



NAFA Asset Allocation Fund (NAAF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (30/09/2010): Rs. 10.0626

September 2010

Performance

Performance % *	September 2010	Since Launch August 21, 2010
NAFA Asset Allocation Fund	0.35%	0.63%
Benchmark	0.46%	0.32%

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

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 111 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-months 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 0.35% while the benchmark (1/3 of average 3-month bank deposit rate; 1/3 of 6-months KIBOR; 1/3 of KSE 30 Index) increased by 0.46%. Thus, your Fund under-performed the benchmark by 0.11% during the month. Since inception on August 21, 2010, your Fund has increased by 0.63%, while the Benchmark has increased by 0.32%. Thus, to-date the out-performance of your Fund stands at 0.31%. This out-performance is net of management fee and all other expenses.

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.

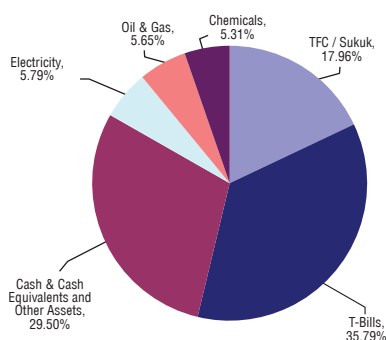
At the start of the month, NAAF was not invested in equities. The market trend was dull at the start of the month. Later during the month, as market sentiment improved, we built NAAF's exposure in selected high dividend yielding and fundamentally attractive stocks. We have made investments in selected stocks in the sub-sectors of Power, Fertilizer and Oil and Gas Exploration, which have low business risk and provide currency hedges. Towards the end of the month, NAAF was around 17% invested in equities.

NAAF is also invested in money market instruments and high quality fixed income securities. The Fund's investment in T-Bills was in paper with maturity below 30 days in anticipation of further increase in the discount rate. We increased our investment in high quality Term Finance Certificates to around 18% to improve the return of the Fund.

Asset Allocation %

	30-Sep-10	31-Aug-10
Equities / Stock	16.75%	-
TFC / Sukuk	17.96%	9.64%
Cash Equivalents	30.48%	14.79%
T-Bills	35.79%	71.39%
Other Net Assets / (Liabilities)	-0.98%	4.18%
Leverage	Nil	Nil

Asset Allocation (as on 30th September 2010)



Top Holdings

Name	Asset Class	% of Net Assets
Allied Bank Limited	TFC	9.01%
United Bank Limited	TFC	8.96%
HUBC	Equity	5.79%
FFC	Equity	5.31%
PPL	Equity	3.15%
POL	Equity	2.50%

Details of Non-Complaint Investments

Nil

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Irfan Malik, CFA
Hussain Yasar

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