

Performance

Performance % *	January 2011	FYTD Jul. 2010 – Jan. 2011	Trailing 12 Months	Since Launch October 29, 2007
NAFA Islamic Multi Asset Fund	3.20%	21.84%	29.04%	22.69%

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

General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 275 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, Net Asset Value (NAV) of NAFA Islamic Multi Asset Fund (NIMF) increased by 3.20%, whereas the benchmark (50% KMI-30 index & 50% average 3-month profit rate of Islamic Banks) increased by 2.77%, thus your Fund out-performed the benchmark by 0.43%. 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. The Fund out-performed during the month even though Sukuk prices were depressed. At the start of the month, NIMF was around 53% invested in equities. The stock market was driven by foreign flows and sanguine corporate announcements. We reduced the weightage of NIMF in equities below the market weight as the market depicted signs of a correction. At the end of the month NIMF was around 43% invested in equities.

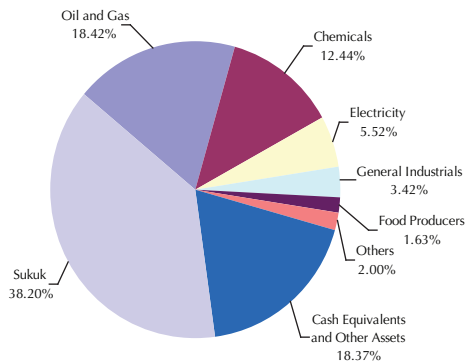
We enhanced the weightage of NIMF in the Chemical and Electricity sectors. Key holdings of NIMF in these two sectors performed better than the market, which contributed to the out-performance of the Fund. The Fertilizer sub-sector, which is a part of the Chemical sector, announced strong financial results. The Electricity sector continues to offer attractive dividend yields. During the month, we reduced the weightage of NIMF in the Oil & Gas and Fixed Line Communication sectors and Cement sub-sector. The holdings of NIMF in the Oil & Gas Exploration sub-sector performed better than the market. The out-performance of NIMF also resulted from the under-weight stance in the Cement and Oil Marketing Companies sub-sectors. The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio of NIMF is around 29.6% per annum.

NIMF remains invested in attractive high dividend yielding stocks with low business risk. We are monitoring the capital market conditions and will rebalance the portfolio accordingly.

Asset Allocation % of NAV 31-Jan-11 31-Dec-10

Asset Allocation % of NAV	31-Jan-11	31-Dec-10
Equities / Stock	43.43%	52.56%
Sukuk	38.20%	40.92%
Cash Equivalents	14.91%	3.72%
Other Net Assets	3.46%	2.80%
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as on 31st January 2011)



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 January 2011)

Name	Asset Class	% of NAV	Name	Asset Class	% of NAV
Kohat Cement Ltd.	Sukuk	11.88%	Pak Petroleum Ltd.	Equity	6.32%
Maple Leaf Cement	Sukuk	11.39%	Hub Power Co. Ltd.	Equity	5.52%
Pakistan Oilfields Ltd.	Equity	10.22%	Eden Housing Ltd.	Sukuk	4.70%
Pak Elektron Ltd.	Sukuk	8.63%	Lotte Pakistan Pta Ltd.	Equity	2.85%
Fauji Fertilizer Co.Ltd	Equity	7.29%	Thal Ltd.	Equity	2.84%

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	15,619,302	**32,680,698	11.88%	31.51%
Maple Leaf Cement Sukuk 1	Sukuk	49,957,500	18,626,904	**31,330,596	11.39%	29.24%
Eden Housing Limited Sukuk 2	Sukuk	18,750,000	5,832,337	**12,917,663	4.70%	38.86%
Total		117,007,500	40,078,543	76,928,957	27.96%	

** 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.