

Performance

Performance % *	December 2010	FYTD Jul. – Dec. 2010	Trailing 12 Months	Since Launch October 29, 2007
NAFA Islamic Multi Asset Fund	4.87%	18.06%	27.50%	18.89%

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

General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 269 million
Type:	Shariah Compliant - Open-end – Balanced 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 – 3%, Back end - 0%
Management Fee:	3% per annum
Risk Profile	Moderate
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	50% KMI - 30 Index & 50% average 3-month profit rate of Islamic banks. (Benchmark changed with effect from 15-12-2010. Previous Benchmark was 50% KMI - 30 Index & 50% average 1-month profit rate of Islamic banks.)
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective

To provide investors with a combination of capital growth and income by investing in Shariah compliant investments. NIMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of Shariah compliant securities, instruments and avenues such as Equities, Musharakah, Murabahah, Ijarah etc.

Fund Manager Commentary

During the month under review, the Net Asset Value (NAV) of NAFA Islamic Multi Asset Fund (NIMF) increased by 4.87%, whereas the benchmark (50% KMI-30 index & 50% average 3-month profit rate of Islamic Banks) increased by 3.24%, thus your Fund out-performed the benchmark by 1.63%. This out-performance is net of management fee and all other expenses.

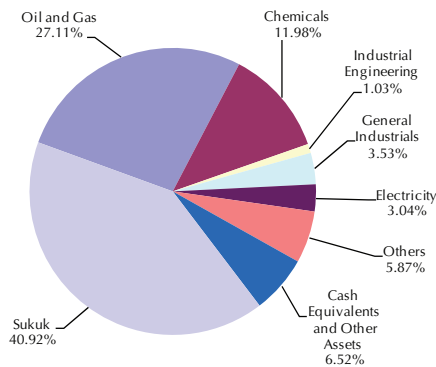
NIMF is a Balanced Fund and market weight implies 50% weight in equities and 50% in fixed income asset class. At the start of the month NIMF was around 50% invested in equities. During the month we enhanced the weightage of the Fund in the Fertilizer and Power sub-sectors. The Fertilizer sub-sector is likely to depict superlative earnings during 4QCY10 and the Power sub-sector offers attractive dividend yields. We increased exposure in HUBCO and built exposure in NML. NIMF's out-performance resulted from the overweight stance of the Fund in the Oil & Gas, General Industries and Chemical sectors and underweight stance in the Construction & Materials sector. Improved Sukuk prices also contributed to the out-performance of NIMF during the month. The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio of NIMF is around 26.9% p.a.

We remain invested or have enhanced exposure in fundamentally attractive and high dividend paying stocks that have contributed to the recent out-performance of the Fund. Moreover, these stocks belong to defensive sectors with low business risk and are expected to perform better than the market going forward. We remain alert to developments in the capital markets and will adjust the portfolio accordingly.

Asset Allocation

	31-Dec-10	30-Nov-10
Equities / Stock	52.56%	50.33%
Sukuk	40.92%	41.89%
Cash Equivalents	3.72%	3.35%
Other Net Assets	2.80%	4.43%
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as on 31st December 2010)



Name of the Members of Investment Committee

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

Top Ten Holdings (as on 31st December 2010)

Name	Asset Class	% of NAV	Name	Asset Class	% of NAV
PaK Oilfield Ltd	Equity	13.21%	Fauji Fertilizer Ltd	Equity	6.46%
Kohat Cement	Sukuk	12.09%	Eden Housing	Sukuk	4.80%
Maple Leaf Cement	Sukuk	11.64%	Fauji Bin Qasim	Equity	3.88%
Pak Elektron Ltd.	Sukuk	10.46%	Hub Power Co	Equity	3.04%
Pak Petroleum Ltd	Equity	10.22%	Thall Limited	Equity	2.49%

Details of Non-Compliant Investments

Name of Non Compliant Investment	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	YTM Per Annum
Kohat Cement Limited Sukuk	Sukuk	48,300,000	15,770,288	**32,529,712	12.09%	30.98%
Maple Leaf Cement Sukuk 1	Sukuk	49,957,500	18,626,904	**31,330,596	11.64%	28.58%
Eden Housing Limited Sukuk 2	Sukuk	18,750,000	5,832,337	**12,917,663	4.80%	37.68%
Total		117,007,500	40,229,529	76,777,971	28.53%	

** Book Value, performing but below investment grade

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 dependant 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.