

# Fund Manager Report

May 2016

Investment of Rs. 1 million in  
NAFA Islamic Asset Allocation Fund  
grew to Rs. 4.2 million in  
only 7 Years\*



Shariah Supervisory Board

- Dr. Imran Ashraf Usmani
- Mufti Ehsan Waquar Ahmad
- Mufti Muhammad Naveed Alam

You can invest with Rs. 10,000 only

## Prior Track Record: Annual Performance of NAFA Islamic Asset Allocation Fund (NIAAF)

	Total Return June 09-May 16	CY - 2015	CY - 2014	CY - 2013	CY - 2012	CY - 2011	CY - 2010	CY - 2009
NIAAF	325%	18.6%	29.8%	29.9%	30.1%	7.7%	27.5%	49.5%
Benchmark**	207%	7.9%	13.0%	24.9%	25.1%	7.1%	21.8%	49.8%

\* Ending May 31, 2016.

\*\*Presently Benchmark is average of KMI 30 index, 6 Months KIBOR and 3 months Islamic Bank Deposits.

Annualized return since inception of Fund on October 26, 2007 is 16.1% p.a. vs Benchmark return of 11.3% p.a. Last one year return is 15.0% vs benchmark return of 9.3%.

Fund-size: Rs.484 Crore as on May 31, 2016.

Category: Shariah Compliant Asset Allocation Fund.

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

## For Information & Investment

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UAN: (021) 111-111-632 ◆ www.nafafunds.com ◆ f /nafafunds



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

Your investments & "NAFA" grow together



Joint - Venture Partners

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

Disclaimer: All investments in mutual funds are subject to market risk. Past performance is not necessarily indicative of future results. Please read the offering documents to understand the investment policies and the risk involved. The scheme holds certain non-compliant investments. Before making any investment decision investors should review the latest monthly Fund Manager Report and financial statements. The reported returns may include provision and reversal of provisions against some debt securities.

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

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# Performance Summary of NAFA's Key Funds



"May 2016"

		Fund Name	Fund Size (Rs. In Crore)	Stability Rating	Inception Date	May-2016	FYTD - 2016	Rolling 12 Months	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Inception	
		<b>Fixed Income Funds</b>			<b>Annualized Returns</b>										
Lowest Risk	NCSLF	NAFA Government Securities Liquid Fund	562	AAA (f)	15-May-09	5.7%	5.7%	5.9%	8.3%	8.1%	8.7%	10.9%	11.5%	9.2%	
		Benchmark				6.1%	6.1%	6.0%	8.7%	8.6%	8.9%	10.8%	11.4%	9.4%	
	NMMF	NAFA Money Market Fund	553	AA (f)	23-Feb-12	5.9%	6.3%	6.7%	8.9%	8.2%	9.2%	n/a	n/a	8.4%	
		Benchmark				4.5%	4.6%	4.6%	6.8%	6.9%	6.8%	n/a	n/a	6.4%	
	NSPF	NAFA Savings Plus Fund	52	AA- (f)	21-Nov-09	5.7%	6.3%	6.4%	8.7%	7.9%	8.8%	11.0%	10.6%	9.0%	
		Benchmark				4.4%	4.7%	4.7%	6.7%	7.1%	7.3%	8.4%	8.4%	7.2%	
	NRSF	NAFA Riba Free Savings Fund	125	A (f)	20-Aug-10	5.4%	5.6%	5.8%	7.4%	7.8%	8.7%	10.8%	n/a	8.4%	
		Benchmark				4.7%	4.9%	5.0%	6.7%	6.7%	7.3%	8.3%	n/a	7.0%	
	NFSIF	NAFA Financial Sector Income Fund	86	A+ (f)	28-Oct-11	5.6%	6.5%	6.5%	10.9%	7.9%	9.3%	n/a	n/a	9.3%	
		Benchmark				5.7%	6.0%	6.0%	8.3%	8.9%	9.0%	n/a	n/a	8.5%	
	Moderate Risk	NIAIF	NAFA Income Opportunity Fund	964	A (f)	21-Apr-06	6.2%	7.5%	8.1%	13.2%	16.6%	10.3%	(0.5%)	5.5%	8.4%
			Benchmark				6.3%	6.6%	6.6%	9.0%	9.8%	9.9%	12.4%	13.4%	10.9%
	NIOF	NAFA Islamic Aggressive Income Fund	258	A- (f)	26-Oct-07	5.8%	7.2%	7.8%	9.2%	13.6%	6.8%	19.0%	9.0%	6.8%	
		Benchmark				4.6%	4.8%	4.9%	6.6%	6.5%	7.0%	7.9%	7.1%	6.5%	
			<b>Equity Related Funds</b>			<b>Star Ranking*</b>		<b>Cumulative Returns</b>							<b>Annualized Returns</b>
	Highest Risk	NAAF	NAFA Asset Allocation Fund	123	*** (3-star)	20-Aug-10	3.0%	7.8%	11.5%	24.6%	13.7%	32.0%	14.4%	n/a	19.1%
Benchmark						1.4%	4.2%	5.6%	9.6%	15.3%	17.1%	8.1%	n/a	11.5%	
NMMF		NAFA Multi Asset Fund	150	**** (4-star)	19-Jan-07	2.8%	6.8%	9.8%	26.8%	25.4%	34.1%	15.5%	25.3%	15.6%	
		Benchmark				1.9%	4.3%	6.2%	11.0%	19.6%	22.4%	8.0%	17.5%	9.2%	
NIAAF		NAFA Islamic Asset Allocation Fund	484	**** (4-star)	26-Oct-07	2.8%	10.3%	15.0%	33.8%	22.2%	36.3%	13.2%	28.4%	16.1%	
		Benchmark				1.8%	7.2%	9.3%	12.1%	17.7%	28.9%	11.1%	24.4%	11.3%	
NSF		NAFA Stock Fund	700	***** (5-star)	19-Jan-07	3.4%	8.9%	13.4%	36.9%	36.3%	55.0%	22.0%	28.4%	17.0%	
		Benchmark				3.2%	2.2%	5.3%	12.3%	29.6%	36.0%	2.9%	21.2%	6.5%	
NISF		NAFA Islamic Stock Fund	207	-	9-Jan-15	3.8%	11.8%	17.0%	n/a	n/a	n/a	n/a	n/a	17.1%	
		Benchmark				4.5%	10.5%	15.7%	n/a	n/a	n/a	n/a	n/a	14.4%	

Notes: 1) Performance is net of management fee and all expenses. The calculation of performance does not include cost of front-end load. The performance reported is based on dividend reinvestment (gross of with-holding tax where applicable).  
 2) Tax credit also available as per section 62 of Income Tax Ordinance, 2001.  
 3) Taxes Apply. Capital Gains Tax (CGT) for individual is deducted at 10% for up to four years holding period. For holding period of more than 4 years CGT is exempt. For NSF & NISF Capital Gains Tax (CGT) for individual is deducted at 12.5% for holding period up to four years if dividend receipts of the Fund are less than capital gain.

n/a = Not applicable.

\*Star ranking has been assigned for 3 years performance period ending June 30, 2015 by PACRA. For NIAAF, performance period is 1 year Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

**Note: Detailed monthly reports of NAFA Funds are available on our website at [www.nafafunds.com](http://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 and pension funds are subject to market risks. Past Performance is not necessarily indicative of future results. Please read the Offering Document to understand investment policies and the risks involved.

Dr. Amjad Waheed, CFA  
Chief Executive Officer

## FY17 Budget-Implications for Economy and Stock Market

The federal government has unveiled its FY17 Budget. After achieving considerable macroeconomic stability during the first three years of its tenure, mostly owing to global developments notably significant decline in crude oil prices, the government in the latest budget has aimed to boost the GDP growth rate, as well as achieve further fiscal consolidation.

The government has set an ambitious economic growth target of 5.7% for FY17, compared to 4.7% provisional number for the outgoing fiscal year. The government plans to lift GDP growth rate through (i) incentivizing agriculture sector and export-oriented industries, the two growth laggards for FY16; (ii) higher development expenditures (up 20% to Rs. 1.675 trillion) with focus on energy and infrastructure sectors; and (iii) formidable fiscal incentives for private investment in different sectors of the economy. For instance, tax credit equal to ten percent of the amount invested in Balancing, Modernization and Replacement (BMR) of plant and machinery already installed has been extended till June 2019 that was expiring on June 2016. Where a company opts for enlistment on stock exchange a tax credit equal to 20% of tax payable shall be allowed for a period of two years. Tax credit for a company formed for establishing and operating new industrial undertaking has been extended from 30th June 2016 to 30th June 2019 and eligibility clause for having 100% equity has been revised down to 70%.

We expect GDP growth to remain below government forecasts as the crops sector, especially cotton and rice, is still mired by weak prices and subdued international demand, while large-scale manufacturing growth could be below target due to capacity constraints and higher base following strong performance in some industries during FY16. Services sector growth may also be below projections due to subdued performance of the financial sector. Nonetheless, supported by robust consumption and rising investment demand, GDP growth is likely to touch 5% mark in FY17 on the back of strong performance by Construction, Electricity, and Gas Generation & Distribution sectors.

Key Macroeconomic Indicators and Targets	FY13	FY14	FY15	FY16E	FY17 Budget	FY17 NAFA
GDP Growth	3.7%	4.1%	4.0%	4.7%	5.7%	5.0%
<i>Agriculture</i>	2.7%	2.5%	2.5%	-0.2%	3.5%	2.5%
<i>Industry</i>	0.8%	4.5%	4.8%	6.8%	7.7%	7.0%
<i>Services</i>	5.1%	4.5%	4.3%	5.7%	5.7%	5.1%
Inflation	7.4%	8.6%	4.5%	3.5%	6.0%	6.0%
Fiscal Deficit (% GDP)	8.2%	5.5%	5.3%	4.3%	3.8%	4.5%
Current Account Balance (% GDP)	(1.1%)	(1.3%)	(1.0%)	(0.6%)	(1.5%)	(1.5%)
Foreign Exchange Reserves (USDbn)	11.0	14.1	18.7	21.6	23.6	22-23

Source: NAFA Research, Economic Survey, Annual Plan

Through removal of some tax concessions, levy of higher taxes on non-filers, tight control over current expenditures, especially subsidies, and a sizable provincial fiscal surplus, the government aims to bring fiscal deficit down to 3.8% of GDP. We find the fiscal deficit target formidable and would like to mention the following risks (i) election considerations and no IMF oversight after the completion of the current program in September may tempt the government to go for additional spending; (ii) budgetary allocation for subsidies being unrealistically low, actual subsidy bill could be significantly higher; (iii) revenue collection may be below target; and (iv) provincial governments may not achieve the desired fiscal discipline. Further, from a structural perspective, the budget fell well short of the efforts to broaden the tax base and document the economy to tap large tax evaders i.e. agriculture, services business, especially wholesale and retail trade, and real estate. In our opinion, FY17 fiscal deficit would be around 4.5% of GDP.

The government expects inflation to pick up to a still benign 6.0% in FY17 due to a measured increase in commodity prices and a relatively stable exchange rate. Current account deficit is projected to increase to 1.5% of GDP (US\$4.8bn) due to higher growth in imports especially those related to energy and infrastructure projects. However, overall balance of payments position is projected to remain comfortable on higher financial inflows. Subject to seemingly benign global crude oil prices, we largely concur with official forecasts on inflation and external account.

For listed sectors, the budget is a mixed bag. For instance, in line with its theme, the budget is extremely positive for textile (zero rating, lower financing rates, reduction in duties, extension in DLT and resolution of pending refunds) and fertilizer sectors (GST reduction to 5%, higher subsidies, enhanced agriculture credit). While insurers (uniform taxation), steel manufacturers (higher sales tax) and food (dairy) producers (removal of zero rating, regulatory duty on powdered milk import) would be negatively impacted due to increased taxation. For banks and energy stocks, budget has neutral implications. Though cement sector would face higher Federal Excise Duty (FED), it would also benefit from higher Public Sector Development Program (PSDP) expenditures.

Barring some minor negatives, the budget has no surprises for the broader stock market as most of the proposals, such as one-year extension in super tax and decreases in corporate tax rate by 1%, have already been well anticipated and priced in. With budget behind us, the market participants would now wait for MSCI decision on up-gradation of Pakistan to MSCI Emerging Market Index from MSCI Frontier Market Index. Given the favorable macroeconomic backdrop, reasonable stock market valuations, ultra-low yields on fixed income avenues, improving security conditions, and expected inclusion of Pakistan in the aforesaid Index which would attract sizable foreign portfolio inflows we expect the stock market to deliver healthy returns over the next 12 months.

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## Stock Market Review

Defying the upcoming budget related uncertainties; during May the local equities continued with their positive momentum on the back of Pakistan's probable entry into the widely tracked MSCI Emerging Market Index. Moreover, global concerns emanating from fears of hard landing in China & associated abrupt currency devaluation; plunging global commodity prices and associated disruptive devaluation of Emerging Market currencies; divergent monetary policy by the systematically important central banks and risks of competitive currency devaluations, eased off substantially. The foreign selling which we believe is the swing factor for the lackluster performance of the market since beginning of 2015 has petered out during the month with net foreign buying of around US \$ 4 million recorded in May 2016. We see large foreign inflows into the local equities post their reclassification into MSCI Emerging Market Index on the back of improving macroeconomic prospects, reasonable valuations and improving security situation. Federal budget FY2016-17 was unveiled by the government with a focus on exports and agriculture. From an overall stock market perspective, the budget is neutral to positive, offering significant relief to the struggling Fertilizer and Textile sectors. The benchmark KSE 100 index increased by 3.9% during the month in review, taking the FY16 gains to 4.8%.

Turning to the Sector-wise performance, Oil & Gas Exploration, Chemicals, Engineering, Oil & Gas Marketing, and Power Generation & Distribution sectors out-performed the market while, Cement, Automobile Assemblers, Commercial Banks, and Paper & Board sectors were laggard. Oil & Gas Exploration sector exhibited solid performance amid strong rebound in the global oil prices due to supply side adjustments. The high yielding Power sector drew investors' interest following a 25 bps cut in the policy rate by the SBP in its recently announced monetary policy announcement. The news of increase in the FED in the Federal Budget FY17 resulted in the lagged performance of the Cement sector. Banking stocks remained out of favour on the back of increasing pressure on the already shrinking Net Interest Margins (NIMs). Strengthening Japanese yen with negative impact on the profit margins kept investors from the Automobile & Assembler sector.

Going forward, we maintain our sanguine outlook for equities driven by attractive valuations as captured in 8.6 times forward Price to Earnings ratio (PE); benign near-term inflation and interest rate outlook; a comfortable external account position; improving macroeconomic prospects; and expectation of large portfolio inflows post PSX's likely entry into MSCI EM Index. However, we acknowledge that volatility may increase from the current levels amid global policy mistake and escalation of domestic political tension linked to investigations on Panama Leaks.

## Money Market Review

Inflation as measured by CPI for May 2016 clocked in at 3.2% on a year on year basis helped by lower readings for the food component, as compared to 4.2% the previous month. Against the market expectation, State Bank of Pakistan (SBP) reduced policy rate by 25 basis points from 6% to 5.75% in its bi-monthly monetary policy review meeting in May 2016. SBP in its statement highlighted improvement in the macroeconomic conditions, better law and order situation, and positive future prospects of Foreign Direct Investment under China Pakistan Economic Corridor. However, SBP expressed concerns on the inflation due to expectation of increase in commodity prices. The central bank also highlighted the downside risks to the external account due to declining exports receipts. During the month, PKRV yields remained stable prior to monetary policy announcement, however, yields responded accordingly post policy rate decline of 25 bps. As we see it, the yield curve may remain under pressure due to a huge Rs. 1.35 trillion maturity of PIBs in July. Foreign exchange reserves increased above USD21 billion during the month.

During the month SBP held two T-Bill auctions with a combined target of Rs. 300 billion and a maturity of Rs. 243 billion. In the first T-Bill auction, Ministry of Finance (MoF) accepted Rs. 246 billion against the target of Rs. 200 billion and maturity of Rs. 176 billion at a cut-off yield of 6.26%, 6.27% and 6.28% for the 3 month, 6 month and 12 month tenors respectively. Bid pattern remained skewed towards 3 month as compared to 6 and 12 month. Moreover, in the second T-Bill auction, Ministry of Finance (MoF) accepted Rs. 278 billion against the target of Rs. 100 billion and maturity of Rs. 67 billion. The cut off yields responded to the policy rate cut and were noted at 5.99%, 6.01% and 6.03% for the 3 month, 6 month and 12 month tenors respectively. Bid pattern shifted towards 6 months as compared to 3 and 12 months. PIB auction on 18-May-2016 with a target of Rs. 50 billion and maturity of Rs. 37 billion was scrapped.

We have adjusted the portfolio of our money market and income funds based on our capital market expectations. We are closely monitoring the developments in the capital markets and will rebalance the portfolios accordingly.

## Our Contacts

Contact our Investment Consultant for free Investment advice

Call 0800-20002 || UAN 111-111-632 || sms NAFA INVEST to 8080 || [www.nafafunds.com](http://www.nafafunds.com) || [info@nafafunds.com](mailto:info@nafafunds.com)

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## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch May 15, 2009*
NAFA Government Securities Liquid Fund	5.7%	5.7%	5.9%	8.3%	8.1%	8.7%	10.9%	11.5%	9.2%
Benchmark	6.1%	6.1%	6.0%	8.7%	8.6%	8.9%	10.8%	11.4%	9.4%

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

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

## General Information

Launch Date:	May 15, 2009
Fund Size:	Rs. 5,621 million
Type:	Open-end – Money Market Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 0%, Back end: 0%
Management Fee:	8% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)
Risk Profile:	Exceptionally Low
Fund Stability Rating:	"AAA (f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	70% 3-Month T-Bills & 30% average 3-Month deposit rates (AA & above rated banks)
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

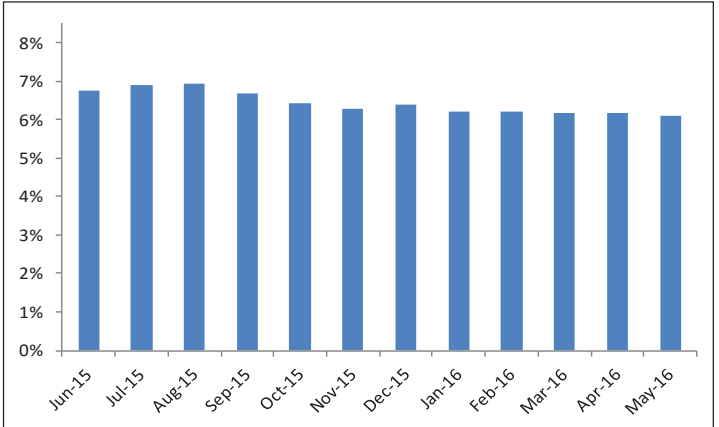
## Fund Manager Commentary

The Fund earned an annualized return of 5.7% during May 2016 versus the Benchmark return of 6.1%. The annualized return for FYTD is 5.7% against the Benchmark return of 6.1%. The return generated by the Fund is net of management fees and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. NGSLF is the largest Fund in Pakistan with this rating. The rating reflects exceptionally strong credit and liquidity profile of the Fund. Average daily allocation for the last 365 days in short-term T-Bills was around 78.8% of the Fund size. While at the end of the month, T-Bills comprised around 88.3% of the Total Assets and 91.2% of Net Assets. Weighted average time to maturity of the Fund is 39 days.

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

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



## Asset Allocation (% of Total Assets) 31-May-16 30-Apr-16

Asset Allocation	31-May-16	30-Apr-16
T-Bills	88.3%	72.7%
Placements with DFIs	6.9%	0.0%
Bank Deposits	4.5%	27.0%
Other including receivables	0.3%	0.3%
Total	100.0%	100.0%
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 115,240,318/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.2189/2.16%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

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

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

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

Credit Quality	% of Total Assets
T-Bills (AAA rated)	88.3%
AAA	0.0%
AA+	11.2%
AA	0.0%
AA- & below	0.2%
Other including receivables	0.3%
Total	100.0%

# NAFA Money Market Fund (NMMF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs. 10.3936

May 2016

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	Since Launch February 23, 2012*
NAFA Money Market Fund	5.9%	6.3%	6.7%	8.9%	8.2%	9.2%	8.4%
Benchmark	4.5%	4.6%	4.6%	6.8%	6.9%	6.8%	6.4%

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

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

## General Information

Launch Date:	February 23, 2012
Fund Size:	Rs. 5,534 Million
Type:	Open-end – Money Market Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: without Life Insurance: 0.5%, with Life Insurance 3% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	8% of Net Income (Min 0.5% p.a., Max 1.00% p.a.)
Risk Profile:	Very Low
Fund Stability Rating:	"AA (f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co Chartered Accountants
Benchmark:	3-Month deposit rates (AA & above rated banks)
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager Commentary

The Fund earned an annualized return of 5.9% during May 2016 versus the Benchmark return of 4.5%, thus registering an outperformance of 1.4% p.a. Since its launch in February 2012, the Fund has outperformed its Benchmark by 2.0% p.a. by earning an annualized return of 8.4%. This outperformance is net of management fee and all other expenses.

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

Weighted average time to maturity of the Fund is 12 days. We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

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

Govt Securities (AAA rated)	8.7%
AAA	8.9%
AA+	78.2%
AA	3.5%
AA- & below	0.2%
Others including receivables	0.5%
<b>Total</b>	<b>100.0%</b>

## Asset Allocation (% of Total Assets) 31-May-16 30-Apr-16

T-Bills	8.7%	8.9%
Placements with DFIs	8.8%	-
Bank Deposits	82.0%	90.6%
Others including receivables	0.5%	0.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 69,380,310/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.1303/1.33%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

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

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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/5/2016): Rs. 10.9124

May 2016

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15-May 16	Since Launch July 10, 2014*
NAFA Government Securities Savings Fund	6.4%	6.6%	6.2%	10.5%
Benchmark	6.6%	6.3%	6.2%	7.8%

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

## General Information

Launch Date:	July 10, 2014
Fund Size:	Rs. 410 Million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M (Saturday) 9:00 A.M to 1:00 P.M 2-3 business days
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Front end: 1% (Nil on investment above Rs. 16 million) Back end: 0%
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)
Risk Profile:	Low
Fund stability rating	"AA- (f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	70% average 6-Month PKRV & 30% average 3-Month deposit rates (A+ & above rated banks)
Fund Manager:	Asad Haider
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager Commentary

During the month under review, the Fund has generated an annualized return of 6.4% against the benchmark return of 6.6%. Since its launch in July 2014, the Fund offered an annualized return of 10.5% against the Benchmark return of 7.8%, hence an outperformance of 2.7% p.a. This outperformance is net of management fee and all other expenses

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

As the asset allocation of the Fund shows, exposure in Government Securities was around 75.6% of the Total Assets and 76.6% of Net Assets at the end of the month with average time to maturity of 0.5 years and Yield to Maturity of 5.9% p.a. Last one year allocation in Government Securities was around 76.3%. The weighted average time-to-maturity of the Fund is 0.4 years.

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

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

Government Securities (AAA rated)	75.6%
AAA	0.6%
AA+	0.8%
AA	0.3%
AA-	1.7%
A+ & below	19.8%
Other including receivables	1.2%
<b>Total</b>	<b>100.0%</b>

## Asset Allocation (% of Total Assets) 31-May-16 30-Apr-16

PIBs	14.2%	15.9%
Tbills	61.4%	55.1%
Placements with Banks	13.2%	14.8%
Bank Deposits	10.0%	13.3%
Other including receivables	1.2%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1,621,195/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0431/0.42%.For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

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

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



# NAFA Savings Plus Fund (NSPF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs. 10.7005

May 2016

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch November 21, 2009*
NAFA Savings Plus Fund	5.7%	6.3%	6.4%	8.7%	7.9%	8.8%	11.0%	10.6%	9.0%
Benchmark	4.4%	4.7%	4.7%	6.7%	7.1%	7.3%	8.4%	8.4%	7.2%

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

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

## General Information

Launch Date:	November 21, 2009
Fund Size:	Rs. 518 million
Type:	Open-end – Income fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: without Life Insurance: 0.5%, with Life Insurance 3% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.50% p.a.)
Risk Profile:	Very Low
Fund Stability Rating:	"AA- (f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	Average 6-Month deposit rate (A & above rated banks)
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription:	Growth Unit: Rs. 1,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager Commentary

The Fund earned an annualized return of 5.7% during the month versus the Benchmark return of 4.4% thus registering an outperformance of 1.3% p.a. Since its launch in November 2009, the Fund offered an annualized return of 9.0% against the Benchmark return of 7.2%, hence an outperformance of 1.8% p.a. This outperformance is net of management fee and all other expenses.

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

The portfolio of NSPF is invested in Treasury bills, MTS, and bank deposits etc. The allocation in MTS is around 23%. The weighted average time to maturity of the entire Fund is around 26 days. Our internal guidelines permit MTS financing in only fundamentally strong companies with lower volatility. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rates of return with no direct exposure to the stock market.

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

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

Govt. Securities (AAA rated)	7.2%
AAA	1.7%
AA+	10.1%
AA	2.3%
AA-	30.4%
A+	23.4%
A & below	1.0%
MTS (Unrated)	22.6%
Other including receivables	1.2%
<b>Total</b>	<b>100.0%</b>

## Asset Allocation (% of Total Assets) 31-May-16 30-Apr-16

T-Bills	7.2%	6.9%
Margin Trading System (MTS)	22.6%	18.7%
Placements with Banks	18.0%	17.1%
Bank Deposits	51.0%	56.3%
Other including receivables	1.2%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.12,099,338/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.2499/2.47%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the Period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

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

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

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# NAFA Riba Free Savings Fund (NRFSF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs. 10.6848

May 2016

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010*
NAFA Riba Free Savings Fund	5.4%	5.6%	5.8%	7.4%	7.8%	8.7%	10.8%	8.4%
Benchmark	4.7%	4.9%	5.0%	6.7%	6.7%	7.3%	8.3%	7.0%

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

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

## General Information

Launch Date:	August 20, 2010
Fund Size:	Rs. 1,252 million
Type:	Open-end – Shariah Compliant Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: without Life Takaful: 0.5%, with Life Takaful 3% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.25% p.a.)
Risk Profile:	Very Low
Fund Stability Rating:	"A(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:	Average 6-month deposit rate of A- and above rated Islamic Banks
Fund Manager:	Muhammad Ali Bhabha CFA,FRM
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## 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 5.4% for the month of May 2016 versus the Benchmark return of 4.7% thus registering an outperformance of 0.7% p.a. During FYTD the Fund has outperformed its Benchmark by 0.7% by earning an annualized return of 5.6%. This outperformance is net of management fee and all other expenses.

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

The allocation of the Fund is around 8% in GOP Ijarah Sukuk, which are floating rate instruments with 6-months coupon re-setting. Around 91% of the portfolio is invested in bank deposits which enhances the liquidity profile of the Fund. The weighted average time to maturity of the Fund is 75 days.

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

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

GOP Ijarah Sukuk (AAA rated)	7.9%
AAA	23.5%
AA+	4.3%
AA	0.5%
AA-	1.4%
A+	15.9%
A	0.3%
A-	44.9%
Others including receivables	1.3%
<b>Total</b>	<b>100.0%</b>

## Asset Allocation (% of Total Assets) 31-May-16 30-Apr-16

GOP Ijarah Sukuk	7.9%	7.5%
Bank Deposits	90.8%	91.3%
Other including receivables	1.3%	1.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 10,079,475/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.0860/0.85%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

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

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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs. 11.0916

May 2016

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	Since Launch October 28, 2011*
NAFA Financial Sector Income Fund	5.6%	6.5%	6.5%	10.9%	7.9%	9.3%	9.3%
Benchmark	5.7%	6.0%	6.0%	8.3%	8.9%	9.0%	8.5%

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

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

## General Information

Launch Date:	October 28, 2011
Fund Size:	Rs. 858 Million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1% (Nil on investment above Rs. 16 million) Back end: 0%
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.5% p.a.)
Risk Profile:	Low
Fund stability rating:	'A+(f)' by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	70% 6-Month KIBOR & 30% average 3-Month deposit rates (A & above rated banks)
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager Commentary

The Fund generated an annualized return of 5.6% for the month of May 2016 versus the Benchmark return of 5.7%. Since its launch in October 2011, the Fund offered an annualized return of 9.3% against the Benchmark return of 8.5%, hence an outperformance of 0.8% p.a. This outperformance is net of management fee and all other expenses.

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

Exposure in TFCs was 44.1% at the end of the month with average time to maturity of 1.7 years. The TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. The weighted average time-to-maturity of the Fund is 0.8 year.

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

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

AAA	2.4%
AA+	2.4%
AA	0.5%
AA-	61.9%
A+	29.8%
A & below	0.3%
Other including receivables	2.7%
<b>Total</b>	<b>100.0%</b>

## Asset Allocation (% of Total Assets) 31-May-16 30-Apr-16

TFCs	44.1%	41.6%
Bank Placements	26.7%	26.5%
Bank Deposits	26.5%	29.9%
Other including receivables	2.7%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Top TFC (as at May 31, 2016)

Name of TFC	% of Total Assets
Bank Alfalah Limited IV - FT	19.4%
Faysal Bank Limited III	15.7%
Askari Bank Limited IV	5.0%
Jahangir Siddiqui and Company Ltd.(Pre IPO) 16-MAY-16 16-MAY-21	2.2%
Standard Chartered Bank (Pakistan) Limited IV	1.8%
<b>Total</b>	<b>44.1%</b>

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 17,975,588/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.2323/2.22%. For details investors are advised to read note 6 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Commit

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

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

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## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch October 26, 2007*
NAFA Islamic Aggressive Income Fund	5.8%	7.2%	7.8%	9.2%	13.6%	6.8%	19.0%	9.0%	6.8%
Benchmark	4.6%	4.8%	4.9%	6.6%	6.5%	7.0%	7.9%	7.1%	6.5%

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

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

## General Information

Launch Date:	October 26, 2007
Fund Size:	Rs. 2,576 million
Type:	Open-end – Shariah Compliant Aggressive Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)
Risk Profile:	Low to Medium
Fund Stability Rating:	"A-(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	Average 3-month deposit rate of Islamic Banks
Fund Manager:	Muhammad Imran, CFA, ACCA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager Commentary

During the month under review, the Fund posted an annualized return of 5.8% as compared to the Benchmark return of 4.6% thus registering an outperformance of 1.2% p.a. During FYTD, the Fund has posted 7.2% annualized return versus 4.8% by the Benchmark, hence an outperformance of 2.4% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukuks stood at around 1.6% of the total assets. Around 93.6% of the portfolio is allocated in bank deposits. The higher allocation in bank deposits is due to better yields as compared to other authorized alternative investment avenues.

The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio is around 5.8% p.a. and weighted average time to maturity is 2.4 years. The weighted average time to maturity of the Fund is 49 days.

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

## Asset Allocation (% of Total Assets) 31-May-16 30-Apr-16

	31-May-16	30-Apr-16
Sukuks	1.6%	1.7%
GOP Ijarah Sukuks - Govt. Backed	3.8%	4.2%
Bank Deposits	93.6%	93.1%
Other including receivables	1.0%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

GOP Ijarah Sukuk (AAA rated)	3.8%
AAA	16.3%
AA	1.7%
AA-	0.1%
A+	34.5%
A	0.2%
A-	42.4%
Other including receivables	1.0%
<b>Total</b>	<b>100.0%</b>

## Top Sukuk Holdings (as at May 31, 2016)

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

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 2,944,049/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0115/0.12%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

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

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

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# NAFA Income Opportunity Fund (NIOF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs. 11.4378

May 2016

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch April 21, 2006 *
NAFA Income Opportunity Fund	6.2%	7.5%	8.1%	13.2%	16.6%	10.3%	(0.5%)	5.5%	8.4%
Benchmark	6.3%	6.6%	6.6%	9.0%	9.8%	9.9%	12.4%	13.4%	10.9%

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

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

## General Information

Launch Date: April 21, 2006  
Fund Size: Rs. 9,635 million  
Type: Open-end – Income Fund  
Dealing Days: Daily – Monday to Saturday  
Dealing Time (Ramadan): (Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M (Saturday) 9:00 A.M to 1:00 P.M  
Settlement: 2-3 business days  
Pricing Mechanism: Forward Pricing  
Load: Front end: 1% (Nil on investment above Rs. 16 million), Back end: 0%  
Management Fee: 1.30% per annum  
Risk Profile: Low  
Fund Stability Rating: "A(f)" by PACRA  
Listing: Pakistan Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: Deloitte Yousuf Adil Chartered Accountants  
Benchmark: 6-Month KIBOR  
Fund Manager: Muhammad Imran, CFA, ACCA  
Minimum Subscription: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager Commentary

The Fund posted an annualized return of 6.2% in May 2016 as compared to the Benchmark return of 6.3%. During FYTD the Fund has outperformed its Benchmark by 0.9% by earning an annualized return of 7.5%. This outperformance is net of management fee and all other expenses.

The weighted average Yield to Maturity of the Fund is around 7.5% p.a. and that of the TFC portfolio is 7.8% p.a. The weighted average time to maturity of the Fund is around 0.3 year. The Fund's sector allocation is fairly diversified with exposure to Electricity, Banking and Financial Services sectors. TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. However, since TFCs prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

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

## Asset Allocation (% of Total Assets) 31-May-16 30-Apr-16

TFCs / Sukuks	5.3%	3.9%
MTS	0.9%	0.3%
T-Bills	0.7%	0.6%
PIBs	2.7%	2.4%
Placements with Banks	25.4%	16.3%
Placements with DFIs	9.8%	0.0%
RFS	0.1%	0.2%
Equity	0.4%	0.3%
Bank Deposits	48.7%	70.6%
Others including receivables	6.1%	5.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Leverage Nil Nil

## Top 10 TFC/Sukuk Holdings (as at May 31, 2016)

Name of TFCs / Sukuks	% of Total Assets
K Electric Azm Sukuk	2.1%
Bank Alfalah Limited V	1.6%
Jahangir Siddiqui and Company Ltd. (Pre IPO) 16-MAY-16 16-MAY-21	1.0%
Jahangir Siddiqui and Company Ltd. 08-APR-14	0.6%
<b>Total</b>	<b>5.3%</b>

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 31,128,042/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0370/0.35%. For details investors are advised to read note 06 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

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

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

## 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
BRR Guardian Modaraba	SUKUK	26,562,500	26,562,500	-	-	-
Saudi Pak Leasing	TFC	41,321,115	41,321,115	-	-	-
World Call Telecom Limited	TFC	88,455,825	88,455,825	-	-	-
Eden Housing (Sukuk II)	SUKUK	9,056,250	9,056,250	-	-	-
Agri-tech Limited I	TFC	149,860,200	149,860,200	-	-	-
Agri-tech Limited V	TFC	32,320,000	32,320,000	-	-	-
Azzard Nine Limited III	TFC	108,376,850	108,376,850	-	-	-
Azzard Nine Limited V	TFC	82,180,000	82,180,000	-	-	-
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	-	-
New Allied Electronics (PPTFC)	TFC	31,706,536	31,706,536	-	-	-
New Allied Electronics (Sukuk II)	SUKUK	44,148,934	44,148,934	-	-	-
PACE Pakistan Limited	TFC	149,820,000	149,820,000	-	-	-
Azzard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	-	-	-
Agri-tech Limited Shares	Equity	141,403,150	103,951,516	37,451,634	0.4%	0.4%
<b>Total</b>		<b>1,055,224,214</b>	<b>1,017,772,580</b>	<b>37,451,634</b>	<b>0.4%</b>	<b>0.4%</b>

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

PIBs (AAA rated)	2.7%
T-Bills (AAA rated)	0.7%
AAA	0.2%
AA+	53.9%
AA	3.0%
AA-	5.0%
A+	26.8%
A	0.2%
RFS (Un-rated)	0.1%
MTS (Un-rated)	0.9%
Equity (Un-rated)	0.4%
NR & Other including receivables	6.1%
<b>Total</b>	<b>100.0%</b>

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## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch March 28, 2008*
NAFA Income Fund	5.3%	6.9%	6.7%	13.7%	2.3%	6.9%	(6.9%)	(4.2%)	3.8%
Benchmark	6.3%	6.6%	6.6%	9.0%	9.8%	9.9%	12.4%	13.2%	10.7%

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

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

## General Information

Launch Date:	March 28, 2008
Fund Size:	Rs. 667 million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)
Risk Profile:	Low
Fund Stability Rating	"A (f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	MCB Financial Services Limited
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:	6-Month KIBOR
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager Commentary

The Fund posted an annualized return of 5.3% during May 2016 versus the Benchmark return of 6.3%. The annualized return during FYTD is 6.9% against the Benchmark return of 6.6%, hence an outperformance of 0.3% p.a. This outperformance is net of management fee and all other expenses.

As the allocation of the Fund shows, exposure in TFCs and Sukuks stands at 26.9%. All TFCs in the Fund are floating rate instruments linked to KIBOR.

The weighted average Yield-to-Maturity of the Fund is around 7.6% p.a. while its weighted average time to maturity is 0.9 years. This yield does not include potential recovery in fully provided TFCs (Face Value of around Rs. 309 million), which is potential upside for the Fund. Thus, the Fund is expected to perform well over the medium to long term horizon. However, since TFCs prices may go up or down, therefore, only investors with medium term investment horizon are advised to invest in this Fund.

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

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

TFCs / Sukuks	26.9%	21.1%
T-Bills	6.1%	6.0%
MTS	13.2%	4.8%
Placement with Banks	18.1%	10.6%
Bank Deposits	34.2%	56.6%
Others including receivables	1.5%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Top TFC (as at May 31, 2016)

Name of TFC / Sukuk	% of Total Assets
K Electric Azm Sukuk	7.2%
Jahangir Siddiqui and Company Ltd. (Pre IPO) 16-MAY-16 16-MAY-21	5.9%
Askari Commercial Bank Limited 30-SEP-14 30-SEP-24	5.5%
Faysal Bank Limited	3.8%
Jahangir Siddiqui and Company Ltd. 08-APR-14	3.0%
Bank Alfalah Limited (Floater)	1.5%
<b>Total</b>	<b>26.9%</b>

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 4,095,302/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0636/0.65%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

## Name of the Members of Investment Committee

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

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

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

## 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
World Call Telecom Limited	TFC	26,881,190	26,881,190	-	-	-
Saudi Pak Leasing	TFC	41,321,115	41,321,115	-	-	-
Eden Housing (Sukuk II)	SUKUK	19,687,500	19,687,500	-	-	-
AgriTech Limited II	TFC	149,875,800	149,875,800	-	-	-
AgriTech Limited V	TFC	22,180,000	22,180,000	-	-	-
New Allied Electronics (Sukuk II)	SUKUK	49,054,371	49,054,371	-	-	-
<b>Total</b>		<b>308,999,976</b>	<b>308,999,976</b>	-	-	-

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

Govt. Securities (AAA rated)	6.1%
AAA	0.3%
AA+	12.4%
AA	7.8%
AA-	40.4%
A+ & below	18.3%
MTS (Unrated)	13.2%
Other including receivables	1.5%
<b>Total</b>	<b>100.0%</b>

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# NAFA Asset Allocation Fund (NAAF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs.15.9327

May 2016

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010*
NAFA Asset Allocation Fund	3.0%	7.8%	11.5%	24.6%	13.7%	32.0%	14.4%	19.1%
Benchmark**	1.4%	4.2%	5.6%	9.6%	15.3%	17.1%	8.1%	11.5%

\* Annualized Return  
All Other returns are Cumulative

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.  
\*\*From January 01, 2014, KSE-30 Total Return Index

## General Information

Launch Date:	August 20, 2010
Fund Size:	Rs. 1,234 million
Type:	Open-end – Asset Allocation Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end – 3%, (Nil on investment above Rs. 50 million) Back end - 0%
Management Fee:	2% per annum
Risk Profile:	Moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:	1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index Total Return
Fund Manager:	Muhammad Imran, CFA, ACCA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## 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 3.0% while the Benchmark increased by 1.4%. Thus your Fund outperformed the Benchmark by 1.6%. Since inception on August 20, 2010 the Fund has posted 175.4% cumulative return, versus 87.3% by the Benchmark. Thus, to date the cumulative outperformance of your Fund stands at 88.1%. This outperformance is net of management fee and all other expenses.

NAAF started off the month with an allocation of around 60% in equities, which was increased to around 61% towards the end of the month NAAF outperformed the Benchmark in May as the Fund was underweight in select Commercial Banks and Cement sectors stocks which underperformed the market and overweight in select Oil & Gas Exploration Companies, Engineering, Textile Composite and Glass & Ceramics sectors stocks which outperformed the market. During the month, the allocation was increased primarily in Oil & Gas Exploration Companies sector whereas it was reduced primarily in Commercial Banks sectors.

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

	31-May-16	29-Apr-16
Equities / Stocks	60.8%	60.2%
Cash	30.4%	30.9%
Bank Placements	7.8%	8.1%
Others including receivables	1.0%	0.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NAAF	8.7	2.4	5.1%
KSE-30	9.3	2.1	5.6%

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

## Top Five Sectors (% of Total Assets) (as on 31 May, 2016)

Oil & Gas Exploration Companies	10.9%
Cement	8.9%
Commercial Banks	6.8%
Engineering	6.2%
Textile Composite	5.8%
Others	22.2%

## Name of the Members of Investment Committee

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

## WORKERS' WELFARE FUND (WWF)

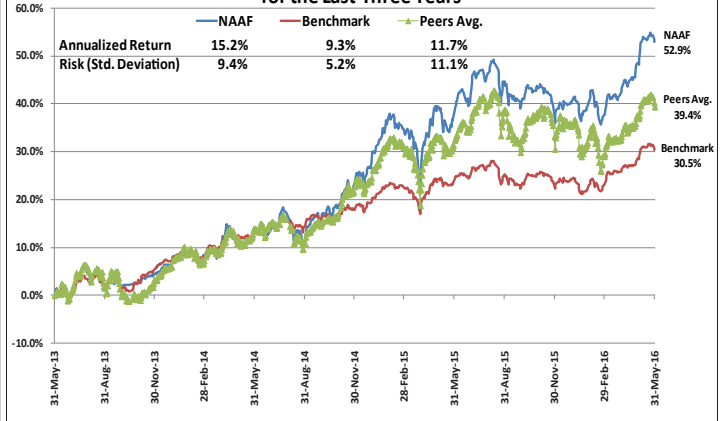
The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 18,637,505/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.2407/1.68%. For details investors are advised to read Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

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

## Top Ten Holdings (as on 31 May, 2016)

Name	Asset Class	% of Total Assets
Tariq Glass Ltd	Equity	3.3%
Pak Petroleum Ltd	Equity	3.1%
International Industries Ltd	Equity	3.1%
Kohinoor Textile Mills Ltd	Equity	3.0%
Pakistan Oilfields Ltd	Equity	2.9%
Nishat Mills Ltd	Equity	2.8%
Lucky Cement Ltd	Equity	2.7%
Mari Petroleum Company Ltd	Equity	2.5%
Thal Ltd	Equity	2.4%
D G Khan Cement Co Ltd	Equity	2.4%
<b>Total</b>		<b>28.2%</b>

## Relative Performance of NAFA Asset Allocation Fund (NAAF) for the Last Three Years



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# NAFA Islamic Asset Allocation Fund (NIAAF)



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

MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs.16.7513

May 2016

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch October 26, 2007*
NAFA Islamic Asset Allocation Fund	2.8%	10.3%	15.0%	33.8%	22.2%	36.3%	13.2%	28.4%	16.1%
Benchmark**	1.8%	7.2%	9.3%	12.1%	17.7%	28.9%	11.1%	24.4%	11.3%

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

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% KMI-30 Index & 50% Islamic Bank Deposit.

## General Information

Launch Date:	October 26, 2007
Fund Size:	Rs. 4,845 million
Type:	Open-end-Shariah Compliant -Asset Allocation Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M 2-3 business days
Settlement:	Forward Pricing
Pricing Mechanism:	Front end: 3%, (Nil on investment above Rs. 50 million), Back end: 0%
Load:	2% per annum
Management Fee:	Moderate
Risk Profile:	Pakistan Stock Exchange
Listing:	Central Depository Company (CDC)
Custodian & Trustee:	KPMG Taseer Hadi & Co. Chartered Accountants
Auditors:	Average of (i) average 3-month Islamic banks deposit rate (ii) 6-month KIBOR or its Shariah Compliant equivalent (iii) KMI 30 Index
Benchmark:**	Asim Wahab Khan, CFA
Fund Manager:	Growth Unit: Rs. 10,000/-
Minimum Subscription:	Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Asset Allocation Fund increased by 2.8% whereas the Benchmark increased by 1.8%, thus your Fund outperformed the Benchmark by 1%. Since inception your Fund has posted 260.1% return, versus 150.5% by the Benchmark. Thus, to-date the cumulative outperformance of your Fund stands at 109.6%. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 57% in equities, which was increased to around 67% towards the end of the month. NIAAF outperformed the Benchmark in May as the Fund was overweight in equities which recovered during the month. The Fund was also overweight in select Oil & Gas Exploration Companies and Textile Composite sectors stocks which outperformed the market. During the month, the allocation was increased Primarily in Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, Cement and Fertilizer Sectors whereas as it was reduced primarily in Pharmaceuticals sector.

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

Asset Allocation (% of Total Assets)	31-May-16	29-Apr-16
Equities / Stocks	67.2%	57.4%
Sukuks	0.9%	1.0%
Cash	31.0%	40.0%
Others including receivables	0.9%	1.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAF	9.1	2.7	4.7%
KMI-30	10.1	2.3	5.7%

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

## Top Five Sectors (% of Total Assets) (as on 31 May, 2016)

Oil & Gas Exploration Companies	13.3%
Cement	12.4%
Fertilizer	8.8%
Oil & Gas Marketing Companies	7.2%
Power Generation & Distribution	7.0%
Others	18.5%

## Name of the Members of Investment Committee

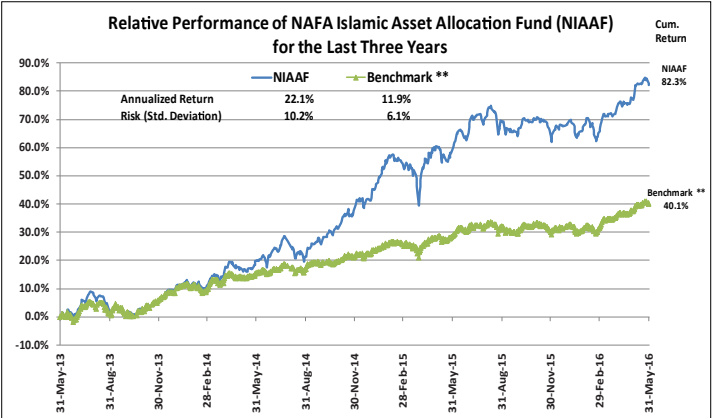
Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA  
Muhammad Imran, CFA, ACCA

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 15,789,039/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0546/0.38%. For details investors are advised to read the Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

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

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## Top Ten Holdings (as on 31 May, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	5.6%	Pak Petroleum Ltd	Equity	3.2%
Pakistan State Oil Co. Ltd	Equity	5.5%	Kohinoor Textile Mills Ltd	Equity	3.1%
Mari Petroleum Company Ltd	Equity	4.3%	Hub Power Company Ltd	Equity	2.9%
Lucky Cement Ltd	Equity	4.2%	Nishat Mills Ltd	Equity	2.5%
Pakistan Oilfields Ltd	Equity	4.0%	Kot Addu Power Co Ltd	Equity	2.4%

## Details of Non-Compliant Investments

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



# NAFA Multi Asset Fund (NMF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs.16.3416

May 2016

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch January 19, 2007*
NAFA Multi Asset Fund	2.8%	6.8%	9.8%	26.8%	25.4%	34.1%	15.5%	25.3%	15.6%
Benchmark**	1.9%	4.3%	6.2%	11.0%	19.6%	22.4%	8.0%	17.5%	9.2%

\* Annualized Return  
All Other returns are Cumulative

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.  
\*\*From January 01, 2014, KSE-30 Total Return Index

## General Information

Launch Date:	January 19, 2007
Fund Size:	Rs 1,500 million
Type:	Open-end – Balanced Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 3% (Nil on investment above Rs. 50 million) Back end: 0%
Management Fee:	2% per annum
Risk Profile:	Moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:	50% KSE-30 Total Return Index & 50% 3-month KIBOR
Fund Manager:	Asim Wahab Khan, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager's Commentary

During the month under review, NAFA Multi Asset Fund's (NMF) unit price (NAV) increased by 2.8% while the Benchmark increased by 1.9%. Thus your Fund outperformed the Benchmark by 0.9%. Since inception on January 19, 2007 your Fund has posted 288.9% return, versus 127.3% by the Benchmark. Thus, to-date the cumulative outperformance of your Fund stands at 161.6%. This outperformance is net of management fee and all other expenses.

NMF started off the month with an allocation of around 61% in equities which was increased to around 62% towards the end of the month. NMF outperformed the Benchmark in May as the Funds was underweight in Commercial Banks sectors stocks which underperformed the market and overweight in select Oil & Gas Exploration Companies, Engineering and Glass & Ceramics sectors stocks which outperformed the market. During the month, the allocation was slightly increased in Oil & Gas Exploration Companies, Power Generation & Distribution, and Engineering sectors whereas as it was reduced primarily in Pharmaceuticals, Cement, and Technology & Communication sectors.

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

Equities / Stocks	62.2%	60.7%
TFCs / Sukuks	7.7%	5.2%
Cash	26.5%	30.8%
PIBs	2.6%	2.6%
Others including receivables	1.0%	0.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NMF	8.8	2.4	5.1%
KSE-30	9.3	2.1	5.6%

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

## Top Five Sectors (% of Total Assets) (as on 31 May, 2016)

Oil & Gas Exploration Companies	10.1%
Cement	8.3%
Commercial Banks	7.8%
Textile Composite	6.6%
Engineering	5.3%
Others	24.1%

## Name of the Members of Investment Committee

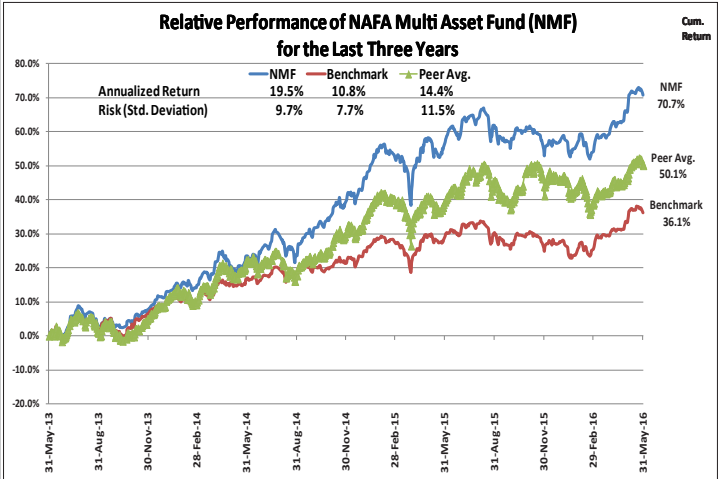
Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Muhammad Imran, CFA, ACCA

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 20,016,564/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.2181/1.46%. For details investors are advised to read Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

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

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Documents to understand the investment policies and the risks involved. The scheme holds certain non-compliant investments. Before making any investment decision, investors should review the latest monthly Fund Manager Report and Financial statements. The reported return may include provisions and reversal of provisions against some debt securities.



## Top Ten Holdings (as on 31 May, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
K Electric Azm	Sukuk	5.1%	Mari Petroleum Company Ltd	Equity	2.6%
Kohinoor Textile Mills Ltd	Equity	3.2%	International Industries Ltd	Equity	2.6%
Nishat Mills Ltd	Equity	3.0%	Jahangir Siddiqui and Co Ltd	TFC	2.6%
Engro Corporation Ltd	Equity	2.9%	Pakistan Oilfields Ltd	Equity	2.4%
Pak Petroleum Ltd	Equity	2.7%	Kot Addu Power Co Ltd	Equity	2.4%

## Details of Non-Compliant Investments

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

## Performance

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	Since Launch* January 09, 2015
NAFA Islamic Stock Fund	3.8%	11.8%	17.0%	17.1%
Benchmark	4.5%	10.5%	15.7%	14.4%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date:	January 9, 2015
Fund Size:	Rs. 2,074 million
Type:	Open-end-Shariah Compliant-Equity Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism Load:	Forward Pricing Front end 3% (Nil on investment above Rs 50 million) Back end - 0%
Management Fee:	2% per annum
Risk Profile	High
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	"A. F. Ferguson & Co. Chartered Accountants"
Benchmark:	KMI-30 Index
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager's Commentary

During the month under review, NAFA Islamic Stock Fund's (NISF) unit price (NAV) increased by 3.8%, whereas the Benchmark increased by 4.5%, thus an underperformance of 0.7% was recorded. Since inception on January 9, 2015 your Fund has posted 24.5% cumulative return, versus 20.6% by the Benchmark. Thus, to-date the cumulative outperformance of your Fund stands at 3.9%. This outperformance is net of management fee and all other expenses.

NISF started off the month with an allocation of around 90% in equities, which was decreased to around 86% during the month. NISF underperformed the Benchmark in May as the Fund was underweight in select Fertilizers and Power Generation & Distribution sectors stocks which outperformed the market and overweight in select, Technology & Communication, Food & Personal Care Products and Cement sectors stocks which underperformed the market. During the month, the allocation was primarily increased in Oil & Gas Exploration Companies, and Oil & Gas Marketing Companies, sectors stocks whereas it was reduced primarily in Cement, Technology & Communication and Textile Composite sectors.

## Asset Allocation (% of Total Assets)

	31-May-16	29-Apr-16
Equities / Stocks	86.4%	90.0%
Cash Equivalents	12.7%	9.0%
Others including receivables	0.9%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NISF	8.8	2.7	4.2%
KMI-30	10.1	2.3	5.7%

\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 31 May, 2016)

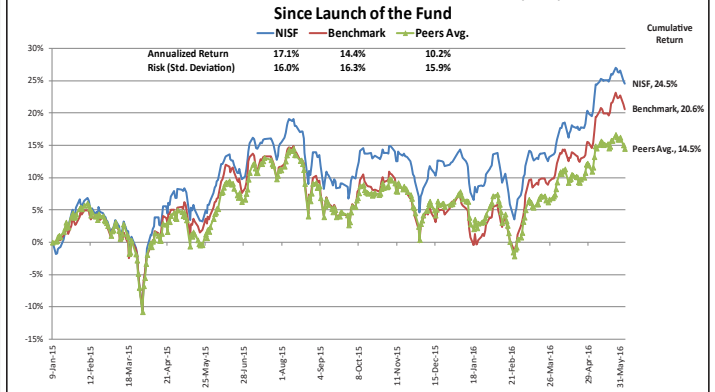
Cement	18.9%
Oil & Gas Exploration Companies	14.5%
Oil & Gas Marketing Companies	8.3%
Fertilizer	8.2%
Textile Composite	6.3%
Others	30.2%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 2,403,366/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0141/0.15%.For details investors are advised to read the Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2016.From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

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

## Relative Performance of NAFA Islamic Stock Fund (NISF)



## Top Ten Holdings (as on 31 May, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Mari Petroleum Co Ltd	Equity	6.6%	Nishat Mills Ltd	Equity	3.9%
Engro Corporation Ltd	Equity	6.3%	Pakistan Oilfields Ltd	Equity	3.8%
Pakistan State Oil Co Ltd	Equity	5.3%	Attock Cem.Pak.Ltd	Equity	3.2%
Lucky Cement Ltd	Equity	5.2%	Indus Motor Company Ltd	Equity	2.9%
Pak Petroleum Ltd	Equity	4.1%	D G Khan Cement Co Ltd	Equity	2.6%

## 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

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch January 19, 2007*
NAFA Stock Fund	3.4%	8.9%	13.4%	36.9%	36.3%	55.0%	22.0%	28.4%	17.0%
Benchmark**	3.2%	2.2%	5.3%	12.3%	29.6%	36.0%	2.9%	21.2%	6.5%

\* Annualized Return  
All Other returns are Cumulative

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.  
\*\*From January 01, 2014, KSE-30 Total Return Index

## General Information

Launch Date:	January 19, 2007
Fund Size:	Rs. 6,998 million
Type:	Open-end – Equity Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 3% (Nil on investment above Rs. 50 million), Back end: 0%
Management Fee:	2% per annum
Risk Profile:	High
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:	KSE-30 Total Return Index
Fund Manager:	Asim Wahab Khan, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## 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 3.4%, whereas the Benchmark increased by 3.2%, thus an outperformance of 0.2% was recorded. Since inception on January 19, 2007 your Fund has posted 334.7% cumulative return, versus 80% by the Benchmark. Thus, to-date the cumulative outperformance of your Fund stands at 254.7%. 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. NSF outperformed the Benchmark in May as the Fund was underweight in Commercial Banks sectors stocks which underperformed the market and overweight in select Oil & Gas Exploration Companies, Engineering, Textile Composite and Glass & Ceramics sectors stocks which outperformed the market. During the month, the allocation was primarily increased in Engineering and Textile Composite sectors whereas as it was reduced primarily in Cements, Power Generation & Distribution and Technology & Communication sectors.

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

	31-May-16	29-Apr-16
Equities / Stock	90.7%	90.9%
Cash	1.4%	8.6%
Others including receivables	7.9%	0.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NSF	8.7	2.4	5.0%
KSE-30	9.3	2.1	5.6%

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

## Top Five Sectors (% of Total Assets) (as on 31 May, 2016)

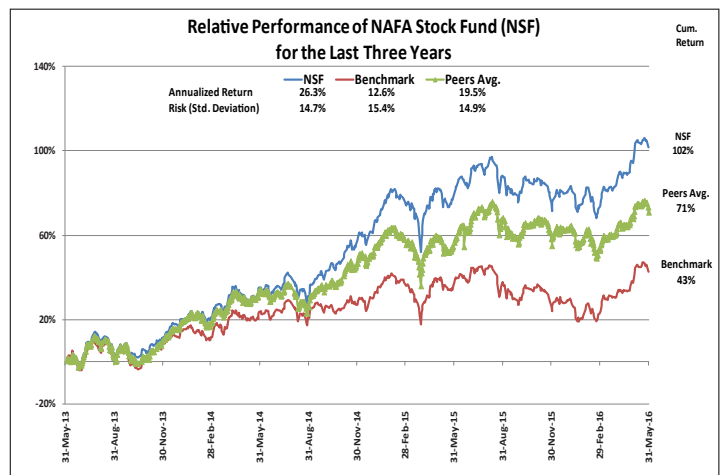
Cement	15.4%
Oil & Gas Exploration Companies	14.8%
Engineering	9.1%
Commercial Banks	9.0%
Textile Composite	8.5%
Others	33.9%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 47,574,549/-, If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0941/0.77%. For details investors are advised to read the Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

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

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## Top Ten Equity Holdings (as on 31 May, 2016)

Name	% of Total Assets	Name	% of Total Assets
Engro Corporation Ltd	5.4%	Oil & Gas Dev Co Ltd	3.8%
Pakistan State Oil Co Ltd	4.7%	International Industries Ltd	3.8%
Nishat Mills Ltd	4.2%	Pakistan Oilfields Ltd	3.5%
Mari Petroleum Company Ltd	4.1%	Lucky Cement Ltd	3.4%
International Steel Ltd	4.0%	Pak Petroleum Ltd	3.3%

## 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

	Fund Size (Rs. in mn)	NAV Per Unit (Rs.) May 31, 2016	Performance %				
			May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	Since Launch July 02, 2013
NPF-Equity Sub-fund	548.1	236.2140	3.8%*	12.4%*	17.9%*	49.6%*	33.8%
NPF-Debt Sub-fund	357.7	134.8766	4.6%	5.5%	5.3%	17.3%	10.4%
NPF-Money Market Sub-fund	316.4	122.6090	4.4%	4.9%	4.9%	7.8%	6.8%

\* Cumulative Returns  
All Other returns are annualized

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

General Information		Investment Objective
Launch Date:	July 2, 2013	To provide a secure source of savings and regular income after retirement to the Participants.
Fund size:	Rs. 1,222 million	
Type:	Open-end – Voluntary Pension Scheme	<b>Fund Manager's Commentary</b>
Dealing Days:	Daily – Monday to Friday	
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M	<b>During the month of May:</b>
Pricing Mechanism:	Forward Pricing	NPF Equity Sub-fund unit price increased by 3.8% compared with 3.9% increased in KSE-100 Index. The Sub-fund was around 96% invested in equities with major weights in Oil & Gas Exploration, Cement, and Textile Composite sectors. Equity Sub-fund maintains exposure of at least 90% in listed equities on average. Last 90 days average allocation in equity was 96% of net asset.
Front end Load:	Upto 3% on Contributions	NPF Debt Sub-fund generated annualized return of 4.6%. The Sub-fund was invested primarily in Government securities and TFCs. Debt Sub-fund maintains a minimum combined exposure of 50% in Government Securities (25% minimum) and AA+ rated banks. Weighted Average Maturity of Sub-fund is 0.9 year.
Back end Management Fee:	0%	NPF Money Market Sub-fund generated annualized return of 4.4%. In line with its investment strategy, the Sub Fund will maintain high exposure in money market securities. Money Market Sub-fund average maturity cannot exceed 90 days. Weighted Average Maturity of Sub-fund is 4 days.
On average Annual Net Assets of each Sub-fund:	Equity 1.50% Debt 1.50% Money Market 1.50%	
Risk Profile:	Investor dependent	
Custodian & Trustee:	Central Depository Company (CDC)	
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants	
Fund Manager:	Sajjad Anwar, CFA	
Minimum Subscription:	Initial: Rs. 10,000/- Subsequent: Rs. 1,000/-	
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)	
Leverage	Nil	

**Credit Quality of the Portfolio (as on 31 May, 2016)**

	Debt	Money Market
Government Securities (AAA rated)	76.2%	-
AAA	0.7%	-
AA+	16.2%	20.7%
AA	-	2.5%
AA-	5.4%	20.7%
A+	-	54.8%
Others	1.5%	1.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**Asset Allocation (% of Total Assets)**

	31-May-16	29-Apr-16
<b>Equity Sub-fund</b>	<b>31-May-16</b>	<b>29-Apr-16</b>
Equity	96.1%	95.4%
Cash Equivalents	3.6%	4.0%
Others	0.3%	0.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Debt Sub-fund</b>	<b>31-May-16</b>	<b>29-Apr-16</b>
Cash Equivalents	9.9%	6.3%
TFC/Sukuk	12.4%	11.8%
PIBs	12.8%	12.4%
T-Bills	63.4%	68.0%
Others	1.5%	1.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Money Market Sub-fund</b>	<b>31-May-16</b>	<b>29-Apr-16</b>
Cash Equivalents	83.0%	82.8%
Bank Placement	15.7%	16.2%
Others	1.3%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**WORKERS' WELFARE FUND (WWF)**

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

	Total amount Provided Rs	Amount Per Unit Rs	Last One Year return would otherwise have been higher by:
Equity Sub-Fund	2,346,729	1.0114	0.51%
Debt Sub-Fund	809,223	0.3051	0.24%
Money Market Sub-Fund	351,954	0.1364	0.12%

For details investors are advised to read the Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

Notes: 1) The calculation of performance does not include cost of front-end load.  
2) Taxes apply. Further, tax credit also available as per section 63 of the Income Tax Ordinance, 2001.

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**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 3.8% compared with 3.9% increased in KSE-100 Index. The Sub-fund was around 96% invested in equities with major weights in Oil & Gas Exploration, Cement, and Textile Composite sectors. Equity Sub-fund maintains exposure of at least 90% in listed equities on average. Last 90 days average allocation in equity was 96% of net asset.  
NPF Debt Sub-fund generated annualized return of 4.6%. The Sub-fund was invested primarily in Government securities and TFCs. Debt Sub-fund maintains a minimum combined exposure of 50% in Government Securities (25% minimum) and AA+ rated banks. Weighted Average Maturity of Sub-fund is 0.9 year.  
NPF Money Market Sub-fund generated annualized return of 4.4%. In line with its investment strategy, the Sub Fund will maintain high exposure in money market securities. Money Market Sub-fund average maturity cannot exceed 90 days. Weighted Average Maturity of Sub-fund is 4 days.

**Top Five Sectors (% of Total Assets) (as on 31 May, 2016)**

Oil & Gas Exploration	18.3%
Cement	15.1%
Textile Composite	7.6%
Fertilizer	7.5%
Commercial Banks	7.3%
Others	40.3%

**Top Ten Holdings of Equity Sub-fund (as on 31 May, 2016)**

Name	(% of Total Assets)	Name	(% of Total Assets)
Mari Petroleum Company Ltd	5.7%	Nishat Mills Ltd	4.5%
Engro Corporation Ltd	5.4%	Pakistan State Oil Co Ltd	4.1%
Lucky Cement Ltd	5.1%	Oil & Gas Dev Co Ltd	3.4%
Pakistan Petroleum Ltd	4.6%	D. G. Khan Cement Co Ltd	3.0%
Pakistan Oilfields Ltd	4.5%	Kot Addu Power Co Ltd	2.8%

**As on 31 May, 2016**

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

Name	(% of Total Assets)
Jahangir Siddiqui and Company Ltd 08-APR-14	5.5%
Askari Commercial Bank Limited	5.0%
Jahangir Siddiqui and Company Ltd.(Pre IPO) 16-MAY-16 16-MAY-21	0.8%
Standard Chartered Bank (Pakistan) Limited IV	0.7%
Faysal Bank Limited III	0.4%
<b>Total</b>	<b>12.4%</b>

**Name of the Members of Investment Committee**

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

Performance %							
	Fund Size (Rs. in mn)	NAV Per Unit (Rs.) May 31, 2016	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	Since Launch July 02, 2013
NIPF-Equity Sub-fund	396.2	237.7134	4.1%*	14.3%*	19.9%*	51.5%*	34.3%
NIPF-Debt Sub-fund	250.1	119.5154	4.3%	4.0%	4.0%	5.6%	6.0%
NIPF-Money Market Sub-fund	137.4	119.4060	4.4%	4.0%	3.9%	6.2%	5.9%

\* Cumulative Returns  
All Other returns are annualized

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

General Information		Investment Objective
Launch Date:	July 2, 2013	To provide a secure source of savings and regular income after retirement to the Participants.
Fund Size:	Rs. 784 million	
NAFA Islamic Pension Fund-NIPF Type:	Open-end – Shariah Compliant Voluntary Pension Scheme	Fund Manager's Commentary
Dealing Days:	Daily – Monday to Friday	During the month of May:
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M	
Pricing Mechanism:	Forward Pricing	NIPF Equity Sub-fund unit price increased by 4.1% compared with 4.5% increased in KMI-30 Index. The Sub-fund was around 94% invested in equities with major weights in Cement, Oil & Gas Exploration Companies, and, Fertilizer sectors. Equity Sub-fund maintains exposure of atleast 90% in listed equities on average. Last 90 days average allocation in equity was 95% of net asset.
Front end Load:	Upto 3% on Contributions	
Back end Management Fee:	0%	NIPF Debt Sub-fund generated annualized return of 4.3%. The Sub-fund was invested primarily in GoP Ijara Sukuks and Islamic bank deposits. Debt Sub-fund maintains a minimum combined exposure of 50% in Islamic Government Securities (25% minimum) and A+ rated Islamic banks / AA rated Islamic windows. Weighted Average Maturity of Sub-fund is 1.0 year.
	On average Annual Net Assets of each Sub-fund.	
Risk Profile:	Investor dependent	NIPF Money Market Sub-fund generated annualized return of 4.4%. The Sub-fund was invested primarily in Islamic bank deposits. Money Market Sub-fund average maturity cannot exceed 1 year. Weighted Average Maturity of Sub-fund is 0.3 year.
Custodian & Trustee:	Central Depository Company (CDC)	
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants	
Fund Manager:	Sajjad Anwar, CFA	
Minimum Subscription:	Initial: Rs. 10,000/- Subsequent: Rs. 1,000/-	
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)	
Leverage:	Nil	

Credit Quality of the Portfolio (as on 31 May 2016)		
	Debt	Money Market
Government Securities (AAA rated)	43.5%	10.6%
AAA	11.5%	3.8%
AA+	22.4%	21.6%
AA	3.0%	6.4%
AA-	-	18.6%
A+	17.4%	37.3%
Others	2.2%	1.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Asset Allocation (% of Total Assets)		
Equity Sub-fund	31-May-16	29-Apr-16
Equity	94.3%	94.6%
Cash Equivalents	5.4%	4.5%
Others including receivables	0.3%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Debt Sub-fund	31-May-16	29-Apr-16
Cash Equivalents	54.3%	65.8%
GOP Ijara Sukuk	43.5%	32.5%
Others	2.2%	1.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Money Market Sub-fund	31-May-16	29-Apr-16
Cash Equivalents	87.7%	86.5%
GOP Ijara Sukuk	10.6%	11.9%
Others	1.7%	1.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

WORKERS' WELFARE FUND (WWF)			
NIPF has maintained provisions against Workers' Welfare Fund's liability in individual sub-Funds as stated below:			
	Total amount Provided Rs	Amount Per Unit Rs	Last One Year return would otherwise have been higher by:
Equity Sub-Fund	1,341,944	0.8051	0.42%
Debt Sub-Fund	182,708	0.0873	0.08%
Money Market Sub-Fund	137,561	0.1196	0.10%

For details investors are advised to read the Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

- Notes: 1) The calculation of performance does not include cost of front-end load.  
2) Taxes apply. Further, tax credit also available as per section 63 of the Income Tax Ordinance, 2001.

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

Top Five Sectors (% of Total Assets) (as on 31 May, 2016)	
Cement	16.8%
Oil & Gas Exploration	16.4%
Fertilizer	10.3%
Oil & Gas Marketing	9.2%
Power Generation & Distribution	6.3%
Others	35.3%

Top Ten Holdings of Equity Sub-fund (as on 31 May, 2016)			
Name	(% of Total Assets)	Name	(% of Total Assets)
Engro Corporation Limited	6.7%	Pakistan Oilfields Ltd	4.5%
Mari Gas Company Limited	6.4%	Hub Power Company Ltd	3.1%
Pakistan State Oil Co. Ltd.	6.3%	D. G. Khan Cement Co Ltd	3.0%
Pakistan Petroleum Ltd	5.5%	Kohinoor Textile Mills Ltd.	2.7%
Lucky Cement Ltd	5.0%	Fauji Cement Company Ltd.	2.4%

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

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	Since Launch March 05, 2014*
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	1.5%	2.9%	5.1%	21.3%	11.7%
Benchmark	2.4%	5.0%	7.7%	11.0%	8.8%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date:	March 5, 2014
Fund Size:	Rs. 723 million
Type:	Open-end Shariah Compliant -Capital Protected Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Back end: 0%
Management Fee:	2% per annum
Risk Profile:	Low
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

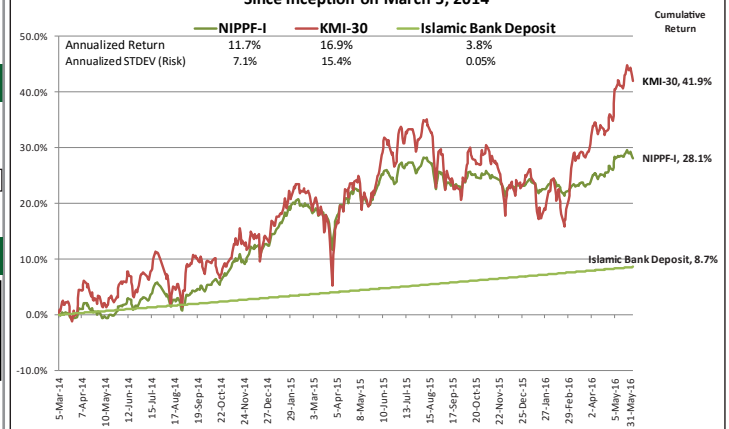
## Investment Objective

The objective of NAFA Islamic Principal 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

Since inception, NIPPF- I has generated a cumulative return of 28.1% versus 20.8% return of the Benchmark. The current equity exposure stands at around 48%. During the month, maximum multiplier stood at 2.6 whereas minimum multiplier was 2.4. Key holdings of the Fund belong to Cement, Oil & Gas Exploration Companies, and Fertilizer sectors. The Fund can invest up to 50% in equities subject to cushion availability. We are confident that the Fund will generate good returns considering the improved macroeconomic and political outlook and built in dynamic equity allocation mechanism of the Fund.

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



## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

	31-May-16	29-Apr-16
Equities / Stocks	47.6%	47.1%
Cash	51.2%	51.9%
Others including receivables	1.2%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIPPF-I	9.3	2.4	5.4%
KMI-30	10.1	2.3	5.7%

\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 31 May, 2016)

Cement	7.8%
Oil & Gas Exploration Companies	7.3%
Fertilizer	5.6%
Oil & Gas Marketing Companies	5.2%
Power Generation & Distribution	5.2%
Others	16.5%

## Top Ten Holdings (as on 31 May, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pak Petroleum Ltd	Equity	3.6%	Kot Addu Power Co Ltd	Equity	2.7%
Pakistan State Oil Co. Ltd	Equity	3.3%	Hub Power Company Ltd	Equity	2.5%
Engro Corporation Ltd	Equity	3.2%	Lucky Cement Ltd	Equity	1.8%
Indus Motor Company Ltd	Equity	3.1%	Meezan Bank Ltd	Equity	1.7%
Pakistan Oilfields Ltd	Equity	2.9%	Engro Fertilizer Ltd	Equity	1.7%

## Name of the Members of Investment Committee

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

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 7,552,236/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 1.1857/1.09%. For details investors are advised to read Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2016.From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs.113.3966

May 2016

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	Since Launch June 27, 2014*
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	1.9%	2.1%	5.2%	21.0%	11.7%
Benchmark	2.8%	5.4%	8.8%	12.2%	9.3%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date:	June 27, 2014
Fund Size:	Rs. 1,187 million
Type:	Open-end Shariah Compliant -Capital Protected Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Back end: 0%
Management Fee:	2% per annum
Risk Profile:	Low
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager's Commentary

Since inception, NIPPF- II has generated a cumulative return of 23.7% versus 18.7% return of the Benchmark. The current equity exposure stands at around 65%. During the month, maximum multiplier stood a 3.9 whereas minimum multiplier was 3.5. Key holdings of the Fund belong to Cement, Oil & Gas Exploration Companies, and Oil & Gas Marketing Companies. The Fund can invest up to 100% in equities subject to cushion availability. We are confident that the Fund will continue to generate good returns considering the improved macroeconomic and political outlook and built in dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

	31-May-16	29-Apr-16
Equities / Stocks	64.6%	55.8%
Cash Equivalents	34.6%	43.3%
Others including receivables	0.8%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIPPF-II	8.7	2.4	5.2%
KMI-30	10.1	2.3	5.7%

\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 31 May, 2016)

Cement	11.3%
Oil & Gas Exploration	9.1%
Oil & Gas Marketing	8.6%
Fertilizer	6.9%
Textile Composite	6.8%
Others	21.9%

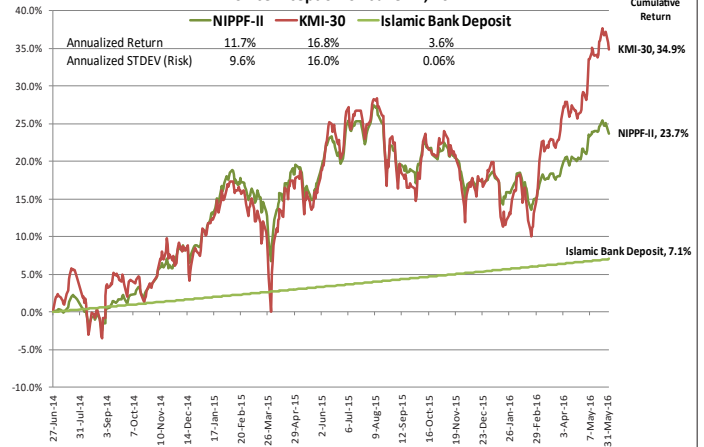
## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 5,069,719,-/If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.4841/0.45%. For details investors are advised to read Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

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

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## Relative Performance of NAFA Islamic Principal Protected Fund-II (NIPPF-II) Since Inception on June 27, 2014



## Top Ten Holdings (as on 31 May, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	4.7%	Lucky Cement Ltd	Equity	3.4%
Pakistan State Oil Co Ltd	Equity	4.5%	Kohinoor Textile Mills Ltd	Equity	3.4%
Pakistan Oilfields Ltd	Equity	4.2%	Hub Power Company Ltd	Equity	2.9%
Pak Petroleum Ltd	Equity	3.8%	Kot Addu Power Co Ltd	Equity	2.8%
Nishat Mills Ltd	Equity	3.5%	Attock Petroleum Ltd	Equity	2.2%

## 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

## Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	Since Launch January 09, 2015*
NAFA Islamic Principal Preservation Fund (NIPPF)	1.3%	3.4%	5.4%	6.1%
Benchmark	1.5%	1.9%	4.1%	4.5%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date:	January 9, 2015
Fund Size:	Rs. 1,366 million
Type:	Open End Shariah Compliant Fund of Funds
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Back end Load:	1% in year 1, 0.5% in year 2 and no load beyond 2 years
Management Fee:	1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a.
Risk Profile:	Low
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

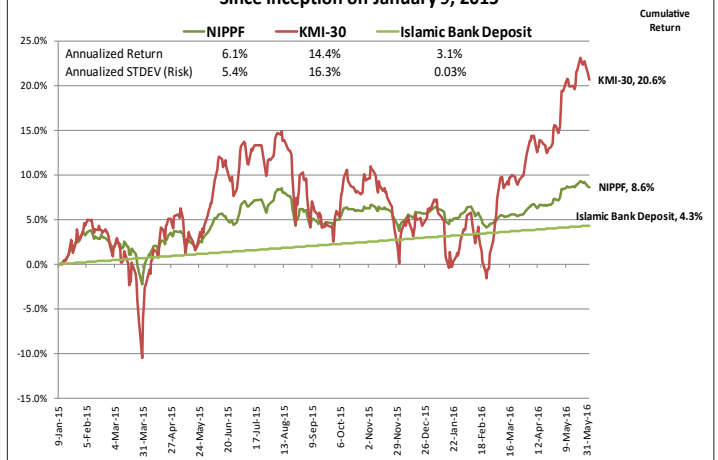
## Investment Objective

The objective of NAFA Islamic Principal Preservation Fund is to earn a potentially high return through dynamic asset allocation between Shariah compliant equity related, and Shariah compliant income/ money market Collective Investment Schemes, while providing principal preservation.

## Fund Manager's Commentary

Since inception, NIPPF has generated a cumulative return of 8.6% versus 6.4% return of the Benchmark. The current exposure in equity/asset allocation funds stands at around 34%. During the month, maximum multiplier stood at 3.9 whereas minimum multiplier was 3.5. The Fund can invest up to 100% in equity related funds subject to cushion availability. We are confident that the Fund will generate good returns considering the improved macroeconomic and political outlook and built in dynamic equity allocation mechanism of the Fund.

### Relative Performance of NAFA Islamic Principal Preservation Fund (NIPPF) Since Inception on January 9, 2015



## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

Islamic Stock Fund	22.2%	19.6%
Islamic Asset Allocation Fund	12.2%	9.8%
Cash	64.6%	69.8%
Others including receivables	1.0%	0.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAF	9.1	2.7	4.7%
NISF	8.8	2.7	4.2%
KMI-30	10.1	2.3	5.7%

\*\* Based on NAFA's estimates

## Top Holdings (%age of total assets) (as on 31 May, 2016)

NAFA Islamic Stock Fund	22.2%
NAFA Islamic Asset Allocation Fund	12.2%
<b>Total</b>	<b>34.4%</b>

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 1,767,381/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1365/0.14%.For details investors are advised to read the Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

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

## Name of the Members of Investment Committee

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



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs.108.6232

May 2016

## Performance \*

Performance Period %	May 2016	Since Launch January 15, 2016
NAFA Islamic Active Allocation Plan-I	2.1%	8.6%
Benchmark	3.1%	11.4%

\* Cumulative Return

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

## General Information

Launch Date:	January 15, 2016
Fund Size:	Rs. 1,205 million
Type:	Open Ended Shariah Compliant Fund of Funds
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Back end Load:	Nil
Management Fee:	1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a.
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment.
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager's Commentary

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

Since inception, NIAAP-I has generated a return of 8.6% versus 11.4% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 64.9% & 32.4% respectively. The Plan can invest up to 100% in equity funds. We are confident that the Plan will generate good returns considering the improved macroeconomic and political outlook and dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

Asset Allocation (% of Total Assets)	31-May-16	29-Apr-16
Shariah Compliant Funds	97.3%	96.4%
Cash Equivalents	2.6%	3.5%
Others including receivables	0.1%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF	9.2	2.7	4.4%
KMI-30	10.1	2.3	5.7%

\*\* Based on NAFA's estimates

## Top Holdings (% age of total assets) (as on 31 May, 2016)

NAFA Islamic Active Allocation Equity Fund	64.9%
NAFA Active Allocation Riba Free Savings Fund	32.4%
<b>Total</b>	<b>97.3%</b>

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

## Name of the Members of Investment Committee

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

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



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs.105.4707

May 2016

## Performance\*

Performance Period %	May 2016	Since Launch March 04, 2016
NAFA Islamic Active Allocation Plan-II	2.0%	5.5%
Benchmark	3.1%	6.7%

\* Cumulative Returns

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

## General Information

Launch Date:	March 04, 2016
Fund Size:	Rs. 822 million
Type:	Open Ended Shariah Compliant Fund of Funds
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Back end Load:	Nil
Management Fee:	1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a.
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment.
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager's Commentary

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

Since inception, NIAAP- II has generated a return of 5.5% versus 6.7% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 65.1% & 30.7% respectively. The Plan can invest up to 100% in equity funds. We are confident that the Plan will generate good returns considering the improved macroeconomic and political outlook and dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

	31-May-16	29-Apr-16
Shariah Compliant Funds	95.8%	94.0%
Cash Equivalents	4.1%	5.7%
Others including receivables	0.1%	0.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF**	9.2	2.7	4.4%
KMI-30	10.1	2.3	5.7%

\*\* Based on NAFA's estimates

## Top Holdings (%age of total assets) (as on 31 May, 2016)

NAFA Islamic Active Allocation Equity Fund	65.1%
NAFA Active Allocation Riba Free Savings Fund	30.7%
<b>Total</b>	<b>95.8%</b>

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

## Name of the Members of Investment Committee

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

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# NAFA Active Allocation Riba Free Savings Fund



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs.10.1605

May 2016

## Performance

Performance Period %*	May 2016	Since Launch January 18, 2016
NAFA Active Allocation Riba Free Savings Fund	4.2%	4.4%
Benchmark	4.7%	4.7%

\* Annualized Simple Return

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

## General Information

Launch Date:	January 18, 2016
Fund Size:	Rs. 648 Million
Type:	Open-end – Shariah Compliant Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Front end: 0% Back end: 0%
Management Fee:	1.25% per annum
Risk Profile:	Low
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average of 6-Month deposit rates (A- & above rated Islamic banks)
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription	Rs. 10,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

## Investment Objective

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

## Fund Manager's Commentary

During the month under review, the Fund has generated an annualized return of 4.2% against the benchmark return of 4.7%. The performance is net of management fee and all other expenses.

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

Around 99.0% of the portfolio is allocated in bank deposits. The higher allocation in bank deposits is due to better yields as compared to other authorized alternative investment avenues. The weighted average time-to-maturity of the Fund is 1 day.

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

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

Bank Deposits	99.0%	98.7%
Other including receivables	1.0%	1.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

A+	49.1%
A-	49.9%
Other including receivables	1.0%
<b>Total</b>	<b>100.0%</b>

## Name of the Members of Investment Committee

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

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

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# NAFA Islamic Active Allocation Equity Fund



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs.11.5521

May 2016

## Performance\*

Performance Period %	May 2016	Since Launch January 18, 2016
NAFA Islamic Active Allocation Equity Fund	3.3%	15.5%
Benchmark	4.5%	21.1%

\* Cumulative Return  
(Returns are net of management fee & all other expenses)

## General Information

Launch Date:	January 18, 2016
Fund Size:	Rs. 1,326 million
Type:	Open Ended Shariah Compliant Equity Scheme
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Front end-0% Back end-0%
Management Fee:	2% p.a
Risk Profile	High
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	KMI-30 Index
Fund Manager:	Asim Wahab Khan, CFA
Asset Manager Rating:	AM2++ by PACRA ( High Investment Management Standards)

## Investment Objective

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

## Fund Manager's Commentary

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

NIAAEF started off the month with an allocation of around 92% in equities, which was increased to around 93% during the month. NIAAEF underperformed the Benchmark in May as the Fund was underweight in select Fertilizers and Power Generation & Distribution sectors stocks which outperformed the market and overweight in select Technology & Communication, Food & Personal Care Products and Automobile Assembler sectors stocks which underperformed the market. During the month, the allocation was primarily increased in Oil & Gas Exploration Companies, Oil & Gas Marketing Companies and Automobile Assemblers sectors whereas it was reduced primarily in Power Generation & Distribution sectors.

## Top Ten Holdings (as on 31 May, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan State Oil Co Ltd	Equity	6.5%	Mari Petroleum Company Ltd	Equity	4.6%
Engro Corporation Ltd	Equity	6.0%	Pakistan Oilfields Ltd	Equity	4.5%
Lucky Cement Ltd	Equity	5.8%	Attock Cement Pak Ltd	Equity	3.9%
Nishat Mills Ltd	Equity	5.2%	Hub Power Company Ltd	Equity	3.6%
Pak Petroleum Ltd	Equity	4.8%	Fauji Cement Company Ltd	Equity	3.0%

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

Equities / Stocks	93.2%	91.8%
Cash Equivalents	6.2%	7.3%
Others including receivables	0.6%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF	9.2	2.7	4.4%
KMI-30	10.1	2.3	5.7%

\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 31 May, 2016)

Cement	18.8%
Oil & Gas Exploration Companies	16.0%
Oil & Gas Marketing Companies	9.1%
Fertilizer	8.3%
Textile Composite	7.4%
Others	33.6%

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

## Name of the Members of Investment Committee

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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2016): Rs. 10.6563

May 2016

## Performance %\*

Performance Period	May 2016	Since Launch April 21, 2016
NAFA Islamic Energy Fund	5.0%	6.6%
Benchmark	4.5%	7.3%

\* Cumulative Return (Returns are net of management fee & all other expenses)

## General Information

Launch Date:	April 21, 2016
Fund Size:	Rs. 1,150 million
Type:	Open Ended Shariah Compliant Equity Scheme
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Front end 3% (Nil on investment above Rs 50 million) Back end - 0%
Management Fee:	2% p.a
Risk Profile	High
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	KMI-30 Index
Fund Manager:	Asim Wahab Khan, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA ( High Investment Management Standards)

## Investment Objective

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

## Fund Manager's Commentary

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

Since launch, NIEF has generated a cumulative return of 6.6% versus 7.3% return of the Benchmark and its current exposure stands at around 82%. Holdings of the Fund belong to Oil & Gas Exploration, Oil & Gas Marketing, Power Generation & Distribution and Refinery sectors.

## Top Ten Holdings (as on 31 May, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Mari Petroleum Co Ltd	Equity	13.1%	Kot Addu Power Co Ltd	Equity	5.7%
Pakistan State Oil Co. Ltd	Equity	11.4%	Hub Power Company Ltd	Equity	4.1%
Pak Petroleum Ltd	Equity	10.7%	K-Electric Ltd	Equity	3.8%
Pakistan Oilfields Ltd	Equity	9.7%	Attock Refinery Ltd	Equity	3.6%
Oil & Gas Dev Co Ltd	Equity	6.3%	Sui Northern Gas Pipelines Ltd	Equity	3.6%

## Asset Allocation (% of Total Assets) 31-May-16 29-Apr-16

Equities / Stocks	81.6%	78.2%
Cash Equivalents	17.7%	20.7%
Others including receivables	0.7%	1.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIEF	9.1	2.7	5.0%
KMI-30	10.1	2.3	5.7%

\*\* Based on NAFA's estimates

## Sectors (% of Total Assets) (as on 31st May, 2016)

Oil & Gas Exploration	39.7%
Oil & Gas Marketing	21.6%
Power Generation & Distribution	13.7%
Refinery	6.6%

Notes: 1) The calculation of performance does not include cost of front end load.  
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## Name of the Members of Investment Committee

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Muhammad Imran, CFA, ACCA

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