

Performance

Performance % *	March 2011	Since Launch August 21, 2010
NAFA Asset Allocation Fund	2.62%	16.20%
Benchmark	2.47%	10.18%

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

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 233 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 2.62% 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 2.47%. Thus your Fund out-performed the benchmark by 0.15%. Since inception on August 21, 2010 your Fund has increased by 16.20%, while the Benchmark has increased by 10.18%. Thus, to-date the out-performance of your Fund stands at 6.02%. 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 beginning of the month we were out of equities to protect the return as stock market was in a correction phase. The market recovered during the month. The launch of MTS and the settlement of the diplomatic row with the US were the primary factors. We built exposure in equities in high dividend yielding and fundamentally strong stocks and such as Oil & Gas sector and the Fertilizer sub-sector. The Fund is over-weight in the Electricity sector. NAAF's holdings in the Oil & Gas Exploration and Refineries sub-sectors performed better than the market. The Fund invested the major portion of the portfolio in money market instruments with a weighted average maturity below 16 days. At the end of the month, NAAF was around 16% invested in equities, 45% in money market instruments and around 22% in TFCs. The Fund is invested in AA rated category TFCs.

The Fund has also invested around 6.6% in the newly launched stock market leverage product, namely Margin Trading System (MTS). The risk management guidelines of MTS are more stringent as compared to previous leverage products. Our internal guidelines permit financing in only fundamentally strong companies with lower volatility. It is pertinent to mention that the Fund will provide financing at predetermined rate of return with no direct exposure to the stock market. Going forward, we will gradually increase the investment in MTS that will further improve the performance of the Fund.

We are monitoring the capital market conditions closely and will shift our allocation accordingly.

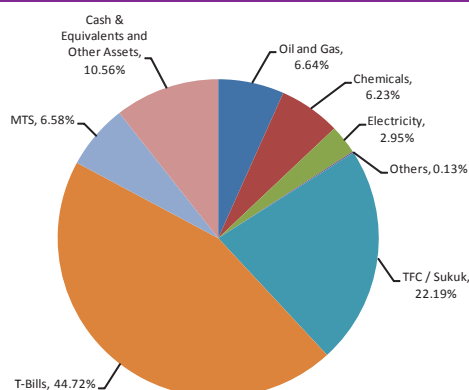
Top Ten Holdings (as on 31st March 2011)

Name	Asset Class	% of NAV
Engro Rupiya Certificate	TFC	7.28%
United Bank Limited III	TFC	6.43%
Bank Al-Falah Limited II	TFC	4.24%
Allied Bank Limited	TFC	4.24%
Pakistan Oilfields Ltd.	Equity	4.01%
Fauji Fertilizer Bin Qasim	Equity	3.01%
Hub Power Co. Ltd.	Equity	2.95%
Pak Petroleum Ltd.	Equity	2.60%
Fauji Fertilizer Co. Ltd.	Equity	1.67%
Engro Corporation Ltd.	Equity	1.06%
Total		37.49%

Asset Allocation (% of NAV) 31-Mar-11 28-Feb-11

Asset Allocation (% of NAV)	31-Mar-11	28-Feb-11
Equities / Stock	15.95%	-
TFC	22.19%	22.50%
Cash Equivalents	12.08%	9.19%
T-Bills	44.72%	66.67%
MTS	6.58%	-
Other Net Assets / (Liabilities)	-1.52%	1.64%
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as on 31st March 2011)



Name of the Members of Investment Committee

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