

# Fund Manager Report of Shariah Compliant Schemes



March 2017

*Thank You Investors*

**Alhamdulillah**

NAFA is now managing over

**Rs. 100**

**Billion\***

*The fastest growing Asset Management Company in Pakistan.*

\* AUM as at Mar 31, 2017

For Information & Investment

Call : 0800-20002 ◆ SMS: NAFA INVEST to 8080 ◆ info@nafafunds.com  
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## "March 2017"

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

Risk Profile	Fund Name	Fund Size (Rs. In Crore)	Stability Rating	Inception Date	March 2017	FYTD	Rolling 12 Months	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Inception
Lowest Risk NRFSF	Islamic Income Funds												
	NAFA Riba Free Savings Fund	182	A (f)	20-Aug-10	4.4%	6.0%	5.9%	5.5%	7.4%	7.8%	8.7%	10.8%	8.1%
	Benchmark				2.8%	3.3%	3.7%	4.9%	6.7%	6.7%	7.3%	8.3%	6.6%
	NAFA Islamic Income Fund <i>(Formerly; NAFA Islamic Aggressive Income Fund)</i>	308	A- (f)	26-Oct-07	4.4%	5.3%	5.7%	7.4%	9.2%	13.6%	6.8%	19.0%	6.7%
	Benchmark				3.5%	4.3%	4.4%	4.8%	6.6%	6.5%	7.0%	7.9%	6.3%
Moderate Risk NIAAF	Equity Related Islamic Funds												
	Cumulative Returns												Annualized Return
	NAFA Islamic Asset Allocation Fund	1,356		26-Oct-07	0.2%	21.9%	31.5%	13.1%	33.8%	22.2%	36.3%	13.2%	17.3%
	Benchmark				(1.1%)	14.5%	20.6%	9.2%	12.1%	17.7%	28.9%	11.1%	12.0%
High Risk NISF	NAFA Islamic Stock Fund	709		09-Jan-15	1.2%	36.4%	49.3%	12.9%	n/a	n/a	n/a	n/a	27.4%
	Benchmark				(2.1%)	23.7%	40.5%	15.5%	n/a	n/a	n/a	n/a	22.1%

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

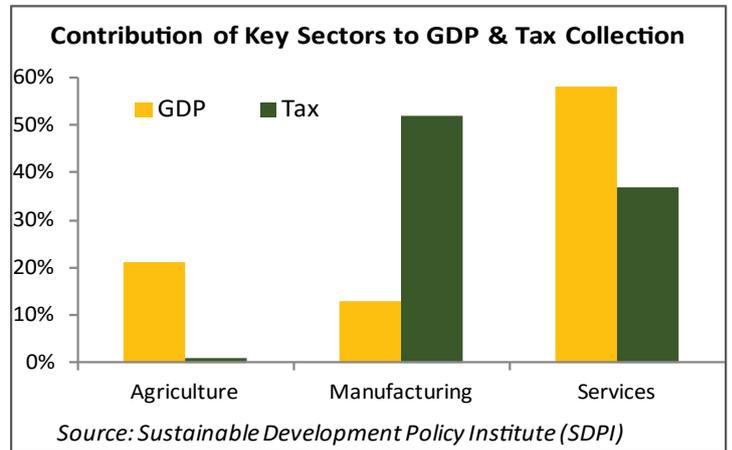
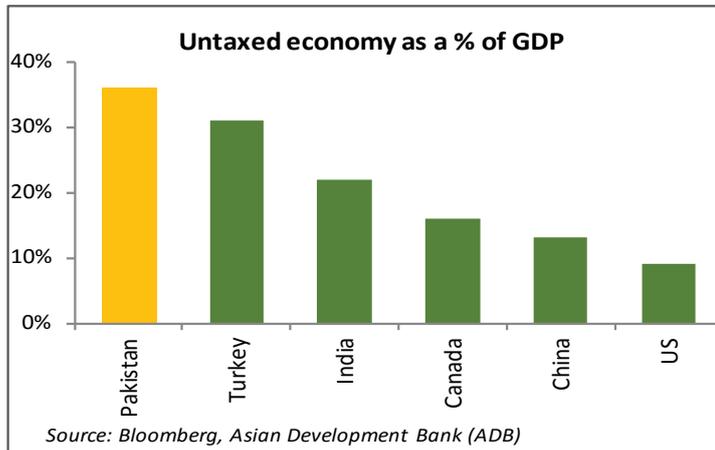
Risk Profile	Fund Name	Fund Size	Inception Date	March 2017	FYTD	Rolling 12 Months	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Inception	
													Annualized Returns
Low Risk	NIPF - Money Market Sub-fund												
	NIPF - Money Market Sub-fund	20		02-Jul-13	2.9%	3.9%	3.9%	3.9%	6.2%	n/a	n/a	n/a	5.5%
	NIPF - Debt Sub-fund	30		02-Jul-13	1.2%	3.8%	3.6%	3.8%	5.6%	n/a	n/a	n/a	5.4%
High Risk	Cumulative Returns												Annualized Return
	NIPF - Equity Sub-fund	86		02-Jul-13	1.1%	36.3%	51.6%	16.9%	51.5%	n/a	n/a	n/a	37.4%

**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)

## The Real Size of Pakistan Economy?

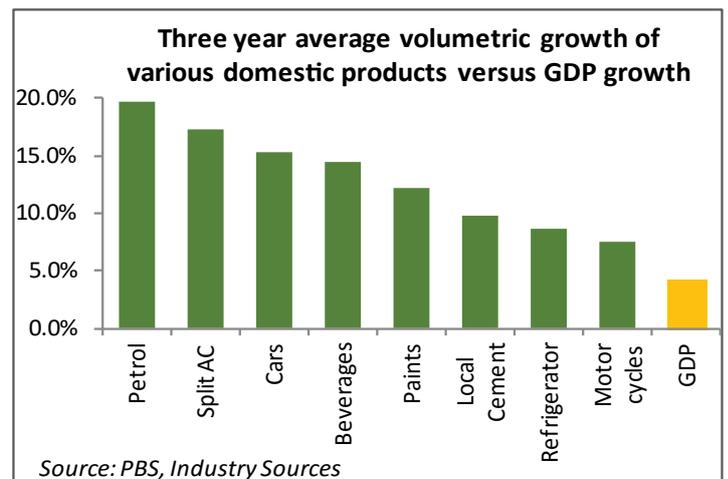
While talking of potential size of Pakistan's economy, most people especially foreigners don't realize that the GDP of our economy is much larger than the official figure of USD285bn. This is because the official data does not capture the contribution of informal economy, which as per different estimates varies between 30% to as high as 90% of the official GDP. Taking a guestimate of 50% contribution coming from informal economy, the actual GDP of Pakistan economy is around USD428bn. Income generated by the informal economy is usually not recorded for taxation purposes, and is often unavailable for inclusion in GDP computations.



There are a large number of economic activities that fall outside the official reporting system and do not come under the tax net. Some of these activities are illegal, such as corruption, smuggling, and narcotics. Other activities are legal but are not reported to avoid taxes such as beauty parlors, hair salons, tyre shops, grocery stores, etc. This group as a whole comprises the underground or black economy. Among others, the key reasons for the incessant growth of the underground economy are abundant availability of bearer financial instruments such as foreign exchange bearer certificates, and prize bond schemes, etc, which are mostly exempt from tax obligations and reporting requirements. Onerous tax burden, punitive regulations & reporting requirements, along with heavy handedness of tax authorities has also contributed to the growth of the informal or parallel economy. Gross under reporting of property values, negligible tax collection of agriculture income, and no reporting or under-reporting of income by businesses, add to the undocumented economy. The only exception is large corporate and also salaried class that is documented and taxed heavily.

The underground economy causes large fiscal losses to the government due to loss of tax revenues, demand pressures on public services, inefficient allocation of resources, and distortion of incentive structure and the growth trajectory of the economy. This is also a key reason for high cost of doing business, which combined with discretion exercisable by the public officials, has restrained the private sector-led development strategy of the economy. About 50% of the labor force in Pakistan is working in the parallel economy based on some studies.

On the positive side, the undocumented demand from Pakistan's 195 million people means the nation's purchasing power is higher than the official per capita income of USD1560/annum, which is evident from the rise in consumer demand and changing lifestyle in both larger and smaller cities. New shopping malls and restaurants are coming up in urban areas along with new housing societies to cater to the rising middle class, urban population. To get an idea of the real purchasing power, prices of newly built 500sq yard house in posh localities of Karachi and Islamabad has reached upto USD1mn, and luxury apartment above USD0.5mn. Rise in consumerism is evident from double digit volumetric growth in Refrigerator, Deep freezer, Beverage, Paints, Cement, Motorcycle, Automobile, Petrol sales during the last three years versus average 4.3% real GDP growth. Around 14% p.a. corporate earnings growth of the listed companies over the last 5 years also corroborates with this view.



Instead of isolated measures, a comprehensive policy framework is needed to reduce the size of the black economy, which entails economic liberalization, fiscal discipline, enhanced space for the private sector, tax reforms with a focus on tax cuts and broadening of tax base. Reforms to reduce corruption should be an essential element of this strategy. Sound and predictable legal system is absolutely necessary that penalizes the illegal activities and unfair practices, and fosters entrepreneurial activity. Strengthening and overhauling the governance system, property rights and enhancing the administrative capacity of the state are essential for reducing the size of the black economy, and unlocking the potential of the economy.

## Stock Market Review

During the month, the stock market swung between gains and losses driven by lingering uncertainty on the Panama Leaks case verdict by the apex court, overshadowing all the positives and prompting the broader investors to remain on the sideline. Ongoing drive of SECP against the in-house badla financing by the brokers also weighed on the market activity and soured sentiments in the market. The recent fall in the global oil prices amid increasing doubts on the extension of agreed supply cut by OPEC and non-OPEC producers and sharp supply addition by the US Shale producers led the decline in the oil & gas sector. Fading trump rally in the global equities amid potential delays on the proposed fiscal stimulus also tempered the momentum on the local bourse. Foreign selling continued during the month with net outflow recorded at US \$ 23 million. Mutual funds along with the Insurance sector and Companies remained net-buyers whereas, individual investors offloaded position by around US \$32 million. We see the recent sell-off in equities in the face of unabated foreign selling, lingering Panama Leaks case verdict, and liquidity drain amid the apex regulator crackdown on the badla financing by the broker as buying opportunity in selected sectors for the patient investors.

During the month, Automobile Assemblers, Chemicals, Engineering, Oil & Gas Marketing, Paper & Board, Refinery, and Transport sectors performed better than the market while, Fertilizer, Oil & Gas Exploration, Power Generation & Distribution sectors lagged behind. Healthy earnings announcements and improving future outlook amid strong volumetric growth and robust profit margins resulted in the out-performance of the Automobile & Assembler sector. Gas distribution companies led the upside of OMC sector amid improving earnings outlook. Investors accumulated position in Paper & Board sector on the back of better than expected corporate results by a select company and improving earnings outlook considering likely imposition of anti-dumping duty on imports. We attribute the abysmal performance of the Fertilizer sector to the weak global price outlook of urea amid supply glut. Owing to un-impressive earnings announcements and lower than expected payouts the Power Generation & Distribution sector failed to draw investors' interest. Driven by renewed fall in the global oil prices, the Oil & Gas Exploration sector depicted subdued performance.

Going forward, we still see substantial upside potential for equities driven by reasonable valuations as captured in forward P/E multiples of 10.4x; benign near-term inflation and interest rates; improving macro-economic outlook; buoyant business and consumer sentiment; and expectation of healthy foreign inflows from funds tracking MSCI EM Index. That said, we may see bouts of volatility amid domestic political fluidity and global policy uncertainty. Investors are advised to stay the course unfazed by the confusing headlines, keeping long-term objective in mind.

## Money Market Review

Inflation as measured by CPI increased to 4.9% for March 2017 mainly due to spike in perishable food items as compared to 4.2% reading for February 2017. Barring any major supply side shock we see inflation to remain range bound in the near term. State Bank of Pakistan (SBP) in its bi-monthly Monetary Policy Statement maintained the policy rate at 5.75%. Overnight repo rate remained close to the policy rate due to improved interbank liquidity conditions. The external account remained under pressure due to stagnant exports, increasing imports, and tapering off remittances growth, resulting in drawdown in foreign exchange reserves that stood at USD 21.8 billion against USD 22.1 billion in February 2017.

During the month of March, SBP held three T-Bill auctions with a combined target of Rs. 800 billion and a maturity of Rs. 713 billion. In the first T-Bill auction, Ministry of Finance (MoF) realized Rs. 397 billion against the target of Rs. 350 billion and maturity of Rs. 347 billion. Cut-off yields were maintained at 5.95% for the 3-month tenor and 5.99% for 6 month and 12 month tenors, respectively. The bid pattern skewed towards 03 month tenor. In the second T-Bill auction, an amount of Rs. 287 billion was accepted against the target of Rs. 350 billion and maturity of Rs. 309 billion wherein the cut-off yields were maintained for 03 month and 06 month tenors while, the bids worth Rs. 19 billion in 12 month tenor were rejected. The bid pattern remained tilted towards 03 month tenor. In the third T-Bill auction, Ministry of Finance (MoF) realized Rs. 162 billion against the target of Rs. 100 billion and maturity of Rs. 57 billion. The cut-off yields increased to 5.99% and 6.01% for 03 month and 06 month respectively while no bids were received in 12 months. The bid pattern skewed towards 06 months as compared to 03 months. Besides, in the PIB auction, Ministry of Finance (MoF) accepted Rs. 29 billion against the target and maturity of Rs. 50 billion at cut-off yields of 6.41%, 6.90% and 7.94% for 03 year, 05 year and 10 year tenors, respectively. Bids worth Rs. 161 million were received in 20 years but were rejected.

We have adjusted the portfolio of our money market and income funds based on the capital market expectations and 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](http://www.nafafunds.com) || [info@nafafunds.com](mailto:info@nafafunds.com)

**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.

## Performance %

Performance Period	Mar 2017	FYTD 2017	Trailing 12 months Apr 16 - Mar 17	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010*
NAFA Riba Free Savings Fund	4.4%	6.0%	5.9%	5.5%	7.4%	7.8%	8.7%	10.8%	8.1%
Benchmark*	2.8%	3.3%	3.7%	4.9%	6.7%	6.7%	7.3%	8.3%	6.6%

\* 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. 1,822 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:	1.34% p.a.(including 0.38% 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-Mar-17	28-Feb-17
GOP Ijara Sukuks	5.5%	5.7%
Bank Deposits	93.3%	93.0%
Others including receivables	1.2%	1.3%
<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. 1,985,218/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0116/0.12%. For details investors are advised to read note 11 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Hassan Raza, 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.

## 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 4.4% for the month of March 2017 versus the Benchmark return of 2.8% thus registering an outperformance of 1.6% p.a. During FYTD the Fund has outperformed its Benchmark by 2.7% by earning an annualized return of 6.0%. 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 5.6% of net assets in GOP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 94% 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 35 days.

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

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

GOP Ijarah Sukuk (AAA rated)	5.5%
AAA	32.8%
AA+	9.6%
AA	0.3%
AA-	0.2%
A+	1.9%
A	0.1%
A-	48.4%
Others including receivables	1.2%
<b>Total</b>	<b>100.0%</b>

# NAFA Islamic Income Fund (NIIF)

(Formerly; NAFA Islamic Aggressive Income Fund)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/03/2017): Rs. 9.8606

March 2017

## Performance %

Performance Period	Mar 2017	FYTD 2017	Trailing 12 months Apr 16 - Mar 17	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch October 26, 2007*
NAFA Islamic Income Fund (Formerly; NAFA Islamic Aggressive Income Fund)	4.4%	5.3%	5.7%	7.4%	9.2%	13.6%	6.8%	19.0%	6.7%
Benchmark**	3.5%	4.3%	4.4%	4.8%	6.6%	6.5%	7.0%	7.9%	6.3%

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

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

## General Information

Launch Date: October 26, 2007  
Fund Size: Rs. 3,076 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 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: 1.19% 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:\*\* 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: Income Unit: Rs. 100,000/- AM2++ by PACRA (High Investment Management Standards)

\*\* effective from March 14, 2017; Previously 1-year average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP  
\*\*\* effective from January 02, 2017

## Asset Allocation (% of Total Assets) 31-Mar-17 28-Feb-17

	31-Mar-17	28-Feb-17
Sukuks	0.9%	1.6%
GOP Ijarah Sukuks - Govt. Backed	3.2%	4.0%
Bank Deposits	95.2%	93.4%
Others including receivables	0.7%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

Name of Sukuk	% of Total Assets
K Electric Azm Sukuk - 5 Yrs	0.9%
<b>Total</b>	<b>0.9%</b>

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 3,255,343/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0104/0.11%. For details investors are advised to read note 11 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Hassan Raza, 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.

## 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 4.4% as compared to the Benchmark return of 3.5% thus registering an outperformance of 0.9% p.a. During FYTD, the Fund has posted 5.3% annualized return versus 4.3% by the Benchmark, hence an outperformance of 1.0% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukuks stood at around 1% of the net assets. Around 97% 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 5.1% p.a. and weighted average time to maturity is 1.8 years. The weighted average time to maturity of the Fund is 27 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 has been changed to NAFA Islamic Income Fund from March 14, 2017.

## 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
New Allied Electronics (Sukuk I)	SUKUK	110,000,000	110,000,000	-	-	-
New Allied Electronics (Sukuk II)	SUKUK	4,905,437	4,905,437	-	-	-
<b>Total</b>		<b>114,905,437</b>	<b>114,905,437</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>

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

	% of Total Assets
GOP Ijarah Sukuk (AAA rated)	3.2%
AAA	37.2%
AA+	0.1%
AA	1.0%
AA-	0.1%
A+	10.4%
A-	47.3%
Others including receivables	0.7%
<b>Total</b>	<b>100.0%</b>

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

## Performance %

Performance Period	Mar 2017	FYTD 2017	Rolling 12 Months Apr 16 - Mar 17	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch October 26, 2007*
NAFA Islamic Asset Allocation Fund	0.2%	21.9%	31.5%	13.1%	33.8%	22.2%	36.3%	13.2%	17.3%
Benchmark**	(1.1%)	14.5%	20.6%	9.2%	12.1%	17.7%	28.9%	11.1%	12.0%

\* 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.

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. 13,561 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% (Nil on investment above Rs. 50 million) Back End Load: NIL
Management Fee:	2% per annum
Total Expense Ratio (%)	3.70% p.a (including 1.34% 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:	Taha Khan Javed, 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

## 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 0.2% whereas the Benchmark decreased by 1.1%, thus your Fund outperformed the Benchmark by 1.3%. Since inception your Fund has posted 17.3% p.a return, versus 12.0% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 5.3% p.a. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 59% in equities, which increased to around 61% towards the end of the month. NIAAF outperformed the Benchmark in March as the Fund was underweight in select Power Generation & Distribution Companies, and Oil & Gas Exploration Companies sectors stocks which underperformed the market and overweight in select Oil & Gas Marketing Companies, Oil & Gas Exploration Companies, Automobile Assembler, Glass & Ceramics, and Cable & Electrical good sectors stocks which outperformed the market. During the month, the allocation was primarily increased in Cement, Engineering, Oil & Gas Marketing Companies, and Power Generation & Distribution Companies sectors, whereas it was reduced Primarily in Oil & Gas Exploration Companies, Pharmaceutical, Textile Composite, and Fertilizer sectors.

## Asset Allocation (% of Total Assets)

	31-Mar-17	28-Feb-17
Equities / Stocks	60.6%	58.9%
Sukuks	-	0.3%
Cash	38.6%	40.0%
Others	0.8%	0.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAF	10.6	4.3	3.7%
KMI-30	11.9	2.7	4.0%

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

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

Cement	12.2%
Oil & Gas Exploration Companies	10.2%
Fertilizer	7.7%
Oil & Gas Marketing Companies	7.0%
Textile Composite	5.1%
Others	18.4%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Taha Khan Javed, CFA  
Hassan Raza, CFA  
Muhammad Ali Bhabha, CFA, FRM

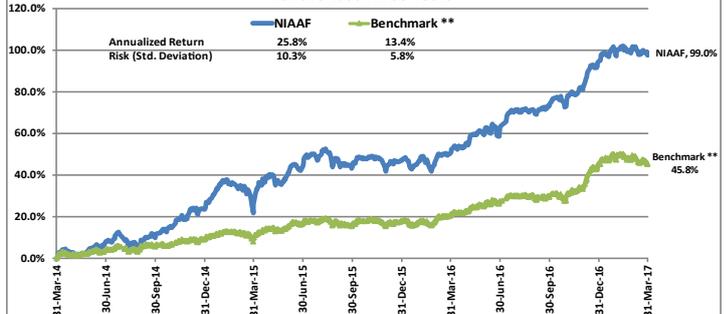
## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 63,868,057/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0895/0.62%. For details investors are advised to read the Note 11 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

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

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



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

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	4.4%	Engro Fertilizer Ltd	Equity	2.7%
Mari Petroleum Company Ltd	Equity	3.6%	Millat Tractors Ltd	Equity	2.6%
Lucky Cement Ltd	Equity	3.2%	Nishat Mills Ltd	Equity	2.6%
Pakistan State Oil Co. Ltd	Equity	3.1%	Kohinoor Textile Mills Ltd	Equity	2.5%
D G Khan Cement Co Ltd	Equity	2.9%	Oil & Gas Dev Co Ltd	Equity	2.4%

## Details of Non-Compliant Investments

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

## Performance

Performance Period	Mar 2017	FYTD 2017	Rolling 12 Months Apr 16 - Mar 17	FY 2016	Since Launch* January 09, 2015
NAFA Islamic Stock Fund	1.2%	36.4%	49.3%	12.9%	27.4%
Benchmark	(2.1%)	23.7%	40.5%	15.5%	22.1%

\* 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. 7,093 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 (%)	4.13% p.a.(including 1.62% 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-Mar-17	28-Feb-17
Equities / Stocks	88.6%	88.8%
Cash Equivalents	10.7%	8.4%
Others including receivables	0.7%	2.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NISF	10.1	4.1	3.2%
KMI-30	11.9	2.7	4.0%

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

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

Cement	20.1%
Oil & Gas Exploration Companies	12.1%
Oil & Gas Marketing Companies	10.4%
Fertilizer	9.7%
Automobile Assembler	6.7%
Others	29.6%

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 44,099,501/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0970/0.93%. For details investors are advised to read the Note 10.2 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

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 the investment policies and the risks involved.

## Investment Objective

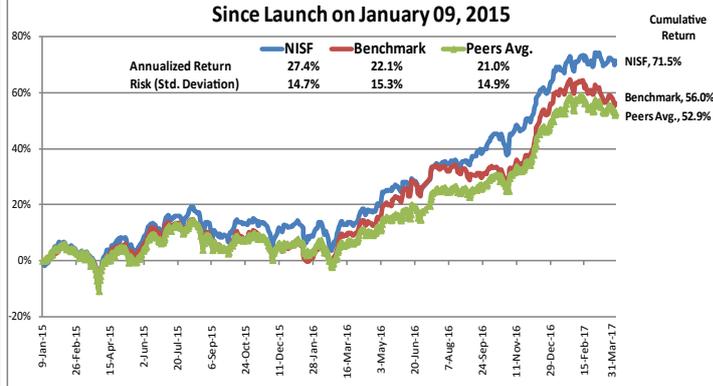
The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shariah Compliant listed equities.

## Fund Manager's Commentary

During the month under review, NAFA Islamic Stock Fund's (NISF) unit price (NAV) increased by 1.2%, whereas the Benchmark decreased by 2.1%, thus an outperformance of 3.3% was recorded. Since inception on January 9, 2015 your Fund has posted 27.4% p.a return, versus 22.1% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 5.3% p.a. This outperformance is net of management fee and all other expenses.

NISF started off the month with an allocation of around 89% in equities, which was maintained during the month. NISF outperformed the Benchmark in March as the Fund was underweight in select Power Generation & Distribution Companies, Automobile Assembler, and Oil & Gas Exploration Companies sectors stocks which underperformed the market and overweight in select Oil & Gas Marketing Companies, Oil & Gas Exploration Companies, Automobile Assembler, Glass & Ceramics, and Miscellaneous sectors stocks which outperformed the market. During the month, the allocation was increased primarily in Cement, Engineering, Miscellaneous, Glass & Ceramics, and Pharmaceuticals Sectors, whereas it was reduced primarily in Fertilizer, Power Generation & Distribution Companies, Oil & Gas Marketing Companies, and Textile Composite sectors.

## Relative Performance of NAFA Islamic Stock Fund (NISF) Since Launch on January 09, 2015



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

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	5.6%	Sui Northern Gas Ltd	Equity	3.2%
Mari Petroleum Company Ltd	Equity	4.8%	Millat Tractors Ltd	Equity	3.0%
Lucky Cement Ltd	Equity	4.7%	Oil & Gas Dev.Co	Equity	3.0%
D G Khan Cement Co Ltd	Equity	4.4%	Attock Cement Pakistan Ltd	Equity	2.8%
Hub Power Company Ltd	Equity	3.4%	Pakistan State Oil Co. Ltd	Equity	2.7%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Taha Khan Javed, CFA  
Hassan Raza, CFA

## Performance %

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) Mar 31, 2017	Mar 2017	FYTD 2017	Rolling 12 Months Apr 16 - Mar 17	FY 2016	FY 2015	Since Launch July 02, 2013
NIPF-Equity Sub-fund	862.5	331.3755	1.1%*	36.3%*	51.6%*	16.9%*	51.5%*	37.4%
NIPF-Debt Sub-fund	296.4	123.0193	1.2%	3.8%	3.6%	3.8%	5.6%	5.4%
NIPF-Money Market Sub-fund	196.4	123.2443	2.9%	3.9%	3.9%	3.9%	6.2%	5.5%

\* 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. 1,355 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 3.36% p.a. (including 1.54% government levies)
Total Expense Ratio (%)	Debt 2.18% p.a. (including 0.43% government levies) Money Market 2.27% p.a. (including 0.44% 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 March:

NIPF Equity Sub-fund unit price increased by 1.1% as compared to 2.1% decrease in KMI-30 Index. The Sub-fund was around 93% 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 95.6% of net asset.

NIPF Debt Sub-fund generated annualized return of 1.2%. 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 0.6 year.

NIPF Money Market Sub-fund generated annualized return of 2.9%. 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 49 days.

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

	Debt	Money Market
Government Securities (AAA rated)	38.1%	7.6%
AAA	25.3%	9.4%
AA+	19.3%	37.5%
AA	1.2%	5.3%
AA-	-	19.0%
A+	14.3%	19.3%
Others	1.8%	1.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

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

Cement	18.1%
Oil & Gas Exploration Companies	12.9%
Fertilizer	10.1%
Automobile Assembler	8.5%
Oil & Gas Marketing Companies	6.6%
Others	37.0%

## Asset Allocation (% of Total Assets)

	31-Mar-17	28-Feb-17
<b>Equity Sub-fund</b>	<b>31-Mar-17</b>	<b>28-Feb-17</b>
Equity	93.2%	93.7%
Cash Equivalents	5.8%	5.8%
Others including receivables	1.0%	0.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Debt Sub-fund</b>	<b>31-Mar-17</b>	<b>28-Feb-17</b>
Cash Equivalents	60.1%	59.2%
GOP Ijara Sukuk	38.1%	39.3%
Others	1.8%	1.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Money Market Sub-fund</b>	<b>31-Mar-17</b>	<b>28-Feb-17</b>
Cash Equivalents	90.5%	90.3%
GOP Ijara Sukuk	7.6%	8.0%
Others	1.9%	1.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

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

Name	(% of Total Assets)	Name	(% of Total Assets)
Engro Corporation Ltd	5.6%	Pakistan Oilfields Ltd	3.4%
Lucky Cement Ltd	4.8%	Nishat Mills Ltd	3.0%
Mari Petroleum Company Ltd	4.5%	Engro Fertilizer Ltd	2.8%
D G Khan Cement Co Ltd	4.3%	Pak Petroleum Ltd	2.8%
Pakistan State Oil Co. Ltd	3.6%	Hub Power Company Ltd	2.6%

## 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	6,333,294	2.4334	1.11%
Debt Sub-fund	397,861	0.1651	0.14%
Money Market Sub-fund	252,207	0.1582	0.13%

For details investors are advised to read the Note 12.1 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

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  
Taha Khan Javed, CFA,  
Muhammad Ali Bhabha, CFA,  
Hassan Raza, CFA

MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/03/2017): Rs 101.6211

March 2017

Performance %						
Performance period	Mar 2017	FYTD 2017	Rolling 12 Months Apr 16 - Mar 17	FY 2016	FY 2015	Since Launch March 05, 2014*
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	0.4%	18.6%	24.2%	4.2%	21.3%	15.0%
Benchmark	0.04%	12.4%	20.2%	7.7%	11.0%	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						

General Information	Investment Objective
<p>Launch Date: March 5, 2014</p> <p>Fund Size: Rs. 107 million</p> <p>Type: Open-end Shariah Compliant Capital Protected Fund</p> <p>Dealing Days: Daily – Monday to Friday</p> <p>Dealing Time: (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 (%): 3.63% p.a. (including 1.13% 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-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.</p>

Asset Allocation (% of Total Assets)	31-Mar-17	28-Feb-17
Equities / Stocks	7.9%	7.7%
Cash	88.7%	88.2%
Others including receivables	3.4%	4.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

Characteristics of Equity Portfolio**			
	PER	PBV	DY
NIPPF-I	9.1	2.6	3.5%
KMI-30	11.9	2.7	4.0%

\*\* Based on NAFA's estimates

Top Five Sectors (% of Total Assets) (as on 31 Mar, 2017)	
Oil & Gas Exploration Companies	2.1%
Cement	1.2%
Fertilizer	1.0%
Oil & Gas Marketing Companies	1.0%
Pharmaceuticals	0.9%
Others	1.7%

**Sindh Workers' Welfare Fund (SWWF)**

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 2,739,012/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 2.5986/3.18%. For details investors are advised to read the Note 10.2 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

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.

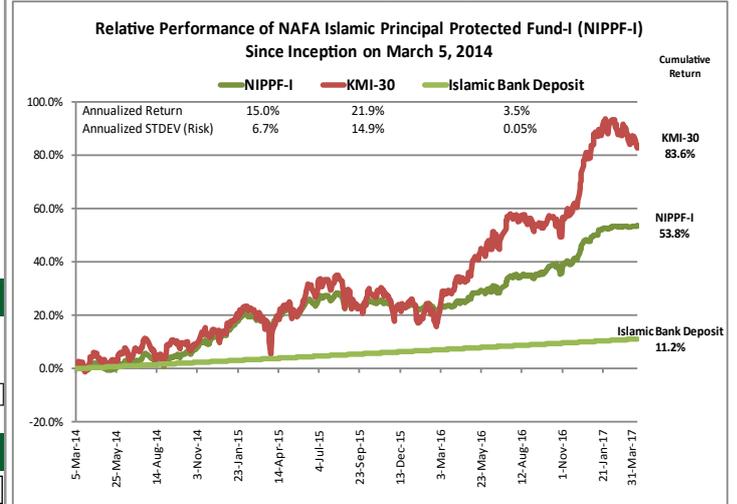
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**Investment Objective**

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 15.0% p.a versus 11.4% 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 Oil & Gas Exploration Companies, Cement, and Fertilizer 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 Mar, 2017)					
Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan State Oil Co. Ltd	Equity	0.9%	Pak Petroleum Ltd	Equity	0.7%
Nishat Mills Ltd	Equity	0.8%	Engro Corporation Ltd	Equity	0.6%
Pakistan Oilfields Ltd	Equity	0.7%	D G Khan Cement Co Ltd	Equity	0.5%
Glaxo Healthcare Pak Ltd	Equity	0.7%	Pak Elektron Ltd	Equity	0.4%
Mari Petroleum Company Ltd	Equity	0.7%	Engro Fertilizer Ltd	Equity	0.4%

**Name of the Members of Investment Committee**

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Taha Khan Javed, CFA  
Hassan Raza, CFA  
Muhammad Ali Bhabha, CFA, FRM

Performance Period	Mar 2017	FYTD 2017	Rolling 12 Months Apr 16 - Mar 17	FY 2016	FY 2015	Since Launch June 27, 2014*
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	0.6%	25.4%	32.6%	3.3%	21.0%	17.8%
Benchmark	0.03%	15.6%	25.6%	8.9%	12.2%	13.5%

\* 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		Investment Objective
Launch Date:	June 27, 2014	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.
Fund Size:	Rs. 227 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 (%)	3.34% p.a (including 0.93% government levies)	
Risk Profile:	Low	<b>Fund Manager's Commentary</b> Since inception, NIPPF- II has generated a return of 17.8% p.a versus 13.5% p.a return of the Benchmark. The current equity exposure stands at around 9%. During the month, multiplier remained at 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.
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-Mar-17	28-Feb-17
Equities / Stocks	8.6%	7.9%
Cash Equivalents	89.3%	89.1%
Others including receivables	2.1%	3.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

Characteristics of Equity Portfolio**			
	PER	PBV	DY
NIPPF-II	9.3	4.1	3.9%
KMI-30	11.9	2.7	4.0%

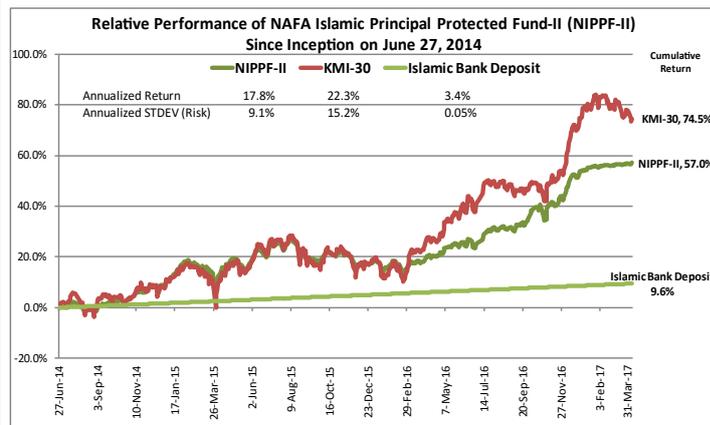
\*\* Based on NAFA's estimates

Top Five Sectors (% of Total Assets) (as on 31 Mar, 2017)	
Cement	3.3%
Oil & Gas Exploration Companies	1.4%
Textile Composite	1.2%
Power Generation & Distribution	1.0%
Engineering	1.0%
Others	0.7%

**Sindh Workers' Welfare Fund (SWWF)**  
The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 3,393,369,-/If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 1.5112/1.98%. For details investors are advised to read the Note 10.2 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

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 Mar, 2017)					
Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pioneer Cement Ltd	Equity	1.4%	Mughal Iron & Steel Ind Ltd	Equity	1.0%
Mari Petroleum Company Ltd	Equity	1.4%	Fauji Cement Company Ltd	Equity	0.9%
D G Khan Cement Co Ltd	Equity	1.1%	Engro Corporation Ltd	Equity	0.4%
Kot Addu Power Co Ltd	Equity	1.0%	Kohinoor Textile Mills Ltd	Equity	0.2%
Nishat Mills Ltd	Equity	1.0%	Hascol Petroleum Ltd	Equity	0.1%

**Name of the Members of Investment Committee**

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Taha Khan Javed, CFA  
Hassan Raza, CFA

## Performance %

Performance Period	Mar 2017	FYTD 2017	Rolling 12 Months Apr 16 - Mar 17	FY 2016	Since Launch January 09, 2015*
NAFA Islamic Principal Preservation Fund (NIPPF)	0.4%	14.3%	17.9%	4.0%	10.5%
Benchmark**	0.1%	11.5%	16.6%	3.6%	8.8%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date:	January 9, 2015
Fund Size:	Rs. 427 million
Type:	Open End Shariah Compliant Fund of Funds
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:	1% in year 1, 0.5% in year 2 and no load beyond 2 years
Back end Load:	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.)
Management Fee:	1.81% p.a (including 0.72% government levies)
Total Expense Ratio (%)	Low
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.

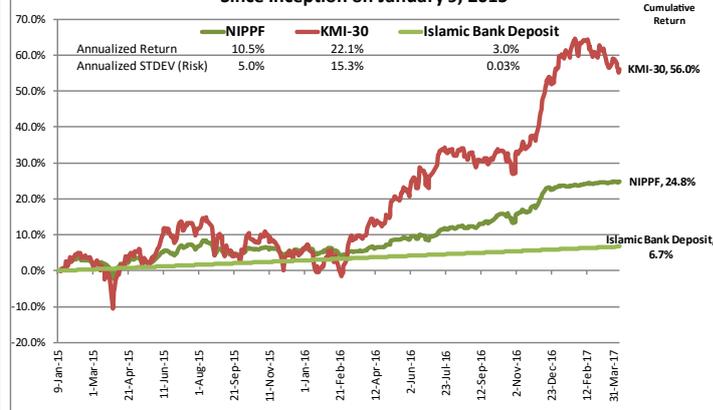
## Investment Objective

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 return of 10.5% p.a versus 8.8% p.a return of the Benchmark. The current exposure in equity/asset allocation funds stands at 13.3%. During the month, multiplier remained at 0.5. 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-Mar-17	28-Feb-17
Islamic Asset Allocation Fund	10.4%	9.8%
Islamic Stock Fund	2.9%	2.7%
Cash	84.3%	85.6%
Others including receivables	2.4%	1.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAF	10.6	4.3	3.7%
NISF	10.1	4.1	3.2%
KMI-30	11.9	2.7	4.0%

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

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

NAFA Islamic Asset Allocation Fund	10.4%
NAFA Islamic Stock Fund	2.9%
<b>Total</b>	<b>13.3%</b>

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 3,893,013/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.9253/1.07%. For details investors are advised to read the Note 9.1 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

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  
Taha Khan Javed, CFA  
Hassan Raza, CFA  
Muhammad Ali Bhabha, CFA, FRM

## Performance

Performance Period	Mar 2017	FYTD 2017	Rolling 12 Months Apr 16 - Mar 17	Since Launch* January 15, 2016
NAFA Islamic Active Allocation Plan-I	0.2%	26.5%	35.1%	32.2%
Benchmark**	(1.6%)	20.0%	31.6%	31.4%

\* 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. 980 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 (%)	1.26% p.a (including 0.94% 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.

Asset Allocation (% of Total Assets)	31-Mar-17	28-Feb-17
Shariah Compliant Funds	94.2%	92.8%
Cash Equivalents	5.8%	7.1%
Others including receivables	0.0%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAEF	10.5	4.4	3.7%
KMI-30	11.9	2.7	4.0%

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

## Top Holdings (%age of total assets)

(as on 31 Mar, 2017)

NAFA Islamic Active Allocation Equity Fund	78.1%
NAFA Active Allocation Riba Free Savings Fund	16.1%
<b>Total</b>	<b>94.2%</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 5,847,476/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.8360/0.81%. For details investors are advised to read the Note 10 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

## 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 is 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 32.2% p.a versus 31.4% p.a return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 78.1% & 16.1% 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.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Taha Khan Javed, CFA  
Hassan Raza, CFA

MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/03/2017): Rs.135.1535

March 2017

## Performance\*

Performance Period	Mar 2017	FYTD 2017	Rolling 12 Months Apr 16-Mar 17	Since Launch March 04, 2016
NAFA Islamic Active Allocation Plan-II	0.2%	26.0%	34.4%	32.6%
Benchmark**	(1.6%)	19.6%	30.2%	29.5%

\* Cumulative Returns

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

## General Information

Launch Date:	March 04, 2016
Fund Size:	Rs. 772 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 (%)	1.20% p.a (including 0.85% 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 is 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 32.6% versus 29.5% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 81.4% & 10.0% 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-Mar-17 28-Feb-17

Asset Allocation (% of Total Assets)	31-Mar-17	28-Feb-17
Shariah Compliant Funds	91.4%	93.7%
Cash Equivalents	8.5%	6.2%
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	10.5	4.4	3.7%
KMI-30	11.9	2.7	4.0%

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

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

Top Holdings	%age of total assets
NAFA Islamic Active Allocation Equity Fund	81.4%
NAFA Active Allocation Riba Free Savings Fund	10.0%
<b>Total</b>	<b>91.4%</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 4,232,106/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.7406/0.74%. For details investors are advised to read the Note 10 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Taha Khan Javed, CFA  
Hassan Raza, CFA

MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/03/2017): Rs.122.3547

March 2017

## Performance\*

Performance Period	Mar 2017	FYTD 2017	Rolling 6 Months Oct 16 - Mar 17	Since Launch June 28, 2016
NAFA Islamic Active Allocation Plan-III	0.2%	22.4%	16.2%	22.5%
Benchmark**	(1.6%)	17.0%	15.6%	17.8%

\* 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. 1,185 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 (%)	0.89% p.a (including 0.55% 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 is 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 22.5% versus 17.8% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 78.2% & 13.2% 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-Mar-17	28-Feb-17
Shariah Compliant Funds	91.4%	90.8%
Cash Equivalents	8.6%	9.1%
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	10.5	4.4	3.7%
KMI-30	11.9	2.7	4.0%

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

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

NAFA Islamic Active Allocation Equity Fund	78.2%
NAFA Active Allocation Riba Free Savings Fund	13.2%
<b>Total</b>	<b>91.4%</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 4,441,987/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.4585/0.46%. For details investors are advised to read the Note 10 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Taha Khan Javed, CFA  
Hassan Raza, CFA



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/03/2017): Rs.114.4281

March 2017

## Performance\*

Performance Period	Mar 2017	Rolling 6 Months Oct 16-Mar 17	Since Launch September 30, 2016
NAFA Islamic Active Allocation Plan-IV	0.2%	14.4%	14.4%
Benchmark	(1.6%)	14.3%	14.3%

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

## General Information

Launch Date:	September 30, 2016
Fund Size:	Rs. 823 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 (%):	0.72% p.a (including 0.43% 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 is 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 14.4% versus 14.3% return of the Benchmark. The current exposure in Equity Fund and Income Fund stands at 79.7% & 12.2% 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-Mar-17 28-Feb-17

Asset Allocation (% of Total Assets)	31-Mar-17	28-Feb-17
Shariah Compliant Funds	91.9%	93.3%
Cash Equivalents	7.9%	6.6%
Others including receivables	0.2%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF**	10.5	4.4	3.7%
KMI-30	11.9	2.7	4.0%

\*\* Based on NAFA's estimates

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

NAFA Islamic Active Allocation Equity Fund	79.7%
NAFA Active Allocation Riba Free Savings Fund	12.2%
<b>Total</b>	<b>91.9%</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 2,116,897/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.2945/0.29%. For details investors are advised to read the Note 10 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Taha Khan Javed, CFA  
Hassan Raza, CFA

MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/03/2017): Rs. 100.5156

March 2017

## Performance\*

Performance Period	Mar 2017	Since Launch January 12, 2017
NAFA Islamic Active Allocation Plan-V	0.2%	0.5%
Benchmark	(1.4%)	(2.2%)

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

## General Information

Launch Date:	January 12, 2017
Fund Size:	Rs. 1,956 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 (%)	0.25% p.a (including 0.08% 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 is 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, NIAAP-V has generated a cumulative return of 0.5% whereas the Benchmark declined by 2.2%. The current exposure in Equity Fund and Income Fund stands at 69.6% & 22.6% 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-Mar-17 28-Feb-17

Asset Allocation (% of Total Assets)	31-Mar-17	28-Feb-17
Shariah Compliant Funds	92.2%	92.8%
Cash Equivalents	7.8%	7.0%
Others including receivables	-	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF**	10.5	4.4	3.7%
KMI-30	11.9	2.7	4.0%

\*\* Based on NAFA's estimates

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

NAFA Islamic Active Allocation Equity Fund	69.6%
NAFA Active Allocation Riba Free Savings Fund	22.6%
<b>Total</b>	<b>92.2%</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 204,915/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.0105/0.01%. For details investors are advised to read the Note 10 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Taha Khan Javed, CFA  
Hassan Raza, CFA



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/03/2017): 10.2676

March 2017

## Performance %

Performance Period	Mar 2017	FYTD 2017	Trailing 12 months Apr 16 - Mar 17	Since Launch* January 18, 2016
NAFA Active Allocation Riba Free Savings Fund	3.7%	3.7%	3.8%	4.0%
Benchmark**	2.8%	3.3%	3.7%	3.8%

*\*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. 946 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:	2.06% p.a. (including 0.37% 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 3.7% against the benchmark return of 2.8%. The performance is net of management fee and all other expenses.

The Fund aims to consistently generate a 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 100% of net assets of the portfolio are 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.

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

AAA	43.9%
AA+	2.1%
A+	3.7%
A-	49.4%
Others including receivables	0.9%
<b>Total</b>	<b>100.0%</b>

Asset Allocation (% of Total Assets)	31-Mar-17	28-Feb-17
Bank Deposits	99.1%	98.7%
Others including receivables	0.9%	1.3%
<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. 666,870/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0072/0.07%. For details investors are advised to read note 10 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Hassan Raza, CFA

Notes: 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.

## Performance

Performance Period	Mar 2017	FYTD 2017	Rolling 12 Months Apr 16 - Mar 17	Since Launch* January 18, 2016
NAFA Islamic Active Allocation Equity Fund	0.2%	33.4%	48.8%	46.8%
Benchmark	(2.1%)	23.7%	40.5%	45.4%

\* 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 18, 2016
Fund Size:	Rs. 4,391 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 (%)	3.96% p.a. (including 1.52% government levies)
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	KMI-30 Index
Fund Manager:	Taha Khan Javed, 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 89% in equities, which decreased to around 88% towards the end of the month. NIAAEF outperformed the Benchmark in March as the Fund was underweight in select Power Generation & Distribution Companies, Automobile Assembler, and Oil & Gas Exploration Companies sectors stocks which underperformed the market and overweight in select Oil & Gas Marketing Companies, Oil & Gas Exploration Companies, Automobile Assembler, Glass & Ceramics, and Miscellaneous sectors stocks which outperformed the market. During the month, the allocation was increased primarily in Cable & Electrical Good, Automobile Assembler, Glass & Ceramics, and Engineering Sectors, whereas it was reduced primarily in Fertilizer, Oil & Gas Exploration Companies, and Oil & Gas Marketing Companies sectors.

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

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	6.4%	Attock Cement Pakistan Ltd	Equity	3.7%
Mari Gas Company Ltd	Equity	4.9%	Nishat Mills Ltd	Equity	3.6%
Lucky Cement Ltd	Equity	4.9%	Engro Fertilizer Ltd	Equity	3.3%
Pakistan State Oil Co. Ltd	Equity	4.8%	Shell Pakistan Ltd	Equity	3.2%
Kohinoor Textile Mills Ltd	Equity	4.1%	Hub Power Company Ltd	Equity	3.2%

Asset Allocation (% of Total Assets)	31-Mar-17	28-Feb-17
Equities / Stocks	87.8%	88.7%
Cash Equivalents	11.5%	10.7%
Others including receivables	0.7%	0.6%
Total	100.0%	100.0%
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF	10.5	4.4	3.7%
KMI-30	11.9	2.7	4.0%

\*\* Based on NAFA's estimates

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

Cement	16.9%
Oil & Gas Exploration Companies	12.6%
Fertilizer	11.8%
Oil & Gas Marketing Companies	8.9%
Textile Composite	7.8%
Others	29.7%

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 27,717,690/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0958/0.94%. For details investors are advised to read the Note 13 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

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  
Taha Khan Javed, CFA  
Hassan Raza, CFA

## Performance %\*

Performance Period	Mar 2017	FYTD 2017	Rolling 6 Months Oct 16 - Mar 17	Since Launch April 21, 2016
NAFA Islamic Energy Fund	0.6%	36.7%	22.2%	49.7%
Benchmark	(2.1%)	23.7%	18.7%	38.8%

\* 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. 2,863 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 (%)	4.0% p.a (including 1.47% 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:	Taha Khan Javed, 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-Mar-17	28-Feb-17
Equities / Stocks	87.3%	85.2%
Cash Equivalents	11.2%	12.1%
Others including receivables	1.5%	2.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIEF	8.8	4.8	3.8%
KMI-30	11.9	2.7	4.0%

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

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

Oil & Gas Marketing Companies	33.7%
Oil & Gas Exploration Companies	31.9%
Power Generation & Distribution	14.7%
Refinery	7.0%

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 17,472,630/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0880/0.91%. For details investors are advised to read the Note 13 of the Financial Statements of the Scheme for the half year ended December 31, 2016.

## 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 increased to around 87% towards the end of the month. NIEF outperformed the Benchmark in March as the Fund was overweight in select Energy sectors stocks which outperformed the market. During the month, the allocation was increased in Oil & Gas Exploration Companies, and Oil & Gas Marketing Companies sectors.

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

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Mari Petroleum Co Ltd	Equity	11.6%	Pakistan Oilfields Ltd	Equity	6.8%
Sui Northern Gas Ltd	Equity	9.1%	Hub Power Co Ltd	Equity	6.3%
Shell Pakistan Ltd	Equity	9.0%	Oil & Gas Dev.Co	Equity	6.1%
Pak Petroleum Ltd	Equity	7.5%	Attock Refinery Ltd	Equity	4.7%
Pakistan State Oil Co. Ltd	Equity	7.4%	K-Electric Ltd	Equity	4.3%

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Taha Khan Javed, CFA  
Hassan Raza, CFA

**NBP Fullerton Asset Management Limited**  
7<sup>th</sup> Floor Clifton Diamond Building, Block No. 4, Scheme No. 5,  
Clifton Karachi.

**For Information & Investment:**

Call: 0800-20002 || SMS: NAFA INVEST to 8080 || [www.nafafunds.com](http://www.nafafunds.com) ||  /nafafunds

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