



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/03/2014): Rs.12.2009

March 2014

Performance

| Performance % | March 2014* | FYTD Jul 2013 - Mar 2014* | Trailing 12 Months Apr. 2013 - Mar 2014* | Since Launch August 21, 2010** |
|----------------------------|-------------|---------------------------|--|--------------------------------|
| NAFA Asset Allocation Fund | 0.86% | 9.23% | 20.85% | 20.64% |
| Benchmark | 1.23% | 10.26% | 16.78% | 13.26% |

* Cumulative Returns
** Annualized Return [Net of management fee & all other expenses]

General Information

| | |
|-----------------------|--|
| Launch Date: | August 21, 2010 |
| Fund Size: | Rs. 1,677 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 – without Life Insurance 3%, with Life Insurance 5% (Nil on investment above Rs. 16 million) 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: | Muhammad Imran, CFA, ACCA |
| Minimum Subscription: | Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- |
| Asset Manager Rating: | AM2 by PACRA (Very High Investment Management Standards) |

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's Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) unit price (NAV) increased by 0.9% while the benchmark increased by 1.2%. Thus your Fund underperformed the benchmark by 0.3%. Since inception on August 21, 2010 the Fund has posted 97% return, versus 56.8% by the benchmark. Thus, to date the cumulative outperformance of your Fund stands at 40.2%. This outperformance is net of management fee and all other expenses.

Expecting downside in the stock market, NAAF started off the month with an allocation of around 4% in equities. The stock market snapped up the losses of the previous month sharply that contributed to the underperformance of the Fund due to its underweight stance in equities. Expecting continuation of the upward trend in the market, exposure in equities was increased to 63% during the month that also resulted in significant impact cost to the Fund. We also built some position in PIBs during the month. We are closely monitoring the developments in the capital markets and will rebalance the portfolio of the Fund proactively.

Asset Allocation (% of Total Assets) 31-Mar-14 28-Feb-14

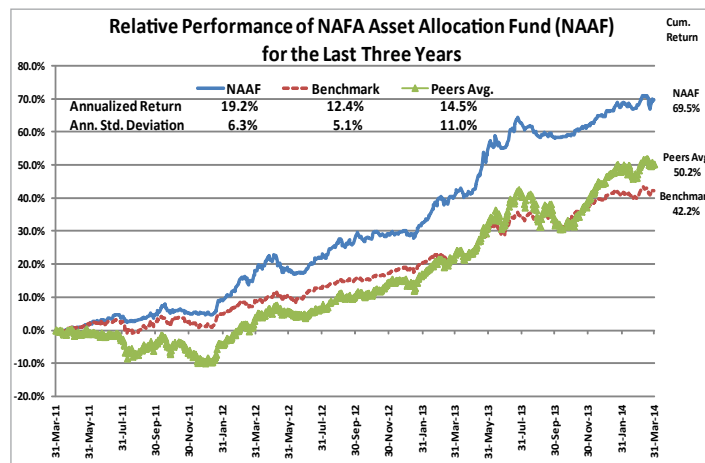
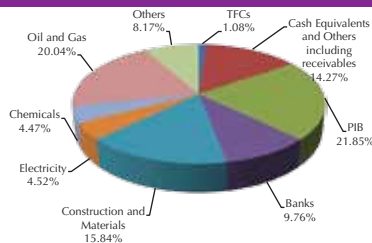
| | 31-Mar-14 | 28-Feb-14 |
|------------------------------|-----------|-----------|
| Equities / Stocks | 62.80% | 4.15% |
| TFCs | 1.08% | 1.46% |
| Cash Equivalents | 10.72% | 61.43% |
| PIB | 21.85% | 29.71% |
| Others including receivables | 3.55% | 3.25% |
| Total | 100.00% | 100.00% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio***

| | PER | PBV | DY |
|--------|-----|-----|------|
| NAAF | 7.7 | 2.0 | 6.3% |
| KSE-30 | 8.1 | 2.1 | 6.7% |

*** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 31st March, 2014)



Top Ten Holdings (as on 31st, March, 2014)

| Name | Asset Class | % of Total Assets |
|--------------------------------|-------------|-------------------|
| Pakistan State Oil Co. Ltd. | Equity | 8.84% |
| Pakistan Oilfields Ltd | Equity | 6.61% |
| Maple Leaf Cement Factory Ltd | Equity | 4.39% |
| Bank Al-Falah Ltd | Equity | 4.07% |
| Kot Addu Power Co Ltd | Equity | 3.63% |
| D. G. Khan Cement Co Ltd | Equity | 3.59% |
| Bank AL-Habib Ltd | Equity | 3.11% |
| Engro Corporation Ltd | Equity | 3.08% |
| Pakistan Telecommunication Ltd | Equity | 3.08% |
| Lucky Cement Ltd | Equity | 2.80% |
| Total | | 43.20% |

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Syed Suleman Akhtar, CFA
Asim Wahab Khan, CFA
Muhammad Imran, CFA, ACCA

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 8,612,983/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0627/0.62%. For details investors are advised to read Note 7 of the Financial Statements of the Scheme for the period ended December 31, 2013.

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.