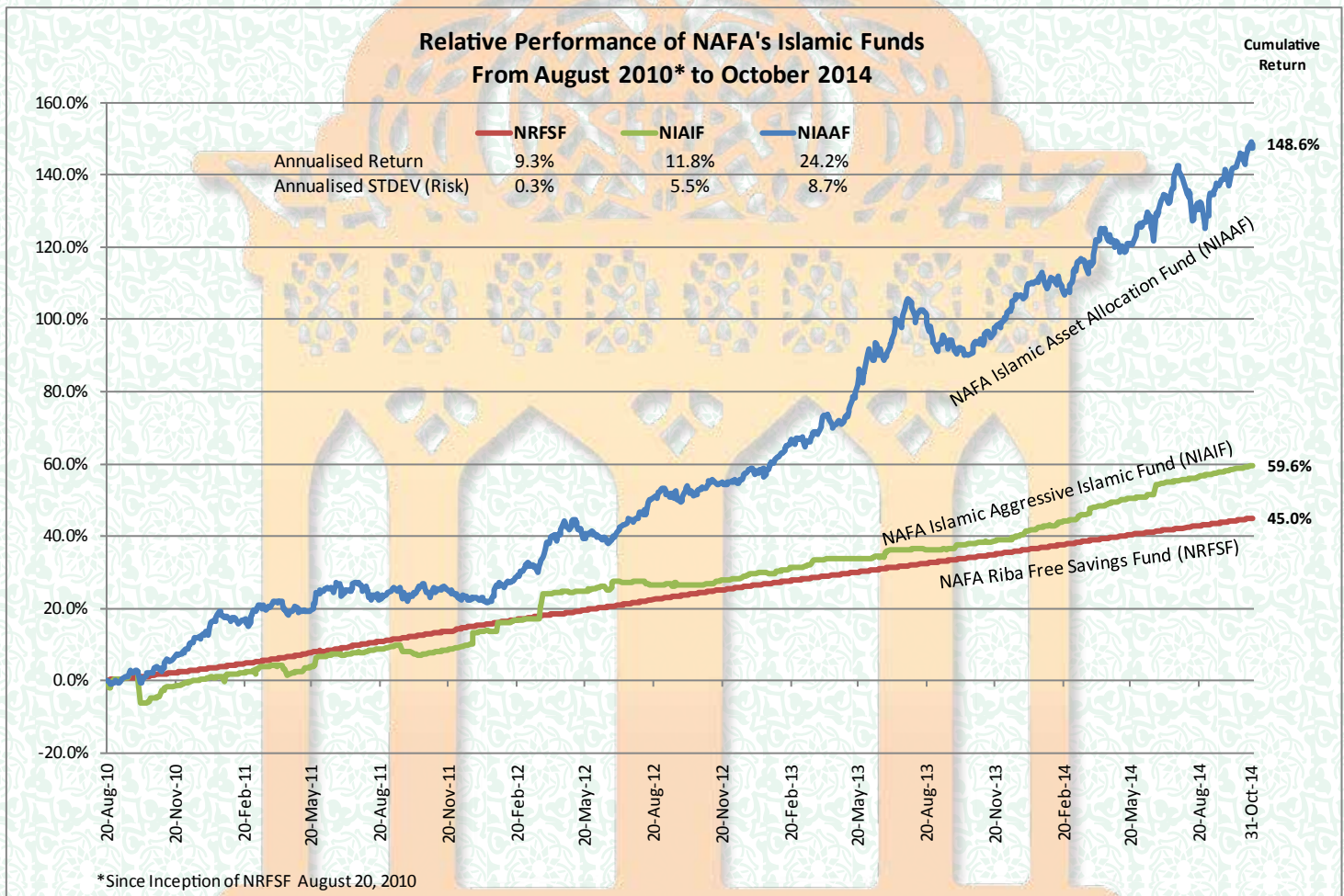




NBP Fullerton
Asset Management Ltd.
A Subsidiary of
National Bank of Pakistan



Fund Manager Report of Shariah Compliant Schemes October 2014



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

Managed by:
NBP Fullerton Asset Management Limited
7th Floor Clifton Diamond Building, Block No. 4, Scheme No. 5,
Clifton Karachi. Helpline (Toll Free): 0800-20001 Fax: (021) 35825329
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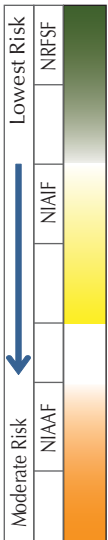
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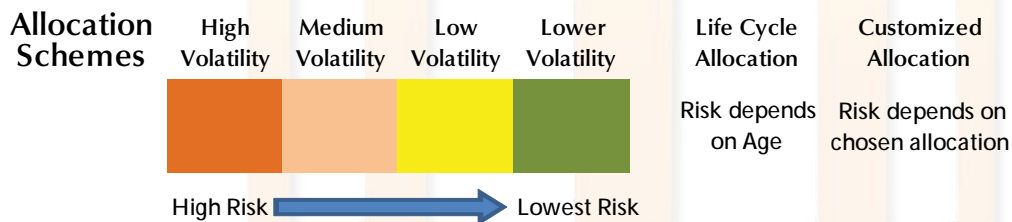
NAFA ISLAMIC FUNDS PERFORMANCE
Mutual Funds - Collective Investment Schemes (CISs)



Fund Name	Fund Size (Rs. In Crore)	Stability* Rating	Inception Date	Oct-2014	Rolling 12 Months	FYTD-2015	FY-2014	FY-2013	FY-2012	FY-2011	FY-2010	Since Inception
Fixed Income Islamic Funds				Annualized Returns								
NAFA Riba Free Savings Fund	136	AA- (f)	20-Aug-10	7.9%	7.9%	7.4%	7.8%	8.7%	10.8%	n/a	n/a	9.3%
Benchmark				7.0%	6.9%	7.0%	6.7%	7.3%	8.3%	n/a	n/a	7.5%
NAFA Islamic Aggressive Income Fund	72	A- (f)	26-Oct-07	8.9%	15.4%	9.5%	13.6%	6.8%	19.0%	9.0%	(4.9%)	6.6%
Benchmark				6.9%	6.7%	6.8%	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 (Formerly; NIMF)**	87	**** (4-star)	26-Oct-07	4.1%	27.7%	6.7%	22.2%	36.3%	13.3%	28.4%	17.5%	14.6%
Benchmark				0.7%	16.3%	2.6%	17.7%	28.4%	11.1%	24.4%	21.3%	11.4%

NAFA ISLAMIC PENSION FUND (NIPF) - Voluntary Pension Schemes (VPSs)

Fund Name	Annualized Returns											
NIPF - Debt sub Fund	6		2-Jul-13	6.1%	7.4%	4.5%	n/a	n/a	n/a	n/a	n/a	7.3%
NIPF - Money Market sub Fund	5		2-Jul-13	6.8%	6.9%	5.0%	n/a	n/a	n/a	n/a	n/a	6.9%
			Cumulative Returns									Annualized Return
NIPF - Equity sub Fund	8		2-Jul-13	9.6%	54.4%	16.6%	n/a	n/a	n/a	n/a	n/a	41.7%



Note: In VPS, allocation scheme determines the risk profile.

n/a = Not applicable.
- Return is reported where full period performance is available.
* Stability rating/Star ranking has been assigned by PACRA
Notes: 1) The calculation of performance does not include cost of front-end load.
2) Tax credit also available as per section 62 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.

**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%.

Note: Detailed monthly reports of NAFA Funds are available on our website at www.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. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. The investors are advised in their own interest to carefully read the contents of the Offering Documents in particular the Investment Policies.

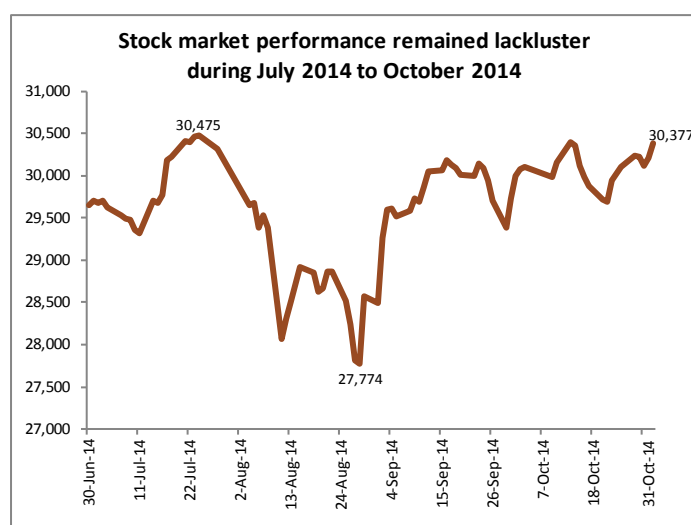
Economic and Stock Market Outlook

Macroeconomic indicators so far paint a mixed picture of the local economy. Inflation continues to remain benign, clocking at 7.1% p.a, on average, during the first four months of the fiscal year, driven down by lower commodity prices and restricted money supply growth. First quarter fiscal deficit of 1.2% of GDP was well contained due to very little development spending and surpluses recorded by the provinces. However, external account has exhibited weakness due to a rising trade deficit, caused by an overvalued exchange rate, and non-materialization of foreign inflows amid uncertainty in domestic politics. The IMF has also delayed its fourth review of the economy in view of government's failure to meet some key performance benchmarks under the EFF loan agreement. Energy shortages also continue to beset economic growth as captured in below-potential Large Scale Manufacturing (LSM) growth of 3.2% during July-August. The above has also impacted stock market performance with the benchmark KSE-100 Index rising by a nominal 2.4% during the first four months of the fiscal year.

We expect country's macroeconomic situation to take a turn for the better from hereon based on the following positive developments:

- Political tensions have subsided in the recent few weeks, putting to rest fears of mass social unrest, military intervention or complete paralysis of the government. This has enabled the government to refocus on economic issues. For instance, Secondary Public Offering (SPO) of OGDC and Sovereign Sukuk offering are scheduled to happen in November. The government is also in talks with the IMF for completion of the fourth and fifth reviews in time to secure release of USD1.1 billion loan installment in December. The above are expected to result in sizable jump in foreign exchange reserves to USD17-18 billion by December-end, allaying external account pressures currently faced by the economy, and improving external vulnerability.
- Due to slowdown in global economic growth and a supply glut, global crude oil prices have declined by 20% - 25% in October. Lower oil prices would benefit the domestic economy in multiple ways. It would result in further reduction in inflationary pressure, giving the central bank more room to cut interest rates. As crude oil imports comprise a sizable chunk (33%) of the import bill, lower prices would reduce trade and current account deficits. According to our estimate, every USD10/bbl reduction in oil prices would shrink the trade deficit by USD1.4 billion. Thus, lower oil prices should strengthen the external accounts position. At present, Pakistan's power generation mix is skewed towards imported residual furnace oil (RFO), which is very expensive. This high generation cost has strained fiscal balance due to heavy subsidies, impacting industry competitiveness and creating circular debt problem in the energy chain. The recent decline in RFO prices should lessen blended generation cost, reduce the subsidy burden & accumulation of circular debt, and improve the competitiveness of our exports.

Key Economic Indicators		
	Sep-14	Jun-14
SBP Foreign Exchange Reserve	US\$ 8,943 Million	US\$ 9,095 Million
Import Cover	9 Weeks	10 Weeks
Current Account Balance (Quarterly)	US\$ -1,330 Million	US\$ -378 Million
Financial Account (Quarterly)	US\$ 741 Million	US\$ 4,179 Million
Budget Deficit (Quarterly)	PKR 357 Billion	PKR 577 Billion
Balance of Trade (Quarterly)	US\$ -6,504 Million	US\$ -6,021 Million
Consumer Price Index (CPI)	7.7%	8.2%
CPI (12 Month Average)	8.5%	8.6%
Interest Rate	10.0%	10.0%
GDP Growth (Fiscal Year)	N/A	4.1%



Based on our estimates, the stock market is trading at 8.5 times 12-months forward earnings, and offers around 6% dividend yield. The corporate earnings are expected to grow by 12% for the next 4 quarters. We expect that the improvement in the political and macroeconomic situation, along with expected double digit earnings growth should result in good performance of the stock market during the rest of the fiscal year.

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. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



October 2014

Stock Market Review

During the month of October, the stock market volatility spiked owing to delay in materialization of budgeted foreign flows amid noise in the domestic politics, net selling by the foreign investors and lower than expected corporate earnings announcements by most companies in the ongoing results season. However, during the latter half of the month, the market staged a recovery and the benchmark KSE-100 Index advanced by around 2% to close at 30,377 levels and KMI-30 Index advanced by around 1% to close at 48,699 levels. Towards the end of the month, investors' sentiments were buoyed by expectation of a policy rate cut in the upcoming monetary announcement scheduled in mid-November mainly due to (i) controlled inflation, (ii) benign near-term inflation outlook amid sizable anticipated cut in domestic oil prices, and (iii) expected improvement in external account on account of SPO of Oil & Gas Company, floatation of Sukuk in international market and release of 3rd and 4th tranche by IMF. Foreigners were net sellers during the month with net outflows recorded at US \$ 31 million versus net inflow of US \$ 53 million during the previous month.

Construction & Materials, Automobile & Parts, Electricity, and Pharma & Bio Tech sectors out-performed the market, while Banking and Oil & Gas sectors lagged the market. Better than expected corporate results and attractive double-digit dividend yields amid falling interest rates drew investors towards the power sub-sector. Automobile & Parts sectors out-performed due to expectation of healthy sales volume and margin improvement resulting from JPY weakening. Bull Run in the Pharma sector continued on speculation of new drugs introduction by some major players. Cement stocks also rallied driven by healthy sales numbers and strong earnings growth resulting from falling coal prices and steady demand. Sell-off in the Oil & Gas sector was witnessed following steep fall in oil prices and upcoming Secondary Public Offering of OGDC.

As per our estimates, the market is now trading at 8.5 times 12-months forward earnings. We believe that the market will take direction from Inflation and interest rate outlook, foreign portfolio investment activity, development on the domestic political front, and financial & capital inflows. We are closely monitoring the developments in capital market and will alter the allocation of our equity funds accordingly.

Fixed Income Review

Inflation as measured by CPI clocked at 5.8% in October in line with broad market expectations. Over the last one year, we have witnessed a shift in government borrowing from short-term T-Bills to long-term PIBs to reduce rollover or refinancing risk that pushed up the yields on the PIBs from 80 basis points to 100 basis points. Resultantly, spread of 3 years PIBs over T-Bills increased to around 2.6% making PIB very attractive investment avenue for medium to long term investors. Concomitantly, the outstanding stock of PIBs increased from PKR 1.3 trillion in December 2013 to PKR 3.5 trillion in September 2014, which increased the liquidity and depth of the sovereign bond market.

SBP conducted a PIB auction on 22 October 2014 wherein only PKR50 billion was accepted against participation of Rs. 332bn at a cut-off yield of 12.48%, 12.98% and 13.45% for 3, 5 and 10 year tenors, respectively. Following this auction, the yields in the secondary market dropped sharply and saw a low of around 11.3%, 11.5% and 12.3% for 3, 5 and 10 year tenors. The recent reversal of yields in PIBs can be attributed to 1) view of the market players that Government has again changed its borrowing mix from higher cost PIBs to lower cost T-bills as it has already significantly reduced rollover or refinancing risk 2) anticipation of an interest rate cut in the upcoming monetary policy announcement scheduled in November on the back of further decline in inflation due to low oil prices as well as expectation of improvement in external account position due to privatization receipts and issuance of dollar denominated Sovereign Sukuk.

In the three T-Bills auctions during the month, MoF accepted Rs.347 billion against the target of Rs.550 billion and maturity of Rs.483 billion. The cut-off annualized yields for the last T-Bill auction was noted at 9.96%, 9.95% and 9.98% for 3, 6 and 12 month tenors respectively. SBP conducted its first Islamic Open Market Operation (OMO) during the month. In the OMO (Bai-Mujjal – Outright Purchases of GIS) dated October 27, 2014, SBP accepted all amount (Rs 39.4 billion) in one year tenor. In the other OMO (outright purchase of Government Ijara Sukuk), SBP accepted an amount of Rs 38.4 billion against offered amount of Rs 40.5 billion.

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

Our Contacts

Contact our Investment Consultant for free Investment advice

Call 0800-20001 || UAN 111-111-632 || sms NAFA INVEST to 8080 || www.nafafunds.com || 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 are subject to market risks. The price of units may go up as well as down. Past Performance is not necessarily indicative of future results.



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2014): Rs. 10.3554

October 2014

Performance %							
Performance Period	October 2014	FYTD 2015	Rolling 12 Months	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010 *
NAFA Riba Free Savings Fund	7.9%	7.4%	7.9%	7.8%	8.7%	10.8%	9.3%
Benchmark	7.0%	7.0%	6.9%	6.7%	7.3%	8.3%	7.5%

* 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. 1,355 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 Insurance: 0.5%, with Life Insurance: 5% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	1.25% per annum
Risk Profile:	Very Low
Fund Stability Rating:	"AA-(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 (Very 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 7.9% for the month of October 2014 versus the Benchmark return of 7.0%. During the last one year the Fund has outperformed its Benchmark by 1.0% by earning an annualized return of 7.9%. 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. With stability rating of AA-(f), NRF SF is amongst the highest rated Islamic Income Funds in the market.

The allocation of the Fund is around 10% in GOP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 89% 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 28 days. We will rebalance the portfolio based on economic and capital market outlook.

Asset Allocation (% of Total Assets)	31-Oct-14	30-Sep-14
GOP Ijarah Sukuk - Govt. Backed	10.00%	7.97%
Cash Equivalents	88.78%	90.28%
Other including receivables	1.22%	1.75%
Total	100.00%	100.00%
Leverage	Nil	Nil

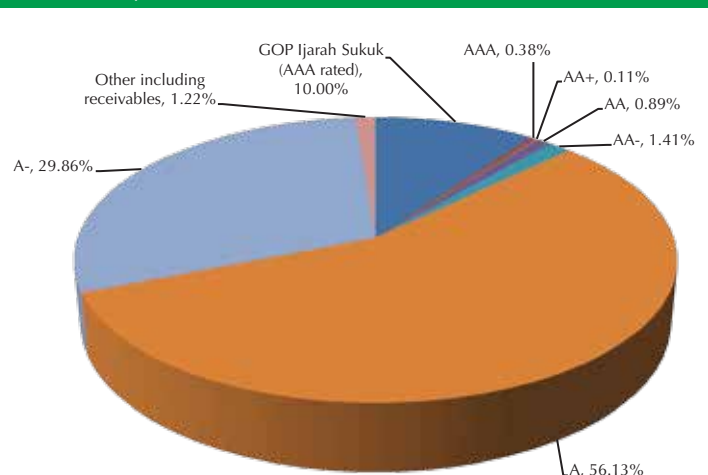
Top Holdings (as at October 31, 2014)	
Name of Sukuk	% of Total Assets
GOP Ijarah (Sukuk XIII)	3.43%
GOP Ijarah (Sukuk X)	2.91%
GOP Ijarah (Sukuk XIV)	1.91%
GOP Ijarah (Sukuk XI)	1.75%
Total	10.00%

WORKERS' WELFARE FUND (WWF)
The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.9,629,237/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.0736/0.77%. For details investors are advised to read note 8 of the Financial Statements of the Scheme for the quarter ended September 30, 2014.

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.

Credit Quality of the Portfolio as of October 31, 2014 (% of Total Assets)





MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2014): Rs.13.8767

October 2014

Performance %

Performance Period	October 2014	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 (Formerly: NAFA Islamic Multi Asset Fund)	4.1%	6.7%	27.7%	22.2%	36.3%	13.3%	28.4%	17.5%	14.6%
Benchmark**	0.7%	2.6%	16.3%	17.7%	28.4%	11.1%	24.4%	21.3%	11.4%

* 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. 866 million
Type:	Shariah Compliant - Open-end - Asset Allocation Fund
Dealing Days:	Daily - Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: without Life Insurance: 3%, with Life Insurance: 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 (Very High Investment Management Standards)

Investment Objective

To provide investors with a combination of capital growth and income by investing in Shariah compliant investments. NIAAF (Formerly NIMF) aims to achieve attractive returns at moderate levels of risk by investing in a variety of Shariah compliant securities, instruments and avenues such as Equities, Musharakah, Murabahah, Ijarah etc.

Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Asset Allocation Fund (NIAAF) (Formerly: NAFA Islamic Multi Asset Fund) increased by 4.1%, whereas the Benchmark increased by 0.7%, thus your Fund outperformed the Benchmark by 3.4%. Since inception your Fund has posted 160.5% return, versus 113.3% by the Benchmark. Thus, an outperformance of 47.2% was recorded. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 56% in equities, which was increased to around 57% towards the end of the month. NIAAF outperformed the Benchmark in October as the Fund was overweight in select Automobile & Parts, Electricity and Construction & Materials sectors stocks which outperformed the market. During the month, the allocation was primarily increased in Personal Goods and Construction & Materials sectors whereas it was slightly reduced in the Banks sector.

Asset Allocation (% of Total Assets) 31-Oct-14 30-Sep-14

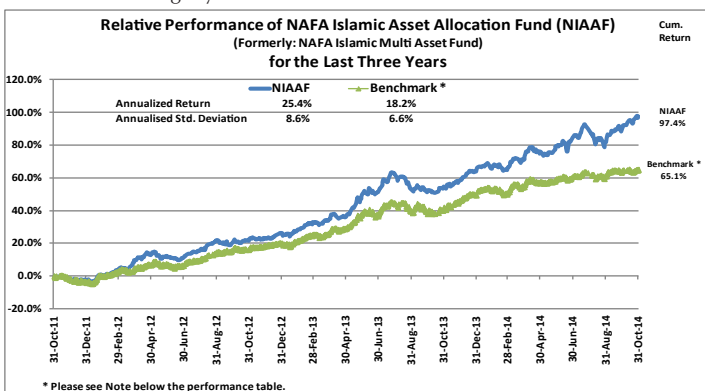
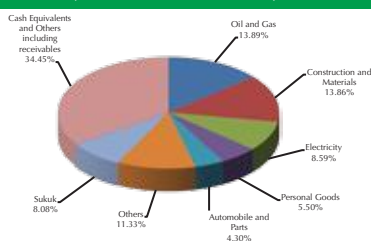
	31-Oct-14	30-Sep-14
Equities / Stocks	57.47%	55.55%
Sukuks	8.08%	11.11%
Cash Equivalents	32.10%	28.18%
Others including receivables	2.35%	5.16%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio***

	PER	PBV	DY
NIAAF	7.6	2.3	6.2%
KMI-30	8.7	2.2	6.7%

*** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 31 October, 2014)



* Please see Note below the performance table.

Top Ten Holdings (as on 31 October, 2014)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan Petroleum Ltd	Equity	5.20%	Lucky Cement Ltd	Equity	3.93%
K Electric Ltd	Sukuk	5.01%	Pakistan Oilfields Ltd	Equity	3.69%
Nishat Mills Ltd	Equity	4.11%	Maple Leaf Cement Ltd	Equity	3.26%
Hub Power Company Ltd	Equity	4.02%	Maple Leaf Cement Ltd	Sukuk	3.07%
Kot Addu Power Co Ltd	Equity	4.01%	Thal Ltd	Equity	2.77%

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	Yield to Maturity per annum
Eden Housing (Sukuk II)	SUKUK	4,921,875	4,921,875	-	-	-	-
Maple Leaf Cement (Sukuk I)****	SUKUK	34,893,750	-	28,137,308	3.25%	3.07%	20.37%
Pak Elektron Limited (Sukuk)	SUKUK	21,428,571	-	21,428,571	-	-	-
Total		61,244,196	26,350,446	28,137,308	3.25%	3.07%	

****Said TFC is performing but classified as non Compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

Name of the Members of Investment Committee

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

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 7,489,505/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1199/1.10%. For details investors are advised to read the Note 8 of the Financial Statements of the Scheme for the period ended September 30, 2014.

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.



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2014): Rs. 9.6262

October 2014

Performance %

Performance Period	October 2014	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	8.9%	9.5%	15.4%	13.6%	6.8%	19.0%	9.0%	(4.9%)	6.6%
Benchmark	6.9%	6.8%	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. 723 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) (Effective 25th August 2014).
Auditors: KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark: Average 3-month deposit rate of Islamic Banks
Fund Manager: Muhammad Imran, CFA, ACCA
Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2 by PACRA (Very High Investment Management Standards)

Investment Objective

To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.

Fund Manager Commentary

During the month under review, the Fund posted an annualized return of 8.9% as compared to the Benchmark return of 6.9%. Outperformance of the Fund during the month is due to profit payment of non performing Household Goods sector sukuk. During CY14, the Fund has posted 15.5% annualized return versus 6.7% by the Benchmark, hence an outperformance of 8.8% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukuks with current weightage at around 7.3% is diversified among Cement, Electricity, and Fertilizer sub sectors. Around 90.1% allocation in bank deposits provides diversification and liquidity to the portfolio. Going forward, we will rebalance the allocation of the portfolio based on the capital market outlook.

The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio is around 13.6% p.a. and weighted average time to maturity is 1.8 years. The weighted average time to maturity of the Fund is 0.13 years. Hence, for investors with medium term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, since Sukuks prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

Asset Allocation (% of Total Assets) 31-Oct-14 30-Sep-14

Sukuks	7.30%	8.20%
Cash Equivalents	90.13%	89.00%
Other including receivables	2.57%	2.80%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top Sukuk Holdings (as at October 31, 2014)

Name of Sukuk	% of Total Assets
Engro Fertilizer Limited (Sukuk)	3.17%
K Electric Azm Sukuk	2.09%
Maple Leaf Cement (Sukuk I)	2.04%
Total	7.30%

WORKERS' WELFARE FUND (WWF)

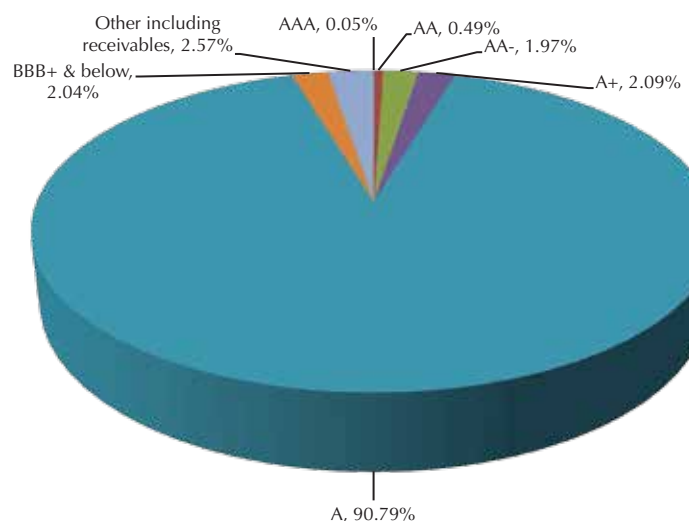
The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.2,321,946/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0309/0.37%. For details investors are advised to read note 7 of the Financial Statements of the Scheme for the quarter ended September 30, 2014.

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.

Credit Quality of the Portfolio as of October 31, 2014 (% of Total Assets)



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. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand investment policies and the risk involved.



MONTHLY REPORT (MUFAP's Recommended Format)

October 2014

	Fund Size (Rs. in mn)	NAV Per Unit (Rs.) October 31, 2014	Performance %**			
			October 2014	FYTD 2015	Trailing 12 Months	Since Launch July 02, 2013
NIPF-Equity Sub-fund	82.1	106.1505	9.6%*	16.6%*	54.4%*	41.7%
NIPF-Debt Sub-fund	64.7	110.8360	6.1%	4.5%	7.4%	7.3%
NIPF-Money Market Sub-fund	46.1	110.3481	6.8%	5.0%	6.9%	6.9%

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

General Information	
Launch Date:	July 2, 2013
Fund Size:	Rs. 192.9 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:	Up to 3% on Contributions
Back end Management Fee:	0%
	On average Annual Net Assets of each Sub-fund:
	Equity 1.50%
	Debt 1.25%
	Money Market 1.00%
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 (Very High Investment Management Standards)
Leverage	Nil

Investment Objective
To provide a secure source of savings and regular income after retirement to the Participants.

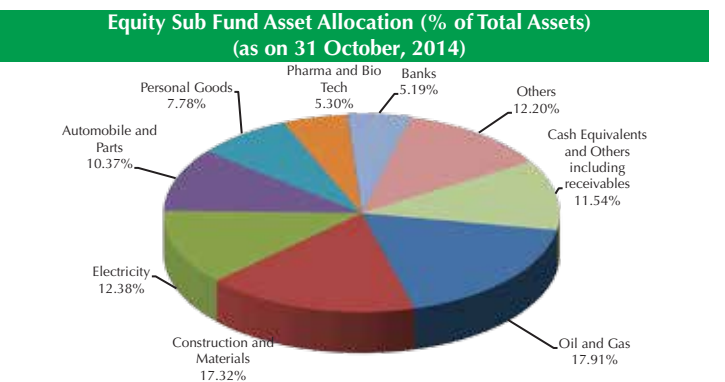
Fund Manager's Commentary
During the month of October:
NIPF Equity Sub-fund unit price increased by 9.6% compared with KMI-30 Index return of 0.7%. The Sub-fund was around 88% invested in equities (93% on net basis) with major weights in Construction & Materials, Oil & Gas, Electricity, and Automobile & Parts sectors.
NIPF Debt Sub-fund generated annualized return of 6.1% due to depressed yields on GOP Ijarah sukuk. The Sub Fund was invested primarily in GoP Ijara Sukuks and Islamic bank deposits.
NIPF Money Market Sub-fund generated annualized return of 6.8% due to depressed yields on GOP Ijarah sukuk. The Sub Fund was invested primarily in short-term GoP Ijara Sukuks and Islamic bank deposits.

Credit Quality of the Portfolio (as on 31 October, 2014)		
	Debt	Money Market
Government Securities (AAA rated)	78.69%	83.90%
AAA	11.32%	11.01%
AA+	6.96%	1.96%
AA	0.03%	0.01%
Others	3.00%	3.12%
Total	100.00%	100.00%

Asset Allocation (% of Total Assets)			
Equity Sub-fund	31-Oct-14	30-Sep-14	
Equity	88.46%	81.55%	
Cash Equivalents	9.76%	17.37%	
Others including receivables	1.78%	1.08%	
Total	100.00%	100.00%	
Debt Sub-fund	31-Oct-14	30-Sep-14	
Cash Equivalents	18.31%	12.33%	
GOP Ijarah Sukuk-Govt Backed	78.69%	86.59%	
Others	3.00%	1.08%	
Total	100.00%	100.00%	
Money Market Sub-fund	31-Oct-14	30-Sep-14	
Cash Equivalents	12.97%	11.48%	
GOP Ijarah Sukuk-Govt	83.91%	87.10%	
Others	3.12%	1.42%	
Total	100.00%	100.00%	

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 October 31, 2014	Amount Per Unit Rs	Last One Year return would otherwise have been higher by:
Equity Sub-Fund ¹	472,148	0.9214	0.89%
Debt Sub-Fund ²	83,881	0.1436	0.14%
Money Market Sub-Fund ²	70,417	0.1686	0.16%

¹ Cumulative, ² Annualized
For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2014.
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 of Equity Sub-fund (as on 31 October, 2014)			
Name	(% of Total Assets)	Name	(% of Total Assets)
Pakistan Petroleum Ltd	6.49%	Meezan Bank Ltd	4.11%
Kot Addu Power	5.93%	Kohinoor Textile Mills Ltd	3.80%
Hub Power Company Ltd	5.88%	Sazgar Engineering Works Ltd	3.55%
Pakistan Oilfields Ltd	5.32%	Indus Motor Company Ltd	3.53%
Lucky Cement Ltd	5.25%	Maple Leaf Cement Ltd.	3.51%

(As on 31 October, 2014)			
Top Holdings of Debt Sub-fund		Top Holdings of Money Market Sub-fund	
Name	(% of Total Assets)	Name	(% of Total Assets)
GOP Ijarah (Sukuk XI)	43.12%	GOP Ijarah (Sukuk IX)	42.73%
GOP Ijarah (Sukuk XIV)	29.47%	GOP Ijarah (Sukuk XIV)	21.75%
GOP Ijarah (Sukuk IX)	6.10%	GOP Ijarah (Sukuk XI)	19.43%
Total	78.69%	Total	83.91%

Name of the Members of Investment Committee
Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM, Syed Suleman Akhtar, CFA,
Asim Wahab Khan, CFA, Muhammad Imran, CFA, ACCA
Salman Ahmed



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2014): Rs.106.4743

October 2014

Performance %*

Performance Period	October 2014	FYTD 2015	Since Launch March 05, 2014
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	2.8%	4.7%	7.5%
Benchmark	0.5%	2.0%	5.7%

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

General Information

Launch Date:	March 5, 2014
Fund Size:	Rs. 1,683 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 (Very 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

NAFA launched its first open-end Islamic capital protected fund namely NAFA Islamic Principal Protected Fund (NIPPF-1) this March. The aim of the Fund is to provide growth to the investment of Unit holders over the long-term in approved Shariah compliant equities and money market instruments while protecting initial investment value at Initial Maturity date, which is two years from launch date. The Fund is presently closed for new subscription.

Since inception, NIPPF- I has generated a return of 7.5% versus 5.7% return of the Benchmark. The current equity exposure stands at around 41%. Key holdings of the Fund belong to Oil and Gas, Electricity and Construction & Materials sectors. The Fund can invest up to 50% in equities. We are confident that the Fund will generate good returns once the political situation settles, considering the positive outlook of the market and built in dynamic equity allocation mechanism of the Fund.

Asset Allocation (% of Total Assets) 31-Oct-14 30-Sep-14

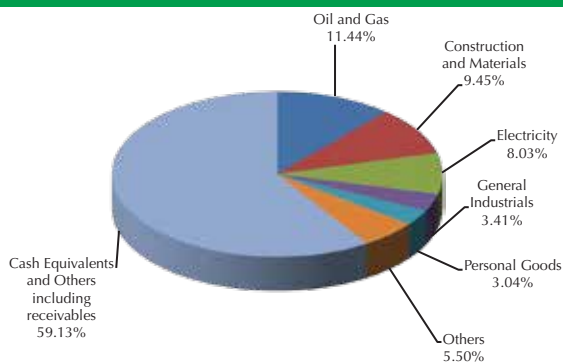
Equities / Stocks	40.87%	39.02%
Cash Equivalents	56.85%	57.31%
Others including receivables	2.28%	3.67%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NIPPF-I	7.6	2.3	6.4%
KMI-30	8.7	2.2	6.7%

** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 31 October, 2014)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs. 2,423,759/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs. 0.1533/0.15%. For details investors are advised to read Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2014.

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 31 October, 2014)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan Petroleum Ltd	Equity	4.03%	Thal Ltd	Equity	2.53%
Kot Addu Power	Equity	4.03%	Maple Leaf Cement Factory Ltd	Equity	2.49%
Pakistan Oilfields Ltd	Equity	3.90%	Pioneer Cement Ltd	Equity	2.26%
Hub Power Company Ltd	Equity	3.59%	Nishat Mills Ltd	Equity	2.02%
Lucky Cement Ltd	Equity	2.76%	Pakistan State Oil Co. Ltd	Equity	1.81%

Name of the Members of Investment Committee

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



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2014): Rs.103.7322

October 2014

Performance %*

Performance Period	October 2014	FYTD 2015	Since Launch June 27, 2014
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	2.1%	3.6%	3.7%
Benchmark	0.5%	2.0%	2.4%

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

General Information

Launch Date:	June 27, 2014
Fund Size:	Rs. 1,319 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:	Front end: 3% 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 (Very 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

NAFA launched its second Islamic capital protected fund namely NAFA Islamic Principal Protected Fund (NIPPF-II) on 27th June, 2014. The aim of the Fund is to provide growth to the investment of unit holders over the long-term in approved Shariah compliant equities and money market instruments while protecting initial investment value at the Initial Maturity date, which is two years from its launch date.

Since inception, NIPPF- II has generated a return of 3.7% versus 2.4% return of the Benchmark. The current equity exposure stands at around 42%. Key holdings of the Fund belong to Oil and Gas, Construction and Materials, and Electricity sectors. The Fund can invest up to 100% in equities. We are confident that the Fund will generate good returns once the political situation settles, considering the positive outlook of the market and built in dynamic equity allocation mechanism of the Fund.

Asset Allocation (% of Total Assets) 31-Oct-14 30-Sep-14

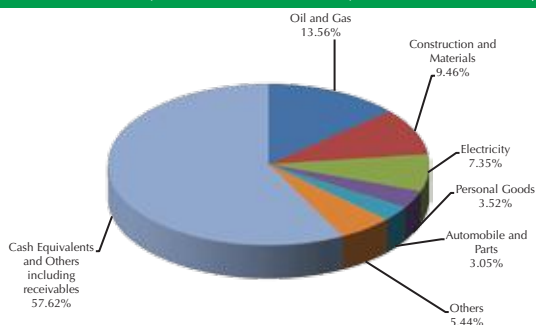
	31-Oct-14	30-Sep-14
Equities / Stocks	42.38%	40.81%
Cash Equivalents	55.27%	54.89%
Others including receivables	2.35%	4.30%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio****

	PER	PBV	DY
NIPPF-II	7.8	2.4	6.5%
KMI-30	8.7	2.2	6.7%

**** Based on NAFA's estimates

Asset Allocation (% of Total Assets) (as on 31 October, 2014)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs. 980,111/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs. 0.0771/0.08%. For details investors are advised to read Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2014.

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 31 October, 2014)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pak Petroleum Ltd	Equity	5.17%	Maple Leaf Cement Factory Ltd	Equity	2.76%
Pakistan Oilfields Ltd	Equity	4.54%	Nishat Mills Ltd	Equity	2.54%
Kot Addu Power	Equity	3.64%	Oil & Gas DevCo	Equity	2.23%
Hub Power Company Ltd	Equity	3.57%	Pak Suzuki Motor Co Ltd	Equity	2.02%
Lucky Cement Ltd	Equity	3.01%	Pakistan State Oil Co Ltd	Equity	1.62%

Name of the Members of Investment Committee

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