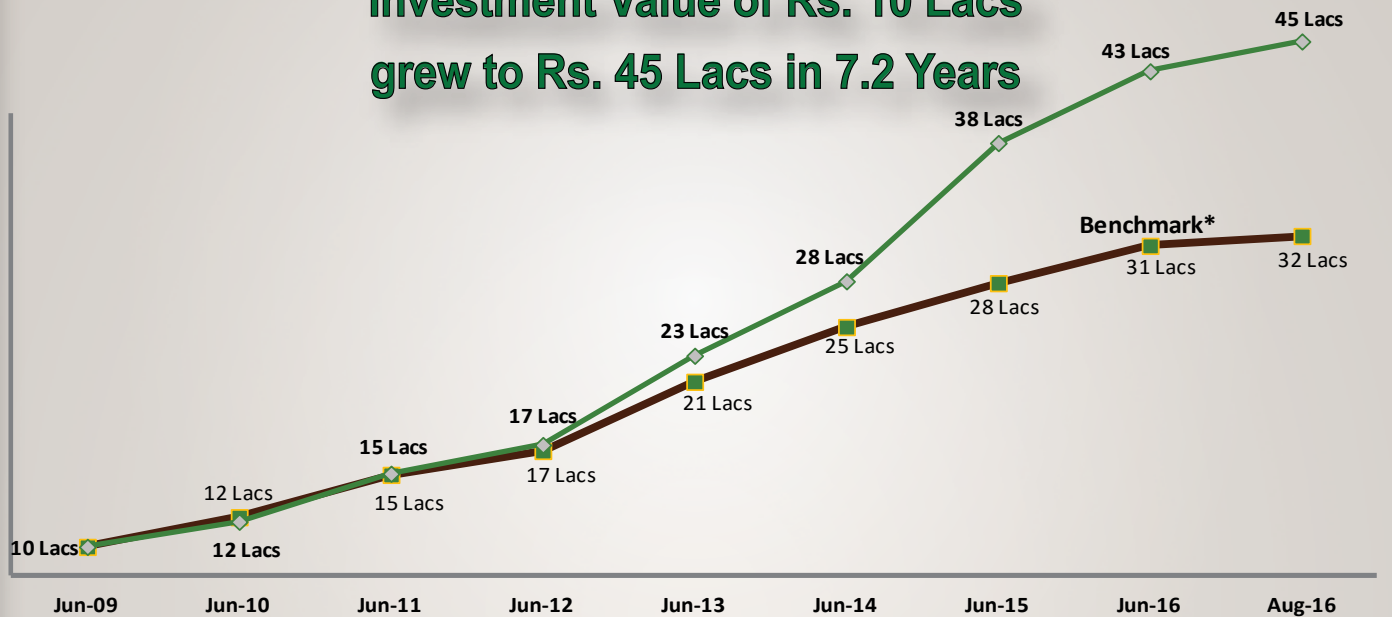


Fund Manager Report of Shariah Compliant Schemes

August 2016

NAFA Islamic Asset Allocation Fund

Investment Value of Rs. 10 Lacs
grew to Rs. 45 Lacs in 7.2 Years



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

Fund Category: Shariah Compliant Asset Allocation Fund

Annualized return since inception of Fund on October 26, 2007 is 16.5% p.a. vs Benchmark return of 11.4% p.a. Last one year return is 15.6% vs benchmark return of 10.4%.

■ NAFA Islamic Asset Allocation Fund
■ Benchmark

Launching

NAFA Islamic Active Allocation Plan-IV*

Last date for Investment 30th September 2016

- Halal & attractive returns.
- Initial maturity of 2 years.
- Tax Benefits as per current Income Tax Laws.
- Rs. 327 Crores investment in NAFA Islamic Active Allocation Plans I, II & III.

* Shariah Compliant - Fund of Fund Category

For Information & Investment

Call : 0800-20002 ◆ SMS: NAFA INVEST to 8080 ◆ info@nafafunds.com

www.nafafunds.com ◆  /nafafunds



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



Your investments & "NAFA" grow together



FULLERTON FUND
MANAGEMENT

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 risks. Past performance is not necessarily indicative of future results. The investors are advised in their own interest to carefully read the contents of the Offering Document in particular the Investment Policies mentioned in Clause 2 and Risk Factors mentioned in Clause 2.4 and Warnings in Clause 9 before making any investment decision. The NIAAF 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.

| | |
|---|--------|
| Performance Summary of NAFA's Shariah Compliant Funds | Pg. 01 |
| CEO's Write-up | Pg. 02 |
| Capital Markets Review | Pg. 03 |
| NAFA Riba Free Savings Fund | Pg. 04 |
| NAFA Islamic Aggressive Income Fund | Pg. 05 |
| NAFA Islamic Asset Allocation Fund | Pg. 06 |
| NAFA Islamic Stock Fund | Pg. 07 |
| NAFA Islamic Pension Fund | Pg. 08 |
| NAFA Islamic Principal Protected Fund-I (NIPPF-I) | Pg. 09 |
| NAFA Islamic Principal Protected Fund-II (NIPPF-II) | Pg. 10 |
| NAFA Islamic Principal Preservation Fund (NIPPF) | Pg. 11 |
| NAFA Islamic Active Allocation Plan-I (NIAAP-I) | Pg. 12 |
| NAFA Islamic Active Allocation Plan-II (NIAAP-II) | Pg. 13 |
| NAFA Islamic Active Allocation Plan-III (NIAAP-III) | Pg. 14 |
| NAFA Active Allocation Riba Free Savings Fund | Pg. 15 |
| NAFA Islamic Active Allocation Equity Fund | Pg. 16 |
| NAFA Islamic Energy Fund | Pg. 17 |

Table of Contents

"August 2016"

Islamic Mutual Funds - Collective Investment Schemes (CISs)

| Risk Profile | Fund Name | Fund Size (Rs. In Crore) | Stability Rating | Inception Date | Aug-2016 | FYTD | Rolling 12 Months | FY 2016 | FY 2015 | FY 2014 | FY 2013 | FY 2012 | Since Inception |
|---------------|-------------------------------------|--------------------------|------------------|----------------|----------|------|-------------------|---------|---------|---------|---------|---------|-------------------|
| | | | | | | | | | | | | | |
| Lowest Risk | Islamic Income Funds | | | | | | | | | | | | |
| | NAFA Riba Free Savings Fund | 108 | A (f) | 20-Aug-10 | 5.2% | 5.4% | 5.4% | 5.5% | 7.4% | 7.8% | 8.7% | 10.8% | 8.3% |
| | Benchmark | | | | 4.3% | 4.3% | 4.7% | 4.9% | 6.7% | 6.7% | 7.3% | 8.3% | 6.9% |
| | NAFA Islamic Aggressive Income Fund | 268 | A- (f) | 26-Oct-07 | 5.4% | 5.6% | 7.2% | 7.4% | 9.2% | 13.6% | 6.8% | 19.0% | 6.8% |
| | Benchmark | | | | 4.5% | 4.5% | 4.7% | 4.8% | 6.6% | 6.5% | 7.0% | 7.9% | 6.4% |
| Moderate Risk | Equity Related Islamic Funds | | | | | | | | | | | | |
| | Cumulative Returns | | | | | | | | | | | | Annualized Return |
| | NAFA Islamic Asset Allocation Fund | 620 | | 26-Oct-07 | (0.1%) | 4.8% | 15.6% | 13.1% | 33.8% | 22.2% | 36.3% | 13.2% | 16.5% |
| | Benchmark | | | | (0.02%) | 2.2% | 10.4% | 9.2% | 12.1% | 17.7% | 28.9% | 11.1% | 11.4% |
| High Risk | NAFA Islamic Stock Fund | 291 | | 9-Jan-15 | 0.5% | 7.9% | 19.2% | 12.9% | n/a | n/a | n/a | n/a | 20.4% |
| | Benchmark | | | | (1.0%) | 4.9% | 20.0% | 15.5% | n/a | n/a | n/a | n/a | 18.6% |

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

| Risk Profile | Fund Name | Fund Size | Inception Date | Aug-2016 | FYTD | Rolling 12 Months | FY 2016 | FY 2015 | FY 2014 | FY 2013 | FY 2012 | Since Inception |
|--------------|------------------------------|-----------|----------------|----------|------|-------------------|---------|---------|---------|---------|---------|-----------------|
| | | | | | | | | | | | | |
| Low Risk | NIPF - Money Market Sub-fund | 17 | 2-Jul-13 | 4.4% | 4.3% | 3.9% | 3.9% | 6.2% | n/a | n/a | n/a | 5.8% |
| | NIPF - Debt Sub-fund | 31 | 2-Jul-13 | 4.2% | 4.0% | 3.6% | 3.8% | 5.6% | n/a | n/a | n/a | 5.7% |
| | Cumulative Returns | | | | | | | | | | | |
| High Risk | NIPF - Equity Sub-fund | 53 | 2-Jul-13 | 0.5% | 7.4% | 20.8% | 16.9% | 51.5% | n/a | n/a | n/a | 35.1% |

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 the Income Tax Ordinance, 2001.
3) Taxes apply.

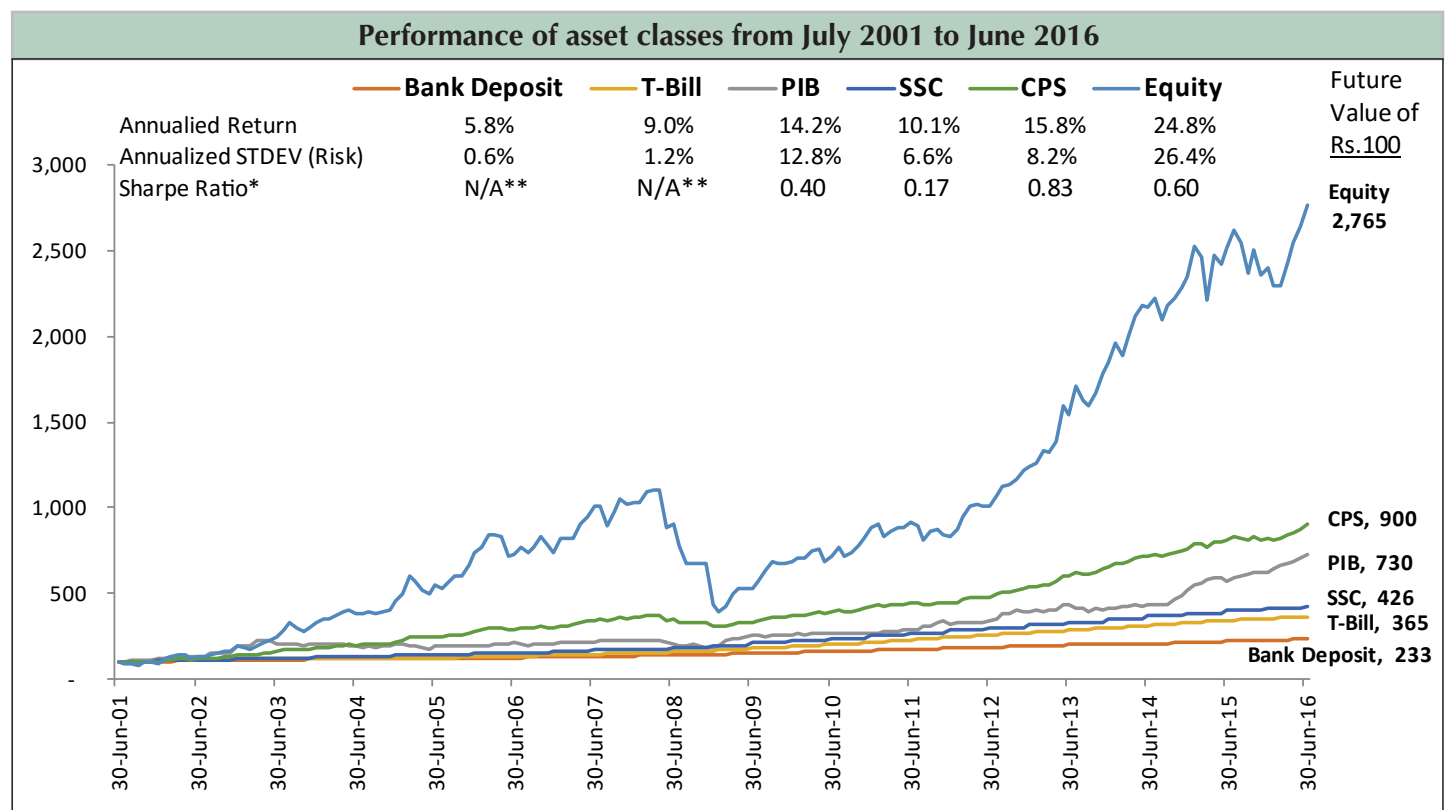
n/a = Not applicable.
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

Performance of Key Asset Classes A 15 Year Snapshot

With the objective to provide guidance for prudent investment decision, we have analyzed the historical performance of key domestic asset classes for a 15 year period (June 2001 to June 2016) to see how their risk/return compare over time. We have included six key investment categories for which long-term data is available, comprising of five major asset classes i.e. Treasury Bills, Bank Deposits, National Savings Schemes (NSS), Pakistan Investment Bonds (PIBs) and Equities, and one synthetic asset class i.e. Capital Protected Strategy (CPS) in our analysis. During this 15-year period, headline inflation (CPI) has averaged 8.4% per annum and Pak Rupee has depreciated by 4.4% per year, on average, against the US Dollar.

T-Bills are zero coupon short term sovereign debt instruments, issued in 3, 6 and 12 month tenors. National Savings Schemes (NSS), representing unfunded government debt, are non-tradable instruments of various maturities. For our study, we have used Special Savings Certificates as a proxy for NSS. For bank deposits, we have used monthly weighted average deposit rates published by the SBP. We have used 10-year PIB for return on long-term Sovereign Bonds. Under the Capital Protected Strategy (CPS), the portfolio is dynamically managed between a low risk and a high risk asset with the objective of protecting the initial investment amount, while also capturing upside growth of the stock market.

The historical analysis, as given in the Graph below, shows that equities offered the highest return among all asset classes. A PKR 100 investment in equities in June 2001 would be worth PKR 2,765 by June 2016 in nominal terms. During the same period, a PKR 100 investment in bank deposits would increase to just PKR 233, not even compensating for inflation. However, as expected, equities exhibited the highest volatility (risk) and bank deposits and T-bills the lowest, supporting the time-tested investment notion that there is a positive correlation between risk and return.



*Sharpe Ratio = Excess return per unit of risk = (Expected return – Risk free rate)/(Standard deviation), we have used 6M T-bill as a proxy for risk free rate

**Due to negative excess return, standard sharpe ratio is meaningless

Source: SBP Statistical Bulletin, PSX, NSS website, NAFA Research

During the 15-year period, Capital Protected Strategy offered the best risk-adjusted return as measured by Sharpe Ratio, delivering an attractive nominal return of about 15.8% per annum with a relatively low risk level (standard deviation of 8.2%). However, this strategy performs well in a trending market and deliver lagged performance in non-trending and highly volatile markets due to large transaction costs associated with frequent entries/exits. As an alternative, one can consider a strategic asset allocation strategy that provides the flexibility to increase equity exposure when stock market is expected to perform well, and decrease equity exposure when stock market is expected to decline.

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.

Stock Market Review

After a robust start to FY17 with the benchmark KMI 30 Index rising by around 5.9% during July 2016, the stock market swung between gains and losses during August, hitting an intra-day all time high of 70,790 but closing the month at 69,404 levels. The local investors, buoyed by improving economic prospects, reasonable valuations, and improving security situation, remained net-buyers during the month absorbing foreign selling of around US \$ 20 million. Majority of the companies posted above expected earnings and announced healthy payouts in the ongoing corporate results season that contributed to the investors' optimism in the market. Global and regional stock markets posted healthy returns during the month amid lower volatility despite uncertain global growth outlook, elevated valuations, political fluidity, and rising odds of interest rate hike by the US Fed. That said, ultra-low sovereign yields assisted by extremely accommodative monetary policy in the systematically important developed economies are forcing investors to search for returns in risky assets, including equities, despite elevated valuations. Recently, global asset managers have warmed up on the emerging markets driven by improving growth outlook on recovery in the commodity prices, stabilization in China, and calm in the US dollar. In addition, reclassification of Pakistan equity markets in the widely followed MSCI EM Index along with the attractive fundamentals has brought our market on the radar screen of Emerging Market Fund Managers. Notable observation during the month was change of the market focus on the second-tier stocks with significant contributions to the market volume.

Turning to the sectoral performance during the month, Automobile Assemblers, Oil & Gas Exploration, Chemicals, Commercial Banks, Engineering, Textile Composite, and Refinery sectors performed better than the market, while Cement, Power Generation & Distribution, and Fertilizer sectors lagged behind. Automobile Assemblers continued their robust run amid strong volumetric growth, healthy profit margin, and launch of a new model by one of the major players. Oil & Gas exploration sector out-performed the market on the back of brief recovery in the global oil prices amid talks of supply side adjustments by some key players. Rally in the refinery sector extended during the month as a result of healthy earnings announcement and expectation of improving earnings outlook. Textile composite sector drew investors' interest on the news of increase in yarn prices which should filter down to value-added products and rising probability of measured PKR devaluation in the near-term. Investors' interest was witnessed in the Banking sector amid some healthy earnings announcements and attractive valuations. Power Generation & Distribution sector lagged the market amid stretched valuation of a major company and investors' shift to the second tier stocks.

Currently, the market is trading at around 9.8 times estimated earnings and offers around 4.8% dividend yield. Relatively attractive stock market valuations, benign near-term inflation & interest rate outlook, improving macroeconomic prospects, and expectation of healthy portfolio inflows in 2HFY16 have us maintain positive outlook on equities. However, volatility may increase going forward on the back of expected escalation in domestic political climate, shifting global political rhetoric, concerns on global economic growth, and uncertainty on the global policy front.

Money Market Review

Inflation as measured by CPI clocked in at 3.6% for August 2016 as compared to 4.1% reading for the previous month. Despite record accumulation of FX reserve of US \$ 23 billion, the confluence of declining remittances, challenged exports outlook, and heavy scheduled foreign loan payments during FY17 has raised concerns on the Pak Rupee recently. We see inflation to pick up to 5.5% by the year-end due to measured increase in commodity prices and PKR devaluation; and expectation of strong private sector borrowing.

State Bank of Pakistan (SBP) held three T-Bill auctions during the month, with a combined target of Rs. 850 billion and a maturity of Rs. 785 billion. In the third and last T-Bill auction during the month, an amount of Rs. 179 billion was accepted against the target of Rs. 200 billion and maturity of Rs. 168 billion. Cut-off yields were maintained at 5.86%, 5.90% and 5.91% for 03, 06 and 12 month tenors, respectively. Bid pattern skewed towards 06 months as compared to 03 and 12 months. In the The PIB auction during the month, an amount of Rs. 222 billion was accepted against the target of Rs. 100 billion and maturity of Rs 281 billion at a cut-off yield of 6.2%, 6.7% and 7.8% in the 03, 05 year and 10 years, respectively, while, no bid was received in 20 year tenors.

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 portfolio accordingly.

Our Contacts

Contact our Investment Consultant for free Investment advice

Call 0800-20002 || sms NAFA INVEST to 8080 || www.nafafunds.com || info@nafafunds.com

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Performance %

| Performance Period | Aug 2016 | FYTD 2017 | Trailing 12 months Sep 15 - Aug 16 | FY 2016 | FY 2015 | FY 2014 | FY 2013 | FY 2012 | Since Launch August 20, 2010* |
|-----------------------------|----------|-----------|------------------------------------|---------|---------|---------|---------|---------|-------------------------------|
| NAFA Riba Free Savings Fund | 5.2% | 5.4% | 5.4% | 5.5% | 7.4% | 7.8% | 8.7% | 10.8% | 8.3% |
| Benchmark | 4.3% | 4.3% | 4.7% | 4.9% | 6.7% | 6.7% | 7.3% | 8.3% | 6.9% |

* 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: | August 20, 2010 |
| Fund Size: | Rs. 1,082 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 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.) |
| Total Expense Ratio: | 1.27% p.a.(including 0.17% government levies) |
| 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 5.2% for the month of August 2016 versus the Benchmark return of 4.3% thus registering an outperformance of 0.9% p.a. During FYTD, the Fund has outperformed its Benchmark by 1.1% by earning an annualized return of 5.4%. 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 9.3% of net assets in GOP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 93% of net assets 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 78 days.

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

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

| | |
|------------------------------|---------------|
| GOP Ijarah Sukuk (AAA rated) | 9.0% |
| AAA | 25.2% |
| AA+ | 4.9% |
| AA | 0.1% |
| AA- | 0.7% |
| A+ | 15.0% |
| A | 0.1% |
| A- | 43.3% |
| BBB+ & below | 0.3% |
| Others including receivables | 1.4% |
| Total | 100.0% |

| Asset Allocation (% of Total Assets) | 31-Aug-16 | 30-July-16 |
|--------------------------------------|---------------|---------------|
| GOP Ijara Sukuk | 9.0% | 9.6% |
| Bank Deposits | 89.6% | 89.2% |
| Other including receivables | 1.4% | 1.2% |
| 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. 10,079,475/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.0956/0.98%. 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 (31/08/2016): Rs. 9.5755

August 2016

Performance %

| Performance Period | Aug 2016 | FYTD 2017 | Trailing 12 months Sep 15 - Aug 16 | FY 2016 | FY 2015 | FY 2014 | FY 2013 | FY 2012 | Since Launch October 26, 2007* |
|-------------------------------------|----------|-----------|------------------------------------|---------|---------|---------|---------|---------|--------------------------------|
| NAFA Islamic Aggressive Income Fund | 5.4% | 5.6% | 7.2% | 7.4% | 9.2% | 13.6% | 6.8% | 19.0% | 6.8% |
| Benchmark | 4.5% | 4.5% | 4.7% | 4.8% | 6.6% | 6.5% | 7.0% | 7.9% | 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: | October 26, 2007 |
| Fund Size: | Rs. 2,678 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: | 10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.) |
| Total Expense Ratio: | 1.09% p.a.(including 0.17% government levies) |
| 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 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 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 5.4% as compared to the Benchmark return of 4.5% thus registering an outperformance of 0.9% p.a. During FYTD, the Fund has posted 5.6% annualized return versus 4.5% by the Benchmark, hence an outperformance of 1.1% 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 net assets. Around 94.0% of net assets 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 5.3% p.a. and weighted average time to maturity is 2.2 years. The weighted average time to maturity of the Fund is 42 days.

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

Asset Allocation (% of Total Assets) 31-Aug-16 29-July-16

| | | |
|----------------------------------|---------------|---------------|
| Sukuks | 1.6% | 1.7% |
| GOP Ijarah Sukuks - Govt. Backed | 3.7% | 4.1% |
| Bank Deposits | 92.3% | 92.8% |
| Other including receivables | 2.4% | 1.4% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

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

| | |
|------------------------------|---------------|
| GOP Ijarah Sukuk (AAA rated) | 3.7% |
| AAA | 23.7% |
| AA | 1.7% |
| AA- | 0.5% |
| A+ | 26.9% |
| A | 0.1% |
| A- | 41.0% |
| Other including receivables | 2.4% |
| Total | 100.0% |

Top Sukuk Holdings (as at Aug 31, 2016)

| Name of Sukuk | % of Total Assets |
|------------------------------|-------------------|
| K Electric Azm Sukuk - 5 Yrs | 1.0% |
| K Electric Azm Sukuk - 3 Yrs | 0.6% |
| Total | 1.6% |

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. 0.0105/0.12%. 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 Ali Bhabha, CFA, FRM

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 | Aug 2016 | FYTD 2017 | Rolling 12 Months Sep 15-Aug 16 | FY 2016 | FY 2015 | FY 2014 | FY 2013 | FY 2012 | Since Launch October 26, 2007* |
|------------------------------------|----------|-----------|---------------------------------|---------|---------|---------|---------|---------|--------------------------------|
| NAFA Islamic Asset Allocation Fund | (0.1%) | 4.8% | 15.6% | 13.1% | 33.8% | 22.2% | 36.3% | 13.2% | 16.5% |
| Benchmark** | (0.02%) | 2.2% | 10.4% | 9.2% | 12.1% | 17.7% | 28.9% | 11.1% | 11.4% |

* 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. 6,197 million |
| Type: | Open-end-Shariah Compliant -Asset Allocation Fund |
| Dealing Days: | Daily – Monday to Friday (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M |
| Dealing Time: | 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: | 2.65% p.a.(including 0.36% government levies) |
| Total Expense Ratio (%) | 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 decreased by 0.1% whereas the Benchmark decreased by 0.02%, thus your Fund underperformed the Benchmark by 0.08%. Since inception your Fund has posted 287.0% return, versus 159.4% by the Benchmark. Thus, to-date the cumulative outperformance of your Fund stands at 127.6%. 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 decreased to around 59% towards the end of the month. NIAAF lagged the Benchmark in August as the Fund was overweight in equities which fell during the month. However, the Fund outperformed in security selection as it was overweight in select Oil & Gas Exploration Companies, Leather & Tanneries, and Refinery sectors stocks which outperformed the market. During the month the allocation was reduced primarily in Engineering, Cement, Power Generation & Distribution, Refinery, and Oil & Gas Marketing Companies sectors.

Asset Allocation (% of Total Assets)

| | 31-Aug-16 | 29-July-16 |
|------------------------------|---------------|---------------|
| Equities / Stocks | 58.7% | 62.5% |
| Sukuks | 0.7% | 0.8% |
| Cash | 39.7% | 34.8% |
| Others including receivables | 0.9% | 1.9% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio***

| | PER | PBV | DY |
|--------|------|-----|------|
| NIAAF | 9.7 | 2.9 | 4.4% |
| KMI-30 | 10.9 | 2.2 | 4.8% |

*** Based on NAFA's estimates

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

| | |
|---------------------------------|-------|
| Cement | 10.8% |
| Oil & Gas Exploration Companies | 10.6% |
| Fertilizer | 6.9% |
| Power Generation & Distribution | 6.6% |
| Oil & Gas Marketing Companies | 6.2% |
| Others | 17.6% |

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

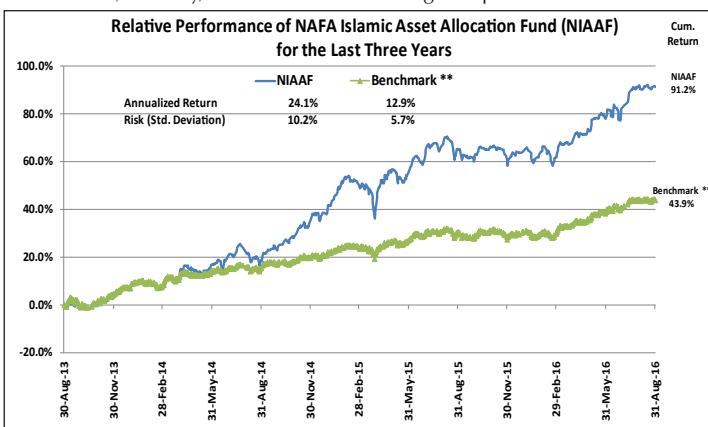
WORKERS' WELFARE FUND (WWF)

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 0.0416/0.30%. 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.

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. The reported return may include provisions and reversal of provisions against some debt securities.



Top Ten Holdings (as on 31 Aug, 2016)

| Name | Asset Class | % of Total Assets | Name | Asset Class | % of Total Assets |
|----------------------------|-------------|-------------------|----------------------------|-------------|-------------------|
| Pakistan State Oil Co. Ltd | Equity | 4.4% | Hub Power Company Ltd | Equity | 2.7% |
| Engro Corporation Ltd | Equity | 3.7% | Kohinoor Textile Mills Ltd | Equity | 2.5% |
| Mari Petroleum Company Ltd | Equity | 3.5% | Indus Motor Company Ltd | Equity | 2.4% |
| Lucky Cement Ltd | Equity | 3.4% | Nishat Mills Ltd | Equity | 2.4% |
| Pakistan Oilfields Ltd | Equity | 3.2% | Pak Petroleum Ltd | Equity | 2.2% |

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 | - | - | - |
| Total | | 4,921,875 | 4,921,875 | - | - | - |

Performance

| Performance Period | Aug 2016 | FYTD 2017 | Rolling 12 Months Sep 15 - Aug 16 | FY 2016 | Since Launch* January 09, 2015 |
|-------------------------|----------|-----------|-----------------------------------|---------|--------------------------------|
| NAFA Islamic Stock Fund | 0.5% | 7.9% | 19.2% | 12.9% | 20.4% |
| Benchmark | (1%) | 4.9% | 20.0% | 15.5% | 18.6% |

* 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. 2,912 million |
| Type: | Open-end-Shariah Compliant-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: | 2% per annum |
| Total Expense Ratio (%) | 2.86% p.a.(including 0.38% government levies) |
| 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 0.5%, whereas the Benchmark decreased by 1.0%, thus an outperformance of 1.5% was recorded. Since inception on January 9, 2015 your Fund has posted 35.7% cumulative return, versus 32.3% by the Benchmark. Thus, to-date the cumulative outperformance of your Fund stands at 3.4%. This outperformance is net of management fee and all other expenses.

NISF started off the month with an allocation of around 87% in equities, which decreased to around 86% towards the end of the month. NISF outperformed the Benchmark in August as the Fund was underweight in select Power Generation & Distribution, Fertilizer, and Cement sectors stocks which underperformed the market and overweight in select Engineering, Automobile Assembler, Oil & Gas Marketing Companies, Glass & Ceramics, and Automobile Parts & Accessories sectors stocks which outperformed the market. During the month, the allocation was decreased primarily in Cement, Oil & Gas Exploration Companies, Fertilizer, and Refinery sectors.

Asset Allocation (% of Total Assets) 31-Aug-16 29-July-16

| Asset Allocation (% of Total Assets) | 31-Aug-16 | 29-July-16 |
|--------------------------------------|---------------|---------------|
| Equities / Stocks | 86.1% | 87.4% |
| Cash Equivalents | 13.6% | 11.8% |
| Others including receivables | 0.3% | 0.8% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio**

| | PER | PBV | DY |
|--------|------|-----|------|
| NISF | 8.9 | 2.9 | 4.0% |
| KMI-30 | 10.9 | 2.2 | 4.8% |

** Based on NAFA's estimates

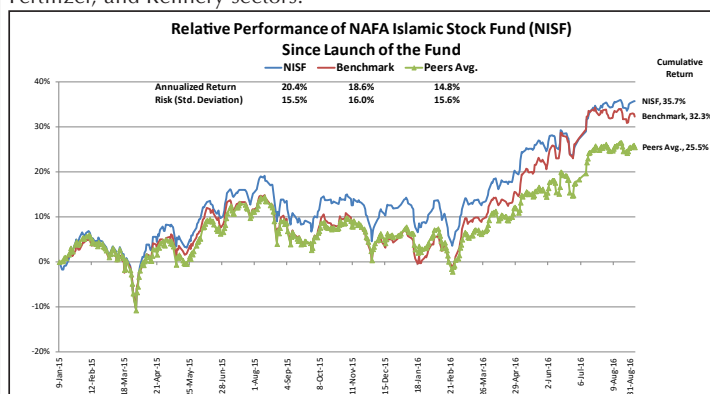
Top Five Sectors (% of Total Assets) (as on 31 Aug, 2016)

| | |
|---------------------------------|-------|
| Cement | 15.0% |
| Fertilizer | 12.8% |
| Oil & Gas Exploration Companies | 12.4% |
| Oil & Gas Marketing Companies | 10.3% |
| Textile Composite | 6.7% |
| Others | 28.9% |

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 0.0102/0.10%.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.



Top Ten Holdings (as on 31 Aug, 2016)

| Name | Asset Class | % of Total Assets | Name | Asset Class | % of Total Assets |
|----------------------------|-------------|-------------------|----------------------------|-------------|-------------------|
| Engro Corporation Ltd | Equity | 4.8% | Attock Cement Pakistan Ltd | Equity | 3.5% |
| Pakistan State Oil Co Ltd | Equity | 4.8% | Lucky Cement Ltd | Equity | 3.3% |
| Mari Petroleum Company Ltd | Equity | 4.4% | Pak Petroleum Ltd | Equity | 3.2% |
| Nishat Mills Ltd | Equity | 4.1% | Dawood Hercules Corp Ltd | Equity | 2.9% |
| Pakistan Oilfields Ltd | Equity | 3.7% | Honda Atlas Cars Ltd | Equity | 2.8% |

Name of the Members of Investment Committee

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

Performance %

| | Fund Size (Rs. in mn) | NAV Per Unit (Rs.) Aug 31, 2016 | Aug 2016 | FYTD 2017 | Rolling 12 Months Sep 15 - Aug 16 | FY 2016 | FY 2015 | Since Launch July 02, 2013 |
|----------------------------|--------------------------|------------------------------------|-------------|--------------|--------------------------------------|------------|------------|-------------------------------|
| NIPF-Equity Sub-fund | 532.2 | 261.0658 | 0.5%* | 7.4%* | 20.8%* | 16.9%* | 51.5%* | 35.1% |
| NIPF-Debt Sub-fund | 311.3 | 120.4588 | 4.2% | 4.0% | 3.6% | 3.8% | 5.6% | 5.7% |
| NIPF-Money Market Sub-fund | 170.9 | 120.5770 | 4.4% | 4.3% | 3.9% | 3.9% | 6.2% | 5.8% |

* Cumulative Returns
All Other returns are annualized
The performance reported is net of management fee & all other expenses.

General Information

| | |
|-------------------------|--|
| Launch Date: | July 2, 2013 |
| Fund size: NIPF | Rs. 1,014 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 05:30 P.M |
| Pricing Mechanism | Forward Pricing |
| Front end Load: | Upto 3% on Contributions |
| Back end | 0% |
| Management Fee: | On average Annual Net Assets of each Sub-Fund. Equity, Debt, Money Market 1.50% p.a. Equity 2.00% p.a. (including 0.24% government levies) |
| Total Expense Ratio (%) | Debt 1.96% p.a. (including 0.24% government levies) Money Market 2.06% p.a. (including 0.24% government levies) |
| Risk Profile | Investor dependent |
| Custodian & Trustee: | Central Depository Company (CDC) |
| Auditors: | KPMG Taseer Hadi & Co. Chartered Accountants |
| Fund Manager: | Sajjad Anwar, CFA |
| Minimum | Initial: Rs. 10,000/- |
| Subscription: | Subsequent: Rs. 1000/- |
| Asset Manager Rating: | AM2++ by PACRA (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 increased by 0.5% compared with 1.0% decrease in KMI-30 Index. The Sub-fund was around 91% invested in equities with major weights in Cement, Fertilizer, and Oil & Gas Exploration Companies sectors. Equity Sub-fund maintains exposure of atleast 90% in listed equities on average. Last 90 days average allocation in equity was 93.5% of net asset.

NIPF Debt Sub-fund generated annualized return of 4.2%. 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 0.7 year.

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 0.2 year.

Credit Quality of the Portfolio (as on 31 Aug 2016)

| | Debt | Money Market |
|-----------------------------------|---------------|---------------|
| Government Securities (AAA rated) | 36.8% | 8.7% |
| AAA | 19.2% | 16.0% |
| AA+ | 19.8% | 23.5% |
| AA | 5.1% | 6.0% |
| AA- | - | 18.8% |
| A+ | 17.6% | 25.3% |
| Others | 1.5% | 1.7% |
| Total | 100.0% | 100.0% |

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

| | |
|---------------------------------|-------|
| Cement | 15.4% |
| Fertilizer | 13.0% |
| Oil & Gas Exploration Companies | 11.6% |
| Oil & Gas Marketing Companies | 9.5% |
| Textile Composite | 7.1% |
| Others | 34.1% |

Asset Allocation (% of Total Assets)

| Equity Sub-fund | 31-Aug-16 | 29-July-16 |
|------------------------------|---------------|---------------|
| Equity | 90.7% | 93.6% |
| Cash Equivalents | 8.8% | 6.0% |
| Others including receivables | 0.5% | 0.4% |
| Total | 100.0% | 100.0% |
| Debt Sub-fund | 31-Aug-16 | 29-July-16 |
| Cash Equivalents | 61.7% | 61.3% |
| GOP Ijara Sukuk | 36.8% | 37.2% |
| Others | 1.5% | 1.5% |
| Total | 100.0% | 100.0% |
| Money Market Sub-fund | 31-Aug-16 | 29-July-16 |
| Cash Equivalents | 89.6% | 89.8% |
| GOP Ijara Sukuk | 8.7% | 8.8% |
| Others | 1.7% | 1.4% |
| Total | 100.0% | 100.0% |

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

| Name | (% of Total Assets) | Name | (% of Total Assets) |
|----------------------------|---------------------|----------------------------|---------------------|
| Pakistan State Oil Co. Ltd | 5.5% | Lucky Cement Ltd | 3.7% |
| Engro Corporation Ltd | 5.4% | Pakistan Oilfields Ltd | 3.3% |
| Mari Petroleum Company Ltd | 4.5% | Dawood Hercules Corp Ltd | 3.0% |
| Nishat Mills Ltd | 4.4% | Engro Fertilizer Ltd | 3.0% |
| Pak Petroleum Ltd | 3.9% | Kohinoor Textile Mills Ltd | 2.7% |

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 | 0.5717 | 0.27% |
| Debt Sub-Fund | 182,708 | 0.0617 | 0.05% |
| Money Market Sub-Fund | 137,561 | 0.0841 | 0.07% |

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.

Name of the Members of Investment Committee

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

MONTHLY REPORT (MUFAP s Recommended Format)
Unit Price (31/08/2016): Rs.116.1622

August 2016

Performance %

| Performance | Aug 2016 | FYTD 2017 | Rolling 12 Months Sep 15-Aug 16 | FY 2016 | FY 2015 | Since Launch March 05, 2014* |
|---|----------|-----------|---------------------------------|---------|---------|------------------------------|
| NAFA Islamic Principal Protected Fund-I (NIPPF-I) | (0.03%) | 4.0% | 7.4% | 4.2% | 21.3% | 12.8% |
| Benchmark | (0.4%) | 2.5% | 9.4% | 7.7% | 11.0% | 10.0% |

* 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. 643 million |
| Type: | Open-end Shariah Compliant -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 |
| Total Expense Ratio (%): | 2.81% p.a. (including 0.35% government levies) |
| 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) |

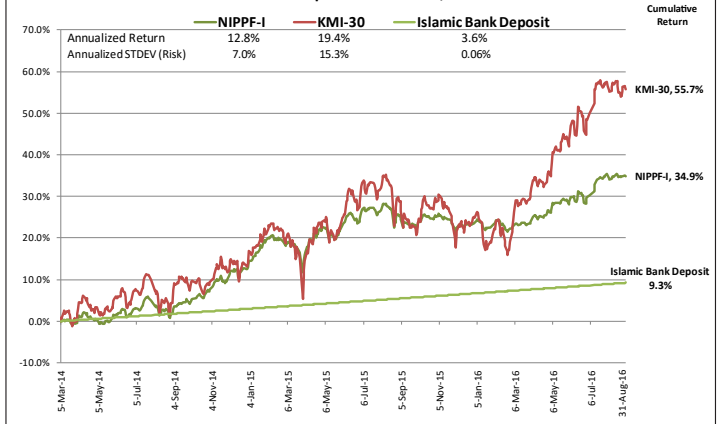
Investment Objective

The objective of NAFA Islamic Principal Protected 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 34.9% versus 26.9% return of the Benchmark. The current equity exposure stands at around 47%. During the month, maximum and minimum multiplier stood at 2.0. Key holdings of the Fund belong to Cement, Oil & Gas Exploration Companies, and Oil & Gas Marketing Companies 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-Aug-16 29-July-16

| Asset Allocation (% of Total Assets) | 31-Aug-16 | 29-July-16 |
|--------------------------------------|---------------|---------------|
| Equities / Stocks | 46.6% | 46.8% |
| Cash | 51.7% | 52.1% |
| Others including receivables | 1.7% | 1.1% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio**

| | PER | PBV | DY |
|---------|------|-----|------|
| NIPPF-I | 10.0 | 2.7 | 4.9% |
| KMI-30 | 10.9 | 2.2 | 4.8% |

** Based on NAFA's estimates

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

| | |
|---------------------------------|-------|
| Cement | 8.1% |
| Oil & Gas Exploration Companies | 7.3% |
| Oil & Gas Marketing Companies | 5.8% |
| Power Generation & Distribution | 5.5% |
| Fertilizer | 4.6% |
| Others | 15.3% |

Top Ten Holdings (as on 31 Aug, 2016)

| Name | Asset Class | % of Total Assets | Name | Asset Class | % of Total Assets |
|----------------------------|-------------|-------------------|----------------------------|-------------|-------------------|
| Indus Motor Company Ltd | Equity | 3.5% | Hub Power Company Ltd | Equity | 2.7% |
| Pakistan State Oil Co. Ltd | Equity | 3.4% | Engro Corporation Ltd | Equity | 2.2% |
| Pak Petroleum Ltd | Equity | 3.3% | Lucky Cement Ltd | Equity | 1.9% |
| Pakistan Oilfields Ltd | Equity | 2.9% | Attock Cement Pakistan Ltd | Equity | 1.8% |
| Kot Addu Power Co Ltd | Equity | 2.8% | Engro Fertilizer Ltd | Equity | 1.5% |

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

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 1.3651/1.26%. 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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| Performance Period | Aug 2016 | FYTD 2017 | Rolling 12 Months Sep 15 - Aug 16 | FY 2016 | FY 2015 | Since Launch June 27, 2014* |
|---|----------|-----------|-----------------------------------|---------|---------|-----------------------------|
| NAFA Islamic Principal Protected Fund-II (NIPPF-II) | 0.03% | 4.9% | 7.6% | 3.3% | 21.0% | 13.3% |
| Benchmark | (0.7%) | 2.8% | 11.1% | 8.9% | 12.2% | 11.2% |

* 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.

| General Information | Investment Objective |
|---|--|
| <p>Launch Date: June 27, 2014 Fund Size: Rs. 974 million Type: Open-end Shariah Compliant -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 Total Expense Ratio (%): 2.81% p.a. (including 0.36% government levies) 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)</p> | <p>The objective of NAFA Islamic Principal Protected 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.</p> |

| Asset Allocation (% of Total Assets) | 31-Aug-16 | 29-July-16 |
|--------------------------------------|---------------|---------------|
| Equities / Stocks | 71.9% | 69.1% |
| Cash Equivalents | 27.1% | 30.1% |
| Others including receivables | 1.0% | 0.8% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

| Characteristics of Equity Portfolio** | | | |
|---------------------------------------|------|-----|------|
| | PER | PBV | DY |
| NIPPF-II | 9.4 | 2.7 | 4.8% |
| KMI-30 | 10.9 | 2.2 | 4.8% |

** Based on NAFA's estimates

| Top Five Sectors (% of Total Assets) (as on 31 Aug, 2016) | |
|---|-------|
| Cement | 11.0% |
| Oil & Gas Exploration Companies | 10.3% |
| Oil & Gas Marketing Companies | 10.3% |
| Textile Composite | 9.8% |
| Fertilizer | 8.3% |
| Others | 22.2% |

WORKERS' WELFARE FUND (WWF)

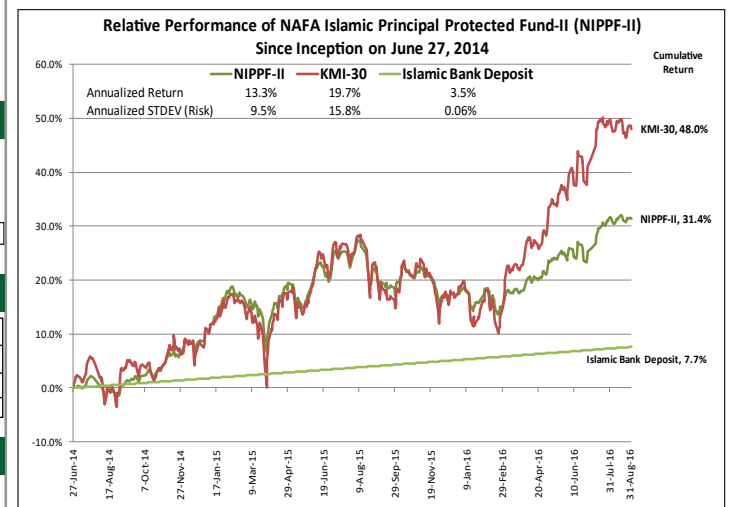
The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 5,069,719,-/If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.6128/0.56%. For details investors are advised to read Note 6 of the Financial Statements of the 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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Fund Manager's Commentary

Since inception, NIPPF- II has generated a cumulative return of 31.4% versus 26.0% return of the Benchmark. The current equity exposure stands at around 72%. During the month, maximum multiplier stood a 3.4 whereas minimum multiplier was 3.3. 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.



| Top Ten Holdings (as on 31 Aug, 2016) | | | | | |
|---------------------------------------|-------------|-------------------|----------------------------|-------------|-------------------|
| Name | Asset Class | % of Total Assets | Name | Asset Class | % of Total Assets |
| Nishat Mills Ltd | Equity | 5.5% | Indus Motor Company Ltd | Equity | 3.2% |
| Pakistan State Oil Co. Ltd | Equity | 4.9% | Pak Petroleum Ltd | Equity | 3.2% |
| Engro Corporation Ltd | Equity | 4.7% | Shell Pakistan Ltd | Equity | 3.0% |
| Kohinoor Textile Mills Ltd | Equity | 4.2% | Attock Cement Pakistan Ltd | Equity | 3.0% |
| Pakistan Oilfields Ltd | Equity | 3.9% | Kot Addu Power Co Ltd | Equity | 2.9% |

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

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2016): Rs.105.1452

August 2016

| Performance % | Aug 2016 | FYTD 2017 | Rolling 12 Months Sep 15 - Aug 16 | FY 2016 | Since Launch January 09, 2015* |
|--|----------|-----------|-----------------------------------|---------|--------------------------------|
| Performance Period | | | | | |
| NAFA Islamic Principal Preservation Fund (NIPPF) | 0.4% | 2.9% | 6.0% | 4.0% | 7.4% |
| Benchmark | (0.3%) | 1.8% | 5.4% | 3.6% | 6.1% |

* 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. 1,152 million |
| Type: | Open End 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. |
| Total Expense Ratio (%) | 1.30% p.a. (including 0.21% government levies) |
| 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 12.4% versus 10.2% return of the Benchmark. The current exposure in equity/asset allocation funds stands at around 44%. During the month, maximum multiplier stood at 4.3 whereas minimum multiplier was 3.7. 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.

| Asset Allocation (% of Total Assets) | 31-Aug-16 | 29-July-16 |
|--------------------------------------|---------------|---------------|
| Islamic Stock Fund | 28.3% | 26.7% |
| Islamic Asset Allocation Fund | 15.2% | 15.6% |
| Cash | 55.3% | 56.1% |
| Others including receivables | 1.2% | 1.6% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

| Characteristics of Equity Portfolio** | | | |
|---------------------------------------|------|-----|------|
| | PER | PBV | DY |
| NIAAF | 9.7 | 2.9 | 4.4% |
| NISF | 8.9 | 2.9 | 4.0% |
| KMI-30 | 10.9 | 2.2 | 4.8% |

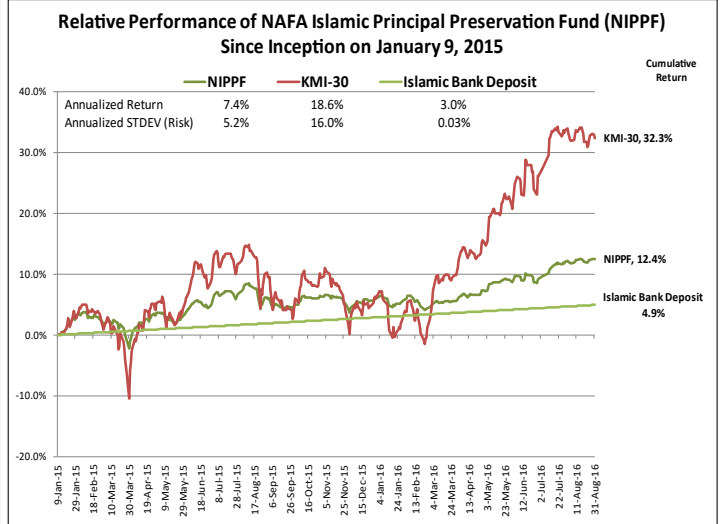
** Based on NAFA's estimates

| Top Holdings (%age of total assets) (as on 31 Aug, 2016) | |
|---|--------------|
| NAFA Islamic Stock Fund | 28.3% |
| NAFA Islamic Asset Allocation Fund | 15.2% |
| Total | 43.5% |

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 0.1614/0.16%.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

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2016): Rs.116.9398

August 2016

Performance *

| Performance Period % | Aug 2016 | FYTD 2017 | Rolling 6 Months Mar 16-Aug 16 | Since Launch January 15, 2016 |
|---------------------------------------|----------|-----------|--------------------------------|-------------------------------|
| NAFA Islamic Active Allocation Plan-I | 0.2% | 5.6% | 16.7% | 16.9% |
| Benchmark | (0.7%) | 4.1% | 18.6% | 20.7% |

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

General Information

| | |
|-------------------------|--|
| Launch Date: | January 15, 2016 |
| Fund Size: | Rs. 885 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: | Nil |
| Management Fee: | 1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a. |
| Total Expense Ratio (%) | 0.47% p.a.(including 0.11% government levies) |
| 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 Shariah 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 16.9% versus 20.7% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 82.0% & 14.7% 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-Aug-16 29-July-16

| | | |
|------------------------------|---------------|---------------|
| Shariah Compliant Funds | 96.7% | 95.7% |
| Cash Equivalents | 3.2% | 4.2% |
| Others including receivables | 0.1% | 0.1% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio**

| | PER | PBV | DY |
|--------|------|-----|------|
| NIAAEF | 9.2 | 2.9 | 4.2% |
| KMI-30 | 10.9 | 2.2 | 4.8% |

** Based on NAFA's estimates

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

| | |
|---|--------------|
| NAFA Islamic Active Allocation Equity Fund | 82.0% |
| NAFA Active Allocation Riba Free Savings Fund | 14.7% |
| Total | 96.7% |

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

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2016): Rs.113.1926

August 2016

Performance*

| Performance Period % | Aug 2016 | FYTD 2017 | Since Launch March 04, 2016 |
|--|----------|-----------|-----------------------------|
| NAFA Islamic Active Allocation Plan-II | 0.2% | 5.4% | 13.2% |
| Benchmark | (0.7%) | 3.9% | 14.7% |

* Cumulative Returns

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

General Information

| | |
|-------------------------|--|
| Launch Date: | March 04, 2016 |
| Fund Size: | Rs. 720 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: | Nil |
| Management Fee: | 1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a. |
| Total Expense Ratio (%) | 0.48% p.a.(including 0.11% government levies) |
| 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 Shariah 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 13.2% versus 14.7% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 78.8% & 17.9% 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-Aug-16 29-July-16

| | 31-Aug-16 | 29-July-16 |
|------------------------------|---------------|---------------|
| Shariah Compliant Funds | 96.7% | 96.2% |
| Cash Equivalents | 3.2% | 3.7% |
| Others including receivables | 0.1% | 0.1% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio**

| | PER | PBV | DY |
|----------|------|-----|------|
| NIAAEF** | 9.2 | 2.9 | 4.2% |
| KMI-30 | 10.9 | 2.2 | 4.8% |

** Based on NAFA's estimates

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

| | |
|---|--------------|
| NAFA Islamic Active Allocation Equity Fund | 78.8% |
| NAFA Active Allocation Riba Free Savings Fund | 17.9% |
| Total | 96.7% |

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



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2016): Rs.102.8129

August 2016

Performance*

| Performance Period % | Aug 2016 | FYTD 2017 | Since Launch June 28, 2016* |
|---|----------|-----------|-----------------------------|
| NAFA Islamic Active Allocation Plan-III | 0.2% | 2.7% | 2.8% |
| Benchmark | (0.6%) | 1.5% | 2.2% |

* Cumulative Returns

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

General Information

| | |
|-------------------------|--|
| Launch Date: | June 28, 2016 |
| Fund Size: | Rs. 1,467 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: | Nil |
| Management Fee: | 1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a. |
| Total Expense Ratio (%) | 0.55% p.a. (including 0.12% government levies) |
| 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-III (NIAAP-III) in June 2016 which is the third 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-III has an initial maturity of two years.

Since inception, NIAAP-III has generated a return of 2.8% versus 2.2% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 68.0% & 27.1% 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-Aug-16 29-July-16

| Asset Allocation (% of Total Assets) | 31-Aug-16 | 29-July-16 |
|--------------------------------------|---------------|---------------|
| Shariah Compliant Funds | 95.1% | 75.9% |
| Cash Equivalents | 4.6% | 23.9% |
| Others including receivables | 0.3% | 0.2% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio**

| | PER | PBV | DY |
|----------|------|-----|------|
| NIAAEF** | 9.2 | 2.9 | 4.2% |
| KMI-30 | 10.9 | 2.2 | 4.8% |

** Based on NAFA's estimates

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

| | |
|---|--------------|
| NAFA Islamic Active Allocation Equity Fund | 68.0% |
| NAFA Active Allocation Riba Free Savings Fund | 27.1% |
| Total | 95.1% |

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



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2016): Rs.10.0775

August 2016

Performance %*

| Performance Period | Aug 2016 | FYTD 2017 | Rolling Six Month Mar-16-Aug-16 | Since Launch January 18, 2016 |
|---|----------|-----------|---------------------------------|-------------------------------|
| NAFA Active Allocation Riba Free Savings Fund | 4.4% | 3.6% | 4.0% | 4.2% |
| Benchmark | 4.3% | 4.3% | 4.6% | 4.6% |

* 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. 668 Million |
| Type: | Open-end – Shariah Compliant 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: 0% Back end: 0% |
| Management Fee: | 1.25% per annum |
| Total Expense Ratio: | 1.92% p.a. (including 0.26% government levies) |
| Risk Profile: | Low |
| Fund stability rating | "A-(f)" by PACRA |
| 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 4.4% against the benchmark return of 4.3%. The performance is net of management fee and all other expenses.

The Fund aims to consistently generate 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 up to 3 years maturity as well as Shariah compliant money market and debt securities of up to 2 years maturity rated AA- or better.

Around 99.4% of net assets 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-Aug-16 | 29-July-16 |
|-----------------------------|---------------|---------------|
| Bank Deposits | 98.6% | 59.6% |
| Other including receivables | 1.4% | 40.4% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

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

| | |
|-----------------------------|---------------|
| AAA | 14.6% |
| A+ | 60.9% |
| A- | 23.1% |
| Other including receivables | 1.4% |
| Total | 100.0% |

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.

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 Document to understand investment policies and the risks involved.

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2016): Rs.12.4692

August 2016

Performance*

| Performance % | Aug 2016 | FYTD 2017 | Rolling 6 Months Mar 16-Aug 16 | Since Launch January 18, 2016 |
|--|----------|-----------|--------------------------------|-------------------------------|
| NAFA Islamic Active Allocation Equity Fund | 0.2% | 6.9% | 28.2% | 26.9% |
| Benchmark | (1.0%) | 4.9% | 29.1% | 32.9% |

* Cumulative 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. 2,330 million |
| Type: | Open Ended Shariah Compliant Equity 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 |
| Settlement: | 2-3 business days |
| Pricing Mechanism | Forward Pricing |
| Load: | Front end-0% Back end-0% |
| Management Fee: | 2% p.a |
| Risk Profile | High |
| Total Expense Ratio (%) | 2.54% p.a. (including 0.33% government levies) |
| 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 Shariah 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 87% in equities, which decreased to around 85% towards the end of the month. NIAAEF outperformed the Benchmark in August as the Fund was underweight in select Power Generation & Distribution Companies, Fertilizer, and Cement sectors stocks which underperformed the market and overweight in select Engineering, Oil & Gas Marketing Companies, Glass & Ceramics, and Textile Composite sectors stocks which outperformed the market. During the month, the allocation was decreased primarily in Oil & Gas Marketing Companies, Fertilizer, Power Generation & Distribution, and Refinery sectors.

Top Ten Holdings (as on 31 Aug, 2016)

| Name | Asset Class | % of Total Assets | Name | Asset Class | % of Total Assets |
|----------------------------|-------------|-------------------|----------------------------|-------------|-------------------|
| Engro Corporation Ltd | Equity | 5.0% | Engro Fertilizer Ltd | Equity | 3.6% |
| Pakistan State Oil Co Ltd | Equity | 4.6% | D G Khan Cement Co | Equity | 3.6% |
| Nishat Mills Ltd | Equity | 4.5% | Attock Cement Pakistan Ltd | Equity | 3.4% |
| Pakistan Oilfields Ltd | Equity | 3.8% | Kohinoor Textile Mills Ltd | Equity | 3.4% |
| Mari Petroleum Company Ltd | Equity | 3.7% | Indus Motor Company Ltd | Equity | 3.2% |

Asset Allocation (% of Total Assets) 31-Aug-16 29-July-16

| | 31-Aug-16 | 29-July-16 |
|------------------------------|---------------|---------------|
| Equities / Stocks | 84.9% | 87.0% |
| Cash Equivalents | 14.8% | 12.5% |
| Others including receivables | 0.3% | 0.5% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio**

| | PER | PBV | DY |
|--------|------|-----|------|
| NIAAEF | 9.2 | 2.9 | 4.2% |
| KMI-30 | 10.9 | 2.2 | 4.8% |

** Based on NAFA's estimates

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

| | |
|---------------------------------|-------|
| Cement | 15.3% |
| Oil & Gas Exploration Companies | 12.5% |
| Fertilizer | 12.4% |
| Textile Composite | 7.9% |
| Oil & Gas Marketing Companies | 7.7% |
| Others | 29.1% |

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

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2016): Rs.11.5025

August 2016

Performance %*

| Performance Period | Aug 2016 | FYTD 2017 | Since Launch April 21, 2016 |
|--------------------------|----------|-----------|-----------------------------|
| NAFA Islamic Energy Fund | 3.0% | 9.0% | 19.4% |
| Benchmark | (1.0%) | 4.9% | 17.7% |

* Cumulative 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, 2016 |
| Fund Size: | Rs. 1,425 million |
| Type: | Open Ended Shariah Compliant Equity 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 |
| 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 |
| Total Expense Ratio (%) | 2.99% p.a. (including 0.38% government levies) |
| 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) in April, 2016. 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.

NIEF started off the month with an allocation of around 85% in equities, which decreased to around 83% towards the end of the month. NIEF outperformed the Benchmark in August as the Fund was overweight in select Energy sectors stocks which outperformed the market. During the month, the allocation was primarily increased in Power Generation & Distribution sector whereas it was reduced primarily in Oil & Gas Exploration Companies, and Refinery sector.

Top Ten Holdings (as on 31 Aug, 2016)

| Name | Asset Class | % of Total Assets | Name | Asset Class | % of Total Assets |
|----------------------------|-------------|-------------------|----------------------|-------------|-------------------|
| Mari Petroleum Co Ltd | Equity | 12.0% | Shell Pakistan Ltd | Equity | 6.4% |
| Pakistan State Oil Co. Ltd | Equity | 10.7% | Sui Northern Gas Ltd | Equity | 6.1% |
| Pakistan Oilfields Ltd | Equity | 8.7% | Oil & Gas Dev Co Ltd | Equity | 5.5% |
| Pak Petroleum Ltd | Equity | 7.8% | K-Electric Ltd | Equity | 5.2% |
| Kot Addu Power Co Ltd | Equity | 6.7% | Attock Refinery Ltd | Equity | 3.9% |

Asset Allocation (% of Total Assets) 31-Aug-16 29-July-16

| | 31-Aug-16 | 29-July-16 |
|------------------------------|---------------|---------------|
| Equities / Stocks | 83.1% | 84.7% |
| Cash Equivalents | 16.2% | 14.0% |
| Others including receivables | 0.7% | 1.3% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio**

| | PER | PBV | DY |
|--------|------|-----|------|
| NIEF | 9.1 | 3.1 | 4.3% |
| KMI-30 | 10.9 | 2.2 | 4.8% |

** Based on NAFA's estimates

Sectors (% of Total Assets) (as on 31 Aug, 2016)

| | |
|---------------------------------|-------|
| Oil & Gas Exploration Companies | 34.0% |
| Oil & Gas Marketing Companies | 28.6% |
| Power Generation & Distribution | 15.7% |
| Refinery | 4.8% |

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