

NAFA Active Allocation Riba Free Savings Fund (NAARFSF)



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

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (28/02/2018): 10.2719

February 2018

Performance %

Performance Period	Feb 2018	FYTD 2018	Rolling 12 months	FY 2017	Since Launch* January 18, 2016
NAFA Active Allocation Riba Free Savings Fund	3.3%	3.8%	4.0%	3.8%	4.0%
Benchmark**	2.5%	2.5%	2.5%	3.1%	3.2%
*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 withholding tax where applicable.		

General Information

Launch Date:	January 18, 2016
Fund Size:	Rs. 1,828 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:	1.90% p.a. (including 0.33% government levies)
Risk Profile:	Low
Fund stability rating	"A-(f)" by PACRA
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, the Fund has generated an annualized return of 3.3% 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 91% of net assets of the portfolio is allocated in bank deposits. The higher allocation in bank deposits is due to better yields as compared to other authorized alternative investment avenues. The weighted average time-to-maturity of the Fund is 49 days.

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

Asset Allocation (% of Total Assets) 28-Feb-18 31-Jan-18

Bank Deposits	90.9%	88.6%
GOP Ijara Sukuks - Govt. Backed	5.4%	7.1%
Commercial Papers	2.2%	2.8%
Others including receivables	1.5%	1.5%
Total	100.0%	100.0%
Leverage	Nil	Nil

Note: Amount invested by fund of funds is Rs. 1,828 million

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 1,735,952/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0098/0.10%. For details investors are advised to read note 10 of the financial statements of the Scheme for the period ended December 31, 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 February 28, 2018 (% of Total Assets)

GOP Ijarah Sukuk (AAA rated)	5.4%
AAA	45.1%
AA-	24.7%
A+	22.9%
A-	0.4%
Others including receivables	1.5%
Total	100.0%

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