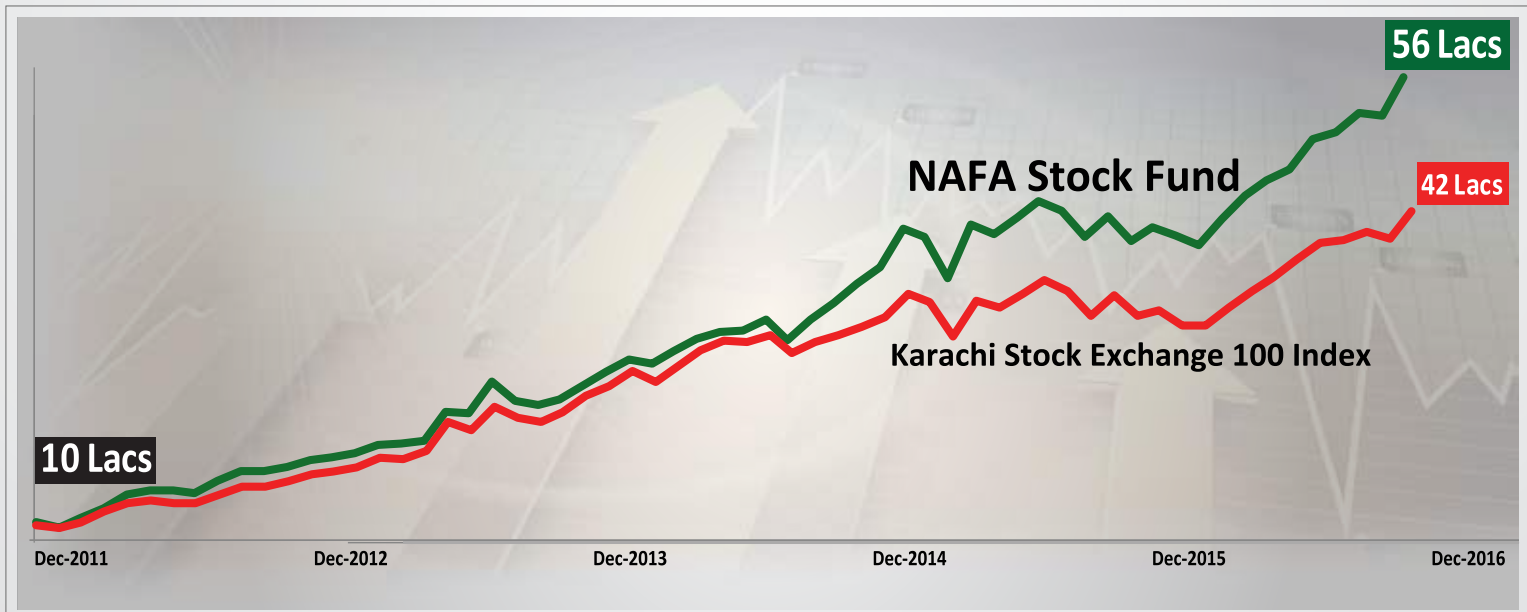


# Fund Manager Report

December 2016

Investment of  
**Rs. 10 lacs** grew to  
**Rs. 56 lacs** in  
**NAFA Stock Fund**  
in only **5 Years\***



Fund Size: Rs. 1,508 Crore.

You can invest with Rs. 10,000 only.

## For Information & Investment

Call : 0800-20002 ♦ SMS: NAFA INVEST to 8080 ♦ info@nafafunds.com  
www.nafafunds.com ♦  /nafafunds



NBP Fullerton  
Asset Management Ltd.  
A Subsidiary of  
National Bank of Pakistan



Your investments & "NAFA" grow together



FULLERTON FUND  
MANAGEMENT

Joint - Venture Partners

\*Ending 30<sup>th</sup> December 2016.

Fund Category: Equity Scheme

Annualized return since inception of Fund on January 19, 2007 till December 30, 2016 is 19.5% p.a. vs Benchmark return of 8.8% p.a. Last one year return is 51.5% vs benchmark return of 42.7%.

Benchmark: From January 01, 2014, KSE 30 Total Return Index. Previously KSE 30 Index.

Note: The Calculation of performance does not include front end Load. Taxes Apply as per current income tax law.

Disclaimer: All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand investment policies and the risks involved.

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NBP Fullerton  
Asset Management Ltd.  
A Subsidiary of  
National Bank of Pakistan

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# Performance Summary of NAFA's Key Funds



"December 2016"

		Fund Name	Fund Size (Rs. In Crore)	Stability Rating	Inception Date	Dec- 2016	FYTD	Rolling 12 Months	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Inception	
		Fixed Income Funds	Annualized Returns												
Lowest Risk ↓	NGSLF	NAFA Government Securities Liquid Fund	473	AAA (f)	15-May-09	5.0%	5.3%	5.7%	5.7%	8.3%	8.1%	8.7%	10.9%	8.9%	
		Benchmark				5.3%	5.3%	5.6%	6.0%	8.7%	8.6%	8.9%	10.8%	9.1%	
	NMMF	NAFA Money Market Fund	1,223	AA (f)	23-Feb-12	5.6%	5.9%	6.3%	6.3%	8.9%	8.2%	9.2%	n/a	8.1%	
		Benchmark				5.3%	4.9%	4.7%	4.6%	6.8%	6.9%	6.8%	n/a	6.2%	
	NSPF	NAFA Savings Plus Fund	43	AA- (f)	21-Nov-09	5.4%	5.5%	5.9%	6.3%	8.7%	7.9%	8.8%	11.0%	8.7%	
		Benchmark				6.1%	5.5%	5.0%	4.7%	6.7%	7.1%	7.3%	8.4%	7.0%	
	NRF5F	NAFA Riba Free Savings Fund	139	A (f)	20-Aug-10	4.9%	5.5%	5.5%	5.5%	7.4%	7.8%	8.7%	10.8%	8.2%	
		Benchmark				2.8%	3.6%	4.1%	4.9%	6.7%	6.7%	7.3%	8.3%	6.7%	
	NFSIF	NAFA Financial Sector Income Fund	79	A+ (f)	28-Oct-11	4.8%	5.9%	6.1%	6.4%	10.9%	7.9%	9.3%	n/a	8.9%	
		Benchmark				6.1%	5.9%	5.8%	5.9%	8.3%	8.9%	9.0%	n/a	8.2%	
	NIAIF	NAFA Income Opportunity Fund	1,291	A (f)	21-Apr-06	5.5%	6.6%	6.6%	7.5%	13.2%	16.6%	10.3%	(0.5%)	8.3%	
		Benchmark				6.1%	6.1%	6.2%	6.5%	9.0%	9.8%	9.9%	12.4%	10.6%	
Moderate Risk ↓	NIOF	NAFA Islamic Aggressive Income Fund	257	A- (f)	26-Oct-07	5.0%	5.4%	6.2%	7.4%	9.2%	13.6%	6.8%	19.0%	6.8%	
		Benchmark				4.4%	4.5%	4.5%	4.8%	6.6%	6.5%	7.0%	7.9%	6.4%	
	Equity Related Funds				Cumulative Returns										Annualized Returns
	NAAF	NAFA Asset Allocation Fund	233		20-Aug-10	7.1%	24.9%	35.9%	7.6%	24.6%	13.7%	32.0%	14.4%	21.4%	
Highest Risk ↓		Benchmark				9.3%	14.7%	22.9%	6.2%	9.6%	15.3%	17.1%	8.1%	13.1%	
	NMF	NAFA Multi Asset Fund	175		19-Jan-07	7.4%	24.6%	37.4%	8.7%	26.8%	25.4%	34.1%	15.5%	17.4%	
		Benchmark				8.9%	15.1%	26.2%	7.1%	11.0%	19.6%	22.4%	8.0%	10.4%	
	NIAAF	NAFA Islamic Asset Allocation Fund	1,002		26-Oct-07	7.6%	19.3%	32.3%	13.1%	33.8%	22.2%	36.3%	13.2%	17.5%	
		Benchmark				8.9%	14.0%	23.1%	9.2%	12.1%	17.7%	28.9%	11.1%	12.3%	
	NSF	NAFA Stock Fund	1,508		19-Jan-07	10.8%	32.6%	51.5%	11.4%	36.9%	36.3%	55.0%	22.0%	19.5%	
		Benchmark				14.0%	22.8%	42.7%	7.1%	12.3%	29.6%	36.0%	2.9%	8.8%	
	NISF	NAFA Islamic Stock Fund	602		09-Jan-15	9.7%	30.4%	45.4%	12.9%	n/a	n/a	n/a	n/a	28.4%	
	Benchmark				14.5%	23.6%	47.1%	15.5%	n/a	n/a	n/a	n/a	25.2%		
<p>Notes: 1) Performance is net of management fee and all expenses. The calculation of performance does not include cost of front-end load. The performance reported is based on dividend reinvestment (gross of with-holding tax where applicable).</p> <p>2) Tax credit also available as per section 62 of the Income Tax Ordinance, 2001.</p> <p>3) Taxes apply.</p> <p>n/a = Not applicable.</p> <p>Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)</p>															

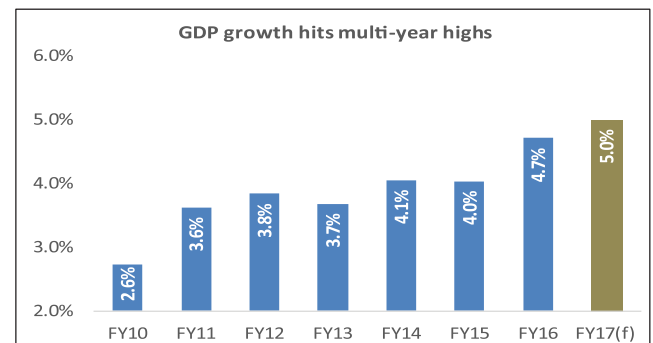
**Disclaimer:** This publication is for informational purpose only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell the fund. All investments in mutual funds and pension funds are subject to market risks. Past Performance is not necessarily indicative of future results. Please read the Offering Document to understand investment policies and the risks involved.

## Pakistan Economic and Investment Outlook 2017

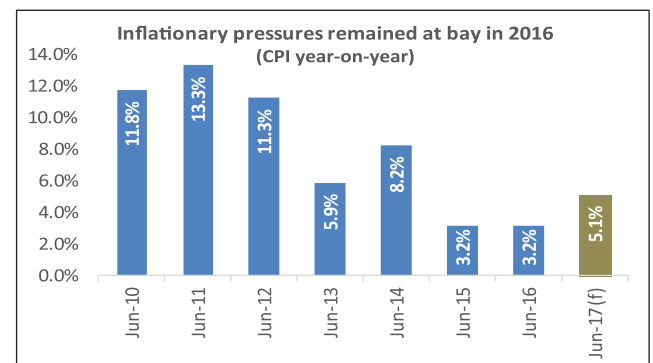
Pakistan's economic performance has remained fairly robust in 2016 mainly supported by the favourable global economic environment and partially due to some economic reforms measures undertaken by the government under the IMF programme. GDP growth reached an eight year high of 4.7%; external account position remained comfortable, as captured in healthy foreign exchange reserves accumulation though primarily on the back of fresh loans and a stable exchange rate; inflation averaged at around 3.7% during the calendar year mainly helped by the steep fall in global oil prices, which allowed SBP to continue with its accommodative monetary policy; and fiscal deficit stayed contained, narrowing to 4.6% of GDP during the last fiscal year.

Prospects for the domestic economy look sanguine in 2017 as well due to easing of energy supply situation, accelerating progress on CPEC related projects, improving business confidence, ameliorating security situation, a stable political environment, low global commodity prices and new-found focus of federal/provincial governments on development projects in view of upcoming general elections in early 2018. From a structural perspective, Pakistani economy, being mainly domestic demand (consumption/investment) driven with limited international financial and trade linkages, is among the few economies better placed to withstand probable global economic ramifications, such as rising protectionism, currency wars and capital flight, stemming from the recent events (Brexit, Trump victory).

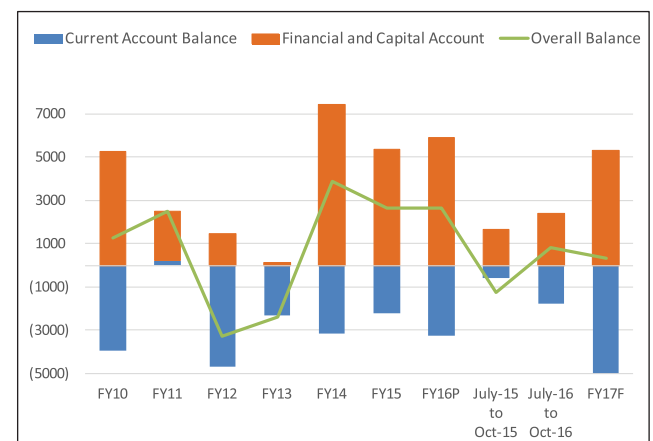
We expect GDP growth to touch the 5% mark in FY17, driven by strong consumption and rising investment expenditures under CPEC related projects, higher PSDP spending and private sector capacity expansions. On the supply side, we expect continuation of robust performance of the industrial sector, especially construction, with 7% expected growth, and a healthy 5% growth of the services sector. Helped by the Kissan package & pro-agriculture federal budget 2016, agriculture growth is likely to clock in at 2.5% as against 0.2% contraction recorded in the previous year.



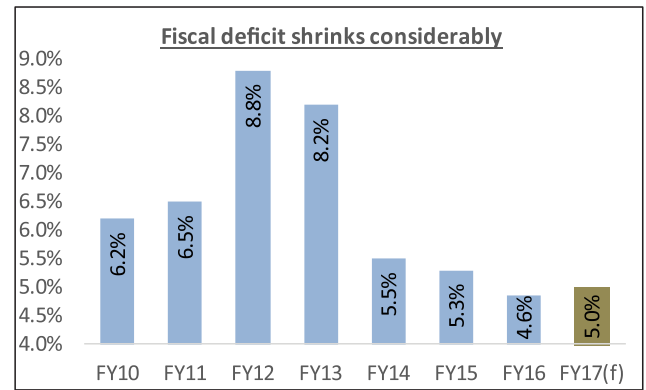
On account of reversal of the base effect, partial recovery in commodity prices from their trough, notably crude oil, and measured PKR depreciation, we see some pick-up in inflation during the next calendar year to 5.1% by June 2017.



On the external account front, we expect the current account deficit to widen to around USD5.0bn (1.6% of GDP) in FY17 due to higher imports, especially plant & equipment and energy-related machinery, subdued exports and stagnating remittances. However, overall balance of payments position is likely to remain comfortable on account of higher external loan inflows and some increase in FDI. Nonetheless, if remain unaddressed, sluggish exports would eventually pose serious risks to medium-term balance of payments sustainability and threaten the recent economic gains.

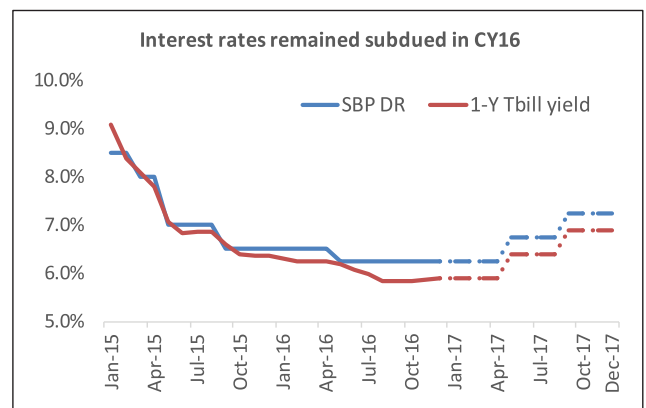


In our opinion, FY17 fiscal deficit would come in the vicinity of 5.0% of GDP, exceeding the government target of 3.8%, due to slippages on the expenditures side amid higher spending by federal and provincial governments before next general elections scheduled in early 2018, no IMF oversight and government's reluctance to implement further revenue mobilization measures because of election considerations.

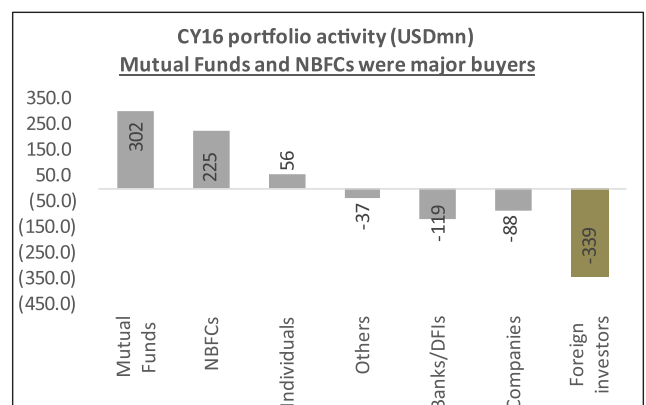


**Foreign Exchange Market:** In the foreign exchange market, Pak Rupee has essentially maintained parity against US Dollar in CY16 vis-à-vis Greenback's sizable appreciation against major developed and emerging market currencies, especially during the second half of the year due to likely monetary tightening in the US and looser monetary policy in other systematically important economies & capital outflows from Emerging Markets. Resultantly, an overvalued PKR is eroding our export competitiveness as manifested in around 7.2%YoY decline in exports during 11MCY16. Going forward, barring any shock to the external account, we expect around 5%-6% PKR depreciation against the US Dollar in CY17 to partially restore export competitiveness and avert rising pressures on the external current account.

**Fixed Income Market:** During CY16, yields on fixed income avenues declined further in line with 25 bps cut in the policy rate and significant liquidity injection by SBP. For instance, yield on 1 year T-bill decreased by around 34bps from 6.4% to 6.06% during the calendar year. We think interest rates have bottomed out now and due to expected rise in inflation, incessant government borrowing and rising private sector credit off-take we expect around 50bps-100bps rise in SBP policy rate in CY17. In the above backdrop, we prefer floating corporate debt securities and shorter-term fixed income avenues considering unattractive term premium & expected increase in fixed income yields.



**Stock market:** After remaining lackluster in 2015, the local stock market finally responded to improving macroeconomic fundamentals in 2016, as captured in a remarkable 46% rise in the benchmark KSE 100 Index during the year. We attribute this stellar performance to ample liquidity available with local institutions, mainly mutual funds and insurance companies, which fully absorbed sizable foreign selling during the year. Dearth of yield on the alternative fixed income avenues powered this shift to equities.

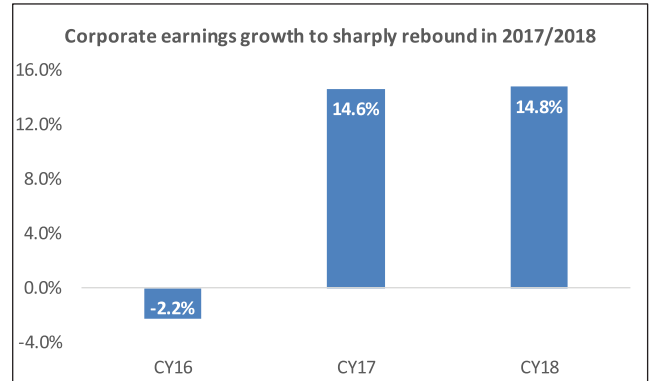


Further, notwithstanding robust performance in CY16, we believe domestic equity market could deliver a solid double digit return in 2017 as well based on:

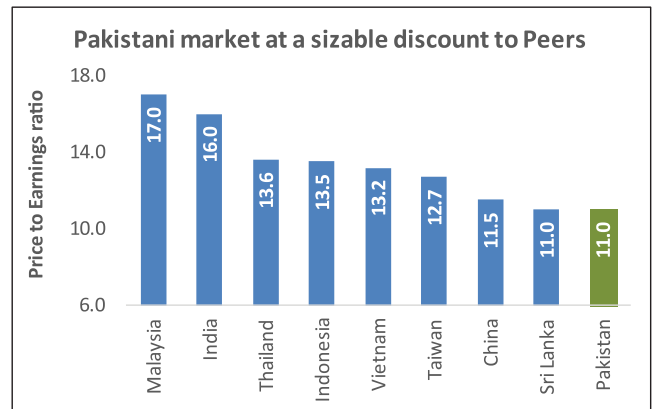
- PSX is slated to join MSCI EM Index from May 2017. It is estimated that around US Dollar 1.5 trillion of emerging market funds follow MSCI EM Index. Though Pakistan would have a small 0.13% weight in the Index, it still equates to around US Dollar 2 billion. We expect the local bourse to receive sizable MSCI EM related flows in 2017 and beyond which should buttress its performance.

- Shanghai Stock Exchange led consortium has recently won the bid for 40% strategic stake of Pakistan Stock Exchange. The above coupled with 20% public offering should bring further liquidity to the local bourse through brokers. In addition, the new operator would likely launch new products, bring technological improvements, improve PSX perception and introduce cross listings.

- After remaining stagnant in 2015 and 2016 amid a drag from the Oil & Gas and Banking sectors, corporate (listed) earnings growth is expected to rebound sharply (around 15% per annum) in 2017 and in 2018 that would not only validate the recent performance but trigger the next performance leg.



- Despite robust stock market performance in 2016, local valuations, as captured in the forward Price to Earnings (PE) of 11 times and dividend yield of around 4%, are quite attractive vis-à-vis regional peers (average forward PE 13.6 times).



We are bullish on equities, while closely monitoring global & local economic, political, and policy developments with the intent to rebalance our portfolios, if warranted by our economic and financial outlook. Alhamdulillah, NAFA Stock Fund has been the best performing Fund in the country in CY 2016, providing 51.5% return versus average peer return of 38.7% and 45.7% rise of the stock market (KSE 100 Index).

December 2016

## Stock Market Review

Helped by the robust rise of over 12% during December 2016, the local bourse (KSE-100 Index) closed CY16 with a staggering return of 46%. It may be mentioned that the market posted a meager 2% return during CY15. The distinguishing feature of this stellar performance of the market during the year is that it came in the face of unabated foreign selling to the tune of US \$ 339 million, adding up to a cumulative foreign portfolio outflow of US \$ around 650 million during the last two years. We attribute this exceptional performance of the stock market to multiple factors including (i) optimistic macroeconomic outlook on the back of kick-start of CPEC related investment in the energy & infrastructure projects; (ii) reclassification of PSX into MSCI Emerging Market index raising expectations of large portfolio inflows; (iii) sharp recovery in global oil prices that still hover at around 50% discount to their peak level; (iv) growing expectation of global policy shift from monetary accommodation to fiscal stimulus to reinvigorate economic growth; and (v) abundant local liquidity amid ultra-low yields on the fixed income avenues and inflows to equities on the back of new taxation measure for real estate & property market. In addition to the above, thaw in the domestic politics except some noise related to the start of hearing in the apex court against the PM & family linked to the widely known Panama Leaks; and smooth change in the military leadership buoyed investors interest in the market. Investors also ignored rising tension between Pak-India relations with unprovoked firing by the latter along the border and LOC.

Turning to the sectoral performance during the year, Oil & Gas Exploration, Oil & Gas Marketing Companies, Automobile Assemblers, Cement, Chemical, Engineering, and Textile Composite sectors performed better than the market, while Fertilizer, Power Generation & Distribution, Commercial Banks, and Paper & Board sectors lagged behind. Attractive starting valuations and improving earnings outlook on the back of sharp recovery in the global oil prices resulted in the robust performance of the E&P sector. OMC sector out-performed driven by earnings growth due to healthy volumetric growth, expected increase in retail fuel margins which are linked to inflation and expected inventory gains. Robust volumetric growth and improving earnings outlook amid weakening Japanese Yen against the US Dollar drew investors towards the Auto Assembler sector. Cement sector continued the bull run during the year amid strong domestic demand and healthy profit margin. Attractive starting valuations, abatement in the foreign selling, and strong earnings growth of the select companies revived investors' interest in the Textile Composite sector. Subdued earnings outlook driven by the lackluster off-take and falling international prices resulted in the lagged performance of the Fertilizer sector. Despite strong run in the latter half on the expectation of uptick in inflation & interest rates the Banking sector finished the year with under-performance. Stagnating near-term earnings growth of a key company and uncertainty on the PPA extension of another large player resulted in the lackluster performance of the Power Generation & Distribution sector.

Going forward, we hold a positive outlook on the stock market premised on the improving macroeconomic outlook, reasonable relative valuations, robust corporate earnings growth, benign near-term inflation & interest rate outlook, abundant local liquidity, and expectation of foreign inflows from the funds tracking MSCI EM index. However, we acknowledge that volatility may rise after the recent tranquility driven by global policy uncertainty and rising domestic political rhetoric before the election year. We expect the market to post healthy double-digit returns during CY2017.

## Money Market Review

Driven by steep fall in inflation and improving external account, SBP slashed the policy rate by 25 bps during the year to 5.75%. Inflation as measured by the CPI clocked in at 3.7% for December 2016. Led by the healthy flows in the financial account the SBP foreign exchange reserves stand at around USD 18 billion, equivalent to over 20 weeks of import bill. However, sluggish exports growth and tapering remittances pose risk to the medium term sustainability of the Balance of Payment position. Economic growth is likely to reach 5% mark driven by strong consumption and healthy private & public investment. Going forward, we expect inflation to pick up from the current levels on the back of pass-through of recent recovery in global oil prices, reversal of base effect, measured PKR depreciation, and healthy growth in money supply. We expect around 50-100 bps increase in the policy during CY2017 led by up-tick in inflation and probable pressures on the external account.

In line with the reduction in policy rate, T-bills yields declined by around 35-40 bps during the year. Similarly, PIB yields also responded accordingly with yield on 10 year PIB closing the year at 8.52% after hitting a bottom of 7.45% in July 2016. During the year, SBP held 26 T-Bill auctions with a combined target of Rs. 5,200 billion and a maturity of Rs. around 4,500 billion. In the last T-Bill auction of the year, an amount of Rs. 152 billion was realized against the target of Rs. 200 billion and maturity of Rs. 126 billion at a cut-off yield of 5.99% and 6.01% for 3 and 06 months tenor while the bids in 12 months tenor were again rejected. The bid pattern remained skewed towards 03 months tenor as compared to 06 months tenor while the PIB auction was scrapped.

We are closely monitoring the developments in the capital markets and our portfolios will be rebalanced based on our economic & interest rate outlook.

## Our Contacts

**Contact our Investment Consultant for free Investment advice**

Call 0800-20002 || sms NAFA INVEST to 8080 || [www.nafafunds.com](http://www.nafafunds.com) || [info@nafafunds.com](mailto:info@nafafunds.com)

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# NAFA Government Securities Liquid Fund (NGSLF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/12/2016): Rs. 10.4186

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Trailing 12 months Jan 16-Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch May 15, 2009*
NAFA Government Securities Liquid Fund	5.0%	5.3%	5.7%	5.7%	8.3%	8.1%	8.7%	10.9%	8.9%
Benchmark**	5.3%	5.3%	5.6%	6.0%	8.7%	8.6%	8.9%	10.8%	9.1%

\* Annualized Return Based on Morning Star Methodology  
All other returns are Annualized Simple Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date:	May 15, 2009
Fund Size:	Rs. 4,734 million
Type:	Open-end – Money Market Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 0%, Back end: 0%
Management Fee:	8% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)
Total Expense Ratio:	0.90% p.a.(including 0.16% government levies)
Risk Profile:	Exceptionally Low
Fund Stability Rating:	"AAA (f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:**	70% 3-Month PKRV & 30% average 3-Month deposit rates of three AA rated banks as selected by MUFAP
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; previously 70% 3-Month T-Bills & 30% average 3-Month deposit rates (AA & above rated banks)

## Asset Allocation (% of Total Assets) 31-Dec-16 30-Nov-16

T-Bills	39.1%	72.4%
Bank Deposits	60.6%	27.2%
Others including receivables	0.3%	0.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.115,240,318/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.2536/2.57%. For details investors are advised to read note 7 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Investment Objective

To generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term Government Securities.

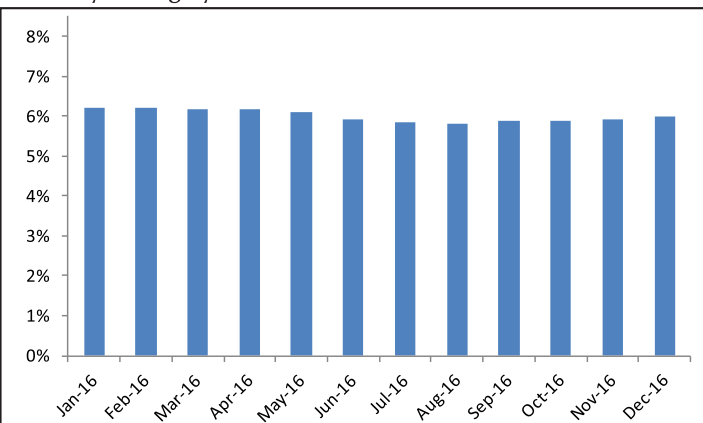
## Fund Manager Commentary

The Fund earned an annualized return of 5.0% during December 2016 versus the Benchmark return of 5.3%. The annualized return for FYTD is 5.3% inline with the Benchmark. The return generated by the Fund is net of management fees and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. NGSLF is the largest Fund in Pakistan with this rating. The rating reflects exceptionally strong credit and liquidity profile of the Fund. Average daily allocation for the last 365 days in short-term T-Bills was 83.6% of net assets. While at the end of the month, T-Bills comprised around 39% of the Total Assets and around 74% of Net Assets. Weighted average time to maturity of the Fund is 4 days.

We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

## Monthly average yield of 3-month T-Bills for the last 12 months



## Credit Quality of the Portfolio as of Dec 31, 2016 (% of Total Assets)

T-Bills (AAA rated)	39.1%
AAA	11.5%
AA+	48.7%
AA & below	0.4%
Others including receivables	0.3%
<b>Total</b>	<b>100.0%</b>

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# NAFA Money Market Fund (NMMF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/12/2016): Rs. 10.1270

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Trailing 12 months Jan 16 - Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	Since Launch February 23, 2012*
NAFA Money Market Fund	5.6%	5.9%	6.3%	6.3%	8.9%	8.2%	9.2%	8.1%
Benchmark**	5.3%	4.9%	4.7%	4.6%	6.8%	6.9%	6.8%	6.2%

\* Annualized Return Based on Morning Star Methodology  
All other returns are Annualized Simple Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date: February 23, 2012  
Fund Size: Rs. 12,233 million  
Type: Open-end – Money Market Fund  
Dealing Days: Daily – Monday to Saturday  
Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M  
(Friday) 9:00 A.M to 5:30 P.M  
(Saturday) 9:00 A.M to 1:00 P.M  
Settlement: 2-3 business days  
Pricing Mechanism: Forward Pricing  
Load:\*\*\* Front End Load (Individual): without life insurance 0.5%, with life insurance 3% (Nil on investment above Rs. 26 million)  
Front End Load (Other): 0.5% (Nil on investment above Rs. 16 million)  
Back End Load: NIL  
Management Fee: 8% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)  
Total Expense Ratio: 0.87% p.a. (including 0.15% government levies)  
Risk Profile: Very Low  
Fund Stability Rating: "AA (f)" by PACRA  
Listing: Pakistan Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: Deloitte Yousuf Adil Chartered Accountants  
Benchmark:\*\* 70% 3-Month PKRV & 30% average 3-Month deposit rates of three AA rated banks as selected by MUFAP  
Fund Manager: Muhammad Ali Bhabha, CFA, FRM  
Minimum Subscription: Growth Unit: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously 3-Month deposit rates (AA & above rated banks)  
\*\*\* effective from January 02, 2017

## Asset Allocation (% of Total Assets) 31-Dec-16 30-Nov-16

Bank Deposits	99.5%	99.5%
Others including receivables	0.5%	0.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 69,380,310/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0574/0.60%. For details investors are advised to read note 6.1 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Investment Objective

To provide stable income stream with preservation of capital by investing in AA and above rated banks and money market instruments.

## Fund Manager Commentary

The Fund earned an annualized return of 5.6% during December 2016 versus the Benchmark return of 5.3%, thus registering an outperformance of 0.3% p.a. Since its launch in February 2012, the Fund has outperformed its Benchmark by 1.9% p.a. by earning an annualized return of 8.1%. This outperformance is net of management fee and all other expenses.

Being a money market scheme, the Fund has very restrictive investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum eligible rating is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days. The Fund is rated AA(f) by PACRA which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks.

Weighted average time to maturity of the Fund is 1 day. We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

## Credit Quality of the Portfolio as of Dec 31, 2016 (% of Total Assets)

AAA	30.1%
AA+	69.1%
AA	0.1%
AA- & below	0.2%
Others including receivables	0.5%
<b>Total</b>	<b>100.0%</b>

**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. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand investment policies and the risks involved.

# NAFA Government Securities Savings Fund (NGSSF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/12/2016): Rs. 10.5406

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Trailing 12 months Jan 16 - Dec 16	FY 2016	Since Launch July 10, 2014*
NAFA Government Securities Savings Fund	5.4%	4.9%	5.4%	6.5%	9.2%
Benchmark**	6.0%	5.7%	5.8%	6.2%	7.3%

\* Annualized Return Based on Morning Star Methodology The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.  
All other returns are Annualized Simple Return

## General Information

Launch Date: July 10, 2014  
Fund Size: Rs. 158 million  
Type: Open-end – Income Fund  
Dealing Days: Daily – Monday to Saturday  
Dealing Time: (Mon – Thr) 9:00 A.M to 5:00 P.M  
(Friday) 9:00 A.M to 5:30 P.M  
(Saturday) 9:00 A.M to 1:00 P.M  
Settlement: 2-3 business days  
Pricing Mechanism: Forward Pricing  
Load:\*\*\* Front End Load (Individual): without life insurance 1%, with life insurance 3% (Nil on investment above Rs. 26 million)  
Front End Load (Other): 1% (Nil on investment above Rs. 16 million)  
Back End Load: NIL  
Management Fee: 10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)  
Total Expense Ratio: 1.60% p.a.(including 0.17% government levies)  
Risk Profile: Low  
Fund stability rating: "AA- (f)" by PACRA  
Listing: Pakistan Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: KPMG Taseer Hadi & Co.  
Chartered Accountants  
Benchmark:\*\* 6-Month PKRV  
Fund Manager: Muhammad Ali Bhabha, CFA, FRM  
Minimum Subscription: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously 70% average 6-Month PKRV & 30% average 3-Month deposit rates (A+ & above rated banks)

\*\*\* effective from January 02, 2017

Asset Allocation (% of Total Assets)	31-Dec-16	30-Nov-16
PIBs	27.9%	31.7%
Tbills	25.1%	19.6%
Bank Deposits	45.1%	46.6%
Others including receivables	1.9%	2.1%
Total	100.0%	100.0%
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1,621,195/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.1081/1.08%. For details investors are advised to read note 8 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Investment Objective

To provide competitive return from portfolio of low credit risk by investing primarily in Government Securities.

## Fund Manager Commentary

During the month under review, the Fund has generated an annualized return of 5.4% against the benchmark return of 6.0%. Since its launch in July 2014, the Fund offered an annualized return of 9.2% against the Benchmark return of 7.3%, hence an outperformance of 1.9% p.a. This outperformance is net of management fee and all other expenses.

NAFA Government Securities Savings Fund (NGSSF) invests a minimum of 70% in Government Securities. The Fund invests a minimum 10% of its assets in less than 90 days T-Bills or saving accounts with banks, which enhances liquidity profile of the Fund.

As the asset allocation of the Fund shows, exposure in Government Securities was 53.0% of the Total Assets and 73.4% of Net Assets at the end of the month with average Yield to Maturity of 5.9% p.a. Last one year allocation in Government Securities was around 76.9% of net assets. The weighted average time-to-maturity of the Fund is 0.21 year.

We will rebalance the allocation of the fund proactively based on the capital market outlook.

## Credit Quality of the Portfolio as of Dec 31, 2016 (% of Total Assets)

PIBs (AAA rated)	27.9%
T-Bills (AAA rated)	25.1%
AAA	9.5%
AA+	25.2%
AA	0.4%
AA-	0.4%
A+	9.4%
A-	0.2%
Others including receivables	1.9%
Total	100.0%

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# NAFA Savings Plus Fund (NSPF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/12/2016): Rs. 10.3987

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Trailing 12 months Jan 16 - Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch November 21, 2009*
NAFA Savings Plus Fund	5.4%	5.5%	5.9%	6.3%	8.7%	7.9%	8.8%	11.0%	8.7%
Benchmark**	6.1%	5.5%	5.0%	4.7%	6.7%	7.1%	7.3%	8.4%	7.0%

\* Annualized Return Based on Morning Star Methodology  
All other returns are Annualized Simple Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date:	November 21, 2009
Fund Size:	Rs. 431 million
Type:	Open-end – Income fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon – Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:***	Front End Load (Individual): without life insurance 0.5%, with life insurance 3% (Nil on investment above Rs. 26 million) Front End Load (Other): 0.5% (Nil on investment above Rs. 16 million) Back End Load: NIL
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.50% p.a.)
Total Expense Ratio:	1.70% p.a. (including 0.17% government levies)
Risk Profile:	Very Low
Fund Stability Rating:	"AA- (f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:**	6-Month KIBOR
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription:	Growth Unit: Rs. 1,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously Average 6-Month deposit rate (A & above rated banks)  
\*\*\* effective from January 02, 2017

Asset Allocation (% of Total Assets)	31-Dec-16	30-Nov-16
T-Bills	6.5%	5.9%
Margin Trading System (MTS)	32.8%	8.9%
Placements with Banks	17.3%	17.7%
Bank Deposits	42.5%	66.6%
Others including receivables	0.9%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.12,099,338/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.292/2.97%. For details investors are advised to read note 8 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Investment Objective

To minimize risk, preserve capital and generate a reasonable return along with a high degree of liquidity from a portfolio primarily constituted of bank deposits and money market instruments.

## Fund Manager Commentary

The Fund earned an annualized return of 5.4% during the month versus the Benchmark return of 6.1%. Since its launch in November 2009, the Fund offered an annualized return of 8.7% against the Benchmark return of 7.0%, hence an outperformance of 1.7% p.a. This outperformance is net of management fee and all other expenses.

NSPF is one of the highest rated income funds in the market due to its restrictive investment guidelines. The Fund is allowed to invest in Government Securities up to a maximum maturity of 3 years and also in debt securities with rating of A and above with a maximum remaining maturity of 1 year. The Fund invests 25% of its net assets in less than 90 days T-Bills or saving accounts with banks, which further enhances liquidity profile of the Fund.

The portfolio of NSPF is invested in Treasury bills, MTS, and bank deposits etc. The allocation in MTS is around 35% of net assets. The weighted average time to maturity of the entire Fund is around 32 days. Our internal guidelines permit MTS financing in only fundamentally strong companies with lower volatility. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rates of return with no direct exposure to the stock market.

We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

## Credit Quality of the Portfolio as of Dec 31, 2016 (% of Total Assets)

Govt. Securities (AAA rated)	6.5%
AAA	23.2%
AA+	9.0%
AA	4.6%
AA-	13.3%
A+ & below	9.7%
MTS (Unrated)	32.8%
Others including receivables	0.9%
<b>Total</b>	<b>100.0%</b>

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# NAFA Riba Free Savings Fund (NRFSSF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/12/2016): Rs. 10.4532

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Trailing 12 months Jan 16 - Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010*
NAFA Riba Free Savings Fund	4.9%	5.5%	5.5%	5.5%	7.4%	7.8%	8.7%	10.8%	8.2%
Benchmark**	2.8%	3.6%	4.1%	4.9%	6.7%	6.7%	7.3%	8.3%	6.7%

\* Annualized Return Based on Morning Star Methodology  
All other returns are Annualized Simple Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date:	August 20, 2010
Fund Size:	Rs. 1,386 million
Type:	Open-end – Shariah Compliant Income Fund
Dealing Days:	Daily – Monday to Saturday (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Dealing Time:	2-3 business days
Settlement:	Forward Pricing
Pricing Mechanism:	Front End Load (Individual): without life Takaful 0.5%, with life Takaful 3% (Nil on investment above Rs. 26 million)
Load:***	Front End Load (Other): 0.5% (Nil on investment above Rs. 16 million) Back End Load: NIL
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.25% p.a.)
Total Expense Ratio:	1.22% p.a.(including 0.18% government levies)
Risk Profile:	Very Low
Fund Stability Rating:	"A(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:**	6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP
Fund Manager:	Muhammad Ali Bhabha CFA,FRM
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously Average 6-month deposit rate of A- and above rated Islamic Bank  
\*\*\* effective from January 02, 2017

Asset Allocation (% of Total Assets)	31-Dec-16	30-Nov-16
GOP Ijara Sukuks	7.0%	10.0%
Bank Deposits	92.4%	89.1%
Others including receivables	0.6%	0.9%
Total	100.0%	100.0%
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 10,079,475/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.076/0.77% For details investors are advised to read note 8 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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## Investment Objective

To provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant banks and money market / debt securities.

## Fund Manager Commentary

The Fund generated an annualized return of 4.9% for the month of December 2016 versus the Benchmark return of 2.8% thus registering an outperformance of 2.1% p.a. During FYTD the Fund has outperformed its Benchmark by 1.9% by earning an annualized return of 5.5%. This outperformance is net of management fee and all other expenses.

The Fund aims to consistently provide better return than the profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is allowed to invest in short-term Shariah compliant money market securities of up to six months maturity rated AA- or better. The Fund is not authorized to invest in corporate debt securities and the Equities.

The allocation of the Fund is around 7.4% of net assets in GOP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 98% of net assets of the portfolio is invested in bank deposits which enhances the liquidity profile of the Fund. The weighted average time to maturity of the fund is 53 days.

We will rebalance the allocation of the fund proactively based on the capital market outlook.

## Credit Quality of the Portfolio as of Dec 31, 2016 (% of Total Assets)

GOP Ijarah Sukuk (AAA rated)	7.0%
AAA	26.4%
AA+	13.4%
AA	0.3%
AA-	1.4%
A+	4.7%
A-	46.2%
Others including receivables	0.6%
Total	100.0%

# NAFA Financial Sector Income Fund (NFSIF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/12/2016): Rs. 10.7853

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Trailing 12 months Jan 16 - Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	Since Launch October 28, 2011*
NAFA Financial Sector Income Fund	4.8%	5.9%	6.1%	6.4%	10.9%	7.9%	9.3%	8.9%
Benchmark**	6.1%	5.9%	5.8%	5.9%	8.3%	8.9%	9.0%	8.2%

\* Annualized Return Based on Morning Star Methodology  
All other returns are Annualized Simple Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of withholding tax where applicable.

## General Information

Launch Date:	October 28, 2011
Fund Size:	Rs. 793 Million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:***	Front End Load (Individual): 1% (Nil on investment above Rs. 26 million) Front End Load (Other): 1% (Nil on investment above Rs. 16 million) Back End Load: NIL
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.5% p.a.)
Total Expense Ratio:	1.29% p.a. (including 0.19% government levies)
Risk Profile:	Low
Fund stability rating	'A+(f)' by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:**	6-Month KIBOR
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously 70% 6-Month KIBOR & 30% average 3-Month deposit rates (A & above rated banks)  
\*\*\*effective from January 02, 2017

## Asset Allocation (% of Total Assets) 31-Dec-16 30-Nov-16

TFCs	46.0%	36.1%
Bank Placements	12.6%	30.9%
Bank Deposits	40.6%	31.1%
Others including receivables	0.8%	1.9%
Total	100.0%	100.0%
Leverage	Nil	Nil

## Top TFC (as at Dec 31, 2016) (% of Total Assets)

Name of TFC	% of Total Assets
JS Bank Limited 14-DEC-16 14-DEC-23	14.0%
Bank Alfalah Limited IV - FT	13.8%
Faysal Bank Limited III	8.4%
Askari Bank Limited IV	5.3%
Jahangir Siddiqui and Company Ltd. 24-Jun-16 24-Jun-21	2.5%
Standard Chartered Bank (Pakistan) Limited IV	2.0%
Total	46.0%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 17,975,588/- If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.2445/2.40%. For details investors are advised to read note 9 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Investment Objective

To provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.

## Fund Manager Commentary

The Fund generated an annualized return of 4.8% for the month of December 2016 versus the Benchmark return of 6.1%. Since its launch in October 2011, the Fund offered an annualized return of 8.9% against the Benchmark return of 8.2%, hence an outperformance of 0.7% p.a. This outperformance is net of management fee and all other expenses.

The Fund is unique as it invests a minimum 70% of its assets in Financial Sector (mainly banks) debt securities, instruments or deposits. Minimum entity rating of issuers of debt securities is "AA-". This minimizes credit risk and at the same time enhances liquidity of the Fund. Duration of the overall portfolio cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its net assets in less than 90 days T-Bills or saving accounts with banks, which further enhances liquidity profile of the Fund.

Exposure in TFCs was 48.4% of net assets at the end of the month with average time to maturity of 3.24 years. The TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. The weighted average time-to-maturity of the Fund is 1.6 years.

We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

## Credit Quality of the Portfolio as of Dec 31, 2016 (% of Total Assets)

AAA	10.1%
AA+	8.7%
AA	7.4%
AA-	38.3%
A+	34.3%
A	0.1%
A-	0.3%
Others including receivables	0.8%
Total	100.0%

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# NAFA Islamic Aggressive Income Fund (NIAIF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs. 9.7446

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Trailing 12 months Jan 16 - Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch October 26, 2007*
NAFA Islamic Aggressive Income Fund	5.0%	5.4%	6.2%	7.4%	9.2%	13.6%	6.8%	19.0%	6.8%
Benchmark**	4.4%	4.5%	4.5%	4.8%	6.6%	6.5%	7.0%	7.9%	6.4%

\* Annualized Return Based on Morning Star Methodology  
All other returns are Annualized Simple Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date:	October 26, 2007
Fund Size:	Rs. 2,566 million
Type:	Open-end – Shariah Compliant Aggressive Income 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 Load (Individual): without life Takaful 1%, with life Takaful 3% (Nil on investment above Rs. 26 million) Front End Load (Other): 1% (Nil on investment above Rs. 16 million) Back End Load: NIL 10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)
Management Fee:	1.04% p.a. (including 0.17% government levies)
Total Expense Ratio:	Low to Medium
Risk Profile:	"A-(f)" by PACRA
Fund Stability Rating:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:**	1-year average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Subscription:	Growth Unit: Rs. 10,000/-
Asset Manager Rating:	Income Unit: Rs. 100,000/- AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously Average 3-month deposit rate of Islamic Banks  
\*\*\* effective from January 02, 2017

## Asset Allocation (% of Total Assets) 30-Dec-16 30-Nov-16

Sukuks	1.6%	1.2%
GOP Ijarah Sukuks - Govt. Backed	3.9%	3.0%
Bank Deposits	93.6%	92.9%
Others including receivables	0.9%	2.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Leverage Nil Nil

## Top Sukuk Holdings (as at Dec 30, 2016)

Name of Sukuk	% of Total Assets
K Electric Azm Sukuk - 5 Yrs	1.0%
K Electric Azm Sukuk - 3 Yrs	0.6%
<b>Total</b>	<b>1.6%</b>

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 2,944,049/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0112/0.12%. For details investors are advised to read note 7 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Investment Objective

To seek preservation of capital and earn a reasonable rate of return in a Shariah compliant manner.

## Fund Manager Commentary

During the month under review, the Fund posted an annualized return of 5.0% as compared to the Benchmark return of 4.4% thus registering an outperformance of 0.6% p.a. During FYTD, the Fund has posted 5.4% annualized return versus 4.5% by the Benchmark, hence an outperformance of 0.9% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukuks stood at around 1.7% of the net assets. Around 95.5% of net assets of the portfolio is allocated in bank deposits. The higher allocation in bank deposits is due to better yields as compared to other authorized alternative investment avenues.

The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio is around 4.7% p.a. and weighted average time to maturity is 1.8 years. The weighted average time to maturity of the Fund is 38 days.

We will rebalance the allocation of the fund proactively based on the capital market outlook.

SECP has approved the change in category of NAFA Islamic Aggressive Income Fund from Shariah Compliant Aggressive Income Fund to Shariah Compliant Income Fund w.e.f. March 14, 2017. Consequently name of NAFA Islamic Aggressive Income Fund will be NAFA Islamic Income Fund from March 14, 2017.

## Credit Quality of the Portfolio as of Dec 30, 2016 (% of Total Assets)

GOP Ijarah Sukuk (AAA rated)	3.9%
AAA	42.0%
AA+	0.2%
AA	2.0%
AA-	0.2%
A+	1.5%
A-	49.3%
Others including receivables	0.9%
<b>Total</b>	<b>100.0%</b>

**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. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand investment policies and the risks involved. The reported returns may include provisioning and reversal of provisioning against some debt securities.

# NAFA Income Opportunity Fund (NIOF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/12/2016): Rs. 11.0585

December 2016

Performance %									
Performance Period	Dec 2016	FYTD 2017	Trailing 12 months Jan 16 - Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch April 21, 2006 *
NAFA Income Opportunity Fund	5.5%	6.6%	6.6%	7.5%	13.2%	16.6%	10.3%	(0.5%)	8.3%
Benchmark	6.1%	6.1%	6.2%	6.5%	9.0%	9.8%	9.9%	12.4%	10.6%
* Annualized Return Based on Morning Star Methodology All other returns are Annualized Simple Return									
The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of withholding tax where applicable.									

General Information	Investment Objective
Launch Date: April 21, 2006 Fund Size: Rs. 12,908 million Type: Open-end – Income Fund Dealing Days: Daily – Monday to Saturday (Mon – Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M Dealing Time: 2-3 business days Settlement: Forward Pricing Pricing Mechanism: Front End Load (Individual): 1% (Nil on investment above Rs. 26 million) Front End Load (Other): 1% (Nil on investment above Rs. 16 million) Back End Load: NIL Load:** 1.30% per annum Total Expense Ratio: 1.88% p.a.(including 0.25% government levies) Risk Profile: Low Fund Stability Rating: "A(f)" by PACRA Listing: Pakistan Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: Deloitte Yousuf Adil Chartered Accountants Benchmark: 6-Month KIBOR Fund Manager: Muhammad Ali Bhabha, CFA, FRM Minimum Subscription: Rs. 10,000/- Income Unit: Rs. 100,000/- Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)	To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in money market & debt securities having good credit rating and liquidity.  <b>Fund Manager Commentary</b>  The Fund posted an annualized return of 5.5% in December 2016 as compared to the Benchmark return of 6.1%. During FYTD the Fund has outperformed its Benchmark by 0.5% by earning an annualized return of 6.6%. This outperformance is net of management fee and all other expenses.  The weighted average Yield to Maturity of the Fund is around 7.0% p.a. and that of the TFC portfolio is 6.4% p.a. The weighted average time to maturity of the Fund is around 0.34 year. The Fund's sector allocation is fairly diversified with exposure to Electricity, Banking and Financial Services sectors. TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. However, since TFCs prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.  We will rebalance the allocation of the fund proactively based on the capital market outlook.

\*\* effective from January 02, 2017

Asset Allocation (% of Total Assets)	31-Dec-16	30-Nov-16
TFCs / Sukuks	6.0%	3.7%
MTS	11.3%	0.5%
T-Bills	2.3%	2.2%
RFS	3.3%	4.8%
PIBs	1.9%	1.9%
Placements with Banks	22.2%	22.5%
Equity	0.4%	0.4%
Bank Deposits	40.7%	59.5%
Others including receivables	11.9%	4.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Top TFC/Sukuk Holdings (as at Dec 31, 2016)

Name of TFCs / Sukuks	% of Total Assets
JS Bank Limited 14-DEC-16 14-DEC-23	2.1%
K Electric Azm Sukuk	1.6%
Bank Alfalah Limited V	1.2%
Jahangir Siddiqui and Company Ltd. 24-Jun-16	0.7%
Jahangir Siddiqui and Company Ltd. 08-APR-14	0.4%
<b>Total</b>	<b>6.0%</b>

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 31,218,042/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0267/0.26%. For details investors are advised to read note 9 of the Financial Statements of the Scheme for the period ended Sep 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

Notes: 1) The calculation of performance does not include cost of front end load.

2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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## Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments Before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
AgriTech Limited I	TFC	149,860,200	149,860,200	-	-	-
AgriTech Limited V	TFC	32,320,000	32,320,000	-	-	-
Azzard Nine Limited III	TFC	108,376,850	108,376,850	-	-	-
Azzard Nine Limited V	TFC	82,180,000	82,180,000	-	-	-
BRR Guardian Modaraba - Sukuk Revised II (05-JUL-08 07-APR-19)	SUKUK	18,088,472	18,088,472	-	-	-
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	-	-
Eden Housing (Sukuk II)	SUKUK	9,056,250	9,056,250	-	-	-
New Allied Electronics (PPTFC)	TFC	31,706,536	31,706,536	-	-	-
New Allied Electronics (Sukuk II)	SUKUK	44,148,934	44,148,934	-	-	-
PACE Pakistan Limited	TFC	149,820,000	149,820,000	-	-	-
Saudi Pak Leasing	TFC	41,321,115	41,321,115	-	-	-
World Call Telecom Limited	TFC	88,455,825	88,455,825	-	-	-
Azzard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	-	-	-
AgriTech Limited Shares	Equity	141,403,150	90,174,809	51,228,341	0.4%	0.4%
<b>Total</b>		<b>1,046,750,186</b>	<b>995,521,845</b>	<b>51,228,341</b>	<b>0.4%</b>	<b>0.4%</b>

## Credit Quality of the Portfolio as of Dec 31, 2016 (% of Total Assets)

PIBs (AAA rated)	1.9%
T-Bills (AAA rated)	2.3%
AAA	8.0%
AA+	21.0%
AA	2.6%
AA-	13.4%
A+	20.2%
A	3.6%
A-	0.1%
RFS (Un-rated)	3.3%
Equity (Un-rated)	0.4%
MTS (Un-rated)	11.3%
NR & Others including receivables	11.9%
<b>Total</b>	<b>100.0%</b>

# NAFA Income Fund (NIF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs. 10.0673

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Trailing 12 months Jan 16 - Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch March 28, 2008*
NAFA Income Fund	5.4%	6.8%	6.6%	6.9%	13.7%	2.3%	6.9%	(6.9%)	4.0%
Benchmark	6.1%	6.1%	6.2%	6.5%	9.0%	9.8%	9.9%	12.4%	10.4%

\* Annualized Return Based on Morning Star Methodology  
All other returns are Annualized Simple Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date: March 28, 2008  
Fund Size: Rs. 842 million  
Type: Open-end – Income 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 Load (Individual): 1% (Nil on investment above Rs. 26 million)  
Front End Load (Other): 1% (Nil on investment above Rs. 16 million)  
Back End Load: Nil  
Management Fee: 10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)  
Total Expense Ratio: 1.47% p.a. (including 0.18% government levies)  
Risk Profile: Low  
Fund Stability Rating: "A (f)" by PACRA  
Listing: Pakistan Stock Exchange  
Custodian & Trustee: MCB Financial Services Limited  
Auditors: Deloitte Yousuf Adil  
Chartered Accountants  
Benchmark: 6-Month KIBOR  
Fund Manager: Muhammad Ali Bhabha, CFA, FRM  
Minimum Subscription: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

\*\* effective from January 02, 2017

## Investment Objective

To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.

## Fund Manager Commentary

The Fund posted an annualized return of 5.4% during December 2016 versus the Benchmark return of 6.1%. The annualized return during FYTD is 6.8% against the Benchmark return of 6.1%, hence an outperformance of 0.7% p.a. This outperformance is net of management fee and all other expenses.

As the allocation of the Fund shows, exposure in TFCs and Sukuks stands at 19.6% of net assets. All TFCs in the Fund are floating rate instruments linked to KIBOR.

The weighted average Yield-to-Maturity of the Fund is around 6.8% p.a. while its weighted average time to maturity is 0.6 year. This yield does not include potential recovery in fully provided TFCs (Face Value of around Rs. 309 million), which is potential upside for the Fund. Thus, the Fund is expected to perform well over the medium to long term horizon. However, since TFCs prices may go up or down, therefore, only investors with medium term investment horizon are advised to invest in this Fund.

We will rebalance the allocation of the fund proactively based on the capital market outlook.

## Asset Allocation (% of Total Assets) 30-Dec-16 30-Nov-16

TFCs / Sukuks	19.4%	24.0%
T-Bills	3.5%	4.1%
MTS	32.6%	2.5%
Placement with Banks	10.7%	12.4%
Bank Deposits	32.7%	55.0%
Others including receivables	1.1%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Top TFC (as at Dec 30, 2016)

Name of TFC / Sukuk	% of Total Assets
K Electric Azm Sukuk	5.8%
Jahangir Siddiqui and Company Ltd. 24-Jun-16 24-Jun-21	4.8%
Askari Commercial Bank Limited 30-SEP-14 30-SEP-24	4.4%
Jahangir Siddiqui and Company Ltd. 08-APR-14 08-APR-19	2.1%
Faysal Bank Limited	1.5%
Bank Alfalah Limited (Floater)	0.8%
<b>Total</b>	<b>19.4%</b>

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 4,095,302/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.049/0.52%. For details investors are advised to read note 8 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

Notes: 1) The calculation of performance does not include cost of front end load.

2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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## Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
AgriTech Limited II	TFC	149,875,800	149,875,800	-	-	-
AgriTech Limited V	TFC	22,180,000	22,180,000	-	-	-
Eden Housing (Sukuk II)	SUKUK	19,687,500	19,687,500	-	-	-
New Allied Electronics (Sukuk II)	SUKUK	49,054,371	49,054,371	-	-	-
Saudi Pak Leasing	TFC	41,321,115	41,321,115	-	-	-
World Call Telecom Limited	TFC	26,881,190	26,881,190	-	-	-
<b>Total</b>		<b>308,999,976</b>	<b>308,999,976</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Credit Quality of the Portfolio as of Dec 30, 2016 (% of Total Assets)

Govt. Securities (AAA rated)	3.5%
AAA	0.2%
AA+	13.3%
AA	7.5%
AA-	28.0%
A+ & below	13.8%
MTS (Unrated)	32.6%
Others including receivables	1.1%
<b>Total</b>	<b>100.0%</b>

# NAFA Asset Allocation Fund (NAAF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.18.5228

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Rolling 12 Months Jan 16-Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010*
NAFA Asset Allocation Fund	7.1%	24.9%	35.9%	7.6%	24.6%	13.7%	32.0%	14.4%	21.4%
Benchmark**	9.3%	14.7%	22.9%	6.2%	9.6%	15.3%	17.1%	8.1%	13.1%

\* Annualized Return

All Other returns are Cumulative

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date: August 20, 2010  
Fund Size: Rs. 2,331 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 Load (Individual): 3% (Nil on investment above Rs. 101 million)  
Front End Load (Other): 3% (Nil on investment above Rs. 50 million)  
Back End Load: NIL  
Management Fee: 2% per annum  
Total Expense Ratio (%): 2.85% p.a (including 0.38% government levies)  
Risk Profile: Moderate  
Listing: Pakistan Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: Deloitte Yusuf Adil  
Chartered Accountants  
Benchmark:\*\* Daily weighted return of KSE-30 Total Return Index & 6-month KIBOR based on Fund's actual allocation.  
Fund Manager: Asim Wahab Khan, CFA  
Minimum Subscription: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously 1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index Total Return from January 01, 2014, KSE-30 Total Return Index

\*\*\* effective from January 02, 2017

Asset Allocation (% of Total Assets)	30-Dec-16	30-Nov-16
Equities / Stocks	65.1%	60.6%
Cash	32.2%	35.4%
Bank Placements	2.2%	2.7%
Others including receivables	0.5%	1.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*\*

	PER	PBV	DY
NAAF	9.6	3.3	3.7%
KSE-30	11.2	2.8	4.9%

\*\*\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Oil & Gas Exploration Companies	10.1%
Cement	9.6%
Commercial Banks	9.4%
Textile Composite	8.8%
Oil & Gas Marketing Companies	5.2%
Others	22.0%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA  
Muhammad Ali Bhabha, CFA, FRM

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 18,637,505/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1507/1.12%. For details investors are advised to read Note 8 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

Notes: 1) The calculation of performance does not include cost of front end load.

2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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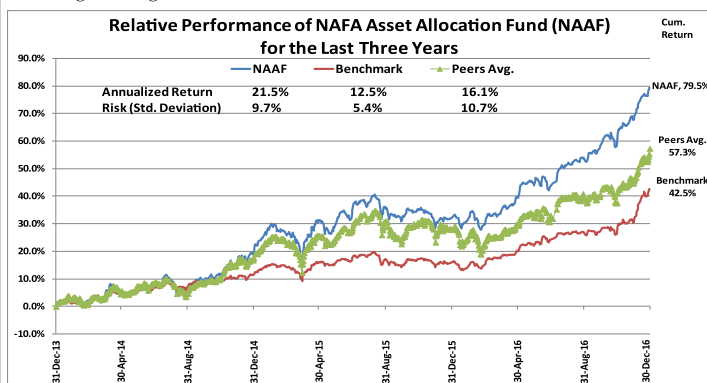
## Investment Objective

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's Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) unit price (NAV) increased by 7.1% while the Benchmark increased by 9.3%. Thus your Fund underperformed the Benchmark by 2.2%. Since inception on August 20, 2010 the Fund has posted 21.4% p.a return, versus 13.1% p.a by the Benchmark. Thus, to date the outperformance of your Fund stands at 8.3% p.a. This outperformance is net of management fee and all other expenses.

NAAF started off the month with an allocation of around 61% in equities, which increased to around 65% towards the end of the month. NAAF underperformed the Benchmark in December as the Fund was underweight in select Commercial Banks, Oil & Gas Exploration Companies, Cement, Food & Personal Care Products, Power Generation & Distribution Companies, and Pharmaceuticals sectors stocks which outperformed the market and overweight in select Textile Composite, Glass & Ceramics, Engineering, Oil & Gas Marketing Companies, Automobile Assembler, Technology & Communication, and Transport sectors stocks which underperformed the market. During the month, the allocation was increased Primarily in Cement, Oil & Gas Exploration Companies, Oil & Gas marketing Companies, Commercial Banks, Power Generation & Distribution Companies, and Textile Composite sectors, whereas it was reduced primarily in Automobile Assembler, Glass & Ceramics, and Engineering sectors.



## Top Ten Holdings (as on 30 Dec, 2016)

Name	Asset Class	% of Total Assets
Lucky Cement Ltd	Equity	2.8%
Mari Petroleum Company Ltd	Equity	2.8%
Pak Petroleum Ltd	Equity	2.6%
Nishat Mills Ltd	Equity	2.6%
Attock Cement Pakistan Ltd	Equity	2.6%
Engro Corporation Ltd	Equity	2.5%
Pakistan Oilfields Ltd	Equity	2.5%
D G Khan Cement Co Ltd	Equity	2.4%
Shell Pakistan Ltd	Equity	2.4%
Kohinoor Textile Mills Ltd	Equity	2.4%
<b>Total</b>		<b>25.6%</b>

# NAFA Islamic Asset Allocation Fund (NIAAF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.18.6028

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Rolling 12 Months Jan16-Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch October 26, 2007*
NAFA Islamic Asset Allocation Fund	7.6%	19.3%	32.3%	13.1%	33.8%	22.2%	36.3%	13.2%	17.5%
Benchmark**	8.9%	14.0%	23.1%	9.2%	12.1%	17.7%	28.9%	11.1%	12.3%

\* Annualized Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

All Other returns are Cumulative

Note:\*\* Effective from September 01, 2016; Previously average of (i) average 3-month Islamic banks deposit rate (ii) 6-month KIBOR or its Shariah Compliant equivalent (iii) KMI 30 Index  
\*\* KSE-30 is used as equity component for the Benchmark before June 30, 2008, the launch date of KMI-30 Index. The fund category was changed to Islamic Asset Allocation from Islamic Balanced with effect from April 22, 2014. Consequently, allowed equity range is now 0% to 90% which previously was 30% to 70%. Previous benchmark was 50% KMI-30 Index & 50% Islamic Bank Deposit.

## General Information

Launch Date: October 26, 2007  
Fund Size: Rs. 10,025 million  
Type: Open-end-Shariah Compliant -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 Load (Individual): 3%, (Nil on investment above Rs. 101 million)  
Management Fee: Front End Load (Other): 3.0% (Nil on investment above Rs. 50 million)  
Total Expense Ratio (%) Back End Load: NIL  
2% per annum  
2.66% p.a.(including 0.36% government levies)  
Risk Profile: Moderate  
Listing: Pakistan Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: Deloitte Yousuf Adil Chartered Accountants  
Benchmark:\*\* Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation.  
Fund Manager: Asim Wahab Khan, CFA  
Minimum Subscription: Growth Unit: Rs. 10,000/-  
Asset Manager Rating: Income Unit: Rs. 100,000/-  
AM2++ by PACRA (High Investment Management Standards)

\*\*\* effective from January 02, 2017

## Investment Objective

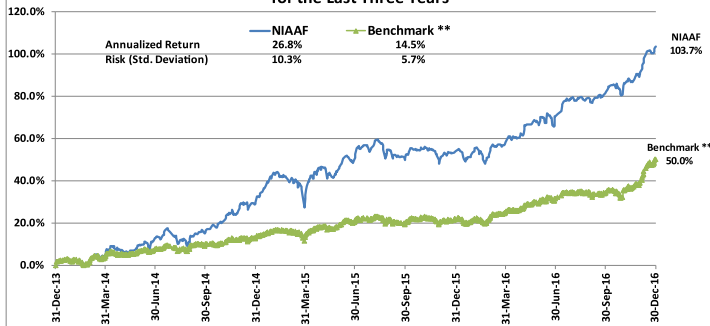
To generate capital appreciation by investing in Shariah Compliant equity and equity related securities and income by investing in Shariah Compliant bank deposits, debt & money market securities.

## Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Asset Allocation Fund increased by 7.6% whereas the Benchmark increased by 8.9%, thus your Fund underperformed the Benchmark by 1.3%. Since inception your Fund has posted 17.5% p.a return, versus 12.3% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 5.2% p.a. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 58% in equities, which increased to around 63% towards the end of the month. NIAAF underperformed the Benchmark in December as the Fund was underweight in select Oil & Gas Exploration Companies, Cement, Oil & Gas Marketing Companies, Power Generation & Distribution Companies, and Pharmaceuticals sectors stocks which outperformed the market and overweight in select Textile Composite, Glass & Ceramics, Oil & Gas Marketing Companies, Cements, Automobile Assembler, and Transport sectors stocks which underperformed the market. During the month, the allocation was primarily increased in Cement, Fertilizer, Oil & Gas Exploration Companies, Leather & Tanneries, and Textile composite sectors, whereas it was reduced slightly in Power Generation & Distribution Companies, Food & Personal Care Products, Automobile Assembler, and Oil & Gas Marketing Companies sectors.

Relative Performance of NAFA Islamic Asset Allocation Fund (NIAAF) for the Last Three Years



## Asset Allocation (% of Total Assets)

	30-Dec-16	30-Nov-16
Equities / Stocks	62.5%	57.8%
Sukuks	0.4%	0.5%
Cash	36.1%	39.0%
Others	1.0%	2.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*\*

	PER	PBV	DY
NIAAF	10.7	3.9	4.0%
KMI-30	12.2	2.9	4.2%

\*\*\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Oil & Gas Exploration Companies	13.7%
Cement	12.7%
Fertilizer	7.6%
Oil & Gas Marketing Companies	7.0%
Textile Composite	5.7%
Others	15.8%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 15,789,039/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0293/0.22%.For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

Notes: 1) The calculation of performance does not include cost of front end load.

2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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## Top Ten Holdings (as on 30 Dec, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	4.1%	Pak Petroleum Ltd	Equity	3.1%
Mari Petroleum Company Ltd	Equity	4.1%	Oil & Gas Dev.Co	Equity	3.0%
Pakistan State Oil Co. Ltd	Equity	3.7%	Nishat Mills Ltd	Equity	2.9%
Lucky Cement Ltd	Equity	3.4%	Kohinoor Textile Mills Ltd	Equity	2.8%
Pakistan Oilfields Ltd	Equity	3.4%	Engro Fertilizer Ltd	Equity	2.7%

## Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
Eden Housing (Sukuk II)	SUKUK	4,921,875	4,921,875	-	-	-
<b>Total</b>		<b>4,921,875</b>	<b>4,921,875</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NAFA Multi Asset Fund (NMF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.19.4778

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Rolling 12 Months Jan 16-Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch January 19, 2007*
NAFA Multi Asset Fund	7.4%	24.6%	37.4%	8.7%	26.8%	25.4%	34.1%	15.5%	17.4%
Benchmark**	8.9%	15.1%	26.2%	7.1%	11.0%	19.6%	22.4%	8.0%	10.4%

\* Annualized Return

All Other returns are Cumulative

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date: January 19, 2007  
Fund Size: Rs 1,747 million  
Type: Open-end – Balanced 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 Load (Individual): 3%, (Nil on investment above Rs. 101 million)  
Front End Load (Other): 3% (Nil on investment above Rs. 50 million)  
Back End Load: NIL  
Management Fee: 2% per annum  
Total Expense Ratio (%) 2.81% p.a.(including 0.37% government levies)  
Risk Profile: Moderate  
Listing: Pakistan Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: KPMG Iqbal Hashmi  
Chartered Accountants  
Benchmark:\*\* Daily weighted return of KSE-30 Total Return Index & 6-month KIBOR based on Fund's actual allocation.  
Fund Manager: Asim Wahab Khan, CFA  
Minimum Subscription: Growth Unit: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously 50% KSE-30 Total Return Index & 50% 3-month KIBOR. From January 01, 2014, KSE-30 Total Return Index

\*\*\* effective from January 02, 2017

## Investment Objective

To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.

## Fund Manager's Commentary

During the month under review, NAFA Multi Asset Fund's (NMF) unit price (NAV) increased by 7.4% while the Benchmark increased by 8.9%. Thus your Fund underperformed the Benchmark by 1.5%. Since inception on January 19, 2007 your Fund has posted 17.4% p.a return, versus 10.4% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 7.0% pa. This outperformance is net of management fee and all other expenses.

NMF started off the month with an allocation of around 61% in equities which increased to around 63% towards the end of the month. NMF underperformed the Benchmark in December as the Fund was underweight in select Commercial Banks, Oil & Gas Exploration Companies, Cement, Food & Personal Care Products, Power Generation & Distribution Companies, and Pharmaceuticals sectors stocks which outperformed the market and overweight in select Textile Composite, Glass & Ceramics, Pharmaceuticals, Oil & Gas Marketing Companies, Cements, Automobile Assembler, and Transport sectors stocks which underperformed the market. During the month, the allocation was primarily increased in Commercial Banks, Oil & Gas Exploration Companies, Textile Composite, and Cement sectors, whereas it was reduced primarily in Fertilizer and Glass & Ceramics sectors.

## Asset Allocation (% of Total Assets) 30-Dec-16 30-Nov-16

Equities / Stocks	63.0%	61.3%
TFCs / Sukuks	6.8%	7.5%
Cash	26.8%	25.1%
PIBs	2.1%	2.4%
Others including receivables	1.3%	3.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*\*

	PER	PBV	DY
NMF	9.9	3.5	4.0%
KSE-30	11.2	2.8	4.9%

\*\*\*\*Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Commercial Banks	9.8%
Oil & Gas Exploration Companies	9.7%
Textile Composite	9.0%
Cement	7.1%
Fertilizer	5.0%
Others	22.4%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA  
Muhammad Ali Bhabha, CFA, FRM

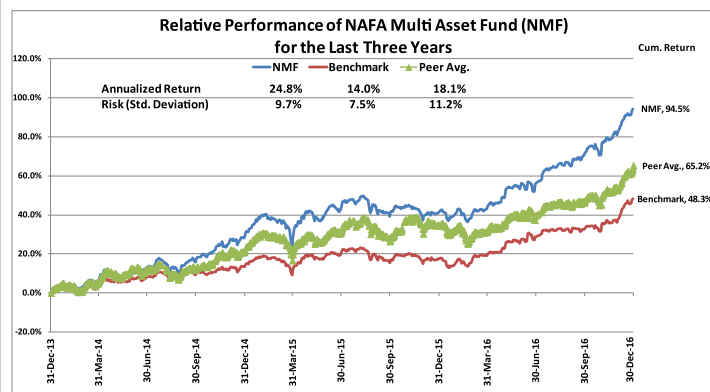
## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 20,016,564/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.2231/1.59%.For details investors are advised to read Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

Notes: 1) The calculation of performance does not include cost of front end load.

2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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## Top Ten Holdings (as on 30 Dec, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
K Electric Azm	Sukuk	4.5%	Pakistan Oilfields Ltd	Equity	2.3%
Kohinoor Textile Mills Ltd	Equity	3.6%	Jahangir Siddiqui and Company Ltd.	TFC	2.3%
Mari Petroleum Company Ltd	Equity	3.1%	Pak Petroleum Ltd	Equity	2.2%
Nishat Mills Ltd	Equity	3.1%	Indus Motor Company Ltd	Equity	2.1%
Engro Corporation Ltd	Equity	2.7%	Oil & Gas Dev.Co	Equity	2.1%

## Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
Saudi Pak Leasing	TFC	27,547,410	27,547,410	-	-	-
Eden Housing (Sukuk II)	SUKUK	9,843,750	9,843,750	-	-	-
New Allied Electronics (Sukuk I)	SUKUK	10,000,000	10,000,000	-	-	-
<b>Total</b>		<b>47,391,160</b>	<b>47,391,160</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NAFA Islamic Stock Fund (NISF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.14.9155

December 2016

## Performance

Performance Period	Dec 2016	FYTD 2017	Rolling 12 Months Jan 16-Dec 16	FY 2016	Since Launch* January 09, 2015
NAFA Islamic Stock Fund	9.7%	30.4%	45.4%	12.9%	28.4%
Benchmark	14.5%	23.6%	47.1%	15.5%	25.2%

\* Annualized Return

All Other returns are Cumulative

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date: January 9, 2015  
Fund Size: Rs. 6,022 million  
Type: Open-end-Shariah Compliant-Equity 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 Load (Individual): 3% (Nil on investment above Rs. 101 million)  
Front End Load (Other): 3% (Nil on investment above Rs. 50 million)  
Back End Load: NIL  
Management Fee: 2% per annum  
Total Expense Ratio (%): 2.84% p.a. (including 0.37% government levies)  
Risk Profile: High  
Listing: Pakistan Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: A. F. Ferguson & Co.  
Chartered Accountants  
Benchmark: KMI-30 Index  
Fund Manager: Sajjad Anwar, CFA  
Minimum Subscription: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

\*\* effective from January 02, 2017

Asset Allocation (% of Total Assets)	30-Dec-16	30-Nov-16
Equities / Stocks	90.0%	86.0%
Cash Equivalents	7.7%	12.8%
Others including receivables	2.3%	1.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*

	PER	PBV	DY
NISF	9.9	3.5	3.7%
KMI-30	12.2	2.9	4.2%

\*\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Cement	19.3%
Oil & Gas Exploration Companies	16.0%
Fertilizer	12.9%
Oil & Gas Marketing Companies	11.7%
Textile Composite	7.2%
Others	22.9%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 2,403,366/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.006/0.08%.For details investors are advised to read the Note 8 of the Financial Statements of the Scheme for the period ended September 30, 2016.From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Investment Objective

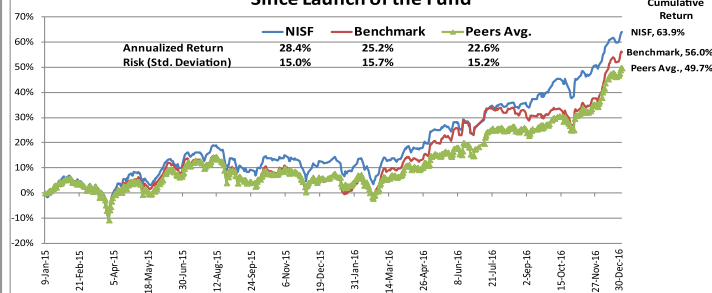
The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shariah Compliant listed equities.

## Fund Manager's Commentary

During the month under review, NAFA Islamic Stock Fund's (NISF) unit price (NAV) increased by 9.7%, whereas the Benchmark increased by 14.5%, thus an underperformance of 4.8% was recorded. Since inception on January 9, 2015 your Fund has posted 28.4% p.a return, versus 25.2% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 3.2% p.a. This outperformance is net of management fee and all other expenses.

NISF started off the month with an allocation of around 86% in equities, which increased to around 90% towards the end of the month. NISF underperformed the Benchmark in December as the Fund was underweight in select Cement, Power Generation & Distribution Companies, Oil & Gas Exploration Companies, Food & Personal Care Products, and Pharmaceuticals sectors stocks which outperformed the market and overweight in select Oil & Gas Marketing Companies, Engineering, Cement, Automobile Assembler, Transport, Food & Personal care Products, Fertilizer, and Glass & Ceramics sectors stocks which underperformed the market. During the month, the allocation was increased primarily in Cement, Fertilizer, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, and Pharmaceuticals Sectors, whereas it was reduced primarily in Power Generation & Distribution, Automobile Assembler, Automobile Parts & Accessories, Engineering, Technology & Communication, Refinery, Textile Composite, and Transport sectors.

## Relative Performance of NAFA Islamic Stock Fund (NISF) Since Launch of the Fund



## Top Ten Holdings (as on 30 Dec, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	6.1%	Engro Fertilizer Ltd	Equity	4.1%
Pakistan State Oil Co. Ltd	Equity	5.2%	Lucky Cement Ltd	Equity	4.1%
Mari Petroleum Company Ltd	Equity	4.8%	Oil & Gas Dev.Co Ltd	Equity	3.6%
Pak Petroleum Ltd	Equity	4.4%	Nishat Mills Ltd	Equity	3.6%
D G Khan Cement Co Ltd	Equity	4.3%	Attock Cement Pak Ltd	Equity	3.3%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

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# NAFA Stock Fund (NSF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.17.5103

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Rolling 12 Months Jan 16-Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch January 19, 2007*
NAFA Stock Fund	10.8%	32.6%	51.5%	11.4%	36.9%	36.3%	55.0%	22.0%	19.5%
Benchmark**	14.0%	22.8%	42.7%	7.1%	12.3%	29.6%	36.0%	2.9%	8.8%

\* Annualized Return

All Other returns are Cumulative

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

\*\*From January 01, 2014, KSE-30 Total Return Index

## General Information

Launch Date:	January 19, 2007
Fund Size:	Rs. 15,080 million
Type:	Open-end – Equity 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 Load (Individual): 3% (Nil on investment above Rs. 101 million) Front End Load (Other): 3% (Nil on investment above Rs. 50 million) Back End Load: NIL
Management Fee:	2% per annum
Total Expense Ratio (%)	2.70% p.a.(including 0.37% government levies)
Risk Profile:	High
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co, Chartered Accountants
Benchmark:	KSE-30 Total Return Index
Fund Manager:	Asim Wahab Khan, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\*\* effective from January 02, 2017

## Asset Allocation (% of Total Assets) 30-Dec-16 30-Nov-16

Equities / Stock	89.9%	86.7%
Cash	9.7%	12.1%
Others including receivables	0.4%	1.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*\*

	PER	PBV	DY
NSF	10.2	3.2	4.0%
KSE-30	11.2	2.8	4.9%

\*\*\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Commercial Banks	16.0%
Cement	15.7%
Oil & Gas Exploration Companies	12.6%
Fertilizer	9.2%
Textile Composite	9.0%
Others	27.4%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 47,574,549/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0552/0.51%. For details investors are advised to read the Note 11 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

Notes: 1) The calculation of performance does not include cost of front end load.

2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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## Investment Objective

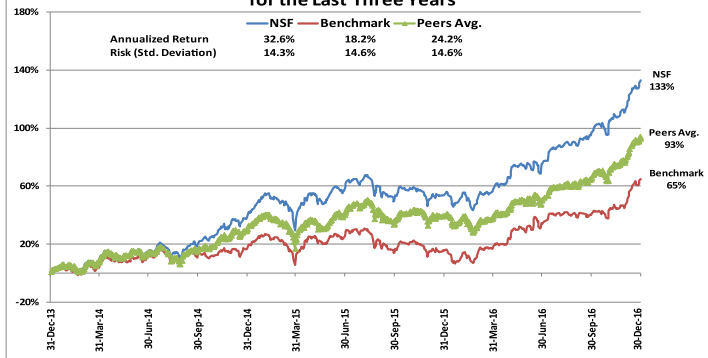
To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.

## Fund Manager's Commentary

During the month under review, NAFA Stock Fund's (NSF) unit price (NAV) increased by 10.8%, whereas the Benchmark increased by 14.0%, thus an underperformance of 3.2% was recorded. Since inception on January 19, 2007 your Fund has posted 19.5% p.a return, versus 8.8% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 10.7% p.a. This outperformance is net of management fee and all other expenses.

NSF started off the month with an allocation of around 87% in equities, which increased to around 90% towards the end of the month. NSF underperformed the Benchmark in December as the Fund was underweight in select Commercial Banks, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, Power Generation & Distribution Companies, and Pharmaceuticals sectors stocks which outperformed the market and overweight in select Textile Composite, Engineering, Technology & Communication, Automobile Assembler, and Transport sectors stocks which underperformed the market. During the month, the allocation was increased primarily in Commercial Banks, Oil & Gas Exploration Companies, and Cements sectors, whereas it was reduced primarily in Food & Personal Care Products, Engineering, Glass & Ceramics, and Technology & Communication sectors.

## Relative Performance of NAFA Stock Fund (NSF) for the Last Three Years



## Top Ten Equity Holdings (as on 30 Dec, 2016)

Name	% of Total Assets	Name	% of Total Assets
Engro Corporation Ltd	5.1%	MCB Bank Ltd	3.4%
Pakistan State Oil Co Ltd	4.2%	Lucky Cement Ltd	3.3%
Mari Petroleum Co Ltd	3.9%	Nishat Mills Ltd	3.2%
D G Khan Cement Co Ltd	3.8%	United Bank Ltd	3.1%
Habib Bank Ltd	3.7%	Pak Petroleum Ltd	3.0%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

# NAFA Pension Fund (NPF)



MONTHLY REPORT (MUFAP's Recommended Format)

December 2016

## Performance %

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) Dec 30, 2016	Dec 2016	FYTD 2017	Rolling 12 Months Jan 16-Dec 16	FY 2016	FY 2015	Since Launch July 02, 2013
NPF-Equity Sub-fund	874.3	324.2664	10.1%*	34.4%*	51.5%*	14.8%*	49.6%*	39.6%
NPF-Debt Sub-fund	385.4	138.3020	3.9%	4.2%	4.6%	5.5%	17.3%	9.3%
NPF-Money Market Sub-fund	373.5	125.7415	4.3%	4.5%	4.6%	4.9%	7.8%	6.4%

\* Cumulative Returns

All Other returns are annualized

The performance reported is net of management fee & all other expenses.

## General Information

Launch Date:	July 2, 2013
Fund size: NPF	Rs. 1,633 million
Type:	Open-end – Voluntary Pension Scheme
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 05:30 P.M
Pricing Mechanism	Forward Pricing
Front end Load:	Upto 3% on Contributions
Back end Load	0%
Management Fee:	On average Annual Net Assets of each Sub-Fund. Equity, Debt, Money Market 1.50% p.a. Equity 2.08% p.a. (including 0.25% government levies) Debt 1.97% p.a. (including 0.25% government levies) Money Market 2.01% p.a. (including 0.25% government levies)
Total Expense Ratio (%)	
Risk Profile	Investor dependent
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Initial: Rs. 10,000/- Subsequent: Rs. 1000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)
Leverage	Nil

## Investment Objective

To provide a secure source of savings and regular income after retirement to the Participants.

## Fund Manager's Commentary

### During the month of December:

NPF Equity Sub-fund unit price increased by 10.1% compared with 12.2% increased in KSE-100 Index. The Sub-fund was around 96% invested in equities with major weights in Commercial Banks, Oil & Gas Exploration, and Cement sectors. Equity Sub-fund maintains exposure of atleast 90% in listed equities on average. Last 90 days average allocation in equity was 94.9% of net asset.

NPF Debt Sub-fund generated annualized return of 3.9%. The Sub-fund was invested primarily in Government securities and TFCs. Debt Sub-fund maintains a minimum combined exposure of 50% in Government Securities (25% minimum) and AA+ rated banks. Weighted Average Maturity of Sub-fund is 0.8 year.

NPF Money Market Sub-fund generated annualized return of 4.3%. In line with its investment strategy, the Sub-fund will maintain high exposure in money market securities. Money Market Sub-fund average maturity cannot exceed 90 days. Weighted Average Maturity of Sub-fund is 23 days.

## Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Commercial Banks	15.8%
Oil & Gas Exploration Companies	14.4%
Cement	14.3%
Textile Composite	9.8%
Fertilizer	7.3%
Others	34.2%

## Top Ten Holdings of Equity Sub-fund (as on 30 Dec, 2016)

Name	(% of Total Assets)	Name	(% of Total Assets)
Mari Petroleum Company Ltd	5.0%	Nishat Mills Ltd	3.8%
Habib Bank Ltd	5.0%	Lucky Cement Ltd	3.6%
Pakistan State Oil Co. Ltd	4.6%	Pakistan Oilfields Ltd	3.5%
Engro Corporation Ltd	4.2%	Pak Petroleum Ltd	3.4%
MCB Bank Ltd	4.1%	United Bank Ltd	3.3%

As on 30 Dec, 2016

## Top TFC/Sukuk Holdings of Debt Sub-fund

Name	(% of Total Assets)
Askari Commercial Bank Limited 30-SEP-14 30-SEP-24	4.7%
Jahangir Siddiqui and Co Ltd TFC 08-APR-14	4.5%
JS Bank Limited 14-DEC-16 14-DEC-23	2.3%
Jahangir Siddiqui and Company Ltd. 24-Jun-16 24-Jun-21	0.8%
Standard Chartered Bank (Pakistan) Limited IV	0.6%
Faysal Bank Limited III	0.2%
<b>Total</b>	<b>13.1%</b>

## WORKERS' WELFARE FUND (WWF)

NPF has maintained provisions against Workers' Welfare Fund's liability in individual Sub-funds as stated below:

	Total amount Provided Rs	Amount Per Unit Rs	Last One Year return would otherwise have been higher by:
Equity Sub-fund	2,346,729	0.8704	0.44%
Debt Sub-fund	809,223	0.2904	0.22%
Money Market Sub-fund	351,954	0.1185	0.10%

For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

Notes: 1) The calculation of performance does not include cost of front-end load.

2) Taxes apply. Further, tax credit also available as per section 63 of the Income Tax Ordinance, 2001.

## Credit Quality of the Portfolio (as on 30 Dec, 2016)

	Debt	Money Market
Government Securities (AAA rated)	45.7%	17.4%
AAA	19.9%	19.7%
AA+	25.9%	38.4%
AA		3.4%
AA-	4.9%	19.8%
A+	2.3%	0.3%
Others	1.3%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Asset Allocation (% of Total Assets)

Equity Sub-fund	30-Dec-16	30-Nov-16
Equity	95.8%	94.6%
Cash Equivalents	3.6%	2.6%
Others	0.6%	2.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Debt Sub-fund	30-Dec-16	30-Nov-16
Cash Equivalents	39.9%	29.3%
TFC/Sukuk	13.1%	10.1%
PIBs	3.6%	3.4%
T-Bills	42.1%	55.6%
Others	1.3%	1.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Money Market Sub-fund	30-Dec-16	30-Nov-16
Cash Equivalents	62.3%	82.0%
Bank Placement	19.3%	16.5%
T-Bills	17.4%	-
Others	1.0%	1.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

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# NAFA Islamic Pension Fund (NIPF)



MONTHLY REPORT (MUFAP's Recommended Format)

December 2016

## Performance %

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) Dec 30, 2016	Dec 2016	FYTD 2017	Rolling 12 Months Jan 16-Dec 16	FY 2016	FY 2015	Since Launch July 02, 2013
NIPF-Equity Sub-fund	729.7	319.8469	8.8%*	31.6%*	48.5%*	16.9%*	51.5%*	39.1%
NIPF-Debt Sub-fund	269.5	122.4907	1.8%	4.7%	4.0%	3.8%	5.6%	5.7%
NIPF-Money Market Sub-fund	178.2	122.3497	3.5%	4.4%	4.1%	3.9%	6.2%	5.7%

\* Cumulative Returns

The performance reported is net of management fee & all other expenses.

All Other returns are annualized

## General Information

Launch Date:	July 2, 2013
Fund size: NIPF	Rs. 1,177 million
Type:	Open-end – Shariah Compliant Voluntary Pension Scheme
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 05:30 P.M
Pricing Mechanism	Forward Pricing
Front end Load:	Upto 3% on Contributions
Back end Load:	0%
Management Fee:	On average Annual Net Assets of each Sub-Fund. Equity, Debt, Money Market 1.50% p.a. Equity 2.11% p.a. (including 0.25% government levies)
Total Expense Ratio (%)	Debt 2.02% p.a. (including 0.25% government levies) Money Market 2.11% p.a. (including 0.25% government levies)
Risk Profile	Investor dependent
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Initial: Rs. 10,000/- Subsequent: Rs. 1000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)
Leverage	Nil

## Investment Objective

To provide a secure source of savings and regular income after retirement to the Participants.

## Fund Manager's Commentary

### During the month of December:

NIPF Equity Sub-fund unit price increased by 8.8% as compared to 14.5% increase in KMI-30 Index. The Sub-fund was around 94% invested in equities with major weights in Cement, Oil & Gas Exploration Companies, and Fertilizers sectors. Equity Sub-fund maintains exposure of at least 90% in listed equities on average. Last 90 days average allocation in equity was 94.4% of net asset.

NIPF Debt Sub-fund generated annualized return of 1.8%. The Sub-fund was invested primarily in GoP Ijara Sukuks and Islamic bank deposits. Debt Sub-fund maintains a minimum combined exposure of 50% in Islamic Government Securities (25% minimum) and A+ rated Islamic banks / AA rated Islamic windows. Weighted Average Maturity of Sub-fund is 0.7 year.

NIPF Money Market Sub-fund generated annualized return of 3.5%. The Sub-fund was invested primarily in Islamic bank deposits. Money Market Sub-fund average maturity cannot exceed 1 year. Weighted Average Maturity of Sub-fund is 62 days.

## Credit Quality of the Portfolio (as on 30 Dec 2016)

	Debt	Money Market
Government Securities (AAA rated)	43.2%	8.6%
AAA	18.6%	23.6%
AA+	19.0%	36.9%
AA	4.9%	8.3%
AA-	-	0.5%
A+	12.2%	20.4%
Others	2.1%	1.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Asset Allocation (% of Total Assets)

Equity Sub-fund	30-Dec-16	30-Nov-16
Equity	93.7%	91.5%
Cash Equivalents	5.1%	5.3%
Others including receivables	1.2%	3.2%
<b>Total</b>	<b>100.0%</b>	
Debt Sub-fund	30-Dec-16	30-Nov-16
Cash Equivalents	54.7%	60.9%
GOP Ijara Sukuk	43.2%	37.1%
Others	2.1%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Money Market Sub-fund	30-Dec-16	30-Nov-16
Cash Equivalents	89.7%	88.1%
GOP Ijara Sukuk	8.6%	9.2%
Others	1.7%	2.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

## Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Cement	17.3%
Oil & Gas Exploration Companies	13.9%
Fertilizer	10.0%
Oil & Gas Marketing Companies	9.0%
Automobile Assembler	8.9%
Others	34.6%

## Top Ten Holdings of Equity Sub-fund (as on 30 Dec, 2016)

Name	(% of Total Assets)	Name	(% of Total Assets)
Engro Corporation Ltd	5.3%	Lucky Cement Ltd	3.8%
Pakistan State Oil Co. Ltd	4.9%	Pakistan Oilfields Ltd	3.5%
Mari Petroleum Company Ltd	4.7%	D G Khan Cement Co Ltd	3.3%
Nishat Mills Ltd	4.3%	Shell Pakistan Ltd	3.2%
Pak Petroleum Ltd	4.0%	Kohinoor Textile Mills Ltd	2.9%

## WORKERS' WELFARE FUND (WWF)

NIPF has maintained provisions against Workers' Welfare Fund's liability in individual Sub-funds as stated below:

	Total amount Provided Rs	Amount Per Unit Rs	Last One Year return would otherwise have been higher by:
Equity Sub-fund	1,341,944	0.5882	0.30%
Debt Sub-fund	182,708	0.0830	0.07%
Money Market Sub-fund	137,561	0.0946	0.08%

For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

Notes: 1) The calculation of performance does not include cost of front-end load.

2) Taxes apply. Further, tax credit also available as per section 63 of the Income Tax Ordinance, 2001.

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# NAFA Islamic Principal Protected Fund-I (NIPPF-I)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs 128.7599

December 2016

## Performance %

Performance period	Dec 2016	FYTD 2017	Rolling 12 Months Jan 16-Dec 16	FY 2016	FY 2015	Since Launch March 05, 2014*
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	6.2%	15.2%	21.0%	4.2%	21.3%	15.3%
Benchmark	6.7%	11.6%	20.4%	7.7%	11.0%	12.1%

\* Annualized Return

All Other returns are Cumulative

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date:	March 5, 2014
Fund Size:	Rs. 409 million
Type:	Open-end Shariah Compliant Capital Protected 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:	Back end: 0%
Management Fee:	2% per annum
Total Expense Ratio (%)	2.91% p.a. (including 0.35% government levies)
Risk Profile:	Low
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

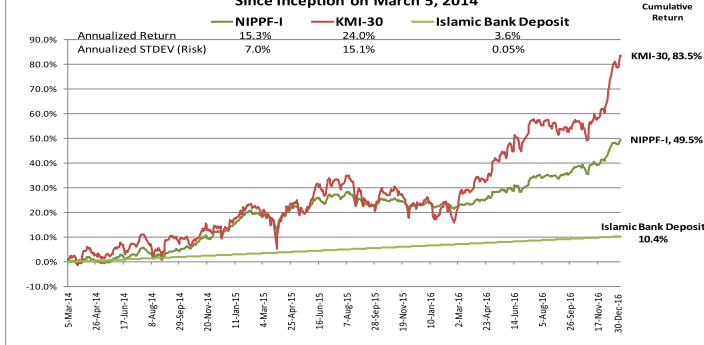
## Investment Objective

The objective of NAFA Islamic Principal Protected Fund-I is to earn a potentially high return through dynamic asset allocation between shariah compliant Equities and Money Market investment avenues, while providing principal protection.

## Fund Manager's Commentary

Since inception, NIPPF-I has generated a return of 15.3% p.a versus 12.1% p.a return of the Benchmark. The current equity exposure stands at around 9% p.a. During the month, maximum multiplier stood at 1.7 whereas minimum multiplier was 0.3. Key holdings of the Fund belong to Cement, Oil & Gas Exploration Companies, and Fertilizer sectors. In line with directive no 18 of 2016, effective from 1st January 2017, the equity exposure of the Fund will be capped at 10%. Consequently, going forward, your Fund may not be able to offer attractive returns due to very low exposure in the stock market.

Relative Performance of NAFA Islamic Principal Protected Fund-I (NIPPF-I) Since Inception on March 5, 2014



## Asset Allocation (% of Total Assets) 30-Dec-16 30-Nov-16

Equities / Stocks	8.8%	45.1%
Cash	55.5%	51.7%
Others including receivables	35.7%	3.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIPPF-I	8.9	2.5	4.0%
KMI-30	12.2	2.9	4.2%

\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Cement	2.3%
Oil & Gas Exploration Companies	1.9%
Fertilizer	0.9%
Cable & Electrical Goods	0.8%
Oil & Gas Marketing Companies	0.8%
Others	2.1%

## Top Ten Holdings (as on 30 Dec, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
D G Khan Cement Co Ltd	Equity	0.8%	Nishat Mills Ltd	Equity	0.5%
Pak Elektron Ltd	Equity	0.8%	Mari Petroleum Company Ltd	Equity	0.5%
Pakistan State Oil Co Ltd	Equity	0.7%	Lucky Cement Ltd	Equity	0.5%
Pak Petroleum Ltd	Equity	0.7%	Fauji Cement Company Ltd	Equity	0.5%
Pakistan Oilfields Ltd	Equity	0.7%	Mughal Iron & Steel Industries Ltd	Equity	0.5%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab khan, CFA  
Muhammad Ali Bhabha, CFA, FRM

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 7,552,236/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 2.38/2.24%. For details investors are advised to read Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2016.From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

Notes: 1) The calculation of performance does not include cost of front end load.

2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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# NAFA Islamic Principal Protected Fund-II (NIPPF-II)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.137.7896

December 2016

Performance Period	Dec 2016	FYTD 2017	Rolling 12 Months Jan16-Dec 16	FY 2016	FY 2015	Since Launch June 27, 2014*
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	8.1%	22.8%	30.5%	3.3%	21.0%	18.7%
Benchmark	9.4%	14.9%	27.4%	8.9%	12.2%	14.6%
* Annualized Return All Other returns are Cumulative						
The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.						

General Information	Investment Objective
<b>Launch Date:</b> June 27, 2014 <b>Fund Size:</b> Rs. 1,005 million <b>Type:</b> Open-end Shariah Compliant -Capital Protected Fund <b>Dealing Days:</b> Daily – Monday to Friday <b>Dealing Time:</b> (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M <b>Settlement:</b> 2-3 business days <b>Pricing Mechanism:</b> Forward Pricing <b>Load:</b> Back end: 0% <b>Management Fee:</b> 2% per annum <b>Total Expense Ratio (%):</b> 2.86% p.a. (including 0.35% government levies) <b>Risk Profile:</b> Low <b>Listing:</b> Pakistan Stock Exchange <b>Custodian &amp; Trustee:</b> Central Depository Company (CDC) <b>Auditors:</b> A. F. Ferguson & Co. Chartered Accountants <b>Benchmark:</b> Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation. <b>Fund Manager:</b> Sajjad Anwar, CFA <b>Asset Manager Rating:</b> AM2++ by PACRA (High Investment Management Standards)	<b>Fund Manager's Commentary</b> The objective of NAFA Islamic Principal Protected Fund-II is to earn a potentially high return through dynamic asset allocation between Shariah compliant Equities and Money Market investment avenues, while providing principal protection. Since inception, NIPPF- II has generated a return of 18.7% p.a versus 14.6% p.a return of the Benchmark. The current equity exposure stands at around 6%. During the month, maximum multiplier stood a 2.5 whereas minimum multiplier was 0.2. Key holdings of the Fund belong to Cement, Oil & Gas Exploration Companies, and Engineering sectors. In line with directive no 18 of 2016, effective from 1st January 2017, the equity exposure of the Fund will be capped at 10%. Consequently, going forward, your Fund may not be able to offer attractive returns due to very low exposure in the stock market.

Asset Allocation (% of Total Assets)	30-Dec-16	30-Nov-16
Equities / Stocks	6.4%	68.2%
Cash Equivalents	46.9%	29.2%
Others including receivables	46.7%	2.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIPPF-II	9.8	3.2	4.2%
KMI-30	12.2	2.9	4.2%

\*\* Based on NAFA's estimates

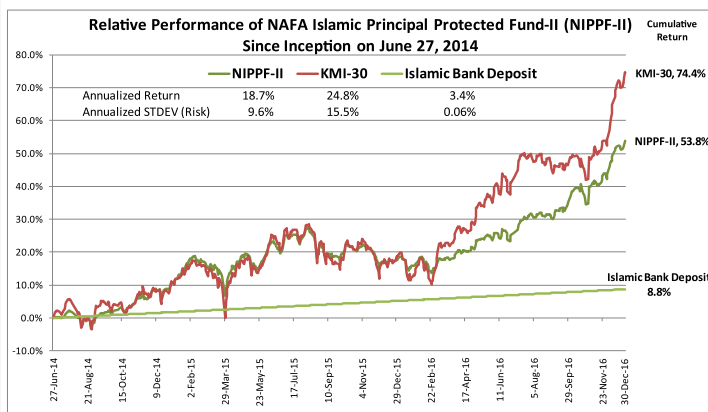
Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)	
Cement	1.7%
Oil & Gas Exploration Companies	1.4%
Engineering	1.1%
Fertilizer	1.0%
Textile Composite	0.6%
Others	0.6%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 5,069,719/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.6954/0.67%. For details investors are advised to read Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

**Notes:** 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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## Top Ten Holdings (as on 30 Dec, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Crescent Steel & Allied Product	Equity	0.9%	Kot Addu Power Co Ltd	Equity	0.5%
Pioneer Cement Ltd	Equity	0.6%	D G Khan Cement Co Ltd	Equity	0.5%
Mari Petroleum Company Ltd	Equity	0.5%	Pak Petroleum Ltd	Equity	0.5%
Nishat Mills Ltd	Equity	0.5%	Pakistan Oilfields Ltd	Equity	0.4%
Engro Fertilizer Ltd	Equity	0.5%	Engro Corporation Ltd	Equity	0.4%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

# NAFA Islamic Principal Preservation Fund (NIPPF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.115.3369

December 2016

Performance %				
Performance Period	Dec 2016	FYTD 2017	FY 2016	Since Launch January 09, 2015*
NAFA Islamic Principal Preservation Fund (NIPPF)	5.0%	12.9%	4.0%	11.2%
Benchmark**	6.8%	10.8%	3.6%	9.6%
* Annualized Return All Other returns are Cumulative The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.				

General Information	Investment Objective
<b>Launch Date:</b> January 9, 2015 <b>Fund Size:</b> Rs. 1,165 million <b>Type:</b> Open End Shariah Compliant Fund of Funds <b>Dealing Days:</b> Daily – Monday to Friday <b>Dealing Time:</b> (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M <b>Settlement:</b> 2-3 business days <b>Pricing Mechanism:</b> Forward Pricing <b>Back end Load:</b> 1% in year 1, 0.5% in year 2 and no load beyond 2 years <b>Management Fee:</b> 1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a. <b>Total Expense Ratio (%):</b> 1.20% p.a. (including 0.19% government levies) <b>Listing:</b> Pakistan Stock Exchange <b>Risk Profile:</b> Low <b>Custodian &amp; Trustee:</b> Central Depository Company (CDC) <b>Auditors:</b> A. F. Ferguson & Co. Chartered Accountants <b>Benchmark:**</b> Combination of benchmarks of underlying schemes on the basis of actual investment i.e. NISF: KMI-30 Index NIAAF: Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP Cash: 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP <b>Fund Manager:</b> Sajjad Anwar, CFA <b>Asset Manager Rating:</b> AM2++ by PACRA (High Investment Management Standards)	The objective of NAFA Islamic Principal Preservation Fund is to earn a potentially high return through dynamic asset allocation between Shariah compliant equity related, and Shariah compliant income/ money market Collective Investment Schemes, while providing principal preservation.
<b>Fund Manager's Commentary</b> Since inception, NIPPF has generated a return of 11.2% p.a versus 9.6% p.a return of the Benchmark. The current exposure in equity/asset allocation funds stands at 9.0%. During the month, maximum multiplier stood at 3.8 whereas minimum multiplier was 0.4. In line with directive no 18 of 2016, effective from 1st January 2017, the equity exposure of the Fund will be capped at 10%. Consequently, going forward, your Fund may not be able to offer attractive returns due to very low exposure in the stock market.	

\*\* effective from September 01, 2016; Previously daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.

Asset Allocation (% of Total Assets)	30-Dec-16	30-Nov-16
Islamic Stock Fund	4.4%	35.7%
Islamic Asset Allocation Fund	4.6%	24.0%
Cash	79.1%	39.3%
Others including receivables	11.9%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

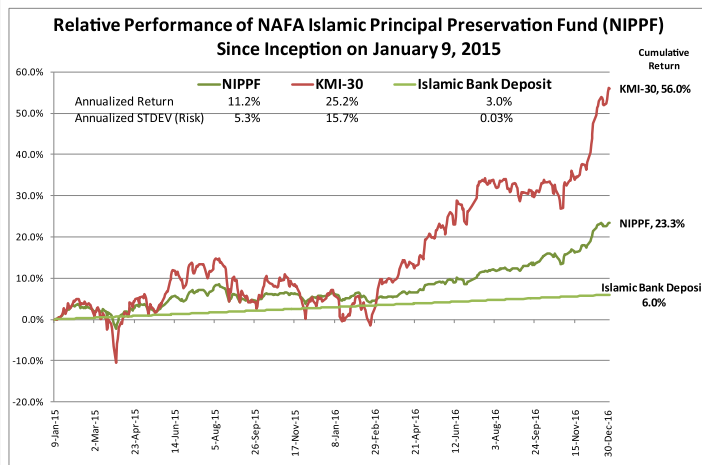
Characteristics of Equity Portfolio***			
	PER	PBV	DY
NIAAF	10.7	3.9	4.0%
NISF	9.9	3.5	3.7%
KMI-30	12.2	2.9	4.2%
***Based on NAFA's estimates			

Top Holdings (%age of total assets) (as on 30 Dec, 2016)	
NAFA Islamic Stock Fund	4.6%
NAFA Islamic Asset Allocation Fund	4.4%
<b>Total</b>	<b>9.0%</b>

WORKERS' WELFARE FUND (WWF)	
The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 1,767,381/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1750/0.18%.For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.	

**Notes:** 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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Name of the Members of Investment Committee	
Dr. Amjad Waheed, CFA	
Sajjad Anwar, CFA	
Syed Suleman Akhtar, CFA	
Asim Wahab Khan, CFA	
Muhammad Ali Bhabha, CFA, FRM	

# NAFA Islamic Active Allocation Plan-I (NIAAP-I)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.136.2522

December 2016

## Performance \*

Performance Period %	Dec 2016	FYTD 2017	Since Launch January 15, 2016
NAFA Islamic Active Allocation Plan-I	8.0%	23.0%	36.3%
Benchmark **	11.7%	19.2%	38.3%

\* Cumulative Return

[Returns are net of management fee & all other expenses]

## General Information

Launch Date:	January 15, 2016
Fund Size:	Rs. 978 million
Type:	Open Ended Shariah Compliant Fund of Funds
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
Back end Load:	Nil
Management Fee:	1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a.
Total Expense Ratio (%)	0.44% p.a.(including 0.11% government levies)
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:**	Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation (which is combination of benchmarks of underlying schemes)
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment.

## Investment Objective

The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

## Fund Manager's Commentary

NAFA launched its NAFA Islamic Active Allocation Plan-I (NIAAP-I) in January, 2016 which is the first plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity related and Income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-I has an initial maturity of two years.

Since inception, NIAAP-I has generated a return of 36.3% versus 38.3% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 91.9% & 6.2% respectively. The Plan can invest up to 100% in equity funds. We are confident that the Plan will generate good returns considering the improved macroeconomic and political outlook and dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 30-Dec-16 30-Nov-16

Shariah Compliant Funds	98.1%	95.5%
Cash Equivalents	1.8%	4.4%
Others including receivables	0.1%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*

	PER	PBV	DY
NIAAEF	10.0	3.9	3.8%
KMI-30	12.2	2.9	4.2%

\*\*\* Based on NAFA's estimates

## Top Holdings (%age of total assets) (as on 30 Dec, 2016)

NAFA Islamic Active Allocation Equity Fund	91.9%
NAFA Active Allocation Riba Free Savings Fund	6.2%
<b>Total</b>	<b>98.1%</b>

Notes: 1) The calculation of performance does not include cost of front end load.

2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

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# NAFA Islamic Active Allocation Plan-II (NIAAP-II)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.131.3051

December 2016

## Performance\*

Performance Period %	Dec 2016	FYTD 2017	Since Launch March 04, 2016
NAFA Islamic Active Allocation Plan-II	7.9%	22.5%	31.6%
Benchmark**	11.6%	18.9%	31.2%

\* Cumulative Returns

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date:	March 04, 2016
Fund Size:	Rs. 809 million
Type:	Open Ended Shariah Compliant Fund of Funds
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
Back end Load:	Nil
Management Fee:	1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a.
Total Expense Ratio (%)	0.47% p.a.(including 0.11% government levies)
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:**	Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation (which is combination of benchmarks of underlying schemes)
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment.

## Investment Objective

The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

## Fund Manager's Commentary

NAFA launched its NAFA Islamic Active Allocation Plan-II (NIAAP-II) in March 2016 which is the second plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity related and Income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-II has an initial maturity of two years.

Since inception, NIAAP-II has generated a return of 31.6% versus 31.2% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 92.1% & 2.7% respectively. The Plan can invest up to 100% in equity funds. We are confident that the Plan will generate good returns considering the improved macroeconomic and political outlook and dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 30-Dec-16 30-Nov-16

Shariah Compliant Funds	94.8%	93.4%
Cash Equivalents	5.1%	6.5%
Others including receivables	0.1%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*

	PER	PBV	DY
NIAAEF	10.0	3.9	3.8%
KMI-30	12.2	2.9	4.2%

\*\*\*Based on NAFA's estimates

## Top Holdings (%age of total assets) (as on 30 Dec, 2016)

NAFA Islamic Active Allocation Equity Fund	92.1%
NAFA Active Allocation Riba Free Savings Fund	2.7%
<b>Total</b>	<b>94.8%</b>

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

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# NAFA Islamic Active Allocation Plan-III (NIAAP-III)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.118.5588

December 2016

## Performance\*

Performance Period %	Dec 2016	FYTD 2017	Since Launch June 28, 2016
NAFA Islamic Active Allocation Plan-III	7.7%	18.6%	18.7%
Benchmark**	11.6%	16.3%	17.1%

\* Cumulative Returns

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date:	June 28, 2016
Fund Size:	Rs. 1,504 million
Type:	Open Ended Shariah Compliant Fund of Funds
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
Back end Load:	Nil
Management Fee:	1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a.
Total Expense Ratio (%)	0.46% p.a. (including 0.12% government levies)
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:**	Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation (which is combination of benchmarks of underlying schemes)
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment.

## Investment Objective

The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

## Fund Manager's Commentary

NAFA launched its NAFA Islamic Active Allocation Plan-III (NIAAP-III) in June 2016 which is the third plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity related and Income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-III has an initial maturity of two years.

Since inception, NIAAP-III has generated a return of 18.7% versus 17.1% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 92.1% & 5.0% respectively. The Plan can invest up to 100% in equity funds. We are confident that the Plan will generate good returns considering the improved macroeconomic and political outlook and dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 30-Dec-16 30-Nov-16

Shariah Compliant Funds	97.1%	94.8%
Cash Equivalents	2.8%	5.1%
Others including receivables	0.1%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*

	PER	PBV	DY
NIAAEF	10.0	3.9	3.8%
KMI-30	12.2	2.9	4.2%

\*\*\* Based on NAFA's estimates

## Top Holdings (%age of total assets) (as on 30 Dec, 2016)

NAFA Islamic Active Allocation Equity Fund	92.1%
NAFA Active Allocation Riba Free Savings Fund	5.0%
<b>Total</b>	<b>97.1%</b>

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

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# NAFA Islamic Active Allocation Plan-IV (NIAAP-IV)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.110.8808

December 2016

## Performance

Performance Period %	Dec 2016	Since Launch September 30, 2016*
NAFA Islamic Active Allocation Plan-IV	7.4%	10.9%
Benchmark	11.0%	13.6%

\* Cumulative Returns

[Returns are net of management fee & all other expenses]

## General Information

Launch Date:	September 30, 2016
Fund Size:	Rs. 894 million
Type:	Open Ended Shariah Compliant Fund of Funds
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
Back end Load:	Nil
Management Fee:	1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a.
Total Expense Ratio (%):	0.43% p.a (including 0.09% government levies)
Risk Profile:	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation (which is combination of benchmarks of underlying schemes)
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of Shari'ah Compliant Equity Fund and Income Fund.

## Fund Manager's Commentary

NAFA launched its NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) in September, 2016 which is the fourth plan under NAFA Islamic Active Allocation Fund-I. The Active Allocation Plan will be dynamically managed between dedicated equity related and Income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-IV has an initial maturity of two years.

Since inception, NIAAP-IV has generated a return of 10.9% versus 13.6% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 91.9% & 4.8% respectively. The Plan can invest up to 100% in equity funds. We are confident that the Plan will generate good returns considering the improved macroeconomic and political outlook and dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 30-Dec-16 30-Nov-16

Shariah Compliant Funds	96.7%	93.4%
Cash Equivalents	3.3%	6.4%
Others including receivables	-	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF**	10.0	3.9	3.8%
KMI-30	12.2	2.9	4.2%

\*\* Based on NAFA's estimates

## Top Holdings (%age of total assets) (as on 30 Dec, 2016)

NAFA Islamic Active Allocation Equity Fund	91.9%
NAFA Active Allocation Riba Free Savings Fund	4.8%
<b>Total</b>	<b>96.7%</b>

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

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# NAFA Active Allocation Riba Free Savings Fund (NAARFSF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): 10.1974

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Since Launch January 18, 2016
NAFA Active Allocation Riba Free Savings Fund	4.1%	4.1%	4.3%
Benchmark**	2.8%	3.6%	4.1%

All returns are Annualized Simple Return

## General Information

Launch Date:	January 18, 2016
Fund Size:	Rs. 202 million
Type:	Open-end – Shariah Compliant Income 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: 0% Back end: 0%
Management Fee:	1.25% per annum
Total Expense Ratio:	1.93% p.a. (including 0.26% government levies)
Risk Profile:	Low
Fund stability rating	"A-(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:**	6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription	Rs. 10,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

To earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shari'ah compliant banks deposits and money market/debt securities.

## Fund Manager Commentary

During the month under review, the Fund has generated an annualized return of 4.1% against the benchmark return of 2.8%. The performance is net of management fee and all other expenses.

The Fund aims to consistently generate a better return than the profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is allowed to invest in shariah compliant Government Securities of maturity up to 3 years as well as Shariah compliant money market and debt securities of up to 2 years maturity rated AA- or better.

Around 97.1% of net assets of the portfolio is allocated in bank deposits. The higher allocation in bank deposits is due to better yields as compared to other authorized alternative investment avenues. The weighted average time-to-maturity of the Fund is 1 day.

We will rebalance the allocation of the Fund proactively based on the capital market outlook.

\*\* effective from September 01, 2016; Previously Average of 6-Month deposit rates (A- & above rated Islamic banks)

Asset Allocation (% of Total Assets)	30-Dec-16	30-Nov-16
Bank Deposits	95.1%	98.4%
Other including receivables	4.9%	1.6%
Total	100.0%	100.0%
Leverage	Nil	Nil

## Credit Quality of the Portfolio as of Dec 30, 2016 (% of Total Assets)

AAA	47.2%
A+	1.1%
A-	46.8%
Others including receivables	4.9%
Total	100.0%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

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# NAFA Islamic Active Allocation Equity Fund (NIAAEF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): 14.6315

December 2016

## Performance\*

Performance %	Dec 2016	FYTD 2017	Since Launch January 18, 2016
NAFA Islamic Active Allocation Equity Fund	9.8%	28.6%	52.8%
Benchmark	14.5%	23.6%	56.6%

\* Cumulative Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date:	January 18, 2016
Fund Size:	Rs. 3,878 million
Type:	Open Ended Shariah Compliant Equity Scheme
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-0% Back end-0%
Management Fee:	2% p.a
Risk Profile	High
Total Expense Ratio (%)	2.79% p.a. (including 0.37% government levies)
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	KMI-30 Index
Fund Manager:	Asim Wahab Khan, CFA
Asset Manager Rating:	AM2++ by PACRA ( High Investment Management Standards)

## Investment Objective

The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shari'ah Compliant listed equities.

## Fund Manager's Commentary

NAFA launched its second open-end Islamic Equity Fund namely NAFA Islamic Active Allocation Equity Fund (NIAAEF) in January, 2016. The aim of the Fund is to provide growth to the investment of Unit holders over the long-term in approved Shariah compliant equities.

NIAAEF started off the month with an allocation of around 88% in equities, which decreased to around 83% towards the end of the month. NIAAEF underperformed the Benchmark in December as the Fund was underweight in select Cement, Power Generation & Distribution Companies, Oil & Gas Exploration Companies, Food & Personal Care Products, Oil & Gas Marketing Companies, and Pharmaceuticals sectors stocks which outperformed the market and overweight in select Engineering, Cement, Automobile Assembler, Transport, Food & Personal care Products, Fertilizer, and Glass & Ceramics sectors stocks which underperformed the market. During the month, the allocation was increased primarily in Textile Composite, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, and Pharmaceuticals Sectors, whereas it was reduced primarily in Fertilizer, Cable & Electric Goods, Engineering, Power Generation & Distribution Companies, and Glass & Ceramics sectors.

## Top Ten Holdings (as on 30 Dec, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	5.5%	Attock Cement Pakistan Ltd	Equity	3.7%
Pakistan State Oil Co. Ltd	Equity	5.0%	Nishat Mills Ltd	Equity	3.6%
Mari Gas Company Ltd	Equity	4.9%	Pakistan Oilfields Ltd	Equity	3.6%
Kohinoor Textile Mills Ltd	Equity	4.2%	Shell Pakistan Ltd	Equity	3.2%
Engro Fertilizers Ltd	Equity	3.7%	Lucky Cement Ltd	Equity	3.2%

Asset Allocation (% of Total Assets)	30-Dec-16	30-Nov-16
Equities / Stocks	83.4%	88.3%
Cash Equivalents	16.0%	10.7%
Others including receivables	0.6%	1.0%
Total	100.0%	100.0%
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF	10.0	3.9	3.8%
KMI-30	12.2	2.9	4.2%

\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Cement	15.8%
Oil & Gas Exploration Companies	13.4%
Fertilizer	11.6%
Oil & Gas Marketing Companies	9.4%
Textile Composite	7.8%
Others	25.4%

Notes: 1) The calculation of performance does not include cost of front-end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

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# NAFA Islamic Energy Fund (NIEF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.14.0344

December 2016

## Performance %\*

Performance Period	Dec 2016	FYTD 2017	Since Launch April 21, 2016
NAFA Islamic Energy Fund	13.8%	33.0%	45.7%
Benchmark	14.5%	23.6%	38.7%

\* Cumulative Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

## General Information

Launch Date: April 21, 2016  
Fund Size: Rs. 2,711 million  
Type: Open Ended Shariah Compliant Equity Scheme  
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  
2-3 business days  
Settlement: Forward Pricing  
Pricing Mechanism: Front End Load (Individual): 3% (Nil on investment above Rs. 101 million)  
Load:\*\* Front End Load (Other): 3% (Nil on investment above Rs. 50 million)  
Back End Load: NIL  
Management Fee: 2% p.a  
Total Expense Ratio (%): 2.88% p.a (including 0.37% government levies)  
Risk Profile: High  
Listing: Pakistan Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: A. F. Ferguson & Co.  
Chartered Accountants  
Benchmark: KMI-30 Index  
Fund Manager: Asim Wahab Khan, CFA  
Minimum Subscription: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2++ by PACRA ( High Investment Management Standards)

\*\*effective from January 02, 2017

## Asset Allocation (% of Total Assets) 30-Dec-16 30-Nov-16

Equities / Stocks	86.5%	80.5%
Cash Equivalents	10.5%	14.9%
Others including receivables	3.0%	4.6%
Total	100.0%	100.0%
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*

	PER	PBV	DY
NIEF	9.4	4.4	4.0%
KMI-30	12.2	2.9	4.2%

\*\*\* Based on NAFA's estimates

## Sectors (% of Total Assets) (as on 30 Dec, 2016)

Oil & Gas Exploration Companies	36.1%
Oil & Gas Marketing Companies	31.4%
Power Generation & Distribution	13.2%
Refinery	5.8%

Notes: 1) The calculation of performance does not include cost of front end load.  
2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.

## Investment Objective

The objective of NAFA Islamic Energy Fund is to provide investors with long term capital growth from an actively managed portfolio of Shari'ah Compliant listed equities belonging to the Energy Sector.

## Fund Manager's Commentary

NAFA launched its third open-end Islamic Equity Fund namely NAFA Islamic Energy Fund (NIEF) in April, 2016. The aim of the Fund is to provide growth to the investment of Unit holders over the long-term in approved Shariah compliant energy stocks.

NIEF started off the month with an allocation of around 80% in equities, which increased to around 87% towards the end of the month. NIEF underperformed the Benchmark in December as the Fund was underweight in select Energy sectors stocks which outperformed the market. During the month, the allocation was increased in Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, and Refinery sectors whereas it was reduced in Power Generation & Distribution Companies sector.

## Top Ten Holdings (as on 30 Dec, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Mari Petroleum Co Ltd	Equity	11.2%	Oil & Gas Dev Co Ltd	Equity	7.8%
Pakistan State Oil Co Ltd	Equity	9.9%	Sui Northern Gas Ltd	Equity	6.4%
Pakistan Oilfields Ltd	Equity	8.9%	Hub Power Co Ltd	Equity	5.7%
Shell Pakistan Ltd	Equity	8.5%	Attock Petroleum Ltd	Equity	4.7%
Pak Petroleum Ltd	Equity	8.2%	Attock Refinery Ltd	Equity	4.6%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA

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**NBP Fullerton Asset Management Limited**  
7<sup>th</sup> Floor Clifton Diamond Building, Block No. 4, Scheme No. 5,  
Clifton Karachi.

**For Information & Investment:**

**Call: 0800-20002 || SMS: NAFA INVEST to 8080 || [www.nafafunds.com](http://www.nafafunds.com) ||  /nafafunds**

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**FULLERTON FUND  
MANAGEMENT**

*Joint - Venture Partners*