

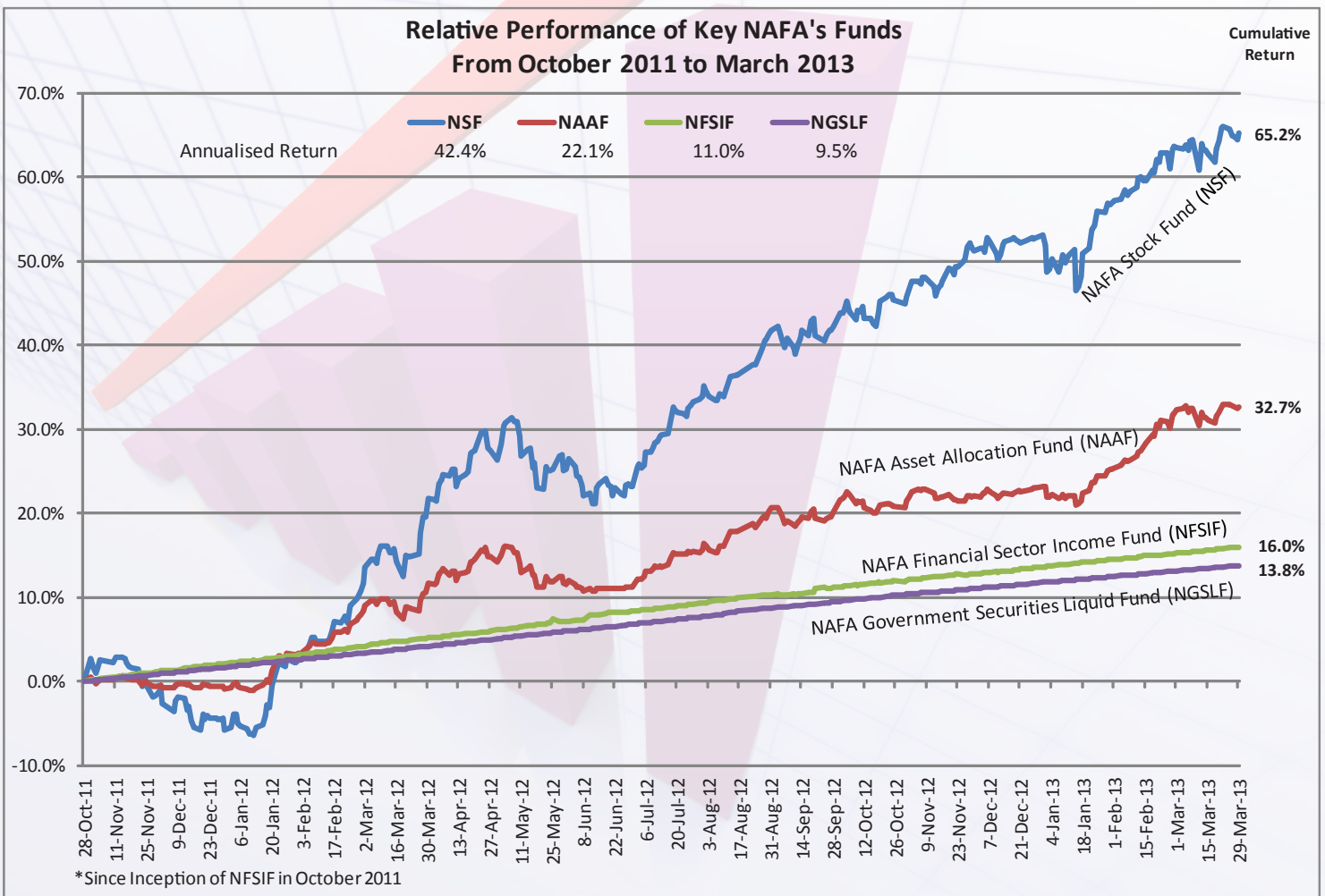


NBP Fullerton  
Asset Management Ltd.  
A Subsidiary of  
National Bank of Pakistan

# Fund Manager Report

## March 2013

**Relative Performance of Key NAFA's Funds  
From October 2011 to March 2013**



Note: Detailed monthly reports on NAFA Funds are available on our website at [www.nafafunds.com](http://www.nafafunds.com)

Managed by:  
NBP Fullerton Asset Management Limited

7<sup>th</sup> Floor Clifton Diamond Building, Block No. 4, Scheme No. 5,  
Clifton Karachi. Helpline (Toll Free): 0800-20001 Fax: (021) 35825329  
UAN (Khi/Lhr/Isb): 111-111-NFA (111-111-632)  
Website: [www.nafafunds.com](http://www.nafafunds.com)  
Email: [info@nafafunds.com](mailto:info@nafafunds.com)

Your investments & "NAFA" grow together



**FULLERTON FUND  
MANAGEMENT**

Joint - Venture Partners

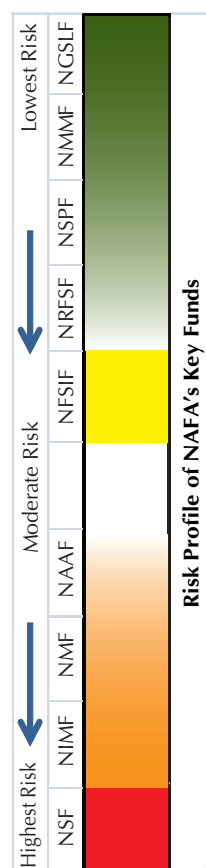


# Table of Contents

Performance Summary Sheet of NAFA's Key Funds	Pg. 1
CEO's Write-up	Pg. 2
Capital Market Review	Pg. 3
NAFA Government Securities Liquid Fund	Pg. 4
NAFA Money Market Fund	Pg. 5
NAFA Savings Plus Fund	Pg. 6
NAFA Riba Free Savings Fund	Pg. 7
NAFA Financial Sector Income Fund	Pg. 8
NAFA Asset Allocation Fund	Pg. 9
NAFA Multi Asset Fund	Pg. 10
NAFA Islamic Multi Asset Fund	Pg. 11
NAFA Stock Fund	Pg. 12
NAFA Income Fund	Pg. 13
NAFA Islamic Aggressive Income Fund	Pg. 14
NAFA Income Opportunity Fund	Pg. 15



"March 2013"



Fund Name	Fund Size (Rs. In Crore)	Stability Rating / Star Ranking*	March - 2013	FYTD - 2013	FY - 2012	FY - 2011
<b>Fixed Income Funds</b>		<b>Annualized Returns</b>				
NAFA Government Securities Liquid Fund	1,295	AAA (f)	7.38%	8.75%	10.86%	11.46%
NAFA Money Market Fund	2,508	AA (f)	7.70%	9.34%	n/a	n/a
NAFA Savings Plus Fund	150	AA- (f)	7.78%	8.90%	11.01%	10.64%
NAFA Riba Free Savings Fund	136	AA- (f)	7.64%	8.82%	10.80%	n/a
NAFA Financial Sector Income Fund	424	A+ (f)	8.39%	9.45%	n/a	n/a
<b>Equity Related Funds</b>		<b>Cumulative Returns</b>				
NAFA Asset Allocation Fund	87	***** (5-star)	0.66%	19.29%	14.38%	n/a
NAFA Multi Asset Fund	71	**** (4-star)	1.03%	18.90%	15.54%	25.30%
NAFA Islamic Multi Asset Fund	37	**** (4-star)	1.24%	20.83%	13.26%	28.44%
NAFA Stock Fund	114	**** (4-star)	0.94%	34.00%	21.98%	28.37%
<p>* Stability rating for Fixed Income funds and Star Ranking for Equity related funds. n/a = Not applicable. - Return is reported where full period performance is available.</p> <p><i>Note: Detailed monthly reports on NAFA Funds are available on our website at <a href="http://www.nafafunds.com">www.nafafunds.com</a></i></p>						



# Pakistan's Mutual Fund Industry: SWOT Analysis

## Strengths

- **Diversified product slate**, offering a wide array/ combination of asset classes i.e. equity, fixed income, money markets, balanced, commodities, conventional & Islamic etc.
- **Risk reduction and high return potential.** Mutual funds have made stock investing more feasible for investors by reducing risk via market timing/ portfolio diversification, and offering higher return through superior stock selection.
- **Tax incentives to investors.** Unit holders (mutual funds and VPS) are entitled to tax credit.
- Several large banks owned asset management companies (AMCs), creating a sizeable clout.

## Opportunities

- Large unexploited retail segment
- Rs. 4.5 trillion in current and savings account (CASA) deposits of the banking sector on which investors earn an average return of 4.5% per annum. Money market mutual funds presently offer a return of around 8.0% per annum.
- Large informal/rural sector savings
- AMCs are expected to be allowed to launch REIT Funds / Retirement Funds / Private Equity Funds, etc.
- **Low Investor base.** Mutual fund assets are just 4.7% of bank deposits in Pakistan vs. 14% in India, and over 100% in the US. In Pakistan, the number of mutual fund investors is around 134,000 against about 30 million bank account holders.
- Instant access by the investors to their savings via introduction of ATMs/debit cards, and other such facilities.

## Weaknesses

- Not been able to educate all investors of the benefits of mutual funds.
- Limited retail penetration, and concentration of Corporate / Institutional clients.
- Low management fee due to competition and distribution / accounting expenses not being allowed to be charged to the funds, does not leave enough room to make necessary expenditures on sales force/ distribution network to educate investors on mutual fund products.
- Under developed capital markets/ dearth of investment opportunities

## Threats

- National Savings Schemes (NSS) offering higher interest rates than market-based investment avenues despite sovereign guarantees.
- Institutional / corporate withdrawals, in case tax arbitrage is eliminated or reduced.
- Investors concentration
- Macroeconomic instability

## Conclusion

The Mutual Fund industry will grow at a very high rate in the next couple of decades as investors' awareness about the mutual funds improves.



March 2013

## Stock Market Review

The stock market remained in a flux during most of the month ahead of the national elections. The delay in announcement of the caretaker set-up at the centre and provincial levels, deteriorating FX reserves position and widening fiscal deficit unnerved the market participants. On the other hand, declining trend in inflation, attractive valuations and expected change of democratic setup in the upcoming elections kept alive the interest of investors. Foreign investors' activity remained healthy during the month with total foreign inflows recorded at US \$ 26 million. However, trading activity reduced substantially with average daily traded volume recorded at 197 million shares as against 286 million shares during the last month. The KSE 100 Index started the month at 18,174 levels and after touching a low of 17,492, closed the month at 18,043 levels. Overall, KSE 100 index declined by 0.7% during the month.

Chemicals, Electricity, Construction & Materials, Personal Goods and Food Producers sectors performed better than the market during the month. On the other hand, Banking, Fixed Line Communication and Financial Services sectors lagged the market. Chemical sector performed better due to improvement in the outlook of fertilizer sub-sector with positive developments on the availability of Gas to the selected companies. Healthy earnings outlook on the back of fat profit margins and improved dispatches resulted in outperformance of cement sub-sector. Fixed Line Communication sector lagged the market due to imminent probe of International Clearing House (ICH) case by the Competition Commission of Pakistan (CCP) at the direction of the apex court.

Currently the stock market is valued at 7.3 times estimated earnings on average, offering 7.1% dividend yield. In our view, the market will take direction from developments on the upcoming elections, foreign investors' activity and developments on the new IMF package.

## Fixed Income Review

The YoY headline inflation as measured by CPI decreased to 6.57% in March 2013 as compared to 10.8% during the same period last year. We expect inflation to remain depressed in the next couple of months due to the base effect and then start increasing sharply. In our view SBP will maintain the status quo in its upcoming monetary policy announcement in April 2013 due to marked decline in inflation. However, risks to the external accounts emanating from the depleting FX reserves position due to foreign loan payments and widening fiscal deficit will be key areas of concern for the central bank.

Money Market rates started inching up gradually during the month. Interest rates are expected to increase further following the entry into IMF program and liquidity tightening in the money market. In the T-Bill auctions during the month, MoF accepted Rs 277 billion (realized amount) against the target of Rs 250 billion and maturity of Rs 253 billion. In the month of March, the cut-off annualized yields of 3-month and 6-month tenors T-Bills increased by 14 bps and 7 bps respectively. During the month, T-Bills auction bid pattern depicted major participation in 3 months tenor, while considerably smaller interest was observed in 6 months tenor. No bids were received in the 12 month tenor in the last auction. PIB auction during the month was rejected by MoF. In the auction of GOP Ijarah Sukuk a cumulative amount of Rs. 43 billion was accepted against a target amount of Rs. 43 billion at a rate of 6-month weighted average T-Bill yield minus 30.00 bps.

We have shortened the maturities of our money market funds due to upside risks to the inflation and interest rates as mentioned above. Therefore, any increase in the interest rates will bode well for our money market funds.



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/03/2013): Rs. 10.0422

March 2013

## Performance

Performance %	March 2013 *	FYTD Jul 12 - Mar 13 *	Trailing 12 Months Apr 12 to Mar13 *	Since Launch May 16, 2009 **
NAFA Government Securities Liquid Fund	7.38%	8.75%	9.22%	10.57%
Benchmark	8.14%	8.90%	9.31%	10.56%

\* Simple Annualized Return - \*\* (Annualized Return Based on Morningstar Methodology)  
(Returns are net of management fee & all other expenses)

## General Information

Launch Date:	May 16, 2009
Fund Size:	Rs. 12, 947 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:	1.25% per annum
Risk Profile:	Exceptionally Low
Fund Stability Rating:	"AAA (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	70% 3-Month T-Bills & 30% average 3-Month deposit rates (AA & above rated banks)
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum	Growth Unit: Rs. 10,000/-
Subscription:	Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA

## 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.

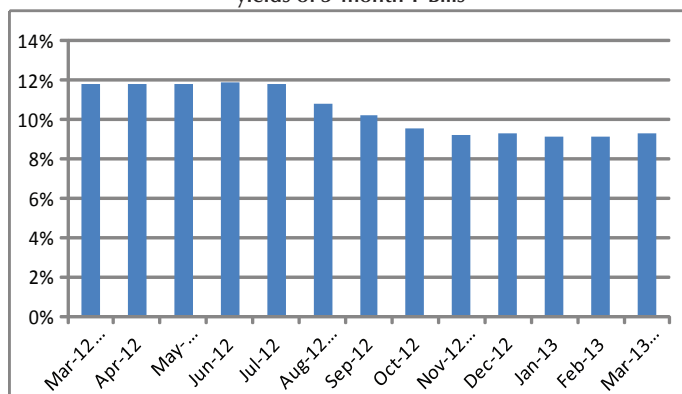
## Fund Manager Commentary

The Fund earned an annualized return of 7.38% during March 2013 against the benchmark return of 8.14%. The annualized return in the first nine months of FY 2012-13 is 8.75% against the benchmark return of 8.90%. The return generated by the Fund is net of management fees and all other expenses.

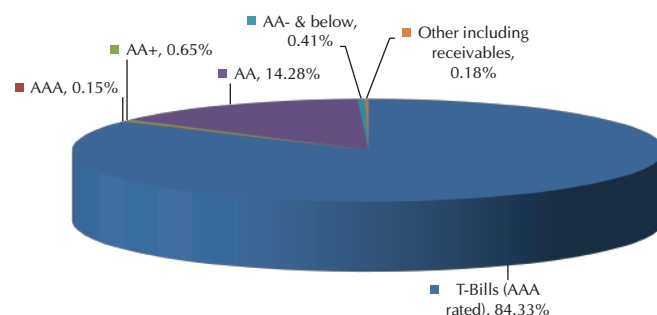
NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. Average daily allocation for the last 365 days in short-term Government Securities was 88.94% of the Fund size. While, at the end of the month, government securities comprised 84.33% of the Total Assets (85.04% of Net Assets). Weighted average time to maturity of the Fund is 29 days. Placements with Banks rated AA and above stand at 11.49% at the end of March.

In the two T-Bill auctions of March, MoF cumulatively accepted around Rs. 277 billion in realized value against the target of Rs. 250 billion. The cut-off annualized yields for the last T- Bill auction was noted at around 9.41% and 9.43% for 3-month and 6-month tenors, respectively. No bids were received in the 12-month tenor. The return on the Fund will track the T-Bills yields. Therefore, any increase in interest rates will bode well for the Fund due to its short maturity.

Last 12 months monthly average of secondary market yields of 3-month T-Bills



Credit Quality of the Portfolio as of March 30, 2013 (% of Total Assets)



## Asset Allocation (% of Total Assets) 30-Mar-13 28-Feb-13

T-Bills	84.33%	87.32%
Placements with Banks	11.49%	7.56%
Cash Equivalents	4.00%	4.99%
Other including receivables	0.18%	0.13%
Total	100.00%	100.00%
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.80,985,989/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0628/0.68%. For details investors are advised to read note 11 of the Financial Statements of the Scheme for the period ended December 31, 2012.

## Name of the Members of Investment Committee

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

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/03/2013): Rs. 10.0151

March 2013

## Performance

Performance %	March 2013*	FYTD Jul 12 - Mar 13*	Trailing 12 Months Apr 12 - Mar 13*	Since Launch February 24, 2012**
NAFA Money Market Fund	7.70%	9.34%	9.70%	9.82%
Benchmark	6.60%	6.87%	6.98%	6.99%

\* Simple Annualized Return - \*\* (Annualized Return Based on Morningstar Methodology)  
(Returns are net of management fee & all other expenses)

## General Information

Launch Date:	February 24, 2012
Fund Size:	Rs. 25,077 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: 0.5% (Nil on investment above Rs. 5 million), Back end: 0%
Management Fee:	1.00% per annum
Risk Profile:	Very Low
Fund Stability Rating:	"AA (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	3-Month deposit rates (AA & above rated banks)
Fund Manager:	Salman Ahmed
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA

## 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 7.70% during March 2013 against the benchmark return of 6.60%, thus registering an out-performance of 1.10% p.a. Since its launch in February 2012, the Fund has out-performed the benchmark by 2.83% p.a. by earning an annualized return of 9.82%. This out-performance is net of management fee and all other expenses.

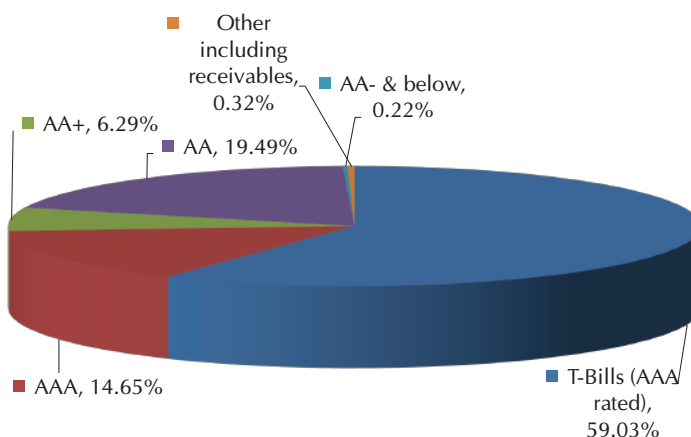
Being a money market scheme, the investment guidelines of the Fund are very restrictive. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating is AA, while the Fund is not allowed to invest in any security exceeding six month maturity. The 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 possesses very low exposure to risks.

The allocation of the Fund in AAA rated T-Bills is around 59% at month-end. The weighted average time to maturity of the Fund is 36 days. The duration of the T-Bill portfolio of the overall Fund is 50 days.

We are monitoring the developments in capital market conditions and will proactively rebalance the Portfolio.

## Credit Quality of the Portfolio as of March 30, 2013 (% of Total Assets)

Asset Allocation (% of Total Assets)	30-Mar-13	28-Feb-13
T-Bills	59.03%	58.90%
Placements with Banks	15.24%	5.26%
Money Market Placements	1.01%	0.98%
Cash Equivalents	24.40%	34.64%
Others including receivables	0.32%	0.22%
Total	100.00%	100.00%
Leverage	Nil	Nil



## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 39,046,412/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0156/0.17%. For details investors are advised to read note 7 of the Financial Statements of the Scheme for the period ended December 31, 2012.

## Name of the Members of Investment Committee

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

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)

Unit Price (30/03/2013): Rs. 10.0377

March 2013

## Performance

Performance %	March 2013 *	FYTD Jul 12 - Mar 13 *	Trailing 12 Months Apr 12 - Mar 13 *	Since Launch November 21, 2009**
NAFA Savings Plus Fund	7.78%	8.90%	9.30%	10.28%
Benchmark	7.00%	7.48%	7.69%	8.10%

\* Simple Annualized Return - \*\* (Annualized Return Based on Morningstar Methodology)  
(Returns are net of management fee & all other expenses)

## General Information

Launch Date:	November 21, 2009
Fund Size:	Rs. 1,501 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: 0.5% (Nil on investment above Rs. 5 million), Back end: 0%
Management Fee:	1.50% per annum
Risk Profile:	Very Low
Fund Stability Rating:	"AA- (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average 6-Month deposit rate (A & above rated banks)
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

## 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 7.78% during the month versus the benchmark return of 7.00%, thus depicting an out-performance of 0.78% p.a. The annualized return in the first nine months of FY 2012-13 is 8.90% against the benchmark return of 7.48%, hence an out-performance of 1.42% p.a. This out-performance 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. It cannot invest in any avenue which has more than six months maturity nor can it invest in debt securities and Equities. Moreover, it cannot invest in money market instruments below credit rating of 'AA-'.

The portfolio of NSPF is fairly diversified among Treasury bills, COIs, Money market placements, MTS and bank deposits etc. The allocation in T-Bills is around 4.85%, placements with DFLs is around 6.59%, MTS around 35.25% and in Money Market Placements issued by AA+ rated entities around 14.50% with asset class maturities at 75 days, 58 days, 60 days and 120 days respectively. The weighted average maturity of the entire Fund is around 47 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 are monitoring the developments in capital market conditions and associated expectations and will proactively alter the Fund's allocation accordingly.

Asset Allocation (% of Total Assets)	30-Mar-13	28-Feb-13
T-Bills	4.85%	5.44%
Money Market Placements	14.50%	9.52%
Placements with Banks	3.30%	3.66%
Placements with DFLs	6.59%	7.32%
Margin Trading System (MTS)	35.25%	34.00%
Cash Equivalents	34.50%	39.13%
Other including receivables	1.01%	0.93%
Total	100.00%	100.00%
Leverage	Nil	Nil

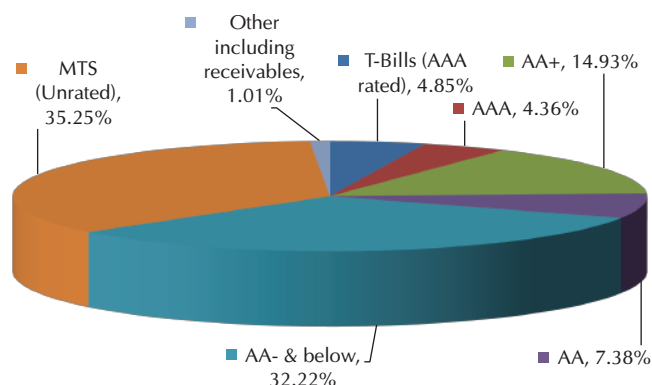
## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 5,498,401/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0368/0.40%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended December 31, 2012.

## Name of the Members of Investment Committee

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

## Credit Quality of the Portfolio as of March 30, 2013 (% of Total Assets)



**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/03/2013): Rs. 10.0786

March 2013

## Performance

Performance %	March 2013 *	FYTD Jul 12 - Mar 13 *	Trailing 12 Months Apr 12 to Mar 13*	Since Launch August 21, 2010**
NAFA Riba Free Savings Fund	7.64%	8.82%	8.96%	10.14%
Benchmark	6.80%	7.42%	7.63%	7.96%

\* Simple Annualized Return - \*\* (Annualized Return Based on Morningstar Methodology)  
(Returns are net of management fee & all other expenses)

## General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 1,360 million
Type:	Open-end – Shariah Compliant 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: 0.5% (Nil on investment above Rs. 5 million), Back end: 0%
Management Fee:	1.25% per annum
Risk Profile:	Very Low
Fund Stability Rating:	"AA-(f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	MCB Financial Services Ltd (MCBFSL)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average 6-month deposit rate of A- and above rated Islamic Banks
Fund Manager:	Salman Ahmed
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA

## 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

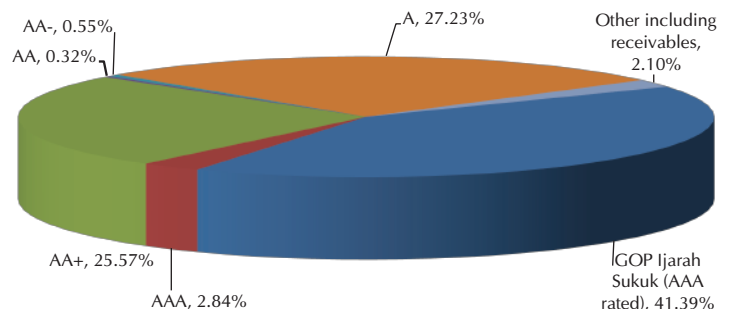
The Fund generated an annualized return of 7.64% for the month of March 2013 versus the benchmark return of 6.80% thus depicting an out-performance of 0.84% p.a. During the last one year the Fund has out-performed its benchmark by 1.33% by earning an annualized return of 8.96%. This outperformance is net of management fee and all other expenses.

The Fund aims to consistently provide better returns 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 debt securities and the stock market. With stability rating of AA-(f) awarded by PACRA, NRF SF is amongst the highest rated Islamic Income Funds in the market.

The allocation of the Fund is fairly diversified with significant exposure of around 41.39% in GoP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 25.57% of the Fund size is invested in "AA+" rated Shariah compliant money market instruments and 30.94% in bank deposits.

The weighted average duration of the Fund is 68 days and the weighted average time to maturity of the Fund is 0.75 years. The Fund is invested in floating rate securities. Therefore, the return on the Fund will improve with increase in the interest rates.

## Credit Quality of the Portfolio as of March 30, 2013 (% of Total Assets)



Asset Allocation (% of Total Assets)	30-Mar-13	28-Feb-13
GOP Ijarah Sukuk - Govt. Backed	41.39%	39.48%
Islamic Money Market Placements	25.57%	16.40%
Cash	30.94%	41.93%
Other including receivables	2.10%	2.19%
Total	100.00%	100.00%
Leverage	Nil	Nil

## Top Holdings (as at March 30, 2013)

Name of Sukuk / Islamic Money Market Placements	% of Total Assets
GOP Ijarah (Sukuk IX)	12.57%
KAPCO Short Term Islamic Sukuk I	9.86%
HUBCO Short Term Islamic Sukuk VI	9.13%
GOP Ijarah (Sukuk VIII)	7.32%
GOP Ijarah (Sukuk V)	6.22%
HUBCO Short Term Islamic Sukuk V	5.11%
GOP Ijarah (Sukuk XII)	3.66%
GOP Ijarah (Sukuk XIII)	3.43%
GOP Ijarah (Sukuk X)	2.92%
GOP Ijarah (Sukuk XIV)	1.83%
Total	62.05%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.3,351,006/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0248/0.27%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended December 31, 2012.

## Name of the Members of Investment Committee

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

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/03/2013): Rs. 10.3207

March 2013

## Performance

Performance %	March 2013 *	FYTD Jul 12 - Mar 13 *	Trailing 12 Months Apr 12 - Mar 13 *	Since Launch October 28, 2011 **
NAFA Financial Sector Income Fund	8.39%	9.45%	10.31%	11.02%
Benchmark	8.68%	9.16%	9.57%	9.92%

\* Simple Annualized Return - \*\* (Annualized Return Based on Morningstar Methodology)  
(Returns are net of management fee & all other expenses)

## General Information

Launch Date:	October 28, 2011
Fund Size:	Rs. 4,241 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: 1% (Nil on investment above Rs. 5 million), Back end: 0%
Management Fee:	1.5% per annum
Risk Profile:	Low
Fund stability rating:	A+(f) by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	70% 6-Month KIBOR & 30% average 3-month deposit rates (A & above rated banks)
Fund Manager:	Salman Ahmed
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA

## Investment Objective

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

## Fund Manager Commentary

The Fund generated an annualized return of 8.39% for the month of March 2013 versus the benchmark return of 8.68%. Since its launch the Fund offered an annualized return of 11.02% against the benchmark return of 9.92%, hence an out-performance of 1.1% p.a. This outperformance is net of management fee and all other expenses.

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

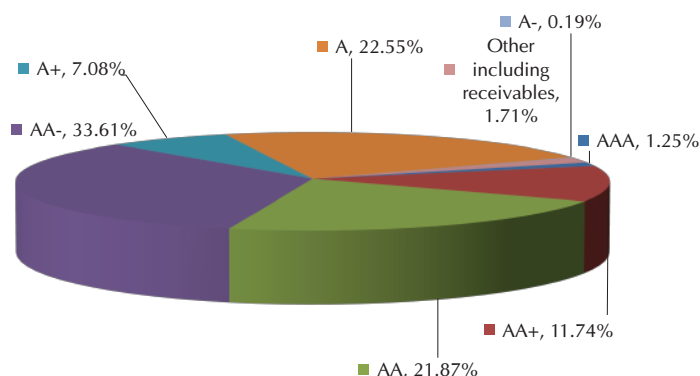
Exposure in TFCs was 48.01% at the end of the month with average time to maturity of 3.91 years and Yield to Maturity of 10.74% p.a. Exposure in Money Market Placements, LOP and TDR was around 8.67%, 8.20% and 4.68% respectively. The TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. Therefore, in case of increase in interest rates, the coupon income of the Fund will improve.

The weighted average time-to-maturity of the Fund is 1.93 years. We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

## Asset Allocation (% of Total Assets) 30-Mar-13 28-Feb-13

	30-Mar-13	28-Feb-13
TFCs	48.01%	45.67%
Money Market Placements	8.67%	3.29%
Placement with DFIs	8.20%	7.05%
Placement with Banks	4.68%	4.70%
Cash Equivalents	28.73%	37.39%
Other including receivables	1.71%	1.90%
Total	100.00%	100.00%
Leverage	Nil	Nil

## Credit Quality of the Portfolio as of March 30, 2013 (% of Total Assets)



## Top 10 TFC (Including Short Term Sukuk) (as at March 30, 2013)

Name of TFC / Short Term Sukuk	% of Total Assets
United Bank Limited IV	10.52%
Bank Alfalah Limited IV - FT	8.59%
Faysal Bank Limited III	7.14%
NIB Bank Limited	6.38%
HUBCO Short Term Islamic Sukuk VI	5.39%
Askari Bank Limited III	3.68%
HUBCO Short Term Islamic Sukuk V	2.11%
Allied Bank Limited II	1.47%
Bank Alfalah Limited IV - FX	1.46%
Standard Chartered Bank (Pakistan) Limited IV	1.18%
Total	47.92%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.7,639,195/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0186/0.20%. For details investors are advised to read note 7 of the Financial Statements of the Scheme for the period ended December 31, 2012.

## Name of the Members of Investment Committee

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

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation / recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (29/03/2013): Rs.12.1189

March 2013

## Performance

Performance %	March 2013*	Jul. 2012 - Mar. 2013*	Trailing 12 Months Apr 2012 - Mar 2013*	Since Launch August 21, 2010**
NAFA Asset Allocation Fund *	0.66%	19.29%	20.05%	20.60%
Benchmark	(1.08%)	10.42%	12.23%	11.83%
* Cumulative Returns ** Annualized Return [Net of management fee & all other expenses]				

## General Information

Launch Date:	August 21, 2010
Fund Size:	Rs.869 million
Type:	Open-end – Asset Allocation Fund
Dealing Days:	Daily – Monday to Friday (Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Dealing Time:	2-3 business days
Settlement:	Forward Pricing
Pricing Mechanism:	Front end – 2% (Nil on investment above Rs. 5 million) Back end - 0%
Load:	2% per annum
Management Fee:	Moderate
Risk Profile:	Lahore Stock Exchange
Listing:	Central Depository Company (CDC)
Custodian & Trustee:	A. F. Ferguson & Co.
Auditors:	Chartered Accountants
Benchmark:	1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index
Fund Manager:	Ammar Rizki
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA

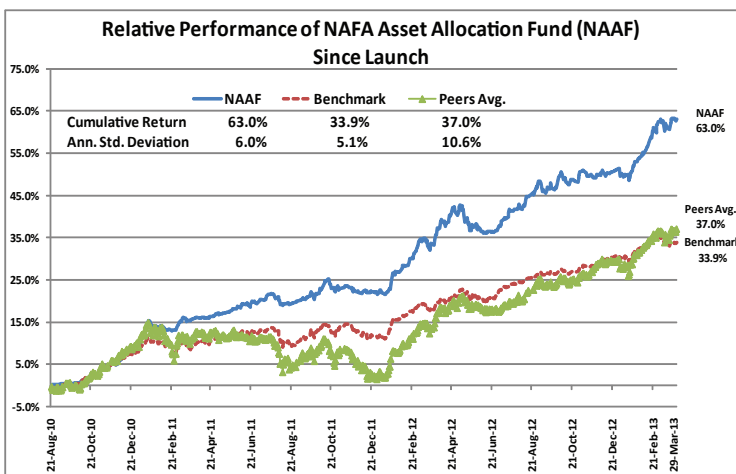
## Investment Objective

To generate income by investing in Debt & Money Market securities and to generate capital appreciation by investing in equity and equity related securities.

## Fund Manager's Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) unit price (NAV) increased by 0.66% while the benchmark decreased by 1.08%. Thus your Fund out-performed the benchmark by 1.74%. Since inception on August 21, 2010 the Fund's unit price has increased by 63.01%, while the Benchmark has increased by 33.87%. Thus, to-date the cumulative out-performance of your Fund stands at 29.14%. This out-performance is net of management fee and all other expenses.

In March, the market remained in a flux during most of the month and ended slightly negative. This was mainly due to a lack of any clear market drivers. NAAF started off the month with an allocation of over 60% in equities; however towards the end of the month around 35% was invested in equities. During the month the Fund's over-weight stance in the Construction & Materials and Personal Goods sectors; and underweight stance in Oil & Gas and Banking sectors contributed to the outperformance.

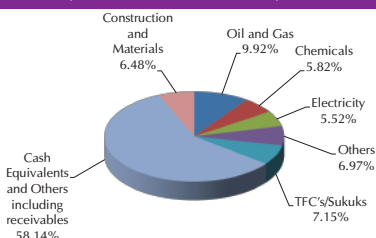


## Characteristics of Equity Portfolio\*\*\*

	PER	PBV	DY
NAAF	6.7	2.0	9.0%
KSE-30	7.0	1.9	7.9%

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

## Asset Allocation (% of Total Assets)(as on 29th March, 2013)



## 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, CFA  
Ammar Rizki

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 4,247,377/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0592 / 0.59%.For details investors are advised to read the Note 5 of the Financial Statements of the Scheme for the period ended December 31, 2012.

## Top Ten Holdings (as on 29th March, 2013)

Name	Asset Class	% of Total Assets
Pakistan Oilfields Ltd	Equity	4.83%
Engro Corporation Ltd	Equity	4.63%
Hub Power Company Ltd	Equity	4.57%
Kot Addu Power Company Ltd	Short Term Sukuk	3.41%
Allied Bank Limited I	TFC	2.88%
Nishat Mills Ltd.	Equity	2.30%
Pakistan State Oil Co. Ltd.	Equity	2.17%
Oil & Gas Dev.Co	Equity	1.86%
Lucky Cement Ltd	Equity	1.86%
Attock Cement Pakistan Ltd	Equity	1.75%
<b>Total</b>		<b>30.26%</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. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (29/3/2013): Rs 12.1548

March 2013

## Performance

Performance %	March 2013*	Jul. 2012-Mar. 2013*	Trailing 12 Months Apr 2012 - Mar 2013*	Since Launch January 22, 2007**
NAFA Multi Asset Fund*	1.03%	18.90%	21.46%	12.11%
Benchmark	(1.89%)	13.20%	14.86%	6.98%

\* Cumulative Returns

\*\* Annualized Return

[Net of management fee & all other expenses]

## General Information

Launch Date: January 22, 2007  
Fund Size: Rs 712 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 – 3% (Nil on investment above Rs. 5 million) Back end – 0%  
Management Fee: 2% per annum  
Risk Profile: Moderate  
Listing: Lahore Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: M. Yousuf Adil Saleem & Co.  
Chartered Accountants  
Benchmark: 50% KSE-30 Index & 50% 3-month KIBOR  
Fund Manager: Sajjad Anwar, CFA  
Minimum Subscription: Rs. 10,000/-  
Asset Manager Rating: AM2 by PACRA

## 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 1.03% while the benchmark decreased by 1.89%. Thus your Fund out-performed the benchmark by 2.92%. Since inception on January 22, 2007 your Fund's unit price has increased by 103.07%, while the benchmark has increased by 51.85%. Thus, to-date the cumulative out-performance of your Fund stands at 51.22%. This out-performance is net of management fee and all other expenses.

In March, the market remained in a flux during most of the month and ended slightly negative. The month started with NMF's over 66% allocation in equities; however towards the end of the month around 50% was invested in equities. During the month the Fund benefitted from its over-weight in the Construction & Materials and Personal Goods sectors, which out-performed the market. The Fund's under-weight in selected Oil & Gas and Banking sectors, which lagged the market contributed to the outperformance.

## Asset Allocation (% of Total Assets) 29-Mar-13 28-Feb-13

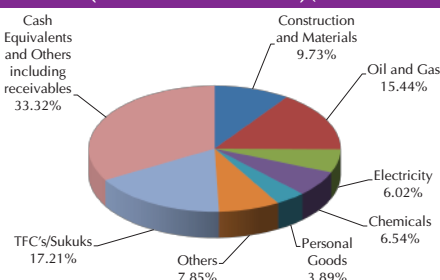
Equities / Stocks	49.47%	66.53%
TFCs / Sukuks	17.21%	17.56%
Cash Equivalents	31.05%	14.50%
Others including receivables	2.27%	1.41%
Total	100.00%	100.00%
Leverage	Nil	Nil

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

	PER	PBV	DY
NMF	6.2	2.0	9.4%
KSE-30	7.0	1.9	7.9%

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

## Asset Allocation (% of Total Assets)(as on 29th March, 2013)

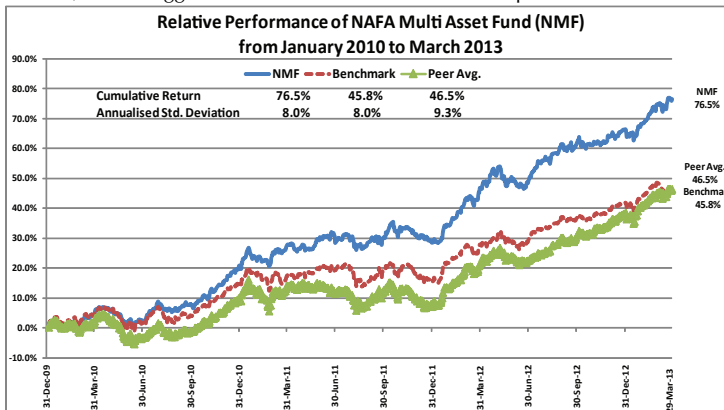


## Name of the Members of Investment Committee

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

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 7,843,997/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1340/1.34%.For details investors are advised to read the Note 10 of the Financial Statements of the Scheme for the period ended December 31, 2012.



## Top Ten Holdings (as on 29th March, 2013)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan Oilfields Ltd	Equity	6.12%	Avani Hotels Ltd	TFC	3.46%
Engro Corporation Ltd	Equity	4.85%	Oil & Gas Dev.Co	Equity	3.27%
Hub Power Company Ltd	Equity	4.82%	Pakistan Petroleum Ltd	Equity	3.07%
Cherat Cement Co Ltd	Equity	4.61%	Pakistan State Oil Co. Ltd	Equity	2.99%
Maple Leaf Cement I	Sukuk	4.50%	Thal Ltd	Equity	2.65%

## 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	Yield to Maturity per annum
Saudi Pak Leasing****	TFC	31,150,560	-	16,042,538	2.25%	2.21%	41.98%
Eden Housing (Sukuk II)	SUKUK	21,562,500	7,516,925	14,045,575	1.97%	1.93%	63.22%
Maple Leaf Cement (Sukuk I)	SUKUK	81,619,065	48,971,439	32,647,626	4.59%	4.50%	38.30%
Pak Elektron Limited (Sukuk)	SUKUK	17,142,857	10,081,337	7,061,520	0.99%	0.97%	157.05%
New Allied Electronics (Sukuk I)	SUKUK	10,000,000	10,000,000	-	-	-	-
Total		161,474,982	76,569,701	69,797,259	9.80%	9.61%	

\*\*\*\* Said TFC is performing but classified as non Compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



## Performance

Performance %	March 2013*	Jul. 2012-Mar. 2013*	Trailing 12 Months Apr 2012 - Mar 2013*	Since Launch October 29, 2007**
NAFA Islamic Multi Asset Fund	1.24%	20.83%	23.72%	11.10%
Benchmark	0.65%	18.47%	21.19%	NA***

\* Cumulative  
\*\* Annualized Return [Returns are net of management fee & all other expenses]  
\*\*\* KMI-30 Index was launched from September 2008

## General Information

Launch Date: October 29, 2007  
Fund Size: Rs. 367 million  
Type: Shariah Compliant - 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 - 3% (Nil on investment above Rs. 5 million) Back end - 0%  
Management Fee: 2% per annum  
Risk Profile: Moderate  
Listing: Lahore Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: KPMG Taseer Hadi & Co. Chartered Accountants  
Benchmark: 50% KMI - 30 Index & 50% average 3-month profit rate of Islamic banks.  
Fund Manager: Sajjad Anwar, CFA  
Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2 by PACRA

## Investment Objective

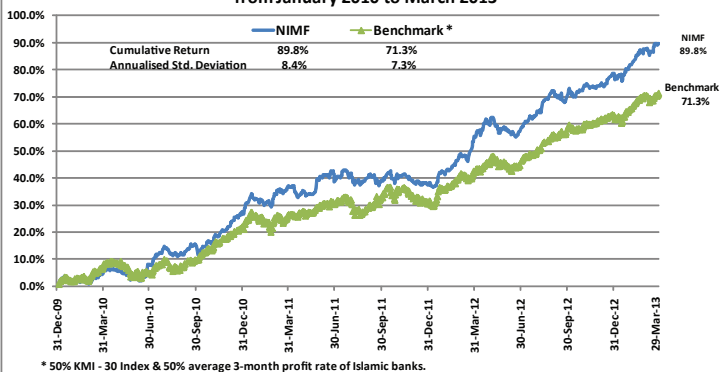
To provide investors with a combination of capital growth and income by investing in Shariah compliant investments. NIMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of Shariah compliant securities, instruments and avenues such as Equities, Musharakah, Murabahah, Ijarah etc.

## Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Multi Asset Fund (NIMF) increased by 1.24%, whereas the benchmark increased by 0.65%, thus your Fund out-performed the benchmark by 0.59%.

In March, the stock market remained in a flux during most of the month and KMI 30 Index ended slightly positive. NIMF started off the month with an allocation of over 62% in equities; however, towards the end of the month around 49% was invested in equities. During the month the Fund's over-weight stance in the Construction & Materials and Personal Goods sectors and underweight stance in Oil & Gas sector contributed to the outperformance. Additionally, receipt of principal and profit from two Sukuks in the Cement sector also benefitted the Fund.

Relative Performance of NAFA Islamic Multi Asset Fund (NIMF) from January 2010 to March 2013

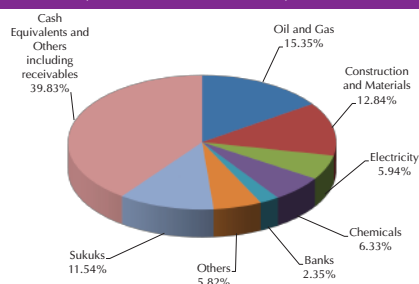


## Characteristics of Equity Portfolio\*\*\*\*

	PER	PBV	DY
NIMF	7.2	3.7	9.7%
KMI-30	7.3	2.2	8.2%

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

## Asset Allocation (% of Total Assets) (as on 29th March, 2013)



## 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, CFA  
Ammar Rizki

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 3,827,999/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1279 /1.29%.For details investors are advised to read the Note 11 of the Financial Statements of the Scheme for the period ended December 31, 2012.

## Top Ten Holdings (as on 29th March, 2013)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan Oilfields Ltd	Equity	7.51%	Sitara Chemical Ind Ltd	Equity	3.83%
Hub Power Company Ltd	Equity	5.94%	D. G. Khan Cement Co Ltd	Equity	3.45%
Maple Leaf Cement I	Sukuk	4.94%	Oil & Gas Dev.Co Ltd	Equity	3.13%
Pakistan State Oil Co. Ltd.	Equity	4.71%	Lucky Cement Ltd	Equity	2.56%
Cherat Cement Co Ltd	Equity	4.58%	Fauji Fertilizer Co Ltd	Equity	2.50%

## 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	Yield to Maturity per annum
Kohat Cement Limited (Sukuk)****	SUKUK	9,562,417	-	7,171,813	1.96%	1.92%	8.80%
Eden Housing (Sukuk II)	SUKUK	10,781,250	3,758,462	7,022,788	1.92%	1.88%	63.22%
Maple Leaf Cement (Sukuk I)	SUKUK	46,143,750	27,686,250	18,457,500	5.04%	4.94%	38.30%
Pak Elektron Limited (Sukuk)	SUKUK	21,428,571	12,601,671	8,826,900	2.41%	2.36%	157.05%
Total		87,915,988	44,046,383	41,479,001	11.33%	11.10%	

\*\*\*\*Said TFC is performing but classified as non Compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (29/03/2013): Rs.9.5730

March 2013

## Performance

Performance %	March 2013*	Jul. 2012-Mar. 2013*	Trailing 12 Months Apr 2012-Mar 2013*	Since Launch January 22, 2007**
NAFA Stock Fund	0.94%	34.00%	38.18%	10.44%
Benchmark	(4.48%)	19.18%	19.02%	0.96%
* Cumulative Returns [Net of management fee & all other expenses] ** Annualized Return				

## General Information

Launch Date: January 22, 2007  
Fund Size: Rs. 1,136 million  
Type: Open-end – Equity Fund  
Dealing Days: Daily – Monday to Friday (Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M  
Dealing Time: 2-3 business days  
Settlement: Forward Pricing  
Pricing Mechanism: Front end – 3% (Nil on investment above Rs. 5 million) Back end - 0%  
Load: 2% per annum  
Management Fee: Moderate-to-High  
Risk Profile: Lahore Stock Exchange  
Listing: Central Depository Company (CDC)  
Custodian & Trustee: M. Yousuf Adil Saleem & Co.  
Auditors: Chartered Accountants  
Benchmark: KSE-30 Index  
Fund Manager: Sajjad Anwar, CFA  
Minimum Subscription: Growth Unit: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2 by PACRA

## 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, the benchmark decreased by 4.48% whereas NAFA Stock Fund's (NSF) unit price (NAV) increased by 0.94%, thus an out-performance of 5.42% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 84.98% while the benchmark has increased by 6.09%, thus to date cumulative out-performance is 78.89%. This out-performance is net of management fee and all other expenses.

In March, the market remained in a flux during most of the month and KSE 100 index lost around 130 points. NSF started off the month with an allocation of over 86% in equities and towards the end of the month exposure in equities was reduced to around 85%. The out-performance of the Fund during the month was mainly due to it being overweight in Construction and Materials and Personal Goods sectors, which performed better than the benchmark. The Fund also benefitted from its underweight stance in selected Oil & Gas and Banking stocks, which lagged the market. The allocation in the Oil & Gas and Electricity sectors was reduced during March; and was increased in the Construction & Materials sector.

## Asset Allocation (% of Total Assets) 29-Mar-13 28-Feb-13

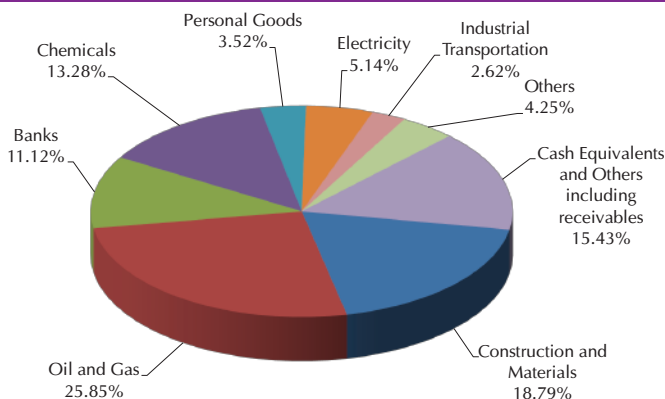
Equities / Stock	84.57%	86.24%
Cash Equivalents	13.70%	13.38%
Others including receivables	1.73%	0.38%
Total	100.00%	100.00%
Leverage	Nil	Nil

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

	PER	PBV	DY
NSF	6.2	1.8	8.4%
KSE-30	7.0	1.9	7.9%

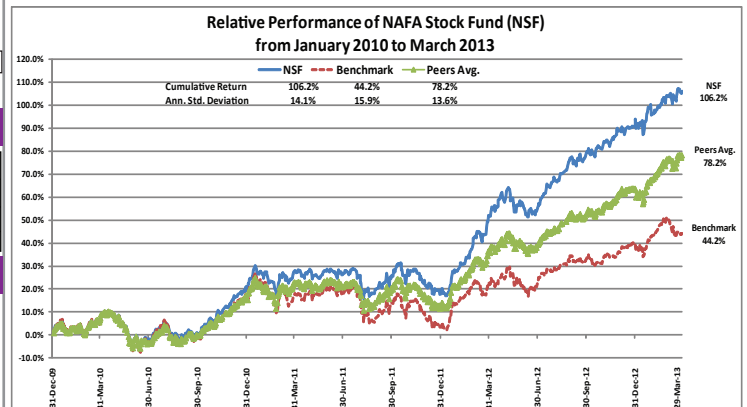
\*\*\* Based on NAFA's estimates

## Asset Allocation (% of Total Assets) (as on 29th March, 2013)



## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 18,175,653 /-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1531 / 2.21%. For details investors are advised to read the Note 9 of the Financial Statements of the Scheme for the period ended December 31, 2012.



## Top Ten Equity Holdings (as on 29th March, 2013)

Name	% of Total Assets	Name	% of Total Assets
Engro Corporation Ltd	8.49%	Hub Power Company Ltd	5.14%
Pakistan Petroleum Ltd	8.33%	Sitara Chemical Ind Ltd	4.79%
Pakistan Oilfields Ltd	8.26%	Meezan Bank Ltd	4.58%
Pakistan State Oil Co. Ltd.	7.01%	Attock Cement Pakistan Ltd	3.53%
Cherat Cement Co Ltd	6.69%	Allied Bank Ltd	3.27%

## Name of the Members of Investment Committee

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

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (29/03/2013): Rs. 9.3304

March 2013

## Performance

Performance %	March 2013 *	FYTD Jul 12 - Mar 13 *	Trailing 12 Months Apr-12 - Mar-13 *	Since Launch March 29, 2008 **
NAFA Income Fund	4.77%	4.30%	3.77%	1.19%
Benchmark	9.54%	10.06%	10.55%	12.34%

\* Simple Annualized Return - \*\* (Annualized Return Based on Morningstar Methodology)  
(Returns are net of management fee & all other expenses)

## General Information

Launch Date: March 29, 2008  
Fund Size: Rs. 474 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: 1% (Nil on investment above Rs. 5 million), Back end: 0%  
Management Fee: 2.0% per annum  
Risk Profile: Low  
Fund Stability Rating: "A- (f)" by PACRA  
Listing: Lahore Stock Exchange  
Custodian & Trustee: MCB Financial Services Limited  
Auditors: M. Yousuf Adil Saleem & Co. 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

## 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 4.77% during March 2013 versus the benchmark return of 9.54%. Lower return is on account of provisioning in a telecommunication sector TFC.

As the allocation of the Fund shows, exposure in TFCs and Sukuks stand at 51.27%. The weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is around Rs. 89.10 against the par value of Rs.100. All TFCs in the Fund are floating rate instruments linked to KIBOR.

The weighted average Yield-to-Maturity of the Fund is around 16.47% p.a. while its weighted average time to maturity is 1.81 years. This yield does not include potential recovery in fully provided TFCs (Face Value of Rs. 221 mln), which is potential upside for the Fund. Thus, the Fund is expected to perform well over the medium to long term horizon. However, since prices of TFCs may go up or down in the short-term, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

## Asset Allocation (% of Total Assets) 29-Mar-13 28-Feb-13

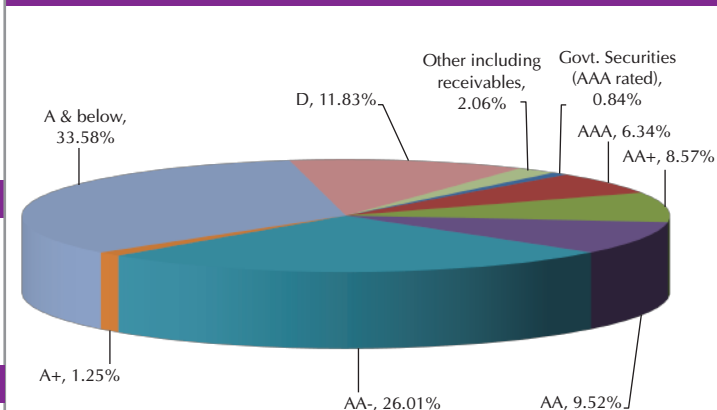
TFCs / Sukuks	51.27%	51.41%
PIBs	0.11%	0.11%
Islamic Commercial Paper	8.36%	4.19%
GOP Ijara Sukuks - Govt. Backed	0.00%	0.73%
Placement with DFIs	9.40%	7.33%
Cash Equivalents	28.80%	33.98%
Other including receivables	2.06%	2.25%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## 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	Yield to Maturity per annum
World Call Telecom Limited	TFC	29,982,002	25,484,702	4,497,300	0.95%	0.94%	152.17%
Saudi Pak Leasing***	TFC	46,725,840	-	24,063,808	5.08%	5.03%	41.98%
Eden Housing (Sukuk II)	SUKUK	43,125,000	15,033,849	28,091,151	5.93%	5.87%	63.22%
Agriotech Limited II	TFC	149,875,800	149,875,800	-	n/a	n/a	n/a
Agriotech Limited V	TFC	22,180,000	22,180,000	-	n/a	n/a	n/a
New Allied Electronics (Sukuk II)	SUKUK	49,054,371	49,054,371	-	n/a	n/a	n/a
<b>Total</b>		<b>340,943,013</b>	<b>261,628,722</b>	<b>56,652,259</b>	<b>11.96%</b>	<b>11.84%</b>	

\*\*\*Said TFC is performing but classified as Non-Compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

## Credit Quality of the Portfolio as of March 29, 2013 (% of Total Assets)



## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1,981,382/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0390/0.43%. For details investors are advised to read note 9 of the Financial Statements of the Scheme for the period ended December 31, 2012.

## Name of the Members of Investment Committee

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

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (29/03/2013): Rs. 9.0067

March 2013

## Performance

Performance %	March 2013 *	FYTD Jul 12 - Mar 13*	Trailing 12 Months Apr-12 - Mar-13 *	Since Launch October 29, 2007 **
NAFA Islamic Aggressive Income Fund	21.04%	6.42%	7.57%	5.05%
Benchmark	6.58%	7.13%	7.31%	6.77%

\* Simple Annualized Return - \*\* (Annualized Return Based on Morningstar Methodology)  
(Returns are net of management fee & all other expenses)

## General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 186 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: 1% (Nil on investment above Rs. 5 million), Back end: 0%
Management Fee:	2.0% per annum
Risk Profile:	Low to Medium
Fund Stability Rating:	"BBB+ (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	MCB Financial Services Limited
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	Average 3-month deposit rate of Islamic Banks
Fund Manager:	Ammar Rizki
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA

## Investment Objective

To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.

## Fund Manager Commentary

The Fund posted an annualized return of 21.04% as compared to the benchmark return of 6.58%. Return during the month is high due to receipt of profit / principal repayment of a cement sector sukuk which is valued at a discount to the par value.

Corporate Sukuks / instruments with current weightage at 47.95% of the Fund size is diversified among Cement, Fertilizer, Electricity and Consumer Electronics sub-sectors. Around 25.34% of the portfolio is allocated to AAA rated Government of Pakistan Ijarah Sukuks and 21.17% in bank deposits. Going forward, the Fund intends to maintain the present allocation.

The weighted average Yield-to-Maturity (YTM) of the corporate sukuk & GOP Ijarah Sukuk portfolio is around 21.28% p.a. and weighted average time to maturity is 1.77 years. The weighted average time to maturity of the Fund is 1.05 years. Hence, for investors with medium to long term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, since prices of corporate sukuks may go up or down in the short-term, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

## Asset Allocation (% of Total Assets) 29-Mar-13 28-Feb-13

Sukuks	28.36%	30.51%
GOP Ijarah Sukuks - Govt. Backed	25.34%	25.72%
Islamic Money Market Placements	19.59%	13.44%
Cash Equivalents	21.17%	23.44%
Other including receivables	5.54%	6.89%
Total	100.00%	100.00%
Leverage	Nil	Nil

## Top 10 Sukuk (Including Islamic Money Market Placements) (as at March 29, 2013)

Name of Sukuk / Islamic Money Market Placements	% of Total Assets
Engro Fertilizer Limited (Sukuk)	12.30%
GOP Ijarah (Sukuk IX)	7.96%
HUBCO Short Term Islamic Sukuk V	7.94%
Kohat Cement Limited (Sukuk)	7.59%
GOP Ijarah (Sukuk X)	7.42%
HUBCO Short Term Islamic Sukuk VI	6.35%
GOP Ijarah (Sukuk V)	5.20%
Maple Leaf Cement (Sukuk I)	5.19%
Pak Elektron Limited (Sukuk)	3.27%
GOP Ijarah (Sukuk XI)	2.12%
Total	65.34%

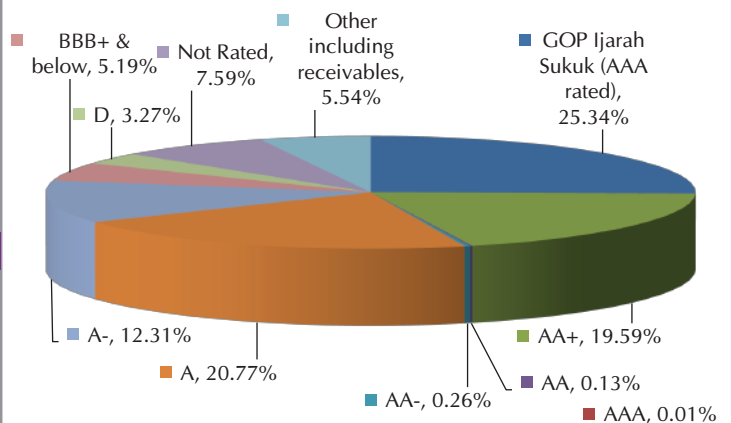
## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1,333,590/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0645/0.77%. For details investors are advised to read note 11 of the Financial Statements of the Scheme for the period ended December 31, 2012.

## Name of the Members of Investment Committee

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

## Credit Quality of the Portfolio as of March 29, 2013 (% of Total Assets)



**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/03/2013): Rs. 10.2711

March 2013

## Performance

Performance %	March 2013 *	FYTD Jul 12 - Mar13 *	Trailing 12 Months Apr-12 - Mar-13 *	Since Launch April 22, 2006 **
NAFA Income Opportunity Fund	18.34%	8.43%	7.65%	6.45%
Benchmark	9.54%	10.06%	10.55%	11.58%

\* Simple Annualized Return - \*\* (Annualized Return Based on Morningstar Methodology)  
(Returns are net of management fee & all other expenses)

## General Information

Launch Date: April 22, 2006  
Fund Size: Rs. 1,749 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: 0%, Back end: 0%  
Management Fee: 1.5% per annum  
Risk Profile: Low  
Fund Stability Rating: "BBB+(f)" by PACRA  
Listing: Lahore Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: KPMG Taseer Hadi & Co.  
Chartered Accountants  
Benchmark: 6-Month KIBOR  
Fund Manager: Ammar Rizki  
Minimum Subscription: Growth Unit: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2 by PACRA

## Investment Objective

To seek preservation of Capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.

## Fund Manager Commentary

The Fund posted an annualized return of 18.34% during March 2013 as compared to the benchmark return of 9.54%. Superior performance during the month was on account of receipt of profit / principal repayment of cement sector Sukuks which is valued at a discount to its par value.

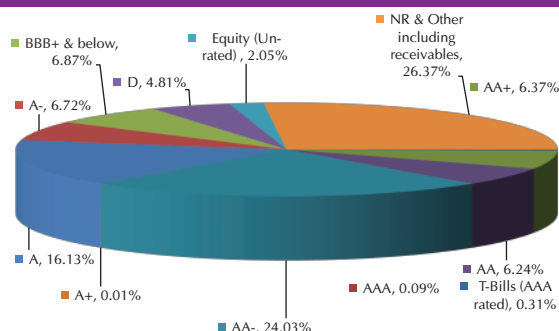
Weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is Rs. 81.87 against the par value of Rs. 100. The weighted average Yield to Maturity of the Fund is around 17.66% p.a. and that of the TFC portfolio is 25.78% p.a. The weighted average time to maturity of the Fund is about 1.72 years. The Fund's sector allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Electricity, Banking, and Leisure (Hotel) sub-sectors. However, since prices of TFCs may go up or down in the short-term, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

## 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	Yield to Maturity per annum
BRR Guardian Modaraba***	SUKUK	46,250,000	-	34,687,500	1.98%	1.56%	37.62%
Escort Investment Bank Limited***	TFC	7,493,940	-	5,525,702	0.32%	0.25%	18.00%
Kohat Cement Limited (Sukuk)***	SUKUK	47,812,085	-	35,859,064	2.05%	1.61%	8.80%
Saudi Pak Leasing***	TFC	46,725,840	-	24,063,808	1.38%	1.08%	41.98%
World Call Telecom Limited	TFC	96,370,722	81,915,114	14,455,608	0.83%	0.65%	152.63%
Eden Housing (Sukuk II)	SUKUK	19,837,500	6,915,571	12,921,929	0.74%	0.58%	70.60%
Maple Leaf Cement (Sukuk I)	SUKUK	369,150,000	221,490,000	147,660,000	8.44%	6.62%	38.30%
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	30,291,325	21,137,246	1.21%	0.95%	157.55%
Agriotech Limited I	TFC	149,860,200	149,860,200	-	n/a	n/a	n/a
Agriotech Limited V	TFC	32,320,000	32,320,000	-	n/a	n/a	n/a
Azzard Nine Limited III	TFC	108,376,850	108,376,850	-	n/a	n/a	n/a
Azzard Nine Limited V	TFC	82,180,000	82,180,000	-	n/a	n/a	n/a
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	n/a	n/a	n/a
Gharibwal Cement Limited (PPTFC)	TFC	24,355,500	24,355,500	-	n/a	n/a	n/a
New Allied Electronics (PPTFC)	TFC	31,706,536	31,706,536	-	n/a	n/a	n/a
New Allied Electronics (Sukuk II)	SUKUK	44,148,934	44,148,934	-	n/a	n/a	n/a
PACE Pakistan Limited	TFC	149,820,000	149,820,000	-	n/a	n/a	n/a
Azzard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	-	n/a	n/a	n/a
Agriotech Limited Shares	Equity	141,403,150	95,654,764	45,748,386	2.62%	2.05%	n/a
<b>Total</b>		<b>1,599,252,682</b>	<b>1,209,047,648</b>	<b>342,059,243</b>	<b>19.56%</b>	<b>15.34%</b>	

\*\*\*Said TFCs are performing but classified as Non-Compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

## Credit Quality of the Portfolio as of March 30, 2013 (% of Total Assets)



## Top 10 TFC/Sukuk Holdings (as at March 30, 2013)

Name of TFCs / Sukuks	% of Total Assets
Pakistan Mobile Communication (Listed II)	6.86%
Maple Leaf Cement (Sukuk I)	6.62%
Avari Hotels Limited	6.57%
Engro Fertilizer Limited (PPTFC)	6.35%
Bank Alfalah Limited V	4.46%
HUBCO Short Term Islamic Sukuk V	3.81%
Allied Bank Limited II	2.90%
HUBCO Short Term Islamic Sukuk VI	2.29%
Kohat Cement Limited (Sukuk)	1.61%
BRR Guardian Modaraba	1.56%
<b>Total</b>	<b>43.03%</b>

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.13,804,931/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0811/0.85%. For details investors are advised to read note 12 of the latest Financial Statement of the Scheme for the period ended December 31, 2012.

## Name of the Members of Investment Committee

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

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.