



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2011): Rs.10.6221

October 2011

Performance					
Performance % *	October 2011	Jul. - Oct. 2011	Jan. - Oct. 2011	Trailing 12 Months	Since Launch August 21, 2010
NAFA Asset Allocation Fund	1.35%	3.42%	12.82%	20.41%	23.54%
Benchmark	0.65%	1.44%	5.10%	11.04%	13.83%

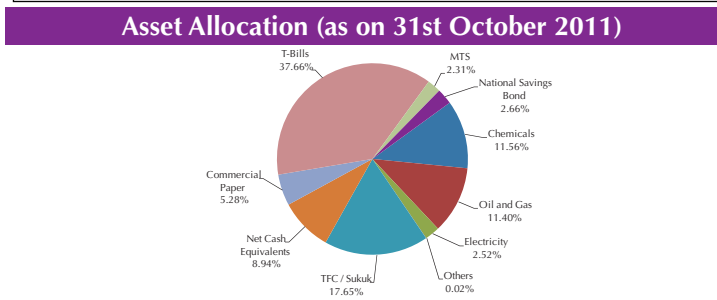
* Cumulative returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses

General Information		Investment Objective
Launch Date:	August 21, 2010	To generate income by investing in Debt & Money Market securities and to generate capital appreciation by investing in equity and equity related securities.
Fund Size:	Rs. 379 million	
Type:	Open-end – Asset Allocation Fund	Fund Manager Commentary
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:	(Friday) 9:00 A.M to 5:30 P.M	<p>During the month under review, NAFA Asset Allocation Fund's (NAAF) Net Asset Value (NAV) increased by 1.35% 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 0.65%. Thus your Fund out-performed the benchmark by 0.70%. Since inception on August 21, 2010 your Fund has increased by 23.54%, while the Benchmark has increased by 13.83%. Thus, to-date the out-performance of your Fund stands at 9.71%. This out-performance is net of management fee, WWF and all other expenses.</p> <p>In CYTD 2011, the Fund has posted 12.82% return (Benchmark return 5.10%) versus -2.03% average return by the peer group, thus an outperformance of 14.85%.</p> <p>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 around 34% of the portfolio was invested in equities. During the month the stock market portrayed a lukewarm trend on foreign portfolio investment outflows and absence of triggers on wrapping up of the results season despite the higher than expected 150bps cut in the discount rate. During the month NAAF out-performed the benchmark as it was under-weight in selected stocks that lagged the market. Moreover, the Fund's key holdings in the Chemicals, Electricity and Oil & Gas sectors performed better than the market, which benefited the Fund. During the month, we remained underweight in the Banking sector, which contributed to the outperformance of the Fund. In the Fertilizer sub-sector, NAAF was over-weight in selected high dividend yielding stocks that performed better than the market. Our underweight stance in the key fertilizer stock that lagged the market also contributed to the out-performance of the Fund. At the end of the month, NAAF was around 26% invested in equities, 43% in money market instruments and around 18% in "AA" rated category TFCs.</p> <p>In line with its strategy NAAF invests 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.</p>
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	

Asset Allocation (% of NAV)	31-Oct-11	30-Sep-11
Equities / Stocks	25.50%	34.03%
TFCs	17.65%	14.46%
Cash Equivalents	14.85%	8.93%
Commercial Paper	5.28%	5.56%
T-Bills	37.66%	38.84%
MTS	2.31%	-
National Savings Bond	2.66%	-
Other Net (Liabilities)	-5.91%	-1.82%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**			
	PER	PBV	DY
NAAF	6.8	2.2	10.6%
KSE-30	7.2	3.7	7.4%

** Based on NAFA's estimates



Name of the Members of Investment Committee	
Dr. Amjad Waheed, CFA	
Sajjad Anwar, CFA	
Tanvir Abid, CFA, FRM	
Ahmad Nouman, CFA	
Hussain Yasar	

Name	Asset Class	% of NAV
Fauji Fertilizer Co. Ltd.	Equity	7.28%
Allied Bank Limited	TFC	6.63%
Pakistan Oilfields Ltd.	Equity	5.32%
Hub Power Co. Ltd.	CP	5.28%
Engro Corp. Rupiya Certificate	TFC	4.47%
Fauji Fertilizer Bin Qasim	Equity	4.27%
United Bank Limited III	TFC	3.91%
Oil & Gas Dev.Co. Ltd.	Equity	3.18%
Pak Petroleum Ltd.	Equity	2.85%
National Savings Bond	Bond	2.66%
Total		45.85%

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.