



NAFA Asset Allocation Fund (NAAF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/10/2010): Rs. 10.2604

October 2010

Performance

Performance % *	October 2010	Since Launch August 21, 2010
NAFA Asset Allocation Fund	1.97%	2.60%
Benchmark	2.19%	2.51%

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

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 167 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

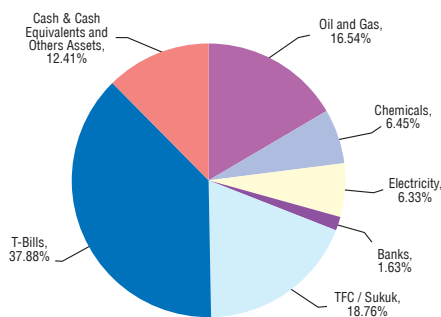
During the month under review, NAFA Asset Allocation Fund's (NAAF) Net Asset Value (NAV) increased by 1.97% while the benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index) increased by 2.19%. Thus your Fund under-performed the benchmark by 0.22%. Since inception on August 21, 2010 your Fund has increased by 2.60%, while the Benchmark has increased by 2.51%. Thus, to-date, the out-performance of your Fund stands at 0.09%. This out-performance is net of management fee and all other expenses. During the month, the Fund size increased by 50.76% to PKR 167 million.

The advantage of NAAF is that it has no limit on the exposure in any asset class (money market, debt and equity) unlike stock and balanced funds. The market weight for NAAF implies 1/3 weight in each of the three asset classes i.e. money market, fixed income and equities.

At the start of the month, NAAF was around 17% invested in equities. Initially during the month, investors were cautious on the back of political noises and macro economic uncertainties. Subsequently, the advent of the quarterly results season drove the market. As the market sentiments improved, we enhanced NAAF's exposure in selected high dividend yielding and fundamentally attractive stocks. We have made investments in selected stocks in the Banking and Oil & Gas sector as well as in the Power and Fertilizer sub-sectors. In line with its policy, we enhanced our allocation in high credit quality TFCs. At the end of the month, NAAF was around 31% invested in equities, 38% in money market instruments and 19% in TFCs.

Asset Allocation %	31-Oct-10	30-Sep-10
Equities / Stock	30.95%	16.75%
TFC / Sukuk	18.76%	17.96%
Cash Equivalents	13.49%	30.48%
T-Bills	37.88%	35.79%
Other Net Liabilities	-1.08%	-0.98%
Leverage	Nil	Nil

Asset Allocation (as on 31st October 2010)



Name of the Members of Investment Committee

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

Top Ten Holdings

Name	Asset Class	% of Net Assets
Engro Rupiya Certificate	TFC	6.87%
PPL	Equity	6.87%
POL	Equity	6.56%
HUBC	Equity	6.33%
Allied Bank Limited	TFC	5.97%
United Bank Limited	TFC	5.91%
FFBL	Equity	3.85%
FFC	Equity	2.59%
APL	Equity	2.04%
NRL	Equity	1.07%

Details of Non-Complaint Investments

Nil

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 the fund. All investments in mutual funds are subject to market risks. The price of units may go up as well as down. Past performance is not necessarily indicative of future results.