

NAFA Funds

Monthly Report (October 2012)



NBP Fullerton
Asset Management Ltd.
A Subsidiary of
National Bank of Pakistan

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"October 2012"

FUND NAME	FUND SIZE (Rs. In million)	FUND LAUNCH DATE	STABILITY RATING / STAR RANKING *	OCTOBER 2012	LAST ONE YEAR	SINCE LAUNCH
NAFA Government Securities Liquid Fund ¹	14,107	16-May-09	AAA (f)	9.81%	10.24%	10.92%
NAFA Money Market Fund ¹	22,997	24-Feb-12	AA+ (f)	10.88%	n/a	10.89%
NAFA Savings Plus Fund ¹	1,277	21-Nov-09	AA- (f)	9.64%	10.45%	10.58%
NAFA Riba Free Savings Fund ¹	1,103	21-Aug-10	AA- (f)	9.00%	10.08%	10.51%
NAFA Financial Sector Income Fund ¹	3,493	28-Oct-11	A+ (f)	7.89%	11.75%	11.82%
NAFA Asset Allocation Fund ²	638	21-Aug-10	n/a	1.02%	21.22%	49.16%
NAFA Multi Asset Fund ²	668	22-Jan-07	**** (4-star)	0.44%	21.80%	86.17%
NAFA Islamic Multi Asset Fund ²	309	29-Oct-07	**** (4-star)	2.13%	22.99%	61.25%
NAFA Stock Fund ²	1,321	22-Jan-07	**** (4-star)	2.41%	43.50%	63.22%

¹ Annualized return

² Cumulative return

n/a = Not applicable

* Stability rating for Fixed Income Funds and Star Ranking for Equity/Balanced Funds.

Funds' Rating Definitions:

AAA(f) : An exceptionally strong capacity to maintain relative stability in returns and possesses negligible exposure to risks.

AA(f) : A very strong capacity to maintain relative stability in returns and possesses very low exposure to risks.

A(f) : A strong capacity to maintain relative stability in returns and possesses low exposure to risks. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions.

4 - Star (****) : Good Performance

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



Dr. Amjad Waheed, CFA
Chief Executive Officer

In the last couple of reports we have raised concerns that the economic and investment outlook of the country may deteriorate in the coming months ensuing from expected uptick in inflation and interest rates, and devaluation of the currency. The reasons for such expected deterioration of the economy in our view are (i) rising budget deficit and current account deficit; (ii) large scheduled payments to IMF and other lenders in the coming months; (iii) substantial decline in foreign direct investment and assistance from donor agencies; and (iv) declining foreign exchange reserves that may fall to around US\$7.5 billion by June 2013.

Some of our investors have inquired if it is possible for Pakistan to mitigate such expected economic and investment risks. In our view, it is very much possible to do so. Declining foreign exchange reserves is a key risk facing the economy. This can be addressed by approaching IMF, other donor agencies and friendly countries for some type of bridge financing to the tune of a couple of billion dollars till a new government is in place after the elections, possibly in May 2013. The present government, in an election year, does not seem willing to approach IMF for a new package and accept the tough conditionalities linked to it. Likewise, IMF does not want to enter into an agreement on a new financing package with the interim government. However, the present or the interim government can possibly arrange some interim financing from the IMF, the World Bank and/or the Asian Development Bank. With Pakistan being an important coalition partner in the war against terrorism and economic conditions deteriorating, the West, China and the Arab World may be willing to provide some breathing space to the country by either directly funding Pakistan, or persuading donor agencies to do so. In addition to this, materialization of targeted receipts on account of auction of 3G licence, proceeds from Etisalat, and Coalition Support Fund will lend the much needed support to the external account.

Another million dollar question is whether economic and investment situation is expected to improve post the forthcoming elections. In our view there is a very good chance that the economic conditions will start improving after the elections. However, Pakistan will have to go through a difficult transition period of about five years before the tough policy changes bear fruits. The policy measures needed to put the economy back on track include: (i) reforming state-owned enterprises that are currently costing the tax payers over Rs 400 billion per annum; (ii) implementation of value-added tax, and taxing all sources of income; (iii) rationalizing government spending; (iv) resolving structural issues of the energy sector; (v) and increasing social spending on education, health care, etc. If the present coalition continues in power after the elections, it will be more willing to undertake the above difficult steps that it is not taking at present being an election year. The new regime will be hopeful that once the results of these policy changes start materializing in a few years, people will forget the tough policy measures taken by the government in the early years of its term. Even if an alternative coalition setup comes in power in the upcoming elections, it will also embark on pretty much the same policy measures to improve the economic situation of the country. The stock market is expected to rally before election time in anticipation of better governance and bold economic initiatives by the newly elected government.



October 2012

Stock Market Review

During the month of October the stock market depicted positive trend with some volatility. Policy rate cut by SBP in its last monetary policy statement and expectations of further monetary easing; better than estimated earnings announcements by selected sectors; and positive foreign investors' activity cheered up the local investors. On the other hand, clouded outlook of the fiscal and current accounts unnerved the investors. The month started with KSE - 100 Index at 15,445 levels and after rising by 3% closed the month at historical high levels of 15,910. As per our estimates the stock market is valued at 6.9 times estimated earnings on average. Trading activity remained healthy with average daily trading volume at 124 million shares. During the month net Foreign Portfolio Inflow was recorded at around US \$ 39 million against the US \$ 12 million during the previous month.

In its bi-monthly monetary policy announcement of October 2012, State Bank of Pakistan reduced Policy Rate by 50 bps to 10% from 10.5% amid significant reduction in inflation and improved external account position. Year-on-year (YOY) inflation as measured by CPI for the month of October clocked in at 7.7%. Market is expecting that it has created room for the central bank to undertake policy rate cut in its upcoming monetary announcement that is scheduled in the first week of December. However, latent risks to the fiscal accounts emanating from the fiscal slippages and current account due to heavy payments on the foreign loans during the undergoing fiscal year will also be the key consideration of the SBP in its policy rate decision.

Construction and Materials, Industrial Engineering and Food Producers sectors performed better than the market. On the other hand, Oil and Gas, Chemicals and Banking sectors lagged the market. Better than estimated earnings reports and optimistic earnings outlook resulted in the out-performance of the Construction and Material sector. Healthy earnings announcements and payouts attracted investors in the Food Producers sector. Lingering gas supply issues and muted off-take numbers kept investors from the fertilizer sub-sector. Banking sector under-performed due to expectations of earnings slowdown due to expected policy rate cut.

In our view, the market will take direction from upcoming elections announcement, inflation and interest rates outlook and foreign investors' activity.

Fixed Income Review

We have witnessed downward trend in headline inflation during the undergoing fiscal year. It stood at 8.8% for the month of September 2012 and 7.7% for October. The State Bank of Pakistan announced its bimonthly monetary policy on October 5, 2012; wherein Discount Rate was cut by 50 basis points to 10% from 10.5% (market expectation was 100 bps cut) bringing the total cut during the fiscal year to 2%. Market expectations of further rate cut are reflected in the recent T-bills auctions and secondary market yields of T-bills which are down by around 60 basis points since the last Policy Rate cut.

In order to strengthen the market liquidity management, SBP has announced further measures. i) In order to curtail frequent access to SBP Overnight Reverse Repo and Repo facilities, if any eligible institution accesses the facility more than 7 times during a quarter, a spread of plus/minus 50bps will be charged over & above the applicable SBP rates. ii) Reserve maintenance period is increased to two weeks instead of one week. Cash Reserve Requirement (CRR) remains at 5% for all banks, however, daily minimum requirement is reduced to 3%.

Trading activity of TFCs in the secondary market remained healthy during the month, with total traded value reported by MUFAP at Rs 787 mln. Banking sector bonds contribution in the total traded value of private sector bonds was around 63% during October, while remaining volume was in Chemicals and Telecom sector bonds.

NAFA Government Securities Liquid Fund remains the only 'AAA(f)' rated money market fund in Pakistan greater than Rs 10 billion in size. The last four funds in fixed income category launched by NAFA, namely NAFA Savings Plus Fund, NAFA Riba Free Savings Fund, NAFA Financial Sector Income Fund and NAFA Money Market Fund are all performing well, posting healthy returns since their inception. The long run returns of these funds will remain attractive considering their very low credit risk profile and investment in securities and instruments with limited exposure to interest rate risk. However, in line with the decrease in the T-bills and KIBOR, the return on the money market funds and income funds are expected to decline in the short-term.



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2012): Rs. 10.0612

October 2012

Performance

Performance % *	October 2012	FYTD Jul 12 - Oct 12	Trailing 12 Months (Nov 11 to Oct 12)	Since Launch May 16, 2009
NAFA Government Securities Liquid Fund	9.81%	10.24%	10.24%	10.92%
Benchmark	8.80%	9.63%	10.20%	10.86%

* Represent Annualized Return - (based on morning star formula)
(Fund's returns are net of management fee & all other expenses)

General Information

Launch Date: May 16, 2009
Fund Size: Rs. 14,107 million
Type: Open-end – Money Market Fund
Dealing Days: Daily – Monday to Saturday
Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M
(Friday) 9:00 A.M to 5:30 P.M
(Saturday) 9:00 A.M to 1:00 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: KPMG Taseer Hadi & Co.
Chartered Accountants
Benchmark: 70% 3-Month T-Bills & 30% average 3-Month deposit rates (AA & above rated banks)
Fund Manager: Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription: Rs. 10,000/-
Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2 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 9.81% during October 2012 against the benchmark return of 8.80%. The return in the first four months of FY 2012-13 is 10.24% against the benchmark return of 9.63%. The return generated by the Fund is net of management fees and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. Last 365 days' average daily allocation in short-term Government Securities was 89.46%. The allocation at month end is 84.84%. The investment value of NGSLF has not declined on any day since its launch in May 2009. Weighted average time to maturity of the Fund is 31 days. Placements with AA and above banks/DFIs were reduced to 8.44% from 9.81% during the month.

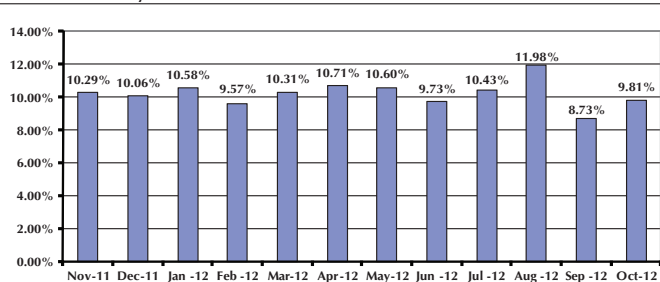
During the month SBP further reduced Policy Rate by 0.5% to 10%. Similarly, yields on T-Bills reduced accordingly. The cut-off annualized yields for the last T-Bill auction were noted at 9.23%, 9.27% and 9.35% for the 3-month, 6-month and 1 year tenors, respectively. The return on the Fund will track the yield on T-Bills. Increase in interest rates will bode well for the Fund due to its short maturity.

Asset Allocation (% of Total Assets) 31-Oct-12 29-Sep-12

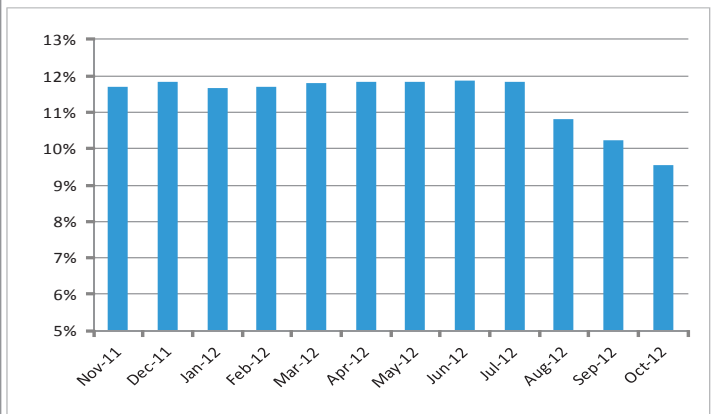
T-Bills (Including Reverse Repo via Master Repurchase Agreement)	84.84%	85.68%
Placements with Banks	-	7.27%
Placements with DFIs (AA & above rated)	8.44%	2.54%
Cash Equivalents	6.52%	4.33%
Other including receivables	0.20%	0.18%
Total	100.00%	100.00%

Leverage Nil Nil

Monthly Annualized Returns of NGSLF for last 12 months



Last 12 months monthly average of secondary market yields of 3 month T-Bills



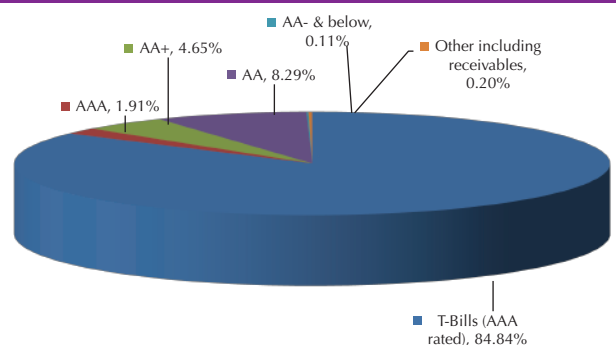
WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 72,561,719/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0518/0.57%. For details investors are advised to read note 16 of the Financial Statements of the Scheme for the period ended June 30, 2012 .

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Tanvir Abid, CFA, FRM

Credit Quality of the Portfolio as of October 31, 2012 (% of Total Assets)



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 (31/10/2012): Rs. 10.0487

October 2012

Performance

Performance % *	October 2012	FYTD Jul 12 - Oct 12	Since Launch February 24, 2012
NAFA Money Market Fund	10.88%	11.17%	10.89%
Benchmark	6.81%	7.21%	7.29%

* Represent Annualized Return - (based on morning star formula)
(Fund's returns are net of management fee & all other expenses)

General Information

Launch Date:	February 24, 2012
Fund Size:	Rs. 22,997 million
Type:	Open-end – Money Market Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Front end: 0.5% (Nil on investment above Rs. 5 million), Back end: 0%
Management Fee:	1.00% per annum (W.E.F 16th August 2012)
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:	3-Month deposit rates (AA & above rated banks)
Fund Manager:	Salman Ahmed
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA

Investment Objective

To provide stable income stream with preservation of capital by investing in AA and above rated banks and money market instruments.

Fund Manager Commentary

The Fund earned an annualized return of 10.88% during October 2012 against the benchmark return of 6.81%, thus registering an out-performance of 4.07% p.a. Since the launch of the Fund in February 2012, it has earned an annualized return of 10.89%, thus outperforming its benchmark by 3.60% p.a. This out-performance is net of management fee and all other expenses.

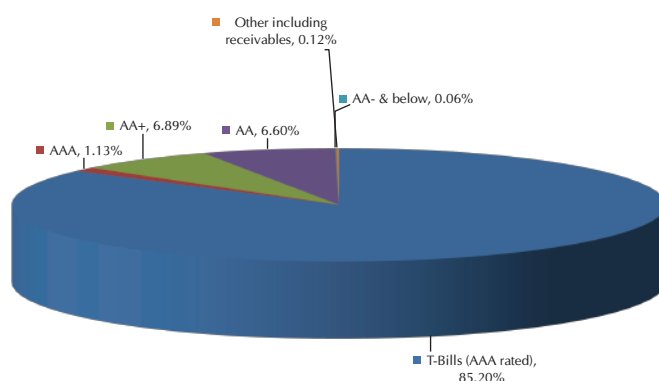
Being a money market scheme, the investment guidelines of the Fund are very restrictive. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating is AA, while the Fund is not allowed to invest in any security exceeding six month maturity. The weighted average time to maturity of the Fund cannot exceed 90 days. The Fund is rated AA+(f) by PACRA which denotes a very strong capacity to maintain relative stability in returns and possesses very low exposure to risks.

The allocation of the Fund in AAA rated T-Bills is around 85.20% at month-end. The weighted average time to maturity of the Fund is 78 days. The duration of the T-Bill portfolio of the overall Fund is 74 days. The Fund has demonstrated superior performance during the month due to timely rebalancing of the Portfolio.

During the month SBP further reduced Policy Rate by 0.5% to 10%. Similarly, yields on T-Bills reduced accordingly. The cut-off annualized yields for the last T-Bill auction were noted at 9.23%, 9.27% and 9.35% for the 3-month, 6-month and 1 year tenors, respectively. The return on the Fund will track the yield on T-Bills. Increase in interest rates will bode well for the Fund due to its short maturity.

We are monitoring the developments in capital market conditions and associated expectations and will proactively rebalance the Portfolio.

Credit Quality of the Portfolio as of October 31, 2012 (% of Total Assets)



Asset Allocation (% of Total Assets) 31-Oct-12 29-Sep-12

T-Bills	85.20%	91.57%
Placements with Banks	-	2.21%
Placements with DFIs	7.92%	2.21%
Money Market Placements	1.51%	1.55%
Cash Equivalents	5.25%	2.37%
Others including receivables	0.12%	0.09%
Total	100.00%	100.00%
Leverage	Nil	Nil

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 23,211,201/-. If the same were not made the NAV per unit/ since inception annualized return of scheme would be higher by Rs. 0.0101/0.16%. For details investors are advised to read note 15 of the Financial Statements of the Scheme for the period ended June 30, 2012.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Tanvir Abid, CFA, FRM
Salman Ahmed

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MONTHLY REPORT (MUFAP's Recommended Format)

Unit Price (31/10/2012): Rs. 10.0459

October 2012

Performance

Performance % *	October 2012	FYTD Jul 12 - Oct 12	Trailing 12 Months Nov 11 - Oct 12	Since Launch November 21, 2009
NAFA Savings Plus Fund	9.64%	10.04%	10.45%	10.58%
Benchmark	7.42%	7.92%	8.19%	8.27%

* Represent Annualized Return - (based on morning star formula)
(Fund's returns are net of management fee & all other expenses)

General Information

Launch Date:	November 21, 2009
Fund Size:	Rs. 1,277 million
Type:	Open-end – Income fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 0.5% (Nil on investment above Rs. 5 million), Back end: 0% 1.50% per annum (w.e.f March 11, 2012)
Management Fee:	Very Low
Risk Profile:	"AA- (f)" by PACRA
Fund Stability Rating:	Lahore Stock Exchange
Listing:	Central Depository Company (CDC)
Custodian & Trustee:	A. F. Ferguson & Co.
Auditors:	Chartered Accountants
Benchmark:	Average 6-Month deposit rate (A & above rated banks)
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum:	Growth Unit: Rs. 1,000/- (w.e.f 30th October 2012)
Subscription:	Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 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 9.64% during the month versus the benchmark return of 7.42% p.a., thus depicting an out-performance of 2.22% p.a. CYTD return of the Fund is 10.29% p.a. against the benchmark return of 8.14% p.a., hence an out-performance of 2.15% p.a. Since its inception the out-performance of the Fund against its benchmark is 2.31% p.a. This out-performance is net of management fee and all other expenses.

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 debt securities 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 portfolio of NSPF is fairly diversified among Treasury bills, COIs, Money market placements, MTS and bank deposits etc. The allocation in T-Bills is around 32.69%, placements with DFIs is around 7.74%, MTS is around 34.91% and allocation in Money Market Placements issued by AA+ rated entities is around 7.28% with asset class maturities at 79 days, 44 days, 60 days and 105 days respectively. The weighted average maturity of the entire Fund is around 58 days.

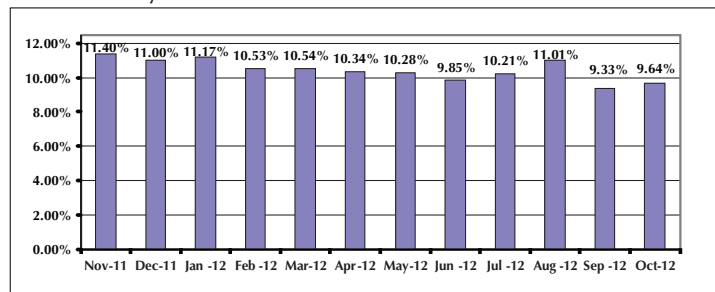
Our internal guidelines permit MTS financing in only fundamentally strong companies with lower volatility. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rates of return with no direct exposure to the stock market.

We are monitoring the developments in capital market conditions and associated expectations and will proactively alter the Fund's allocation accordingly.

Asset Allocation (% of Total Assets)

	31-Oct-12	29-Sep-12
T-Bills	32.69%	42.66%
Money Market Placements	7.28%	7.74%
Placements with DFIs	7.74%	8.23%
Margin Trading System (MTS)	34.91%	34.74%
Cash Equivalents	16.58%	6.00%
Other including receivables	0.80%	0.63%
Total	100.00%	100.00%
Leverage	Nil	Nil

Monthly Annualized Returns of NSPF for last 12 months



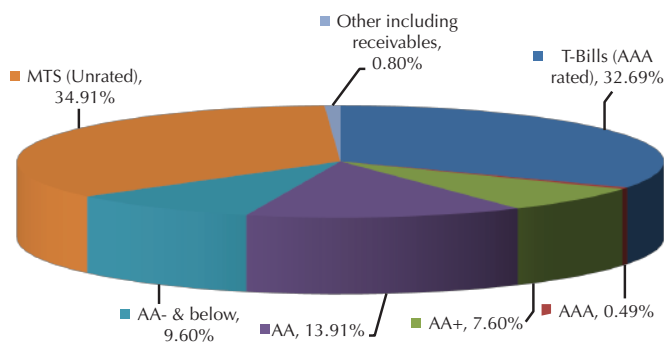
WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 4,631,541/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0364/0.40%. For details investors are advised to read note 16 of the Financial Statements of the Scheme for the period ended June 30, 2012 .

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Tanvir Abid, CFA, FRM

Credit Quality of the Portfolio as of October 31, 2012 (% of Total Assets)



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MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2012): Rs. 10.0806

October 2012

Performance

Performance % *	October 2012	FYTD Jul 12 - Oct 12	Trailing 12 Months Nov 11 to Oct 12	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	9.00%	9.76%	10.08%	10.51%
Benchmark	7.68%	8.02%	8.18%	8.25%

* Represent Annualized Return - (based on morning star formula)
(Fund's returns are net of management fee & all other expenses)

General Information

Launch Date: August 21, 2010
Fund Size: Rs. 1,103 million
Type: Open-end – Shariah Compliant Income Fund
Dealing Days: Daily – Monday to Saturday (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Dealing Time: 2-3 business days
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Load: Front end: 0.5% (w.e.f October 15, 2012) (Nil on investment above Rs. 5 million), Back end: 0%
Management Fee: 1.25% per annum (w.e.f March 11, 2012)
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 of A- and above rated Islamic Banks
Fund Manager: Salman Ahmed
Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2 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

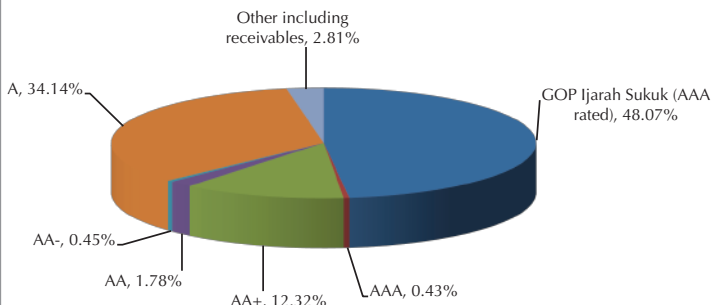
The Fund generated an annualized return of 9.0% for the month of October 2012 thus out-performing its benchmark by 1.32%. During the last one year the Fund has out-performed its benchmark by 1.9% by earning an annualized return of 10.08%. This outperformance is net of management fee and all other expenses.

The Fund aims 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 debt securities and the stock market. The Fund can invest in short-term Shariah compliant money market securities of up to six months maturity rated AA- or better. With stability rating of AA-(f) awarded by PACRA, the Fund is amongst the highest rated Islamic Income Funds in the market.

The allocation of the Fund is fairly diversified with significant exposure of around 48.07% in GoP Ijarah sukuks, which are floating rate instruments with 6-months coupon re-setting. The outstanding stock of GOP Ijarah Sukuk has increased to Rs 416 billion compared Rs 225 billion a year ago. Around 11.81% of the Fund size is invested in "AA+" rated Shariah compliant money market instruments and 37.31% in bank deposits. This allocation reduces the credit risk and enhances the liquidity profile of the Fund.

The weighted average duration of the Fund is 42 days and the weighted average time to maturity of the Fund is 1.0 year. The Fund is invested in floating rate securities. Therefore, the return on the Fund will improve with increase in the discount rate.

Credit Quality of the Portfolio as of October 31, 2012 (% of Total Assets)



Asset Allocation (% of Total Assets)	31-Oct-12	29-Sep-12
GOP Ijarah Sukuk - Govt. Backed	48.07%	48.05%
Islamic Money Market Placements	11.81%	11.80%
Cash Equivalents	37.31%	38.02%
Other including receivables	2.81%	2.13%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top Holdings (as at October 31, 2012)

Name of Sukuks	% of Total Assets
GOP Ijarah (Sukuk IX)	15.27%
HUBCO Short Term Islamic Sukuk II	9.76%
GOP Ijarah (Sukuk VIII)	8.89%
GOP Ijarah (Sukuk V)	7.56%
GOP Ijarah (Sukuk XII)	4.45%
GOP Ijarah (Sukuk XIII)	4.17%
GOP Ijarah (Sukuk X)	3.55%
HUBCO Short Term Islamic Sukuk I	2.04%
GOP Ijarah (Sukuk XI)	1.87%
GOP Ijarah (Sukuk VI)	1.60%
Total	59.16%

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 2,502,407/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0229/0.25%. For details investors are advised to read note 15 of the Financial Statements of the Scheme for the period ended June 30, 2012 .

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Tanvir Abid, CFA, FRM
Salman Ahmed

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Performance

Performance % *	October 2012	FYTD Jul 12 - Oct 12	Trailing 12 Months Nov 11 - Oct 12	Since Launch October 28, 2011
NAFA Financial Sector Income Fund	7.89%	10.14%	11.75%	11.82%
Benchmark	8.98%	9.80%	10.43%	10.44%

* Represent Annualized Return - (based on morning star formula)
(Fund's returns are net of management fee & all other expenses)

General Information

Launch Date:	October 28, 2011
Fund Size:	Rs. 3,493 Million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1% (Nil on investment above Rs. 5 million), Back end: 0%
Management Fee:	1.5% per annum
Risk Profile:	Low
Fund stability rating:	A+(f) by PACRA
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:	Salman Ahmed
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 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

The Fund generated an annualized return of 7.89% for the month of October 2012 versus the benchmark return of 8.98% p.a. thus an under-performance of 1.09%. Since its launch the Fund offered an annualized return of 11.82% against benchmark return of 10.44% p.a., hence out-performance of 1.38%. This outperformance is net of management fee and all other expenses.

The Fund is unique as it invests a minimum of 70% of its assets in financial sector debt securities, instruments or deposits. Minimum entity rating of issuers of debt securities (mainly banks) is AA-. This minimizes credit risk and at the same time enhances the liquidity of the Fund. 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 Fund Size increased by around 4% during the month. Exposure in TFCs was 55.57% at the end of the month while, exposure in Government Securities was around 13.13%. The TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. In case of any increase in interest rates, the coupon income of the Fund will increase.

The weighted average time-to-maturity and yield-to-maturity of the Fund is 2.50 years and 10.34% p.a. respectively, while that of the TFC portfolio is 4.34 years and 10.97% p.a. respectively. The weighted average credit quality of the Fund is AA. We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

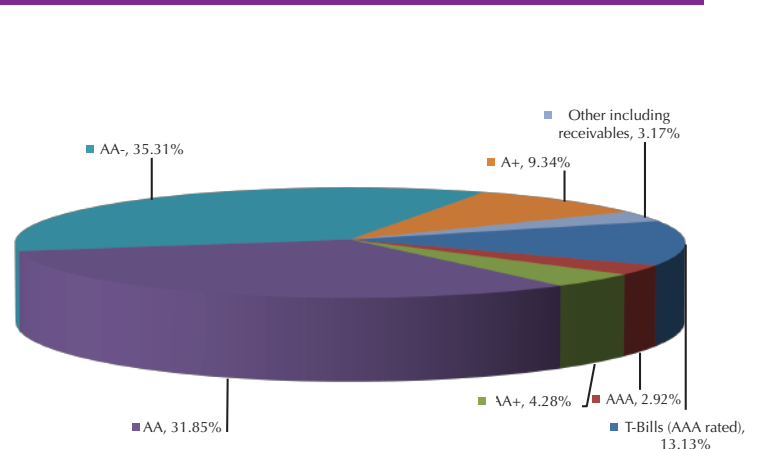
Asset Allocation (% of Total Assets) 31-Oct-12 29-Sep-12

Asset Allocation (% of Total Assets)	31-Oct-12	29-Sep-12
T-Bills	13.13%	17.47%
TFCs	55.57%	55.95%
Money Market Placements	3.88%	4.08%
Placement with DFIs	7.02%	7.39%
Cash Equivalents	17.23%	12.63%
Other including receivables	3.17%	2.48%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top 10 TFC (Including Short Term Sukuk) (as at October 31, 2012)

Name of TFC / Short Term Sukuk	% of Total Assets
United Bank Limited IV	12.54%
Bank Alfalah Limited IV - FT	10.38%
Faysal Bank Limited III	8.27%
NIB Bank Limited	7.67%
HUBCO Short Term Islamic Sukuk	3.88%
Askari Bank Limited III	3.85%
Jahangir Siddiqui & Company Limited V	1.91%
Allied Bank Limited II	1.79%
Bank Alfalah Limited IV - FX	1.76%
Soneri Bank Limited	1.67%
Total	53.72%

Credit Quality of the Portfolio as of October 31, 2012 (% of Total Assets)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 4,829,414/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0141/0.15%. For details investors are advised to read note 15 of the Financial Statements of the Scheme for the period ended June 30, 2012.

Name of the Members of Investment Committee

- Dr. Amjad Waheed, CFA
- Sajjad Anwar, CFA
- Muhammad Ali Bhabha, CFA, FRM
- Tanvir Abid, CFA, FRM
- Salman Ahmed

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MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2012): Rs.11.2809

October 2012

Performance

Performance %	October 2012	Jul. 2012 - Oct. 2012	Trailing 12 Months Nov 2011 - Oct 2012	Since Launch August 21, 2010
NAFA Asset Allocation Fund *	1.02%	9.15%	21.22%	49.16%
Benchmark	0.48%	5.02%	12.19%	27.32%

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

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs.638 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 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's Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) Net Asset Value (NAV) increased by 1.02% while the benchmark increased by 0.48%. Thus your Fund out-performed the benchmark by 0.54%. Since inception on August 21, 2010 the Fund has increased by 49.16%, while the Benchmark has increased by 27.32%. Thus, to-date the out-performance of your Fund stands at 21.84%. This out-performance is net of management fee and all other expenses.

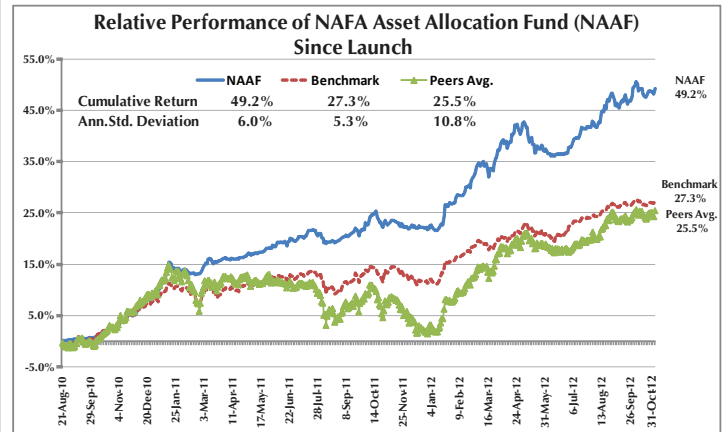
The market depicted positive trend with some volatility. At the start of the month NAAF was around 67% invested in equities. However, by the end of October NAAF's equity exposure was reduced to around 32%. The Fund also out-performed during the month as its key holdings in the Banks, Personal Goods, Construction & Materials and Oil & Gas sectors performed better than the market. On the other hand, drag on the Fund's performance was its over-weight position in Electricity and Fixed Line Telecommunication sector, which under-performed the market. The weightage of NAAF in the Electricity and Oil & Gas sectors and Fertilizer sub-sector was reduced.

Asset Allocation (% of Total Assets)	31-Oct-12	28-Sep-12
Equities / Stocks	32.46%	67.31%
TFCs	7.50%	10.06%
Cash Equivalents	45.34%	9.37%
T-Bills	11.19%	11.09%
Others including receivables	3.51%	2.17%
Total	100.00%	100.00%
Leverage	Nil	Nil

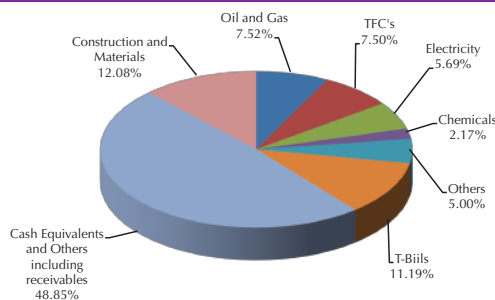
Characteristics of Equity Portfolio**

	PER	PBV	DY
NAAF	6.9	1.9	8.1%
KSE-30	8.0	4.0	7.8%

** Based on NAFA's estimates



Asset Allocation (% of Total Assets) (as on 31st October, 2012)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 2,913,721/- if the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0516/0.55%. For details investors are advised to read the Note 15 of the Financial Statements of the Scheme for the period ended June 30, 2012.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Muhammad Ali Bhabha, CFA, FRM
Hussain Yasar

Top Ten Holdings (as on 31st October, 2012)

Name	Asset Class	% of Total Assets
Attock Cement Pakistan Limited	Equity	4.73%
Hub Power Company Limited	Equity	4.62%
Allied Bank Limited I	TFC	3.92%
D. G. Khan Cement Co Limited	Equity	3.70%
Lucky Cement Limited	Equity	3.64%
Pakistan Oilfields Limited	Equity	3.36%
Pakistan Petroleum Limited	Equity	3.15%
Pakistan Telecommunication Limited	Equity	2.02%
Nishat Mills Limited	Equity	1.76%
United Bank Limited III	TFC	1.56%
Total		32.46%

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MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2012): Rs.11.3372

October 2012

Performance

Performance %	October 2012	Jul. 2012- Oct. 2012	Trailing 12 Months Nov 2011 - Oct 2012	Since Launch January 22, 2007
NAFA Multi Asset Fund *	0.44%	9.00%	21.80%	86.17%
Benchmark	0.39%	6.35%	14.47%	42.65%

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

General Information

Launch Date: January 22, 2007
Fund Size: Rs 668 million
Type: Open-end – Balanced Fund
Dealing Days: Daily – Monday to Friday (Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Dealing Time: 2-3 business days
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Load: Front end – 3%, Back end - 0%
Management Fee: 2% per annum (Effective Jan 22,2012)
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: Rs. 10,000/-
Asset Manager Rating: AM2 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's Commentary

During the month under review, NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) increased by 0.44% while the benchmark increased by 0.39%. Thus your Fund out-performed the benchmark by 0.05%. Since inception on January 22, 2007 your Fund has increased by 86.17%, while the benchmark has increased by 42.65%. Thus, to-date the out-performance of your Fund stands at 43.52%. 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. The market depicted positive trend with some volatility. At the start of the month NMF was around 68% invested in equities. However, during the month the allocation in stocks was gradually reduced and at the end of October NMF was around 46% invested in equities. NMF's key holdings in the Construction & Materials, Oil & Gas and Media sectors performed better than market, thereby contributing to the out-performance. On the other hand, the drag on the Fund performance was depressed TFC prices and under-performance of its selected holdings in the Fertilizer and Jute sub-sectors. The weightage of NMF in the Electricity and Oil & Gas sectors and Fertilizer sub-sector was reduced.

Asset Allocation (% of Total Assets) 31-Oct-12 28-Sep-12

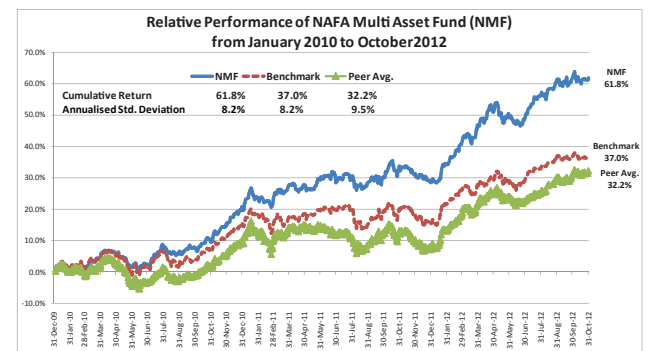
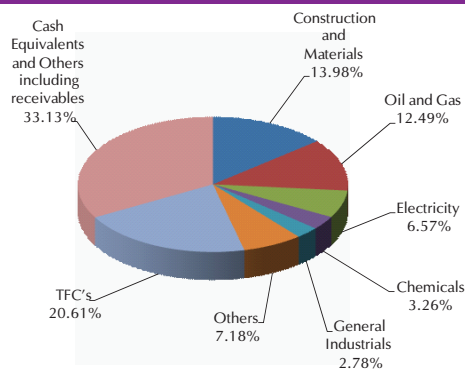
	31-Oct-12	28-Sep-12
Equities / Stocks	46.26%	67.76%
TFCs / Sukuks	20.61%	20.72%
Cash Equivalents	29.16%	8.80%
Others including receivables	3.97%	2.72%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NMF	6.3	2.0	8.1%
KSE-30	8.0	4.0	7.8%

** Based on NAFA's estimates

Asset Allocation (% of Total Assets)(as on 31st October, 2012)



Top Ten Holdings (as on 31st October, 2012)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Hub Power Company Ltd	Equity	6.53%	Lucky Cement Ltd	Equity	4.71%
Pakistan Petroleum Ltd	Equity	5.39%	D. G. Khan Cement Co Ltd	Equity	4.37%
Maple Leaf Cement I	Sukuk	5.08%	Avari Hotels Ltd	TFC	3.65%
Cherat Cement Co Ltd	Equity	4.88%	Saudi Pak Leasing Ltd	TFC	3.15%
Pakistan Oilfields Ltd	Equity	4.87%	Thal Ltd	Equity	2.78%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Muhammad Ali Bhabha, CFA, FRM

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 6,629,448/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1124/1.21%.For details investors are advised to read the Note 17 of the Financial Statements of the Scheme for the period ended June 30, 2012.

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
Saudi Pak Leasing***	TFC	32,351,600	11,006,791	21,344,809	3.19%	3.15%	25.86%
Eden Housing (Sukuk II)	SUKUK	26,718,750	9,314,450	17,404,300	2.60%	2.57%	58.08%
Maple Leaf Cement (Sukuk I)	SUKUK	86,041,065	51,624,639	34,416,426	5.15%	5.08%	37.10%
Pak Elektron Limited (Sukuk)	SUKUK	17,142,857	8,336,863	8,805,994	1.32%	1.30%	71.39%
Maple Leaf Cement (Sukuk II)	SUKUK	2,210,000	2,210,000	-	-	-	-
New Allied Electronics (Sukuk II)	SUKUK	10,000,000	10,000,000	-	-	-	-
Total		174,464,272	92,492,743	81,971,529	12.26%	12.10%	

***Book Value, performing but below authorized minimum credit rating grade

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MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2012): Rs.11.3498

October 2012

Performance

Performance %	October 2012	Jul. 2012- Oct. 2012	Trailing 12 Months Nov 2011 - Oct 2012	Since Launch October 29, 2007
NAFA Islamic Multi Asset Fund*	2.13%	10.09%	22.99%	61.25%
Benchmark	0.99%	9.57%	17.21%	NA**

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

** KMI-30 Index was launched from September 2008

General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 309 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:	2% per annum (Effective Oct 28, 2012)
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 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's Commentary

During the month under review, Net Asset Value (NAV) of NAFA Islamic Multi Asset Fund (NIMF) increased by 2.13%, whereas the benchmark increased by 0.99%, thus your Fund Out-performed the benchmark by 1.14%. The management fee of the Fund has been reduced to 2% p.a. with effect from October 28, 2012.

NIMF is a Balanced Fund and market weight implies 50% weight in equities and 50% in fixed income asset class. The market depicted positive trend with some volatility. At the start of the month NIMF was around 68% invested in equities. However, during the month the allocation in stocks was gradually reduced and at the end of October NIMF was around 48% invested in equities. NIMF's key holding in the Chemicals sector significantly contributed to its out-performance. Further, the Fund also benefited from better than market performance of its key holdings in the Construction & Materials sector. The weightage of NIMF in the Electricity and Oil & Gas sectors was reduced.

Asset Allocation (% of Total Assets)

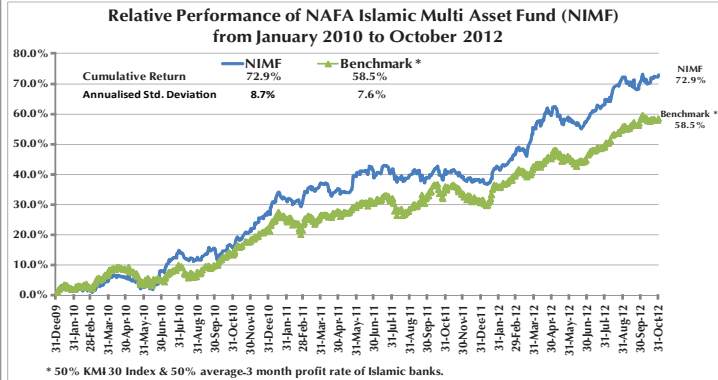
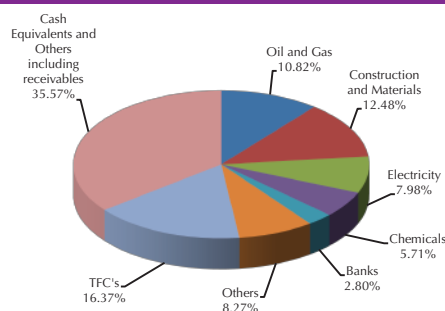
	31-Oct-12	28-Sep-12
Equities / Stocks	48.06%	67.61%
Sukuks	16.37%	17.32%
Cash Equivalents	30.48%	10.41%
Others including receivables	5.09%	4.66%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio***

	PER	PBV	DY
NIMF	6.8	3.2	8.4%
KMI-30	8.2	4.7	8.8%

*** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 31st October, 2012)



Top Ten Holdings (as on 31st October, 2012)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Hub Power Company Ltd	Equity	7.98%	Sitara Chemical Ind Ltd	Equity	4.20%
D. G. Khan Cement Co Ltd	Equity	6.27%	Pakistan Petroleum Ltd	Equity	3.66%
Pakistan Oilfields Ltd	Equity	6.23%	Pak Elektron Limited	Sukuk	3.49%
Maple Leaf Cement I	Sukuk	6.17%	Kohat Cement Limited	Sukuk	3.17%
Lucky Cement Ltd	Equity	4.93%	Meezan Bank Ltd	Equity	2.80%

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
Kohat Cement Limited (Sukuk)***	SUKUK	13,320,562	3,330,141	9,990,422	3.23%	3.17%	10.38%
Eden Housing (Sukuk II)	SUKUK	13,359,375	4,657,225	8,702,150	2.82%	2.76%	58.08%
Maple Leaf Cement (Sukuk I)	SUKUK	48,643,750	29,186,250	19,457,500	6.30%	6.17%	37.10%
Pak Elektron Limited (Sukuk)	SUKUK	21,428,571	10,421,078	11,007,493	3.56%	3.49%	71.39%
Maple Leaf Cement (Sukuk II)	SUKUK	1,250,000	1,250,000	-	-	-	-
Total		98,002,258	48,844,694	49,157,565	15.91%	15.59%	

****Book Value, performing but below A- (A minus)

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Muhammad Ali Bhabha, CFA, FRM

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 3,210,743/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.118/1.28%. For details investors are advised to read the Note 16 of the Financial Statements of the Scheme for the period ended June 30, 2012.

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MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2012): Rs.8.6425

October 2012

Performance

Performance %	October 2012	Jul. 2012- Oct. 2012	Trailing 12 Months Nov 2011 - Oct2012	Since Launch January 22, 2007
NAFA Stock Fund *	2.41%	18.24%	43.50%	63.22%
Benchmark	(0.04%)	9.25%	16.98%	(2.75%)

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

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 1,321 million
Type:	Open-end – Equity Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Monday-Thursday) 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% per annum (Effective Jan 22,2012)
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 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's Commentary

During the month under review, the benchmark decreased by 0.04% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 2.41%, thus an out-performance of 2.45% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 63.22% while the benchmark has declined by 2.75%, thus to date out-performance is 65.97%. This out-performance is net of management fee and all other expenses.

The market depicted positive trend with some volatility. At the start of the month NSF was close to fully invested in equities. However, during the latter part of the month allocation in stocks was reduced and at the end of October NSF was around 86% invested in equities. NSF's significant out-performance during the month resulted from better-than-market performance of its key holdings in the Chemicals, Banking and Construction & Materials sectors and the Textile sub-sector. During October, the weightage of NSF in the Construction & Materials, Banking and Chemicals (ex-Fertilizer) sectors was enhanced. On the other hand, the allocation in the Electricity and Oil & Gas sectors was reduced.

NSF is invested in stocks with attractive valuations and healthy growth expectations. The portfolio of NSF is priced at forward earnings multiple of 6.1, offering 6.5% dividend yield. We are striving to continue to perform well going forward.

Asset Allocation (% of Total Assets) 31-Oct-12 28-Sep-12

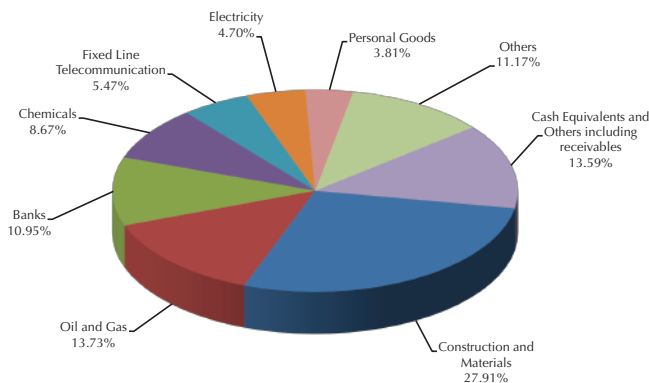
	31-Oct-12	28-Sep-12
Equities / Stock	86.41%	96.52%
Cash Equivalents	8.99%	1.89%
Others including receivables	4.60%	1.59%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NSF	6.1	1.7	6.5%
KSE-30	8.0	4.0	7.8%

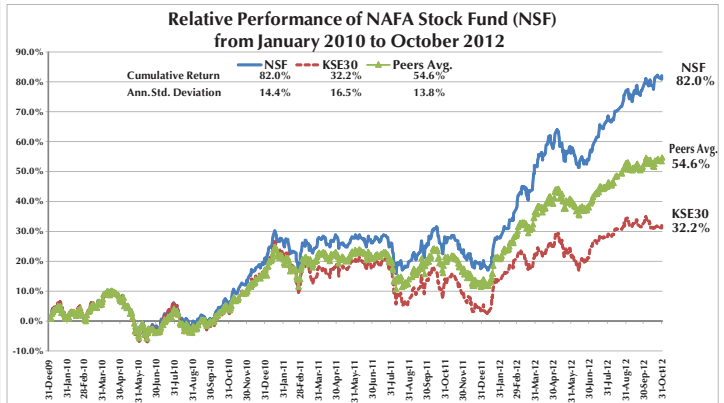
** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 31st October, 2012)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 15,341,490/-, if the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1004/1.67%. For details investors are advised to read the Note 17 of the Financial Statements of the Scheme for the period ended June 30, 2012.



Top Ten Equity Holdings (as on 31st October, 2012)

Name	% of Total Assets	Name	% of Total Assets
Cherat Cement Co Ltd	8.15%	Pakistan Oilfields Ltd	4.67%
Lucky Cement Ltd	6.76%	Meezan Bank Ltd	4.51%
Pakistan Petroleum Ltd	5.83%	Attock Cement Pakistan Ltd	4.36%
Engro Corporation Ltd	4.80%	Allied Bank Ltd	4.21%
Hub Power Company Ltd	4.69%	Pakistan Telecommunication	4.06%

Name of the Members of Investment Committee

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

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.