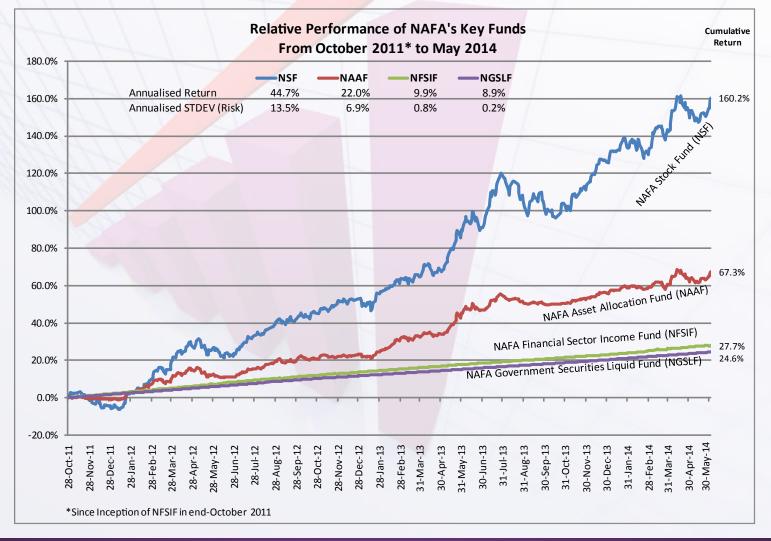


# **Fund Manager Report**

## May 2014



## Note: Detailed monthly reports on NAFA Funds are available on our website at 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/lsb): 111-111-NFA (111-111-632) Website: www.nafafunds.com Email: info@nafafunds.com Your investments & "NAFA" grow together



Joint - Venture Partners



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 Lowest Risk NGSLF

NMMF

NSPF

NRFSF

NFSIF

NIAIF

NAAF

NMF

NIAAF

Highest Risk NSF

 Moderate Risk NIOF

## "May 2014"

	Fund Name	Fund Size (Rs. In Crore)	Stability Rating	May - 2014	FYTD - 2014	FY - 2013	FY - 2012	FY - 2011
	Fixed Income Funds	Annualized Returns						
	NAFA Government Securities Liquid Fund <sup>1</sup>	1,550	AAA (f)	8.34%	8.02%	8.67%	10.86%	11.46%
	NAFA Money Market Fund <sup>1</sup>	1,054	AA (f)	8.36%	8.11%	9.16%	n/a	n/a
	NAFA Savings Plus Fund <sup>1</sup>	265	AA- (f)	7.72%	7.85%	8.77%	11.01%	10.64%
	NAFA Riba Free Savings Fund <sup>1</sup>	285	AA- (f)	8.04%	7.84%	8.73%	10.80%	n/a
runas	NAFA Financial Sector Income Fund <sup>1</sup>	280	A+ (f)	5.63%	8.56%	9.28%	n/a	n/a
KISK FROILIE OL INAFA'S NEY FUILUS	NAFA Islamic Aggressive Income Fund <sup>2</sup>	29	BBB+ (f)	10.98%	11.77%	6.80%	19.02%	9.04%
	NAFA Income Opportunity Fund <sup>1</sup>	403	BBB+ (f)	3.59%	13.88%	10.46%	-0.53%	5.49%
NISK FTUI	Equity Related Funds		Star Ranking		Cumu	lative Re	eturns	I
	NAFA Asset Allocation Fund <sup>2</sup>	186	***** (5-star)	2.08%	13.92%	31.94%	14.38%	n/a
	NAFA Multi Asset Fund <sup>2</sup>	99	**** (4-star)	2.43%	22.84%	34.14%	15.54%	25.30%
	NAFA Islamic Asset Allocation Fund <sup>2</sup> (Formerly; NIMF)	54	**** (4-star)	1.87%	18.53%	36.25%	13.26%	28.44%
	NAFA Stock Fund <sup>2</sup>	168	**** (4-star)	2.51%	36.23%	54.93%	21.98%	28.37%

n/a = Not applicable.

- Return is reported where full period performance is available.

<sup>1</sup> Returns upto May 31, 2014

<sup>2</sup>Returns upto May 30, 2014

Note: Detailed monthly reports on NAFA Funds are available on our website at www.nafafunds.com



## Implications of FY15 Budget for the Capital Market

The Federal government has recently unveiled its FY15 Budget. Through removal of tax concessions, levy of additional taxes mainly on undocumented sector, and tight control over expenditures, the government aims to bring down the fiscal deficit to 4.9% of GDP. The target for GDP growth is set at 5.1% based on higher expected growth in agriculture and services sector, and continued momentum in the industry sector. Inflation is anticipated to clock at around 8.0%, indicating that government expects price pressures to remain subdued in the next fiscal year as well.

	FY11	FY12	FY13	FY14E	FY15F
GDP Growth (%)	3.7%	3.8%	3.7%	4.1%	5.1%
Inflation (%)	13.7%	11.0%	7.4%	8.5%	8.0%
Tax Revenue % of GDP	9.3%	10.2%	9.8%	10.6%	11.5%
Fiscal Deficit % of GDP	6.5%	6.8%	8.2%	5.8%	4.9%

Source: Economic Survey & Government Projections

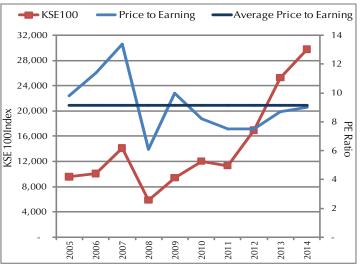
Though we find FY15 macroeconomic government targets a bit ambitious, we expect the government to achieve a fair degree of fiscal consolidation with next year budget deficit of around 6% of GDP. Further, despite an expected 20-30% increase in gas and electricity tariffs, we anticipate headline inflation to remain in single digits due to stable global commodity prices, government's net retirements to SBP, and recent appreciation of PKR against the US dollar. With inflation likely to remain in control, we expect interest rates to remain at current levels over the next 12 months.

We anticipate external account position to further strengthen in FY15 due to: 1) a manageable deficit on current account driven by decent remittances growth, strong exports and continued Coalition Support Funds (CSF) receipts; 2) a sizable surplus on the financial account on the back of higher multilateral lending, privatization proceeds, portfolio in flows and a likely pick-up in Foreign Direct Investment (FDIs) especially from China in the energy sector. Thus, we expect country's foreign exchange reserves to increase to over USD17bn by the end of FY15.

Reduction in corporate tax rate to 33% and lower than expected increase in CGT (12.5% vs. 17.5% scheduled) for holding period of up to one year were the key positives for the stock market. However, the budget carried some negative surprises including 10% CGT on 1-2 year holding period, 5% tax on stock dividends, and 5% adjustable additional tax on dividends.

For listed sectors, the budget was a mixed bag. For instance, to offset the recent appreciation in Pak Rupee (PKR) and enable it to benefit from GSP plus status, the textile sector was given a number of incentives including reduction in export refinance/long term financing rates, early processing of refund cases, duty drawbacks on additional exports and extension in period of duty-free machinery imports. Cement sector should benefit from increase in PSDP allocation, while increase in Gas Infrastructure Development Cess (GIDC) would be a negative for the fertilizer sector and industries, in general.

On an overall basis, the budget has no negative implications for the stock market. Further, given the favorable macroeconomic backdrop, we expect stock market performance to remain healthy for FY2014-15. During the last two years, the market has depicted very strong return averaging 47% p.a. We do not expect the stock market to repeat the above performance in FY15. However, given reasonable market valuations as captured in 9 times forward earnings, and 20% expected corporate earnings growth in FY15, we expect the stock market to rise by 20% in the next fiscal year. We have positioned the portfolios of our equity- related funds accordingly. Based on our performance track record, we expect our equity-related funds to perform better than the market.





# Capital Markets Review

May 2014

## **Stock Market Review**

During the month of May-14 the stock market depicted lot of volatility with the KSE-100 Index declining by as much as 2% during the first half on the back of budget related uncertainty and noise in the domestic politics. However, strong recovery was witnessed during the last week amid of late foreign buying. More specifically, during the last two trading sessions an inflow of 24mn was recorded (34% of total foreign buying recorded in May-14) as foreign investors seemed to have completely shrugged off the concerns over the upcoming budget and instead focused on doubling of Pakistan weight in MSCI Frontier Market Index. Local investors were net sellers during the month primarily due to concerns regarding increase in CGT (Capital Gains Tax) and proposed aggressive taxation measures by the FBR in the upcoming federal budget. Therefore, trading activity remained muted with overall volumes registering a decline of 43% during the month and daily average trading volume standing at 166mn shares. Over all, KSE-100 Index advanced by 2.85% or 825 points to close the month at an all time high level of 29,738.

During the month, Banking and Automobiles & Parts sectors outperformed the market on the back of attractive valuations and anticipation of strong earnings in the coming quarters. Oil & Gas sector continued its underperformance mainly due to Secondary Public Offering in the pipeline. Personal Goods sectors lagged the market amid clouded textile subsector earnings outlook following PKR appreciation against the US dollar and rising input cost. With the government intention to clear outstanding energy related circular debt within the next few weeks, we saw strong interest in the OMC sub-sector towards the end of the month. Construction and Material sector lagged the market as fears of pricing arrangement breakup on back of capacity expansion by the selected key players soured investors sentiments, while expectations of large allocation for PSDP in the upcoming budget helped revive investors' interest.

As per our estimates, the stock market is trading at 9.0 times forward earnings and offers 5.5% dividend yield. With the comfortable forex reserves position, sanguine near-term inflation and interest rate outlook, likely pro business upcoming federal budget and healthy foreign buying; we expect the stock market to perform well going forward. We have increased the allocation of our equity related funds in equities on expectation of post budget strong rally in the market.

## **Fixed Income Review**

In line with the market expectation inflation as measured by the CPI for May 14 clocked in at 8.3% against 9.2% in April 14. The broader market was expecting discount rate cut by the SBP in the last Monetary policy announcement as corroborated by the high participation and trading volumes in longer maturities T-Bills and PIBs despite spike in inflation in April 14 due to unexpected hike in education and food items. However, despite single digit inflation and Forex reserves crossing US \$13 billion mark, SBP maintained the discount rate at 10%. That said, inflation may creep up with expected hike in the gas and power tariff and uptick in food prices ahead of holy month of Ramadan.

In the two T-Bills auctions during the month, MoF accepted Rs 443 billion (realized amount) against the target of Rs 850 billion and maturity of Rs 865 billion. The cut-off annualized yields for the last T- Bill auction were noted at 9.96%, 9.98% and 9.99% for 3, 6 and 12 month tenors respectively. T-Bills auction bid pattern remained skew towards the 12-month as compared to 3 and 6 months on the expectations of policy rate cut. Regarding the PIB auction during the month an amount of Rs. 248 billion was accepted against the target of Rs. 100 billion at cut-off yields of 12.10%, 12.55% and 12.90% in the 3 year, 5 year and 10 year respectively, while no bids were received in 20 year tenor. The bid pattern witnessed a major tilt towards 3 year tenor followed by 5 and 10 year tenors respectively.

On the back of benign near time inflation & interest rate outlook and steepened yield curve, we stick to our strategy of keeping our fixed income funds maturities at higher levels to take advantage of higher yields. We are closely watching the developments in the capital markets and will rebalance the portfolios of our fixed income funds accordingly.

## **Our Contacts**

Contact our Investment Consultant for free Investment advice Helpline (Toll Free): 0800-20001 or UAN: 111-111-632 (nfa) Email: info@nafafunds.com www.nafafunds.com

**Disclaimer:** This publication is for informational purpose only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell the fund. All investments in mutual funds are subject to market risks. The price of units may go up as well as down. Past Performance is not necessarily indicative of future results.

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## NAFA Government Securities Liquid Fund (NGSLF)

## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (31/05/2014): Rs. 10.0497

May 2014

Performance				
Performance %	May 2014*	FYTD Jul 2013 - May 2014*	Trailing 12 Months Jun 2013 - May 2014*	Since Launch May 16, 2009 <sup>**</sup>
NAFA Government Securities Liquid Fund	8.34%	8.02%	8.08%	9.98%
Benchmark	9.17%	8.58%	8.66%	10.11%

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

### **General Information Investment Objective**

NBP Fullerton Asset Management Ltd.

A Subsidiary of Vational Bank of Pakistan

To generate optimal return with minimum risk, to provide easy liquidity and Launch Date: May 16, 2009 reasonable income to its unit holders by investing primarily in short-term Fund Size: Rs. 15,496 million Government Securities. Open-end – Money Market Fund Type: **Fund Manager Commentary** Dealing Days: Daily - Monday to Saturday The Fund earned an annualized return of 8.3% during May 2014 versus the Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M benchmark return of 9.2%. The annualized return for FYTD is 8.0% against (Friday) 9:00 A.M to 5:30 P.M the benchmark return of 8.6%. The return generated by the Fund is net of (Saturday) 9:00 A.M to 1:00 P.M management fees and all other expenses. Settlement: 2-3 business days Pricing Mechanism: Forward Pricing NGSLF's stability rating is 'AAA (f)' awarded by PACRA. NGSLF is the largest Fund in Pakistan in this rating category. The rating reflects exceptionally Load: Front end: 0%, Back end: 0% strong credit and liquidity profile of the Fund. Average daily allocation for the Management Fee: 10% of Gross Earnings (Min 1% p.a., Max last 365 days in short-term T-Bills was around 79% of the Fund size. While at 1.25% p.a. of Average Annual Net Assets) the end of the month, T-Bills comprised around 77% of the Total Assets and **Risk Profile:** Exceptionally Low 78% of Net Assets. Weighted average time to maturity of the Fund is 45 days. Fund Stability Rating: "AAA (f)" by PACRA We are monitoring the capital market expectations and will rebalance the Lahore Stock Exchange Listing: portfolio accordingly. Central Depository Company (CDC) Custodian & Trustee: Auditors: "KPMG Taseer Hadi & Co. Monthly average yield of 3-month T-Bills for the last 12 months Chartered Accountants Benchmark: 70% 3-Month T-Bills & 30% average 3-Month 10% deposit rates (AA & above rated banks) 9% Fund Manager: Muhammad Ali Bhabha, CFA, FRM 8% Growth Unit: Rs. 10,000/-Minimum 7% Subscription: Income Unit: Rs. 100,000/-6% AM2 by PACRA (Very High Investment Asset Manager Rating: 5% Management Standards)

Asset Allocation (% of Total Assets)	31-May-14	30-Apr-14
T-Bills	76.72%	85.06%
Placements with Banks	2.52%	-
Placements with DFIs	13.40%	11.80%
Cash Equivalents	7.04%	2.96%
Other including receivables	0.32%	0.18%
Total	100.00%	100.00%
Leverage	Nil	Nil

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 105,305,710/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0683/0.73%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

Name of the Members of Investment Committee Dr. Amjad Waheed, CFA

Sajjad Anwar, CFA

Muhammad Ali Bhabha, CFA, FRM

Syed Suleman Akhtar, CFA

### AUBILS Mar.1A APIJA Mayila Credit Quality of the Portfolio as of May 31, 2014 (% of Total Assets) WORKERS' WELFARE FUND (WWF) AA- & below, 0.10% Other including receivables, 0.32% A A 2 000/ AA+, 17,219

4% 3% 2% 1% 0%

Jun-13

AAA 2 56% T-Bills (AAA rated), 76.72%

sepito othis waits pects with certh



# NAFA Money Market Fund (NMMF)

## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (31/05/2014): Rs. 10.0100

May 2014

Performance				
Performance %	May 2014*	FYTD Jul 2013 - May 2014*	Trailing 12 Months Jun 2013 - May 2014*	Since Launch February 24, 2012**
NAFA Money Market Fund	8.36%	8.11%	8.18%	8.98%
Benchmark	7.31%	6.91%	6.87%	6.90%

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

General Information	on	Investment Objective
Launch Date: Fund Size: Type:	February 24, 2012 Rs. 10,542 million Open-end – Money Market Fund	To provide stable income stream with preservation of capital by investing in AA and above rated banks and money market instruments.
Dealing Days:	Daily – Monday to Saturday	Fund Manager Commentary
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	The Fund earned an annualized return of 8.4% during May 2014 versus the benchmark return of 7.3%, thus registering an outperformance of 1.1% p.a. Since the launch of the Fund in February 2012, the Fund has outperformed
Settlement: Pricing Mechanism Load:	2-3 business days Forward Pricing Front end: without Life Insurance 0% to 0.5%, with Life Insurance 0% to 5% (Nil on investment	its benchmark by 2.1% p.a. by earning an annualized return of 9.0%. This outperformance is net of management fee and all other expenses.
Management Fee: Risk Profile: Fund Stability Rating: Listing: Custodian & Trustee: Auditors:	above Rs. 16 million), Back end: 0% 1.00% per annum Very Low "AA (f)" by PACRA Lahore Stock Exchange Central Depository Company (CDC) "A. F. Ferguson & Co Chartered Accountants	Being a money market scheme, the Fund has very restrictive investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum eligible rating is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days. The Fund is rated AA(f) by PACRA which denotes a very strong capacity to maintain relative stability in returns and very low exposure to
Benchmark: Fund Manager: Minimum Subscription: Asset Manager Rating:	3-Month deposit rates (AA & above rated banks) Salman Ahmed Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- AM2 by PACRA (Very High Investment Management Standards)	risks. The allocation of the Fund in Treasury Bills is around 83% at month-end. The weighted average time to maturity of the Fund is 87 days. We are monitoring the capital market expectations and will rebalance the portfolio accordingly.
Asset Allocation (%	of Total Assets) 31-May-14 30-Apr-14	Credit Quality of the Portfolio as of May 31, 2014 (% of Total Assets)
T-Bills PIBs Placements with DEIs	80.83% 83.27% 1.95% - 12.91% 13.32%	

				ł
I	_everage	Nil	Nil	
	Fotal	100.00%	100.00%	
(	Others including receivables	0.37%	0.18%	
	Cash Equivalents	3.50%	3.23%	
(	Commercial Paper	0.44%	-	
F	Placements with DFIs	12.91%	13.32%	
F	PIBs	1.95%	-	
	F-Bills	80.83%	83.27%	

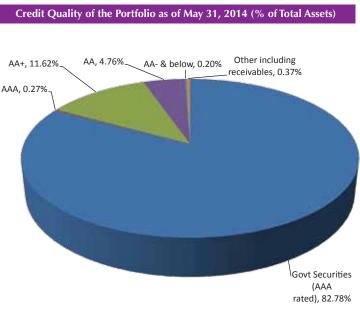
## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 65,722,204/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0624/0.67%. For details investors are advised to read note 6 of the Financial Statements of the Scheme for the period ended March 31, 2014.

## 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 dependent 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.

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## NAFA Savings Plus Fund (NSPF)

## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (31/05/2014): Rs. 10.0445

May 2014

Performance				
Performance %	May 2014*	FYTD Jul 2013 - May 2014*	Trailing 12 Months Jun 2013 - May 2014*	Since Launch November 21, 2009**
NAFA Savings Plus Fund	7.72%	7.85%	7.89%	9.66%
Benchmark	7.46%	7.04%	7.01%	7.81%

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

General Informati	on	Investment Objective
Launch Date: Fund Size: Type: Dealing Days:	November 21, 2009 Rs. 2,654 million Open-end – Income fund Daily – Monday to Saturday	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.
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M	Fund Manager Commentary
Settlement: Pricing Mechanism: Load:	(Saturday) 9:00 A.M to 1:00 P.M 2-3 business days Forward Pricing Front end: without Life Insurance 0% to 0.5%, with Life Insurance 0% to 5% (Nil on investment	The Fund earned an annualized return of 7.7% during the month versus the benchmark return of 7.5%. The annualized return in the CYTD is 8.0% against the benchmark return of 7.4%, hence an outperformance of 0.6% p.a. This outperformance is net of management fee and all other expenses. NSPF is one of the highest rated income funds in the market due to its
Management Fee: Risk Profile: Fund Stability Rating: Listing:	above Rs. 16 million), Back end: 0% 1.50% per annum Very Low "AA- (f)" by PACRA Lahore Stock Exchange	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-'.
Custodian & Trustee: Auditors: Benchmark: Fund Manager:	Central Depository Company (CDC) A. F. Ferguson & Co. Chartered Accountants Average 6-Month deposit rate (A & above rated banks) Muhammad Ali Bhabha, CFA, FRM	The portfolio of NSPF is invested in Treasury bills, MTS, Placements with DFIs, Commercial Paper and bank deposits etc. The allocation in MTS is around 19.5%. The weighted average time to maturity of the entire Fund is around 28 days.
Minimum Subscription: Asset Manager Rating:	Growth Unit: Rs. 1,000/- Income Unit: Rs. 100,000/- AM2 by PACRA (Very High Investment Management Standards)	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.

Asset Allocation (% of Total Assets)	31-May-14	30-Apr-14
T-Bills	5.49%	31.67%
Margin Trading System (MTS)	19.51%	15.42%
Commercial Paper	1.77%	-
Placements with DFIs	10.06%	13.57%
Placements with Banks	16.76%	16.51%
Cash Equivalents	45.39%	22.18%
Other including receivables	1.02%	0.65%
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.10,324,321/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0391/0.42%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

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

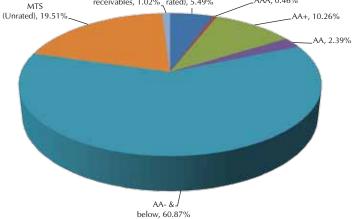
 position the portfolio allocation accordingly.

 Credit Quality of the Portfolio as of May 31, 2014 (% of Total Assets)

 Other including receivables, 1.02% rated, 5.49%

 AAA, 0.46%

We are monitoring the developments in capital market conditions and will





A Subsidiary of National Bank of Pakistan NAFA Riba Free Savings Fund (NRFSF)

## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (31/05/2014): Rs. 10.1068

May 2014

Performance				
Performance %	May 2014*	FYTD Jul 2013 - May 2014*	Trailing 12 Months Jun 2013 - May 2014*	Since Launch August 21, 2010**
NAFA Riba Free Savings Fund	8.04%	7.84%	7.95%	9.45%
Benchmark	7.00%	6.72%	6.72%	7.59%

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

Open-end - Shariah Compliant Income Fund

Front end: without Life Insurance 0% to 0.5%,

with Life Insurance 0% to 5% (Nil on investment

above Rs. 16 million), Back end: 0%

Central Depository Company (CDC)

Average 6-month deposit rate of A- and

AM2 by PACRA (Very High Investment

NBP Fullerton Asset Management Ltd.

### **General Information**

Launch Date: Fund Size: Type: Dealing Days: Dealing Time:

Settlement: Pricing Mechanism Load:

Management Fee:
Risk Profile:
Fund Stability Rating:
Listing:
Custodian & Trustee:
Auditors:

Benchmark:

Fund Manager: Minimum Subscription: Asset Manager Rating:

Asset Allocation (% of Total Assets)	31-May-14	30-Apr-14
GOP Ijara Sukuk - Govt. Backed	13.24%	16.18%
Cash Equivalents	85.53%	82.61%
Other including receivables	1.23%	1.21%
Total	100.00%	100.00%
Leverage	Nil	Nil

August 21, 2010

Rs. 2,853 million

2-3 business days Forward Pricing

1.25% per annum

"AA-(f)" by PACRA

Lahore Stock Exchange

Chartered Accountants

above rated Islamic Banks

Growth Unit: Rs. 10,000/-

Income Unit: Rs. 100,000/-

Management Standards)

A. F. Ferguson & Co.

Salman Ahmed

Very Low

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

## Top Holdings (as at May 31, 2014)

Name of Sukuk	% of Total Assets
GOP Ijarah (Sukuk IX)	6.60%
GOP Ijarah (Sukuk XII)	1.79%
GOP Ijarah (Sukuk XIII)	1.68%
GOP Ijarah (Sukuk X)	1.42%
GOP Ijarah (Sukuk XIV)	0.90%
GOP Ijarah (Sukuk XI)	0.85%
Total	13.24%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.8,477,628/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.0300/0.32%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

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

## **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**

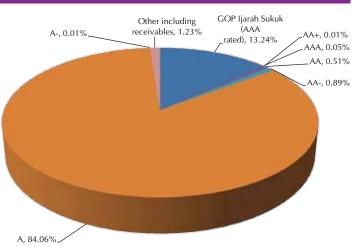
The Fund generated an annualized return of 8.0% for the month of May 2014 versus the benchmark return of 7.0% thus registering an outperformance of 1.0% p.a. During the last one year the Fund has outperformed its benchmark by 1.2% by earning an annualized return of 7.9%. This outperformance is net of management fee and all other expenses.

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

The allocation of the Fund is around 13% in GoP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 86% of the portfolio is invested in bank deposits which further enhance liquidity profile of the Fund. We intend to increase our allocation in GOP Ijarah Sukuk through upcoming auction as yield in the secondary market is presently very depressed.

The weighted average duration of the Fund is 8 days and the weighted average time to maturity is 42 days. We will rebalance the portfolio based on economic and capital market outlook.

## Credit Quality of the Portfolio as of May 31, 2014 (% of Total Assets)





## NAFA Financial Sector Income Fund (NFSIF)

MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (31/05/2014): Rs. 10.3890

May 2014

Performance				
Performance %	May 2014*	FYTD Jul 2013 - May 2014*	Trailing 12 Months Jun 2013 - May 2014*	Since Launch October 28, 2011 **
NAFA Financial Sector Income Fund	5.63%	8.56%	8.52%	9.90%
Benchmark	9.31%	8.91%	8.88%	9.43%

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

NBP Fullerton Asset Management Ltd.

A Subsidiary of Vational Bank of Pakistan

General Information		Investment Objective
Launch Date: Fund Size: Type: Dealing Days:	October 28, 2011 Rs. 2,801 Million Open-end – Income Fund Daily – Monday to Saturday	To provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.
Dealing Time:	(Moń - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M	Fund Manager Commentary
Settlement: Pricing Mechanism Load: Management Fee:	(Saturday) 9:00 A.M to 1:00 P.M 2-3 business days Forward Pricing Front end: 0% to 1% (Nil on investment above Rs. 16 million) Back end: 0% 1.5% per annum	The Fund generated an annualized return of 5.6% for the month of May 2014 versus the benchmark return of 9.3%. Subdued performance of the Fund during the month is due to mark to market impact of PIBs. Since its launch in October 2011, the Fund offered an annualized return of 9.9% against the
Risk Profile: Fund stability rating Listing:	Low ' A+(f) by PACRA Lahore Stock Exchange	benchmark return of 9.4%, hence an outperformance of 0.5% p.a. This outperformance is net of management fee and all other expenses.
Custodian & Trustee: Auditors:	Central Depository Company (CDC) A. F. Ferguson & Co. Chartered Accountants	The Fund is unique as it invests a minimum 70% of its assets in Financial Sector (mainly banks) debt securities, instruments or deposits. Minimum entity
Benchmark:	70% 6-Month KIBOR & 30% average 3-Month deposit rates (A & above rated banks)	rating of issuers of debt securities is AA minus. This minimizes credit risk and at the same time enhances liquidity of the Fund. Duration of the overall
Fund Manager: Minimum Subscription: Asset Manager Rating:	Salman Ahmed Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- AM2 by PACRA (Very High Investment Management Standards)	portfolio 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.
Asset Allocation (% of		Exposure in TFCs was 41.50% at the end of the month with average time to maturity of 3.5 years and Yield to Maturity of 10.93% p.a. The TFC portfolio of

ASSEL AIIOCALIOII (70 OF IOLAI ASSELS)	JI-Way-I-	30-Api-14	
TFCs	41.50%	42.60%	
Commercial Paper	1.66%	-	
PIBs	23.73%	19.57%	
Placements with Banks	1.75%	1.81%	
Cash Equivalents	28.17%	33.15%	
Other including receivables	3.19%	2.87%	
Total	100.00%	100.00%	
Leverage	Nil	Nil	

Γ

## Top 10 TFC (as at May 31, 2014) % of Total Assets

Name of TFC	% of Total Assets
Bank Alfalah Limited IV - FT	13.08%
Faysal Bank Limited III	10.91%
Askari Bank Limited III	5.30%
Pakistan Mobile Communication Limited (17 Sep 13)	2.53%
Allied Bank Limited II	2.23%
Bank Alfalah Limited IV - FX	2.19%
Standard Chartered Bank (Pakistan) Limited IV	1.76%
Askari Bank Limited IV	1.64%
Pak Libya Holding Company	1.17%
Allied Bank Limited I	0.39%
Total	41.20%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 15,229,799/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0565/0.59%. For details investors are advised to read note 6 of the Financial Statements of the Scheme for the period ended March 31, 2014

## 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

### Other including receivables, 3,19% PIBs (AAA A. 0.04%

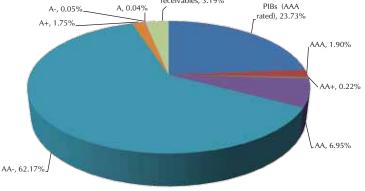
the Fund is predominantly floating rate linked to KIBOR. The weighted

We will rebalance the allocation of the portfolio proactively based on the

Credit Quality of the Portfolio as of May 31, 2014 (% of Total Assets)

average time-to-maturity of the Fund is 2.2 years.

capital market outlook.



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 dependent 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.

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Vational Bank of Pakistan

# NAFA Asset Allocation Fund (NAAF)

## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (30/05/2014): Rs.12.4900

May 2014

Performance				X
Performance %	May 2014*	FYTD Jul 2013 - May 2014*	Trailing 12 Months Jun 2013 - May 2014*	Since Launch August 21, 2010**
NAFA Asset Allocation Fund $^*$	2.08%	13.92%	14.04%	20.99%
Benchmark	0.81%	13.56%	12.50%	13.53%
* Cumulativa Poturna				

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

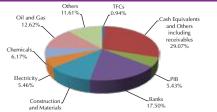
## **General Informatio**

General information	
Launch Date: Fund Size:	August 21, 2010 Rs. 1,856 million
Type: Dealing Days:	Open-end – Asset Allocation Fund 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: Pricing Mechanism	(Friday) 9:00 A.M to 5:30 P.M 2-3 business days Forward Pricing
Load:	Front end – without Life Insurance 0% to 3%, with Life Insurance 0% to 5% (Nil on investment above Rs. 16 million) Back end - 0%
Management Fee: Risk Profile	2% per annum Moderate
Listing: Custodian & Trustee:	Lahore Stock Exchange 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: Minimum	Muhammad Imran, CFA, ACCA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA (Very High Investment Management Standards)

	0		
Asset All	ocation (% of Total Assets)	30-May-14	30-Apr-14
Equities / Ste	ocks	64.56%	56.55%
TḟCs		0.94%	0.97%
Cash Equiva	lents	27.66%	31.57%
PIB .		5.43%	5.66%
Others including receivables		1.41%	5.25%
Total		100.00%	100.00%
Leverage		Nil	Nil
	Characteristics of Equi	ty Portfolio**	k
	PER	PBV	DY
NAAF	8.3	2.3	6.3%
KSE-30	8.3	2.2	6.3%

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





### Name of the Members of Investment Committee

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

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 10,099,306/-lf the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0680/.0.62%.For details investors are advised to read Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

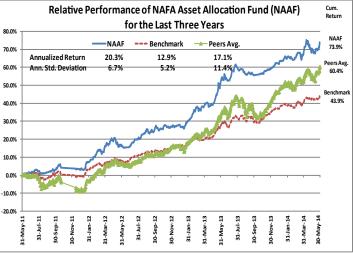
## **Investment Objective**

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 2.1% while the benchmark increased by 0.8%. Thus your Fund outperformed the Benchmark by 1.3%. Since inception on August 21, 2010 the Fund has posted 105.4% return, versus 61.5% by the Benchmark. Thus, to date the cumulative outperformance of your Fund stands at 43.9%. This outperformance is net of management fee and all other expenses.

NAAF started off the month with an allocation of around 57% in equities which was increased to around 65% towards the end of the month. The Fund outperformed the Benchmark in May as the Fund was overweight in key Automobile and Parts, General Industrials, and Banking sectors stocks which outperformed the market. During the month, allocation was increased in most of the sectors barring Banks and Oil and Gas sectors, where the allocation was reduced.



### Top Ten Holdings (as on 30, May, 2014)

Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	6.16%
National Bank Of Pakistan Ltd	Equity	4.79%
Pakistan Oilfields Ltd	Equity	3.99%
Pakistan State Oil Co. Ltd.	Equity	3.99%
Bank AL-Habib Limited	Equity	3.82%
Lucky Cement Ltd	Equity	3.76%
MCB Bank Ltd	Equity	3.65%
Bank Al-Falah Ltd	Equity	3.63%
Pioneer Cement Ltd	Equity	3.12%
Nishat Mills Ltd.	Equity	2.98%
Total		39.89%



# NAFA Multi Asset Fund (NMF)

## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (30/05/2014): Rs.13.5916

May 2014

Performance         May         FYTD         Trailing 12 Months         Since Launch           NAFA Multi Asset Fund         2.43%         23.52%         15.08%           Benchmark         0.91%         17.25%         15.30%         9.30%           ** canalative Returns         (Net of management ice & all other expenses)         9.30%         **           ** canalative Returns         (Net of management ice & all other expenses)         **         15.30%         9.30%           ** canalative Returns         (Net of management ice Returns)         **         Netsing 10.00         17.25%         15.30%         9.30%           ** canalative Returns         (Net of management ice Returns)         Netsing 10.00         Netsing 10.00         Netsing 10.00         Netsing 10.00         Netsing 10.00         Netsing 10.00         Notice Returns ice Retu			0	nit Price	(30/05/20	714): K	5.13.59	10						IVI	ay 20	14
Performance %     2014*     Jul 2013 - May 2014*     Jun 2013 - May 2014*     Jun 2013 - May 2014*     Jun 2013 - May 2014*       NAFA Multi Asset Fund*     2.43%     22.84%     23.52%     15.08%       * Cumulative Returns     Net of management fee & all other expenses!     15.30%     9.30%       * Cumulative Returns     Investment Objective     9.30%       Charles Date:     Open - Management fee & all other expenses!     10.000%       Dating Time:     Open - Management fee & all other expenses!     10.000%       Settement:     Provide Investment Objective     10.000%       Dating Time:     Open - Management fee & all other expenses!     10.000%       Settement:     Provide Investment above Rs. 16 million Back and 0%     2.5 bisiness day specific Management fee and all other expenses.       Soutchards:     Statistics Contact and all other expenses.     10.000%       Soutchards:     Contact Management fee and all other expenses.       Soutchards:     Soutchards:     10.000%       Autoregenet fee:     2.5 bisiness day specific Management fee and all other expenses.       Soutchards:     Soutchards:     10.000%       Autoregenet fee:     10.000%       Chardsee day specific Management fee and all other expenses.       Soutchards:     10.000%       Soutchards:     10.000%       Chardsee day and an add	Performance															
NAFA Multi Asset Fund     2.43%     22.84%     23.52%     15.08%       Benchmark     0.91%     17.25%     15.30%     9.30%       ** Annalized Return     INet of management fee & all other expenses!       ** Camulation Returns     Process     Device function       Concert Information     Device function     Device function       Dealing Dave     paragement fee & all other expenses!     Device function       Dealing Inne:     Process 2007     Daving function function     Device function       Dealing Inne:     Process 2007     Daving function function     Device function       Process Nethansian     Process Nethansian     Device function     Device function       Settlement:     Process Nethansian     Device function     Device function       Castal and Tracker     State 10000000     Device function     Device function       Castal and Tracker     State 2007     Device function     Device function       State 2017     Control Device function     Device function     Device function       State 2016     Control Device function     Device function     Device function       State 2016     Device function     Device function     Device function     Device function       State 2016     Device function     Device function     Device function     Device function <td>Performance %</td> <td></td> <td></td> <td></td> <td>Jul 201.</td> <td></td> <td></td> <td>*</td> <td></td> <td></td> <td></td> <td></td> <td>9 Jar</td> <td>Since nuar</td> <td>e Laun y 22<i>, 1</i></td> <td>1ch 2007*</td>	Performance %				Jul 201.			*					9 Jar	Since nuar	e Laun y 22 <i>, 1</i>	1ch 2007*
<ul> <li>* Cumulative Returns         <ul> <li>* Annualize Returns             <ul></ul></li></ul></li></ul>	NAFA Multi Asset Fur	nd <sup>*</sup>	2.4	3%	· · · · · · · · · · · · · · · · · · ·					23	.52%					
**Annualized Return Centreal Information Example 2007 For analyze: Data of the set of	Benchmark		0.9	1%	17.25%									9.30%	)	
General Information         Investment Objective           Launch Date: Type: Dealing Days: Dealing Days: Dealing Days: Dealing Days: Dealing Characteristics of the South 2.3 business days 5010 PM 2.3 business 5010 PM 2			[Net of ma	anagemer	nt fee & all	other e	expenses	]				I				
Launch Date: Type: Dealing Taxe:         Image 72,2007           Type: Dealing Taxe:         Estimation of the set of th						Invest	tment (	)hiec	tive							
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<ul> <li>Pricing Mechanism Load:</li> <li>Pricing Mechanism Load:</li> <li>Management Fere: Risk Profile</li> <li>Risk Profile</li> <li>Risk Profile</li> <li>Management A Trustee:</li> <li>Chartered Accountants</li> <li>Benchmark:</li> <li>Benchmark:</li> <li>Chartered Accountants</li> <li>Benchmark:</li> <li>Management Accountants</li> <li>Benchmark:</li> <li>Management Accountants</li> <li>Benchmark:</li> <li>Chartered Accountants</li> <li>Benchmark:</li> <li>Management Management Accountants</li> <li>Benchmark:</li> <li>Management Management Managem</li></ul>		(Fridav)	9:00 A.M to !	5:30 P.M			Ŭ									
Fund Manager       Asim Wahab Khan, CFA         Minimum       Subscription:       Asim Wahab Khan, CFA         Subscription:       Subscription:       Minimum         Asset Manager Rating:       Wich Was increased to around 65% towards the end of the month. The FI         Subscription:       Asset Minocation (% of Total Assets)       30-Apr14         Fund Manager       Minimum       Minimum         Asset Allocation (% of Total Assets)       30-Apr14         Equilies / Stocks       64-94% (% 16.0%)       10.7.66% (% 17.66%)         Cash Equivalents       1.7.46% (% 17.66%)       10.7.66%         Didal       2.8.2% (% 17.66%)       10.00.00%         Leverage       Nill       Nill         Minimum       State Allocation (% of Total Assets) (as on 30 May 2014)       Image Rating         Minimum       State Allocation (% of Total Assets) (as on 30 May 2014)       Image Rating       Image Rating         Minimum       State Minimum       State Minimum       State Minimum       Image Rating         Name of Lass Exection (% of Total Assets) (as on 30 May 2014)       Image Rating       Image Rating       Image Rating         Name of MAP wheed, CFA Sigiad Anwar, CFA Muhammad All Bibbba, CFA, FRM Muhammad All Bibbba, CFA, FRM Muhammad All Bibbba, CFA, FRM Muhammad All Bibbbb, CFA, FRM Muhammentum or Asset Minocation Minor Center or Mark	Load: <sup>-</sup> Management Fee: Risk Profile Listing: Custodian & Trustee: Auditors:	Forward Front en above R 2% per Modera Lahore S Central M. Yous Chartere	3 business days rward Pricing ont end – 0% to 3% (Nil on investment ove Rs. 16 million) Back end - 0% 6 per annum oderate hore Stock Exchange entral Depository Company (CDC) 7 Yousuf Adil Saleem & Co.			Forward Pricing Front end – 0% to 3% (Nil on investment above Rs. 16 million) Back end - 0% 2% per annum Moderate Lahore Stock Exchange Central Depository Company (CDC) M. Yousuf Adil Saleem & Co.				ne benc rk by 1. 1% retu perforr nageme	hmark inc 5%. Sinc rn, versus nance of nt fee anc	e ince 92.4 your Lall c	ed by eption % by Func other	0.9%. 1 in on Jar i the ber d stands expense	Thus yo nuary 2 nchma at 89 es.	
Cash Equivalents     17.46%     17.68%     30.6%       PIB     2.87%     30.6%       Others including receivables     1.44%     4.49%       Ital     100.00%       Nil     Nil       Characteristics of Equity Portfolio***       MF     9.8.1     2.2     6.3%       Asset Allocation (% of Total Assets)(as on 30 May, 2014)       Stade on NAFAs estimates       Mame     Asset Allocation (% of Total Assets)(as on 30 May, 2014)       Mark and the proving on the formation of the transformation of the transform	Fund Manager: Minimum Subscription: Asset Manager Rating: Asset Allocation (% of T Equities / Stocks	50% KS Asim W Growth Income AM2 by Manage	E-30 Index & ahab Khan, C Unit: Rs. 100/ Unit: Rs. 100 PACRA (Very ment Standar 30-May- 64.94%	50% 3-mc CFA 000/- 0,000/- 7 High Inve rds) 14 30-7 6	estment <b>Apr-14</b> 1.07%	which outpert Autom outpert of the s	was incre formed th obile an formed th sectors ba the alloca	eased t ne Ber d Par e mar rring I ation v	to arou nchma rts ar ket. D Fixed I vas re	und 6. ark in nd G uring Line T ducec	5% tow May a eneral the mor elecom	ards the e s the Fur Industria nth, alloca municatic	end of nd wa Is se ation on and	f the r as ov ectors was i d Oil	month. verweigl s stock increase and Ga	The Funt in Function of the fu
PIB       2.87%       3.06%         Others including receivables       1.44%       4.9%         Total       100.00%       100.00%         Nill       Nill       Nill         Mill celeture       2.37%       15.5%       20.2%         Mill celeture       2.37%       100.00%       100.00%         Mill celeture       2.37%       2.37%       2.2%       6.0%         Stated on NAtA's estimates         Mare of the Members of Investment Committee         Dr. Anjad Waheed, CFA       Saijad Anwar, CFA         Sigiad Anwar, CFA       Saijad Anwar, CFA       Saijad Anwar, CFA       Saijad Anwar, CFA       Saijad Anwar, CFA       Said Mill acture of Rs 1.3, 452/H file sense were not made the NAY       Said Mill acture of Rs 1.3, 452/H file sense were not made the NAY       Said Mill acture of Rs 1.3, 452/H file sense were not made the NAY         Muhammmad Inran, CFA       Rekitan Ollified								Relativ	e Perfo				Fund	(NMF)	)	
Underst including receivables       1.44%       4.49%       is set and including receivables       2.2%       15.5%       2.2%       2.3%       2.5%       2.3% <th< td=""><td>PIB</td><td></td><td></td><td></td><td>3.06%</td><td>100.0%</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>	PIB				3.06%	100.0%										
Data       DOUDD in 1000078       DOUDD in 1000078         Leverage       Nil       Characteristics of Equity Portfolio ****         MF       6.1       2.2       6.3%         MS       8.3       2.2       6.3%         Mad Others       117%       5.3%       117%         Cash Episoders       11.3%       117%       5.3%         Top Ten Holdings (as on 30 May, 2014)       111%       111%         Name of the Members of Investment Committee       Dr. Amjad Waheed, CFA       Sajjad Anwar, CFA         Muhammad Imma, CFA, CCA       Sajjad Anwar, CFA       Sajjad Anwar, CFA       Sajjad Anwar, CFA         Muhammad Imma, CFA, CCA       Sajjad Anwar, CFA       Sajjad Anwar, CFA       Saim Sate No of Tiol Equity 2.35%         Muhammad Imma, CFA, CCA       Saim Sate No of The Commotive of Sate No of Sate			1.44%		4.49%		Annualized	Poturn	_			-			^	
Characteristics of Equity Portfolio***         PER       PBV       DY         NMF       8.1       2.2       6.0%         SEssion       NAME       8.1       2.2       6.0%         Stased on NAVs estimates       Stased on NAVs estimates       Stased on NAVs estimates       Stased on NAVs estimates         Optimize the second of the Second of the Second of the Members of Investment Committee         Dr. Amjad Waheed, CFA Sajjad Anwar, CFA Sajjad Anwar, CFA Sajjad Anwar, CFA Sajjad Anwar, CFA Asim Wahaba khan, CFA Asim Wahaba khan, CFA Asim Wahaba khan, CFA Asim Wahamad Imran, CFA, ACCA       Name Office Second of the Members of Investment Committee       Details of Non-Compliant Investment Second of the Second of the Second of the Members of Investment Committee       Details of Non-Compliant Investment Second of the Second of the Members of Investment Second of the Members of Investment Committee       Details of Non-Compliant Investment Second of the Second of the Members of Investment Second of the Members of Investment Committee       Details of Non-Compliant Investment Second of the Second of the Second of the Second of the Members of Investment Second of the Second of the Members of Investment Second of the Second						80.0%			tion						M	
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$\frac{NMF}{SE:30} = 8.1 \\ 2.2 \\ 6.0\% \\ \frac{SE:30}{SE:30} \\ \frac{8.3}{2.2} \\ \frac{2.2}{6.3\%} \\ \frac{8.3}{2.2} \\ \frac{6.0\%}{6.3\%} \\ \frac{8.3}{2.2} \\ \frac{6.0\%}{6.3\%} \\ \frac{8.3}{2.2} \\ \frac{6.0\%}{6.3\%} \\ \frac{6.0\%}{6.0\%} \\ $	I.		uity i oi tio			0.0%						N				
SSE-308.32.26.3%** Based on NAFA's estimatesAsset Allocation (% of Total Assets)(as on 30 May, 2014)Colspan="2">Colspan="2">ConservationTOCK Conservation1.32%DiantsConservation1.32%Conservation1.32%Conservation1.32%Conservation1.32%Conservation1.32%Conservation1.32%Conservation1.32%Name of the Members of Investment CommitteeDr. Anigal Waheed, CFA Sigial Anwar, CFA Muhammad Ali Bhabha, CFA, FRM Syed Suleman Akhtar, CFA Muhammad Imran, CFA, ACCAWORKERS' WEIFARE FUND (WWF)The scheme has maintained provision against Workers' Welfare Fund's tability to the tune of Ns 13, 341, 662, 24, 574, 741The scheme has maintained provision against Workers' Welfare Fund's tability to the tune of Scheme would be higher by Rs 0.1839/1.67%, FRM Syed Suleman Akhtar, CFA Muhammad Imran, CFA, ACCAWORKERS' WEIFARE FUND (WWF)The determ of the determ of the Scheme for the period ended March 31, 2014.National Bank Of Pak Ltd Equity 2.3574,741End to be and the financial Statements of the Scheme for the period ended March 31, 2014.National Eduating Schuk Bi Statkt, 72,72,564<				-		40.0%							ma	Not the		
<ul> <li>Asset Allocation (% of Total Assets)(as on 30 May, 2014)</li> <li>Cash Equivales</li> <li>Technological Construction</li> <li>Technological C</li></ul>														43		
Carle figuralens includingExtrictiv includingSufficient 			2.2	(	5.3%	20.0%			-	~~~~		1-4000				
Carl Equivales includingExtrictiv includingContraction 5.0%Treestades 5.0%Treestades 5.0%Treestades 5.0%Treestades 5.0%Treestades 5.0%Treestades 5.0%Treestades 5.0%Treestades 5.0%Treestades 5.0%Treestades 5.0%Treestades 5.0%Name of the Members of Investment Committee Dr. Amjad Waheed, CFA Sajiad Anwar, CFA Muhammad Ali Bhaba, CFA, FRM Syed Suleman Akhtar, CFA Auhammad Miran, CFA, ACCADetails of Veltare Function tability to the tune of Rs 13,341,622/-lf the same were not made the NAV per itability to the tune of Rs 13,341,622/-lf the same were not made the NAV per itability to the tune of Rs 13,341,622/-lf the same were not made the NAV per itability to the tune of Rs 13,341,622/-lf the same were not made the NAV per itability to the tune of Rs 13,341,622/-lf the same were not made the NAV per itability to the tune of Rs 13,341,622/-lf the same were not made the NAV per itability to the tune of Rs 13,341,622/-lf the same were not made the NAV per itability to the period ended March 31, 2014.Name for the period ended March 31, 2014.	Accet Allocation (%	ofTotal	Accotc)/	- 20 14	2014)		A			and the						
$\frac{1}{12,2\%} \underbrace{\int_{12,2\%} \int_$			ASSE(S) (dS 0	n su may, .	2014)	0.0%	<b>Mark</b>									
$\frac{11}{12,29\%} \underbrace{\begin{array}{c} 11}{10,29\%} \underbrace{\begin{array}{c} 0 \\ 11,29\% \\ 11$	and Others					-20.0%										
Trickloads       Top Ten Holdings (as on 30 May, 2014)         Name of the Members of Investment Committee       Name       Assets       Name       Class       Assets       Thal Ltd       Equity       3.17*         Dr. Amjad Waheed, CFA Sajjad Anwar, CFA       Sajjad Anwar, CFA       Suitonal Bank Or Pak Ltd       Equity       3.84%       Kt Addu Power Co Ltd       Equity       2.95*         Nuhammad Ali Bhabha, CFA, FRM Syed Suleman Akhtar, CFA       Syed Suleman Akhtar, CFA       Equity       3.59%       Name for Non-Compliant Investments         Muhammad Ali Bhabha, CFA, ACCA       WORKERS' WELFARE FUND (WWF)       Engriso Salaki B       175, 27547,410       27,547,410       2.95*         he beton time of Ss 13,341,622/1f the same were not made the NAV predet at one would be higher by Rs 0.1839/1.67%, 67%       176, 27,547,410       27,547,410       2.95%       2.95%         Mater Beton time of Ssade B or the period ended March 31, 2014.       Stage 11,748,987       -	receivables						11-h	n-12	r-12 y-12	1-12 1-12	1 1 1	r-13 y-13	1-13	v-13	n-14 Ir-14	y-14
Top Ten Holdings (as on 30 May, 2014)Name of the Members of Investment CommitteeDr. Amjad Waheed, CFA Sajjad Anwar, CFA Muhammad Ali Bhabha, CFA, FRM Syed Suleman Akhtar, CFA Asim Wahab khan, CFA, Muhammad Imran, CFA, ACCAName clauseAssetNameAssetNameAssetNameClassAssetNameAssetNameAssetNameAssetNameAssetNameAssetNameClassAssetNameClass </td <td></td> <td></td> <td></td> <td>hemicals</td> <td></td> <td>31-Ma</td> <td>31-Ji 30-Se 30-Nc</td> <td>31-Ja</td> <td>31-Ma 31-Ma</td> <td>31-1</td> <td>30-NG</td> <td>31-Ma 31-Ma 31-Ma</td> <td>31-1</td> <td>30-Se 30-No</td> <td>31-Ja 31-Má</td> <td>30-Ma</td>				hemicals		31-Ma	31-Ji 30-Se 30-Nc	31-Ja	31-Ma 31-Ma	31-1	30-NG	31-Ma 31-Ma 31-Ma	31-1	30-Se 30-No	31-Ja 31-Má	30-Ma
Name       Asset       % of Total       Name       Asset       % of Total         2.87%       1.55%       1.58%		s.		5.93%			-	-			,	00.1		0.0.1		
NameAsset ClassNameAsset AssetNameNameNameNameNameNameNameNameNameNameName							10	p ler	1 Ho	lding	s (as o	on 30 M	lay,	2014	4)	
$\frac{PIB}{2.87\%}$ $\frac{PIB}{14.53\%}$ $PIB$				and Materials			N.I		Asset	% of	Total	NL			Asset	% of To
Others 14.53%Banks 16.08%Kelectric LtdSukuk8.03%Thal LtdEquity3.17Name of the Members of Investment CommitteeEngro Corporation LtdEquity4.89%Pakistan State Oil Co LtdEquity2.99National Bank Of Pak LtdEquity3.84%Sajjad Anwar, CFASajjad Anwar, CFAEquity3.84%Kot Addu Power Co LtdEquity2.97Pakistan Oilfields LtdEquity3.59%Nishat Mills LtdEquity2.92Muhammad Ali Bhabha, CFA, FRM Syed Suleman Akhtar, CFA Muhammad Imran, CFA, ACCAEquity3.59%Nishat Mills LtdEquity2.92Details of Non-Compliant Investments Investment MeetingTree of NonestingValue of Assets% of Cross AssetsMeetingNoneKERS' WELFARE FUND (WWF)Eden Housing (Sukuk II)SUKUK9.843,7503,431,6406,412,1100.65%0.62%155.76he s naintained provision against Workers' Welfare Funds aibility to the tune of Rs 13,341,622-lif the same were not made the NAV per it' las to ne year return of scheme would be higher by Rs 0.1839/1.67%. Fro etails investors are advised to read Note 6 of the Financial Statements of the cheme for the period ended March 31, 2014.SUKUK10,000,0010,000,00 <td></td> <td>and the second second</td> <td></td> <td>11.33%</td> <td></td> <td></td> <td>Name</td> <td></td> <td>Class</td> <td>Ass</td> <td>ets</td> <td>Nai</td> <td>ne</td> <td></td> <td>Class</td> <td>Asset</td>		and the second second		11.33%			Name		Class	Ass	ets	Nai	ne		Class	Asset
Interpret in the scheme has maintained provision against Workers' Welfare Fund ability to the tune of Rs 13,341,622/-If the same were not made the NAV per int/ last one year return of scheme would be higher by Rs 0.1839/1.67%.For etails investors are advised to read Note 6 of the Financial Statements of the cheme for the period ended March 31, 2014.FindFind Financial Statements of the statements of the statements of the statements of the statements of the statements of the period ended March 31, 2014.Find Financial Statements of the statements of the statements of the statements of the period ended March 31, 2014.Find Financial Statements of the statements of the statements of the statements of the period ended March 31, 2014.Financial Statements of the statements of the period ended March 31, 2014.Financial Statements of the statements of the st			Banks			K Electric	: Ltd		Sukuk	8.0	3% Th	al Ltd			Equity	3.17
Dr. Amjad Waheed, CFA       Sajjad Anwar, CFA         Sajjad Anwar, CFA       Muhammad Ali Bhabha, CFA, FRM         Syed Suleman Akhtar, CFA       Equity       3.59%         Muhammad Imran, CFA, ACCA       Details of Non-Compliant Investments         WORKERS' WELFARE FUND (WWF)       Particulars       Investment       Investment       Value of Investments       % of Aret Assets       % of Gross       Mield         Scheme has maintained provision against Workers' Welfare Fund's ability to the tune of Rs 13,341,622/-If the same were not made the NAV per init/ last one year return of scheme would be higher by Rs 0.1839/1.67%.For etails investors are advised to read Note 6 of the Financial Statements of the cheme for the period ended March 31, 2014.       SUKUK       SUKUK       10,00,000       10,00,000       0,000,000       -       -       -       -         New Allied Electronics (Sukuk I)       SUKUK       10,00,000       10,00,000       0,00,000       -       -       -       -	14.53%		16.08%				•		Equity						Equity	
Dr. Amjad Waheed, CFA         Sajjad Anwar, CFA         Muhammad Ali Bhabha, CFA, FRM         Syed Suleman Akhtar, CFA         Asim Wahab khan, CFA         Muhammad Imran, CFA, ACCA         WORKERS' WELFARE FUND (WWF)         ne scheme has maintained provision against Workers' Welfare Fund' ability to the tune of Rs 13,341,622/-lf the same were not made the NAV per init/ last one year return of scheme would be higher by Rs 0.1839/1.67%. For etails investors are advised to read Note 6 of the Financial Statements of the cheme for the period ended March 31, 2014.	Name of the Mem	bers of I	nvestment	Commit	tee				• •							
Sajjad Anwar, CFA         Muhammad Ali Bhabha, CFA, FRM         Syed Suleman Akhtar, CFA         Asim Wahab khan, CFA       Details of Non-Compliant Investments         Muhammad Imran, CFA, ACCA       Seed Suleman Akhtar, CFA         WORKERS' WELFARE FUND (WWF)       Sudi Pak Leasing       TFC       27,547,410       27,547,410       - <td>Dr. An</td> <td>njad Wahee</td> <td>d, CFA</td> <td></td> <td></td> <td></td> <td></td> <td>b</td> <td></td> <td>_</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Dr. An	njad Wahee	d, CFA					b		_						
Syed Suleman Akhtar, CFA       Number CFA <th< td=""><td></td><td></td><td></td><td></td><td></td><td>Lucky Ce</td><td>ement Ltd</td><td></td><td>Equity</td><td>3.5</td><td>9% Ni</td><td>shat Mills</td><td>Ltd</td><td></td><td>L Equity</td><td>2.92</td></th<>						Lucky Ce	ement Ltd		Equity	3.5	9% Ni	shat Mills	Ltd		L Equity	2.92
Syed Suleman Akhtar, CFA Asim Wahab khan, CFA Muhammad Imran, CFA, ACCAType of ParticularsValue of InvestmentValue of after ProvisionValue of aft							D	etail	s of	Non-	Comp	liant In	vest	men	nts	
Asim Wahab khan, CFA Muhammad Imran, CFA, ACCA       Type d Mature Provision       Investment perform       Provision held       Investment atter Provision       % of Net Assets       % of Gross Assets       Mature Particulars         WORKERS' WELFARE FUND (WWF)       Saui Pak Leasing       TFC       27,547,410       -	,		,						. Val	ue of	-		-	_	1	Yield
Number of the period ended March 31, 2014.       Concerns of the period ended March 31							iculars	Type of Investm	of Inves ent be	tments fore		Investments	· .			Matur per
WORKERS' WELFARE FUND (WWF)Eden Housing (Sukuk II)SUKUK9,843,7503,431,6406,412,1100.65%0.62%155.76he scheme has maintained provision against Workers' Welfare Fund's ability to the tune of Rs 13,341,622/-If the same were not made the NAV per int/ last one year return of scheme would be higher by Rs 0.1839/1.67%. For etails investors are advised to read Note 6 of the Financial Statements of the cheme for the period ended March 31, 2014.SUKUKSUKUK17,142,85717,142,857		ý	,					TFC	_		27,547.410		-	-	-	-
he scheme has maintained provision against Workers' Welfare Fund's ability to the tune of Rs 13,341,622/-If the same were not made the NAV per nit/ last one year return of scheme would be higher by Rs 0.1839/1.67%. For etails investors are advised to read Note 6 of the Financial Statements of the financial Statements of the period ended March 31, 2014. $\frac{Maple Leaf Cement (Sukuk )}{Maple Leaf Cement (Sukuk )} \frac{SUKUK}{SUKUK} \frac{72,775,065}{17,142,857} \frac{43,665,039}{17,142,857} \frac{29,110,026}{2} \frac{2.95\%}{2} \frac{2.83\%}{3} \frac{38.07}{2} \frac{10000000}{10000000} \frac{10000,000}{10000,000} $			,				0					_	0.	65%	0.62%	155.76
nit/ lást one year return of scheme would be higher by Rs 0.1839/1.67%. For tetails investors are advised to read Note 6 of the Financial Statements of the cheme for the period ended March 31, 2014.	he scheme has maintained	provision	against Wor	kers' Welfa	are Fund's	Maple Leaf C	Cement (Sukuk I)	SUKL	IK 72,7	75,065	43,665,039	29,110,02	5 2.	.95%	2.83%	38.07
letails investors are advised to read Note 6 of the Financial Statements of the Financ						Pak Elektron	Limited (Sukuk)	SUKL	IK 17,1	42,857	17,142,857	-		-	-	-
Total         137,309,082         101,786,946         35,522,136         3.60%         3.45%							lectronics (Sukuk	I) SUKL	VK 10,0	00,000				-	-	-
is claimer. This publication is for informational purposes only and nothing bergin should be construed as a collicitation, recommendation or an offer to huw or cell any fund						Total			137,	309,082	101,786,940	35,522,136	3.	60%	3.45%	
	•			/ and nothin	g herein shou	ld be cor	strued as a	solici	tation	recom	mendati	on or an of	fer to	buv o	r sell anv	fund



## NAFA Islamic Asset Allocation Fund Fromerly: NAFA Islamic Multi Asset Fund

MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (30/05/2014): Rs.13.6617

May 2014

Cum. Return

Performance				
Performance %	May 2014*	FYTD Jul 2013 - May 2014*	Trailing 12 Months Jun 2013 - May 2014*	Since Launch October 29, 2007**
NAFA Islamic Asset Allocation Fund (Formerly: NAFA Islamic Multi Asset Fund)	1.87%	18.53%	19.77%	13.95%
Benchmark***	1.10%	16.58%	15.10%	11.57%

\* Cumulative Return

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

Note:\*\*\* KSE-30 is used as equity component for the Benchmark before June 30, 2008, the launch date of KMI-30 Index. The fund category was changed to Islamic Asset Allocation from Islamic Balanced with effect from April 22, 2014. Consequently, allowed equity range is now 0% to 90% which previously was 30% to 70%. Previous benchmark was 50% KSE-30 Index & 50% 3-month KIBOR.

90.0%

### General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 541 million
Type:	Shariah Compliant - Open-end – Asset
.)pei	Allocation Fund
Dealing Dave	
Dealing Days: Dealing Time:	Daily – Monday to Friday (Mon-Thr) 9:00 A.M to 5:00 P.M
Dealing line.	(Friday) 9:00 A M to 5:30 PM
Settlement:	(Friday) 9:00 A.M to 5:30 P.M 2-3 business days
Pricing Mochanism	Eorward Pricing
Pricing Mechanism Load:	Forward Pricing Front end: without Life Insurance 0% to 3%,
LOAU.	FIGHT END: WITHOUT LIFE INSURANCE $0\%$ to $5\%$ ,
	with Life Insurance 0% to 5% (Nil on
	investment above Rs. 16 million), Back end: 0%
Management Fee: Risk Profile	2% per annum
Risk Profile	Moderate
Listing	Lahore Stock Exchange Central Depository Company (CDC) KPMG Taseer Hadi & Co.
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG laseer Hadi & Co.
	Chartered Accountants
Benchmark:***	Average of (i) average 3-month Islamic banks deposit rate (ii) 6-month KIBOR or its Shariah Compliant equivalent (iii) KMI 30 Index
	deposit rate (ii) 6-month KIBOR or its
	Shariah Compliant equivalent (iii) KMI 30 Index
Fund Manager: Minimum	Asim Wahab Khan, CEA
Minimum	Growth Unit: Rs. 10,000/-
Subscription:	Income Unit: Rs. 100,000/-
Asset Manager Rating:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- AM2 by PACRA (Very High Investment
0	Management Standards)

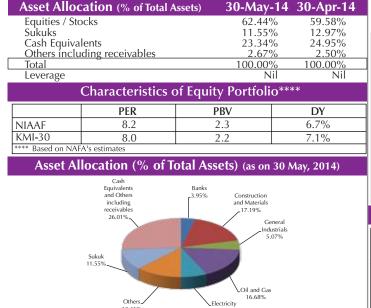
### **Investment Objective**

To provide investors with a combination of capital growth and income by investing in Shariah compliant investments. NIAAF (Formerly: 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 Asset Allocation Fund (NIAAF) (Formerly: NIMF) increased by 1.9%, whereas the Benchmark increased by 1.1%, thus your Fund outperformed the benchmark by 0.8%. Since inception your Fund has posted 136.7% return, versus 105.8% by the benchmark. Thus, an outperformance of 30.9% was recorded. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 60% in equities, which was increased to around 62% towards the end of the month. The Fund outperformed the Benchmark in May as the Fund was overweight in key Automobile and Parts and General Industrials sectors stocks which outperformed the market. During the month, allocation was increased in most of the sectors barring Fixed Line Telecommunication, Banks and Oil and Gas sectors, where the allocation was reduced.



### e sectors barring Fixed Line Telecommunication, Banks and C rs, where the allocation was reduced. Relative Performance of NAFA Islamic Asset Allocation Fund (NIAAF) (Formerly: NAFA Islamic Multi Asset Fund) for the Last Three Years NIAAF



## Top Ten Holdings (as on 30 May, 2014)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
K Electric Ltd	Sukuk	8.06%	Pakistan State Oil Co. Ltd	Equity	4.33%
Pakistan Oilfields Ltd	Equity	5.37%	Maple Leaf Cement Ltd	Equity	3.68%
Lucky Cement Ltd	Equity	4.88%	Kot Addu Power Company Ltd	Equity	3.67%
Pioneer Cement Ltd	Equity	4.86%	Nishat Mills Ltd	Equity	3.44%
Pakistan Petroleum Ltd	Equity	4.37%	Pakistan Telecommunication	Equity	3.23%

Name of	the Mem	bers of	Investme	nt	Committee
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Dr. Amjad Waheed, CFA Sajjad Anwar, CFA Syed Suleman Akhtar, CFA

Muhammad Ali Bhabha, CFA, FRM Asim Wahab Khan, CFA Muhammad Imran, CFA, ACCA

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 6,146,876/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1553/1.36%.For details investors are advised to read the Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2014.

**Details of Non-Compliant Investments** Value of nvestments before Provision Value of Yield to of Gro Type of Particulars nvestment after Provision Maturity pe annum Kohat Cement Limited (Sukuk)\*\*\* SUKUK 578,106 433,580 0.08% 0.08% 0.84% 4,921,875 Eden Housing (Sukuk II) 155.76% SUKUK 1,715,820 3.206.055 0.59% 0.56% Maple Leaf Cement (Sukuk I) SUKUK 41.143.750 24 686 250 16 457 500 38.07% 3.04% 2.85% Pak Elektron Limited (Sukuk) SUKUK 21,428,571 21,428,57 Total 68,072,302 47,830,641 20,097,135 3.71% 3.49% \*\*\*\*\*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.



# NAFA Stock Fund (NSF)

## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (30/05/2014): Rs.11.4120

May 2014

Performance				
Performance %	May 2014*	FYTD Jul 2013 - May 2014 *	Trailing 12 Months Jun 2013 - May 2014*	Since Launch January 22, 2007**
NAFA Stock Fund	2.51%	36.23%	35.12%	15.63%
Benchmark	1.00%	25.57%	20.57%	5.85%

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

January 22, 2007

## **General Information**

Launch Date: Fund Size: Type: Dealing Days: Dealing Time:

Settlement: Pricing Mechanism Load:

Management Fee: Risk Profile Listing: Custodian & Trustee: Auditors:

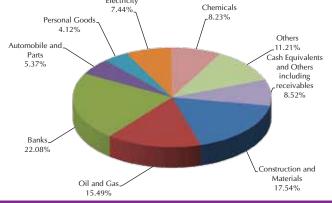
Benchmark: Fund Manager: Minimum Subscription: Asset Manager Rating:

Rs. 1,677 million Open-end – Equity Fund 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 2-3 business days Forward Pricing Front end - 0% to 3% (Nil on investment above Rs 16 million) Back end - 0% 2% per annum High Lahore Stock Exchange Central Depository Company (CDC) M. Yousuf Adil Saleem & Co. Chartered Accountants KSE-30 Index Asim Wahab khan, CFA Growth Unit: Rs. 10,000/-Income Unit: Rs. 100.000/-AM2 by PACRA (very high investment management standards)

#### Asset Allocation (% of Total Assets) 30-May-14 30-Apr-14 91.09% 91.48% Equities / Stock **Cash Equivalents** 7.94% 5.59% Others including receivables 0.58% 3.32% Total 100.00% 100.00% Leverage Nil Nil Characteristics of Equity Portfolio\*

	PER	PBV	DY			
NSF	7.7	2.1	5.9%			
KSE-30	8.3	2.2	6.3%			
www. Racod on NA	EA la actimatos		-			





## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 29,123,315 /-,If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1982 /2.35%.For details investors are advised to read the Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

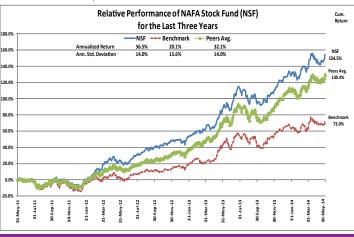
## **Investment Objective**

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

## Fund Manager's Commentary

During the month under review, NAFA Stock Fund's (NSF) unit price (NAV) increased by 2.5%, whereas the benchmark increased by 1%, thus an outperformance of 1.5% was recorded. Since inception on January 22, 2007 your Fund has posted 191.4% return, versus 52% by the Benchmark. Thus, to-date the cumulative outperformance of your Fund stands at 139.4%. This outperformance is net of management fee and all other expenses.

NSF started off the month with an allocation of around 91% in equities, which was maintained during the month. The Fund outperformed the Benchmark in May as the Fund was overweight in key Automobile and Parts and General Industrials sectors stocks which outperformed the market. During the month, allocation was increased in Automobile and Parts, Chemicals, Construction and Materials, Personal Goods, and General Industrials whereas it was reduced in Banks, Electricity, Fixed Line Telecommunication, and Oil and Gas sectors.



Top Ten Equity Holdings (as on 30 May, 2014)

Name	% of Total Assets	Name	% of Total Assets
Engro Corporation Ltd	7.02%	Bank AL-Habib Ltd	4.33%
National Bank Of Pakistan	5.70%	Lucky Cement Ltd	4.24%
Pakistan State Oil Co Ltd	4.95%	Honda Atlas Cars (Pakistan) Ltd	4.09%
Pakistan Oilfields Ltd	4.83%	Pioneer Cement Ltd	4.00%
Bank Al-Falah Ltd	4.53%	Nishat Mills Ltd	3.80%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA

Sajjad Anwar, CFA Syed Suleman Akhtar, CFA

Asim Wahab khan, CFA

Muhammad Imran, CFA, ACCA



## National Bank of Pakistan

# NAFA Income Fund (NIF)

MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (30/05/2014): Rs. 9.5230

May 2014

Performance				
Performance %	May 2014*	FYTD Jul 2013 - May 2014*	Trailing 12 Months Jun 2013 - May 2014 *	Since Launch March 29, 2008 **
NAFA Income Fund	1.15%	4.72%	5.88%	2.24%
Benchmark	10.17%	9.78%	9.75%	11.63%

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

## **General Information**

Launch Date: Fund Size: Type: Dealing Days: Dealing Time:	March 29, 2008 Rs. 511 million Open-end – Income Fund 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
Settlement: Pricing Mechanism: Load:	2-3 business days Forward Pricing Front end: 0% to 1% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee: Risk Profile: Fund Stability Rating Listing: Custodian & Trustee: Auditors:	1.0% per annum Low "A- (f)" by PACRA Lahore Stock Exchange MCB Financial Services Limited M. Yousuf Adil Saleem & Co. Chartered Accountants
Benchmark: Fund Manager: Minimum Subscription: Asset Manager Rating:	6-Month KIBOR Muhammad Ali Bhabha, CFA, FRM Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- AM2 by PACRA (Very High Investment Management Standards)

Asset Allocation (% of Total Assets)	30-May-14	30-Apr-14
TFCs / Sukuks	35.83%	35.67%
Commercial Paper	7.34%	-
T-Bills	-	23.19%
PIBs	26.84%	32.38%
Cash Equivalents	27.15%	6.10%
Others including receivables	2.84%	2.66%
Total	100.00%	100.00%
Leverage	Nil	Nil

## **TFC / Sukuk (as at May 30, 2014)**

Name of TFC / Sukuk	% of Total Assets
K Electric Azm Sukuk	10.01%
Engro Fertilizers Limited 30-NOV-07	6.18%
Faysal Bank Limited	5.10%
Jahangir Siddiqui & Co. Ltd	4.84%
Engro Fertilizer Limited (PPTFC)	2.76%
Eden Housing (Sukuk II)	2.49%
Bank Alfalah Limited (Floater)	2.06%
Allied Bank Limited II	1.89%
Engro Fertilizers Limited 17-DEC-09	0.49%
Total	35.82%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.2,760,874/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0515/0.57%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

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

## **Investment Objective**

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

### **Fund Manager Commentary**

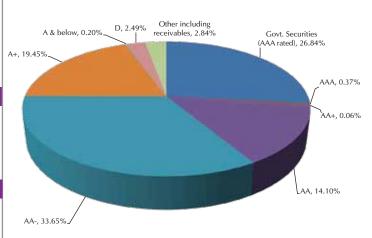
The Fund posted an annualized return of 1.2% during May 2014 versus the benchmark return of 10.2%. Subdued performance of the Fund during the month is due to mark to market loss in PIBs. During the last one year the Fund has earned an annualized return of 5.9% as compared to benchmark annualized return of 9.8%.

As the allocation of the Fund shows, exposure in TFCs and Sukuks stand at 35.8%. The weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is around Rs. 99 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 14.6% p.a. while its weighted average time to maturity is 1.6 years. This yield does not include potential recovery in fully provided TFCs (Face Value of Rs. 292 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.

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	29,982,002	-	n/a	n/a	n/a	
Saudi Pak Leasing	TFC	41,321,115	41,321,115	-	n/a	n/a	n/a	
Eden Housing (Sukuk II)	SUKUK	19,687,500	6,863,279	12,824,221	2.51%	2.49%	155.76%	
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	
Total		312,100,788	299,276,567	12,824,221	2.51%	2.48%		

## Credit Quality of the Portfolio as of May 30, 2014 (% of Total Assets)





Vational Bank of Pakistan

MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (30/05/2014): 9.7364

May 2014

Performance				
Performance %	May 2014*	FYTD Jul 2013 - May 2014*	Trailing 12 Months Jun 2013 - May 2014*	Since Launch October 29, 2007 **
NAFA Islamic Aggressive Income Fund	10.98%	11.77%	12.60%	6.07%
Benchmark	6.81%	6.52%	6.52%	6.73%

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

### General Information

General information		
Launch Date:	October 29, 2007	Г
Fund Size:	Rs. 290 million	
Type:	Open-end – Shariah Compliant Aggressive	
, .	Income Fund	
Dealing Days:	Daily – Monday to Friday	L
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M	
	(Friday) 9:00 A.M to 5:30 P.M	H
Settlement:	2-3 business days	
Pricing Mechanism	Forward Pricing	
Load:	Front end: 0% to 1% (Nil on investment	
	above Rs. 16 million), Back end: 0%	
Management Fee:	1.0% per annum	
Risk Profile:	Low to Medium	
Fund Stability Rating:	"BBB+ (f)" by PACRA Lahore Stock Exchange	
Listing: Custodian & Trustee:	MCB Financial Services Limited	
Auditors:	KPMG Taseer Hadi & Co.	
Additors.	Chartered Accountants	
Benchmark:	Average 3-month deposit rate of Islamic Banks	
Fund Manager:	Muhammad Imran, CFA, ACCA	
Minimum	Growth Unit: Rs. 10,000/-	
Subscription:	Income Unit: Rs. 100,000/-	
Asset Manager Rating:	AM2 by PACRA (Very High Investment	
0	Management Standards)	
	, ,	

#### Asset Allocation (% of Total Assets) 30-May-14 30-Apr-14 Sukuks 16.38% 19.84% Cash Equivalents 78.93% 75.14% Other including receivables 4.69% 5.02% Total 100.00% 100.00% Leverage Nil Nil

## Top Sukuk Holdings (as at May 30, 2014)

Name of Sukuk	% of Total Assets
Engro Fertilizer Limited (Sukuk)	7.84%
K Electric Azm Sukuk	5.28%
Maple Leaf Cement (Sukuk I)	2.97%
Kohat Cement Limited (Sukuk)	0.29%
Total	16.38%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.1,691,444/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0568/0.66%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

Name of the Members of Investment Committee Dr. Amjad Waheed, CFA

Saijad Anwar, CFA Muhammad Ali Bhabha, CFA, FRM Sved Suleman Akhtar, CFA Muhammad Imran, CFA, ACCA

**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.

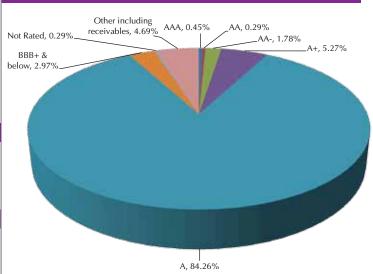
## **Fund Manager Commentary**

During the month under review, the Fund posted an annualized return of 11.0% as compared to the benchmark return of 6.8%. Outperformance of the Fund during the month is due to profit payment of non performing Cement Sector Sukuks. During FYTD, the Fund has posted 11.8% annualized return versus 6.5% by the benchmark, hence an outperformance of 5.3% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukuks with current Weightage at around 16% is diversified among Cement, Electricity, and Fertilizer sub sectors. Around 78.9% allocation in bank deposits provides diversification and liquidity to the portfolio. Going forward we will rebalance the allocation of the portfolio based on the capital market outlook.

The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio is around 15.9% p.a. and weighted average time to maturity is 1.9 years. The weighted average time to maturity of the Fund is 0.3 years. Hence, for investors with medium term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, since Sukuks prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

## Credit Quality of the Portfolio as of May 30, 2014 (% of Total Assets)





Vational Bank of Pakistan

## NAFA Income Opportunity Fund (NIOF)

## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (31/05/2014): Rs. 10.8885

Investment Objective

May 2014

Performance					
Performance %	May 2014*	FYTD Jul 2013 - May 2014*	Trailing 12 Months Jun 2013 - May 2014*	Since Launch April 22, 2006 **	
NAFA Income Opportunity Fund	3.59%	13.88%	15.08%	7.56%	
Benchmark	10.17%	9.79%	9.75%	11.32%	
* Annualized Simple Return - ** (Annualized Return Based on Morningstar Methodology)					

\* Annualized Simple Return - \*\* (Annualized Return Based on Morningstar Methodol

(Returns are net of management fee & all other expenses)

## **General Information**

Contraction and Contraction		
Launch Date: Fund Size: Type: Dealing Days:	April 22, 2006 Rs. 4,026 million Open-end – Income Fund Daily – Monday to Saturday	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.
Dealing Days: Dealing Time:	(Moń - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M	Fund Manager Commentary
Settlement: Pricing Mechanism: Load: Management Fee:	(Saturday) 9:00 A.M to 1:00 P.M 2-3 business days Forward Pricing Front end: 0% to 1% (Nil on investment above Rs. 16 million), Back end: 0% 1.5% per annum	The Fund posted an annualized return of 3.6% in May 2014 as compared to the benchmark return of 10.2%. Subdued performance of the Fund during the month is due to mark to market impact of PIBs. During the last one year the Fund has outperformed its benchmark by 5.3% by earning an annualized return of 15.1%.
Risk Profile: Fund Stability Rating: Listing: Custodian & Trustee: Auditors: Benchmark: Fund Manager: Minimum Subscription: Asset Manager Rating:	Low "BBB+(f)" by PACRA Lahore Stock Exchange Central Depository Company (CDC) KPMG Taseer Hadi & Co. Chartered Accountants 6-Month KIBOR Muhammad Imran, CFA, ACCA Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- AM2 by PACRA (Very High Investment Management Standards)	Weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is Rs. 91.91 against the par value of Rs. 100. The weighted average Yield to Maturity of the Fund is around 12.05% p.a. and that of the TFC portfolio is 17.80% p.a. The weighted average time to maturity of the Fund is about 1.67 years. The Fund's sector allocation is fairly diversified with exposure to Chemical, Electricity Banking, Construction & Material, Travel & Leisure and Financial Services sub-sectors. TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. However, since TFCs prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.
Accet Allocation (0) of To	tal Assorta) 21 May 14 20 April 14	Details of Non-Compliant Investments

Asset Allocation (% of Total Assets)	31-May-14	30-Apr-14		
TFCs / Sukuks	22.76%	23.71%		
Commercial Paper	1.03%	-		
T-Bills	-	6.11%		
PIBs	33.57%	31.45%		
Equity Cash Equivalents	0.98%	1.12%		
Cash Equivalents	27.69%	22.51%		
Others including receivables	13.97%	15.10%		
Total	100.00%	100.00%		
Leverage	Nil	Nil		
Top 10 TFC/Sukuk Holdings (as at May 31, 2014)				

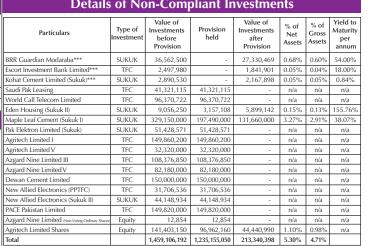
Name of TFCs / Sukuks	% of Total Assets
Engro Fertilizer Limited (PPTFC)	5.75%
K Electric Azm Sukuk	4.92%
Maple Leaf Cement (Sukuk I)	2.91%
Bank Alfalah Limited V	2.25%
Jahangir Siddiqui and Company Ltd. 08-APR-14	1.66%
Allied Bank Limited II	1.44%
Jahangir Siddiqui and Company Ltd. 30-OCT-12	1.26%
Avari Hotels Limited	1.12%
BRR Guardian Modaraba	0.60%
Engro Fertilizer Limited	0.57%
Total	22.48%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.20,380,747/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0551/0.58%. For details investors are advised to read note 6 of the Financial Statements of the Scheme for the period ended March 31, 2014.

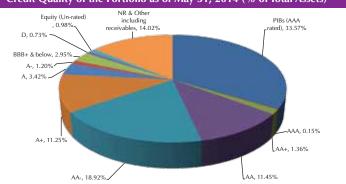
Name of the Members of Investment Committee
Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Syed Suleman Akhtar, CFA

Muhammad Imran, CFA, ACCA



\*\*\*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.







# NAFA Pension Fund (NPF)

## MONTHLY REPORT (MUFAP's Recommended Format)

May 2014

			Perfor	mance %
	Fund Size (Rs. in mn)	NAV Per Unit (Rs.) May 30, 2014	May 2014	Since Launch July 02, 2013
NPF-Equity Sub-fund*	91.0	140.2080	3.65%	38.84%
NPF-Debt Sub-fund**	70.4	108.6352	(7.89%)	8.10%
NPF-Money Market Sub-fund**	108.8	108.0308	7.98%	7.42%
*C LU DI				

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

A Subsidiary of

July 2, 2013 Rs. 270 million Open-end – Voluntary Pension Scheme Daily – Monday to Friday (Mon-Thr) 9:00 A.M to 5:00 P.M

On average Annual Net Assets of each Sub-fund.

Money Market 1.00% Investor dependent Central Depository Company (CDC) M. Yousuf Adil Saleem & Co. Chartered Accountants Sajjad Anwar, CFA Initial: Rs. 10,000/-Subsequent: Rs. 1,000/-AM2 by PACRA (Very High Investment Management Standards) Nil

1.50%

1.00%

(Friday) 9:00 A.M to 5:30 P.M Forward Pricing Upto 3% on Contributions 0%

\*\*Simple Annualized Return

## **General Information**

Launch Date: Fund size: Type: Dealing Days: Dealing Time:

Pricing Mechanism Front end Load: Back end Management Fee:

**Risk Profile** Custodian & Trustee: Auditors:

Fund Manager: Minimum Subscription: Asset Manager Rating:

Leverage

## Credit Quality of the Portfolio as on 30 May, 2014

Nil

Equity Debt

Money Market

#### Debt Money Market Government Securities (AAA rated) <u>73.14%</u> 3.37% 97.04% 0.02% AA+ 13.39% 0.47% 0.15% AA 2.20% AA-A+ 4.21% 0.27% Others Total <u>3.52%</u> 100.00% 100.00%

TOtai	100.00 /0	100.00 /8
Asset All	ocation (% of Total Assets)	
Equity Sub-fund	30-May-14	30-Apr-14
Equity	93.67%	95.42%
Cash Equivalents	5.79%	3.23%
Others	0.54%	1.35%
Total	100.00%	100.00%
Debt Sub-fund	30-May-14	30-Apr-14
Cash Equivalents TFC/Şukuk	6.46%	7.69%
T-Bills	16.88% 11.86%	10.06% 16.21%
PIBs	61.28%	63.20%
Others	3.52%	2.84%
Total	100.00%	100.00%
Money Market Sub-fund	30-May-14	30-Apr-14
Cash Equivalents	2.70%	2.66%
T-Bills	97.04%	97.09%
Others	0.26%	0.25%
Tota	100.00%	100.00%

## WORKERS' WELFARE FUND (WWF)

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

	Total amount Provided uptil May 30, 2014	Amount Per Unit Rs	Since Inception return would otherwise have been higher by:
Equity Sub-Fund <sup>1</sup>	386,081	0.5948	0.59%
Debt Sub-Fund <sup>2</sup>	78,009	0.1204	0.13%
Money Market Sub-Fund <sup>2</sup>	75,508	0.0750	0.08%
1 Cumulative, 2 Annualized	e Financial Statements o	f the Scheme for the neri	nd ended March 31, 2014

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 Pension fund. All investments in Pension funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent 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.

Dago	1	6

## **Investment Objective**

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

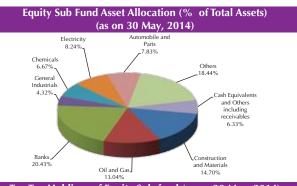
## **Fund Manager's Commentary**

## During the month of May:

NPF Equity Sub-fund unit price increased by 3.7%, as against KSE-100 return of 2.9%. The Sub-fund was around 94% invested in equities with major weights in Banks, Construction & Materials and Oil & Gas sectors.

NPF Debt Sub-fund generated annualized loss of 7.89%. The Sub Fund was invested primarily in PIBs and T-bills. The loss was due to revaluation loses on PIBs.

NPF Money Market Sub-fund generated annualized return of 8%. It was around 97% invested in Government securities. In line with its investment strategy, the Sub Fund will maintain high exposure in money market securities



Top Ten Holdings of Equity Sub-fund (as on 30 May, 2014)

-	•		
Name	(% of Total Assets)	Name	(% of Total Assets)
Engro Corporation Ltd	6.58%	Sazgar Engineering Works Ltd.	4.22%
Honda Atlas Cars (Pakistan) Ltd.	6.53%	Bank Al-Falah Ltd	4.10%
MCB Bank Ltd	4.93%	Kot Addu Power Company Ltd	4.07%
Bank AL-Habib Limited	4.69%	Lucky Cement Ltd	3.69%
Pakistan State Oil Co. Ltd.	4.52%	Pakistan Oilfields Ltd	3.67%

### As on 30 May , 2014 k Holdin

Top Tre/Sukuk Holdings of Debt Sub-Tunu				
Name (% of Total Assets)				
Jahangir Siddiqui and Company Ltd	6.99%			
Standard Chartered Bank (Pakistan) Ltd IV	3.31%			
Faysal Bank Limited III 2.22%				
Engro Fertilizer Ltd (PPTFC) 2.18%				
K Electric AZM Sukuk 2.03%				
United Bank Ltd III 0.12%				
Allied Bank Ltd I 0.03%				
Total 16.88%				
Name of the Members o	f Investment Committee			
Dr. Amjad Waheed, CFA				
	nwar, CFA			
Muhammad Ali Bhabha, CFA, F	RM, Syed Suleman Akhtar, CFA,			
Asim Wahab Khan, CFA, Muhammad Imran, CFA, ACCA				

Salman Ahmed



## MONTHLY REPORT (MUFAP's Recommended Format)

May 2014

			Performance %		
	Fund Size (Rs. in mn)	NAV Per Unit (Rs.) May 30, 2014	May 2014	Since Launch July 02, 2013	
NIPF-Equity Sub-fund*	51.0	134.7519	2.00%	33.78%	
NIPF-Debt Sub-fund**	43.6	108.7394	8.51%	8.48%	
NIPF-Money Market Sub-fund**	36.8	108.1183	9.57%	7.82%	
* Cumulating Datum					

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

A Subsidiary of

\*\*Simple Annualized Return

General Information			Investment Obje	ctive		
Launch Date: Fund Size: Type:	July 2, 2013 Rs. 131 million Open-end – Shariah Compliant Voluntary		the Participants.	<u> </u>	s and regular income a	fter retirement to
Dealing Days:	Pension Scheme Daily – Monday to Fr	, idav	Fund Manager's Commentary			
Dealing Days: Dealing Time:	(Moń-Thr) 9:00 A.M to (Friday) 9:00 A M to 5	o 5:00 P.M	During the month of May:			
Pricing Mechanism Front end Load: Back end Management Fee:	Forward Pricing Upto 3% on Contribu 0% On average Annual Net Equity Debt	utions Assets of each Sub-fund. 1.50% 1.25%	Index, which increase equities with major v	ed by 1.9%. The	reased by 2% compares 2% compare	93% invested in
Risk Profile Custodian & Trustee: Auditors:	Investor dependent Central Depository Co M. Yousuf Adil Saleer Chartered Accountan	m & Có. 🔰	0		lized return of 8.5% .TI s and Islamic bank dep	
Fund Manager: Minimum Subscription:	Sajjad Anwar, CFA Initial: Rs. 10,000/- Subsequent: Rs. 1,000	)/-	• •	,	ted annualized return o	
Asset Manager Rating:	AM2 by PACRA (Very Management Standar	/ High Investment			erm GoP Ijara Sukuks a	
Leverage	Nil		deposits.	in any in shore (	cor ijara oukuko t	istanne bunk
Credit Quality of the	Portfolio (as on 30	May, 2014)	•	Fund Accot All	ocation (% of Total Ass	entre)
	Debt	Money Market	Equity Sub		May, 2014)	iets)
Government Securities (AAA ra	ated) 73.91% 16.45%	79.59% 16.69%		(40 011 00 1		
AA+	5.70%	0.58%		Electricity	General Industrials	
AA	0.02%	0.02%	Ban		г <sup>6.72%</sup> Oth	ners
A+	2.33%	-	5.78	<sup>%</sup> ]	16.1	7%
Others Total	1.59% 100.00%	3.12% 100.00%	Automobile and Parts	and the second se		ish
	ation (% of Total Assets)	100.00 /8	and Parts 8.18%		Equiv and C	Others
		20 4 14			inclu receiv	
Equity Sub-fund Equity	30-May-14 92.50%	30-Apr-14 94.45%	Pharma and Bio Tech	-	7.5	
Cash Equivalents	6.91%	2.97%	5.28%			
Others including receivables	0.59%	2.58%		States and		
Total	100.00%	100.00%				
Debt Sub-fund	30-May-14	30-Apr-14		nd Gas	Constru- and Mat	
Cash Equivalents	22.17% d 73.91%	18.75% 74.98%	19.7	74%	21.01	
GOP Ijara Sukuk-Govt Backed Sukuk	2.33%	2.34%	Top Ten Holdi	ngs of Equity Su	ıb-fund (as on 30 May	. 2014)
Others	1.59%	3.93%		0 1 7		, ,
Total	100.00%	100.00%	Name	(% of Total Assets)	Name	(% of Total Assets)
Money Market Sub-fund Cash Equivalents	30-May-14 17.29%	30-Apr-14 15.57%	Pakistan Oilfields Ltd	6.32%	Sazgar Engineering Works Ltd	
GOP Ijara Sukuk-Govt Backed		80.85%	Honda Atlas Cars Ltd Lucky Cement Ltd	5.79% 5.42%	Pakistan State Oil Co. Ltd Pioneer Cement Ltd	4.94% 4.78%
Others	3.12%	3.58%	Pakistan Petroleum Ltd	5.31%	Maple Leaf Cement Factory Ltd	
Total	100.00%	100.00%	Kot Addu Power Co Ltd	5.29%	Thal Ltd	4.23%
WORKERS' W	ELFARE FUND (W	WF)	Top Holdings of Dol		May, 2014	Market Sub fund
NIPF has maintained provisions a		Fund's liability in	Top Holdings of Del		Top Holdings of Money	
individual sub-Funds as stated be	low:		Name	(% of Total Assets)	Name	(% of Total Assets)
	Total amount Amount Per	Since Inception	GOP Ijarah (Sukuk XI)	64.72% 9.19%	GOP Ijarah (Sukuk IX)	54.79% 24.80%
	Provided uptil Unit	return would	GOP Ijarah (Sukuk IX) K Electric AZM Sukuk	2.33%	GOP Ijarah (Sukuk XI) Total	79.59%
	May 30, 2014 Rs	otherwise have	Total	76.24%	1000	

	Total amount Provided uptil May 30, 2014	Amount Per Unit Rs	return would otherwise have been higher by:
Equity Sub-Fund <sup>1</sup>	251,537	0.6649	0.66%
Debt Sub-Fund <sup>2</sup>	62,445	0.1558	0.17%
Money Market Sub-Fund <sup>2</sup>	52,619	0.1546	0.17%
1 Cumulative, 2 Annualized For details investors are advised to read the Note 8 of	the Financial Statements of	the Scheme for the perio	nd ended March 31, 2014.

Name of the Members of Investment Committee Dr. Amjad Waheed, CFA

Sajjad Anwar, CFA

Muhammad Ali Bhabha, CFA, FRM, Syed Suleman Akhtar, CFA, Asim Wahab Khan, CFA, Muhammad Imran, CFA, ACCA

Salman Ahmed

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K Electric AZM Sukuk



## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (30/05/2014): Rs.101.4262

May 2014

Performance		
Performance %	May 30, 2014*	Since Launch March 05, 2014*
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	0.86%	1.43%
Benchmark	1.06%	2.69%
	7	

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

NBP Fullerton Asset Management Ltd.

A Subsidiary of National Bank of Pakistan

## **General Information**

Asset Allocation (% of Total Assets)

Equities / Stocks

Launch Date: Fund Size:	March 5, 2014 Rs. 1,629 million
Туре:	Shariah Compliant - Open-end – Capital
Dealing Days:	Protected Fund Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M
	(Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Back end - 0%
Management Fee:	2% per annum
Risk Profile	Low
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Ćo.
	Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 index &
	Islamic Bank Deposits based on Fund's
	actual allocation.
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2 by PACRA (Very High Investment
5 0	Management Standards)

## **Investment Objective**

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

## Fund Manager's Commentary

NAFA launched its first open-end Islamic capital protected fund namely NAFA Islamic Principal Protected Fund (NIPPF-1) this March. The aim of the Fund is to provide growth to the investment of Unit holders over the long-term in approved Shariah compliant equities and money market instruments while protecting initial investment value at Initial Maturity date, which is two years from launch date. The Fund is presently closed for new subscription.

Since inception, NIPPF-I generated a return of 1.4% versus 2.7% return of the benchmark. The Fund has gradually built its position in equities and its current stock exposure stands at around 42%. Key holdings of the Fund belong to Oil and Gas, Construction and Materials, and Electricity sectors. The Fund can invest up to 50% in equities. We are confident that the Fund will generate good returns considering the positive outlook of the market and built in dynamic equity allocation mechanism of the Fund.

Cash Equivalents		57.03%	58.05%		
Others including receivables		1.23%	4.75%		
Total		100.00%	100.00%		
Leverage		Nil	Nil		
Characteristics of Equity Portfolio****					
PER PBV DY					
NIPPF-I	7.8	2.6 7.5%			
KMI-30	8.0	2.2 7.1%			
**** Based on NAFA's estimates					
Accest Allocation (9/ of Total Accests) (access 20 Mars 2014)					

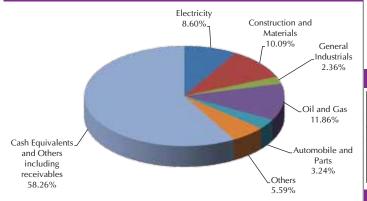
30-May-14

41.74%

30-Apr-14

37.20%

Asset Allocation (% of lotal Assets) (as on 30 May, 2014)



#### Top Ten Holdings (as on 30 May, 2014) % of Total % of Total Asset Asset Name Name Assets Class Class Assets Equity Kot Addu Power Co Ltd 4.19% Honda Atlas Cars (Pakistan) Lto Equity 2.71% Equity Pakistan Oilfields Ltd 3.97% Maple Leaf Cement Factory Ltd Equity 2.51% Equity Pakistan State Oil Co. Ltd 3.65% Pioneer Cement Ltd Equity 2.48% Equity Lucky Cement Ltd 3.63% Pakistan Petroleum I td 2.30% Equity Hub Power Company Ltd Equity 3.53% Oil & Gas Dev Co Ltd 1.95% Equity

## Name of the Members of Investment Comm

Dr. Amjad Waheed, CFA

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 472,734/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.0294/0.03%. For details investors are advised to read Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

WORKERS' WELFARE FUND (WWF)

Sajjad Anwar, CFA Muhammad Ali Bhabha, CFA, FRM Sved Suleman Akhtar, CFA Asim Wahab khan, CFA Muhammad Imran, CFA, ACCA