

# Fund Manager Report of Shariah Compliant Schemes

October 2017



## NAFA Islamic Asset Allocation Fund

Investment of **Rs. 10 lacs** grew to **Rs. 30 lacs**  
in only 6 Years\*

**SOOD SAY PAK SARMAYAKARI**

Invest with minimum Rs. 10,000 only

Performance of NAFA Islamic Asset Allocation Fund (NIAAF)	NIAAF		Benchmark**
	FY - 2012	<b>13.2%</b>	11.1%
	FY - 2013	<b>36.3%</b>	28.9%
	FY - 2014	<b>22.2%</b>	17.7%
	FY - 2015	<b>33.8%</b>	12.1%
	FY - 2016	<b>13.1%</b>	9.2%
	FY - 2017	<b>20.3%</b>	11.9%
	Cumulative Return (Last 6 years) Nov 2011 - Oct 2017	<b>203.2%</b>	103.3%



**Shariah Supervisory Board**

- Dr. Imran Ashraf Usmani
- Mufti Ehsan Waqar Ahmad
- Mufti Muhammad Naveed Alam

\* Ending October 31, 2017.

\*\*Benchmark is daily weighted return of KMI-30 index and 6 months average deposit rate of three A rated Islamic banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation (effective from September 1, 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.

Annualized return since inception of Fund on October 26, 2007 is 14.8% p.a. vs Benchmark return of 10.1% p.a. Last one year return was 2.2% vs benchmark return of 2.6%.

Fund-size: Rs.1,284 Crore as on October 31, 2017.

Category: Shariah Compliant Asset Allocation Fund.

**For Information & Investment**

Call : **0800-20002** ◆ SMS: **NAFA INVEST** to **9995** ◆ [info@nafafunds.com](mailto:info@nafafunds.com)  
[www.nafafunds.com](http://www.nafafunds.com) ◆ [f /nafafunds](https://www.facebook.com/nafafunds)



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Joint - Venture Partners

Note: Performance is based on dividend reinvestment gross of withholding Taxes, excluding cost of frontend load. Taxes apply as per current income tax law.  
Disclaimer: All investments in mutual funds are subject to market risk. Past performance is not necessarily indicative of future results. Please read the offering documents to understand the investment policies and the risk involved. The scheme holds certain non-compliant investments. Before making any investment decision investors should review the latest monthly Fund Manager Report and Financial Statements. The reported returns may include provision and reversal of provisions against some debt securities.

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NAFA Islamic Mutual Funds - Collective Investment Schemes (CISs)

Risk Profile	Fund Name	Fund Size (Rs. In Crore)	Stability Rating	Inception Date	October 2017	FYTD	Rolling 12 Months	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	Since Inception
Lowest Risk NRFSF	Islamic Income Funds												
	NAFA Riba Free Savings Fund	339	A (f)	20-Aug-10	5.0%	4.8%	5.6%	5.9%	5.5%	7.4%	7.8%	8.7%	7.9%
	Benchmark				2.5%	2.4%	2.6%	3.1%	4.9%	6.7%	6.7%	7.3%	6.2%
	NAFA Islamic Income Fund <i>(Formerly; NAFA Islamic Aggressive Income Fund)</i>	469	A- (f)	26-Oct-07	5.4%	4.8%	5.2%	5.4%	7.4%	9.2%	13.6%	6.8%	6.6%
Moderate Risk NIAAF	Equity Related Islamic Funds												
	NAFA Islamic Asset Allocation Fund	1,284		26-Oct-07	(3.7%)	(10.0%)	2.2%	20.3%	13.1%	33.8%	22.2%	36.3%	14.8%
	Benchmark				(3.1%)	(8.0%)	2.6%	11.9%	9.2%	12.1%	17.7%	28.9%	10.1%
	NAFA Islamic Stock Fund	652		09-Jan-15	(5.0%)	(15.1%)	2.2%	32.5%	12.9%	n/a	n/a	n/a	13.1%
High Risk NISF	Cumulative Returns												
	Benchmark				(5.8%)	(14.4%)	1.0%	18.8%	15.5%	n/a	n/a	n/a	9.3%

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

Risk Profile	Fund Name	Fund Size	Inception Date	October 2017	FYTD	Rolling 12 Months	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	Since Inception	
													Annualized Returns
Low Risk	NIPF - Money Market Sub-fund	27		02-Jul-13	3.4%	3.0%	3.3%	3.8%	3.9%	6.2%	n/a	n/a	5.2%
	NIPF - Debt Sub-fund	36		02-Jul-13	3.3%	1.9%	3.0%	3.9%	3.8%	5.6%	n/a	n/a	5.1%
	Cumulative Returns												
High Risk	NIPF - Equity Sub-fund	84		02-Jul-13	(4.5%)	(14.9%)	4.2%	35.8%	16.9%	51.5%	n/a	n/a	26.7%

**Notes:** 1) Performance is net of management fee and all expenses. The calculation of performance does not include cost of front-end load. For mutual funds the performance reported is based on dividend reinvestment (gross of with-holding tax where applicable).  
2) Tax credit also available as per section 62 & 63 of the Income Tax Ordinance, 2001.  
3) Taxes apply.

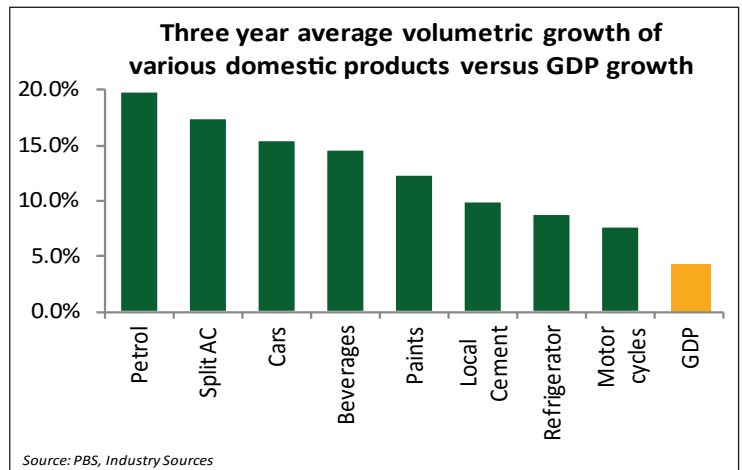
n/a = Not applicable.  
Asset Manager Rating: AM1 by PACRA (Very High Quality)

## Pakistan Economy and Stock Market: 5-Year Outlook

After moribund growth during FY08-13 the economy expanded at 4.5% in FY16 and 5.3% in FY17 on the back of ameliorating security situation, massive ongoing investment of US \$ 60 billion in infrastructure and power sector under China Pak Economic Corridor (CPEC), pick-up in private sector investment, and better availability of gas to industrial sector through imported RLNG. IMF projects Pakistan's GDP growth at 5.5%, 6.0%, and 5.7% for FY18, FY19, and FY20, while rating agency S&P has also affirmed Pakistan's 'B' long-term and short-term sovereign credit rating. The outlook for the long-term ratings remains stable. We expect that continuing acceleration in public & private sector investment activity, rising power generation, expected pick-up in exports growth, and sustained robust domestic consumption to underpin average economic growth rate of 6% p.a. over the next five years.

Pakistan-economic indicators and forecasts	2007-08	2016-17	2017-18F
Nominal GDP (US\$bn)	170	304	330
Real GDP growth rate	5.0%	5.3%	5.6%
Inflation (CPI-average)	12.0%	4.2%	4.7%
SBP discount rate	12.0%	6.25%	6.75%
Consolidated fiscal deficit as % GDP	7.3%	5.8%	6.0%
Current account balance as % GDP	-8.2%	-4.0%	-4.7%

Source: SBP, NAFA Research



There are a large number of economic activities that fall outside the official reporting system and thus GDP figures under-report the real purchasing power of the consumers. Rise in private consumerism is evident from double digit volumetric growth in Refrigerator, Deep freezer, Beverage, Paints, Cement, Motorcycle, Automobile, and Petrol sales during the last three years versus an average 4.6% real GDP growth rate. By some estimates the real size of Pakistan's economy (GDP) is US\$500bn and not the official estimate of US\$300bn, if we include the parallel non-documented economy.

Sharp fall in global oil and other commodity prices along with better supply situation, and stable PKR helped bring inflation to a multi-decade low that currently stands at 3.5% thus far in FY18. Accordingly, the SBP pursued accommodative monetary policy and slashed discount rate by a cumulative 375 bps over the last 3 years to the current level of 6.25%. We expect a gradual rise in inflation and discount of 200 bps over the next couple of years driven by (i) partial recovery in global oil and other commodity prices; (ii) measured PKR devaluation; and (iii) pick-up in private and public sectors borrowing. We see inflation to gradually rise to 6%-7% over the long-term, but remain anchored due to global deflationary forces.

Concerns have been mounting on the sustainability of Balance of Payment (BoP) position due to the ballooning current account deficit that could reach around US\$16billion during FY18. We contend that this is partly a result of sharp rise in import of power and other machinery and industrial raw material, while overvalued PKR has also encouraged food, fuel, and other non-essential imports. This, together with stagnant exports and tapering off of remittances growth, has worsened the current account deficit position. We expect that recently enacted exports incentive package, expected PKR devaluation of about 10%, reduction in input costs (abolishment of GIDC on gas, etc.) and hike in regulatory duties on imports will help bring the current account deficit down to a manageable level by FY18-end. This manageable current account deficit will be financed by external borrowing. At the expected real GDP growth of 5.6% for FY18 the size of Pakistan's economy will grow by US\$26billion. Given the prevailing external debt level at 26% of GDP, the expansion in size of the economy will create further room for borrowing of US\$6.8billion without increasing the external debt ratios. With resolution of power shortages, improving security situation, and push on structural reforms after the general election in 2018, we expect pick-up in FDI flows to the tune of US\$ 3-5 billion per annum.

Despite high economic, political, and investment uncertainties, corporate profitability growth remained resilient at 11% per annum on average over the last 10 years. We expect corporate earnings to continue to grow in line with average annual nominal GDP growth of 12% (6% Real GDP growth plus 6% long-term Inflation) over the next five years. We believe that after a sharp correction of 25% from the recent peak, the stock market valuations have become attractive as captured in the forward Price to Earnings (PE) ratio of 9 times. The stock market is expected to rise in line with corporate earnings and nominal GDP growth of 12% per annum over the next five years. If we add the 5% dividend yield to it, the total expected return from the stock market is 17% per annum over the next five years. At this growth rate, an investment of Rs. 1 million today in the stock market will rise in value to Rs. 2.2 million (1 million \* (1.17)^5) in five years. Well managed stock funds are expected to perform better than the stock market in the coming years. We advise investors with medium-to-long term investment horizon to invest in stock funds at these attractive levels.



October 2017

## Stock Market Review

During the month of October, risk-off sentiments emanating from fluid domestic political environment kept local bourse under pressure amid amplified volatility. Despite repeated calls by the military spokesman rejecting any unconstitutional step, rumors of toppling of the democratically elected government and installation of what is called a technocrat set-up heightened uncertainty in the domestic politics, unnerving market participants. Unabated statement by the ousted PM of some conspiracy against his government and PML-N further muddied the situation. Fresh statement of US Secretary of State demanding Pakistan to do more to eradicate terrorist groups on its side or face the consequences fueled investors' anxiety. Mix showing in the ongoing corporate results season also failed to provide any respite. Repeated media coverage of gathering risks of imminent Balance of Payment (BoP) crises exacerbated the pervasive negativity in the market. We believe that the recent correction is driven by more of a shifting sentiment instead of material economic deterioration or change in the market fundamentals. Robust LSM growth numbers, healthy private sector credit growth and better agri output point to accelerating economic growth. Market positioning also points to underweight stance as indicated by healthy cash holdings in equity and equity related mutual funds. We see foreign portfolio inflows to resume as the market has become quite attractive after a whopping 26% (KMI-30 Index) correction from all-time high level hit in May 2017.

During the month, Oil & Gas Exploration, Fertilizer, and Auto Assembler sectors out-performed the market while, Cement, Oil & Gas Marketing, Engineering, Commercial Banks, Power Generation & Distribution, and Textile Composite sectors lagged behind. Attractive valuations, recovery in the global crude oil prices, and expectation of some currency devaluation led to healthy performance of the Oil & Gas Exploration sector. Fertilizer sector continued strong performance on the back of improving earnings outlook and appealing dividend yield. Healthy earnings announcement drew investors toward the Auto assembler sector. Disappointing earnings announcement led to the lagged performance of the Textile Composite sector. Despite decent earnings announcement, indiscriminate sell-off resulted in under-performance of the Oil & Gas Marketing sector. Pressures on cement prices and risk of price war amid upcoming capacity additions led to lagged performance of the Cement sector. Despite attractive valuations investors kept from the Banking sector amid foreign selling in the sector heavy weight scrips.

In our view, after the recent sharp correction, the stock market valuations have become attractive as captured in the forward Price to Earnings (P/E) multiple of 8.8 times. While we may witness sporadic large swings in the market in the near term amid shifting domestic political environment or any unfavourable geopolitical developments the market is well poised to deliver a healthy return to long-term investors.

## Money Market Review

After recording 3.9% YoY in September 2017, inflation as measured by the CPI for October 2017 clocked in at 3.8%. We expect inflation to pick-up by 100 bps during FY18 due to partial recovery in crude oil prices and its pass-through impact, some PKR devaluation, and healthy private & public sectors borrowing. We see increase in policy rate in line with rise in inflation. Sovereign yields remained flat during the month with investors' preference tilted towards short tenors on the back of upside risk to inflation and interest rates.

During the month of October, SBP held two T-Bill auctions with a combined target of Rs. 1,300 billion against the maturity of Rs. 1,486 billion. In the first T-Bill auction, an amount of Rs. 802 billion was accepted at a cut-off yield of 5.99% and 6.01% for the 3 month and 6 month tenors, respectively while, no bids were received in 12 month tenor. The bid pattern was skewed towards 3 month tenor as compared to 6 month tenor. In the second T-Bill auction, an amount of Rs 730 billion was accepted at a cut-off yield similar to previous yield of 5.99% and 6.01% for 3 month and 6 month tenors, respectively. The bid pattern heavily skewed towards 3 month tenor as compared to 6 month tenor. In the PIB auction, MoF received bids worth Rs. 25 billion against the target of Rs. 100 billion and maturity of Rs. 33 billion for 3 year, 5 year and 10 year tenors while no bids were received in 20 years tenor. However, the auction was rejected.

We have adjusted the portfolio of our money market and income funds based on the 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 0800-20002 || SMS NAFA INVEST to 9995 || [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	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	Last 3 years*	Last 5 years*	Since Launch August 20, 2010*
NAFA Riba Free Savings Fund	5.0%	4.8%	5.6%	5.9%	5.5%	7.4%	7.8%	8.7%	5.9%	6.7%	7.9%
Benchmark*	2.5%	2.4%	2.6%	3.1%	4.9%	6.7%	6.7%	7.3%	4.4%	5.4%	6.2%

\* 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. 3,386 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:	1.12% p.a.(including 0.26% government levies)
Risk Profile:	Very Low
Fund Stability Rating:	"A(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:**	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:	AM1 by PACRA (Very High Quality)

\*\* 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-Oct-17	29-Sep-17
GOP Ijara Sukuks	2.9%	3.4%
Bank Deposits	94.9%	95.1%
Others including receivables	2.2%	1.5%
<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. 2,469,983/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0076/0.08%. For details investors are advised to read note 8 of the financial statements of the Scheme for the period ended September 30, 2017.

## 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 5.0% for the month of October 2017 versus the Benchmark return of 2.5% thus registering an outperformance of 2.5% p.a. This reported return 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 Equities.

The allocation of the Fund in GOP Ijarah Sukuks is around 3.0% of net assets, which are floating rate instruments with 6-months coupon re-setting. Around 96% of net assets of the portfolio are invested in bank deposits which enhance the liquidity profile of the Fund. The weighted average time to maturity of the fund is 12 days.

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

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

GOP Ijarah Sukuk (AAA rated)	2.9%
AAA	25.7%
AA+	0.3%
AA	1.1%
AA-	0.1%
A+	19.4%
A-	48.3%
Others including receivables	2.2%
<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 (31/10/2017): Rs. 9.6573

October 2017

## Performance %

Performance Period	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	Last 3 years*	Last 5 years*	Last 10 years*	Since Launch October 26, 2007*
NAFA Islamic Income Fund (Formerly; NAFA Islamic Aggressive Income Fund)	5.4%	4.8%	5.2%	5.4%	7.4%	9.2%	13.6%	6.8%	6.8%	8.9%	6.6%	6.6%
Benchmark**	2.5%	2.4%	3.2%	3.9%	4.8%	6.6%	6.5%	7.0%	4.6%	5.4%	6.1%	6.1%

\* 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. 4,688 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:	1.05% p.a. (including 0.25% government levies)
Total Expense Ratio:	1.05% p.a. (including 0.25% government levies)
Risk Profile:	Low to Medium
Fund Stability Rating:	"A-(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	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:	AM1 by PACRA (Very High Quality)

\*\* 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

## Investment Objective

To earn a reasonable rate of return in a Shariah compliant manner by investing in Shariah compliant debt securities, money market instruments and bank deposits.

## Fund Manager Commentary

During the month under review, the Fund posted an annualized return of 5.4% p.a. as compared to the Benchmark return of 2.5% thus registering an outperformance of 2.9% 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 net assets. Around 84% 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 Yield-to-Maturity (YTM) of the Sukuk portfolio is 5.5% p.a. and weighted average time to maturity is around 4.0 years. The weighted average time to maturity of the Fund is 174 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.

## Asset Allocation (% of Total Assets) 31-Oct-17 29-Sep-17

	31-Oct-17	29-Sep-17
Sukuks	3.3%	3.6%
GOP Ijarah Sukuks - Govt. Backed	8.5%	9.1%
Certificate of Musharakah (COM)	3.6%	3.9%
Bank Deposits	83.4%	82.6%
Others including receivables	1.2%	0.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

Name of Sukuk	% of Total Assets
Dubai Islamic Bank - Sukuk 14-JUL-17 14-JUL-27	2.8%
K-Electric AZM Sukuk Limited - 5 Years 19-MAR-14 19-MAR-19	0.5%
<b>Total</b>	<b>3.3%</b>

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 3,914,084/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0081/0.09%. For details investors are advised to read note 7 of the financial statements of the Scheme for the period ended September 30, 2017.

## 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.

## 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 October 31, 2017 (% of Total Assets)

GOP Ijarah Sukuk (AAA rated)	8.5%
AAA	17.8%
AA+	3.7%
AA	0.7%
AA-	12.8%
A+	5.8%
A-	49.5%
Others including receivables	1.2%
<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	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	Last 3 Years*	Last 5 Years*	Last 10 Years*	Since Launch October 26, 2007*
NAFA Islamic Asset Allocation Fund	(3.7%)	(10.0%)	2.2%	20.3%	13.1%	33.8%	22.2%	36.3%	15.4%	19.9%	14.9%	14.8%
Benchmark**	(3.1%)	(8.0%)	2.6%	11.9%	9.2%	12.1%	17.7%	28.9%	7.1%	11.8%	10.1%	10.1%

\* 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.

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. 12,837 million
Fund Size: (Excluding investment by fund of funds)	Rs. 12,806 million
Type:	Open-end-Shariah Compliant -Asset Allocation Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%)	3.05% p.a (including 0.37% government levies)
Selling & Marketing Expenses	0.4% per annum
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:	AM1 by PACRA (Very High Quality)

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

## Investment Objective

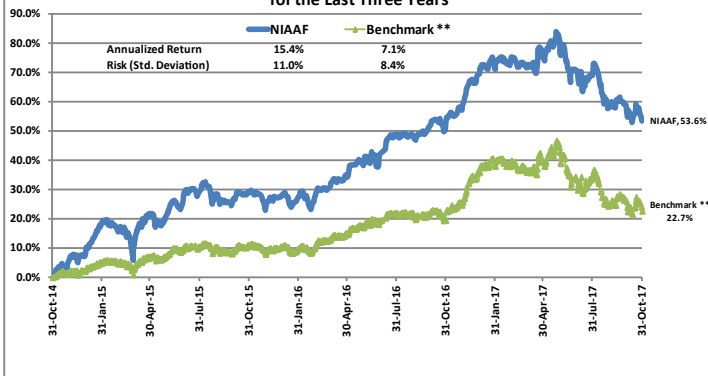
To generate capital appreciation by investing in Shariah Compliant equity and equity related securities and income by investing in Shariah Compliant bank deposits, debt & money market securities.

## Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Asset Allocation Fund decreased by 3.7%, whereas the Benchmark decreased by 3.1%, thus an underperformance of 0.6% was recorded. Since inception your Fund has posted 14.8% p.a return, versus 10.1% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 4.7% p.a. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 55% in equities, which was maintained towards the end of the month. NIAAF underperformed the Benchmark in October as the Fund was underweight in select Fertilizer and Oil & Gas Exploration Companies sectors stocks which outperformed the market and overweight in select Cement, Textile Composite, Oil & Gas Marketing Companies, and Engineering sectors stocks which underperformed the market. During the month, the allocation was slightly increased in Oil & Gas Exploration Companies sector, whereas it was reduced primarily in Cement, Textile Composite, Automobile Assembler, and Oil & Gas Marketing Companies sectors.

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



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

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan Oilfields Ltd	Equity	4.2%	Hub Power Company Ltd	Equity	2.7%
Mari Petroleum Company Ltd	Equity	3.4%	Pakistan State Oil Co Ltd	Equity	2.7%
Oil & Gas Dev Co Ltd	Equity	3.3%	Nishat Mills Ltd	Equity	2.6%
Pak Petroleum Ltd	Equity	3.2%	Lucky Cement Ltd	Equity	2.1%
Engro Corporation Ltd	Equity	2.9%	Millat Tractors Ltd	Equity	1.8%

## 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	-	-	-

Asset Allocation (% of Total Assets)	31-Oct-17	29-Sep-17
Equities / Stocks	54.7%	55.4%
Cash	43.5%	43.6%
Others including receivables	1.8%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

Note: Amount invested by fund of funds is Rs 31 million.

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

	PER	PBV	DY
NIAAF	9.0	2.2	4.8%
KMI-30	9.7	1.5	4.6%

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

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

Oil & Gas Exploration Companies	14.0%
Cement	8.6%
Oil & Gas Marketing Companies	5.9%
Fertilizer	4.6%
Power Generation & Distribution	4.4%
Others	17.2%

## 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 provisions against worker's welfare Fund's liability to the tune of Rs. 60,862,273/- if the same were not made the NAV Per unit/return of the Scheme would be higher by Re. 0.0725/0.48%. For details investors are advised to read the note 7 of the Financial Statements of the Scheme for the period ended September 30, 2017.

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

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

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



## Performance

Performance Period	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	FY 2016	Since Launch* January 09, 2015
NAFA Islamic Stock Fund	(5.0%)	(15.1%)	2.2%	32.5%	12.9%	13.1%
Benchmark	(5.8%)	(14.4%)	1.0%	18.8%	15.5%	9.3%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date:	January 9, 2015
Fund Size:	Rs. 6,515 million
Fund Size: (Excluding investment by fund of funds)	Rs. 6,506 million
Type:	Open-end-Shariah Compliant-Equity Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%)	3.21% p.a.(including 0.37% government levies)
Selling & Marketing Expenses	0.4% per annum
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:	AM1 by PACRA (Very High Quality)

\*\* effective from January 02, 2017

## Asset Allocation (% of Total Assets)

	31-Oct-17	29-Sep-17
Equities / Stocks	83.8%	85.3%
Cash Equivalents	14.1%	13.1%
Others including receivables	2.1%	1.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

Note: Amount invested by fund of funds is Rs 9 million.

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

	PER	PBV	DY
NISF	9.0	2.0	4.6%
KMI-30	9.7	1.5	4.6%

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

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

Oil & Gas Exploration Companies	21.5%
Cement	13.0%
Oil & Gas Marketing Companies	8.5%
Fertilizer	7.3%
Textile Composite	5.7%
Others	27.8%

## Sindh Workers' Welfare Fund (SWWF)

The Scheme has maintained provisions against Sindh worker's welfare Fund's liability to the tune of Rs. 44,440,040/- if the same were not made the NAV Per unit/return of the Scheme would be higher by Rs. 0.0756/0.70% age. For details investors are advised to read the Note 8 of the Financial Statements of the Scheme for the period ended September 30, 2017.

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

## Investment Objective

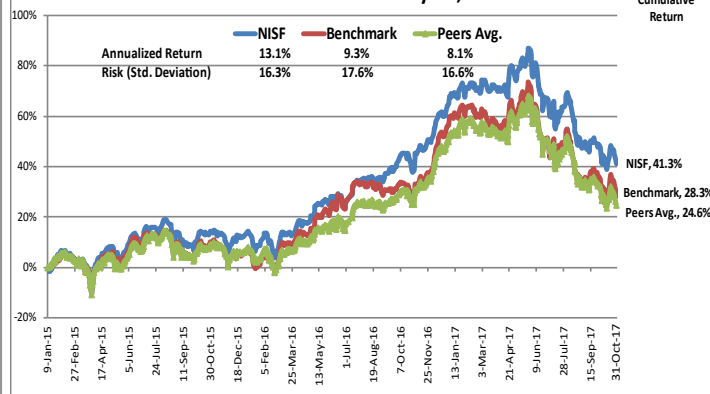
The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shariah Compliant listed equities.

## Fund Manager's Commentary

During the month under review, NAFA Islamic Stock Fund's (NISF) unit price (NAV) decreased by 5.0%, whereas the Benchmark decreased by 5.8%, thus an outperformance of 0.8% was recorded. Since inception on January 9, 2015 your Fund has posted 13.1% p.a return, versus 9.3% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 3.8% p.a. This outperformance is net of management fee and all other expenses.

NISF started off the month with an allocation of around 85% in equities, which decreased to around 84% towards the end of the month. NISF outperformed the Benchmark in October as the Fund was underweight in equities. The fund was also underweight in select Fertilizer, Cement, and Cable & Electric Goods sectors stocks which underperformed the market and overweight in select Automobile Assembler, Oil & Gas Exploration Companies, and Glass & Ceramics sectors stocks which outperformed the market. During the month, the allocation was increased primarily in Oil & Gas Exploration Companies and Fertilizer sectors, whereas it was reduced primarily in Cement, Textile Composite, Refinery, Engineering, Oil & Gas Marketing Companies, and Power Generation & Distribution Companies sectors.

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



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

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan Oilfields Ltd	Equity	7.3%	Pakistan State Oil Co. Ltd	Equity	3.8%
Pak Petroleum Ltd	Equity	5.9%	Engro Corporation Ltd	Equity	3.8%
Oil & Gas Dev.Co	Equity	4.4%	Nishat Mills Ltd	Equity	3.4%
Mari Petroleum Company Ltd	Equity	4.0%	Engro Fertilizer Ltd	Equity	3.0%
Hub Power Company Ltd	Equity	4.0%	Cherat Cement Company Ltd	Equity	2.8%

## 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.) October 31, 2017	Oct 2017	FYTD 2018	Rolling 12 Months	FY 2017	FY 2016	FY 2015	Last 3 Years	Since Launch July 02, 2013
NIPF-Equity Sub-fund	840.5	280.8302	(4.5%)*	(14.9%)*	4.2%*	35.8%*	16.9%*	51.5%*	20.6%	26.7%
NIPF-Debt Sub-fund	355.9	125.1744	3.3%	1.9%	3.0%	3.9%	3.8%	5.6%	4.1%	5.1%
NIPF-Money Market Sub-fund	271.1	125.5194	3.4%	3.0%	3.3%	3.8%	3.9%	6.2%	4.4%	5.2%

\* Cumulative Returns

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

All Other returns are annualized

## General Information

Launch Date:	July 2, 2013
Fund size:	Rs. 1,468 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 Load:	0%
Management Fee:	On average Annual Net Assets of each Sub-Fund. Equity, Debt, Money Market 1.50% p.a. Equity 2.09% p.a. (including 0.25% government levies)
Total Expense Ratio (%)	Debt 2.02% p.a. (including 0.28% government levies) Money Market 2.08% p.a. (including 0.31% 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:	AM1 by PACRA (Very High Quality)
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 decreased by 4.5% as compared to 5.8% decrease in KMI-30 Index. The Sub-fund was around 88% invested in equities with major weights in Oil & Gas Exploration Companies, Cement and Fertilizer sectors. Equity Sub-fund maintains exposure of at least 90% in listed equities on average. Last 90 days average allocation in equity was 90.9% of net asset.

NIPF Debt Sub-fund generated annualized return of 3.3%. 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 0.9 year.

NIPF Money Market Sub-fund generated annualized return of 3.4%. The Sub-fund was invested primarily in Islamic bank deposits. Money Market Sub-fund average maturity cannot exceed 1 year. Weighted Average Maturity of Sub-fund is 23 days.

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

	Debt	Money Market
Government Securities (AAA rated)	45.5%	5.4%
AAA	21.0%	16.0%
AA+	11.9%	31.9%
AA	1.4%	7.9%
AA-	18.4%	37.4%
A+	0.2%	0.1%
Others	1.6%	1.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

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

Oil & Gas Exploration Companies	22.0%
Cement	12.1%
Fertilizer	8.9%
Oil & Gas Marketing Companies	8.7%
Automobile Assembler	6.3%
Others	29.9%

## Asset Allocation (% of Total Assets)

Equity Sub-fund	31-Oct-17	29-Sep-17
Equity	87.9%	88.8%
Cash Equivalents	9.5%	9.3%
Others including receivables	2.6%	1.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Debt Sub-fund	31-Oct-17	29-Sep-17
Cash Equivalents	52.9%	52.5%
GOP Ijara Sukuk	45.5%	46.3%
Others	1.6%	1.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Money Market Sub-fund	31-Oct-17	29-Sep-17
Cash Equivalents	93.3%	92.3%
GOP Ijara Sukuk	5.4%	5.8%
Others	1.3%	1.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

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

Name	(% of Total Assets)	Name	(% of Total Assets)
Pak Petroleum Ltd	7.3%	Engro Corporation Ltd	3.8%
Pakistan Oilfields Ltd	7.3%	D G Khan Cement Co Ltd	3.8%
Oil & Gas Dev.Co	4.4%	Engro Fertilizer Ltd	3.3%
Pakistan State Oil Co. Ltd	4.4%	Nishat Mills Ltd	3.3%
Hub Power Company Ltd	3.9%	Lucky Cement Ltd	3.0%

## 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	6,827,479	2.2812	0.85%
Debt Sub-fund	561,779	0.1976	0.16%
Money Market Sub-fund	379,733	0.1758	0.14%

For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2017.

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

## Performance %

Performance period	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	FY 2016	FY 2015	Last 3 Years*	Since Launch March 05, 2014*
NAFA Islamic Principal Protected Fund-I (NIPPF-I)	0.4%	1.1%	17.1%	21.1%	4.2%	21.3%	13.9%	13.5%
Benchmark	0.1%	(0.2%)	11.8%	12.9%	7.7%	11.0%	9.7%	9.5%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date:	March 5, 2014
Fund Size:	Rs. 76 million
Type:	Open-end Shariah Compliant Capital Protected Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%)	2.15% p.a. (including 0.27% government levies)
Risk Profile:	Low
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.
Fund Manager:	Sajjad Anwar, CFA
Asset Manager Rating:	AM1 by PACRA (Very High Quality)

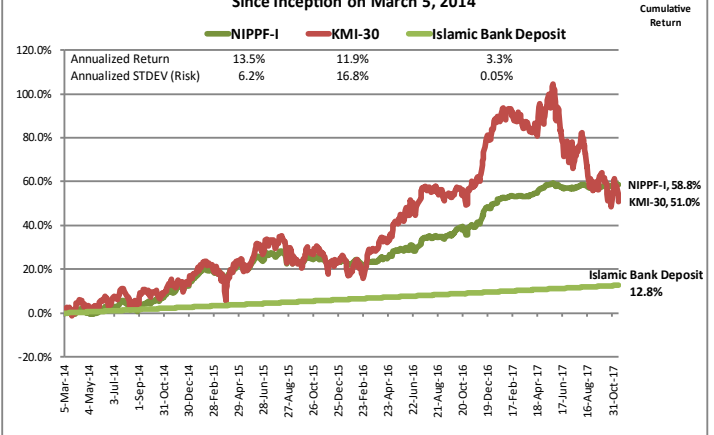
## Investment Objective

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 13.5% p.a versus benchmark return of 9.5% p.a. The current equity exposure stands at 0.4%. During the month, maximum multiplier stood a 0.2 whereas minimum multiplier was 0. Key holdings of the Fund belong to Oil & Gas Marketing Companies, Pharmaceuticals, and Textile Composite companies sectors. Due to change in regulation restricting maximum equity exposure at 10% of the fund size w.e.f 1st Jan 2017, the product has lost its appeal. The fund size reduced significantly and we have decided to wind down this scheme w.e.f November, 2017.

Relative Performance of NAFA Islamic Principal Protected Fund-I (NIPPF-I) Since Inception on March 5, 2014



## Asset Allocation (% of Total Assets)

	31-Oct-17	29-Sep-17
Equities / Stocks	0.4%	6.9%
Cash	95.3%	88.8%
Others including receivables	4.3%	4.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

Oil & Gas Marketing Companies	0.2%
Pharmaceuticals	0.1%
Textile Composite	0.1%

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 2,818,159/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 3.8682/4.32%. For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2017.

## Top Holdings (as on 31 October, 2017)

Name	Asset Class	% of Total Assets
Hascol Petroleum Ltd	Equity	0.1%
Pakistan State Oil Co. Ltd	Equity	0.1%
The Searle Company Ltd	Equity	0.1%
Kohinoor Textile Mills Ltd	Equity	0.1%

## 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

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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/10/2017): Rs. 100.9595

October 2017

Performance Period	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	FY 2016	FY 2015	Last 3 Years*	Since Launch June 27, 2014*
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	(0.3%)	(0.6%)	16.3%	25.8%	3.3%	21.0%	14.7%	14.3%
Benchmark	(0.1%)	(0.2%)	15.8%	16.1%	8.9%	12.2%	11.5%	11.0%

\* Annualized Return  
All Other returns are Cumulative  
The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

General Information		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. 138 million	
Type:	Open-end Shariah Compliant -Capital Protected Fund	
Dealing Days:	Daily – Monday to Friday	
Dealing Time:	(Mon-Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%)	1.74% p.a (including 0.19% government levies)	
Risk Profile:	Low	<b>Fund Manager's Commentary</b> Since inception, NIPPF-II has generated a return of 14.3% p.a versus benchmark return of 11.0% p.a. The current equity exposure stands at around 5%. During the month, multiplier remained at 0.1. Key holdings of the Fund belong to Cement, Oil & Gas Exploration Companies, and Power Generation & Distribution 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.
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:	AM1 by PACRA (Very High Quality)	

Asset Allocation (% of Total Assets)	31-Oct-17	29-Sep-17
Equities / Stocks	5.2%	5.9%
Cash Equivalents	92.1%	90.8%
Others including receivables	2.7%	3.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

Characteristics of Equity Portfolio**			
	PER	PBV	DY
NIPPF-II	8.8	1.9	6.4%
KMI-30	9.7	1.5	4.6%

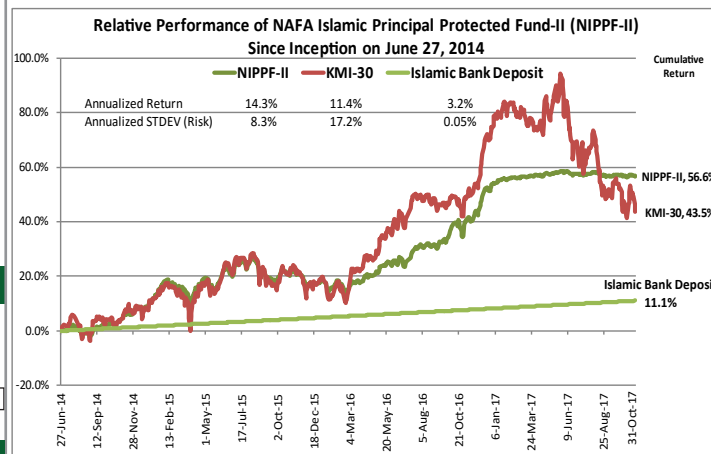
\*\* Based on NAFA's estimates

Top Five Sectors (% of Total Assets) (as on 31 October, 2017)	
Cement	1.7%
Oil & Gas Exploration Companies	1.0%
Textile composite	0.7%
Power Generation & Distribution	0.7%
Fertilizer	0.5%
Others	0.6%

**Sindh Workers' Welfare Fund (SWWF)**  
The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 3,592,195/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 2.6308/3.03%. For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2017.

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 October, 2017)					
Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Mari Petroleum Company Ltd	Equity	1.0%	Nishat Mills Ltd	Equity	0.5%
Kot Addu Power Co Ltd	Equity	0.7%	D G Khan Cement Co Ltd	Equity	0.5%
Pioneer Cement Ltd	Equity	0.6%	Mughal Iron & Steel Industries Ltd	Equity	0.3%
Fauji Cement Company Ltd	Equity	0.6%	Kohinoor Textile Mills Ltd	Equity	0.2%
Engro Corporation Ltd	Equity	0.5%	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	Oct 2017	FYTD 2018	Rolling 12 Months	FY 2017	FY 2016	Since Launch January 09, 2015*
NAFA Islamic Principal Preservation Fund (NIPPF)	(0.3%)	(0.4%)	10.3%	15.1%	4.0%	8.3%
Benchmark**	(0.3%)	(0.5%)	11.2%	12.1%	3.6%	7.0%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date: January 9, 2015  
Fund Size: Rs. 295 million  
Type: Open End Shariah Compliant Fund of Funds  
Dealing Days: Daily – Monday to Friday (Mon-Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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:  
Management Fee: 1) On invested amount in NAFA fund, no additional fee.  
2) Cash in Bank account: 12% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)  
1.57% p.a (including 0.22% government levies)  
Pakistan Stock Exchange  
Total Expense Ratio (%) 1.57% p.a (including 0.22% government levies)  
Listing: Pakistan Stock Exchange  
Risk Profile: Low  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: A. F. Ferguson & Co. Chartered Accountants  
Benchmark:\*\* Combination of benchmarks of underlying schemes on the basis of actual investment i.e. NISF: KMI-30 Index  
NIAAF: Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP  
Cash: 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP

Fund Manager: Sajjad Anwar, CFA  
Asset Manager Rating: AM1 by PACRA (Very High Quality)

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

Asset Allocation (% of Total Assets)	31-Oct-17	29-Sep-17
Islamic Asset Allocation Fund	10.0%	11.5%
Islamic Stock Fund	2.8%	2.8%
Cash	86.3%	83.7%
Others including receivables	0.9%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAF	9.0	2.2	4.8%
NISF	9.0	2.0	4.6%
KMI-30	9.7	1.5	4.6%

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

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

NAFA Islamic Asset Allocation Fund	10.0%
NAFA Islamic Stock Fund	2.8%
<b>Total</b>	<b>12.8%</b>

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs3,954,027/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 1.3634/1.48%. For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2017.

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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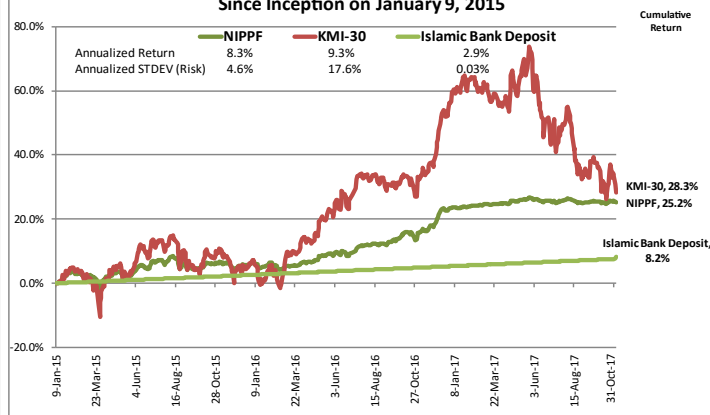
## Investment Objective

The objective of NAFA Islamic Principal 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 8.3% p.a versus Benchmark return of 7.0% p.a. The current exposure in equity/asset allocation funds stands at 12.8%. During the month, maximum multiplier stood at 0.5 whereas minimum multiplier was 0.4. In line with directive no 18 of 2016, effective from 1st 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



## 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	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	Since Launch* January 15, 2016
NAFA Islamic Active Allocation Plan-I	(3.1%)	(10.8%)	3.1%	24.3%	12.1%
Benchmark**	(3.3%)	(9.5%)	4.2%	16.3%	11.8%

\* 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 15, 2016
Fund Size:	Rs. 549 million
Type:	Open Ended Shariah Compliant Fund of Funds
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%)	0.50% p.a (including 0.12% government levies)
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:**	Daily weighted return of KMI-30 Index & 6-month 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:	AM1 by PACRA (Very High Quality)

## 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 12.1% p.a versus benchmark return of 11.8% p.a. The current exposure in Equity Fund and Income Fund stands at 49.4% & 42.2%, 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.

\*\* 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-Oct-17	29-Sep-17
Shariah Compliant Funds	91.6%	90.4%
Cash Equivalents	8.3%	9.4%
Others including receivables	0.1%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAEF	8.9	2.0	4.6%
KMI-30	9.7	1.5	4.6%

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

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

NAFA Islamic Active Allocation Equity Fund	49.4%
NAFA Active Allocation Riba Free Savings Fund	42.2%
<b>Total</b>	<b>91.6%</b>

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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 4,843,029/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 1.0421/0.91%. For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2017.

## 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 (31/10/2017): Rs. 109.4837

October 2017

## Performance

Performance Period	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	Since Launch* March 04, 2016
NAFA Islamic Active Allocation Plan-II	(3.1%)	(11.0%)	2.8%	23.6%	10.6%
Benchmark**	(3.4%)	(9.8%)	3.5%	15.9%	9.0%

\* Annualized Return  
All other returns are cumulative

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

## General Information

Launch Date:	March 04, 2016
Fund Size:	Rs. 567 million
Type:	Open Ended Shariah Compliant Fund of Funds
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%)	0.50% p.a (including 0.12% government levies)
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:**	Daily weighted return of KMI-30 Index & 6-month 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:	AM1 by PACRA (Very High Quality)

\*\* 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 return of 10.6% p.a versus benchmark return of 9.0% p.a. The current exposure in Equity Fund and Income Fund stands at 51.7% & 40.2%, 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-Oct-17	29-Sep-17
Shariah Compliant Funds	91.9%	90.2%
Cash Equivalents	8.0%	9.6%
Others including receivables	0.1%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAEF	8.9	2.0	4.6%
KMI-30	9.7	1.5	4.6%

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

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

NAFA Islamic Active Allocation Equity Fund	51.7%
NAFA Active Allocation Riba Free Savings Fund	40.2%
<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 3,957,147/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.7642/0.72%. For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2017.

## 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 (31/10/2017): Rs. 104.2319

October 2017

## Performance

Performance Period	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	Since Launch* June 28, 2016
NAFA Islamic Active Allocation Plan-III	(3.2%)	(10.9%)	2.8%	20.0%	5.2%
Benchmark**	(3.2%)	(9.5%)	4.0%	13.4%	2.5%

\* Annualized Returns  
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:	June 28, 2016
Fund Size:	Rs. 810 million
Type:	Open Ended Shariah Compliant Fund of Funds
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Back end Load:	Nil
Management Fee:	1) On invested amount in NAFA fund, no additional fee. 2) Cash in Bank account: 1.25% p.a.
Total Expense Ratio (%)	0.48% p.a (including 0.12% government levies)
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:**	Daily weighted return of KMI-30 Index & 6-month 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:	AM1 by PACRA (Very High Quality)

\*\* 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 return of 5.2% p.a versus benchmark return of 2.5% p.a. The current exposure in Equity Fund and Income Fund stands at 54.1% & 36.5%, respectively. The Plan can invest up to 95% in equity funds. We are confident that the Plan will generate good returns considering the improved macroeconomic and political outlook and dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 31-Oct-17 29-Sep-17

	31-Oct-17	29-Sep-17
Shariah Compliant Funds	90.6%	89.9%
Cash Equivalents	9.3%	9.9%
Others including receivables	0.1%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAEF	8.9	2.0	4.6%
KMI-30	9.7	1.5	4.6%

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

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

NAFA Islamic Active Allocation Equity Fund	54.1%
NAFA Active Allocation Riba Free Savings Fund	36.5%
<b>Total</b>	<b>90.6%</b>

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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 3,817,847/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.4915/0.48%. For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2017.

## 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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/10/2017): Rs. 96.0490

October 2017

## Performance\*

Performance Period	Oct 2017	FYTD 2018	Rolling 12 months	Since Launch September 30, 2016
NAFA Islamic Active Allocation Plan-IV	(3.3%)	(11.0%)	1.9%	(0.1%)
Benchmark	(3.3%)	(9.6%)	2.7%	0.1%

\* 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:	September 30, 2016
Fund Size:	Rs. 582 million
Type:	Open Ended Shariah Compliant Fund of Funds
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%):	0.50% p.a (including 0.12% government levies)
Risk Profile:	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 Index & 6-month 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:	AM1 by PACRA (Very High Quality)

## 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 decreased by of 0.1% p.a versus the benchmark increase of 0.1% p.a. The current exposure in Equity Fund and Income Fund stands at 56.3% & 35.2%, 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-Oct-17 29-Sep-17

Shariah Compliant Funds	91.5%	92.3%
Cash Equivalents	8.4%	7.5%
Others including receivables	0.1%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF**	8.9	2.0	4.6%
KMI-30	9.7	1.5	4.6%

\*\*Based on NAFA's estimates

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

NAFA Islamic Active Allocation Equity Fund	56.3%
NAFA Active Allocation Riba Free Savings Fund	35.2%
<b>Total</b>	<b>91.5%</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 1,740,100/-If the same were not made the NAV per unit/ since inception return of scheme would be higher by Rs 0.2872/0.30%. For details investors are advised to read the Note 7 of the Financial Statements of the Scheme for the period ended September 30, 2017.

## 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

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MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/10/2017): Rs. 87.9880

October 2017

## Performance\*

Performance Period	Oct 2017	FYTD 2018	Rolling 6 months	Since Launch January 12, 2017
NAFA Islamic Active Allocation Plan-V	(3.3%)	(10.8%)	(14.6%)	(12.0%)
Benchmark	(3.3%)	(9.4%)	(14.0%)	(13.9%)

\* Cumulative Returns

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

## General Information

Launch Date:	January 12, 2017
Fund Size:	Rs. 1,264 million
Type:	Open Ended Shariah Compliant Fund of Funds
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%)	0.45% p.a (including 0.12% government levies)
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 Index & 6-month 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:	AM1 by PACRA (Very High Quality)

## 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 unit price of NIAAP-V has decreased by 12.0% versus the benchmark decline of 13.9%. The current exposure in Equity Fund and Income Fund stands at 56.8% & 34.4%, respectively. The Plan can invest up to 95% in equity funds. We are confident that the Plan will generate good returns considering the improved macroeconomic and political outlook and dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 31-Oct-17 29-Sep-17

Shariah Compliant Funds	91.2%	91.5%
Cash Equivalents	8.6%	8.3%
Others including receivables	0.2%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF**	8.9	2.0	4.6%
KMI-30	9.7	1.5	4.6%

\*\*Based on NAFA's estimates

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

NAFA Islamic Active Allocation Equity Fund	56.8%
NAFA Active Allocation Riba Free Savings Fund	34.4%
<b>Total</b>	<b>91.2%</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.

## 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 (31/10/2017): Rs. 85.2512

October 2017

## Performance\*

Performance Period	Oct 2017	FYTD 2018	Since Launch May 26, 2017
NAFA Islamic Active Allocation Plan-VI	(3.2%)	(9.7%)	(14.7%)
Benchmark	(3.1%)	(8.4%)	(15.2%)

\* Cumulative Returns

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

## General Information

Launch Date:	May 26, 2017
Fund Size:	Rs. 614 million
Type:	Open Ended Shariah Compliant Fund of Funds
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%)	0.58% p.a (including 0.12% government levies)
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & 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:	AM1 by PACRA (Very High Quality)

## 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-VI (NIAAP-VI) in May, 2017 which is the first plan under NAFA Islamic Active Allocation Fund-II. The Active Allocation Plan will be dynamically managed between dedicated equity related and income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The plan is presently closed for subscription. NIAAP-VI has an initial maturity of two years.

Since inception, unit price of NIAAP-VI has decreased by 14.7% versus the benchmark decline of 15.2%. The current exposure in Equity Fund and Income Fund stands at 56.5% & 33.4%, respectively. The Plan can invest up to 95% in equity funds. We are confident that the Plan will generate good returns considering the improved macroeconomic and political outlook and dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 31-Oct-17 29-Sep-17

	31-Oct-17	29-Sep-17
Shariah Compliant Funds	89.9%	90.0%
Cash Equivalents	9.9%	9.5%
Others including receivables	0.2%	0.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF**	8.9	2.0	4.6%
KMI-30	9.7	1.5	4.6%

\*\*Based on NAFA's estimates

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

NAFA Islamic Active Allocation Equity Fund	56.5%
NAFA Active Allocation Riba Free Savings Fund	33.4%
<b>Total</b>	<b>89.9%</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.

## 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 (31/10/2017): Rs. 91.7204

October 2017

## Performance\*

Performance Period	Oct 2017	FYTD 2018	Since Launch June 29, 2017
NAFA Islamic Active Allocation Plan-VII	(2.9%)	(8.3%)	(8.3%)
Benchmark	(2.9%)	(7.5%)	(8.0%)

\* Cumulative Returns

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

## General Information

Launch Date:	June 29, 2017
Fund Size:	Rs. 210 million
Type:	Open Ended Shariah Compliant Fund of Funds
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%)	0.56% p.a (including 0.13% government levies)
Risk Profile	Low to moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & 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:	AM1 by PACRA (Very High Quality)

## 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-VII (NIAAP-VII) in June, 2017 which is the second plan under NAFA Islamic Active Allocation Fund-II. The Active Allocation Plan will be dynamically managed between dedicated equity related and income schemes managed by NAFA based on the Fund Manager's outlook of the authorized asset-classes. The Plan is presently closed for new subscription. NIAAP-VII has an initial maturity of two years.

Since inception, unit price of NIAAP-VII has decreased by 8.3% versus the benchmark decline of 8.0%. The current exposure in Equity Fund and Income Fund stands at 51.7% & 39.5%, respectively. The Plan can invest up to 95% in equity funds. We are confident that the Plan will generate good returns considering the improved macroeconomic and political outlook and dynamic equity allocation mechanism of the Fund.

## Asset Allocation (% of Total Assets) 31-Oct-17 29-Sep-17

	31-Oct-17	29-Sep-17
Shariah Compliant Funds	91.2%	93.0%
Cash Equivalents	8.7%	6.6%
Others including receivables	0.1%	0.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF**	8.9	2.0	4.6%
KMI-30	9.7	1.5	4.6%

\*\*Based on NAFA's estimates

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

NAFA Islamic Active Allocation Equity Fund	51.7%
NAFA Active Allocation Riba Free Savings Fund	39.5%
<b>Total</b>	<b>91.2%</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.

## 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 (31/10/2017): 10.1393

October 2017

## Performance %

Performance Period	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	Since Launch* January 18, 2016
NAFA Active Allocation Riba Free Savings Fund	3.8%	3.7%	3.7%	3.8%	4.0%
Benchmark**	2.5%	2.4%	2.6%	3.1%	3.4%

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

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

## General Information

Launch Date:	January 18, 2016
Fund Size:	Rs. 1,708 million
Fund Size (excluding investment by Fund of Funds)	Nil
Type:	Open-end – Shariah Compliant Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism	Forward Pricing
Load:	Front end: 0% Back end: 0%
Management Fee:	1.25% per annum
Total Expense Ratio:	1.93% p.a. (including 0.33% 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:	AM1 by PACRA (Very High Quality)

\*\* 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 3.8% against the benchmark return of 2.5%. The performance is net of management fee and all other expenses.

The Fund aims to consistently generate better return than the profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is allowed to invest in shariah compliant Government Securities of maturity up to 3 years as well as Shariah compliant money market and debt securities of up to 2 years maturity rated AA- or better.

Around 94% of net assets of the portfolio are placed 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 57 days.

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

## Asset Allocation (% of Total Assets) 31-Oct-17 29-Sep-17

Asset Allocation (% of Total Assets)	31-Oct-17	29-Sep-17
Bank Deposits	93.2%	90.4%
GOP Ijara Sukuks - Govt. Backed	5.8%	7.7%
Others including receivables	1.0%	1.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

Note: Amount invested by fund of funds is Rs. 1,708 million

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 1,227,171/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0073/0.07%. For details investors are advised to read note 6.1 of the financial statements of the Scheme for the period ended September 30, 2017.

## 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.

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

Credit Quality	% of Total Assets
GOP Ijarah Sukuk (AAA rated)	5.8%
AAA	0.5%
AA-	7.3%
A+	36.0%
A-	49.4%
Others including receivables	1.0%
<b>Total</b>	<b>100.0%</b>

## Performance

Performance Period	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	Since Launch* January 18, 2016
NAFA Islamic Active Allocation Equity Fund	(5.6%)	(15.8%)	0.8%	30.1%	15.9%
Benchmark	(5.8%)	(14.4%)	1.0%	18.8%	15.2%

\* Annualized Return  
All Other returns are Cumulative

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

## General Information

Launch Date:	January 18, 2016
Fund Size:	Rs. 2,537 million
Fund Size: (Excluding investment by fund of funds)	Nil
Type:	Open Ended Shariah Compliant Equity Scheme
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%)	3.22% p.a. (including 0.37% government levies)
Selling & Marketing Expenses	0.4% per annum
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:	AM1 by PACRA (Very High Quality)

## 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 87% in equities, which decreased to around 83% towards the end of the month. NIAAEF outperformed the Benchmark in October as the Fund was underweight in select Fertilizer, Cement, Oil & Gas Marketing Companies, and Cable & Electric Goods sectors stocks which underperformed the market and overweight in select Textile Composite, Engineering, and Glass & Ceramics sectors stocks which outperformed the market. During the month, the allocation was increased primarily in Oil & Gas Exploration Companies and Fertilizer sectors, whereas it was reduced primarily in Cement, Textile Composite, Automobile Assembler, Engineering, Oil & Gas Marketing Companies, and Power Generation & Distribution Companies sectors.

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

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan Oilfields Ltd	Equity	7.3%	Hub Power Company Ltd	Equity	3.6%
Pak Petroleum Ltd	Equity	5.4%	Pakistan State Oil Co. Ltd	Equity	3.2%
Oil & Gas Dev.Co	Equity	4.7%	Attock Cem.Pak.Ltd	Equity	3.1%
Mari Petroleum Company Ltd	Equity	4.1%	Cherat Cement Company Ltd	Equity	3.1%
Engro Corporation Ltd	Equity	3.8%	Engro Fertilizer Ltd	Equity	2.9%

## Asset Allocation (% of Total Assets)

	31-Oct-17	29-Sep-17
Equities / Stocks	83.0%	87.1%
Cash Equivalents	13.7%	11.4%
Others including receivables	3.3%	1.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIAAEF	8.9	2.0	4.6%
KMI-30	9.7	1.5	4.6%

\*\* Based on NAFA's estimates

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

Oil & Gas Exploration Companies	21.6%
Cement	13.5%
Fertilizer	8.4%
Oil & Gas Marketing Companies	8.4%
Engineering	5.3%
Others	25.8%

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 29,057,183/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1274/1.15%. For details investors are advised to read the Note 8 of the Financial Statements of the Scheme for the period ended September 30, 2017.

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

**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	Oct 2017	FYTD 2018	Rolling 12 months	FY 2017	Since Launch* April 21, 2016
NAFA Islamic Energy Fund	(3.8%)	(5.4%)	11.5%	32.2%	22.8%
Benchmark	(5.8%)	(14.4%)	1.0%	18.8%	9.0%

\* Annualized Return  
All Other returns are Cumulative

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

General Information	Investment Objective																																				
<p>Launch Date: April 21, 2016 Fund Size: Rs. 2,000 million Type: Open Ended Shariah Compliant Equity Scheme Dealing Days: Daily – Monday to Friday Dealing Time: (Mon - Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 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 (%): 3.27% p.a (including 0.37% government levies) Selling &amp; Marketing Expenses: 0.4% per annum Risk Profile: High Listing: Pakistan Stock Exchange Custodian &amp; Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson &amp; Co. Chartered Accountants Benchmark: KMI-30 Index Fund Manager: Taha Khan Javed, CFA Minimum Growth Unit: Rs. 10,000/- Subscription: Income Unit: Rs. 100,000/- Asset Manager Rating: AM1 by PACRA ( Very High Quality)</p>	<p>The objective of NAFA Islamic Energy Fund is to provide investors with long term capital growth from an actively managed portfolio of Shar'ah Compliant listed equities belonging to the Energy Sector.</p>																																				
	Fund Manager's Commentary																																				
	<p>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.</p> <p>NIEF started off the month with an allocation of around 85% in equities, which decreased to around 84% towards the end of the month. NIEF outperformed the Benchmark in October as the Fund was overweight in select Energy sectors stocks which outperformed the market. During the month, the allocation was increased primarily in Oil &amp; Gas Exploration Companies, whereas it was reduced primarily in Oil &amp; Gas Marketing Companies Sector.</p>																																				
	Top Ten Holdings (as on 31 October, 2017)																																				
	<table border="1"> <thead> <tr> <th>Name</th> <th>Asset Class</th> <th>% of Total Assets</th> <th>Name</th> <th>Asset Class</th> <th>% of Total Assets</th> </tr> </thead> <tbody> <tr> <td>Pakistan Oilfields Ltd</td> <td>Equity</td> <td>13.1%</td> <td>Pakistan State Oil Co Ltd</td> <td>Equity</td> <td>6.5%</td> </tr> <tr> <td>Pakistan Petroleum Ltd</td> <td>Equity</td> <td>10.7%</td> <td>Shell Pakistan Ltd</td> <td>Equity</td> <td>5.8%</td> </tr> <tr> <td>Mari Petroleum Company Ltd</td> <td>Equity</td> <td>8.8%</td> <td>Attock Petroleum Ltd</td> <td>Equity</td> <td>5.1%</td> </tr> <tr> <td>Oil &amp; Gas Dev Co Ltd</td> <td>Equity</td> <td>8.1%</td> <td>Hub Power Company Ltd</td> <td>Equity</td> <td>4.8%</td> </tr> <tr> <td>Sui Northern Gas Ltd</td> <td>Equity</td> <td>6.8%</td> <td>Attock Refinery Ltd</td> <td>Equity</td> <td>2.9%</td> </tr> </tbody> </table>	Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets	Pakistan Oilfields Ltd	Equity	13.1%	Pakistan State Oil Co Ltd	Equity	6.5%	Pakistan Petroleum Ltd	Equity	10.7%	Shell Pakistan Ltd	Equity	5.8%	Mari Petroleum Company Ltd	Equity	8.8%	Attock Petroleum Ltd	Equity	5.1%	Oil & Gas Dev Co Ltd	Equity	8.1%	Hub Power Company Ltd	Equity	4.8%	Sui Northern Gas Ltd	Equity	6.8%	Attock Refinery Ltd	Equity	2.9%
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Sui Northern Gas Ltd	Equity	6.8%	Attock Refinery Ltd	Equity	2.9%																																

\*\*effective from January 02, 2017

Asset Allocation (% of Total Assets)	31-Oct-17	29-Sep-17
Equities / Stocks	83.6%	85.2%
Cash Equivalents	13.8%	13.2%
Others including receivables	2.6%	1.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIEF	9.5	2.9	4.3%
KMI-30	9.7	1.5	4.6%

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

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

Oil & Gas Exploration Companies	40.6%
Oil & Gas Marketing Companies	29.7%
Power Generation & Distribution	8.1%
Refinery	5.2%

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 worker's welfare Fund's liability to the tune of Rs. 14,050,569/- if the same were not made the NAV Per unit/return of the Scheme would be higher by Rs 0.0870/0.78%. For details investors are advised to read the note 9 of the Financial Statements of the Scheme for the period ended September 30, 2017.

### Name of the Members of Investment Committee

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



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**For Information & Investment:**

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