



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



Rated by PACRA

# Fund Manager Report of Shariah Compliant Schemes

August 2015

My Investment in **NAFA Islamic Asset Allocation Fund** grew  
from **Rs. 1 Crore to Rs. 3.2 Crores**  
in only **5 Years!**



Last 5 years (July 2010 till June 2015)	NAFA Islamic Asset Allocation Fund	Benchmark <sup>1</sup>
Average Annualized Profit	27%	19%
Total Profit	224%	135%

*You can invest with Rs.10,000 only*

Your investments & "NAFA" grow together



FULLERTON FUND  
MANAGEMENT

Joint - Venture Partners

**For information & Investment:**

**Call: 0800-20001 || SMS: NAFA INVEST to 8080 || [www.nafafunds.com](http://www.nafafunds.com) || [f /nafafunds](https://www.facebook.com/nafafunds)**

- NIAAF is a Shariah Compliant Asset Allocation Scheme rated ★★★★★ by PACRA.

<sup>1</sup>Benchmark: (1 / 3 KMI-30 Index , Islamic Bank Deposits, 6-months KIBOR). 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% 3-months Islamic bank deposits.

- Performance data does not include the cost incurred directly by investor in form of sales load. The performance reported is based on dividend reinvestment (gross of with-holding tax where applicable)

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

**Disclaimer:** All investments in mutual 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. Taxes apply.



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### Mutual Funds - Collective Investment Schemes (CISs)

Risk Profile	Fund Name	Fund Size (Rs. In Crore)	Stability Rating	Inception Date	Aug-2015	FYTD 2016	Rolling 12 Months	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Inception
Lowest Risk NRFSF NIAIF	<b>Islamic Income Funds</b>												
	NAFA Riba Free Savings Fund	119	A (f)	20-Aug-10	5.2%	6.0%	7.2%	7.4%	7.8%	8.7%	10.8%	n/a	8.9%
	Benchmark				5.3%	5.3%	6.4%	6.7%	6.7%	7.3%	8.3%	n/a	7.3%
	NAFA Islamic Aggressive Income Fund	117	A- (f)	26-Oct-07	6.8%	6.9%	8.8%	9.2%	13.6%	6.8%	19.0%	9.0%	6.8%
	Benchmark				5.1%	5.2%	6.3%	6.6%	6.5%	7.0%	7.9%	7.1%	6.7%
	<b>Equity Related Islamic Funds</b>			<b>Star Ranking*</b>	<b>Cumulative Returns</b>								<b>Annualized Return</b>
Moderate Risk NIAAF	NAFA Islamic Asset Allocation Fund	349	**** (4-star)	26-Oct-07	(0.7%)	2.5%	39.6%	33.8%	22.2%	36.3%	13.3%	28.4%	16.6%
	Benchmark				0.0%	1.1%	13.2%	12.1%	17.7%	28.9%	11.1%	24.4%	11.6%

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

Risk Profile	Fund Name	Fund Size	Inception Date	Annualized Returns									Annualized Return
				Aug-2015	FYTD 2016	Rolling 12 Months	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011		
Low Risk NIPF	<b>NAFA ISLAMIC PENSION FUND (NIPF) - Voluntary Pension Scheme (VPS)</b>												
	NIPF - Debt sub Fund	15		2-Jul-13	4.9%	4.9%	5.7%	5.6%	n/a	n/a	n/a	n/a	6.7%
	NIPF - Money Market sub Fund	9		2-Jul-13	4.2%	4.5%	6.2%	6.2%	n/a	n/a	n/a	n/a	6.7%
					<b>Cumulative Returns</b>								<b>Annualized Return</b>
	NIPF - Equity sub Fund	26		2-Jul-13	(0.3%)	3.9%	63.5%	51.5%	n/a	n/a	n/a	n/a	42.3%

**Notes:** 1) Performance is net of management fee and all expenses. The calculation of performance does not include cost of front-end load. For mutual funds the performance reported is based on dividend reinvestment (gross of with-holding tax where applicable).  
2) Tax credit also available as per section 62 & 63 of Income Tax Ordinance.  
3) Taxes Apply. For mutual funds Capital Gains Tax (CGT) rate for individual is 10% for up to four years holding period. For holding period of more than 4 years CGT is exempt. For NIPF, early withdrawal will be subject to taxes as per tax laws.

n/a = Not applicable.

\*Star ranking has been assigned for 1 year performance period ending June 30, 2015 by PACRA.  
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)**

## Don't Get Spooked By Market Swings

Local equities exhibited extreme volatility during August as captured in around 3,100-point (9%) wild swing in the benchmark KSE 100 Index during the month. The above was driven by emerging fears of a global economic slowdown and deflation; unexpected devaluation of the Chinese Yuan, raising fears of a currency war; a sharp drop in global commodity prices, especially oil; and heavy battering received by regional currencies and bourses earlier in the month. Notwithstanding some rise in volatility, we hold a positive view on the local stock market in the medium-term premised on (i) reasonable valuations; (ii) improving security situation; and (iii) an upbeat macroeconomic outlook, the three key determinants of long-term local equity market performance.

Following launch of Operation Zarb-e-Azb and implementation of National Action Plan, the security situation in the country has considerably improved. There has been a marked decline in suicide attacks, target killings and other terrorist-related incidents. A recent OICCI survey with leading foreign investors in Pakistan on matters related to security shows a positive change in Pakistan's security environment. The survey reveals that 74 percent of the respondents mentioned a reduction in security incidents. Seventy three percent responded that, compared to the situation in 2013, their staff/people feel more comfortable in their commutes to the workplace and back.

The landmark decision by the Judicial Commission, constituted to probe PTI allegations of mass rigging in the 2013 general elections, that polls were in large part organized and conducted fairly and in accordance with the law has removed a major source of political uncertainty, and strengthened legitimacy of the federal government enabling it to focus on pressing economic issues. We believe that the recent de-seating of two PML-N MNAs, including the National Assembly speaker, by an election tribunal will have limited political repercussions for the ruling party given its strong majority in the lower parliament and strong public support in Punjab. However, widening investigations by federal agencies against corruption in Sind province has created some political noise.

On the macroeconomic front, we anticipate GDP growth to further accelerate to 4.5% in FY16 on the back of strong performance by construction, transport and communication sectors. Due to low oil prices and contained money supply growth, headline inflation is also likely to remain subdued at 5% during the current fiscal year. External account should also remain robust due to lower oil prices, healthy remittances, rising FDI and official loans.

We expect foreign exchange reserves to cross USD22bn mark by FY16 end. Being a net commodity importer and an economy mainly reliant on domestic demand for economic growth, Pakistan should greatly benefit from lower commodity prices and should be less affected by a global slowdown.

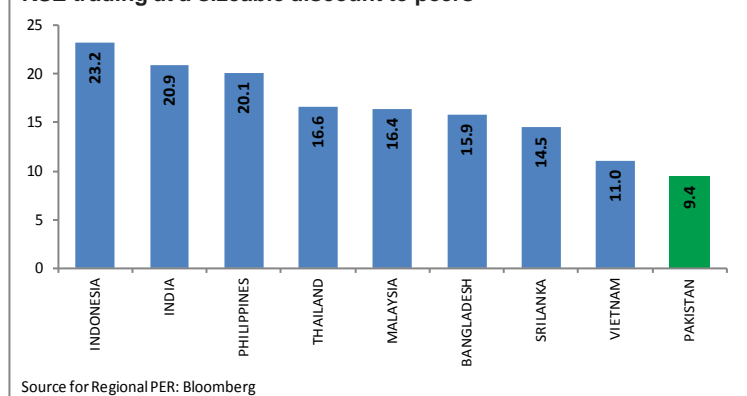
Current market valuations as captured in the forward Price to Earnings ratio of 9.4 are also quite attractive compared to regional market valuations and muted yields on the alternative fixed income avenues. Though earnings growth for the next four quarters would slowdown to 8.4%, mainly due to a slump in banking, and oil & gas sector profits driven by lower interest rates and oil prices respectively, we expect double-digit earnings growth to resume in the subsequent years. Further, excluding the aforesaid sectors, earnings growth over the next four quarters is expected to be a healthy 14.6%. However, going forward we may experience bouts of volatility in the market driven by global policy uncertainty and evolving developments in the ongoing drive against corruption. That said, we recommend that investors should focus on improving macroeconomic fundamentals and attractive stock market valuations and should build position in equities if their investment horizon is 2-years & above.

### Macroeconomic outlook remains upbeat

	FY2015	FY2016E
GDP Growth	4.2%	4.5%
Foreign Exchange Reserves (USD bn)	18.7	22.6
Import Cover (number of weeks)	20.9	25.8
Current Account Deficit as % of GDP	0.8%	0.5%
Fiscal Deficit as % of GDP	5.3%	4.7%
Inflation	4.6%	5.0%
SBP Discount rate	7.0%	7.0%

Source: SBP, Economic Survey, Annual Plan 2015-16, NAFA Research

### KSE trading at a sizeable discount to peers



Source for Regional PER: Bloomberg

## Stock Market Review

The local equities were on a roller coaster ride during August, though ending the month on a positive note with around 5% recovery during the last 5 trading sessions led by the Oil and Gas sector amid steep recovery in the global crude oil prices from their multi-year lows. Overall, during the month, the benchmark KMI 30 Index decline by around 1%. The sell-off in equities during the month was global with stocks in the US, Europe, and emerging markets all falling in sync following a rout in equity markets in China. Concerns on the global growth, notably China, uncertainty over the first interest rate lift-off in around a decade in the US, and surprise move by the Chinese authorities to devalue their currency triggered the rout in the emerging market currencies and global sell-off in equities and commodities. On the domestic front, we believe the investment landscape is supportive of equities with reasonable valuations, improving economic indicators, and easy monetary conditions. In the ongoing corporate results season, excluding Oil and Gas sector, majority of the companies posted above expected earnings and healthy payouts. As the country meets 3/4th of its oil demand from imports, lower oil prices provide multiple benefits to our economy and select companies.

During the month, Automobile & Parts, Cement, Chemicals, Engineering, Pharmaceuticals, and Power Generation & Distribution sectors out-performed the market. On the other hand, Oil & Gas Exploration (E&P), Commercial Banks, Oil & Gas Marketing, and Paper & Board sectors lagged behind. Robust earnings announcements amid healthy volumetric growth, strong margins and healthy payouts resulted in the out-performance of the Automobile & Parts sector. Despite announcements of capacity expansions by the key players, sanguine valuations, robust domestic volumetric growth along with healthy margins buoyed investors' interest in the Cement sector. Strong performance was witnessed in the Pharmaceutical sector on the back of robust earnings announcements by the select companies. Despite strong run-up towards the end of month amid sharp rebound in the global oil prices, the Oil and Gas sector lagged the market during the month. Better than expected earnings and payouts by key companies resulted in the out-performance of the Power Generation & Distribution sector.

Going forward, we hold to our view that the equities are expected to deliver healthy double digits returns during FY16 driven by reasonable valuations as captured in around 9.4 times forward earnings; benign inflation readings and anchored near-term inflation expectation; easy monetary conditions; limited leverage position in the market; and hunt for yield amid collapsing yield on the alternative fixed income avenues. However, we acknowledge that volatility may remain elevated amid unfolding developments on the global economic, geopolitical and financial markets front and domestic political situation.

We have repositioned the portfolios of our equity related funds and SMAs based on our capital market expectations and macroeconomic outlook.

## Money Market Review

Inflation as measured by CPI clocked in at 1.7% on YoY basis for August 2015 as compared to the last month readings of 1.8%. However, we expect inflation to inch up from these levels on the back of Gas price hike by the government effective September 1, 2015 and due to base effect. Liquidity conditions remained tight during the month with short term T-bills trading in the range of 6.9% - 7%. To stabilize the overnight money market, SBP OMO injection reached a staggering level of PKR1.1 trillion in August. During the month under review, PAK Rupee depreciated by more than 2% and closed the month at around Rs.104 driven by rout in the emerging market currencies following China's surprise currency devaluation and uncertainty over interest rate hike by the US Fed.

Turning to the money market, in the two T-Bills auctions during the month, MoF accepted Rs.591 billion (realized amount) against the target of Rs.525 billion and maturity of Rs.404 billion at a cut-off annualized yield of 6.93%, 6.95% and 6.97% for 3, 6 and 12 month tenors respectively and bid pattern remained skewed towards 12 months as compared to 6 and 3 months. In PIB auction during the month, MoF accepted an amount of Rs.73 billion (realized amount) against the target of Rs.50 billion and total participation of Rs.390 billion (realized amount) at a cut-off yield of 7.6%, 8.5% and 9.4% in 3 year, 5 year and 10 years respectively, while no bids were received in 20 year tenors. The bid pattern witnessed a major participation towards 3 year tenor followed by 5 and 10 year tenors respectively.

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

## Our Contacts

Contact our Investment Consultant for free Investment advice

Call 0800-20001 || UAN 111-111-632 || sms NAFA INVEST to 8080 || [www.nafafunds.com](http://www.nafafunds.com) || [info@nafafunds.com](mailto:info@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. 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 (31/08/2015): Rs. 10.2679

August 2015

## Performance %

Performance Period	Aug 2015	FYTD 2016	Rolling 12Months Sep 14-Aug 15	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010 *
NAFA Riba Free Savings Fund	5.2%	6.0%	7.2%	7.4%	7.8%	8.7%	10.8%	8.9%
Benchmark	5.3%	5.3%	6.4%	6.7%	6.7%	7.3%	8.3%	7.3%

\* 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. 1,194 million
Type:	Open-end – Shariah Compliant Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: without Life Takaful: 0.5%, with Life Takaful: 5% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	1.25% per annum
Risk Profile:	Very Low
Fund Stability Rating:	"A(f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	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 (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 5.2% for the month of August 2015 versus the Benchmark return of 5.3%. During CY 15 the Fund has outperformed its Benchmark by 0.7% by earning an annualized return of 6.8%. 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 equities.

The allocation of the Fund is around 11% in GOP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 87.4% 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 12 days. We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

## Asset Allocation (% of Total Assets)

	31-Aug-15	31-July-15
GOP Ijarah Sukuk	10.8%	14.6%
Bank Deposits	87.4%	83.8%
Other including receivables	1.8%	1.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

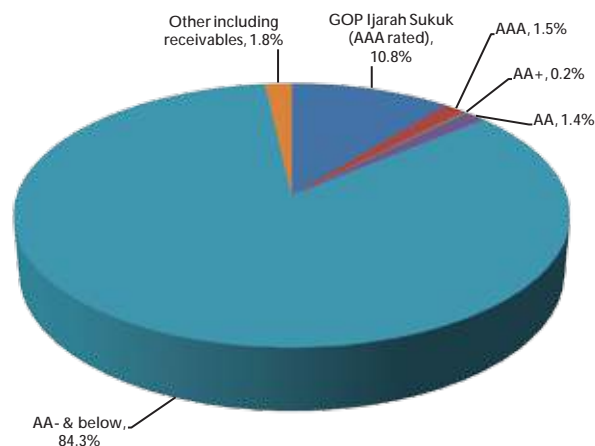
The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 10,079,475/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.0867/0.90%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2015. 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  
Salman Ahmed

**Notes:** 1) 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) Taxes apply. Further, tax credit also available as per section 62 of Income Tax Ordinance.

## Credit Quality of the Portfolio as of Aug 31, 2015 (% of Total Assets)



## Performance %

Performance Period	Aug 2015	FYTD 2016	Rolling 12Months Sep 14-Aug 15	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch October 26, 2007*
NAFA Islamic Aggressive Income Fund	6.8%	6.9%	8.8%	9.2%	13.6%	6.8%	19.0%	9.0%	6.8%
Benchmark	5.1%	5.2%	6.3%	6.6%	6.5%	7.0%	7.9%	7.1%	6.7%

\* 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:	October 26, 2007
Fund Size:	Rs. 1,175 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)
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 6.8% as compared to the Benchmark return of 5.1% thus registering an outperformance of 1.7% p.a. During CY 15, the Fund has posted 8.4% annualized return versus 6.0% 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 3.0% of the total assets. Around 95.4% allocation in bank deposits provides liquidity to the portfolio.

The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio is around 11.3% p.a. and weighted average time to maturity is 1.4 years. The weighted average time to maturity of the Fund is 16 days.

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

## Asset Allocation (% of Total Assets) 31-Aug-15 31-July-15

	31-Aug-15	31-July-15
Sukuks	3.0%	3.2%
Bank Deposits	95.4%	95.2%
Other including receivables	1.6%	1.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Top Sukuk Holdings (as at Aug 31, 2015)

Name of Sukuk	% of Total Assets
K Electric Azm Sukuk	1.2%
Engro Fertilizer Limited (Sukuk)	1.0%
Maple Leaf Cement (Sukuk I)	0.8%
<b>Total</b>	<b>3.0%</b>

## WORKERS' WELFARE FUND (WWF)

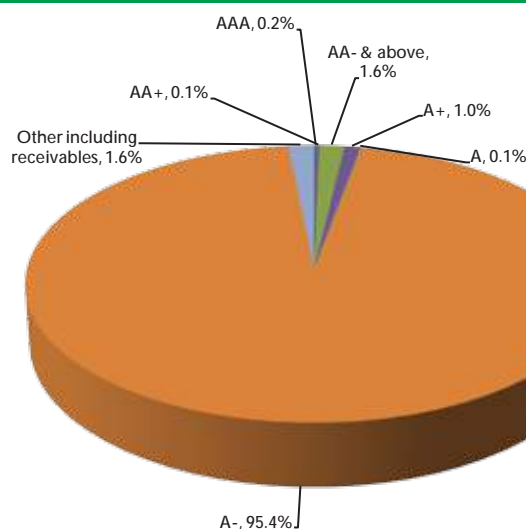
The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 2,944,049/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0240/0.27%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2015. 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. The performance reported is based on dividend reinvestment (gross of with-holding tax where applicable)  
2) Taxes apply. Further, tax credit also available as per section 62 of Income Tax Ordinance.

## Credit Quality of the Portfolio as of Aug 31, 2015 (% of Total Assets)





## Performance %

Performance Period	Aug 2015	FYTD 2016	Rolling 12 Months Sep 14-Aug 15	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch October 26, 2007*
NAFA Islamic Asset Allocation Fund	(0.7%)	2.5%	39.6%	33.8%	22.2%	36.3%	13.3%	28.4%	16.6%
Benchmark**	(0.0%)	1.1%	13.2%	12.1%	17.7%	28.4%	11.1%	24.4%	11.6%

\* Annualized Return

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 Cumulative

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. 3,491 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 Takaful: 3%, with Life Takaful: 5% (Nil on investment above Rs. 50 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/- 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 decreased by 0.7%, whereas the Benchmark return remained almost flat by 0.0%, thus your Fund underperformed the Benchmark by 0.7%. Since inception your Fund has posted 234.7% return, versus 136.2% by the Benchmark. Thus, an outperformance of 98.5% was recorded. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 63% in equities, which was decreased to around 52% towards the end of the month. NIAAF underperformed the Benchmark in August as the Fund was overweight in Equities which fell during the month. During the month, the allocation was increased primarily in Oil & Gas Exploration Companies and Glass & Ceramics sectors whereas it was reduced primarily in Cement, Oil & Gas Marketing Companies, Refinery, and fertilizer sectors.

## Asset Allocation (% of Total Assets) 31-Aug-15 31-July-15

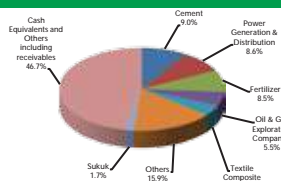
	31-Aug-15	31-July-15
Equities / Stocks	51.6%	62.8%
Sukuks	1.7%	2.0%
Cash	45.8%	34.4%
Others including receivables	0.9%	0.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAF	8.4	3.1	4.4
KMI-30	10.9	3.1	4.9

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

## Asset Allocation (% of Total Assets) (as on 31 Aug, 2015)



## Name of the Members of Investment Committee

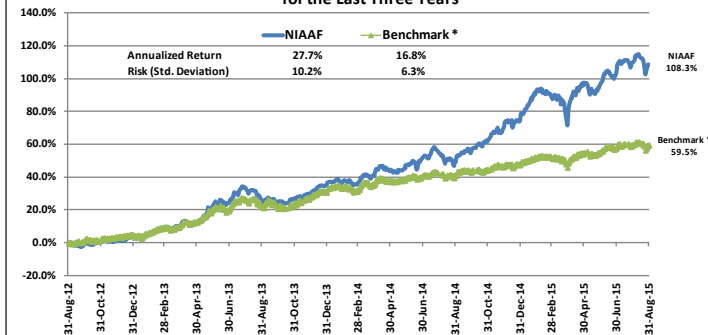
Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Muhammad Imran, CFA, ACCA

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 15,789,039/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0704/0.63%. For details investors are advised to read the Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2015. 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. The performance reported is based on dividend reinvestment (gross of with-holding tax where applicable)  
2) Taxes apply. Further, tax credit also available as per section 62 of Income Tax Ordinance.

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



\* Please see Note below the performance table.

## Top Ten Holdings (as on 31 Aug, 2015)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	5.6%	Lucky Cement Ltd	Equity	2.8%
Kot Addu Power Co Ltd	Equity	3.5%	Pak Petroleum Ltd	Equity	2.7%
Hub Power Company Ltd	Equity	3.4%	Engro Fertilizer Ltd	Equity	2.3%
D G Khan Cement Co Ltd	Equity	3.1%	Pakistan Oilfields Ltd	Equity	2.1%
Kohinoor Textile Mills Ltd	Equity	3.0%	Pakistan State Oil Co Ltd	Equity	1.9%

## 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>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. 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.



Performance %*				
Performance Period	Aug 2015	FYTD 2016	Rolling 6 Months Mar 15 - Aug 15	Since Launch January 09, 2015
NAFA Islamic Stock Fund	(1.3%)	2.2%	10.3%	13.9%
Benchmark	(1.2%)	1.0%	7.9%	10.3%

\* Cumulative Returns

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. 1,360 million
Type:	Shariah Compliant - Open-end – Equity 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 Load:	Forward Pricing Front end: 3% (Nil on investment above Rs 50 million) Back end: 0%
Management Fee:	3.0% per annum
Risk Profile	High
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	KMI-30 index
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 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) decreased by 1.3%, whereas the Benchmark decreased by 1.2%, thus an underperformance of 0.1% was recorded. Since inception on January 9, 2015 your Fund has posted 13.9% return, versus 10.3% by the Benchmark. Thus, to-date the cumulative outperformance of your Fund stands at 3.6%. This outperformance is net of management fee and all other expenses.

NISF started off the month with an allocation of around 88% in equities, which was decreased to around 84% during the month. NISF underperformed the Benchmark in August as the Fund was overweight in select Refinery and Oil & Gas Marketing Companies sectors stocks which underperformed the market and underweight in select Pharmaceuticals, Power Generation & Distribution and Fertilizer sectors stocks which outperformed the market. During the month, the allocation was primarily increased in Oil and Gas Exploration Companies, Cements, and Power Generation & Distribution sectors whereas it was reduced primarily in Auto Assembler, Refinery and Fertilizer sectors.

Asset Allocation (% of Total Assets)	31-Aug-15	31-July-15
Equities / Stocks	83.9%	88.3%
Cash Equivalents	13.1%	11.3%
Others including receivables	3.0%	0.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

Characteristics of Equity Portfolio**			
	PER	PBV	DY
NISF	8.5	3.0	4.7%
KMI-30	10.9	3.1	4.9%

\*\* Based on NAFA's estimates

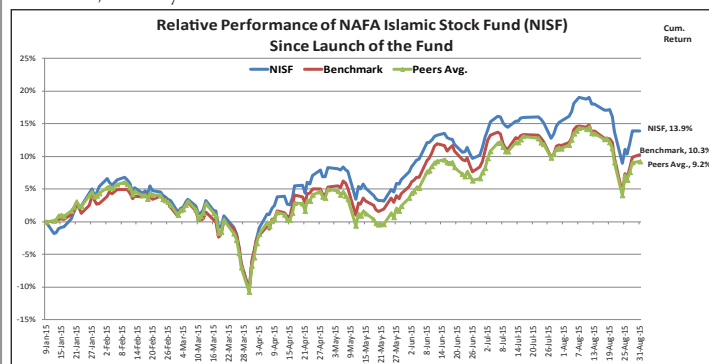
**Asset Allocation (% of Total Assets) (as on 31 Aug, 2015)**



**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/ since inception return of scheme would be higher by Rs 0.0197/0.20%. For details investors are advised to read the Note 9 of the Financial Statements of the Scheme for the period ended March 31, 2015. 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. The performance reported is based on dividend reinvestment (gross of with-holding tax where applicable)  
2) Taxes apply. Further, tax credit also available as per section 62 of Income Tax Ordinance.



**Top Ten Holdings (as on 31 Aug, 2015)**

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	6.8%	Lucky Cement Ltd	Equity	3.9%
Pakistan Oilfields Ltd	Equity	5.0%	Kohinoor Textile Mills Ltd	Equity	3.7%
Hub Power Company Ltd	Equity	4.7%	D G Khan Cement Co Ltd	Equity	3.0%
Pak Petroleum Ltd	Equity	4.6%	Tariq Glass Ltd	Equity	3.0%
Kot Addu Power Co Ltd	Equity	4.1%	Pak Elektron Ltd	Equity	2.7%

**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.) Aug 31, 2015	Performance %			
			Aug 2015	FYTD 2016	Rolling 12 Months Sep 14-Aug 15	Since Launch July 02, 2013
NIPF-Equity Sub-fund	255.4	216.0447	(0.3)%*	3.9%*	63.5%*	42.3%
NIPF-Debt Sub-fund	151.1	116.2530	4.9%	4.9%	5.7%	6.7%
NIPF-Money Market Sub-fund	86.4	116.0581	4.2%	4.5%	6.2%	6.7%

\* 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. 493 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 1.50%	
	Money Market 1.50%	
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 (High Investment Management Standards)	
Leverage	Nil	

### Credit Quality of the Portfolio (as on 31 Aug, 2015)

	Debt	Money Market
Government Securities (AAA rated)	68.9%	57.3%
AAA	9.6%	19.3%
AA+	10.9%	21.5%
AA	7.8%	-
Others	2.8%	1.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Asset Allocation (% of Total Assets)

Equity Sub-fund	31-Aug-15	31-July-15
Equity	87.7%	86.9%
Cash	11.8%	12.5%
Others including receivables	0.5%	0.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Debt Sub-fund	31-Aug-15	31-July-15
Cash	28.3%	18.3%
GOP Ijara Sukuk-Govt	68.9%	72.4%
Others	2.8%	9.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Money Market Sub-fund	31-Aug-15	31-July-15
Cash	18.3%	30.7%
GOP Ijara Sukuk-Govt Backed	72.4%	60.4%
Others	9.3%	8.9%
<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	Amount Per Unit Rs	Last One Year return would otherwise have been higher by:
Equity Sub-Fund	1,341,944	1.1353	0.86%
Debt Sub-Fund	182,708	0.1406	0.13%
Money Market Sub-Fund	137,561	0.1848	0.17%

For details investors are advised to read the Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2015. 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. The performance reported is based on dividend reinvestment (gross of with-holding tax where applicable)  
2) Taxes apply. Further, tax credit also available as per section 63 of Income Tax Ordinance.

### Fund Manager's Commentary

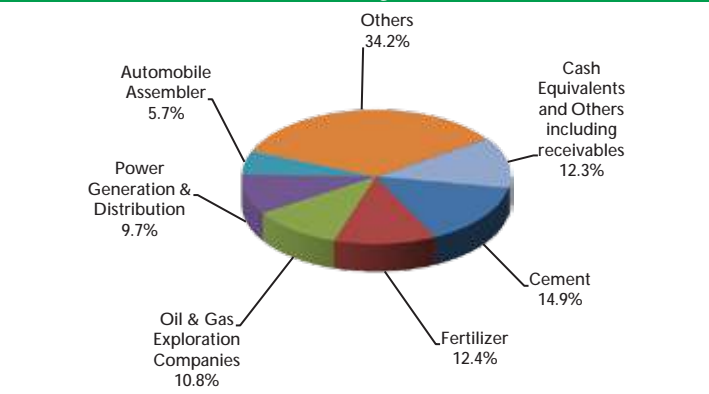
**During the month of August:**

NIPF Equity Sub-fund unit price decreased by 0.3% compared with KMI-30 Index which decreased by 1.2%. The Sub-fund was around 88% invested in equities with major weights in Cement, Fertilizer and Oil & Gas Exploration sectors. Equity sub-Fund maintains exposure of atleast 90% in listed equities on average.

NIPF Debt Sub-fund generated annualized return of 4.9%. 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 0.22 years.

NIPF Money Market Sub-fund generated annualized return of 4.2%. The Sub Fund was invested primarily in short-term GoP Ijara Sukuks and Islamic bank deposits. Money Market sub-Fund average maturity cannot exceed 1 year. Weighted Average Maturity of Sub-fund is 0.20 years.

### Equity Sub Fund Asset Allocation (% of Total Assets) (as on 31 Aug, 2015)



### Top Ten Holdings of Equity Sub-fund (as on 31 Aug, 2015)

Name	(% of Total Assets)	Name	(% of Total Assets)
Engro Corporation Ltd	6.6%	Lucky Cement Ltd	3.6%
D. G. Khan Cement Co Ltd	4.6%	Hub Power Company Ltd	3.4%
Pakistan Petroleum Ltd	4.1%	Kohinoor Textile Mills Ltd	3.2%
Kot Addu Power Co Ltd	3.9%	Mughal Iron & Steel Ltd	3.2%
Pakistan Oilfields Ltd	3.8%	Tariq Glass Ltd	2.9%

### 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, Salman Ahmed

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## Performance %

Performance Period	Aug 2015	FYTD 2016	Rolling 12 Months Sep 14-Aug 15	Since Launch* March 05, 2014
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	(0.6%)	0.9%	23.4%	16.5%
Benchmark	(0.4%)	0.9%	12.4%	10.5%

\* 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

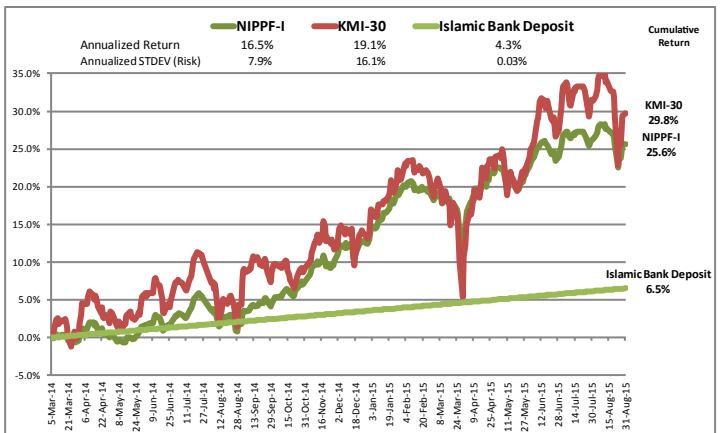
Launch Date:	March 5, 2014
Fund Size:	Rs. 1,704 million
Type:	Shariah Compliant - Open-end – Capital Protected Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	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 (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 25.6% versus 16.0% return of the Benchmark. The current equity exposure stands at around 45%. During the month, maximum multiplier stood at 2.5 whereas minimum multiplier was 2.2 . Key holdings of the Fund belong to Power Generation & Distribution, Cement 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 outlook, reasonable valuations and built in dynamic equity allocation mechanism of the Fund.



## Asset Allocation (% of Total Assets) 31-Aug-15 31-July-15

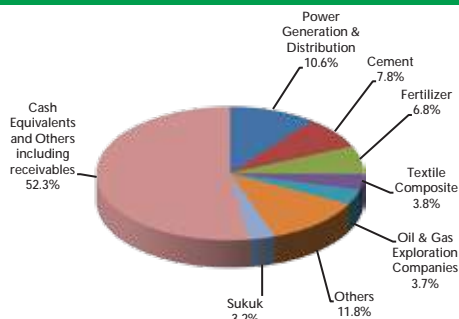
	31-Aug-15	31-July-15
Equities / Stocks	44.5%	47.5%
Cash	51.5%	48.7%
Sukuk	3.2%	3.2%
Others including receivables	0.8%	0.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIPPF-I	8.8	3.0	4.7%
KMI-30	10.9	3.1	4.9%

\*\* Based on NAFA's estimates

## Asset Allocation (% of Total Assets) (as on 31 Aug, 2015)



## Top Ten Holdings (as on 31 Aug, 2015)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Hub Power Company Ltd	Equity	4.6%	Kohinoor Textile Mills Ltd	Equity	2.4%
Engro Corporation Ltd	Equity	4.4%	Thal Ltd	Equity	2.3%
Kot Addu Power Co Ltd	Equity	4.3%	Lucky Cement Ltd	Equity	2.1%
GOP Ijara Sukuk XII	Sukuk	3.2%	Engro Fertilizer Ltd	Equity	2.0%
D G Khan Cement Co Ltd	Equity	2.6%	Pak Petroleum Ltd	Equity	1.9%

## 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 0.5354/0.55%. For details investors are advised to read Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2015.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. The performance reported is based on dividend reinvestment (gross of with-holding tax where applicable)  
2) Taxes apply. Further, tax credit also available as per section 62 of Income Tax Ordinance.

## 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

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## Performance %\*

Performance Period	Aug 2015	FYTD 2016	Rolling 12 Months Sep 14-Aug 15	Since Launch* June 27, 2014
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	(1.9%)	0.7%	23.8%	18.4%
Benchmark	(0.9%)	0.8%	13.6%	11.3%

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

## General Information

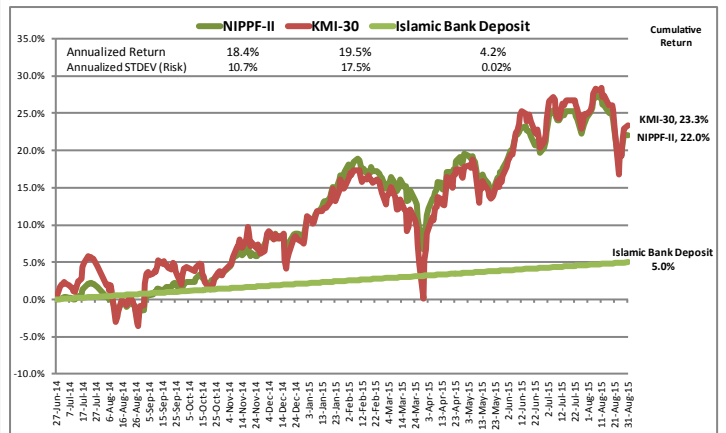
Launch Date:	June 27, 2014
Fund Size:	Rs. 1,304 million
Type:	Shariah Compliant - Open-end – Capital Protected Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 05:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	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 (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 22.0% versus 13.4% return of the Benchmark. The current equity exposure stands at around 64%. During the month, maximum multiplier stood a 4.2 whereas minimum multiplier was 3.4. Key holdings of the Fund belong to Power Generation & Distribution, Cement and Fertilizer sectors. 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 outlook, reasonable valuations and built in dynamic equity allocation mechanism of the Fund.



## Asset Allocation (% of Total Assets) 31-Aug-15 31-July-15

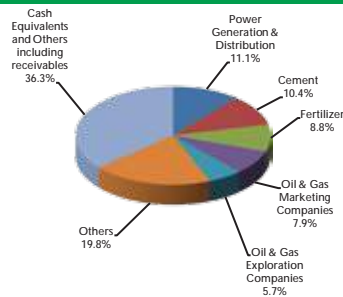
Equities / Stocks	63.7%	72.9%
Bank Deposits	35.6%	26.5%
Others including receivables	0.7%	0.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIPPF-II	8.8	3.1	4.6%
KMI-30	10.9	3.1	4.9%

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

## Asset Allocation (% of Total Assets) (as on 31 Aug, 2015)



## 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/ since inception return of scheme would be higher by Rs 0.4649/0.48%. For details investors are advised to read Note 7 of the Financial Statements of the Scheme for the period ended March 31, 2015. 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. The performance reported is based on dividend reinvestment (gross of with-holding tax where applicable)

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

## Top Ten Holdings (as on 31 Aug, 2015)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	5.8%	Pakistan Oilfields Ltd	Equity	3.5%
Hub Power Company Ltd	Equity	5.0%	Pakistan State Oil Co Ltd	Equity	3.1%
Kot Addu Power Co Ltd	Equity	4.2%	D G Khan Cement Co Ltd	Equity	3.1%
Kohinoor Textile Mills Ltd	Equity	4.1%	Attock Petroleum Ltd	Equity	2.9%
Lucky Cement Ltd	Equity	3.6%	Indus Motor Company Ltd	Equity	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  
Muhammad Imran, CFA, ACCA

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## Performance %\*

Performance Period	Aug 2015	FYTD 2016	Rolling 6 Months Mar 15- Aug 15	Since Launch January 09, 2015
NAFA Islamic Principal Preservation Fund (NIPPF)	(0.7%)	1.0%	3.6%	6.1%
Benchmark	(1%)	0.1%	3.1%	4.5%

\* Cumulative Returns

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. 1,728 million
Type:	Open Ended Shariah Compliant Fund of Funds
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
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:	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 (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 return of 6.1% versus 4.5% return of the Benchmark. The current exposure in equity/asset allocation funds stands at around 44%. During the month, maximum multiplier stood at 4.5 whereas minimum multiplier was 3.3. 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 outlook, reasonable valuations and built in dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 31-Aug-15 31-July-15

Asset Allocation	31-Aug-15	31-July-15
Islamic Asset Allocation Fund	20.5%	23.1%
Islamic Stock Fund	23.3%	26.7%
Cash	55.3%	47.9%
Others including receivables	0.9%	2.3%
<b>Total</b>	<b>100.0%</b>	
Leverage	Nil	100.0% Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAF	8.4	3.1	4.4%
NISF	8.5	3.0	4.7%
KMI-30	10.9	3.1	4.9%

\*\* Based on NAFA's estimates

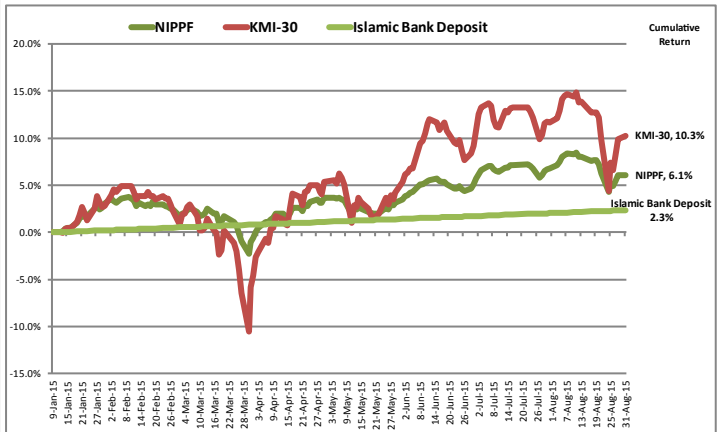
## Top Holdings (%age of total assets) (as on 31 Aug, 2015)

NAFA Islamic Asset Allocation Fund	20.5%
NAFA Islamic Stock Fund	23.3%
<b>Total</b>	<b>43.8%</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/ since inception return of scheme would be higher by Rs 0.1054/0.11%.For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended March 31, 2015. 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. The performance reported is based on dividend reinvestment (gross of with-holding tax where applicable)  
2) Taxes apply. Further, tax credit also available as per section 62 of Income Tax Ordinance.



## Name of the Members of Investment Committee

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