

NAFA Funds

Monthly Report (November 2011)



NBP Fullerton
Asset Management Ltd.

A Subsidiary of
National Bank of Pakistan

Managed by:
NBP Fullerton Asset Management Limited

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Your investments & "NAFA" grow together



Joint - Venture Partners



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Dr. Amjad Waheed, CFA
Chief Executive Officer

Pakistan is exposed to two key economic risks: (i) high budget deficit, meaning government expenditures exceed government revenues (tax and non-tax); and (ii) growing current account deficit. Current Account Deficit occurs as Pakistan's cash outflows related to total imports of goods, services and transfers are greater than cash inflows on account of total export of goods, services and transfers.

In Pakistan's context the current account deficit is a bigger problem than the budget deficit as it cannot be managed by printing of notes. As can be seen in Figure 1, large current account deficits led to depleting foreign exchange reserves and declining import cover (foreign exchange reserves divided by monthly imports) in 2008, and resulted in an economic turmoil, substantial jump in the interest rates, flight of capital, freezing of the stock market, downgrading of Pakistan's sovereign rating to CCC+ from B by Standard & Poor's, severe liquidity shortage, and substantial decline in corporate profitability. The situation improved when the currency was depreciated by around 30% in 2008, which helped in the reduction of imports and exports growth.

Since November 2008, the current account has improved remarkably and even showed a surplus of US\$ 542 million in FY2011. However, during the first four months of FY12, the current account deficit has grown to US\$ 1.55 billion, and peaked at US\$ 1.03 billion for the month of September. One of the key reasons for this rise in current account deficit is that our currency stands overvalued considering that cumulative inflation has been about 40% over the last 3 years, whereas the devaluation of the rupee versus the US dollar has been 14% during the same period. Substantial growth of remittances from the West and inflow from donor agencies also seem a low probability at present considering the geo-political scenario. In case the current account deficit widens, foreign exchange reserves may deplete sharply. This will result in loss of investors' confidence and a flight of capital. To avoid this scenario, the most viable and doable solution left with the government is devaluation of currency. We believe that so far the government has resisted such a step and that the State Bank of Pakistan has also intervened to support the currency. However, a gradual devaluation of the rupee will make imports expensive and exports competitive, thus improving the current account balance and having a positive impact on the foreign exchange reserves. Consequently, this will make the investment climate conducive for the investors.

Pakistan's stock market has a significant positive correlation with the current account balance as can be seen from Figure 2. We expect that the future direction of the stock market and interest rates will be shaped by the current account situation of the country. We are closely monitoring the current account situation while making our investment decisions.

Figure-1: Current Account Balance vs Import Cover

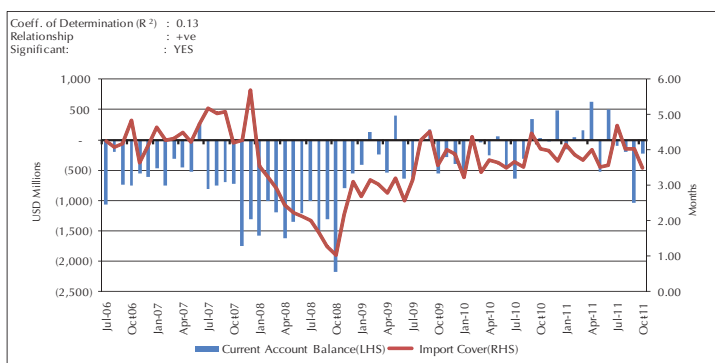
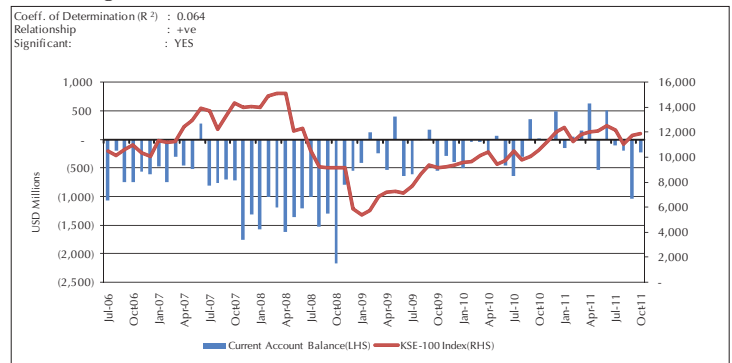


Figure-2 : Current Account Balance vs Stock Market





November 2011

Stock Market Review

The stock market depicted downward trend with lot of volatility during the month of November 2011 on the back of weakening external accounts, fluid local political conditions, renewed concerns on the financial crisis in Eurozone and row over PAK-US diplomatic relations. Heavy sell-off of equities in the emerging markets further reduced the investors' confidence. After depicting downward trend in the first few trading sessions, the market recovered during the first half of the month. However, in the latter half of the month selling by the foreign investors and abysmally low trading volume kept the local investors from taking any fresh position in the market. Overall, during the month KSE-30 Index lost around 3.9% to close at 10800 levels.

State Bank of Pakistan in its recently announced monetary policy statement kept the Policy Rate unchanged at 12% against a cut of 150bps in the previous announcement. Key factors cited by the SBP are downside risk to the external accounts and expected uptick in inflationary trends. Foreign selling continued during the outgoing month as well with outflow of US \$ 4 million against US\$ 82 million during the previous month. Trading activity reduced to considerably lower levels during the month. Average Daily Trading volume for the month was recorded at around 45 million shares versus 92 million shares during the month of October.

The Oil & Gas, Construction & Materials, Banking and Electricity sectors performed better than the market while Chemicals, Non-life Insurance and Financial Services sectors lagged the market. Key companies in the banking sector out-performed the market due to their attractive valuations. Strong expected earnings growth of Oil & Gas Exploration companies resulted in out-performance of Oil and Gas sector. Urea price reduction, news of additional taxes and lower off-take numbers resulted in the lagged performance of the Fertilizer sub-sector. Electricity sector performed better due to attractive dividend yields and sanguine valuations of key companies.

Going forward, in our view, key drivers of the stock market will be: Foreign Portfolio Investment (FPI) activity, US-Pakistan diplomatic relationships, Economic and interest rates outlook, and domestic political situation.

Fixed Income Review

State Bank of Pakistan maintained Policy Rate at 12% in its Monetary Policy announcement on November 30, 2011, after decreasing the Rate by 2% in its first two bi-monthly announcements in FY12. SBP, while acknowledging the increase in macro-economic risks during last two months, maintained its inflation target of 12% for FY12. This indicates that the recent downward path of interest rates has already bottomed. After remaining stable for next few months, the rates may start going up due to vulnerability of Fiscal and Current Accounts. 6-Month KIBOR, the benchmark of lending rates in Pakistan averaged 11.91% for November. In the three T-bills auctions of November, SBP cumulatively accepted Rs. 521 billion against the target of Rs. 425 billion. The cut off yields (p.a.) for the last T-bill auction were noted at 11.65%, 11.67% and 11.80% for the 3 months, 6 months and 12 months maturities respectively. These rates are expected to move up by 10 basis points after the SBP decision, in the auctions scheduled in December.

On the corporate debt sphere, market volumes reported by MUFAP remained thin in November as well. Total traded value reported by MUFAP for November 2011 was Rs 757 mln, as against a value of Rs. 716 mln in October 2011. Banking sector bonds accounted for 87.05% of the traded value.

YoY Inflation (CPI) for October 2011 was 11%, while month-on-month inflation was 1.4%. During the Last four months i.e. (July – October 2011) average monthly increase in CPI is 1.28%. Government borrowing from the scheduled banks is consistently on the rise to finance fiscal deficit. In the first 141 days of the current fiscal year, net Government borrowing from scheduled banks has risen by 46% or Rs 646 billion, including Rs 391 billion conversion of energy sector related circular debt from loans to Government Securities. Current Account Deficit stood at 2% of GDP at the end of the first four months of FY2012 as against 0.8% for the same period last year.

NAFA Government Securities Liquid Fund is the only 'AAA(f)' rated money market fund in Pakistan greater than Rs 10 billion in size. The last three funds in fixed income category launched by NAFA, namely NAFA Savings Plus Fund, NAFA Riba Free Savings Fund and NAFA Financial Sector Income Fund, are also performing well, posting double digit returns. In the current economic environment as mentioned above, the returns of these funds are expected to remain attractive, considering their very low credit risk profile and floating rate linked investments.

"November 2011"

FUND NAME	FUND SIZE (Rs. In million)	FUND LAUNCH DATE	STABILITY RATING / STAR RANKING *	Nov-2011	LAST ONE YEAR	SINCE LAUNCH
NAFA Government Securities Liquid Fund ¹	14,187	16-May-09	AAA (f)	10.29%	11.80%	11.16%
NAFA Savings Plus Fund ¹	688	21-Nov-09	AA- (f)	11.40%	11.42%	10.68%
NAFA Riba Free Savings Fund ¹	561	21-Aug-10	AA- (f)	11.58%	11.40%	10.91%
NAFA Financial Sector Income Fund ¹	997	28-Oct-11	n/a	13.58%	n/a	14.34%
NAFA Asset Allocation Fund ²	388	21-Aug-10	n/a	-1.07%	15.93%	22.22%
NAFA Multi Asset Fund ²	579	22-Jan-07	**** (4-star)	-2.01%	13.54%	50.81%
NAFA Islamic Multi Asset Fund ²	245	29-Oct-07	**** (4-star)	-1.76%	14.34%	29.62%
NAFA Stock Fund ²	1,051	22-Jan-07	**** (4-star)	-3.91%	8.47%	10.50%

1 Annualized return
2 Cumulative return
n/a = Not applicable
* Stability rating for Fixed Income Funds and Star Ranking for Equity Funds

Note: Detailed monthly reports on NAFA Funds are available on our website at www.nafafunds.com

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MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/11/2011): Rs. 10.1909

November 2011

Performance

Performance % *	November 2011	Jul. - Nov. 2011	Jan. - Nov. 2011	Trailing 12 Months	Since Launch May 16, 2009
NAFA Government Securities Liquid Fund	10.29%	11.75%	11.83%	11.80%	11.16%
Benchmark	10.52%	11.20%	11.40%	11.41%	11.10%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date: May 16, 2009
Fund Size: Rs. 14,187 million
Type: Open-end – Money Market 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: 0%, Back end: 0%
Management Fee: 1.25% per annum
Risk Profile: Exceptionally Low
Fund Stability Rating: "AAA (f)" by PACRA
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: A. F. Ferguson & Co.
Chartered Accountants
Benchmark: 70% 3-Month T-Bills & 30% average 3-Month deposit rates (AA & above rated banks)
Fund Manager: Ahmad Nouman, CFA
Minimum Subscription: Rs. 10,000/-
Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2- 'Positive Outlook' by PACRA

Investment Objective

To generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term Government Securities.

Fund Manager Commentary

The Fund earned an annualized return of 10.29% during November 2011. The annualized return for the first eleven months of CY2011 is 11.83% against the benchmark return of 11.40%, hence an out-performance of 43 bps. This outperformance is net of management fee and all other expenses. The management is announcing monthly dividends since July 2011 and intends to continue this policy in the future as well.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of your Fund. NGSLF (i) allocates a minimum of 85% to Government Securities; and (ii) maintains maximum maturity of a single T-Bill to three months. In the first eleven months of the calendar year 2011, average daily allocation in short-term Government Securities was 88.53%. The investment value of NGSLF has not declined on any day since the launch of the Fund in May 2009.

The State Bank of Pakistan in its Monetary Policy announcement on November 30, 2011 kept the Policy Rate unchanged at 12% p.a. SBP cited concerns on Trade Deficit, tight inter-bank liquidity conditions, broad based increasing inflation numbers, energy shortages and fiscal deficit.

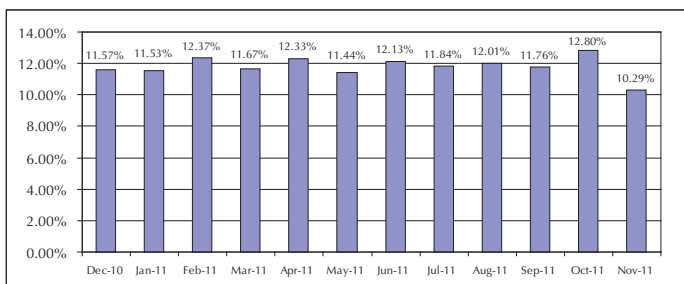
As of November 30, 2011 weighted average time to maturity of your Fund is around 64 days. We intend to lower this by mid of December. Average daily time to maturity of T-Bills for last one year is 40 days.

Asset Allocation (% of NAV) 30-Nov-11 31-Oct-11

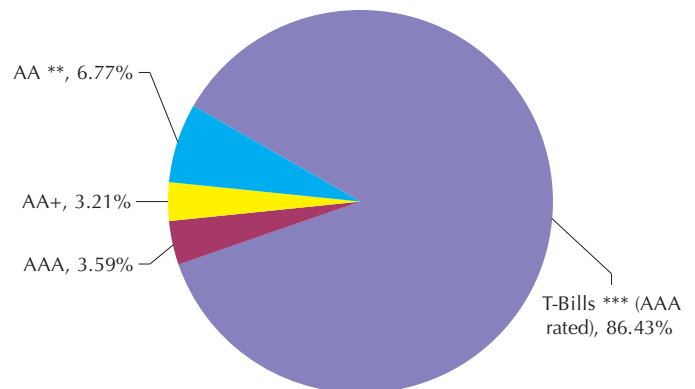
T-Bills (Including Reverse Repo via Master Repurchase Agreement)	86.43%	58.78%
Placements with Banks	4.93%	3.56%
Placements with DFIs (Rated AAA)	6.70%	3.23%
Cash Equivalents	2.25%	34.54%
Other (Liabilities)	(0.31)%	(0.11)%
Total	100.00%	100.00%

Leverage Nil Nil

Monthly Annualized Returns of NGSLF for last 12 months



Credit Quality of the Portfolio as of November 30, 2011 (% of NAV)



Name of the Members of Investment Committee

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

** Net of Other Liabilities

*** Including Reverse Repo via Master Repurchase Agreement

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.



MONTHLY REPORT (MUFAP's Recommended Format)

Unit Price (30/11/2011): Rs. 10.1391

November 2011

Performance

Performance % *	November 2011	Jul. - Nov. 2011	Jan. - Nov. 2011	Trailing 12 Months	Since Launch November 21, 2009
NAFA Savings Plus Fund	11.40%	11.65%	11.45%	11.42%	10.68%
Benchmark	8.41%	8.50%	8.53%	8.52%	8.32%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date: November 21, 2009
Fund Size: Rs. 688 million
Type: Open-end – Income 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: 0%, Back end: 0%
Management Fee: 1.25% per annum
Risk Profile: Very Low
Fund Stability Rating: "AA- (f)" by PACRA
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: A. F. Ferguson & Co.
Chartered Accountants
Benchmark: Average 6-Month deposit rate (A & above rated banks)
Fund Manager: Ahmad Nouman, CFA
Minimum Subscription: Growth Unit: Rs. 10,000/-
Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2- 'Positive Outlook' by PACRA

Investment Objective

To minimize risk, preserve capital and generate a reasonable return along with a high degree of liquidity from a portfolio primarily constituted of bank deposits and money market instruments.

Fund Manager Commentary

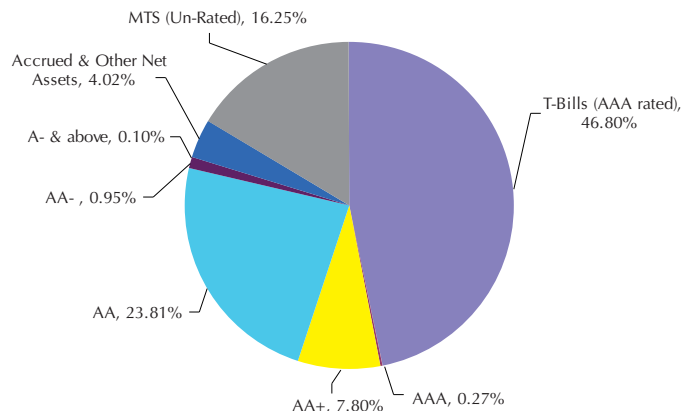
The Fund earned an annualized return of 11.40% during the month versus the benchmark return of 8.41%, thus depicting an out-performance of 2.99%. The calendar year-to-date annualized return is 11.45%, thus out-performing the benchmark by 2.92%. Since inception the out-performance of the Fund against the benchmark is 2.36%. This outperformance is net of management fee and all other expenses. The Fund intends to provide its investors consistently better returns than the bank deposit rates. The management is announcing monthly dividends since July 2011 and intends to continue this policy in the future as well.

The Fund slightly increased its weightage in Margin Trading System (MTS) to around 16.25% during the month. Our internal guidelines permit financing in only fundamentally strong companies with lower volatility. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rates of return with no direct exposure to the stock market. Going forward, with increase in volume of MTS, the investment amount in this asset class will be enhanced, which will further improve the performance of the Fund.

NSPF is one of the highest rated income funds in the market. It cannot invest in any avenue which has more than six months maturity, nor can it invest in the TFCs / Sukuks and Equities. Moreover, it cannot invest in money market instruments below credit rating of 'AA-'. The investment value of the Fund has not declined on any day since its launch in November 2009. The management has decided to increase the management fee by 0.25% p.a. from Feb 27, 2012.

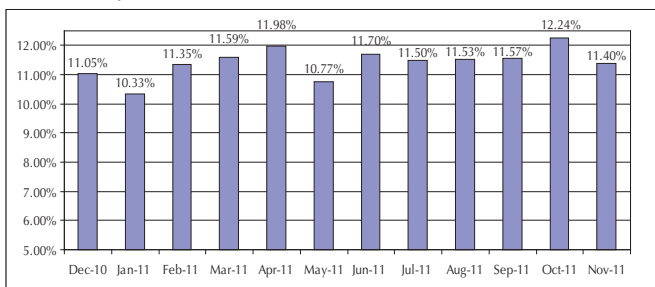
The average maturity of your Fund is around 43 days.

Credit Quality of the Portfolio as of November 30, 2011 (% of NAV)



Asset Allocation (% of NAV)	30-Nov-11	31-Oct-11
T-Bills	46.80%	33.56%
Commercial Paper	7.27%	7.65%
Placements with Banks	7.27%	22.96%
Placements with DFIs	7.27%	15.30%
Margin Trading System (MTS)	16.25%	15.16%
Cash Equivalents	11.12%	3.88%
Other Net Assets	4.02%	1.49%
Total	100.00%	100.00%
Leverage	Nil	Nil

Monthly Annualized Returns of NSPF for last 12 months



Name of the Members of Investment Committee

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

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MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/11/2011): Rs. 10.2030

November 2011

Performance

Performance % *	November 2011	Jul. - Nov. 2011	Jan. - Nov. 2011	Trailing 12 Months	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	11.58%	11.83%	11.55%	11.40%	10.91%
Benchmark	8.45%	8.39%	8.33%	8.28%	8.32%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 561 million
Type:	Open-end – Shariah Compliant Income 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: 0%, Back end: 0%
Management Fee:	1.0% per annum
Risk Profile:	Low
Fund Stability Rating:	"AA-(f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average 6-month deposit rate of A- and above rated Islamic Banks
Fund Manager:	Khalid Anwar Chapra
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' by PACRA

Investment Objective

To provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant banks and money market / debt securities.

Fund Manager Commentary

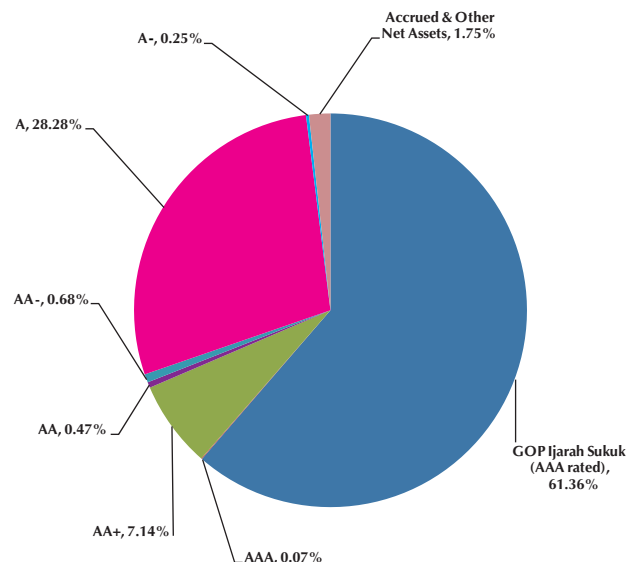
The annualized return generated by NRFSF for the month of November 2011 is 11.58%. The annualized return for the first eleven months of the current CY2011 is 11.55% against the benchmark return of 8.33%, hence an out-performance of 3.22%. Since the Fund's inception over a year ago, the Fund has out-performed its benchmark by 2.59%. This outperformance is net of management fee and all other expenses. The management is announcing monthly dividends since July 2011 and intends to continue this policy in the future as well.

We aim to consistently provide better returns than profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is not authorized to invest in corporate sukuk and the stock market. With stability rating of AA-(f), your Fund is amongst the highest rated Riba Free Income Funds in the market. The management has decided to increase the management fee by 0.25% p.a. from Feb 27, 2012.

Government of Pakistan Ijarah Sukuk is the largest asset class of your Fund with over 61% allocation. Currently, the outstanding amount of GOP Ijarah sukuk is around Rs.229 billion. GOP Ijarah sukuk are floating rate Shariah compliant securities with six monthly coupon resets and an average duration of three months. This minimizes pricing risk. There is still no announcement by SBP regarding timing of next Ijarah Sukuk auction.

The average duration of the Fund is 83 days.

Credit Quality of the Portfolio as of November 30, 2011 (% of NAV)



Asset Allocation (% of NAV)

30-Nov-11 31-Oct-11

Asset Allocation (% of NAV)	30-Nov-11	31-Oct-11
GOP Ijarah Sukuk - Govt. Backed	61.36%	46.46%
Islamic Commercial Paper	6.69%	7.19%
Cash Equivalents	30.20%	44.85%
Other Net Assets	1.75%	1.50%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top Holdings (as at November 30, 2011)

Name of Sukuk / Islamic Commercial Paper	% of Net Assets
GOP Ijarah (Sukuk VII)	22.21%
GOP Ijarah (Sukuk VIII)	17.95%
GOP Ijarah (Sukuk V)	15.24%
Islamic Commercial Paper (HUBCO)	6.69%
GOP Ijarah (Sukuk VI)	5.96%
Total	68.05%

Name of the Members of Investment Committee

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



Performance

Performance % *	November 2011	Since Launch October 28, 2011
NAFA Financial Sector Income Fund	13.58%	14.34%
Benchmark	10.76%	10.75%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date:	October 28, 2011
Fund Size:	Rs. 997 million
Type:	Open-end – Income 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: 0%, Back end: 0%
Management Fee:	1.5% per annum
Risk Profile:	Low
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	70% 6-Month KIBOR & 30% average 3-Month deposit rates (A & above rated banks)
Fund Manager:	Khalid Anwar Chapra
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' by PACRA

Investment Objective

To provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.

Fund Manager Commentary

This is the first monthly Fund Manager Report of your Fund. The annualized return generated by NFSIF for the month of November 2011 is 13.58% versus the benchmark return of 10.76% p.a, thus out-performing the benchmark by 2.82% p.a. The Fund is unique as it invests a minimum of 70% of its assets in financial sector debt securities, instruments or deposits. Banking sector debt securities have performed well during the last three years despite weak economic conditions.

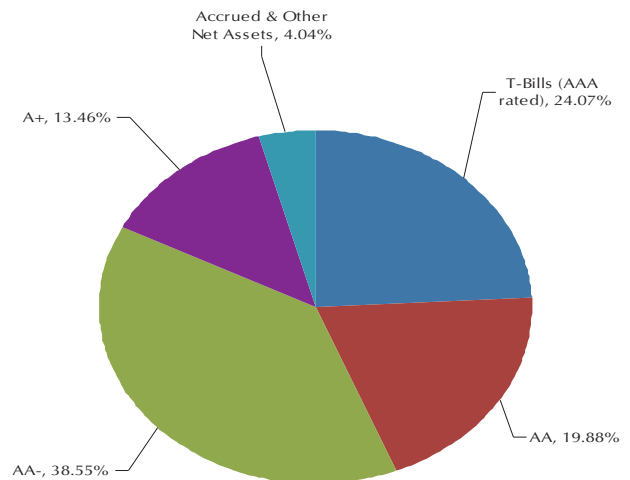
Minimum entity rating of debt securities (mainly banks) is AA-. This minimizes credit risk and at the same time enhances the liquidity of the Fund. All debt securities in the Fund are floating rate i.e. linked to KIBOR. Duration of the Fund cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances the liquidity profile of the Fund.

The weighted average time to maturity of the Fund is 1.9 years. The TFC portfolio of the Fund is predominantly invested in banking sector TFCs. The weighted average yield to maturity of the Fund is 12.3% while that of TFCs portfolio is 13.6% p.a. Average monthly traded value by MUFAP was recorded as Rs. 1.36 bln for FY11. Banking sector TFCs contributed 62% of the total traded value during the year. It may be mentioned that no banking sector TFC has ever defaulted on its financial obligation. We are expecting the Fund to perform well going forward as well.

Asset Allocation (% of NAV) 30-Nov-11

T-Bills	24.07%
TFCs	61.76%
Cash Equivalents	10.13%
Other Net Assets	4.04%
Total	100.00%
Leverage	Nil

Credit Quality of the Portfolio as of November 30, 2011 (% of NAV)



Top Holdings (as at November 30, 2011)

Name of TFC	% of Net Assets
Faysal Bank Limited II	15.29%
NIB Bank Limited	13.46%
Bank Alfalah Limited	12.20%
United Bank Limited IV	12.00%
Askari Bank Limited III	3.44%
Allied Bank Limited I	2.21%
United Bank Limited III	1.92%
Engro Fertilizer Limited (PRP I)	1.24%
Total	61.76%

Name of the Members of Investment Committee

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



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/11/2011): Rs.10.5084

November 2011

Performance

Performance % *	November 2011	Jul. - Nov. 2011	Jan. - Nov. 2011	Trailing 12 Months	Since Launch August 21, 2010
NAFA Asset Allocation Fund	(1.07%)	2.32%	11.61%	15.93%	22.22%
Benchmark	(0.79%)	0.63%	4.26%	7.21%	12.93%

* 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. 388 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 – 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) decreased by 1.07% while the benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index) decreased by 0.79%. Thus your Fund underperformed the benchmark by 0.28%. Since inception on August 21, 2010 your Fund has increased by 22.22%, while the Benchmark has increased by 12.93%. Thus, to-date the out-performance of your Fund stands at 9.29%. In CYTD 2011, the Fund has posted 11.61% return (Benchmark return 4.26%) versus (4.15%) average return by the peer group, thus an outperformance of 15.76%. This out-performance is net of management fee and all other expenses.

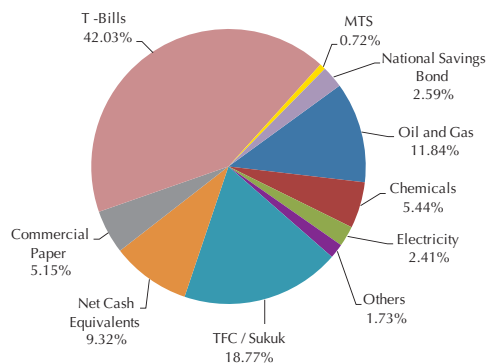
At the start of the month NAAF was around 26% invested in equities. We lowered the Fund's allocation in equities as the market maintained a descending trend. During the month we reduced NAAF's allocation in the Fertilizer sub-sector. During the month NAAF under-performed as its key holdings in Fertilizer sub-sector lagged the market. The Fund's underweight position in key Oil & Gas Exploration company, which outperformed the market also contributed to its under-performance. On the other hand, NAAF benefited from its holding in the Electricity sector and under-weight position in the Personal Goods and Fixed Line Communication sectors. At the end of the month, NAAF was around 21% invested in equities, 47% in money market instruments and around 19% in TFCs. The Fund invests in AA category TFCs.

In line with its strategy NAAF is invested in high dividend yielding stocks with stable earnings stream and low business risk. We are monitoring the capital market conditions closely and will shift our allocation accordingly.

Asset Allocation (% of NAV) 30-Nov-11 31-Oct-11

	30-Nov-11	31-Oct-11
Equities / Stocks	21.42%	25.50%
TFCs	18.77%	17.65%
Cash Equivalents	9.27%	14.85%
Commercial Paper	5.15%	5.28%
T-Bills	42.03%	37.66%
MTS	0.72%	2.31%
National Savings Bond	2.59%	2.66%
Other Net Assets / (Liabilities)	0.05%	(5.91%)
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as on 30th November 2011)



Top Ten Holdings (as on 30th November 2011)

Name	Asset Class	% of NAV
Allied Bank Limited I	TFC	6.45%
Hub Power Co. Ltd.	CP	5.15%
Oil & Gas Dev.Co	Equity	5.11%
Pakistan Oilfields Ltd.	Equity	4.54%
Engro Corp. Rupiya Certificate	TFC	4.35%
United Bank Limited III	TFC	3.80%
Fauji Fertilizer Co. Ltd.	Equity	3.55%
National Saving Bond	Bond	2.59%
Engro Fertilizer Limited	TFC	2.46%
Pak Petroleum Ltd.	Equity	2.14%
Total		40.14%

Name of the Members of Investment Committee

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

Characteristics of Equity Portfolio**

	PER	PBV	DY
NAAF	6.4	3.7	9.3%
KSE-30	6.9	3.5	7.4%

** Based on NAFA's estimates

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.



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/11/2011): Rs.9.4642

November 2011

Performance

Performance % *	November 2011	Jul. - Nov. 2011	Jan. - Nov. 2011	Trailing 12 Months	Since Launch January 22, 2007
NAFA Multi Asset Fund	(2.01%)	2.02%	8.51%	13.54%	50.81%
Benchmark	(1.52%)	(0.76%)	2.57%	6.61%	23.31%

* Cumulative returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 579 million
Type:	Open-end – Balanced 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 – 3%, Back end - 0%
Management Fee:	2.5% per annum
Risk Profile:	Moderate
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	M. Yousuf Adil Saleem & Co. Chartered Accountants
Benchmark:	50% KSE-30 Index & 50% 3-month KIBOR
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2-'Positive Outlook' by PACRA

Investment Objective

To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.

Fund Manager Commentary

During the month under review, NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) decreased by 2.01% while the benchmark (50% KSE-30 index & 50% 3-month KIBOR) decreased by 1.52%. Thus your Fund under-performed the benchmark by 0.49%. Since inception on January 22, 2007 your Fund has increased by 50.81%, while the benchmark has increased by 23.31%. Thus, to-date the out-performance of your Fund stands at 27.50%. This out-performance is net of management fee and all other expenses.

NMF is a Balanced Fund and market weight implies 50% weight in equities and 50% in fixed income asset class. During the month the stock market depicted a declining trend on political uncertainties, foreign selling and weak investor sentiment. During the month, NMF under-performed as its key Fertilizer sub-sector holdings lagged the market and it was under-weight in the key company in the Oil & Gas Exploration sector, which performed better than the market. On the other hand, NMF benefited from its holding in the Jute sub-sector and under-weight position in the Personal Goods and Fixed Line Communication sectors. At the start of the month NMF was around 48% invested in equities. We lowered the Fund's weightage in equities as the market maintained a descending trend. During the month we reduced NMF's allocation in the Oil & Gas sector and the Fertilizer and Power sub-sectors. We maintained the under-weight position in the Banking sector. At the end of the month, NMF was around 37% invested in equities. The weighted average Yield-to-Maturity (YTM) of the TFC / Sukuk portfolio of NMF is around 23.8% p.a.

NMF is invested in high dividend yielding stocks of defensive sectors. We are vigilant to the events in the capital markets and will adjust the portfolio of NMF accordingly.

Asset Allocation (% of NAV) 30-Nov-11 31-Oct-11

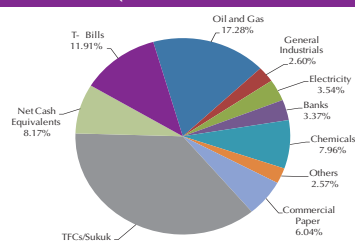
Asset Allocation (% of NAV)	30-Nov-11	31-Oct-11
Equities / Stocks	37.32%	47.58%
TFCs / Sukuks	36.56%	35.93%
Commercial Paper	6.04%	5.90%
Cash Equivalents	8.43%	11.35%
T-Bills	11.91%	-
Other Net Liabilities	(0.26%)	(0.76%)
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NMF	6.4	3.3	8.8%
KSE-30	6.9	3.5	7.4%

** Based on NAFA's estimates

Asset Allocation (as on 30th November 2011)



Top Ten Holdings (as on 30th November 2011)

Name	Asset Class	% of NAV	Name	Asset Class	% of NAV
Maple Leaf Cement I	Sukuk	9.56%	Oil & Gas Dev.Co	Equity	4.34%
Pakistan Oilfields Ltd.	Equity	7.48%	Avari Hotels Limited	TFC	4.25%
Fauji Fertilizer Co. Ltd.	Equity	6.86%	Eden Housing II	Sukuk	4.05%
Hub Power Co. Ltd.	CP	6.04%	Saudi Pak Leasing	TFC	3.91%
Orix Leasing Pakistan	TFC	5.20%	Hub Power Co. Ltd.	Equity	3.54%

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
Eden Housing II	SUKUK	33,750,000	10,305,832	23,444,168	4.05%	3.95%	39.16%
Maple Leaf Cement I	SUKUK	88,308,442	32,926,244	55,382,198	9.56%	9.33%	33.20%
Pak Elektron Limited ***	SUKUK	17,142,857	1,195,251	15,947,606	2.75%	2.69%	19.15%
Maple Leaf Cement II ***	SUKUK	3,315,000	3,315,000	-	N/A	N/A	N/A
New Allied ElectronicsI	SUKUK	10,000,000	10,000,000	-	N/A	N/A	N/A
Saudi Pak Leasing	TFC	34,353,300	11,671,637	22,681,663	3.91%	3.82%	27.61%
Total		186,869,599	69,413,964	117,455,635	20.27%	19.79%	

***Book Value, performing but below authorised minimum credit rating

Name of the Members of Investment Committee

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

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Performance

Performance % *	November 2011	Jul. - Nov. 2011	Jan. - Nov. 2011	Trailing 12 Months	Since Launch October 29, 2007
NAFA Islamic Multi Asset Fund	(1.76%)	0.21%	9.03%	14.34%	29.62%
Benchmark	(1.96%)	2.36%	9.39%	12.94%	NA**

* Cumulative returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses
** KMI-30 Index was launched from September 2008

General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 245 million
Type:	Shariah Compliant - Open-end - Balanced 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 - 3%, Back end - 0%
Management Fee:	3% per annum
Risk Profile:	Moderate
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	50% KMI - 30 Index & 50% average 3-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-'Positive Outlook' 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) decreased by 1.76%, whereas the benchmark (50% KMI-30 index & 50% average 3-month profit rate of Islamic Banks) decreased by 1.96%, thus your Fund out-performed the benchmark by 0.20%. During the first eleven months of current Calendar Year, the Fund earned a return of 9.03% versus 9.39% benchmark return.

NIMF is a Balanced Fund and market weight implies 50% weight in equities and 50% in fixed income asset class. During the month the stock market depicted a declining trend on political uncertainties, foreign selling and weak investor sentiment. NIMF benefited from its holding in the Jute sub-sector. The Fund also benefited from its under-weight position in the Fixed Line Telecommunication sector. On the other hand, drags on NIMF's performance were the under-performance of its key Fertilizer sub-sector holding and its under-weight position in the key company in the Oil & Gas Exploration sector, which performed better than the market. At the start of the month NIMF was around 44% invested in equities. The Fund's weightage in the Banks and Electricity sectors was maintained. On the other hand, NIMF's allocation in the Oil & Gas sector and Fertilizer sub-sector was reduced. At the end of the month NIMF was around 36% invested in equities. The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio of NIMF is around 26.5% p.a.

NIMF is invested in high dividend yielding Shariah Compliant stocks of defensive sectors. We are vigilant to the events in the capital and financial markets and will proactively adjust the portfolio of NIMF.

Asset Allocation (% of NAV)

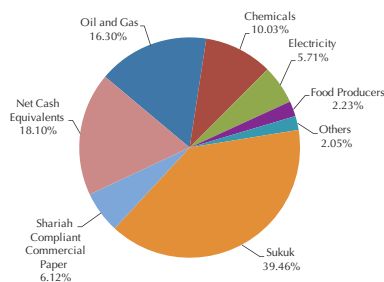
	30-Nov-11	31-Oct-11
Equities / Stocks	36.32%	44.42%
Sukuks	39.46%	38.68%
Shariah Compliant Commercial Paper	6.12%	5.99%
Cash Equivalents	17.04%	11.32%
Other Net Assets / (Liabilities)	1.06%	(0.41%)
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio***

	PER	PBV	DY
NIMF	6.0	3.7	9.6%
KMI-30	7.0	4.0	8.3%

*** Based on NAFA's estimates

Asset Allocation (as on 30th November 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 30th November 2011)

Name	Asset Class	% of NAV	Name	Asset Class	% of NAV
Maple Leaf Cement I	Sukuk	12.78%	Hub Power Co. Ltd.	CP	6.12%
Kohat Cement Limited	Sukuk	12.08%	Hub Power Co. Ltd.	Equity	5.71%
Fauji Fertilizer Co. Ltd.	Equity	8.38%	Eden Housing II	Sukuk	4.78%
Pak Elektron Limited	Sukuk	8.14%	Oil & Gas Dev.Co	Equity	3.79%
Pakistan Oilfields Ltd.	Equity	7.77%	Pak Petroleum Ltd.	Equity	3.58%

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	YTM Per Annum
Kohat Cement Limited ***	SUKUK	44,300,000	14,706,537	29,593,463	12.08%	11.73%	21.08%
Maple Leaf Cement I	SUKUK	49,925,625	18,615,019	31,310,606	12.78%	12.41%	33.20%
Eden Housing II	SUKUK	16,875,000	5,152,916	11,722,084	4.78%	4.65%	39.16%
Pak Elektron Limited ***	SUKUK	21,428,571	1,494,064	19,934,507	8.14%	7.90%	19.15%
Maple Leaf Cement II ***	SUKUK	1,875,000	1,875,000	-	N/A	N/A	N/A
Total		134,404,196	41,843,536	92,560,660	37.78%	36.70%	

***Book Value, performing but below authorised minimum credit rating



Performance

Performance % *	November 2011	Jul. - Nov. 2011	Jan. - Nov. 2011	Trailing 12 Months	Since Launch January 22, 2007
NAFA Stock Fund	(3.91%)	(2.36%)	1.68%	8.47%	10.50%
Benchmark	(3.94%)	(6.79%)	(6.8%)	(0.35%)	(19.36%)

* Cumulative returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 1,051 million
Type:	Open-end – Equity 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 – 3%, Back end - 0%
Management Fee:	3% per annum
Risk Profile:	Moderate-to-High
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	M. Yousuf Adil Saleem & Co. Chartered Accountants
Benchmark:	KSE-30 Index
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2-'Positive Outlook' by PACRA

Investment Objective

To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.

Fund Manager Commentary

During the month under review, KSE-30 Index decreased by 3.94% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) decreased by 3.91%, thus an out-performance of 0.03% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 10.50% while the benchmark has declined by 19.36%, thus to date out-performance is 29.86%. This out-performance is net of management fee and all other expenses.

During the month the stock market depicted a declining trend on political uncertainties, foreign selling and weak investor sentiment. The Fund benefited from its allocations in the Construction & Materials sector. The Fund also benefited as it was under-weight in the Personal Goods, Non Life Insurance and Fixed Line Telecommunication sectors. Further, NSF's key holding in the Jute sub-sector performed better than the market. On the other hand, drags on NSF's performance were the under-performance of its key Fertilizer sub-sector holdings and its under-weight position in the key company in the Oil & Gas Exploration sector, which performed better than the market. At the start of the month NSF was around 90% invested in equities. We lowered the Fund's weightage in equities as the market maintained a descending trend. During the month we reduced NSF's allocation in the Power and Fertilizer sub-sectors. On the other hand, we increased the weightage in the Oil & Gas and Construction & Materials sectors. The weightage in the Banking sector was almost maintained. At the end of the month, NSF was around 88% invested in equities."

We are vigilant to the developments in the capital markets and will adjust the portfolio of NSF accordingly.

Asset Allocation (% of NAV) 30-Nov-11 31-Oct-11

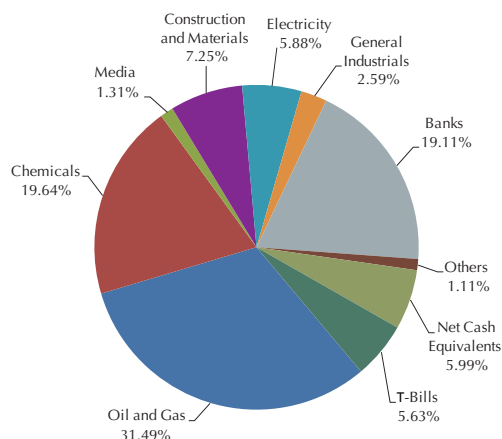
	30-Nov-11	31-Oct-11
Equities / Stock	88.38%	90.17%
Cash Equivalents	9.31%	11.53%
T-Bills	5.63%	-
Other Net Liabilities	(3.32%)	(1.70%)
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NSF	5.9	2.9	7.9%
KSE-30	6.9	3.5	7.4%

** Based on NAFA's estimates

Asset Allocation (as on 30th November 2011)



Top Ten Equity Holdings (as on 30th November 2011)

Name	% of NAV	Name	% of NAV
Oil & Gas Dev.Co. Ltd.	13.46%	Lucky Cement Ltd.	5.34%
Fauji Fertilizer Co. Ltd.	12.05%	MCB Bank Ltd.	5.16%
Pakistan Oilfields Ltd.	8.81%	United Bank Ltd.	3.66%
Pak Petroleum Ltd.	6.31%	Engro Corporation Ltd.	3.65%
Hub Power Co. Ltd.	5.87%	Meezan Bank Ltd.	2.94%

Name of the Members of Investment Committee

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

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