 27% invested in equities, 25% in money market instruments and around 18% 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.

Asset Allocation (% of NAV) 30-Jun-11 31-May-11

Asset Allocation (% of NAV)	30-Jun-11	31-May-11
Equities / Stocks	27.06%	34.70%
TFCs	18.47%	21.19%
Cash Equivalents	22.27%	7.38%
T-Bills	24.63%	31.92%
MTS	4.48%	2.25%
Other Net Assets	3.09%	2.56%
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as on 30th June 2011)



Top Ten Holdings (as on 30th June 2011)

Name	Asset Class	% of NAV
Engro Corp. Rupiya Certificate	TFC	5.95%
United Bank Ltd III	TFC	5.36%
Pakistan Oilfields Ltd.	Equity	5.23%
Pak Petroleum Ltd.	Equity	5.19%
Fauji Fertilizer Co. Ltd.	Equity	4.66%
Hub Power Co. Ltd.	Equity	4.16%
Allied Bank Limited I	TFC	3.61%
Bank Alfalah - II	TFC	3.55%
Fauji Fertilizer Bin Qasim	Equity	2.74%
Oil & Gas Dev.Co	Equity	2.66%
Total		43.11%

Name of the Members of Investment Committee

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

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