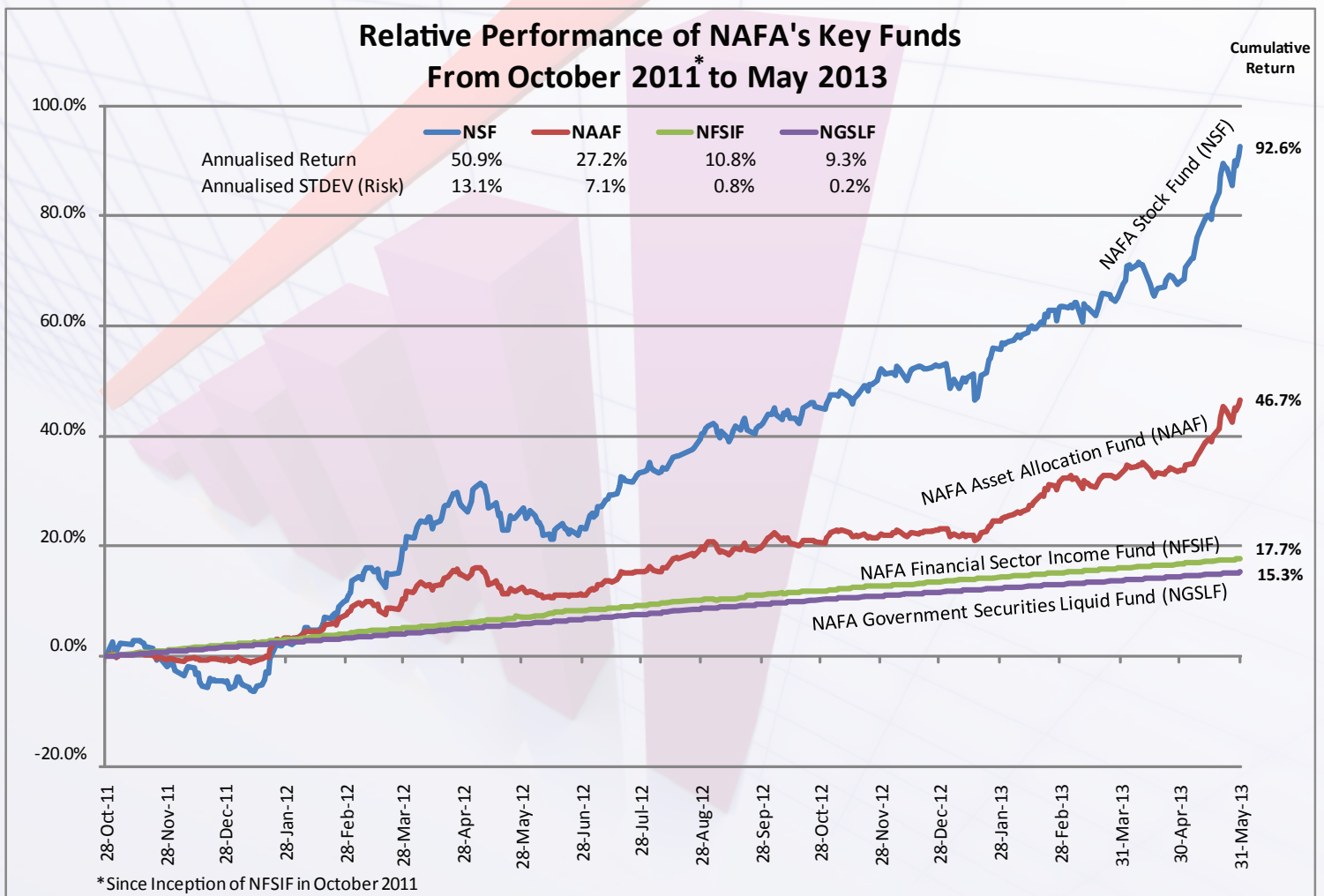




NBP Fullerton  
Asset Management Ltd.  
A Subsidiary of  
National Bank of Pakistan

# Fund Manager Report

## May 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



Joint - Venture Partners

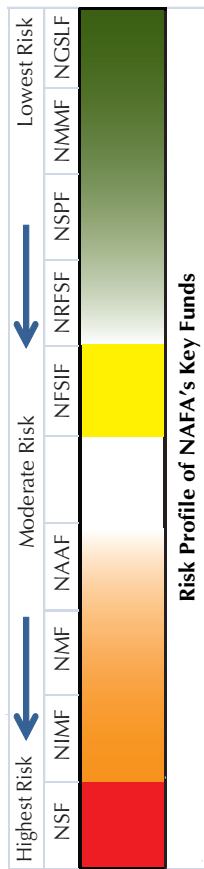


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“May 2013”



Fund Name	Fund Size (Rs. In Crore)	Stability Rating / Star Ranking*	May - 2013	FYTD - 2013	FY - 2012	FY - 2011
<b>Fixed Income Funds</b>		<b>Annualized Returns</b>				
NAFA Government Securities Liquid Fund	710	AAA (f)	7.56%	8.65%	10.86%	11.46%
NAFA Money Market Fund	2,188	AA (f)	8.03%	9.19%	n/a	n/a
NAFA Savings Plus Fund	152	AA- (f)	7.51%	8.79%	11.01%	10.64%
NAFA Riba Free Savings Fund	150	AA- (f)	7.56%	8.68%	10.80%	n/a
NAFA Financial Sector Income Fund	399	A+ (f)	8.41%	9.38%	n/a	n/a
<b>Equity Related Funds</b>		<b>Cumulative Returns</b>				
NAFA Asset Allocation Fund	110	***** (5-star)	9.65%	31.82%	14.38%	n/a
NAFA Multi Asset Fund	80	**** (4-star)	9.54%	33.38%	15.54%	25.30%
NAFA Islamic Multi Asset Fund	43	**** (4-star)	10.06%	34.90%	13.26%	28.44%
NAFA Stock Fund	123	**** (4-star)	14.60%	56.23%	21.98%	28.37%

\* Stability rating for Fixed Income Funds and Star Ranking for Equity/Balanced Funds.

n/a = Not applicable.

- Return is reported where full period performance is available.

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



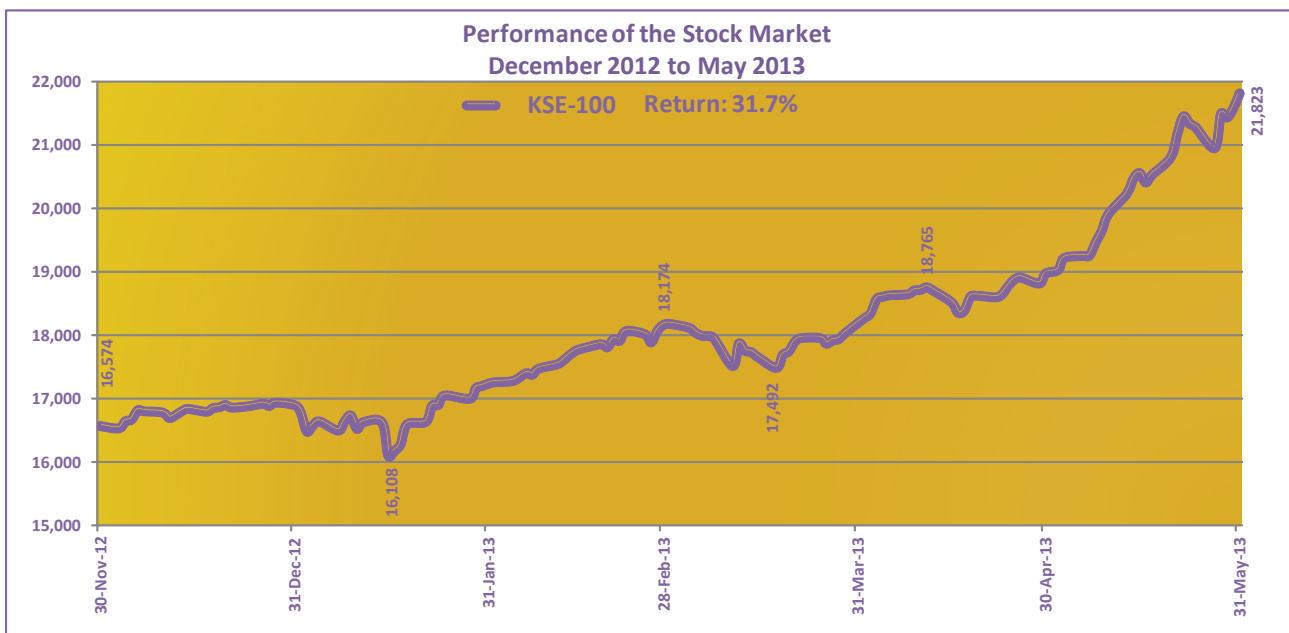
## Investment Outlook under the Newly Elected Government

The stock market has responded positively to the election of the new government led by Pakistan Muslim League (N). Investors consider the PML(N) government to be more “pro-business” relative to the previous one. The stock market has risen sharply by 9.6 % since the date of the elections. However, even the 31.7% rise in the stock market over the six months preceding the elections can be mostly attributed to the expectations of a change of government, as almost all polls results were predicting that PML(N) will win the elections.

The honey moon period will be short for the newly elected government. The SBP foreign exchange reserves have dropped to an alarming level of US\$6.6 billion, with huge payments outstanding to IMF in the coming months. The Coalition Support Fund is expected to release around US\$ 1.5 billion shortly, but this will not be sufficient. Some are expecting the Saudis to bail us out with a package of US\$ 15 billion. However, this does not seem realistic. The safer and faster course of action for the government is to sign a new package with the IMF, which will give it breathing room, and eliminate the threat of any default by the country. In the medium term there is no other solution than to increase revenues and reduce spending, especially subsidies to state-owned enterprises, which presently exceed Rs 500 billion per annum.

The new government is expected to announce its budget for FY13-14 by mid-June. We expect the budget to include some tough measures like a double-digit increase in electricity prices, elimination of subsidies, and some tax measures to increase government revenues. Inflation is expected to pick up as a result of these measures. The Government is planning to issue Rs.500 billion worth Treasury bills to clear the circular debt. Although, necessary to reduce power shortage, this is expected to have an adverse impact on inflation and interest rates. These measures, though good for the country in the long-run, may dampen investment sentiments and we may see a stock market correction around budget time.

The general perception and hope is that the newly elected government will be better able to cope with the issues of governance, corruption, power shortages, and law & order situation, versus the previous one. This government is also expected to provide better facilitation and comfort to foreign investors to come and invest in Pakistan's energy and other sectors. The benefits of these improvements will incur gradually over a 5-year period. We expect the economic growth rate to average 5% per annum over the next five years. Stock market is trading at an attractive price-to-earnings ratio of 8.3 times, corporate earnings growth is estimated at 19% for FY 13-14, and is expected to remain healthy thereafter as well. Consequently, we expect the stock market to continue to perform well in the coming years, delivering double-digit returns to investors.



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May 2013

## Stock Market Review

The stock market performance remained astounding in May as depicted by 14.96% rise in the benchmark KSE-100 Index during the month. A decisive victory by main opposition party, PML-N, at the center in the general elections has instilled hopes that the new government, through better governance and policy initiatives, would pull the country out of the current economic quagmire. Thus, stock market investors, led by enthused foreigners, have taken large fresh positions at the local bourses. Foreign investors' activity remained very robust during the month with total net foreign inflows recorded at USD271mn (including one-off Unilever proceeds of USD 178mn). Average daily volumes and value traded also considerably improved to 341mn shares and PKR10.1bn respectively from 176mn shares and PKR6.0bn in the previous month. The KSE 100 Index started the month at 18,982 and closed May at 21,823 level.

Oil & Gas and Electricity sectors outperformed the market on hopes that the new government, with resolution of power crisis as its top priority, will quickly address the chronic circular debt issue afflicting the companies in the energy chain. Despite Net Interest Margin (NIM) erosion fears, banks also performed well on hopes of a revival in private sector credit demand and improvement in operating environment due to expected uplift in macroeconomic environment. Fixed Line Communication sector also did well on hopes of a favorable resolution of the International Clearing House (ICH) controversy and amicable settlement of PTCL property transfer issue between Etisalat and the new government. However, Chemicals sector lagged the market on apprehensions that fertilizer companies could face headwinds due to diversion of gas to the power sector and any exorbitant hike in feedstock gas prices in the upcoming bi-annual revision. Food Producers sector also took a breather after a strong bull-run witnessed in the previous few months.

As per our estimates, currently the stock market is trading at 8.3x forward earnings on average, offering 6.4% dividend yield. Going forward, the stock market will take direction from federal budget slated to be announced by mid-June, upcoming monetary policy announcement, any development on IMF program or an alternate funding arrangement and foreign portfolio inflows.

## Fixed Income Review

Following a clear mandate won by pro-business PML-N in the recently held national elections, the market broadly expects a rate cut in the upcoming monetary policy review meeting. This view has been further enforced by further decline in headline inflation to around 5.1%YoY in May, rendering real interest rates considerably positive, and market gossips that the new government would avoid an IMF bail-out for now through oil-based assistance from Saudi Arabia and some other foreign inflows (CSF, Etisalat).

In line with the above, considerable interest has been observed in longer tenor papers, which is also apparent from latest bidding pattern of T-bills and PIBs. In the last T-bill auction, banks overwhelmingly bid for the longer-term paper, while negligible interest was observed in 3-month tenor (Participation: 3M: 0.36%, 6M: 14.41%, 12M: 85.23%). In the most recent PIB auction, an amount of Rs. 37.2bn was accepted against the target amount of Rs. 25bn at a cut-off yield of 10.05%, 10.44% and 11.10% in the 3 year, 5 year and 10 year tenors respectively. Furthermore, secondary market yields on longer tenor instruments have declined due to higher investor participation, while those on short-term papers have increased due to tight liquidity conditions and shifting investor preference.

During the month, SBP continued to pursue its liquidity tightening policy via reduction in size of injections through Open Market Operations (OMO), which decreased to Rs. 335bn by month end versus Rs. 385bn at the end of April. The cut-off rates for the OMO injection have also increased to 9.48% p.a from 9.20% p.a last month. However, huge increase in government borrowing related to budgetary support from SBP in the last few weeks has had a salutary effect on local market liquidity conditions.

We think the market expectations of a rate cut are based on mere optimism rather than any change in economic fundamentals. In our opinion, SBP will opt for status quo in the next monetary policy review meeting in view of the still unattended risks on the fiscal and external side and expected uptick in inflationary pressures in 2HCY13. At present, we are maintaining short maturities of our money market funds and will wait for visibility of concrete policy actions by the government to address the aforesaid macroeconomic issues before altering our view.

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**Performance**

Performance %	May 2013 *	FYTD Jul 12 - May 13 *	Trailing 12 Months Jun 12 to May 13 *	Since Launch May 16, 2009 **
NAFA Government Securities Liquid Fund	7.56%	8.65%	8.76%	10.46%
Benchmark	8.43%	8.81%	8.96%	10.47%

\* 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. 7,099 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 Subscription:	Growth Unit: Rs. 10,000/- 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.

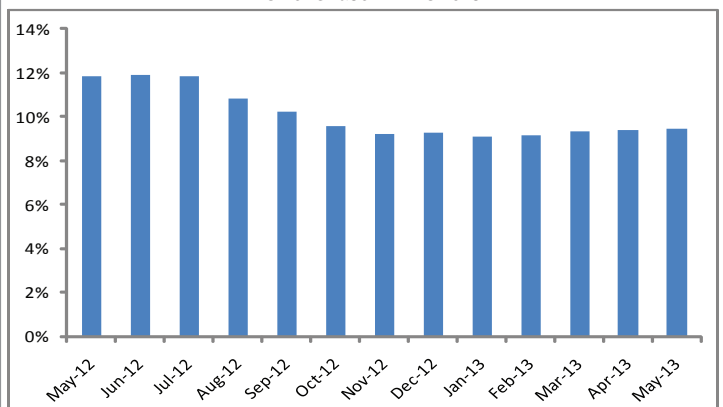
**Fund Manager Commentary**

The Fund earned an annualized return of 7.56% during May 2013 versus the benchmark return of 8.43%. The annualized return in the first eleven months of FY 2012-13 is 8.65% against the benchmark return of 8.81%. 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 around 89% of the Fund size. While, at the end of the month government securities comprised around 78% of the Total Assets (79.47% of Net Assets). Weighted average time to maturity of the Fund is 38 days.

In the three T-Bill auctions of May, MoF cumulatively accepted around Rs. 692 billion in realized value against the target of Rs. 650 billion. The cut-off annualized yields for the last T-Bill auction was noted at around 9.37%, 9.38% and 9.39% for 3, 6 and 12-month tenors, respectively. The return on the Fund will track the yield on T-Bills. Increase in interest rates will bode well for the Fund due to its short maturity.

**Monthly average yields of 3-month T-Bills for the last 12 months**



**Asset Allocation (% of Total Assets) 31-May-13 30-Apr-13**

	31-May-13	30-Apr-13
T-Bills	78.26%	95.94%
Placements with Banks	18.03%	-
Cash Equivalents	3.45%	3.89%
Other including receivables	0.26%	0.17%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Leverage Nil Nil

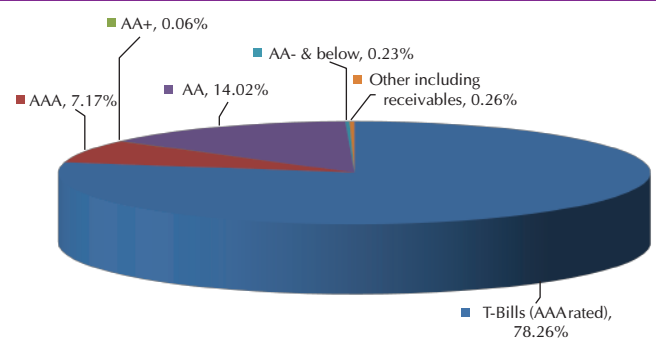
**WORKERS' WELFARE FUND (WWF)**

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.83,720,339/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.1184/1.28%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2013.

**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 May 31st, 2013 (% of Total Assets)**



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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2013): Rs. 10.0203

May 2013

## Performance

Performance %	May 2013*	FYTD Jul 12 - May 13*	Trailing 12 Months Jun 12 - May 13*	Since Launch February 24, 2012**
NAFA Money Market Fund	8.03%	9.19%	9.29%	9.61%
Benchmark	6.57%	6.80%	6.86%	6.92%

\* 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. 21,877 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.

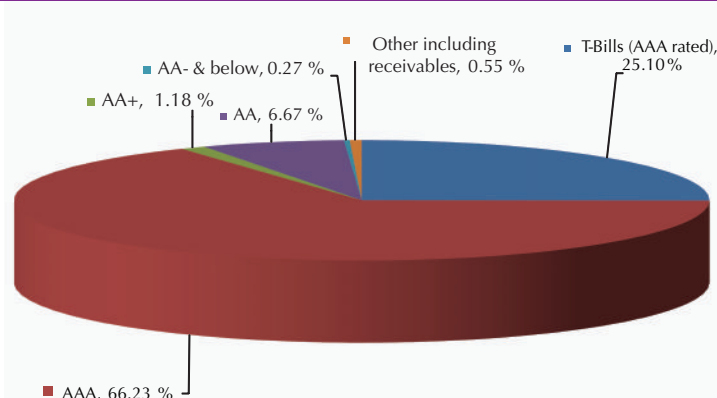
## Fund Manager Commentary

The Fund earned an annualized return of 8.03% during May 2013 versus the benchmark return of 6.57%, thus registering an out-performance of 1.46% p.a. Since the launch of the Fund in February 2012, the Fund has out-performed its benchmark by 2.69% p.a. by earning an annualized return of 9.61%. This out-performance 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 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 25% at month-end. The weighted average time to maturity of the Fund is 33 days. The duration of the T-Bill portfolio of the overall Fund is 28 days. We are monitoring the developments in capital market conditions and will proactively rebalance the Portfolio.

## Credit Quality of the Portfolio as of May 31st, 2013 (% of Total Assets)



## Asset Allocation (% of Total Assets) 31-May-13 30-Apr-13

T-Bills	25.10%	74.88%
Placements with Banks	71.48%	6.06%
Money Market Placements	1.16%	1.03%
Cash Equivalents	1.71%	17.87%
Others including receivables	0.55%	0.16%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.45,379,071/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0208/0.23%. For details investors are advised to read note 6 of the Financial Statements of the Scheme for the period ended March 31, 2013.

## 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

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MONTHLY REPORT (MUFAP's Recommended Format)

Unit Price (31/05/2013): Rs. 10.0470

May 2013

## Performance

Performance %	May 2013 *	FYTD Jul 12 - May 13 *	Trailing 12 Months Jun 12 - May 13 *	Since Launch November 21, 2009**
NAFA Savings Plus Fund	7.51%	8.79%	8.90%	10.17%
Benchmark	6.86%	7.35%	7.43%	8.04%

\* 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.1,518 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 7.51% during the month versus the benchmark return of 6.86%, thus depicting an out-performance of 0.65% p.a. The annualized return in the first eleven months of FY 2012-13 is 8.79% against the benchmark return of 7.35%, hence an out-performance of 1.44% p.a. This out-performance is net of management fee and all other expenses.

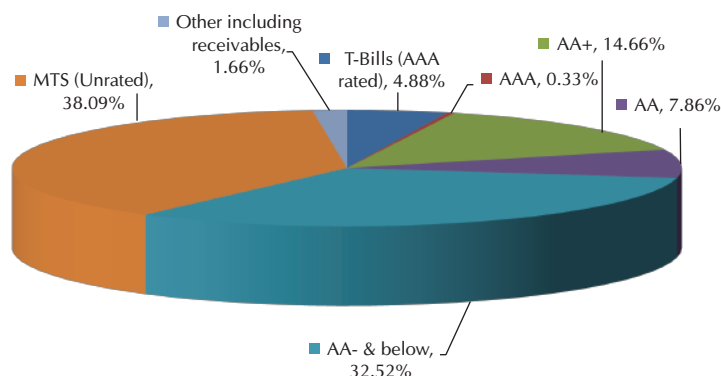
NSPF is one of the highest rated income funds in the market due to its restrictive investment guidelines. It cannot invest in any avenue which has more than six months maturity nor can it invest in debt securities and Equities. Moreover, it cannot invest in money market instruments below credit rating of 'AA-.

The portfolio of NSPF is fairly diversified invested in Treasury bills, Money market placements, MTS and bank deposits etc. The allocation in T-Bills is around 4.88%, MTS around 38.09% and in Money Market Placements issued by AA+ rated entities around 14.35% with asset class maturities at 13 days, 60 days and 58 days respectively. The weighted average 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 are monitoring the developments in capital market conditions and associated expectations and will proactively alter the Fund's allocation accordingly.

## Credit Quality of the Portfolio as of May 31st, 2013 (% of Total Assets)



## Asset Allocation (% of Total Assets) 31-May-13 30-Apr-13

Asset Allocation (% of Total Assets)	31-May-13	30-Apr-13
T-Bills	4.88%	4.93%
Money Market Placements	14.35%	14.63%
Placements with DFIs	-	6.65%
Margin Trading System (MTS)	38.09%	29.81%
Cash Equivalents	41.02%	42.90%
Other including receivables	1.66%	1.08%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.5,898,142/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.039/0.42%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2013.

## Name of the Members of Investment Committee

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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2013): Rs. 10.0849

May 2013

## Performance

Performance % *	May 2013 *	FYTD Jul 12 - May 13 *	Trailing 12 Months Jun 12 to May 13*	Since Launch August 21, 2010**
NAFA Riba Free Savings Fund	7.56%	8.68%	8.74%	10.00%
Benchmark	6.93%	7.34%	7.42%	7.90%

\* 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. 1,497 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:	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 7.56% for the month of May 2013 versus the benchmark return of 6.93% thus depicting an out-performance of 0.63% p.a. During the last one year, the Fund has out-performed its benchmark by 1.32% by earning an annualized return of 8.74%. 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 37.63% in GoP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 23.44% of the total assets are invested in "AA+" rated Shariah compliant money market instruments and 36.82% in bank deposits.

The weighted average duration of the Fund is 49 days and the weighted average time to maturity is 0.58 years. The Fund is invested in floating rate securities. Therefore, the return on the Fund will improve with increase in the interest rates.

## Asset Allocation (% of Total Assets)

	31-May-13	30-Apr-13
GOP Ijarah Sukuk - Govt. Backed	37.63%	39.27%
Islamic Money Market Placements	23.44%	24.46%
Cash	36.82%	33.64%
Other including receivables	2.11%	2.63%
Total	100.00%	100.00%
Leverage	Nil	Nil

## Top Holdings (as at May 31st, 2013)

Name of Sukuk / Islamic Money Market Placements	% of Total Assets
GOP Ijarah (Sukuk IX)	11.43%
KAPCO Short Term Islamic Sukuk I	8.97%
HUBCO Short Term Islamic Sukuk VI	8.30%
GOP Ijarah (Sukuk VIII)	6.65%
GOP Ijarah (Sukuk V)	5.65%
HUBCO Short Term Islamic Sukuk V	4.85%
GOP Ijarah (Sukuk XII)	3.33%
GOP Ijarah (Sukuk XIII)	3.12%
GOP Ijarah (Sukuk X)	2.66%
GOP Ijarah (Sukuk XIV)	1.66%
Total	56.62%

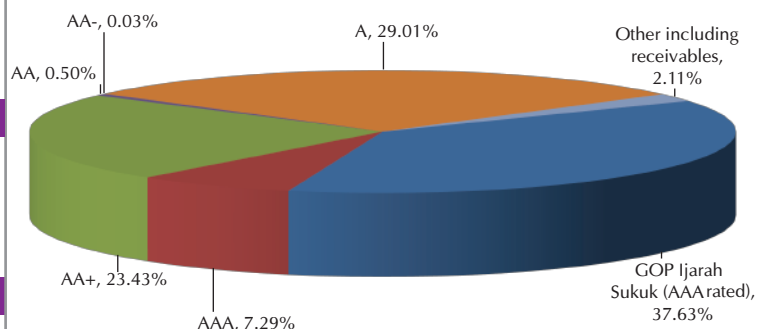
## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.3,725,928/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.0251/0.27%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2013.

## 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

## Credit Quality of the Portfolio as of May 31st, 2013 (% of Total Assets)



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**Performance**

Performance %	May 2013 *	FYTD Jul 12 - May 13 *	Trailing 12 Months Jun 12 - May 13 *	Since Launch October 28, 2011 **
NAFA Financial Sector Income Fund	8.41%	9.38%	9.86%	10.78%
Benchmark	8.70%	9.07%	9.21%	9.78%

\* 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. 3,991 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 8.41% for the month of May 2013 versus the benchmark return of 8.70%. Since its launch in October 2011, the Fund offered an annualized return of 10.78% against benchmark return of 9.78%, hence an out-performance of 1.0% 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 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 50.34% at the end of the month with average time to maturity of 3.79 years and Yield to Maturity of 10.68% p.a. Exposure in Money Market Instruments was around 9.20%. 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 1.94 years. We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

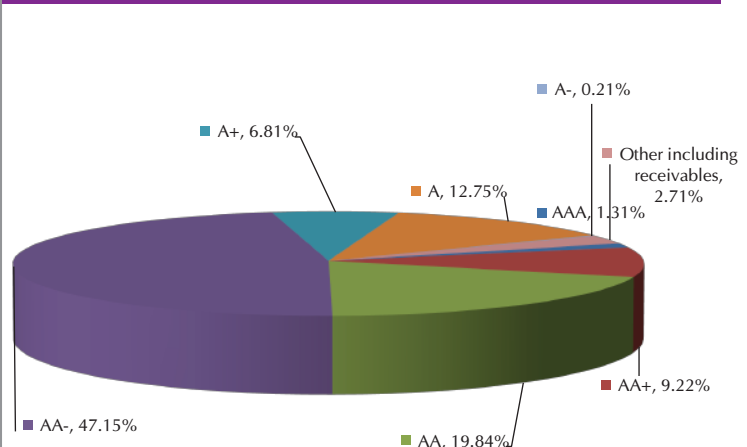
**Asset Allocation (% of Total Assets) 31-May-13 30-Apr-13**

TFCs	50.34%	48.75%
Money Market Placements	9.20%	8.79%
Placement with DFIs	-	8.32%
Placement with Banks	-	-
Cash Equivalents	37.75%	31.79%
Other including receivables	2.71%	2.35%
Total	100.00%	100.00%
Leverage	Nil	Nil

**Top 10 TFC (Including Short Term Sukuk) (as at May 31st, 2013)**

Name of TFC / Short Term Sukuk	% of Total Assets
United Bank Limited IV	11.10%
Bank Alfalah Limited IV - FT	9.16%
Faysal Bank Limited III	7.63%
NIB Bank Limited	6.81%
HUBCO Short Term Islamic Sukuk VI	5.72%
Askari Bank Limited III	3.94%
HUBCO Short Term Islamic Sukuk V	2.24%
Bank Alfalah Limited IV - FX	1.53%
Allied Bank Limited II	1.52%
Standard Chartered Bank (Pakistan) Limited IV	1.25%
Total	50.90%

**Credit Quality of the Portfolio as of May 31st, 2013 (% of Total Assets)**



**WORKERS' WELFARE FUND (WWF)**

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 8,835,399/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0226/0.24%. For details investors are advised to read note 6 of the Financial Statements of the Scheme for the period ended March 31, 2013.

**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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2013): Rs.13.1673

May 2013

## Performance

Performance %	May 2013*	Jul. 2012 - May. 2013*	Trailing 12 Months Jun 2012 - May 2013*	Since Launch August 21, 2010**
NAFA Asset Allocation Fund *	9.65%	31.82%	31.53%	23.57%
Benchmark	5.31%	17.99%	18.53%	13.74%

\* Cumulative Returns  
\*\* Annualized Return [Net of management fee & all other expenses]

## General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 1,096 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:	
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end – 2% (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:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index
Fund Manager:	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 9.65%, while the benchmark increased by 5.31%. Thus, your Fund out-performed the benchmark by 4.34%. Since inception on August 21, 2010 the Fund's unit price has increased by 80.14%, while the Benchmark has increased by 43.04%. Thus to-date, the cumulative out-performance of your Fund stands at 37.10%. This out-performance is net of management fee and all other expenses.

In May, the market depicted very healthy performance and KSE 100 index gained 14.96%. NAAF started off the month with an allocation of around 41% in equities, however towards the end of the month around 62% was invested in equities. The Fund also benefitted from being over-weight in selected Oil & Gas sector stocks, which outperformed the market. During May, the allocation was increased in Banking, Oil & Gas, Electricity, Fixed Line Telecommunications, Personal Goods, and Construction and Materials sectors.

## Asset Allocation (% of Total Assets) 31-May-13 30-Apr-13

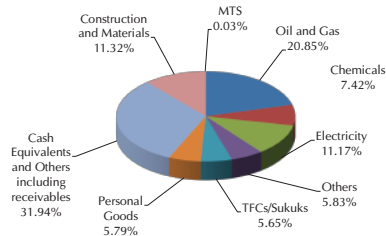
Equities / Stocks	62.38%	41.43%
TFCs/Sukuks	5.65%	5.79%
Cash Equivalents	30.73%	51.55%
MTS	0.03%	0.17%
Others including receivables	1.21%	1.06%
Total	100.00%	100.00%
Leverage	Nil	Nil

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

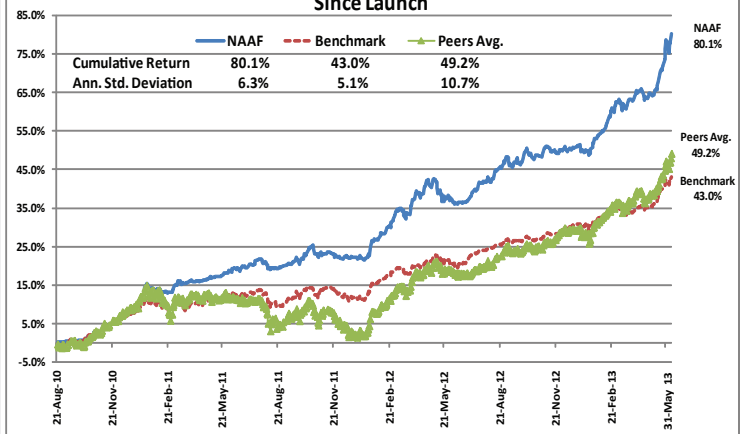
	PER	PBV	DY
NAAF	7.1	2.3	8.3%
KSE-30	7.9	2.1	7.1%

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

## Asset Allocation (% of Total Assets)(as on 31st May, 2013)



## Relative Performance of NAFA Asset Allocation Fund (NAAF) Since Launch



## Top Ten Holdings (as on 31st May, 2013)

Name	Asset Class	% of Total Assets
Hub Power Company Ltd	Equity	8.87%
Pakistan Petroleum Ltd	Equity	6.46%
Oil & Gas Dev.Co Ltd	Equity	6.01%
Pakistan State Oil Co. Ltd.	Equity	5.82%
Engro Corporation Ltd	Equity	4.08%
Fauji Fertilizer Co Ltd	Equity	3.34%
Nishat (Chunian) Ltd	Equity	3.18%
Lucky Cement Ltd	Equity	2.90%
Kot Addu Power Company Ltd	Short Term Sukuk	2.70%
Nishat Mills Ltd.	Equity	2.60%
<b>Total</b>		<b>45.96%</b>

## Name of the Members of Investment Committee

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

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 6,344,309/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0762 / 0.76%.For details investors are advised to read Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2013.

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2013): Rs 13.4094

May 2013

## Performance

Performance %	May 2013*	Jul. 2012- May. 2013*	Trailing 12 Months Jun 2012 - May 2013*	Since Launch January 22, 2007**
NAFA Multi Asset Fund*	9.54%	33.38%	32.78%	13.80%
Benchmark	7.84%	24.43%	24.89%	8.38%

\* Cumulative Returns  
\*\* Annualized Return  
[Net of management fee & all other expenses]

## General Information

Launch Date: January 22, 2007  
Fund Size: Rs 798 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: Asim Wahab Khan, CFA  
Minimum Growth Unit: Rs. 10,000/-  
Subscription: Income Unit: Rs. 100,000/-  
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 9.54% while the benchmark increased by 7.84%. Thus your Fund out-performed the benchmark by 1.70%. Since inception on January 22, 2007 your Fund's unit price has increased by 127.81%, while the benchmark has increased by 66.90%. Thus, to-date the cumulative out-performance of your Fund stands at 60.91%. This out-performance is net of management fee and all other expenses.

In May, the market depicted very healthy performance and KSE 100 index gained 14.96% NMF started off the month with around 56% allocation in equities; however towards the end of the month exposure was increased to around 66%. During the month, the Fund benefitted from being over-weight in equities which yielded strong returns. The Fund also benefitted from being over-weight in selected Oil & Gas stocks, which outperformed the market. During May, the allocation was increased in Banking, Oil & Gas, and Electricity sectors whereas it was reduced in Chemicals sector.

## Asset Allocation (% of Total Assets)

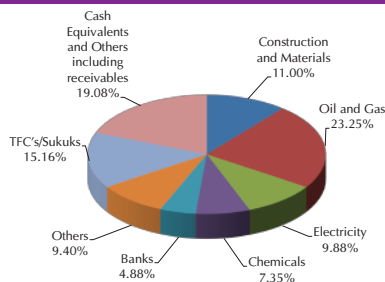
	31-May-13	30-Apr-13
Equities / Stocks	65.76%	56.22%
TFCs / Sukuks	15.16%	16.19%
Cash Equivalents	17.79%	26.42%
Others including receivables	1.29%	1.17%
Total	100.00%	100.00%
Leverage	Nil	Nil

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

	PER	PBV	DY
NMF	6.9	2.3	8.4%
KSE-30	7.9	2.1	7.1%

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

## Asset Allocation (% of Total Assets)(as on 31st May, 2013)



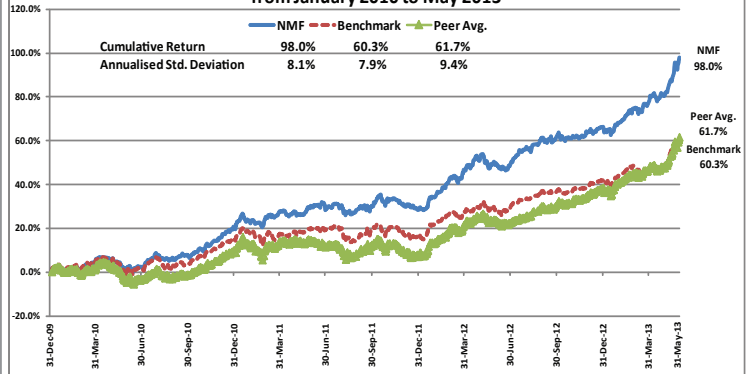
## Name of the Members of Investment Committee

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

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 9,595,559/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1612/1.60%. For details investors are advised to read Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2013.

## Relative Performance of NAFA Multi Asset Fund (NMF) from January 2010 to May 2013



## Top Ten Holdings (as on 31st May, 2013)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Hub Power Company Ltd	Equity	8.05%	Cherat Cement Co Ltd	Equity	4.24%
Pakistan State Oil Co. Ltd.	Equity	7.60%	Maple Leaf Cement I	Sukuk	4.00%
Oil & Gas Dev.Co Ltd	Equity	7.11%	Thal Ltd	Equity	3.90%
Pakistan Petroleum Ltd	Equity	5.30%	Pakistan Oilfields Ltd	Equity	3.24%
Engro Corporation Ltd	Equity	4.38%	Avari Hotels Ltd	TFC	3.15%

## 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	30,616,760	-	15,308,380	1.92%	1.87%	46.59%
Eden Housing (Sukuk II)	SUKUK	21,562,500	7,516,925	14,045,575	1.76%	1.72%	70.68%
Maple Leaf Cement (Sukuk I)	SUKUK	81,619,065	48,971,439	32,647,626	4.09%	4.00%	38.42%
Pak Elektron Limited (Sukuk)	SUKUK	17,142,857	11,238,000	5,904,857	0.74%	0.72%	199.37%
New Allied Electronics (Sukuk I)	SUKUK	10,000,000	10,000,000	-	-	-	-
Total		160,941,182	77,726,364	67,906,438	8.51%	8.31%	

\*\*\*\* 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.

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2013): Rs.13.4476

May 2013

## Performance

Performance %	May 2013*	Jul. 2012-May. 2013*	Trailing 12 Months Jun 2012 - May 2013*	Since Launch October 29, 2007**
NAFA Islamic Multi Asset Fund	10.06%	34.90%	34.38%	12.94%
Benchmark	7.19%	30.09%	29.98%	NA***

\* Cumulative Return

\*\* Annualized Return [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. 435 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:	Asim Wahab Khan, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA

## Investment Objective

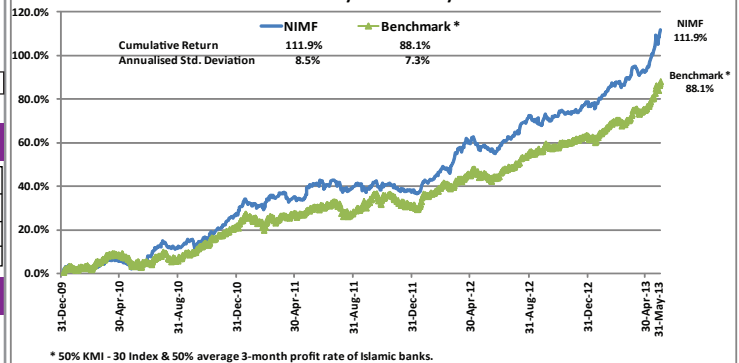
To provide investors with a combination of capital growth and income by investing in Shariah compliant investments. NIMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of Shariah compliant securities, instruments and avenues such as Equities, Musharakah, Murabahah,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

## Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Multi Asset Fund (NIMF) increased by 10.06%, whereas the benchmark increased by 7.19%, thus your Fund outperformed the benchmark by 2.87%.

In May, the market depicted very healthy performance and KMI-30 Index gained 14.19%. NIMF started off the month with an allocation of around 58% in equities; however, towards the end of the month the Fund was around 65% invested in equities. During the month, the Fund benefitted from being over-weight in equities, which yielded strong returns. The Fund also benefitted from being over-weight in selected Oil & Gas stocks, which outperformed the market. During May, the allocation was increased in the Oil & Gas sector, whereas it was reduced in Construction and Materials, Fixed Line Telecommunication, and Food Producers sectors.

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

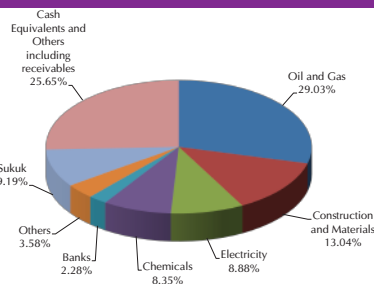


Asset Allocation (% of Total Assets)	31-May-13	30-Apr-13
Equities / Stocks	65.16%	57.63%
Sukuks	9.19%	10.43%
Cash Equivalents	23.66%	29.77%
Others including receivables	1.99%	2.17%
Total	100.00%	100.00%
Leverage	Nil	Nil

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

	PER	PBV	DY
NIMF	6.9	2.5	9.4%
KMI-30	8.4	2.6	7.4%

## Asset Allocation (% of Total Assets) (as on 31st May, 2013)



## Name of the Members of Investment Committee

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

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 4,729,528/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs0.1463/1.46%. For details investors are advised to read the Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2013.

## Top Ten Holdings (as on 31st May, 2013)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan State Oil Co. Ltd.	Equity	9.21%	Fauji Fertilizer Co Ltd	Equity	4.91%
Hub Power Company Ltd	Equity	8.88%	Cherat Cement Co Ltd	Equity	4.44%
Oil & Gas Dev.Co Ltd	Equity	6.82%	Maple Leaf Cement I	Sukuk	4.16%
Pakistan Petroleum Ltd	Equity	6.70%	Sitara Chemical Ind Ltd	Equity	3.45%
Pakistan Oilfields Ltd	Equity	6.29%	D. G. Khan Cement Co Ltd	Equity	3.32%

## 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	1.65%	1.62%	8.81%
Eden Housing (Sukuk II)	SUKUK	9,375,000	3,268,228	6,106,772	1.40%	1.38%	70.68%
Maple Leaf Cement (Sukuk I)	SUKUK	46,143,750	27,686,250	18,457,500	4.25%	4.16%	38.42%
Pak Elektron Limited (Sukuk)	SUKUK	21,428,571	14,047,500	7,381,071	1.70%	1.66%	199.37%
Total		86,509,738	45,001,978	39,117,156	9.00%	8.82%	

\*\*\*\*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.

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2013): Rs.10.9126

May 2013

## Performance

Performance %	May 2013*	Jul. 2012-May. 2013*	Trailing 12 Months Jun 2012-May 2013*	Since Launch January 22, 2007**
NAFA Stock Fund	14.60%	56.23%	53.68%	12.83%
Benchmark	15.30%	41.59%	41.24%	3.70%

\* Cumulative Returns

[Net of management fee & all other expenses]

\*\*Annualized Return

## General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 1,230 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:	
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-to-High
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	M. Yousuf Adil Saleem & Co. Chartered Accountants
Benchmark:	KSE-30 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

## 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 increased by 15.30% whereas NAFA Stock Fund's (NSF) unit price (NAV) increased by 14.60%, thus an under-performance of 0.70% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 115.67% while the benchmark has increased by 26.04%, thus to date cumulative out-performance is 89.63%. This out-performance is net of management fee and all other expenses.

In May, the market generated very healthy performance and KSE-100 Index gained 14.96%. NSF started off the month with an allocation of around 95% in equities and towards the end of the month exposure in equities was decreased to around 92%. The under-performance during the month was mainly due to the Fund's overweight stance in Construction and Materials sector, which slightly underperformed the benchmark, and underweight stance in selected Banking sector stocks which outperformed the market. During May, the allocation was reduced in Chemicals and Food Producers sectors, whereas it was increased in the Banking and Oil & Gas sectors.

## Asset Allocation (% of Total Assets) 31-May-13 30-Apr-13

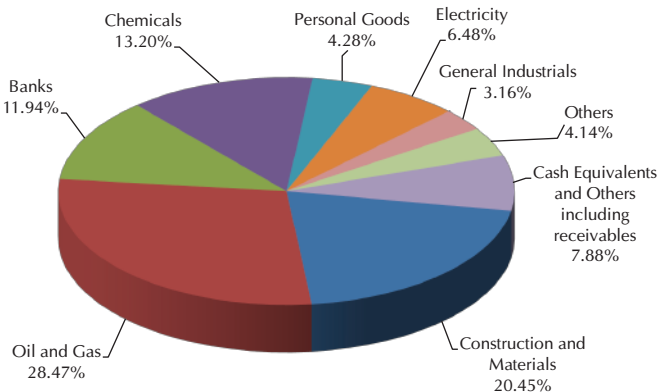
	31-May-13	30-Apr-13
Equities / Stock	92.12%	94.59%
Cash Equivalents	6.56%	5.04%
Others including receivables	1.32%	0.37%
Total	100.00%	100.00%
Leverage	Nil	Nil

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

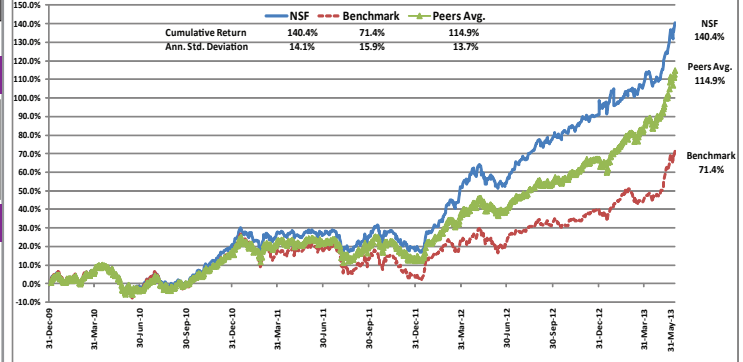
	PER	PBV	DY
NSF	6.6	2.0	8.1%
KSE-30	7.9	2.1	7.1%

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

## Asset Allocation (% of Total Assets) (as on 31st May, 2013)



Relative Performance of NAFA Stock Fund (NSF) from January 2010 to May 2013



## Top Ten Equity Holdings (as on 31st May, 2013)

Name	% of Total Assets	Name	% of Total Assets
Pakistan State Oil Co Ltd	9.08%	Oil & Gas Dev.Co Ltd	5.89%
Pakistan Petroleum Ltd	8.57%	Pakistan Oilfields Ltd	4.93%
Engro Corporation Ltd	8.47%	Meezan Bank Ltd	4.87%
Cherat Cement Co Ltd	7.12%	Sitara Chemical Ind Ltd	4.73%
Hub Power Company Ltd	6.48%	Bank AL-Habib Ltd	3.79%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 21,653,264 /-, If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1922 / 2.71%. For details investors are advised to read the Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2013.

## Name of the Members of Investment Committee

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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2013): Rs. 9.5247

May 2013

## Performance

Performance %	May 2013 *	FYTD Jul 12 - May 13 *	Trailing 12 Months Jun-12 - May-13 *	Since Launch March 29, 2008 **
NAFA Income Fund	10.06%	5.83%	5.78%	1.55%
Benchmark	9.60%	9.97%	10.14%	11.99%

\* 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. 484 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/-  
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 10.06% during May 2013 versus the benchmark return of 9.60%. Out-performance during the month was on account of principal repayment of real estate sector Sukuk.

As the allocation of the Fund shows, exposure in TFCs and Sukuks stand at 48.72%. The weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is around Rs. 90 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 15.44% p.a. while its weighted average time to maturity is 1.66 years. This yield does not include potential recovery in fully provided TFCs (Face Value of Rs. 221 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.

## Asset Allocation (% of Total Assets) 31-May-13 30-Apr-13

TFCs / Sukuks	48.72%	50.17%
PIBs	0.10%	0.11%
Islamic Money Market Placements	8.18%	8.26%
GOP Ijara Sukuks - Govt. Backed	0.72%	0.72%
Placement with DFIs	-	9.29%
Cash Equivalents	39.69%	28.82%
Other including receivables	2.59%	2.63%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## Top 10 TFC / Sukuk (Including Islamic Commercial Paper) (as at May 31st, 2013)

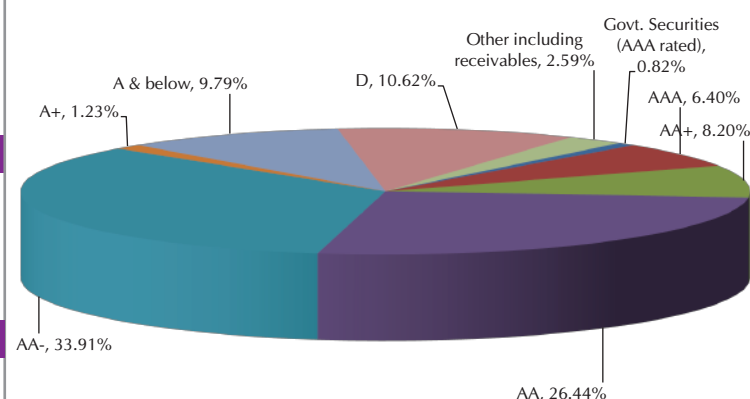
Name of TFC / Islamic Commercial Paper	% of Total Assets
Pakistan Mobile Communication Limited	8.60%
Engro Fertilizers Limited 30-NOV-07	6.40%
Standard Chartered Bank (Pakistan) Limited IV	6.19%
Faysal Bank Limited	5.31%
Eden Housing (Sukuk II)	5.00%
Saudi Pak Leasing	4.70%
HUBCO Short Term Islamic Sukuk V	4.09%
HUBCO Short Term Islamic Sukuk VI	4.09%
United Bank Limited IV	3.11%
Engro Fertilizer Limited (PPTFC)	2.68%
<b>Total</b>	<b>50.17%</b>

## 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	0.93%	0.92%	64.28%
Saudi Pak Leasing**	TFC	45,925,140	-	22,962,570	4.75%	4.70%	46.59%
Eden Housing (Sukuk II)	SUKUK	37,500,000	13,072,913	24,427,088	5.05%	5.00%	70.68%
AgriTech Limited II	TFC	149,875,800	149,875,800	-	n/a	n/a	n/a
AgriTech 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>334,517,313</b>	<b>259,667,785</b>	<b>51,886,958</b>	<b>10.73%</b>	<b>10.61%</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 May 31st, 2013 (% of Total Assets)



## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.2,182,859/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.043/0.48%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2013.

## Name of the Members of Investment Committee

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

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**Performance**

Performance %	May 2013 *	FYTD Jul 12 - May 13*	Trailing 12 Months Jun-12 - May-13 *	Since Launch October 29, 2007 **
NAFA Islamic Aggressive Income Fund	0.39%	5.56%	6.64%	4.94%
Benchmark	6.71%	7.06%	7.13%	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. 163 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/-  
Asset Manager Rating: Income Unit: Rs. 100,000/- 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 0.39% as compared to the benchmark return of 6.71%. Subdued performance of the Fund during the month is due to i) provisioning in an Electronic sector sukuk ii) Mark to Market loss in a Fertilizer Sector Sukuk.

The allocation in corporate Sukuks / instruments with current Weightage at 52.16% of the Gross Assets is diversified among Cement, Fertilizer, Electricity and Consumer Electronics sub-sectors. Around 28.92% of the portfolio is allocated to AAA rated Government of Pakistan Ijara Sukuks which coupled with 11.60% allocation in bank deposits provides diversification and liquidity to the portfolio. Going forward, the Fund intends to maintain the present allocation.

The weighted average Yield-to-Maturity (YTM) of the sukuk portfolio is around 22.23% p.a. and weighted average time to maturity is 1.60 years. The weighted average time to maturity of the Fund is 1.03 years. Hence, for investors with medium to long term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, since TFCs prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

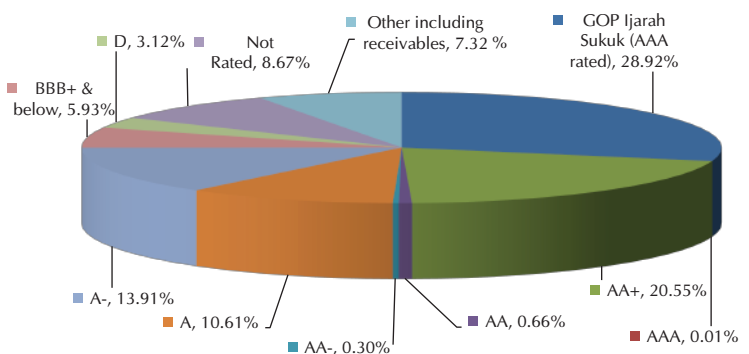
**Asset Allocation (% of Total Assets) 31-May-13 30-Apr-13**

	31-May-13	30-Apr-13
Sukuks	31.61%	32.08%
GOP Ijara Sukuks - Govt. Backed	28.92%	28.93%
Islamic Money Market Placements	20.55%	20.55%
Cash Equivalents	11.60%	11.45%
Other including receivables	7.32%	6.99%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

**Top 10 Sukuk (Including Islamic Money Market Placements) (as at May 31st, 2013)**

Name of Sukuk / Islamic Money Market Placements	% of Total Assets
Engro Fertilizer Limited (Sukuk)	13.90%
GOP Ijarah (Sukuk IX)	9.08%
Kohat Cement Limited (Sukuk)	8.67%
GOP Ijarah (Sukuk X)	8.46%
HUBCO Short Term Islamic Sukuk V	7.25%
HUBCO Short Term Islamic Sukuk VI	7.25%
GOP Ijarah (Sukuk V)	5.93%
Maple Leaf Cement (Sukuk I)	5.93%
Pak Elektron Limited (Sukuk)	3.12%
GOP Ijarah (Sukuk XI)	2.42%
<b>Total</b>	<b>72.01%</b>

**Credit Quality of the Portfolio as of May 31st, 2013 (% of Total Assets)**



**WORKERS' WELFARE FUND (WWF)**

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.1,349,694/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0750/0.88%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2013.

**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

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**Performance**

Performance %	May 2013 *	FYTD Jul 12 - May13 *	Trailing 12 Months Jun-12 - May-13 *	Since Launch April 22, 2006 **
NAFA Income Opportunity Fund	7.42%	8.81%	8.94%	6.54%
Benchmark	9.60%	9.97%	10.14%	11.54%

\* 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. 1,788 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 7.42% during May 2013 as compared to the benchmark return of 9.60%. Subdued performance of the Fund during the month is due to provisioning in an Electronic sector sukuk.

Weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is Rs. 82.71 against the par value of Rs. 100. The weighted average Yield to Maturity of the Fund is around 16.97% p.a. and that of the TFC portfolio is 25.04% p.a. The weighted average time to maturity of the Fund is about 1.58 years. The Fund's sector allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Financial Services, Banking and Leisure (Hotel) sub-sectors. However, since TFCs prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

**Asset Allocation (% of Total Assets) 31-May-13 30-Apr-13**

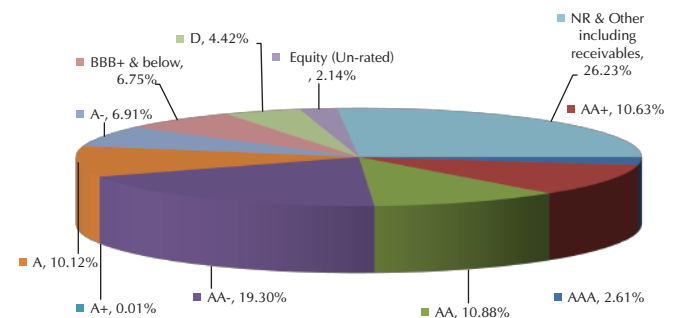
TFCs / Sukuks	41.31%	41.79%
Money Market Placements	5.99%	6.03%
T-Bills	-	0.31%
Placement with DFIs	-	2.88%
Equity	2.14%	2.15%
Cash Equivalents	25.91%	21.95%
Other including receivables	24.65%	24.89%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

**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
BRR Guardian Modaraba***	SUKUK	45,312,500	-	33,984,375	1.90%	1.50%	40.42%
Escort Investment Bank Limited***	TFC	7,493,940	-	5,525,702	0.31%	0.24%	18.00%
Kohat Cement Limited (Sukuk)***	SUKUK	47,812,085	-	35,859,064	2.01%	1.58%	8.81%
Saudi Pak Leasing**	TFC	45,925,140	-	22,962,570	1.28%	1.01%	46.59%
World Call Telecom Limited	TFC	96,370,722	81,915,114	14,455,608	0.81%	0.64%	64.28%
Eden Housing (Sukuk II)	SUKUK	17,250,000	6,013,540	11,236,460	0.63%	0.49%	70.68%
Maple Leaf Cement (Sukuk I)	SUKUK	369,150,000	221,490,000	147,660,000	8.26%	6.50%	38.42%
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	33,714,000	17,714,571	0.99%	0.78%	199.37%
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
Ghanbwal 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	92,760,466	48,642,684	2.72%	2.14%	n/a
<b>Total</b>		<b>1,594,926,982</b>	<b>1,208,673,993</b>	<b>338,041,034</b>	<b>18.90%</b>	<b>14.88%</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 May 31st, 2013 (% of Total Assets)**



**Top 10 TFC/Sukuk Holdings (as at May 31st, 2013)**

Name of TFCs / Sukuks	% of Total Assets
Pakistan Mobile Communication (Listed II)	6.74%
Avari Hotels Limited	6.62%
Maple Leaf Cement (Sukuk I)	6.50%
Engro Fertilizer Limited (PPTFC)	6.32%
Bank Alfalah Limited V	4.45%
HUBCO Short Term Islamic Sukuk V	3.74%
Allied Bank Limited II	2.77%
HUBCO Short Term Islamic Sukuk VI	2.25%
Kohat Cement Limited (Sukuk)	1.58%
BRR Guardian Modaraba	1.50%
<b>Total</b>	<b>42.47%</b>

**WORKERS' WELFARE FUND (WWF)**

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.14,523,848/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0848/0.88%. For details investors are advised to read note 6 of the Financial Statement of the Scheme for the period ended March 31, 2013.

**Name of the Members of Investment Committee**

Dr. Amjad Waheed, CFA  
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