



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (29/02/2012): Rs.11.4058

February 2012

## Performance

Performance % *	February 2012	Jul. 2011- Feb. 2012	Trailing 12 Months	Since Launch August 21, 2010
NAFA Asset Allocation Fund	4.67%	11.06%	16.58%	32.66%
Benchmark	2.64%	5.64%	9.02%	18.55%

\* 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. 430 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

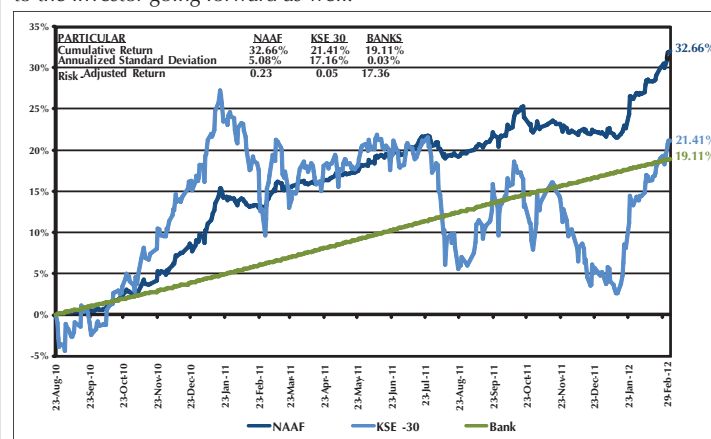
## Investment Objective

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) increased by 4.67% while the benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index) increased by 2.64%. Thus your Fund out-performed the benchmark by 2.03%. Since inception on August 21, 2010 your Fund has increased by 32.66%, while the Benchmark has increased by 18.55%. Thus, to-date the out-performance of your Fund stands at 14.11%.

Expectation of continuation of the bullish trend in the stock market, we remained overweight in equities, which benefited the Fund. The Banking and Cement sub-sector significantly contributed to the Fund's out-performance. The Fund has sizeable overweight positions in key Banking and Fertilizer sub-sector stocks that performed better than the market. Moreover, Fund's underweight position in key companies of Electricity and Food Producer sectors, which lagged the market contributed to the out-performance. On the other hand, drag on the Fund's performance was its over-weight in Key Oil & Gas Exploration sub-sector holdings, which under-performed the market. We are keeping a close watch on the developments in capital market and will shift our allocation accordingly. As the graph depicts, the Fund generated superior return along with downside protection due to superior market timing and better security selection. We will strive to continue to offer better returns to the investor going forward as well.



## Top Ten Holdings (as on 29th February 2012)

Name	Asset Class	% of NAV
Hub Power Co. Ltd.	CP	8.84%
Pakistan Oilfields Ltd.	Equity	8.30%
Kot Addu Power Co. Ltd.	CP	6.98%
Oil & Gas Dev.Co	Equity	6.09%
United Bank Ltd.	Equity	6.01%
Allied Bank Limited I	TFC	5.91%
Pak Petroleum Ltd.	Equity	5.34%
MCB Bank Limited	Equity	5.09%
Fauji Fertilizer Co. Ltd.	Equity	4.45%
Engro Corporation Rupiya Certificate	TFC	3.99%
<b>Total</b>		<b>61.00%</b>

## Asset Allocation (% of NAV) 29-Feb-12 31-Jan-12

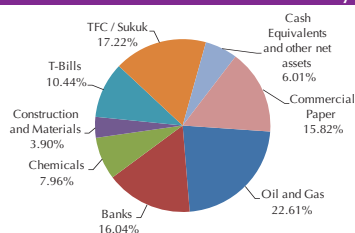
Equities / Stocks	50.51%	53.25%
TFCs	17.22%	18.52%
Cash Equivalents	5.11%	5.74%
Commercial Paper	15.82%	12.61%
T-Bills	10.44%	-
MTS	-	0.68%
Other Net Assets	0.90%	9.20%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NAAF	6.1	2.4	8.2%
KSE-30	7.2	3.8	7.7%

\*\* Based on NAFA's estimates

## Asset Allocation (as on 29th February 2012)



## Name of the Members of Investment Committee

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

**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.