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**NBP Fullerton  
Asset Management Ltd.**

A Subsidiary of  
**National Bank of Pakistan**

# Fund Manager Report of Shariah Compliant Schemes

**January 2017**



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# Performance Summary of NAFA's Shariah Compliant Funds



“January 2017”

NAFA Islamic Mutual Funds - Collective Investment Schemes (CISs)

<div>Lowest Risk</div> <div>↓</div> <div>Moderate Risk</div> <div>High Risk</div>	Risk Profile		Fund Name	Fund Size (Rs. In Crore)	Stability Rating	Inception Date	Jan- 2017	FYTD	Rolling 12 Months	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Inception	
			Islamic Income Funds	Annualized Returns												
	NRFSF		NAFA Riba Free Savings Fund	174	A (f)	20-Aug-10	11.2%	6.4%	6.0%	5.5%	7.4%	7.8%	8.7%	10.8%	8.2%	
			Benchmark				2.8%	3.5%	3.9%	4.9%	6.7%	6.7%	7.3%	8.3%	6.7%	
	NIAIF		NAFA Islamic Aggressive Income Fund	262	A- (f)	26-Oct-07	5.0%	5.4%	6.1%	7.4%	9.2%	13.6%	6.8%	19.0%	6.7%	
			Benchmark				4.4%	4.5%	4.5%	4.8%	6.6%	6.5%	7.0%	7.9%	6.4%	
			Equity Related Islamic Funds			Cumulative Returns										Annualized Return
	NIAAF		NAFA Islamic Asset Allocation Fund	1,171		26-Oct-07	1.2%	20.7%	35.0%	13.1%	33.8%	22.2%	36.3%	13.2%	17.5%	
			Benchmark				1.7%	15.8%	26.1%	9.2%	12.1%	17.7%	28.9%	11.1%	12.3%	
	NISF		NAFA Islamic Stock Fund	738		09-Jan-15	2.2%	33.2%	51.6%	12.9%	n/a	n/a	n/a	n/a	28.4%	
		Benchmark				2.5%	26.7%	55.7%	15.5%	n/a	n/a	n/a	n/a	25.5%		

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

<div>Low Risk</div> <div>↓</div> <div>High Risk</div>	<div></div> <div></div> <div></div> <div>Risk Profile</div>	Fund Name	Annualized Returns											
		NIPF - Money Market Sub-fund	19		02-Jul-13	2.7%	4.2%	4.1%	3.9%	6.2%	n/a	n/a	n/a	5.6%
		NIPF - Debt Sub-fund	28		02-Jul-13	1.9%	4.3%	3.9%	3.8%	5.6%	n/a	n/a	n/a	5.6%
					Cumulative Returns									Annualized Return
		NIPF - Equity Sub-fund	78		02-Jul-13	1.8%	34.0%	54.4%	16.9%	51.5%	n/a	n/a	n/a	38.7%

**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)

## Historical Performance of Key Investment Avenues

History provides useful insights on future probable outcomes, and guidance for optimal asset allocation, depending upon the risk profile of investors. Recognizing this significance, we have examined the past performance of key domestic asset classes for a 16-year period from January 2001 to December 2016. We have included six categories for which long-term data is available: Treasury Bills, Bank Deposits, National Savings Schemes (NSS), Pakistan Investment Bonds (PIBs), CPS, and Equities. Under the Capital Protected Strategy (CPS), portfolio is dynamically managed between the low risk and high risk components with the aim of capital preservation, while also capturing some upside of the stock market. However, the results from the CPS are based on back-testing and not actual results as this strategy was not in practice during the entire period. The headline inflation (CPI) has averaged 8.0% per annum, and Pak Rupee has depreciated against USD by 3.7% per year, in the last 16 years.

The historical analysis, as given in the Table below, depicts that equities offered the best nominal and real return among all asset classes in our study. An investment of PKR 100 in equities in 2001 would be worth PKR 3,171 by the end of 2016. During the same period, PKR 100 investment in bank deposits or T-bills would have increased to a paltry PKR 247 and PKR 394, respectively.

Asset class	Bank Deposit	T-bill	Special Savings Certificates (SSC)	Pakistan Investment Bonds (PIB)	Capital Protected Strategy (CPS)	Equity
Nominal annualized return	5.8%	8.9%	10.0%	13.6%	15.5%	24.1%
Inflation	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Real return (adjusted for inflation)	-2.0%	0.9%	1.9%	5.2%	7.0%	15.0%
Annualized Standard Deviation (Risk)	0.5%	1.2%	6.6%	12.4%	8.0%	25.9%
Sharpe Ratio*	N/A**	N/A	0.17	0.37	0.82	0.58
Future Value of Rs.100 at the end of 16 years - Nominal value	247	394	462	766	1,005	3,171
Future Value of Rs.100 at the end of 16 years - Real value	72	116	136	225	295	930

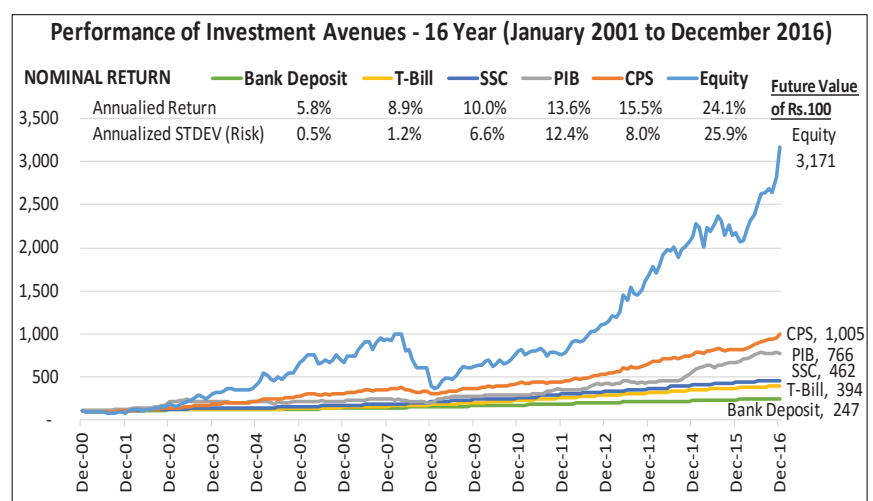
\*Sharpe Ratio = Excess return per unit of risk = (Expected return – Risk free rate)/(Standard deviation), we have used 6M T-bill as a proxy for risk free rate

\*\*Due to negative excess return, standard Sharpe ratio is meaningless

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

### Value of Rs. 100 at the end of 16 years – Nominal

The outcome of the analysis supports the basic notion that there is a positive relationship between risk and return, meaning higher the risk higher the return. As expected, equities exhibited the highest volatility, and bank deposits and T-bills have the lowest risk. Our analysis shows that over a long investment horizon, equities offer the highest return. However, Capital Protected Strategy (CPS) offered the best risk-adjusted return as measured by the Sharpe Ratio during the 16-year period. More specifically, CPS delivered an attractive nominal return of about 15.5% per annum with a relatively low risk level as measured by the standard deviation of 8.0%.



One lesson from this analysis is that investors with long-term goals like educating their children, building a house or saving for retirement should have some of their assets invested in equities, through stock market / equity funds while, investors with low risk appetite based on short investment horizon should investment in bank deposit, T-bills, and money market / income funds.



January 2017

## Stock Market Review

The market started CY17 on a strong note, extending the rally that started during the 2nd half of CY16 with the benchmark KMI-30 Index crossing the level of 86,359 on January 26, 2017, first time in its history. However, during the last week the market bucked the trend and lost around 2,500 points (3%) from its peak hit on January 26, 2017. As we see it, this market correction is linked to selling by the local investors in reaction to the apex regulator serving notices against the brokers regarding the in-house badla financing. Mr. Trump's decision to enact travelling ban against the nationals of select Islamic countries also stoked fear and anxiety among the investors. As the market decline during the last four trading sessions of the month, the court proceedings of Panama Leaks case, which were ignored previously, started drawing the focus of investors. In addition to this, foreign selling continued with net outflow of US \$ 111 million during the month. The corporate result season kicked-off with majority of the announcements coming in line with the market expectation so far.

During the month, Automobile Assembler, Chemicals, Engineering, Fertilizer, Pharmaceuticals, Power Generation & Distribution, and Refinery sectors performed better than the market while, Cement, Commercial Banks, Oil & Gas Exploration sectors lagged behind. Robust volumetric growth, healthy profit margins, and launching of new models drew investors toward the Automobile Assembler sector. Government decision to allow urea export of around 300,000 ton, some increase in global fertilizer prices, and better off-take numbers resulted in the out-performance of the Fertilizer sector. Power Generation & Distribution sector out-performed on the back of tariff approval of upcoming power plant of a select company and further infrastructure expansion plan by the gas distribution companies. Engineering sector continued the bull run amid robust actual and expected earnings growth of flat-roll producers post imposition of antidumping duty against the Chinese imports. Expectation of robust earnings announcement resulted in strong performance of the Refinery sector. Cement sector took a breather after a long stretch of out-performance. Banking sector lagged behind amid large foreign selling. Led by correction in global oil prices the Oil and Gas Exploration & Production sector lagged the market.

We believe that the market is well poised to deliver a healthy double digit return during CY17 with our view premised on improving macroeconomic outlook, reasonable relative valuations, strong corporate earnings growth, benign actual & anchored expected near-term inflation & interest rates, ample local liquidity, and expectation of foreign inflows from the funds tracking MSCI EM index. We recommend investors to keep a long term perspective in mind and avoid knee-jerk reaction that is usually associated with swings in the market. We also advise investors to brace for volatility spikes driven by global policy uncertainty and rising noise in the domestic politics.

## Money Market Review

In line with our expectation, inflation as measured by CPI clocked in at 3.7% another benign reading, owing to stability in commodity prices & exchange rate; and partial pass-through of increase in global oil prices. State Bank of Pakistan (SBP) in its bi-monthly Monetary Policy Statement maintained policy rate at 5.75% in line with the market consensus, citing satisfaction over the current macroeconomic stability, healthy private sector credit off-take, encouraging progress on CPEC related investment activity, and relatively easy liquidity conditions. However, SBP expressed concerns on declining exports receipts and tapering remittances. We reiterate our view that medium term sustainability of balance of Payment position entails critical structural reforms aimed at exports growth. We see a gradual uptick in inflation going forward on account of partial recovery in global oil prices and its pass-through; measured PKR depreciation; and healthy monetary expansion amid unabated government borrowing & pick up in private sector growth.

During the month, SBP held two T-Bill auctions with a combined target of Rs. 650 billion and a maturity of Rs. 654 billion. In the first T-Bill auction, an amount of Rs. 256 billion was realized against the target of Rs. 200 billion and maturity of Rs. 159 billion at cut-off yield of 5.95% for 3 month tenor and 5.99% for 6 month and 12 month tenors. The bid pattern skewed towards 06 month tenor as compared to 03 and 12 month tenors. In the second T-Bill auction, Ministry of Finance (MoF) realized Rs. 538 billion against the target of Rs. 450 billion and maturity of Rs. 495 billion. Cut-off yields declined to 5.90%, 5.93% and 5.96% for 03 month, 06 month and 12 month tenors, respectively. The bid pattern remained tilted towards 06 month tenor as compared to 03 and 12 month tenors. In the PIB auction during the month, an amount of Rs. 39 billion was accepted against the target of Rs. 50 billion and maturity of Rs. 117 billion at cut-off yield of 6.41%, 6.90% and 7.94% in the 03 year, 05 year and 10 years, respectively while, no bid was received in 20 year tenors.

We have positioned the portfolio of our money market, income funds, and advisory mandates based on our capital market expectations.

## Our Contacts

**Contact our Investment Consultant for free Investment advice**

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# NAFA Riba Free Savings Fund (NRFSSF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2017): Rs. 10.5528

January 2017

## Performance %

Performance Period	Jan 2017	FYTD 2017	Trailing 12 months Feb 16 - Jan 17	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010*
NAFA Riba Free Savings Fund	11.2%	6.4%	6.0%	5.5%	7.4%	7.8%	8.7%	10.8%	8.2%
Benchmark**	2.8%	3.5%	3.9%	4.9%	6.7%	6.7%	7.3%	8.3%	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:	August 20, 2010
Fund Size:	Rs. 1,739 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 Load (Individual): without life Takaful 0.5%, with life Takaful 3% (Nil on investment above Rs. 26 million) Front End Load (Other): 0.5% (Nil on investment above Rs. 16 million) Back End Load: NIL
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.25% p.a.)
Total Expense Ratio:	1.42% p.a.(including 0.42% government levies)
Risk Profile:	Very Low
Fund Stability Rating:	"A(i)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:**	6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP
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)

\*\* effective from September 01, 2016; Previously Average 6-month deposit rate of A- and above rated Islamic Banks

\*\*\* effective from January 02, 2017

Asset Allocation (% of Total Assets)	31-Jan-17	31-Dec-16
GOP Ijarah Sukuks	5.8%	7.0%
Bank Deposits	93.2%	92.4%
Others including receivables	1.0%	0.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 1,602,718/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0097/0.10%.

## 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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## 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 11.2% for the month of January 2017 versus the Benchmark return of 2.8% thus registering an outperformance of 8.4% p.a. Outperformance during the month was on account of reversal of Workers' Welfare Fund's (WWF) provisioning. During FYTD the Fund has outperformed its Benchmark by 2.9% by earning an annualized return of 6.4%. 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 5.9% of net assets in GOP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 94.2% 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 40 days.

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

## Credit Quality of the Portfolio as of Jan 31, 2017 (% of Total Assets)

GOP Ijarah Sukuk (AAA rated)	5.8%
AAA	32.6%
AA+	11.3%
AA	0.2%
AA-	0.1%
A+	0.1%
A	0.1%
A-	48.8%
Others including receivables	1.0%
<b>Total</b>	<b>100.0%</b>

MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2017): Rs. 9.7877

January 2017

## Performance %

Performance Period	Jan 2017	FYTD 2017	Trailing 12 months Feb 16 - Jan 17	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch October 26, 2007*
NAFA Islamic Aggressive Income Fund	5.0%	5.4%	6.1%	7.4%	9.2%	13.6%	6.8%	19.0%	6.7%
Benchmark**	4.4%	4.5%	4.5%	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. 2,616 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 Load (Individual): without life Takaful 1%, with life Takaful 3%  
(Nil on investment above Rs. 26 million)  
Front End Load (Other): 1% (Nil on investment above Rs. 16 million) Back End Load: NIL  
10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)  
Management Fee: 1.20% p.a. (including 0.33% government levies)  
Total Expense Ratio: Low to Medium  
Risk Profile: "A-(i)" by PACRA  
Fund Stability Rating: Pakistan Stock Exchange  
Listing: Central Depository Company (CDC)  
Custodian & Trustee: Deloitte Yousuf Adil  
Auditors: Chartered Accountants  
Benchmark:\*\* 1-year average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP  
Fund Manager: Muhammad Ali Bhabha, CFA, FRM  
Minimum Subscription: Rs. 10,000/-  
Asset Manager Rating: Income Unit: Rs. 100,000/-  
AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously Average 3-month deposit rate of Islamic Banks  
\*\*\* effective from January 02, 2017

## Asset Allocation (% of Total Assets) 31-Jan-17 30-Dec-16

Sukus	1.6%	1.6%
GOP Ijarah Sukus - Govt. Backed	3.9%	3.9%
Bank Deposits	93.9%	93.6%
Others including receivables	0.6%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Top Sukuk Holdings (as at Jan 31, 2017)

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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 2,508,107/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0094/0.10%.

## 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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## 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 5.0% as compared to the Benchmark return of 4.4% thus registering an outperformance of 0.6% p.a. Outperformance during the month was on account of reversal of Workers' Welfare Fund's (WWF) provisioning. During FYTD, the Fund has posted 5.4% annualized return versus 4.5% by the Benchmark, hence an outperformance of 0.9% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukus stood at around 1.6% of the net assets. Around 94.9% 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 5.71% p.a. and weighted average time to maturity is 1.7 years. The weighted average time to maturity of the Fund is 35 days.

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

SECP has approved the change in category of NAFA Islamic Aggressive Income Fund from Shariah Compliant Aggressive Income Fund to Shariah Compliant Income Fund w.e.f. March 14, 2017. Consequently name of NAFA Islamic Aggressive Income Fund will be NAFA Islamic Income Fund from March 14, 2017.

## Credit Quality of the Portfolio as of Jan 31, 2017 (% of Total Assets)

GOP Ijarah Sukuk (AAA rated)	3.9%
AAA	42.5%
AA+	0.3%
AA	1.7%
A+	1.6%
A-	49.4%
Others including receivables	0.6%
<b>Total</b>	<b>100.0%</b>



# NAFA Islamic Asset Allocation Fund (NIAAF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2017): Rs.18.8248

January 2017

## Performance %

Performance Period	Jan 2017	FYTD 2017	Rolling 12 Months Feb 16 - Jan 17	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch October 26, 2007*
NAFA Islamic Asset Allocation Fund	1.2%	20.7%	35.0%	13.1%	33.8%	22.2%	36.3%	13.2%	17.5%
Benchmark**	1.7%	15.8%	26.1%	9.2%	12.1%	17.7%	28.9%	11.1%	12.3%

\* Annualized Return

All Other returns are Cumulative

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

Note:\*\* Effective from September 01, 2016; Previously average of (i) average 3-month Islamic banks deposit rate (ii) 6-month KIBOR or its Shariah Compliant equivalent (iii) KMI 30 Index  
\*\* 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. 11,710 million
Type:	Open-end-Shariah Compliant -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 Load (Individual): 3%, (Nil on investment above Rs. 101 million) Front End Load (Other): 3.0% (Nil on investment above Rs. 50 million) Back End Load: NIL
Management Fee:	2% per annum
Total Expense Ratio (%)	3.81% p.a.(including 1.52% government levies)
Risk Profile:	Moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:**	Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation.
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)

\*\*\* effective from January 02, 2017

Asset Allocation (% of Total Assets)	31-Jan-17	30-Dec-16
Equities / Stocks	60.4%	62.5%
Sukuks	0.4%	0.4%
Cash	38.8%	36.1%
Others including receivables	0.4%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAF	10.8	4.0	3.8%
KMI-30	12.7	2.8	3.9%

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

## Top Five Sectors (% of Total Assets) (as on 31 Jan, 2017)

Cement	11.7%
Oil & Gas Exploration Companies	11.2%
Fertilizer	8.3%
Oil & Gas Marketing Companies	6.5%
Textile Composite	5.6%
Others	17.1%

## 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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 52,423,090/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0843/0.64%

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.

## Investment Objective

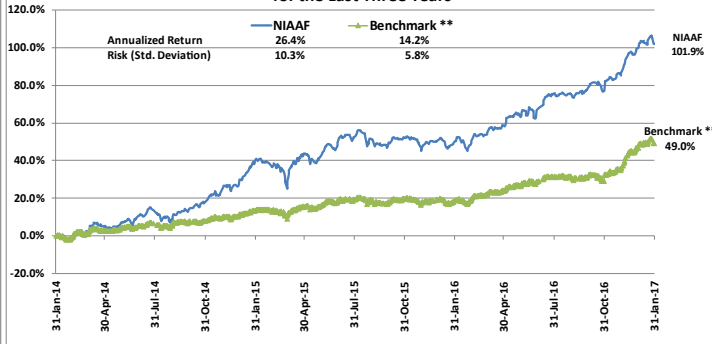
To generate capital appreciation by investing in Shariah Compliant equity and equity related securities and income by investing in Shariah Compliant bank deposits, debt & money market securities.

## Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Asset Allocation Fund increased by 1.2% whereas the Benchmark increased by 1.7%, thus your Fund underperformed the Benchmark by 0.5%. Since inception your Fund has posted 17.5% p.a return, versus 12.3% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 5.2% p.a. 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 60% towards the end of the month. NIAAF underperformed the Benchmark in January as the Fund was underweight in select Automobile Assembler and Power Generation & Distribution Companies sectors stocks which outperformed the market and overweight in select Oil & Gas Marketing Companies, Oil & Gas Exploration Companies, and Food and Personal Care Products sectors stocks which underperformed the market. During the month, the allocation was primarily increased in Pharmaceuticals, Fertilizer, Engineering, and Cable & Electric Goods sectors, whereas it was reduced in Oil & Gas Exploration Companies, Power Generation & Distribution Companies, Cement, and Automobile Parts & Accessories sectors.

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



## Top Ten Holdings (as on 31 Jan, 2017)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	4.7%	Engro Fertilizer Ltd	Equity	2.9%
Pakistan State Oil Co. Ltd	Equity	3.7%	Pakistan Oilfields Ltd	Equity	2.7%
Mari Petroleum Company Ltd	Equity	3.5%	Nishat Mills Ltd	Equity	2.6%
Lucky Cement Ltd	Equity	3.1%	Oil & Gas Dev.Co	Equity	2.5%
Kohinoor Textile Mills Ltd	Equity	3.0%	Pak Petroleum Ltd	Equity	2.5%

## 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 (Sukuks II)	SUKUK	4,921,875	4,921,875	-	-	-
<b>Total</b>		<b>4,921,875</b>	<b>4,921,875</b>	<b>-</b>	<b>-</b>	<b>-</b>



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2017): Rs.15.2391

January 2017

## Performance

Performance Period	Jan 2017	FYTD 2017	Rolling 12 Months Feb 16 - Jan 17	FY 2016	Since Launch* January 09, 2015
NAFA Islamic Stock Fund	2.2%	33.2%	51.6%	12.9%	28.4%
Benchmark	2.5%	26.7%	55.7%	15.5%	25.5%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date:	January 9, 2015
Fund Size:	Rs. 7,376 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	Forward Pricing
Load:**	Front End Load (Individual):3% (Nil on investment above Rs. 101 million) Front End Load (Other): 3% (Nil on investment above Rs. 50 million) Back End Load: NIL
Management Fee:	2% per annum
Total Expense Ratio (%)	4.43% p.a.(including 1.99% 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)

\*\* effective from January 02, 2017

Asset Allocation (% of Total Assets)	31-Jan-17	30-Dec-16
Equities / Stocks	86.9%	90.0%
Cash Equivalents	12.9%	7.7%
Others including receivables	0.2%	2.3%
Total	100.0%	100.0%
Leverage	Nil	Nil

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

	PER	PBV	DY
NISF	10.3	3.7	3.6%
KMI-30	12.7	2.8	3.9%

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

## Top Five Sectors (% of Total Assets) (as on 31 Jan, 2017)

Cement	18.0%
Oil & Gas Exploration Companies	13.5%
Fertilizer	12.2%
Oil & Gas Marketing Companies	10.5%
Textile Composite	6.2%
Others	26.5%

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 37,995,311/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0785/0.087%.

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.

## Investment Objective

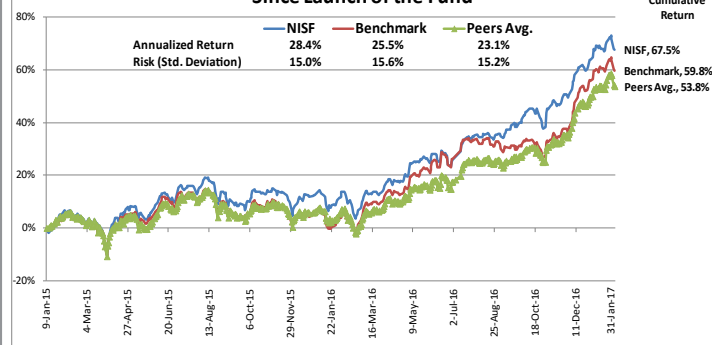
The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shariah Compliant listed equities.

## Fund Manager's Commentary

During the month under review, NAFA Islamic Stock Fund's (NISF) unit price (NAV) increased by 2.2%, whereas the Benchmark increased by 2.5%, thus an underperformance of 0.3% was recorded. Since inception on January 9, 2015 your Fund has posted 28.4% p.a return, versus 25.5% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 2.9% p.a. This outperformance is net of management fee and all other expenses.

NISF started off the month with an allocation of around 90% in equities, which decreased to around 87% towards the end of the month. NISF underperformed the Benchmark in January as the Fund was underweight in select Automobile Assembler and Power Generation & Distribution Companies sectors stocks which outperformed the market and overweight in select Oil & Gas Marketing Companies, Oil & Gas Exploration Companies, and Food and Personal Care Products sectors stocks which underperformed the market. During the month, the allocation was increased primarily in Pharmaceuticals, Automobile Assembler, Power Generation & Distribution Companies, Miscellaneous, and Cable & Electric Sectors, whereas it was reduced primarily in Cement, Fertilizer, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, Automobile Parts & Accessories, and Textile Composite sectors.

## Relative Performance of NAFA Islamic Stock Fund (NISF) Since Launch of the Fund



## Top Ten Holdings (as on 31 Jan, 2017)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	6.0%	Engro Fertilizer Ltd	Equity	4.0%
Pakistan State Oil Co. Ltd	Equity	4.4%	D G Khan Cement Co Ltd	Equity	3.6%
Lucky Cement Ltd	Equity	4.3%	Pak Petroleum Ltd	Equity	3.6%
Hub Power Company Ltd	Equity	4.1%	Oil & Gas Dev Co Ltd	Equity	3.1%
Mari Petroleum Company Ltd	Equity	4.1%	Nishat Mills Ltd	Equity	3.1%

## 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 mln)	NAV Per Unit (Rs.) Jan 31, 2017	Jan 2017	FYTD 2017	Rolling 12 Months Feb 16 - Jan 17	FY 2016	FY 2015	Since Launch July 02, 2013
NIPF-Equity Sub-fund	781.7	325.7329	1.8%*	34.0%*	54.4%*	16.9%*	51.5%*	38.7%
NIPF-Debt Sub-fund	278.7	122.6986	1.9%	4.3%	3.9%	3.8%	5.6%	5.6%
NIPF-Money Market Sub-fund	185.8	122.6449	2.7%	4.2%	4.1%	3.9%	6.2%	5.6%

\* Cumulative Returns

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

All Other returns are annualized

## General Information

Launch Date:	July 2, 2013
Fund size: NIPF	Rs. 1,246 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 Load:	0%
Management Fee:	On average Annual Net Assets of each Sub-Fund. Equity, Debt, Money Market 1.50% p.a. Equity 3.68% p.a. (including 1.84% government levies)
Total Expense Ratio (%)	Debt 2.22% p.a. (including 0.46% government levies) Money Market 2.33% p.a. (including 0.48% 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 Subscription:	Initial: Rs. 10,000/- 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 January:

NIPF Equity Sub-fund unit price increased by 1.8% as compared to 2.5% increase in KMI-30 Index. The Sub-fund was around 95% invested in equities with major weights in Cement, Oil & Gas Exploration Companies, and Fertilizers sectors. Equity Sub-fund maintains exposure of at least 90% in listed equities on average. Last 90 days average allocation in equity was 95.3% of net asset.

NIPF Debt Sub-fund generated annualized return of 1.9%. 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 0.7 year.

NIPF Money Market Sub-fund generated annualized return of 2.7%. 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 57 days.

## Credit Quality of the Portfolio (as on 31 Jan 2017)

	Debt	Money Market
Government Securities (AAA rated)	41.7%	8.2%
AAA	19.5%	19.9%
AA+	19.9%	36.9%
AA	7.6%	9.0%
AA-	-	0.5%
A+	10.1%	24.2%
Others	1.2%	1.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Top Five Sectors (% of Total Assets) (as on 31 Jan, 2017)

Cement	18.0%
Oil & Gas Exploration Companies	12.3%
Fertilizer	10.9%
Automobile Assembler	9.1%
Oil & Gas Marketing Companies	8.5%
Others	36.4%

## Asset Allocation (% of Total Assets)

Equity Sub-fund	31-Jan-17	30-Dec-16
Equity	95.2%	93.7%
Cash Equivalents	4.6%	5.1%
Others including receivables	0.2%	1.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Debt Sub-fund	31-Jan-17	30-Dec-16
Cash Equivalents	57.1%	54.7%
GOP Ijara Sukuk	41.7%	43.2%
Others	1.2%	2.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Money Market Sub-fund	31-Jan-17	30-Dec-16
Cash Equivalents	90.5%	89.7%
GOP Ijara Sukuk	8.2%	8.6%
Others	1.3%	1.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Top Ten Holdings of Equity Sub-fund (as on 31 Jan, 2017)

Name	(% of Total Assets)	Name	(% of Total Assets)
Engro Corporation Ltd	5.4%	Pak Petroleum Ltd	3.5%
Lucky Cement Ltd	4.7%	Nishat Mills Ltd	3.2%
Pakistan State Oil Co. Ltd	4.7%	D G Khan Cement Co Ltd	3.1%
Mari Petroleum Company Ltd	4.3%	Shell Pakistan Ltd	3.1%
Engro Fertilizer Ltd	3.5%	Hub Power Company Ltd	3.1%

## Sindh Workers' Welfare Fund (SWWF)

NIPF has maintained provisions against Sindh 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	5,624,230	2.3436	1.20%
Debt Sub-fund	372,790	0.1641	0.14%
Money Market Sub-fund	227,589	0.1502	0.13%

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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2017): Rs 100.6153

January 2017

## Performance %

Performance period	Jan 2017	FYTD 2017	Rolling 12 Months Feb 16 - Jan 17	FY 2016	FY 2015	Since Launch March 05, 2014*
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	1.8%	17.4%	23.8%	4.2%	21.3%	15.5%
Benchmark	0.5%	12.2%	22.2%	7.7%	11.0%	12.0%

\* 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

## General Information

Launch Date:	March 5, 2014
Fund Size:	Rs. 140 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:	Equity component 2% per annum Others: 12% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)
Total Expense Ratio (%)	3.84% p.a. (including 1.31% 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)

## Asset Allocation (% of Total Assets) 31-Jan-17 30-Dec-16

Equities / Stocks	7.3%	8.8%
Cash	89.2%	55.5%
Others including receivables	3.5%	35.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIPPF-I	9.3	2.3	3.7%
KMI-30	12.7	2.8	3.9%

\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 31 Jan, 2017)

Oil & Gas Exploration Companies	2.0%
Cement	1.2%
Textile Composite	0.9%
Fertilizer	0.9%
Oil & Gas Marketing Companies	0.8%
Others	1.5%

## Sindh Workers' Welfare Fund (SWWF)

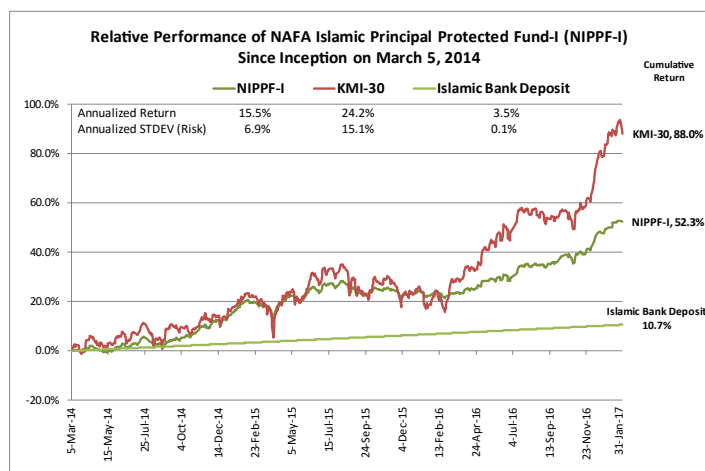
The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 3,113,067/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 2.2437/2.76%.

## 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 return of 15.5% p.a versus 12% p.a return of the Benchmark. The current equity exposure stands at around 7%. During the month, maximum multiplier stood a 0.3 whereas minimum multiplier was 0.2. Key holdings of the Fund belong to Oil & Gas Exploration Companies, Cement, and Textile Composite Companies sectors. In line with directive no 18 of 2016, effective from 01st January 2017, the equity exposure of the Fund is capped at 10%. Consequently, going forward, your Fund may not be able to offer attractive returns due to very low exposure in the stock market.



## Top Ten Holdings (as on 31 Jan, 2017)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Nishat Mills Ltd	Equity	0.9%	D G Khan Cement Co Ltd	Equity	0.9%
Pakistan Oilfields Ltd	Equity	0.8%	Engro Fertilizer Ltd	Equity	0.8%
Pak Petroleum Ltd	Equity	0.8%	Al-Shaheer Corporation Ltd	Equity	0.2%
Pakistan State Oil Co. Ltd	Equity	0.7%	Mari Petroleum Company Ltd	Equity	0.1%
Pak Elektron Ltd	Equity	0.5%	Engro Corporation Ltd	Equity	0.1%

## Name of the Members of Investment Committee

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

**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 (31/01/2017): Rs.100.0797

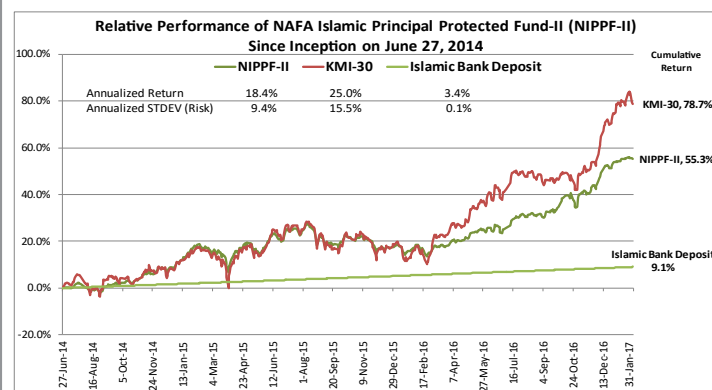
January 2017

Performance Period	Jan 2017	FYTD 2017	Rolling 12 Months Feb 16 - Jan 17	FY 2016	FY 2015	Since Launch June 27, 2014*
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	0.9%	24.0%	33.4%	3.3%	21.0%	18.4%
Benchmark	0.4%	15.4%	29.9%	8.9%	12.2%	14.3%
* Annualized Return All Other returns are Cumulative						
The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.						

General Information	Investment Objective
<p>Launch Date: June 27, 2014</p> <p>Fund Size: Rs. 250 million</p> <p>Type: Open-end Shariah Compliant -Capital Protected Fund</p> <p>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</p> <p>Settlement: 2-3 business days</p> <p>Pricing Mechanism: Forward Pricing</p> <p>Load: Back end: 0%</p> <p>Management Fee: Equity component 2% per annum Others: 12% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)</p> <p>Total Expense Ratio (%) 3.49% p.a. (including 1.01% government levies)</p> <p>Risk Profile: Low</p> <p>Listing: Pakistan Stock Exchange</p> <p>Custodian &amp; Trustee: Central Depository Company (CDC)</p> <p>Auditors: A. F. Ferguson &amp; Co. Chartered Accountants</p> <p>Benchmark: Daily weighted return of KMI-30 index &amp; Islamic Bank Deposits based on Fund's actual allocation.</p> <p>Fund Manager: Sajjad Anwar, CFA</p> <p>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>

## Fund Manager's Commentary

Since inception, NIPPF- II has generated a return of 18.4% p.a versus 14.3% p.a return of the Benchmark. The current equity exposure stands at around 8%. During the month, maximum multiplier stood a 0.3 whereas minimum multiplier was 0.2. Key holdings of the Fund belong to Cement, Oil & Gas Exploration Companies, and Textile Composite. In line with directive no 18 of 2016, effective from 01st January 2017, the equity exposure of the Fund is capped at 10%. Consequently, going forward, your Fund may not be able to offer attractive returns due to very low exposure in the stock market.



Asset Allocation (% of Total Assets)	31-Jan-17	30-Dec-16
Equities / Stocks	7.5%	6.4%
Cash Equivalents	89.9%	46.9%
Others including receivables	2.6%	46.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIPPF-II	8.5	4.1	3.8%
KMI-30	12.7	2.8	3.9%

\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 31 Jan, 2017)

Cement	3.0%
Oil & Gas Exploration Companies	1.4%
Textile Composite	1.1%
Power Generation & Distribution	0.9%
Engineering	0.9%
Others	0.2%

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 3,457,780/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 1.3818/1.87%.

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

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## Top Ten Holdings (as on 31 Jan, 2017)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Mari Petroleum Company Ltd	Equity	1.4%	Mughal Iron & Steel Ind Ltd	Equity	0.9%
Pioneer Cement Ltd	Equity	1.3%	Fauji Cement Company Ltd	Equity	0.8%
D G Khan Cement Co Ltd	Equity	0.9%	Kohinoor Textile Mills Ltd	Equity	0.2%
Kot Addu Power Co Ltd	Equity	0.9%	Hascol Petroleum Ltd	Equity	0.1%
Nishat Mills Ltd	Equity	0.9%	The Searle Company Ltd	Equity	0.1%

## 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 (31/01/2017): Rs.100.5337

January 2017

## Performance %

Performance Period	Jan 2017	FYTD 2017	Rolling 12 Months Feb 16-Jan 17	FY 2016	Since Launch January 09, 2015*
NAFA Islamic Principal Preservation Fund (NIPPF)	0.2%	13.2%	17.1%	4.0%	10.8%
Benchmark**	0.4%	11.2%	17.9%	3.6%	9.4%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date: January 9, 2015  
Fund Size: Rs. 587 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: 12% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)  
Total Expense Ratio (%) 1.92% p.a. (including 0.85% government levies)  
Listing: Pakistan Stock Exchange  
Risk Profile: Low  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: A. F. Ferguson & Co. Chartered Accountants  
Benchmark:\*\* Combination of benchmarks of underlying schemes on the basis of actual investment i.e. NISF: KMI-30 Index  
NIAAF: Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP  
Cash: 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP  
Fund Manager: Sajjad Anwar, CFA  
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.

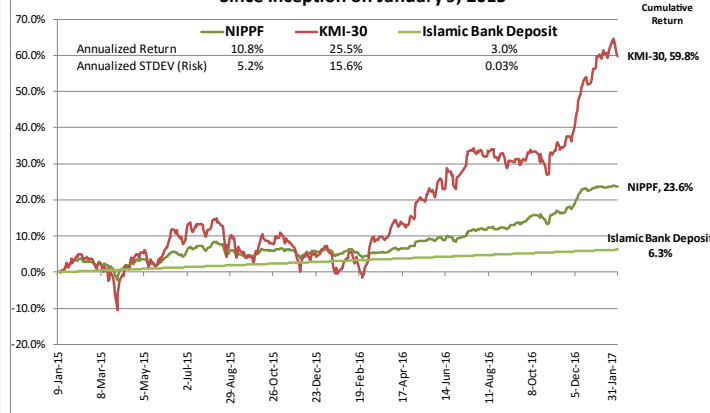
## Investment Objective

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 annualized return of 10.8% versus 9.4% return of the Benchmark. The current exposure in equity/asset allocation funds stands at 12.1%. During the month, maximum multiplier stood at 0.5 whereas minimum multiplier was 0.3. In line with directive no 18 of 2016, effective from 01st January 2017, the equity exposure of the Fund is capped at 10%. Consequently, going forward, your Fund may not be able to offer attractive returns due to very low exposure in the stock market.

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



## Asset Allocation (% of Total Assets)

	31-Jan-17	30-Dec-16
Islamic Stock Fund	3.1%	4.4%
Islamic Asset Allocation Fund	9.1%	4.6%
Cash	86.8%	79.1%
Others including receivables	1.0%	11.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAF	10.8	4.0	3.8%
NISF	10.3	3.7	3.6%
KMI-30	12.7	2.8	3.9%

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

## Top Holdings (%age of total assets) (as on 31 Jan, 2017)

NAFA Islamic Asset Allocation Fund	9.1%
NAFA Islamic Stock Fund	3.1%
<b>Total</b>	<b>12.2%</b>

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 4,335,843/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.7432/0.87%.

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. Principal Preservation only applies to unit holders who hold their investments until initial maturity of two years.

## 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 (31/01/2017): Rs.139.0880

January 2017

## Performance

Performance %	Jan 2017	FYTD 2017	Rolling 12 Months Feb 16-Jan 17	Since Launch* January 15, 2016
NAFA Islamic Active Allocation Plan-I	2.1%	25.6%	37.9%	37.1%
Benchmark**	2.4%	22.1%	22.2%	39.4%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date:	January 15, 2016
Fund Size:	Rs. 990 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 (%)	1.49% p.a.(including 0.18% 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 average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation (which is combination of benchmarks of underlying schemes)
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment.

## Investment Objective

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

## Fund Manager's Commentary

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

Since inception, NIAAP-I has generated a return of 37.1% p.a versus 39.4% p.a return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 76.7% & 15.9% respectively. The Plan can invest up to 95% 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-Jan-17 30-Dec-16

Shariah Compliant Funds	92.6%	98.1%
Cash Equivalents	7.4%	1.8%
Others including receivables	-	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAEF	10.4	4.1	3.7%
KMI-30	12.7	2.8	3.9%

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

## Top Holdings (%age of total assets) (as on 31 Jan, 2017)

NAFA Islamic Active Allocation Equity Fund	76.7%
NAFA Active Allocation Riba Free Savings Fund	15.9%
<b>Total</b>	<b>92.6%</b>

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

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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 5,791,424/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.8135/0.86%.

## 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 (31/01/2017): Rs.134.1209

January 2017

## Performance\*

Performance Period %	Jan 2017	FYTD 2017	Rolling 6 Months Aug 16-Jan 17	Since Launch March 04, 2016
NAFA Islamic Active Allocation Plan-II	2.1%	25.1%	19.0%	34.4%
Benchmark**	2.4%	21.8%	16.4%	34.4%

\* 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:	March 04, 2016
Fund Size:	Rs. 815 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 (%)	1.44% p.a.(including 1.09% 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 average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation (which is combination of benchmarks of underlying schemes)
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment.

## Investment Objective

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

## Fund Manager's Commentary

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

Since inception, NIAAP-II has generated a cumulative return of 34.4% inline with the Benchmark. The current exposure in Equity Fund and Income Fund stands at 76.7% & 15.6% respectively. The Plan can invest up to 95% 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-Jan-17 30-Dec-16

Shariah Compliant Funds	92.3%	94.8%
Cash Equivalents	7.6%	5.1%
Others including receivables	0.1%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAEF	10.4	4.1	3.7
KMI-30	12.7	2.8	3.9

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

## Top Holdings (%age of total assets) (as on 31 Jan, 2017)

NAFA Islamic Active Allocation Equity Fund	76.7%
NAFA Active Allocation Riba Free Savings Fund	15.6%
<b>Total</b>	<b>92.3%</b>

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

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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 4,334,923/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.7138/0.71%.

## 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

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Documents to understand the investment policies and the risks involved.

MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2017): Rs.121.4453

January 2017

## Performance\*

Performance Period %	Jan 2017	FYTD 2017	Rolling 6 Months Aug 16-Jan 17	Since Launch June 28, 2016
NAFA Islamic Active Allocation Plan-III	2.4%	21.4%	18.4%	21.5%
Benchmark**	2.4%	19.1%	16.7%	20.0%

\* 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:	June 28, 2016
Fund Size:	Rs. 1,200 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 (%)	0.98% p.a. (including 0.64% 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 average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation (which is combination of benchmarks of underlying schemes)
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously daily weighted return of KMI-30 index & 6 month deposit rate of A- and above rated Islamic banks and windows based on actual investment.

## 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 cumulative return of 21.5% versus 20.0% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 76.6% & 13.0% respectively. The Plan can invest up to 95% 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-Jan-17 30-Dec-16

Shariah Compliant Funds	89.6%	97.1%
Cash Equivalents	10.4%	2.8%
Others including receivables	-	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAEF	10.4	4.1	3.7%
KMI-30	12.7	2.8	3.9%

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

## Top Holdings (%age of total assets) (as on 31 Jan, 2017)

NAFA Islamic Active Allocation Equity Fund	76.6%
NAFA Active Allocation Riba Free Savings Fund	13.0%
<b>Total</b>	<b>89.6%</b>

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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 4,387,359/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.4439/0.45%.

## 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 (31/01/2017): Rs.113.5894

January 2017

## Performance\*

Performance Period %	Jan 2017	Since Launch September 30, 2016
NAFA Islamic Active Allocation Plan-IV	2.4%	13.6%
Benchmark	2.5%	16.4%

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

## General Information

Launch Date:	September 30, 2016
Fund Size:	Rs. 847 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 (%):	0.88% p.a (including 0.56% 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 average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation (which is combination of benchmarks of underlying schemes)
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-IV (NIAAP-IV) in September, 2016 which is the fourth 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-IV has an initial maturity of two years.

Since inception, NIAAP-IV has generated a cumulative return of 13.6% versus 16.4% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 76.9% & 15.5% respectively. The Plan can invest up to 95% 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-Jan-17 30-Dec-16

Shariah Compliant Funds	92.4%	96.7%
Cash Equivalents	7.5%	3.3%
Others including receivables	0.1%	-
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF	10.4	4.1	3.7%
KMI-30	12.7	2.8	3.9%

\*\*Based on NAFA's estimates

## Top Holdings (%age of total assets) (as on 31 Jan, 2017)

NAFA Islamic Active Allocation Equity Fund	76.9%
NAFA Active Allocation Riba Free Savings Fund	15.5%
<b>Total</b>	<b>92.4%</b>

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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 2,108,128/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.2826/0.28%.

## 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 (31/01/2017): Rs. 99.8466

January 2017

## Performance\*

Performance Period %	Since Launch January 12, 2017
NAFA Islamic Active Allocation Plan-V	(0.2%)
Benchmark	(0.7%)

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

## General Information

Launch Date:	January 12, 2017
Fund Size:	Rs. 2,078 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 (%)	0.31% p.a (including 0.07% 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 average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation (which is combination of benchmarks of underlying schemes)
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-V (NIAAP-V) in January, 2017 which is the fifth 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 subscription. NIAAP-V has an initial maturity of two years.

Since inception, unit price of NIAAP-V has decreased by 0.2% versus the Benchmark decrease of 0.7%. The current exposure in Equity Fund and Income Fund stands at 61.5% & 25.4% respectively. The Plan can invest up to 95% 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-Jan-17

Shariah Compliant Funds	86.9%
Cash Equivalents	13.0%
Others including receivables	0.1%
<b>Total</b>	<b>100.0%</b>
Leverage	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF	10.4	4.1	3.7%
KMI-30	12.7	2.8	3.9%

\*\* Based on NAFA's estimates

## Top Holdings (%age of total assets) (as on 31 Jan, 2017)

NAFA Islamic Active Allocation Equity Fund	61.5%
NAFA Active Allocation Riba Free Savings Fund	25.4%
<b>Total</b>	<b>86.9%</b>

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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 3/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.00/0.00%.

## 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 (31/01/2017): 10.2068

January 2017

## Performance %

Performance Period	Jan 2017	FYTD 2017	Trailing 12 months Feb 16 - Jan 17	Since Launch* January 18, 2016
NAFA Active Allocation Riba Free Savings Fund	1.0%	3.6%	4.0%	4.0%
Benchmark**	2.8%	3.5%	3.9%	4.0%

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

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

## General Information

Launch Date:	January 18, 2016
Fund Size:	Rs. 1,140 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:	2.01% p.a. (including 0.31% government levies)
Risk Profile:	Low
Fund stability rating	"A-(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:**	6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription	Rs. 10,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously Average of 6-Month deposit rates (A- & above rated Islamic banks)

## 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 Commentary

During the month under review, the Fund has generated an annualized return of 1% against the benchmark return of 2.8%. Underperformance was due to provision of Sindh Workers' Welfare Fund liability. 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 maturity up to 3 years as well as Shariah compliant money market and debt securities of up to 2 years maturity rated AA- or better.

Around 99.6% 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-Jan-17 30-Dec-16

Bank Deposits	99.3%	95.1%
Others including receivables	0.7%	4.9%
Total	100.0%	100.0%
Leverage	Nil	Nil

## Credit Quality of the Portfolio as of Jan 31, 2017 (% of Total Assets)

AAA	0.6%
A+	46.5%
A-	52.2%
Others including receivables	0.7%
Total	100.0%

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 223,742/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0020/0.02%.

## 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 (31/01/2017): 15.0485

January 2017

## Performance

Performance %	Jan 2017	FYTD 2017	Rolling 12 Months Feb 16-Jan 17	Since Launch* January 18, 2016
NAFA Islamic Active Allocation Equity Fund	2.9%	32.3%	55.4%	54.5%
Benchmark	2.5%	26.7%	55.7%	57.7%
<i>* Annualized Return All Other returns are Cumulative</i>				
<i>The performance reported is net of management fee &amp; all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.</i>				

## General Information

Launch Date:	January 18, 2016
Fund Size:	Rs. 4,353 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 (%)	4.17% p.a. (including 1.76% 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 Shari'ah Compliant listed equities.

## Fund Manager's Commentary

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

NIAAEF started off the month with an allocation of around 83% in equities, which increased to around 88% towards the end of the month. NIAAEF outperformed the Benchmark in January as the Fund was underweight in select Cement and Oil & Gas Exploration Companies sectors stocks which underperformed the market and overweight in select Engineering, Automobile Assembler, Refinery, Miscellaneous, and Cable & Electric Goods sectors stocks which outperformed the market. During the month, the allocation was increased primarily in Power Generation & Distribution Companies, Miscellaneous, Pharmaceuticals, and Engineering Sectors, whereas it was reduced primarily in Oil & Gas Exploration Companies, Technology & Communication, and Food Personal Care Products sectors.

## Top Ten Holdings (as on 31 Jan, 2017)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	5.9%	Attock Cement Pakistan Ltd	Equity	3.8%
Pakistan State Oil Co. Ltd	Equity	5.1%	Engro Fertilizer Ltd	Equity	3.8%
Mari Gas Company Ltd	Equity	4.5%	Nishat Mills Ltd	Equity	3.5%
Kohinoor Textile Mills Ltd	Equity	4.4%	Hub Power Company Ltd	Equity	3.4%
Lucky Cement Ltd	Equity	4.0%	Pakistan Oilfields Ltd	Equity	3.4%

## Asset Allocation (% of Total Assets) 31-Jan-17 30-Dec-16

Equities / Stocks	88.2%	83.4%
Cash Equivalents	11.5%	16.0%
Others including receivables	0.3%	0.6%
Total	100.0%	100.0%
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF	10.4	4.1	3.7%
KMI-30	12.7	2.8	3.9%

\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 31 Jan, 2017)

Cement	16.3%
Oil & Gas Exploration Companies	13.2%
Fertilizer	11.9%
Oil & Gas Marketing Companies	9.4%
Textile Composite	7.9%
Others	29.5%

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.

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 23,548,637/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0814/1.31%.

## Name of the Members of Investment Committee

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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2017): Rs.14.1713

January 2017

## Performance %\*

Performance Period	Jan 2017	FYTD 2017	Rolling 6 Months Aug 16-Jan 17	Since Launch April 21, 2016
NAFA Islamic Energy Fund	1.0%	34.3%	26.9%	47.1%
Benchmark	2.5%	26.7%	19.6%	42.1%

\* 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. 3,049 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 Load (Individual): 3% (Nil on investment above Rs. 101 million) Front End Load (Other): 3% (Nil on investment above Rs. 50 million) Back End Load: NIL
Management Fee:	2% p.a
Total Expense Ratio (%)	4.38% p.a (including 1.89% 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)

\*\*effective from January 02, 2017

Asset Allocation (% of Total Assets)	31-Jan-17	30-Dec-16
Equities / Stocks	84.6%	86.5%
Cash Equivalents	14.8%	10.5%
Others including receivables	0.6%	3.0%
Total	100.0%	100.0%
Leverage	Nil	Nil

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

	PER	PBV	DY
NIEF	9.3	4.2	3.9%
KMI-30	12.7	2.8	3.9%

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

## Sectors (% of Total Assets) (as on 31 Jan, 2017)

Oil & Gas Exploration Companies	32.8%
Oil & Gas Marketing Companies	29.8%
Power Generation & Distribution	14.4%
Refinery	7.6%

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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 16,719,173/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0777/0.81%.

## 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 87% in equities, which decreased to around 85% towards the end of the month. NIEF underperformed the Benchmark in January as the Fund was underweight in select Energy sectors stocks which outperformed the market. During the month, the allocation was increased in Power Generation & Distribution Companies and Refinery sectors, whereas it was reduced in Oil & Gas Exploration Companies and Oil & Gas Marketing Companies sectors.

## Top Ten Holdings (as on 31 Jan, 2017)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Mari Petroleum Co Ltd	Equity	9.6%	Sui Northern Gas Ltd	Equity	6.9%
Pak Petroleum Ltd	Equity	9.1%	Oil & Gas Dev.Co Ltd	Equity	6.6%
Pakistan State Oil Co Ltd	Equity	9.0%	Hub Power Co Ltd	Equity	6.4%
Shell Pakistan Ltd	Equity	7.9%	Attock Refinery Ltd	Equity	5.0%
Pakistan Oilfields Ltd	Equity	7.5%	Attock Petroleum Ltd	Equity	4.3%

## Name of the Members of Investment Committee

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

**NBP Fullerton Asset Management Limited**  
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