

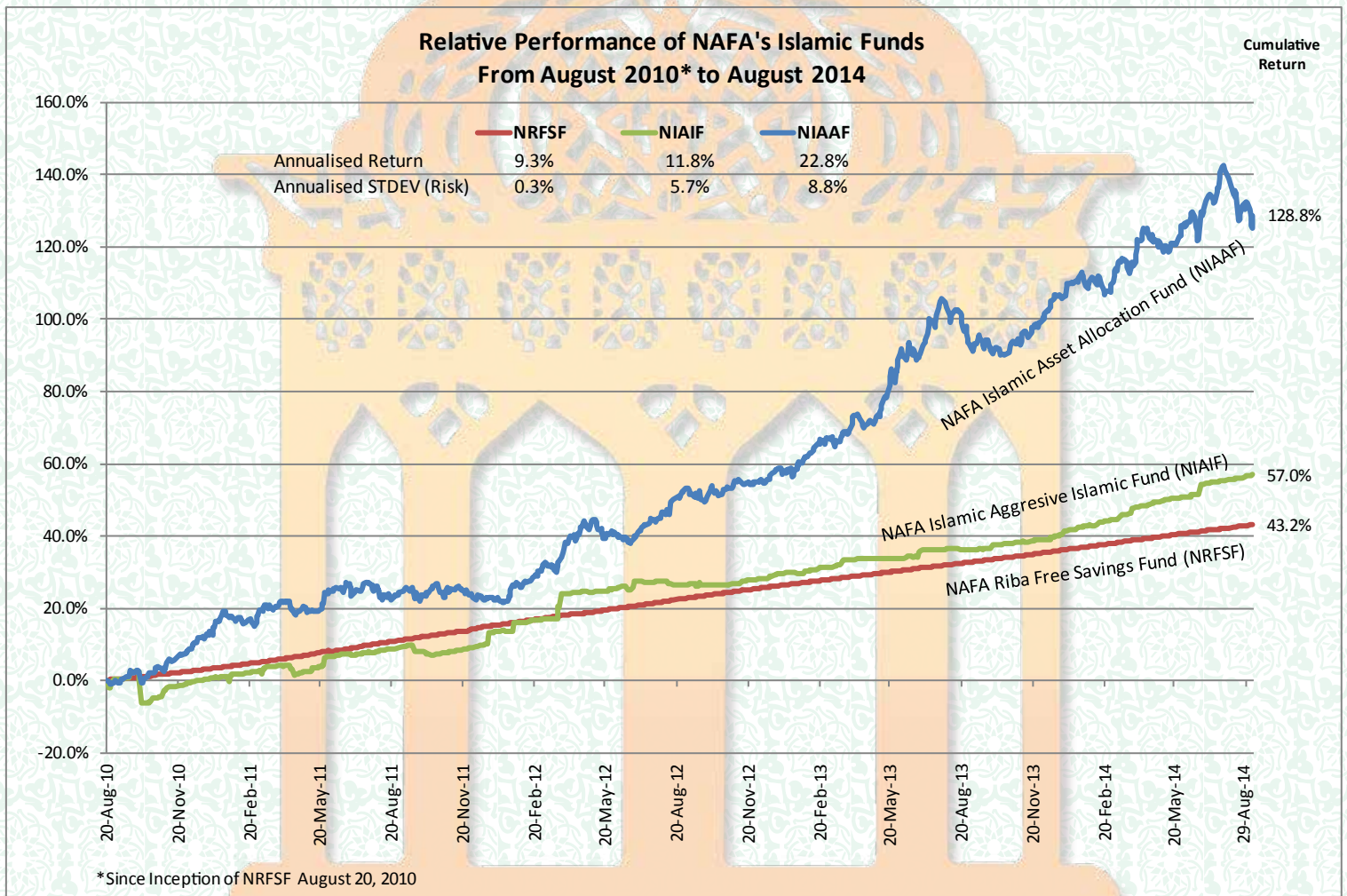


NBP Fullerton
Asset Management Ltd.
A Subsidiary of
National Bank of Pakistan



Fund Manager Report of Shariah Compliant Schemes

August 2014



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

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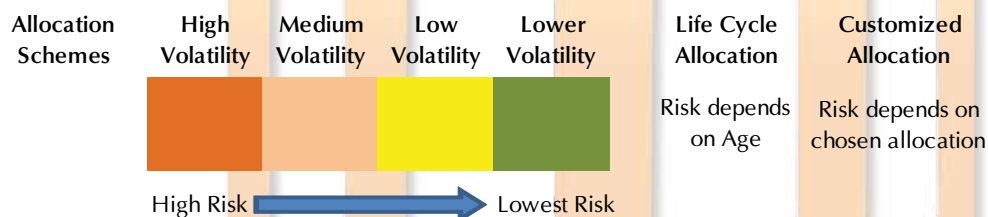
August 2014

NAFA ISLAMIC FUNDS PERFORMANCE Mutual Funds - Collective Investment Schemes (CISs)

Fund Name	Fund Size (Rs. In Crore)	Stability* Rating	Inception Date	August-2014	Rolling 12 Months	FYTD-2015	FY-2014	FY-2013	FY-2012	FY-2011	FY-2010	Since Inception
Fixed Income Islamic Funds			Annualized Returns									
NAFA Riba Free Savings Fund ¹	163	AA- (f)	21-Aug-10	7.1%	7.9%	7.1%	7.8%	8.7%	10.8%	n/a	n/a	9.3%
Benchmark				7.0%	6.8%	7.0%	6.7%	7.3%	8.3%	n/a	n/a	7.6%
NAFA Islamic Aggressive Income Fund ²	45	A- (f)	29-Oct-07	10.5%	15.1%	9.2%	13.6%	6.8%	19.1%	9.0%	(4.9%)	6.5%
Benchmark				6.8%	6.6%	6.8%	6.5%	7.0%	7.9%	7.1%	6.5%	6.7%
Equity Related Islamic Funds		Star Ranking*	Cumulative Returns									Annualized Return
NAFA Islamic Asset Allocation Fund ² (Formerly; NIMF)	59	**** (4-star)	29-Oct-07	(4.4%)	18.3%	(1.7%)	22.2%	36.3%	13.3%	28.4%	17.5%	13.6%
Benchmark				(1.2%)	15.3%	0.1%	17.7%	28.4%	11.1%	24.4%	21.3%	11.3%

NAFA ISLAMIC PENSION FUND (NIPF) - Voluntary Pension Scheme (VPS)

Fund Name	Annualized Returns											
NIPF - Debt sub Fund ²	6		2-Jul-13	4.0%	7.7%	4.1%	n/a	n/a	n/a	n/a	n/a	7.6%
NIPF - Money Market sub Fund ²	4		2-Jul-13	3.1%	7.0%	4.0%	n/a	n/a	n/a	n/a	n/a	7.0%
			Cumulative Returns									Annualized Return
NIPF - Equity sub Fund ²	5		2-Jul-13	(6.7%)	30.5%	(3.7%)	n/a	n/a	n/a	n/a	n/a	26.4%



Note: In VPS, allocation scheme determines the risk profile.

n/a = Not applicable.
- Return is reported where full period performance is available.
* Stability rating/Star ranking has been assigned by PACRA
¹ Data upto August 30, 2014
² Data upto August 29, 2014

Notes: 1) The calculation of performance does not include cost of front-end load.
2) Tax credit also available as per section 62 of Income Tax Ordinance.
3) Taxes apply. Tax rate on Dividend for individuals is 10% , CGT rate is 12.5% for up to 1 year holding period , 10% for 1-2 years holding period and 0% for more than 2 years holding period.

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

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Economic Outlook For FY15

Following Pakistan's entry into a fresh IMF Program and associated stabilization measures and policies adopted by the government, Pakistan's macroeconomic performance considerably improved during the last fiscal year. GDP growth accelerated to a six year high of 4.1%, CPI inflation remained fairly contained at 8.6% and fiscal deficit significantly narrowed to 5.5% of GDP from 8.2% in FY13. Current account deficit remained manageable at 1.2% of GDP (US \$ 2.9 billion), while overall balance of payments position substantially strengthened, recording a surplus of USD3.8bn compared to a deficit of USD2.0bn posted in FY13. SBP foreign exchange reserves increased to USD9.0bn, import cover improved to 3.5 months and Pak rupee ended at 98.8 against US dollar. Private sector credit off-take also picked up sharply after a long pause.

We foresee decent macroeconomic performance in FY15, driven by positive business /consumer sentiments. We expect FY15 GDP growth to remain at 4.1% on the back of a recovery in agriculture production (minor crops and livestock), continued momentum in the services (finance, communication and trade) and industrial sectors (manufacturing, construction, electricity and mining). We anticipate headline inflation to clock at 8.5% as inflationary pressures are likely to remain subdued due to lower commodity prices and restricted money supply growth. SBP is likely to keep its policy rate unchanged due to government commitment to further retire SBP borrowing which would squeeze liquidity in the system.

We forecast fiscal deficit at 6% of GDP due to decent revenue growth (new taxes, abolition of some exemptions) and measured expenditure growth (lower development expenditure, off balance sheet financing of circular debt). We expect current account deficit to remain manageable at 1.2% of GDP as higher remittances should neutralize a wider trade deficit (US \$ 17 billion). We project overall balance of payments to record a surplus of USD2.9bn due to higher inflows under financial and capital account on account of higher FDI and portfolio inflows and multilateral / bilateral loans. Thus, under our base case, SBP reserves would increase to nearly USD12bn by fiscal year-end. We expect Pak rupee to depreciate by 5.3% against US dollar to Rs104 by June 2015.

The last few weeks have remained particularly tumultuous for the local bourses, with the benchmark KSE-100 Index exhibiting extreme volatility and falling by 6% during August. As stated earlier, country's economic outlook for the ongoing fiscal year looks favorable so far. However, simmering political tensions and continued stand-off between the government and opposition groups (PTI/PAT) have dented investors' confidence leading to a correction in the market. Nonetheless, after the recent correction, forward Price to Earnings (PE) of the stock market has declined to 8.2x offering attractive expected dividend yield of 6%. While the current political impasse is having a short-term negative impact on the equity markets, given cheap market valuations, positive macroeconomic indicators and 15% expected corporate earnings growth in FY15, we expect the stock market to post a healthy double digit return during the current fiscal year.

Fig 1 Pakistan-economic indicators and forecasts

Fiscal year runs from July to June	2010-11	2011-12	2012-13	2013-14	2014-15F
Nominal GDP (Rsbn)	18,276	20,047	22,489	25,402	28,704
Nominal GDP (US\$bn)	214	225	233	247	286
Per capita GDP (US\$)	1,207	1,243	1,261	1,313	1,490
Real GDP Growth (%YoY)	3.60%	3.80%	3.70%	4.10%	4.10%
CPI (average)	13.70%	11.00%	7.40%	8.60%	8.50%
Money supply-M 2	15.90%	14.10%	15.90%	12.50%	13.00%
SBP discount rate	14.00%	12.00%	9.00%	10.00%	10.00%
Consolidated fiscal deficit (% GDP)	6.50%	8.80%	8.20%	5.50%	6.00%
Trade balance (US\$bn)	-10.5	-15.8	-15.4	-16.6	-17.3
Current account balance (US\$bn)	0.2	-4.7	-2.5	-2.9	-3.3
as % GDP	0.10%	-2.10%	-1.10%	-1.20%	-1.20%
Overall balance (US\$bn)	2.5	-3.3	-2	3.8	2.9
SBP reserves (US\$bn)	14.7	10.8	6.0	9.1	12
Exchange rate PKR/USD (end period)	85.9	94.4	99.7	98.8	104
% YoY	0.7%	9.9%	5.6%	-0.9%	5.3%

Source: SBP, MOF and NAFA estimates

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August 2014

Stock Market Review

During the month of Aug-14, Pakistan equity market came under severe pressure following long march and protracted sit-ins in Islamabad by PTI and PAT with the benchmark KSE-100 Index declining by a massive 5.8% or 1,746 points to close at around 28,568 levels and Shariah Compliant KMI-30 index declined by 5.1% or 2,488 points during the same period. Prolong sit-ins with increasingly stringent demands by protesting parties resulted in a severe deadlock, thereby raising risk of social unrest, military takeover or judicial intervention. Market woes further compounded with the risk of delay in projected foreign inflows from issuance of Sovereign Sukuk in the international market and OGDC' Secondary Public Offering (SPO), which also caused PKR currency to depreciate more than 2% in just two weeks. However, off late the market cheered the news that Army was stepping in as arbitrator and with that general expectation developed that it would help diffuse the political tension and remove the deadlock between government and protesting parties. On the comforting side, despite thin volumes and even in the backdrop of such uncertain political environment, foreigners were net buyers, which provided some support to the falling market.

Power sector outperformed the market on the back of healthy payouts/ better earnings reports by the selected companies and investors' tilt towards the defensive sectors. Due to lackluster July cement sales numbers, reports of antidumping investigations against Pakistani cement exporters in South Africa and rising investor aversion towards cyclical; cement stocks dragged the performance of the Construction and Material Sector. Investors' focus on dividend yielding stocks and rejection by Supreme Court, government's review petition against Peshawar High Court's decision on GIDC resulted in outperformance of the Chemicals sector.

With the recent correction, as per our estimates the market is now trading at forward Price to Earnings (PE) multiple of 8.2 and offering around 6% dividend yield. We are closely monitoring the developments on the political and economic fronts and will rebalance portfolios of our equity funds accordingly.

Fixed Income Review

In line with market expectation, inflation as measured by CPI for the month of July 14 clocked in at 7.9% as compared to 8.2% for the previous month. During the month of August, forex reserves decreased by US \$723 million and reached the level of US \$13.6 billion. The ongoing political unrest and delay in scheduled foreign inflows resulted in weakening Pak rupee against the US dollar. PIB yields inched up due to higher Government borrowing from scheduled banks due to non materialization of foreign flows and lower SBP borrowing in compliance with IMF performance benchmark. Due to uncertain current political and economic situation, we expect status quo in discount rate in upcoming bi-monthly monetary policy announcement scheduled in September 14 despite significant decline in inflation to 7% in August.

In the two T-Bills auctions during the month, MoF accepted Rs 170 billion (realized amount) against the target of Rs. 225 billion and maturity of Rs. 180 billion. The cut-off annualized yields for the last T- Bill auction were noted at 9.96%, 9.98% and 9.99% for 3, 6 and 12 month tenors respectively. The bid pattern remained skewed towards the 3-month tenor as compared to 6 and 12 months. In the PIB auction during the month, an amount of Rs. 87 billion was accepted against the target of Rs. 100 billion at a cut-off yield of 12.51%, 12.90% and 13.35% in 3 years, 5 years and 10 years respectively, however no bids were received in 20 years. The bid pattern remained skewed towards 3 year tenor followed by 10 and 5 year tenors respectively. GOP Ijarah Sukuk issues continue to remain scarce which has resulted in higher prices and correspondingly depressed yields.

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

Our Contacts

Contact our Investment Consultant for free Investment advice
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www.nafafunds.com

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



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/08/2014): Rs. 10.2237

August 2014

Performance %

Performance Period	August 2014	Rolling 12 Months	FYTD 2015	FY 2014	FY 2013	FY 2012	Since Launch August 21, 2010 *
NAFA Riba Free Savings Fund	7.1%	7.9%	7.1%	7.8%	8.7%	10.8%	9.3%
Benchmark	7.0%	6.8%	7.0%	6.7%	7.3%	8.3%	7.6%

* Annualized Return Based on Morning Star Methodology
All other returns are Annualized Simple Return [Net of management fee & all other expenses]

General Information

Launch Date: August 21, 2010
Fund Size: Rs. 1,634 million
Type: Open-end – Shariah Compliant Income Fund
Dealing Days: Daily – Monday to Saturday (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Dealing Time: Forward Pricing
Settlement: 2-3 business days
Pricing Mechanism: Front end: without Life Insurance: 0.5%, with Life Insurance: 5% (Nil on investment above Rs. 16 million), Back end: 0%
Load: 1.25% per annum
Management Fee: Very Low
Risk Profile: "AA-(f)" by PACRA
Fund Stability Rating: Lahore Stock Exchange
Listing: Central Depository Company (CDC)
Custodian & Trustee: A. F. Ferguson & Co.
Auditors: Chartered Accountants
Benchmark: Average 6-month deposit rate of A- and above rated Islamic Banks
Fund Manager: Salman Ahmed
Minimum Subscription: Growth Unit: Rs. 10,000/-
Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2 by PACRA (Very 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 7.1% for the month of August 2014 versus the Benchmark return of 7.0%. During the last one year the Fund has outperformed its Benchmark by 1.1% by earning an annualized return of 7.9%. This outperformance is net of management fee and all other expenses.

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

The allocation of the Fund is around 8.4% in GOP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 89% of the portfolio is invested in bank deposits which further enhance the liquidity profile of the Fund.

The weighted average time to maturity of the Fund is 29 days. We will rebalance the portfolio based on economic and capital market outlook.

Asset Allocation (% of Total Assets)	30-Aug-14	28-July-14
GOP Ijarah Sukuk - Govt. Backed	8.39%	8.39%
Cash Equivalents	89.37%	89.97%
Other including receivables	2.24%	1.64%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top Holdings (as at August 30, 2014)

Name of Sukuk	% of Total Assets
GOP Ijarah (Sukuk XIII)	2.89%
GOP Ijarah (Sukuk X)	2.43%
GOP Ijarah (Sukuk XIV)	1.60%
GOP Ijarah (Sukuk XI)	1.47%
Total	8.39%

WORKERS' WELFARE FUND (WWF)

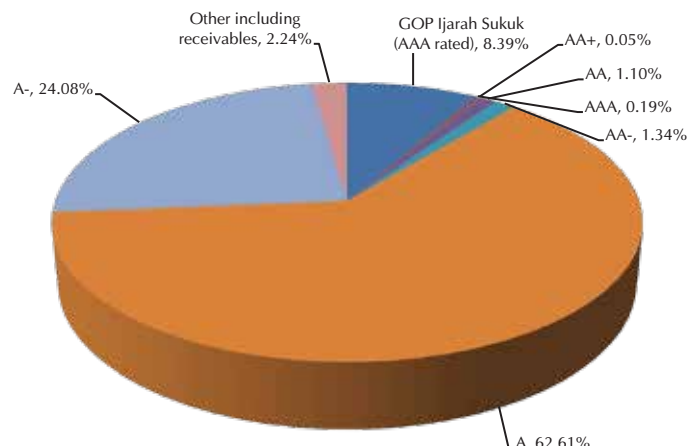
The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.9,206,671/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.0576/0.61%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

Name of the Members of Investment Committee

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

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 Income Tax Ordinance.

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



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Performance %

Performance Period	August 2014	Rolling 12 Months	FYTD 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	Since Launch October 29, 2007*
NAFA Islamic Asset Allocation Fund (Formerly: NAFA Islamic Multi Asset Fund)	(4.4%)	18.3%	(1.7%)	22.2%	36.3%	13.3%	28.4%	17.5%	13.6%
Benchmark**	(1.2%)	15.3%	0.1%	17.7%	28.4%	11.1%	24.4%	21.3%	11.3%

* Annualized Return
All Other returns are Cumulative [Net of management fee & all other expenses]

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

General Information

Launch Date: October 29, 2007
Fund Size: Rs. 589 million
Type: Shariah Compliant - Open-end - Asset Allocation Fund
Dealing Days: Daily - Monday to Friday
Dealing Time: (Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Load: Front end: without Life Insurance: 3%, with Life Insurance: 5% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee: 2% per annum
Risk Profile: Moderate
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:** Average of (i) average 3-month Islamic banks deposit rate (ii) 6-month KIBOR or its Shariah Compliant equivalent (iii) KMI 30 Index
Fund Manager: Asim Wahab Khan, CFA
Minimum Subscription: Growth Unit: Rs. 10,000/-
Asset Manager Rating: Income Unit: Rs. 100,000/- AM2 by PACRA (Very High Investment Management Standards)

Investment Objective

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

Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Asset Allocation Fund (NIAAF) (Formerly: NAFA Islamic Multi Asset Fund) decreased by 4.4%, whereas the Benchmark decreased by 1.2%, thus your Fund underperformed the Benchmark by 3.2%. Since inception your Fund has posted 139.8% return, versus 108% by the Benchmark. Thus, an outperformance of 31.8% was recorded. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 59% in equities, which was decreased to around 52% towards the end of the month due to uncertain political scenario. NIAAF underperformed the Benchmark in August as it was overweight in equities and selected Automobile & Parts sector stocks which underperformed the market. During the month, allocation was increased in Electricity sector whereas it was reduced in all the other sectors.

Asset Allocation (% of Total Assets) 29-Aug-14 28-July-14

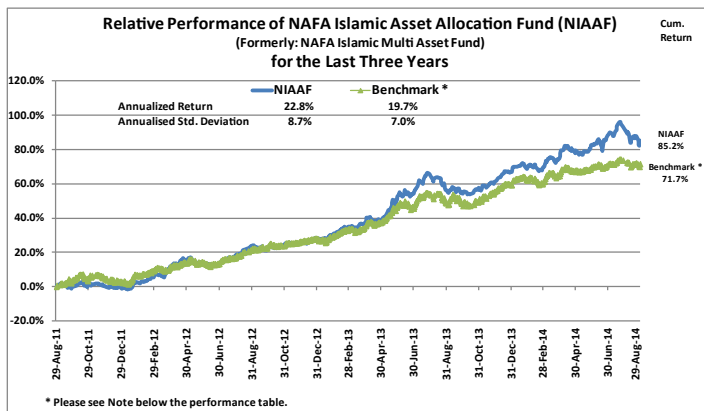
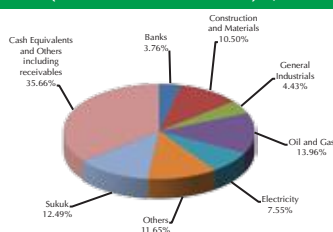
Equities / Stocks	51.85%	59.27%
Sukuks	12.49%	11.85%
Cash Equivalents	29.08%	23.58%
Others including receivables	6.58%	5.30%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio***

	PER	PBV	DY
NIAAF	7.5	2.4	6.7%
KMI-30	8.2	2.2	6.7%

*** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 29 August, 2014)



* Please see Note below the performance table.

Top Ten Holdings (as on 29 August, 2014)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
K Electric Ltd	Sukuk	7.61%	Pioneer Cement Ltd	Equity	3.21%
Pakistan Petroleum Ltd	Equity	5.33%	Hub Power Co Ltd	Equity	2.87%
Maple Leaf Cement Ltd	Sukuk	4.88%	Lucky Cement Ltd	Equity	2.86%
Pakistan Oilfields Ltd	Equity	4.03%	Thal Ltd	Equity	2.84%
Kot Addu Power	Equity	3.84%	Pakistan State Oil Co. Ltd	Equity	2.72%

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
Eden Housing (Sukuk II)	SUKUK	4,921,875	4,921,875	-	-	-	-
Maple Leaf Cement (Sukuk I)****	SUKUK	38,643,750	-	29,450,054	5.00%	4.88%	23.43%
Pak Elektron Limited (Sukuk)	SUKUK	21,428,571	21,428,571	-	-	-	-
Total		64,994,196	26,350,446	29,450,054	5.00%	4.88%	

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

Name of the Members of Investment Committee

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

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 6,693,472/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1452/1.34%. For details investors are advised to read the Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2014.

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 Income Tax Ordinance.

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MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/08/2014): Rs. 9.4693

August 2014

Performance %

Performance Period	August 2014	Rolling 12 Months	FYTD 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	Since Launch October 29, 2007*
NAFA Islamic Aggressive Income Fund	10.5%	15.1%	9.2%	13.6%	6.8%	19.1%	9.0%	(4.9%)	6.5%
Benchmark	6.8%	6.6%	6.8%	6.5%	7.0%	7.9%	7.1%	6.5%	6.7%

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

[Net of management fee & all other expenses]

General Information

Launch Date: October 29, 2007
Fund Size: Rs. 451 million
Type: Open-end – Shariah Compliant Aggressive Income Fund
Dealing Days: Daily – Monday to Friday
Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Load: Front end: 1% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee: 1.0% per annum
Risk Profile: Low to Medium
Fund Stability Rating: "A-(f)" by PACRA
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC) (Effective 25th August 2014).
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 (Very High Investment Management Standards)

Investment Objective

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

Fund Manager Commentary

During the month under review, the Fund posted an annualized return of 10.5% as compared to the Benchmark return of 6.8%. Outperformance of the Fund during the month is due to profit payment of non performing Household Goods sector Sukuk. During CY14, the Fund has posted 16.8% annualized return versus 6.7% by the Benchmark, hence an outperformance of 10.1% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukuks with current weightage at around 11.8% is diversified among Cement, Electricity, and Fertilizer sub sectors. Around 84.6% allocation in bank deposits provides diversification and liquidity to the portfolio. Going forward, we will rebalance the allocation of the portfolio based on the capital market outlook.

The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio is around 14.7% p.a. and weighted average time to maturity is 1.9 years. The weighted average time to maturity of the Fund is 0.22 years. Hence, for investors with medium to long term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, since Sukuks prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

Asset Allocation (% of Total Assets) 29-Aug-14 28-July-14

Sukuks	11.83%	12.16%
Cash Equivalents	84.60%	84.32%
Other including receivables	3.57%	3.52%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top Sukuk Holdings (as at August 29, 2014)

Name of Sukuk	% of Total Assets
Engro Fertilizer Limited (Sukuk)	5.06%
Maple Leaf Cement (Sukuk I)	3.43%
K Electric Azm Sukuk	3.34%
Total	11.83%

WORKERS' WELFARE FUND (WWF)

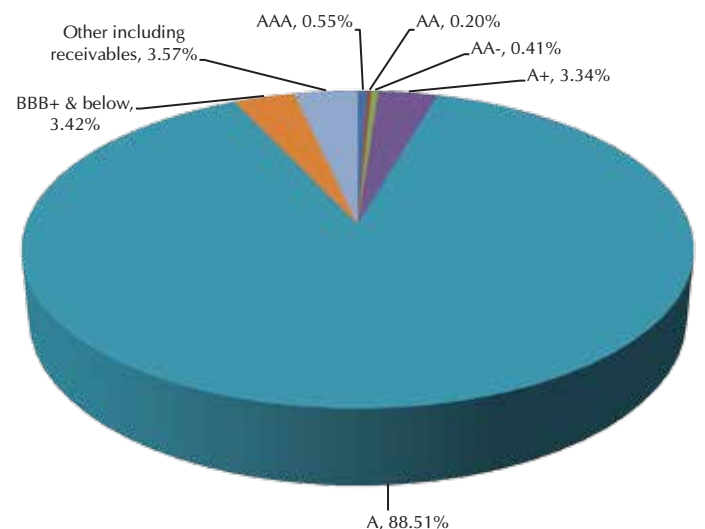
The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.2,139,890/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0449/0.55%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

Name of the Members of Investment Committee

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

Credit Quality of the Portfolio as of August 29, 2014 (% of Total Assets)



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	Fund Size (Rs. in mn)	NAV Per Unit (Rs.) August 29, 2014	Performance %**		
			August 2014	FYTD 2015	Since Launch July 02, 2013
NIPF-Equity Sub-fund	49.5	132.1766	(6.7%)*	(3.7%)*	26.4%
NIPF-Debt Sub-fund	55.4	109.9102	4.0%	4.1%	7.6%
NIPF-Money Market Sub-fund	43.2	109.2197	3.1%	4.0%	7.0%

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

General Information	
Launch Date:	July 2, 2013
Fund Size:	Rs. 148.1 million
Type:	Open-end – Shariah Compliant Voluntary Pension Scheme
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Pricing Mechanism:	Forward Pricing
Front end Load:	Upto 3% on Contributions
Back end Management Fee:	0%
	On average Annual Net Assets of each Sub-fund:
	Equity 1.50%
	Debt 1.25%
	Money Market 1.00%
Risk Profile:	Investor dependent
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	M. Yousuf Adil Saleem & Co. Chartered Accountants
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Initial: Rs. 10,000/- Subsequent: Rs. 1,000/-
Asset Manager Rating:	AM2 by PACRA (Very High Investment Management Standards)
Leverage:	Nil

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

Fund Manager's Commentary
During the month of August:
NIPF Equity Sub-fund unit price decreased by 6.7% compared with KMI-30 Index, which decreased by 5.1%. The Sub-fund was around 88% (90% on net asset basis) invested in equities with major weights in Oil & Gas, Construction & Materials and Electricity sectors.

NIPF Debt Sub-fund generated annualized return of 4% due to mark to market loss in GOP Ijarah sukuk. The Sub Fund was invested primarily in GoP Ijara Sukuks and Islamic bank deposits.

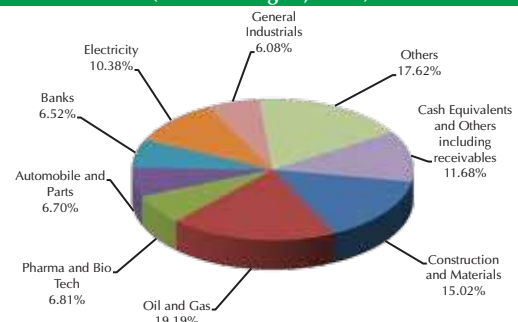
NIPF Money Market Sub-fund generated annualized return of 3.1% due to mark to market loss in GOP Ijarah sukuk. The Sub Fund was invested primarily in short-term GoP Ijara Sukuks and Islamic bank deposits.

Credit Quality of the Portfolio (as on 29 August, 2014)

	Debt	Money Market
Government Securities (AAA rated)	92.58%	90.32%
AAA	2.28%	5.46%
AA+	1.34%	1.11%
AA	0.02%	0.01%
Others	3.78%	3.10%
Total	100.00%	100.00%

Asset Allocation (% of Total Assets)			
Sub-fund	29-Aug-14	28-July-14	
Equity Sub-fund			
Equity	88.32%	81.48%	
Cash Equivalents	7.90%	14.49%	
Others including receivables	3.78%	4.03%	
Total	100.00%	100.00%	
Debt Sub-fund			
Cash Equivalents	3.64%	39.26%	
GOP Ijarah Sukuk-Govt	92.58%	58.91%	
Others	3.78%	1.83%	
Total	100.00%	100.00%	
Money Market Sub-fund			
Cash Equivalents	6.58%	30.81%	
GOP Ijarah Sukuk-Govt	90.32%	67.69%	
Others	3.10%	1.50%	
Total	100.00%	100.00%	

Equity Sub Fund Asset Allocation (% of Total Assets) (as on 29 August, 2014)



Top Ten Holdings of Equity Sub-fund (as on 29 August, 2014)

Name	(% of Total Assets)	Name	(% of Total Assets)
Pakistan Petroleum Ltd	7.73%	Hub Power Company Ltd	4.35%
Pakistan Oilfields Ltd	5.33%	Lucky Cement Ltd	4.12%
Sazgar Engineering Works Ltd	5.12%	Akzo Nobel Pakistan Ltd	3.87%
Kot Addu Power Co Ltd	5.05%	Thal Ltd	3.82%
Meezan Bank Ltd	4.80%	Fauji Fertilizer Co Ltd	3.59%

WORKERS' WELFARE FUND (WWF)

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

	Total amount Provided upto August 29, 2014	Amount Per Unit Rs	Last One Year return would otherwise have been higher by:
Equity Sub-Fund ¹	272,305	0.7272	0.72%
Debt Sub-Fund ²	73,781	0.1463	0.14%
Money Market Sub-Fund ²	61,079	0.1544	0.15%

¹ Cumulative, ² Annualized
For details investors are advised to read the Note 8 of the Financial Statements of the Scheme for the period ended March 31, 2014.
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 Income Tax Ordinance.

(As on 29 August, 2014)

Top Holdings of Debt Sub-fund		Top Holdings of Money Market Sub-fund	
Name	(% of Total Assets)	Name	(% of Total Assets)
GOP Ijarah (Sukuk XI)	50.72%	GOP Ijarah (Sukuk IX)	45.95%
GOP Ijarah (Sukuk XIV)	34.71%	GOP Ijarah (Sukuk XIV)	23.45%
GOP Ijarah (Sukuk IX)	7.15%	GOP Ijarah (Sukuk XI)	20.92%
Total	92.58%	Total	90.32%

Name of the Members of Investment Committee

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



Performance %*

Performance Period	August 2014	FYTD 2015	Since Launch March 05, 2014
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	(3.1%)	(0.9%)	1.8%
Benchmark	(1.8%)	(0.4%)	3.2%

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

General Information

Launch Date:	March 5, 2014
Fund Size:	Rs. 1,617 million
Type:	Shariah Compliant - Open-end – Capital Protected Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Back end: 0%
Management Fee:	2% per annum
Risk Profile:	Low
Listing:	Lahore 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 (Very 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

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

Since inception, NIPPF- I has generated a return of 1.8% versus 3.2% return of the Benchmark. The Fund has gradually built its position in equities and its current stock exposure stands at around 35%. Key holdings of the Fund belong to Oil and Gas, Electricity and Construction & Materials sectors. The Fund can invest up to 50% in equities. We are confident that the Fund will generate good returns once the political situation settles, considering the positive outlook of the market and built in dynamic equity allocation mechanism of the Fund.

Asset Allocation (% of Total Assets) 29-Aug-14 28-July-14

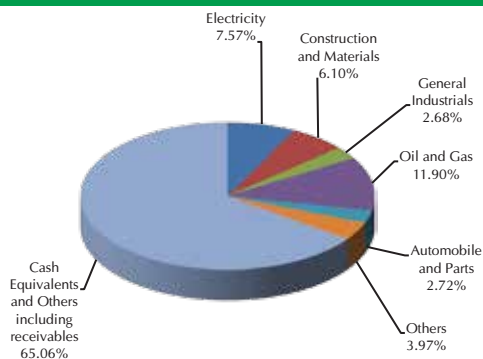
Asset Allocation (% of Total Assets)	29-Aug-14	28-July-14
Equities / Stocks	34.94%	44.35%
Cash Equivalents	63.66%	50.16%
Others including receivables	1.40%	5.49%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NIPPF-I	7.5	2.4	7.0%
KMI-30	8.2	2.2	6.7%

** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 29 August, 2014)



Top Ten Holdings (as on 29 August, 2014)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan Petroleum Ltd	Equity	3.83%	Lucky Cement Ltd	Equity	2.13%
Pakistan Oilfields Ltd	Equity	3.80%	Oil & Gas Dev Co Ltd	Equity	2.03%
Kot Addu Power Co Ltd	Equity	3.60%	Thal Ltd	Equity	1.92%
Hub Power Co Ltd	Equity	3.55%	Pioneer Cement Ltd	Equity	1.58%
Pakistan State Oil Co. Ltd	Equity	2.25%	Meezan Bank Ltd	Equity	1.36%

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 893,247/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.0557/0.06%. For details investors are advised to read Note 5 of the Financial Statements of the Scheme for the period ended March 31, 2014.

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 Income Tax Ordinance.

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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	August 2014	FYTD 2015	Since Launch June 27, 2014
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	(3%)	(1.6%)	(1.5%)
Benchmark	(1.7%)	(0.5%)	(0.1%)

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

General Information

Launch Date: June 27, 2014
Fund Size: Rs. 1,273million
Type: Shariah Compliant - Open-end – Capital Protected Fund
Dealing Days: Daily – Monday to Friday
Dealing Time: (Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 05:30 P.M
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Load: Front end: 3% Back end: 0%
Management Fee: 2% per annum
Risk Profile: Low
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: A. F. Ferguson & 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 (Very 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

NAFA launched its second Islamic capital protected fund namely NAFA Islamic Principal Protected Fund (NIPPF-II) on 27th June, 2014. The aim of the Fund is to provide growth to the investment of unit holders over the long-term in approved Shariah compliant equities and money market instruments while protecting initial investment value at the Initial Maturity date, which is two years from its launch date.

Since inception, NIPPF- II has generated a return of -1.5% versus -0.1% return of the benchmark. The Fund has gradually built its position in equities and its current stock exposure stands at around 36%. Key holdings of the Fund belong to Oil and Gas, Construction and Materials, and Electricity sectors. The Fund can invest up to 100% in equities. We are confident that the Fund will generate good returns once the political situation settles, considering the positive outlook of the market and built in dynamic equity allocation mechanism of the Fund.

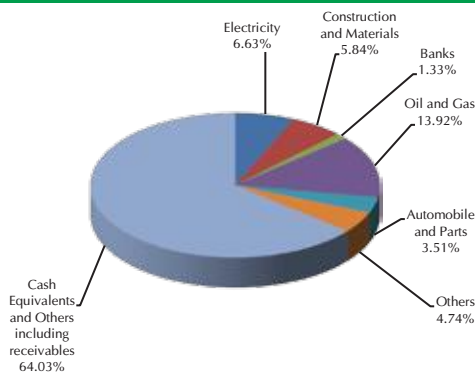
Asset Allocation (% of Total Assets) 29-Aug-14 28-July-14

Equities / Stocks	35.97%	42.93%
Cash Equivalents	62.92%	51.83%
Others including receivables	1.11%	5.24%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NIPPF-II	7.3	2.5	6.8%
KMI-30	8.2	2.2	6.7%

Asset Allocation (% of Total Assets) (as on 29 August, 2014)



Top Ten Holdings (as on 29 August, 2014)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pak Petroleum Ltd	Equity	4.80%	Lucky Cement Ltd	Equity	2.20%
Pakistan Oilfields Ltd	Equity	4.23%	Pak Suzuki Motor Co Ltd	Equity	2.19%
Hub Power Company Ltd	Equity	3.31%	Pakistan State Oil Co Ltd	Equity	2.02%
Kot Addu Power	Equity	3.18%	Meezan Bank Ltd	Equity	1.30%
Oil & Gas Dev Co.	Equity	2.87%	Maple Leaf Cement Factory Ltd	Equity	1.22%

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 29,927/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.0023/0.00%.

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 Income Tax Ordinance.

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