



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

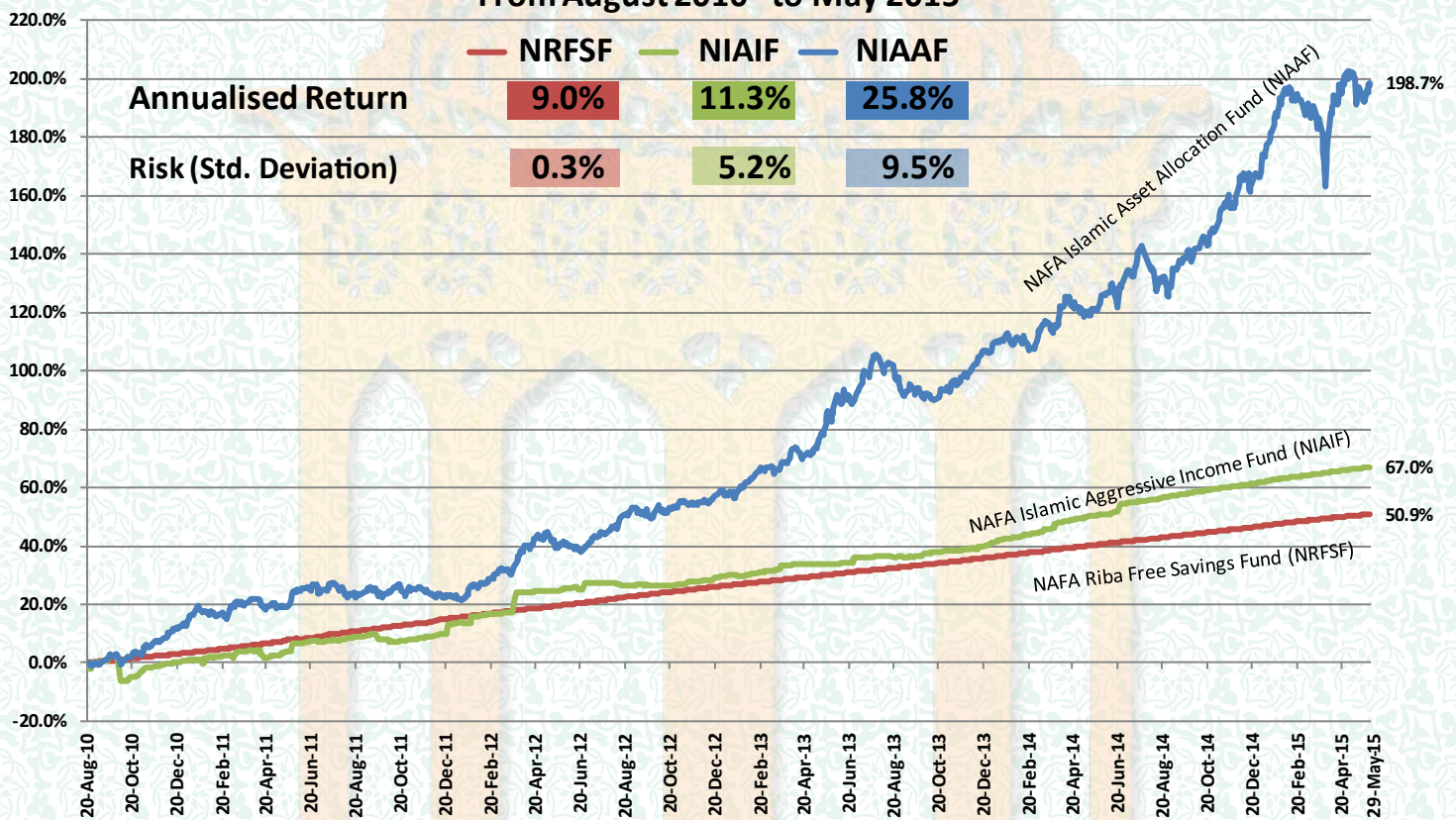


Rated by PACRA

Fund Manager Report of Shariah Compliant Schemes

May 2015

Relative Performance of NAFA's Islamic Funds
From August 2010* to May 2015



*Since Inception of NRFSSF August 20, 2010

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

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Table of Contents

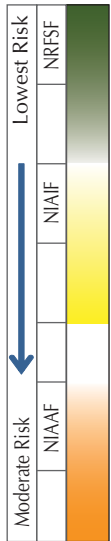
Performance Summary of NAFA's Shariah Compliant Funds	Pg. 01
CEO's Write-up	Pg. 02
Capital Markets Review	Pg. 03
NAFA Riba Free Savings Fund	Pg. 04
NAFA Islamic Aggressive Income Fund	Pg. 05
NAFA Islamic Asset Allocation Fund	Pg. 06
NAFA Islamic Stock Fund	Pg. 07
NAFA Islamic Pension Fund	Pg. 08
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	Pg. 09
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	Pg. 10
NAFA Islamic Principal Preservation Fund (NIPPF)	Pg. 11





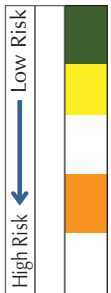
"May 2015"

Mutual Funds - Collective Investment Schemes (CISs)



Fund Name	Fund Size (Rs. In Crore)	Stability Rating	Inception Date	May-2015	FYTD-2015	Rolling 12 Months	FY-2014	FY-2013	FY-2012	FY-2011	FY-2010	Since Inception
Fixed Income Islamic Funds			Annualized Returns									
NAFA Riba Free Savings Fund	158	A (f)	20-Aug-10	5.7%	7.3%	7.3%	7.8%	8.7%	10.8%	n/a	n/a	9.0%
Benchmark				6.1%	6.8%	6.8%	6.7%	7.3%	8.3%	n/a	n/a	7.4%
NAFA Islamic Aggressive Income Fund	107	A- (f)	26-Oct-07	7.0%	8.8%	10.9%	13.6%	6.8%	19.0%	9.0%	(4.9%)	6.7%
Benchmark				5.9%	6.6%	6.7%	6.5%	7.0%	7.9%	7.1%	6.5%	6.7%
Equity Related Islamic Funds		Star Ranking*	Cumulative Returns									Annualized Return
NAFA Islamic Asset Allocation Fund	247	**** (4-star)	26-Oct-07	(1.3%)	28.3%	32.3%	22.2%	36.3%	13.3%	28.4%	17.5%	16.2%
Benchmark				0.0%	9.9%	11.2%	17.7%	28.4%	11.1%	24.4%	21.3%	11.5%

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



Fund Name	Fund Size (Rs. In Crore)	Inception Date	May-2015	FYTD-2015	Rolling 12 Months	FY-2014	FY-2013	FY-2012	FY-2011	FY-2010	Since Inception	
Annualized Returns												
NIPF - Debt sub Fund	12	2-Jul-13	6.3%	5.8%	5.7%	n/a	n/a	n/a	n/a	n/a	7.0%	
NIPF - Money Market sub Fund	7	2-Jul-13	6.4%	6.5%	6.3%	n/a	n/a	n/a	n/a	n/a	7.0%	
			Cumulative Returns									Annualized Return
NIPF - Equity sub Fund	19	2-Jul-13	(1.5%)	44.3%	47.2%	n/a	n/a	n/a	n/a	n/a	42.6%	

Notes: 1) The calculation of performance does not include cost of front-end load.
 2) Tax credit also available as per section 62 & 63 of Income Tax Ordinance.
 3) Taxes apply. Tax rate on Dividend for individuals is 10% , CGT rate is 12.5% for up to 1 year holding period , 10% for 1-2 years holding period and 0% for more than 2 years holding period.

n/a = Not applicable.
 Return for the period until May end 2015
 *Star ranking has been assigned for (1 year) performance period ending June 30, 2014 by PACRA.
 Asset Manager Rating: AM2+ by PACRA (High Investment Management Standards)

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

Investing in a Low Interest Rate Environment

It is becoming challenging for investors to earn a decent regular income from the available fixed income avenues in the prevailing low interest rate environment. Comforted by the considerable improvement in macroeconomic indicators, SBP, in its latest monetary policy review meeting in May, has further slashed the discount rate by 100bps to a 42-year low of 7.0%. Accordingly, money market yields have sharply declined with 1-year T-bill currently yielding just 6.8% per annum. Similarly, yields on 3 and 5-year PIBs have come off to 7.5% and 8.1%, respectively. Banks have also reduced profit on saving accounts & term deposits to 4.5-6% per annum. Similarly, NSS has also lowered rates on different products. Case in point is that returns on aforesaid investment avenues will barely keep pace with inflation which is expected to hover around 6-7% over the next 12 months.

Real estate investment is an option which offers attractive returns to investors. However, real estate investments are illiquid and expose investors to high price volatility and concentration risk. Also, taxes to transfer real estate have gone up substantially in the recent past. Further, these investments require large sums that most of the investors may not have. Advent of REITs in future would address some of the above concerns/constraints.

An alternative attractive investment option is the stock market which has yet to capture improving macroeconomic fundamentals. Ignoring all positive signals, the stock market continues to remain in the doldrums during the last few months. Resultantly, in our view, the valuations are extremely attractive as the KSE-100 index is trading at a forward Price-to-Earning of 9x, and offering a handsome dividend yield of about 6% to investors. We see a strong case of multiple (Price-to-Earning) rerating for equities driven by a combination of improved macroeconomic fundamentals, easy monetary conditions, and attractive valuations. Also, we expect corporate earnings to continue to grow at about 14% p.a. in the coming four quarters. Astute investors can take advantage of the aforesaid anomaly to earn a healthy return.

However, stock market investing is a science as well as an art that requires financial research and analytical skills. Further, this investment class exposes investors to a considerable short-term volatility. To allay these obstacles, investors can consider different types of equity mutual fund i.e. balanced, asset allocation, capital protected and pure equity funds, as per their risk tolerance and return requirement driven by their investment horizon, liquidity requirements and risk preferences. Asset allocation, balanced and capital protected strategies allow investors to have partial exposure to the stock market with a much lower level of volatility. While pure equity funds deliver superior returns over the long term, but they are subject to higher volatility. Generally, equity mutual funds have superior performance track record with majority of the funds outperforming their respective benchmarks over a medium to long-term period.

Its merit mentions that all our equity related funds are comprehensively outperforming their benchmark. For instance, our flagship equity related fund namely NAFA Stock Fund has delivered 346% return during the last 5-years versus 254% by the benchmark KSE-100 index. An investor who invested Rs.100,000/- in our NSF 5 years ago has seen his investment value grow to about Rs.446,000/- at present.

Considering the low interest rate environment that is expected to continue for some time, we advise investors who have a medium to long term investment horizon to consider investing in equities.

Key indicators have significantly improved but market remains in the doldrums

	May-15	Jan-15
KSE-100	33,057	34,444
Market PE	9.0x	9.5x
Inflation	3.4%	3.9%
SBP discount rate	7.0%	8.5%
Foreign Exchange SBP Reserves (USDbn)	12.3	10.4
Import cover(weeks)	15x	11x
Moody's outlook	Positive	Stable
Current account deficit-YTD (USDbn)	-1.4 *	-2.3
BOP surplus-YTD(USDmn)	2,118 *	358
1 Year T-bill yield	6.8%	8.4%
Pakistan 10Y CDS	416bp	462bp

Source: KSE, PBS, SBP, Bloomberg, NAFA
* up to month of April 2015

Performance of NAFA's Key equity related Funds

NAFA Funds	Cumulative Returns	
	5 Years	1 Year
NAFA Stock Fund	346%	32%
NAFA Multi Asset Fund	203%	26%
NAFA Islamic Asset Allocation Fund	227%	32%



May 2015

Stock Market Review

The stock market depicted lackluster performance during May ahead of the federal budget 2015-16 with the benchmark KMI 30 index declining by around 1%, taking the CY15 gains to around 8%. The investment landscape for equities was marked by competing factors. On the positive side, accommodative monetary policy stance being pursued by the SBP with the 100 bps reduction in discount rate in the last monetary policy announcement; attractive stock market valuations as captured in 9 times P/E multiples based on forward earnings; and improving macroeconomic outlook as reflected by anchored inflation, largely contained fiscal deficit, rising external reserves position, and uptick in growth rate are supportive of equities. Another underpinning for the stock market rally is falling yields on sovereign securities with 3, 5, and 10 years PIBs yielding 7.5%, 8.1% and 9.2% respectively, making the yield plays specially attractive. On the contrary, uncertainty related to the upcoming federal budget and news flows related to judicial inquiry into alleged irregularities/rigging in the 2013 national election weighed on the investors' sentiments in the market. Foreigners were net buyers during the month with net inflows of US 15\$ million versus US 34 \$ million recorded during the previous month.

Among the out-performers were Automobile Assemblers, Engineering, Oil & Gas Marketing, Paper & Board and Pharmaceuticals sectors while Cement, Chemicals, Commercial banks and Fertilizer sectors lagged the market. Expectations of strong earnings driven by healthy volumetric growth coupled with robust margins supported the strong rally in automobile assembler sector. Cement stocks took a breather after strong run during the last few months. Uncertainty triggered by the imposition of Gas Infrastructure Development Cess (GIDC) on fertilizer plants kept the investors on the sidelines. Above expected reduction in policy rate coupled with reduction of interest rate corridor by 50 bps and news of increase in taxes on capital gains and dividend income weighed on the earnings outlook of the banks.

We reiterate our sanguine view on the stock market based on a combination of easy monetary conditions led by benign inflation, attractive market valuations, decent corporate earnings growth, ultra low yields on alternative fixed income avenues and stabilizing political situation. However, we think that after a long period of calm with solid gains, stock market returns will now be accompanied by bouts of volatility driven by external developments such as exit from an accommodative monetary policy in the US, evolving geo-political situation in the Middle-East and commodity price movements. As per our estimates, currently the market is trading at around 9 times estimated earnings and is offering around 6% dividend yield.

We are closely monitoring the developments in the capital markets and will rebalance the portfolios of our equity related funds and SMAs accordingly.

Money Market Review

The State Bank of Pakistan (SBP) in its recent Monetary Policy Review Meeting in May reduced discount rate by 100 bps bringing it to a 42 years low of 7%. SBP also introduced a target rate set 50 basis points below the ceiling rate. SBP will ensure that the overnight rate remains close to this target rate. Furthermore, width of the interest rate corridor has been reduced by 50 basis points from 250 to 200 basis points. Consequently, the floor rate is set at 5%. According to SBP i) improving external account position; ii) benign inflation reading and anchored inflation outlook; and iii) continued increase in foreign exchange were key drivers for the expansionary monetary policy decision.

Turning to the fixed income market, the treasury bills yields further declined by around 25-30 bps following the monetary policy announcement by the SBP. In the two T-Bills auctions during the month, MoF accepted Rs. 211 billion (realized amount) against the target of Rs.175 billion and maturity of Rs.459 billion. The cut-off annualized yields for the last T-Bill auction were noted at 6.62%, 6.65% and 6.75% for 3, 6 and 12 month tenors respectively. Last T-Bills auction bid pattern skewed towards 3 months as compared to 6 and 12 months. In the PIB auction during the month, an amount of Rs.64 billion was accepted at a cut-off yield of 7.55%, 8.1% and 9.25% in 3 year, 5 year and 10 year respectively (realized amount) against the target of Rs.50 billion and total participation of Rs.118 billion. No bids were received in 20 year tenors. The bid pattern witnessed a major shift towards 5 year tenor followed by 3 and 10 year tenors respectively.

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

Our Contacts

Contact our Investment Consultant for free Investment advice

Call 0800-20001 || UAN 111-111-632 || sms NAFA INVEST to 8080 || www.nafafunds.com || info@nafafunds.com

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



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/05/2015): Rs. 10.7764

May 2015

Performance %							
Performance Period	May 2015	FYTD 2015	Rolling 12 Months	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010 *
NAFA Riba Free Savings Fund	5.7%	7.3%	7.3%	7.8%	8.7%	10.8%	9.0%
Benchmark	6.1%	6.8%	6.8%	6.7%	7.3%	8.3%	7.4%

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

General Information	
Launch Date:	August 20, 2010
Fund Size:	Rs. 1,580 million
Type:	Open-end – Shariah Compliant Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: without Life Takaful: 0.5%, with Life Takaful: 5% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	1.25% per annum
Risk Profile:	Very Low
Fund Stability Rating:	"A(f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average 6-month deposit rate of A- and above rated Islamic Banks
Fund Manager:	Salman Ahmed
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2+ by PACRA (High Investment Management Standards)

Investment Objective
To provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant banks and money market / debt securities.

Fund Manager Commentary
The Fund generated an annualized return of 5.7% for the month of May 2015 versus the Benchmark return of 6.1%. During the last one year the Fund has outperformed its Benchmark by 0.5% by earning an annualized return of 7.3%. This outperformance is net of management fee and all other expenses.

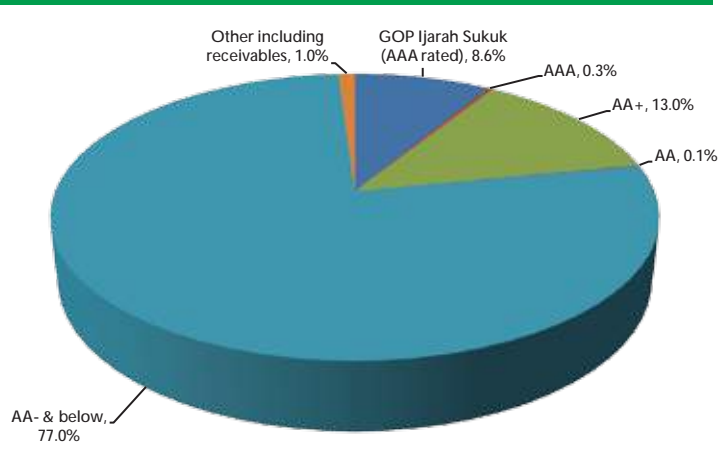
The Fund aims to consistently provide better return than the profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is allowed to invest in short-term Shariah compliant money market securities 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 8.6% in GOP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 90.4% of the portfolio is invested in bank deposits which enhances the liquidity profile of the Fund.

The weighted average time to maturity of the Fund is 17 days. The highlight of the month was 100 basis points reduction in the Discount Rate (ceiling) by State Bank of Pakistan in its Monetary Policy announcement on May 23, 2015. A new "SBP target rate" is set at 50 basis points below the ceiling rate in order to ensure that the overnight rate remains close to this target rate. Width of the interest rate corridor is reduced by 50 basis points from 250 to 200 basis points. Consequently, the floor rate is set at 5.0 percent. Subsequent to reduction in policy rate yields in the market adjusted accordingly. We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

Asset Allocation (% of Total Assets)	30-May-15	30-Apr-15
GOP Ijarah Sukuk - Govt. Backed	8.6%	9.0%
Bank Deposits	90.4%	89.8%
Other including receivables	1.0%	1.2%
Total	100.0%	100.0%
Leverage	Nil	Nil

Credit Quality of the Portfolio as of May 30, 2015 (% of Total Assets)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 10,830,123/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.0739/0.74%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2015.

Name of the Members of Investment Committee

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

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

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



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/05/2015): Rs. 10.0781

May 2015

Performance %

Performance Period	May 2015	FYTD 2015	Rolling 12 Months	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	Since Launch October 26, 2007*
NAFA Islamic Aggressive Income Fund	7.0%	8.8%	10.9%	13.6%	6.8%	19.0%	9.0%	(4.9%)	6.7%
Benchmark	5.9%	6.6%	6.7%	6.5%	7.0%	7.9%	7.1%	6.5%	6.7%

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

[Net of management fee & all other expenses]

General Information

Launch Date: October 26, 2007
Fund Size: Rs. 1,068 million
Type: Open-end – Shariah Compliant Aggressive Income Fund
Dealing Days: Daily – Monday to Friday
Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Load: Front end: 1% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee: 1.0% per annum
Risk Profile: Low to Medium
Fund Stability Rating: "A-(f)" by PACRA
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark: Average 3-month deposit rate of Islamic Banks
Fund Manager: Muhammad Imran, CFA, ACCA
Minimum Growth Unit: Rs. 10,000/-
Subscription: Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2+ by PACRA (High Investment Management Standards)

Investment Objective

To seek preservation of capital and earn a reasonable rate of return in a Shariah compliant manner.

Fund Manager Commentary

During the month under review, the Fund posted an annualized return of 7.0% as compared to the Benchmark return of 5.9%, thus registering an outperformance of 1.1% p.a. During FY15 through May, the Fund has posted 8.8% annualized return versus 6.6% by the Benchmark, hence an outperformance of 2.2% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukuks stood at around 3.4% of the total assets. Around 95.0% allocation in bank deposits provides liquidity to the portfolio.

The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio is around 11.0% p.a. and weighted average time to maturity is 1.7 years. The weighted average time to maturity of the Fund is 21 days.

The highlight of the month was 100 basis points reduction in the Discount Rate (ceiling) by State Bank of Pakistan in its Monetary Policy announcement on May 23, 2015. A new "SBP target rate" is set at 50 basis points below the ceiling rate in order to ensure that the overnight rate remains close to this target rate. Width of the interest rate corridor is reduced by 50 basis points from 250 to 200 basis points. Consequently, the floor rate is set at 5.0 percent. Subsequent to reduction in policy rate yields in the market adjusted accordingly. We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

Asset Allocation (% of Total Assets) 29-May-15 30-Apr-15

Sukuks	3.4%	3.5%
Bank Deposits	95.1%	95.0%
Other including receivables	1.5%	1.5%
Total	100.0%	100.0%
Leverage	Nil	Nil

Top Sukuk Holdings (as at May 29, 2015)

Name of Sukuk	% of Total Assets
K Electric Azm Sukuk	1.4%
Engro Fertilizer Limited (Sukuk)	1.1%
Maple Leaf Cement (Sukuk I)	0.9%
Total	3.4%

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 3,075,886/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0290/0.32%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2015.

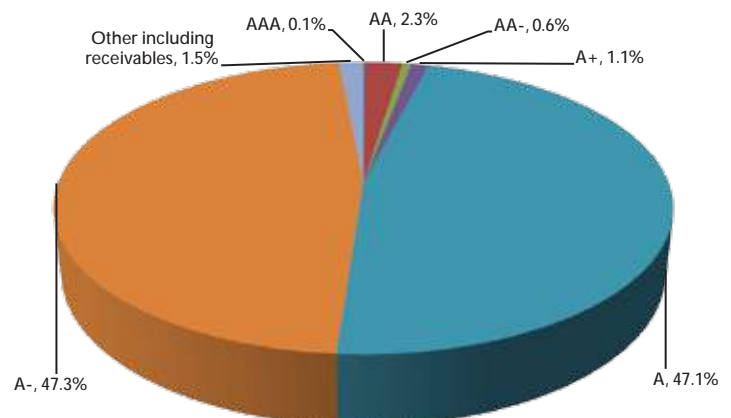
Name of the Members of Investment Committee

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

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

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Credit Quality of the Portfolio as of May 29, 2015 (% of Total Assets)





Performance %

Performance Period	May 2015	FYTD 2015	Rolling 12 Months	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	Since Launch October 26, 2007*
NAFA Islamic Asset Allocation Fund	(1.3%)	28.3%	32.3%	22.2%	36.3%	13.3%	28.4%	17.5%	16.2%
Benchmark**	0.0%	9.9%	11.2%	17.7%	28.4%	11.1%	24.4%	21.3%	11.5%

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

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

General Information

Launch Date:	October 26, 2007
Fund Size:	Rs. 2,474million
Type:	Shariah Compliant - Open end - Asset Allocation Fund
Dealing Days:	Daily - Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: without Life Takaful: 3%, with Life Takaful: 5% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	2% per annum
Risk Profile:	Moderate
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:**	Average of (i) average 3-month Islamic banks deposit rate (ii) 6-month KIBOR or its Shariah Compliant equivalent (iii) KMI 30 Index
Fund Manager:	Asim Wahab Khan, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2+ by PACRA (High Investment Management Standards)

Investment Objective

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

Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Asset Allocation Fund decreased by 1.3%, whereas the Benchmark return stood at 0.0%, thus your Fund underperformed the Benchmark by 1.3%. Since inception your Fund has posted 213% return, versus 128.5% by the Benchmark. Thus, an outperformance of 84.5% was recorded. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 65% in equities, which was increased to around 68% towards the end of the month. NIAAF underperformed the Benchmark in May as the Fund was overweight in equities which fell during the month. The Fund was also overweight in select Fertilizer sector stocks which underperformed the market. During the month, the allocation was increased primarily in Cable & Electrical Goods, Cements, and Fertilizer sectors whereas it was reduced primarily in Power Generation & Distribution and Oil & Gas Exploration sectors.

Asset Allocation (% of Total Assets) 29-May-15 30-Apr-15

	29-May-15	30-Apr-15
Equities / Stocks	68.0%	65.2%
Sukuks	2.6%	2.8%
Bank Deposits	28.7%	31.2%
Others including receivables	0.7%	0.8%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio***

	PER	PBV	DY
NIAAF	8.2	3.1	4.7
KMI-30	9.7	2.4	6.1

*** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 29 May, 2015)



Name of the Members of Investment Committee

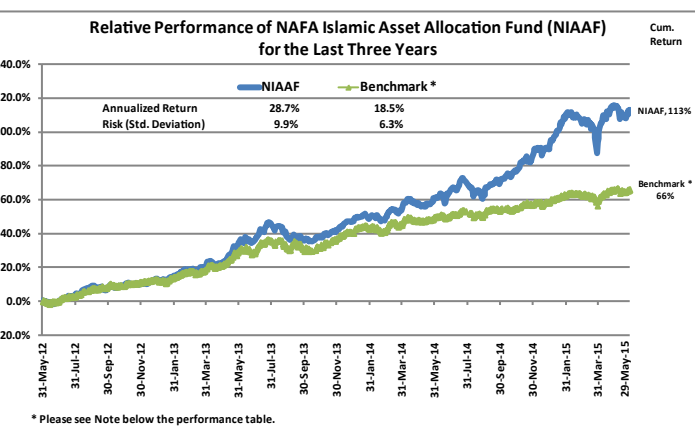
Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Syed Suleman Akhtar, CFA
Asim Wahab Khan, CFA
Muhammad Ali Bhabha, CFA, FRM
Muhammad Imran, CFA, ACCA

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 14,355,134/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0968/0.77%. For details investors are advised to read the Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2015.

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

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* Please see Note below the performance table.

Top Ten Holdings (as on 29 May, 2015)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	7.0%	Lucky Cement Ltd	Equity	3.0%
Kot Addu Power Co Ltd	Equity	5.8%	Kohinoor Textile Mills Ltd	Equity	2.8%
D G Khan Cement Co	Equity	5.4%	Indus Motor Company Ltd	Equity	2.4%
Hub Power Company Ltd	Equity	5.0%	Maple Leaf Cement Ltd	Equity	2.3%
Pakistan State Oil Co Ltd	Equity	3.2%	Engro Fertilizer Ltd	Equity	2.2%

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
Eden Housing (Sukuk II)	SUKUK	4,921,875	4,921,875	-	-	-
Total		4,921,875	4,921,875	0.00%	0.00%	0.00%



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/05/2015): Rs.10.6443

May 2015

Performance %*

Performance Period	May 2015	Since Launch January 09, 2015
NAFA Islamic Stock Fund	(1.7%)	6.4%
Benchmark	(1%)	4.2%

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

General Information

Launch Date:	January 9, 2015
Fund Size:	Rs. 1,000 million
Type:	Shariah Compliant - Open-end - Equity Fund
Dealing Days:	Daily - Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end 3% (Nil on investment above Rs 16 million) Back end - 0%
Management Fee:	3.0% per annum
Risk Profile:	High
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	KMI-30 index
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2+ by PACRA (High Investment Management Standards)

Investment Objective

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

Fund Manager's Commentary

NAFA launched its first open-end Islamic equity scheme namely NAFA Islamic Stock Fund (NISF) on 9th January, 2015. The aim of the Fund is to provide growth to the investment of Unit holders over the long-term in approved Shariah compliant equities.

NISF started off the month with an allocation of around 89% in equities, which was slightly increased to around 90% during the month. NISF underperformed the Benchmark in May as the Fund was overweight in select Fertilizer sector stock which underperformed the market. During the month, the allocation was primarily increased in Cable & Electrical Goods and Oil & Gas Marketing Companies sectors whereas it was reduced primarily in Power Generation & Distribution sector.

Asset Allocation (% of Total Assets) 29-May-15 30-Apr-15

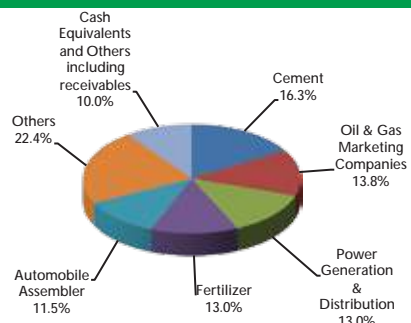
	29-May-15	30-Apr-15
Equities / Stocks	90.0%	88.5%
Cash Equivalents	8.3%	10.7%
Others including receivables	1.7%	0.8%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NISF	8.4	3.5	4.7%
KMI-30	9.7	2.4	6.1%

** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 29 May, 2015)

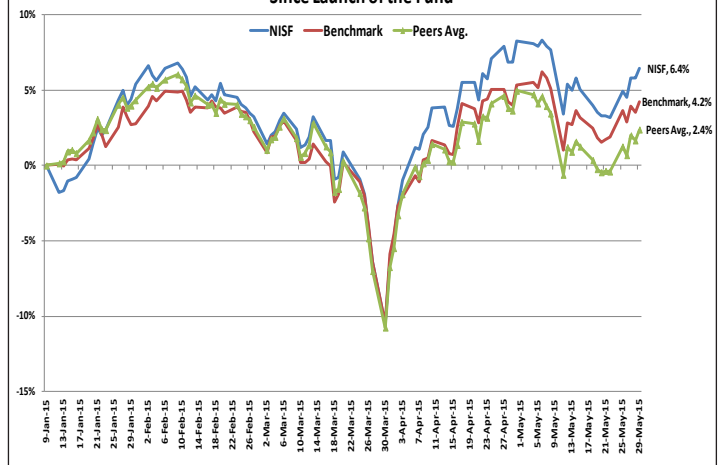


WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs. 1,211,069/-If the same were not made the NAV per unit/since inception return of scheme would be higher by Rs. 0.0129/0.13%..For details investors are advised to read the Note 9 of the Financial Statements of the Scheme for the period ended March 31, 2015.

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

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



Top Ten Holdings (as on 29 May, 2015)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	8.2%	Lucky Cement Ltd	Equity	4.8%
Hub Power Company Ltd	Equity	6.5%	D G Khan Cement Co Ltd	Equity	4.7%
Kot Addu Power Co Ltd	Equity	5.3%	Pakistan Oilfields Ltd	Equity	4.5%
Indus Motor Company Ltd	Equity	5.1%	Honda Atlas Cars Ltd	Equity	4.0%
Pakistan State Oil Co Ltd	Equity	4.9%	Attock Petroleum Ltd	Equity	3.6%

Name of the Members of Investment Committee

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

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	Fund Size (Rs. in mn)	NAV Per Unit (Rs.) May 29, 2015	Performance %**			
			May 2015	FYTD 2015	Trailing 12 Months	Since Launch July 02, 2013
NIPF-Equity Sub-fund	191.1	198.1925	(1.5)%*	44.3%*	47.2%*	42.6%
NIPF-Debt Sub-fund	121.7	114.9099	6.3%	5.8%	5.7%	7.0%
NIPF-Money Market Sub-fund	66.0	114.8944	6.4%	6.5%	6.3%	7.0%

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

General Information	
Launch Date:	July 2, 2013
Fund Size:	Rs. 379 million
Type:	Open-end – Shariah Compliant Voluntary Pension Scheme
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Pricing Mechanism:	Forward Pricing
Front end Load:	Upto 3% on Contributions
Back end Management Fee:	0%
	On average Annual Net Assets of each Sub-fund.
	Equity 1.50%
	Debt 1.50%
	Money Market 1.50%
Risk Profile:	Investor dependent
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	M. Yousuf Adil Saleem & Co. Chartered Accountants
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Initial: Rs. 10,000/- Subsequent: Rs. 1,000/-
Asset Manager Rating:	AM2+ by PACRA (High Investment Management Standards)
Leverage	Nil

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 May:
NIPF Equity Sub-fund unit price decreased by 1.5% compared with KMI-30 Index which decreased by 1%. The Sub-fund was around 93% invested in equities with major weights in Cement, Fertilizer and Power Generation & Distribution sectors. Equity sub-Fund maintains exposure of at least 90% in listed equities on average.

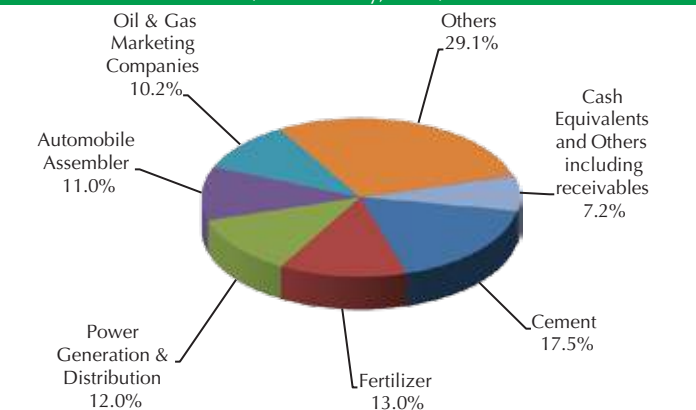
NIPF Debt Sub-fund generated annualized return of 6.3%. The Sub Fund was invested primarily in GoP Ijara Sukuks and Islamic bank deposits. Debt sub-Fund maintains a minimum combined exposure of 50% in Islamic Government Securities (25% minimum) and A+ rated Islamic banks / AA rated Islamic windows. Weighted Average Maturity of Sub-fund is 0.50 years.

NIPF Money Market Sub-fund generated annualized return of 6.4%. The Sub Fund was invested primarily in short-term GoP Ijara Sukuks and Islamic bank deposits. Money Market Sub-fund average maturity can not exceed 1 year. Weighted Average Maturity of Sub-fund is 0.46 years.

Credit Quality of the Portfolio (as on 29 May, 2015)		
	Debt	Money Market
Government Securities (AAA rated)	85.7%	75.4%
AAA	5.3%	4.3%
AA+	6.1%	17.1%
AA	-	0.1%
Others	2.9%	3.1%
Total	100.0%	100.0%

Asset Allocation (% of Total Assets)		
	29-May-15	30-Apr-15
Equity Sub-fund	29-May-15	30-Apr-15
Equity	92.8%	89.4%
Cash	6.2%	7.7%
Others including receivables	1.0%	2.9%
Total	100.0%	100.0%
Debt Sub-fund	29-May-15	30-Apr-15
Cash	11.4%	10.3%
GOP Ijara Sukuk-Govt	85.7%	87.3%
Others	2.9%	2.4%
Total	100.0%	100.0%
Money Market Sub-fund	29-May-15	30-Apr-15
Cash	21.5%	20.3%
GOP Ijara Sukuk-Govt Backed	75.4%	77.0%
Others	3.1%	2.7%
Total	100.0%	100.0%

Equity Sub Fund Asset Allocation (% of Total Assets) (as on 29 May, 2015)



WORKERS' WELFARE FUND (WWF)
NIPF has maintained provisions against Workers' Welfare Fund's liability in individual sub-Funds as stated below:

	Total amount Provided upto May 29, 2015	Amount Per Unit Rs	Last One Year return would otherwise have been higher by:
Equity Sub-Fund	971,189	1.0070	0.75%
Debt Sub-Fund	152,675	0.1442	0.13%
Money Market Sub-Fund	117,151	0.2040	0.19%

For details investors are advised to read the Note 12 of the Financial Statements of the Scheme for the half year December 31, 2015.

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 Income Tax Ordinance.

Top Ten Holdings of Equity Sub-fund (as on 29 May, 2015)

Name	(% of Total Assets)	Name	(% of Total Assets)
Engro Corporation Ltd	7.6%	Indus Motor Company Ltd	4.4%
D. G. Khan Cement Co Ltd	5.8%	Pakistan State Oil Co. Ltd	3.7%
Kot Addu Power Co Ltd	5.7%	Pakistan Oilfields Ltd	3.3%
Hub Power Company Ltd	5.3%	Honda Atlas Cars Ltd	3.0%
Lucky Cement Ltd	4.8%	Pakistan Petroleum Ltd	2.6%

Name of the Members of Investment Committee

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

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MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/05/2015): Rs.120.8299

May 2015

Performance %				
Performance Period	May 2015	FYTD 2015	Rolling 12 Months	Since Launch* March 05, 2014
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	(0.6%)	18.8%	20.2%	17.5%
Benchmark	(0.3%)	8.2%	9.4%	9.7%

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

General Information	
Launch Date:	March 5, 2014
Fund Size:	Rs. 1,701 million
Type:	Shariah Compliant - Open-end – Capital Protected Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Back end: 0%
Management Fee:	2% per annum
Risk Profile:	Low
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM2+ by PACRA (High Investment Management Standards)

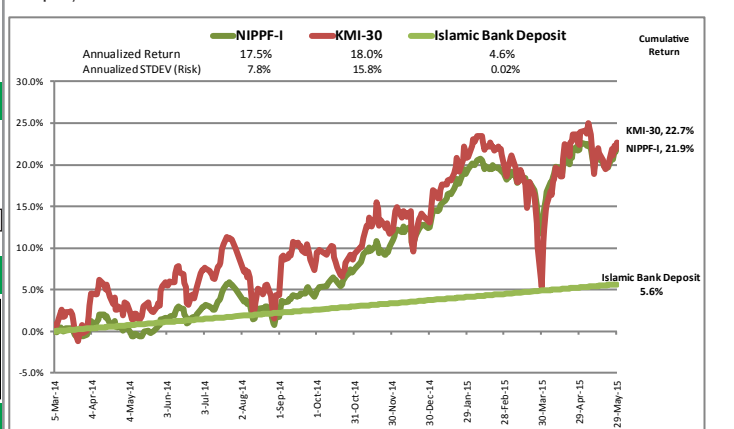
Investment Objective

The objective of NAFA Islamic Principal Protection Fund-I is to earn a potentially high return through dynamic asset allocation between shariah compliant Equities and Money Market investment avenues, while providing principal protection.

Fund Manager's Commentary

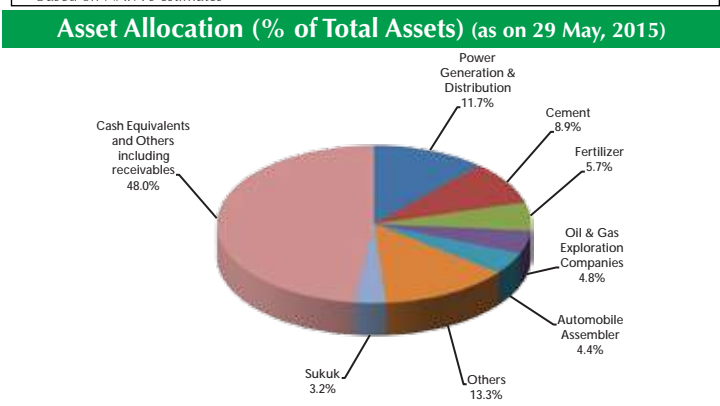
Since its inception, NIPPF- I has generated a cumulative return of 21.9% versus 12.1% return of the Benchmark. The current equity exposure stands at around 49%. During the month, maximum multiplier stood at 2.7 whereas minimum multiplier was 2.4 . Key holdings of the Fund belong to Power Generation & Distribution, Cement and Fertilizer sectors. The Fund can invest up to 50% in equities subject to cushion availability. We are confident that the Fund will generate good returns considering the improved macroeconomic and political outlook and built in dynamic equity allocation mechanism of the Fund.

Asset Allocation (% of Total Assets)	29-May-15	30-Apr-15
Equities / Stocks	48.8%	48.5%
Bank Deposits	46.9%	47.4%
Sukuk	3.2%	3.2%
Others including receivables	1.1%	0.9%
Total	100.0%	100.0%
Leverage	Nil	Nil



Characteristics of Equity Portfolio**			
	PER	PBV	DY
NIPPF-I	8.8	2.9	5.0%
KMI-30	9.7	2.4	6.1%

** Based on NAFA's estimates



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 6,801,788/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.4833/0.48%. For details investors are advised to read Note 6 of the Financial Statements of the Scheme for the period ended March 31, 2015.

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

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Top Ten Holdings (as on 29 May, 2015)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Hub Power Company Ltd	Equity	5.1%	Pak Petroleum Ltd	Equity	2.7%
Kot Addu Power Co Ltd	Equity	4.5%	D G Khan Cement Co	Equity	2.5%
Engro Corporation Ltd	Equity	3.7%	Maple Leaf Cement Ltd	Equity	2.3%
GOP Ijara Sukuk XII	Sukuk	3.2%	Thal Ltd	Equity	2.2%
Lucky Cement Ltd	Equity	2.8%	Pakistan Oilfields Ltd	Equity	2.1%

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
Muhammad Imran, CFA, ACCA



Performance %*

Performance Period	May 2015	Rolling 6 Months	FYTD 2015	Since Launch June 27, 2014
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	(1.7%)	10.3%	17.4%	17.5%
Benchmark	(0.5%)	5.3%	8.7%	9.1%

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

General Information

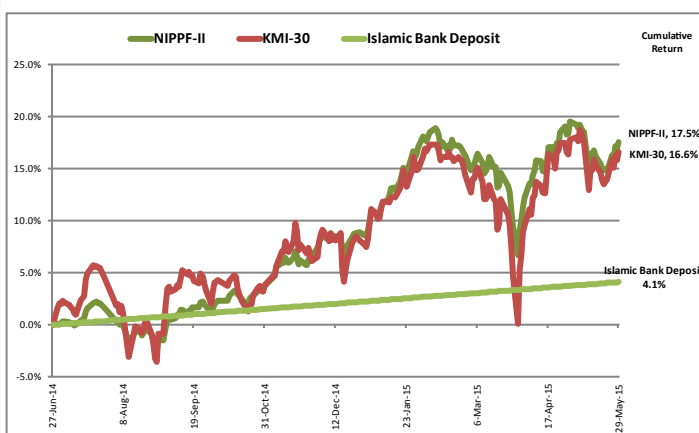
Launch Date: June 27, 2014
Fund Size: Rs. 1,282 million
Type: Shariah Compliant - Open-end – Capital Protected Fund
Dealing Days: Daily – Monday to Friday
Dealing Time: (Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 05:30 P.M
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Load: Back end: 0%
Management Fee: 2% per annum
Risk Profile: Low
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: A. F. Ferguson & Co. Chartered Accountants
Benchmark: Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.
Fund Manager: Sajjad Anwar, CFA
Asset Manager Rating: AM2+ by PACRA (High Investment Management Standards)

Investment Objective

The objective of NAFA Islamic Principal Protection Fund-II is to earn a potentially high return through dynamic asset allocation between Shariah compliant Equities and Money Market investment avenues, while providing principal protection.

Fund Manager's Commentary

Since its inception, NIPPF- II has generated a return of 17.5% versus 9.1% return of the Benchmark. The current equity exposure stands at around 64%. During the month, maximum multiplier stood at 4.1 whereas minimum multiplier was 3.6 . Key holdings of the Fund belong to Power Generation & Distribution, Cement and Fertilizer sectors. The Fund can invest up to 100% in equities subject to cushion availability. We are confident that the Fund will continue to generate good returns considering the improved macroeconomic and political outlook and built in dynamic equity allocation mechanism of the Fund.



Asset Allocation (% of Total Assets) 29-May-15 30-Apr-15

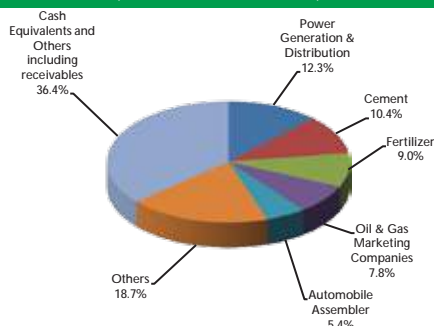
Equities / Stocks	63.6%	67.4%
Bank Deposits	35.5%	31.9%
Others including receivables	0.9%	0.7%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio****

	PER	PBV	DY
NIPPF-II	8.8	2.9	4.7%
KMI-30	9.7	2.4	6.1%

**** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 29 May, 2015)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 4,414,064,-/If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.4048/0.40%. For details investors are advised to read Note 7 of the Financial Statements of the Scheme for the period ended March 31, 2015.

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

Top Ten Holdings (as on 29 May, 2015)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	7.2%	Kohinoor Textile Mills Ltd	Equity	3.2%
Hub Power Company Ltd	Equity	5.4%	Indus Motor Company Ltd	Equity	3.1%
Kot Addu Power Co Ltd	Equity	4.8%	Pakistan State Oil Co Ltd	Equity	2.9%
Lucky Cement Ltd	Equity	3.9%	Attock Petroleum Ltd	Equity	2.9%
D G Khan Cement Co	Equit	3.7%	Pakistan Oilfields Ltd	Equity	2.8%

Name of the Members of Investment Committee

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

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MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/05/2015): Rs.103.0991

May 2015

Performance %*

Performance Period	May 2015	Since Launch January 09, 2015
NAFA Islamic Principal Preservation Fund (NIPPF)	(0.6%)	3.1%
Benchmark	(0.2%)	2.2%

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

General Information

Launch Date: January 9, 2015
Fund Size: Rs. 1,767 million
Type: Open Ended Shariah Compliant Fund of Funds
Dealing Days: Daily – Monday to Friday
Dealing Time: (Mon-Thr) 9:00 A.M to 5:00 P.M
(Friday) 9:00 A.M to 5:30 P.M
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Back end Load: 1% in year 1, 0.5% in year 2 and no load beyond 2 years
Management Fee: 1) On invested amount in NAFA fund, no additional fee.
2) Cash in Bank account: 1.25% p.a.
Risk Profile: Low
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: A. F. Ferguson & Co. Chartered Accountants
Benchmark: Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.
Fund Manager: Sajjad Anwar, CFA
Asset Manager Rating: AM2+ by PACRA (High Investment Management Standards)

Investment Objective

The objective of NAFA Islamic Principal Preservation Fund is to earn a potentially high return through dynamic asset allocation between Shariah compliant equity related, and Shariah compliant income/ money market Collective Investment Schemes, while providing principal preservation.

Fund Manager's Commentary

Since its inception, NIPPF has generated a return of 3.1% versus 2.2% return of the Benchmark. The current exposure in equity/asset allocation funds stands at around 39%. During the month, maximum multiplier stood at 3.8 whereas minimum multiplier was 3.4. The Fund can invest up to 100% in equity related funds subject to cushion availability. We are confident that the Fund will generate good returns considering the improved macroeconomic and political outlook and built in dynamic equity allocation mechanism of the Fund.

Asset Allocation (% of Total Assets) 29-May-15 30-Apr-15

Islamic Asset Allocation Fund	18.0%	22.0%
Islamic Stock Fund	21.4%	22.4%
Bank Deposits	59.1%	55.1%
Others including receivables	1.5%	0.5%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NIAAF	8.2	3.1	4.7%
NISF	8.4	3.5	4.7%
KMI-30	9.7	2.4	6.1%

** Based on NAFA's estimates

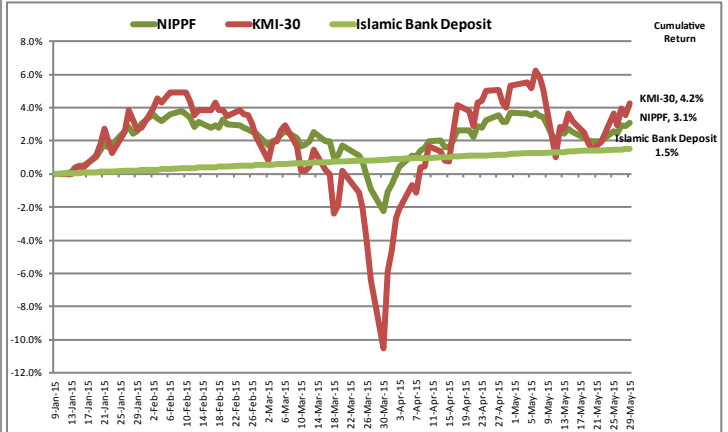
Top Holdings (%age of total assets)
(as on 29 May, 2015)

NAFA Islamic Asset Allocation Fund	18.0%
NAFA Islamic Stock Fund	21.4%
Total	39.4%

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs. 1,129,670/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs. 0.0659/0.07%. For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended March 31, 2015.

Notes: 1) The calculation of performance doesnot include cost of front-end load.
2) Taxes apply. Further, tax credit also available as per section 62 of Income Tax Ordinance.



Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
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