

Performance

Performance % *	May 2011	Since Launch August 21, 2010
NAFA Asset Allocation Fund	1.06%	18.12%
Benchmark	0.75%	12.12%

* 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. 247 million
Type:	Open-end – Asset Allocation Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Front end – 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 Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) Net Asset Value (NAV) increased by 1.06% 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 0.75%. Thus your Fund out-performed the benchmark by 0.31%. Since inception on August 21, 2010 your Fund has increased by 18.12%, while the Benchmark has increased by 12.12%. Thus, to-date the out-performance of your Fund stands at 6.00%. This out-performance is net of management fee, WWF and all other expenses.

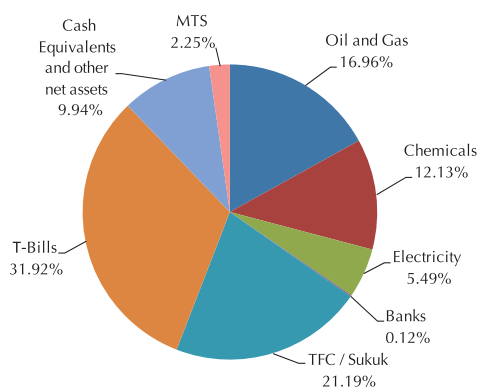
NAAF is an asset allocation fund and market weight implies 33% weight in equities, 33% in money market instruments and 33% in fixed income asset class. At the start of the month NAAF was around 23% invested in equities. The stock market remained directionless ahead of the budget related uncertainties. We enhanced NAAF's exposure in selected high dividend yielding and fundamentally attractive stocks. NAAF's weightage in the Fertilizer and Power sub-sectors and the Oil & Gas Sector was increased. NAAF's key holdings in the Fertilizer sub-sector performed better than the market, which contributed to the out-performance of the Fund. Moreover, NAAF benefited from the under-weight stance in the Personal Goods, Banks and Construction & Materials sectors. At the end of the month, NAAF was around 35% invested in equities, 39% in money market and cash instruments and around 21% in "AA" rated category TFCs. The Fund is invested around 2% in the stock market leverage product, namely Margin Trading System (MTS).

NAAF's equity portfolio is predominantly invested in high dividend yielding stocks with stable earnings stream and low business risk. We are monitoring the capital market conditions closely and will alter the portfolio proactively.

Asset Allocation (% of NAV) 31-May-11 29-Apr-11

Asset Allocation (% of NAV)	31-May-11	29-Apr-11
Equities / Stock	34.70%	22.94%
TFC	21.19%	21.78%
Cash Equivalents	7.38%	7.46%
T-Bills	31.92%	45.66%
MTS	2.25%	3.05%
Other Net Assets / (Liabilities)	2.56%	-0.89%
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as on 31st May 2011)



Top Ten Holdings (as on 31st May 2011)

Name	Asset Class	% of NAV
Fauji Fertilizer Co. Ltd.	Equity	7.73%
Engro Corp. Rupiya Certificate	TFC	6.88%
Pakistan Oilfields Ltd.	Equity	6.72%
United Bank Ltd III	TFC	6.13%
Hub Power Company Limited	Equity	5.49%
Pak Petroleum Ltd.	Equity	4.59%
Fauji Fertilizer Bin Qasim	Equity	4.38%
Oil & Gas Dev.Co	Equity	4.13%
Allied Bank Limited I	TFC	4.12%
Bank Alfalah - II	TFC	4.06%
Total		54.23%

Name of the Members of Investment Committee

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

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