

Cash Equivalents

Total

Leverage

Other including receivables

NAFA Financial Sector Income Fund (NFSIF) Vational Bank of Pakistan

MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (31/12/2013): Rs. 10.5029

December 2013

Performance				
Performance %	December 2013 *	FYTD Jul 2013 - Dec 2013*	CY 2013*	Since Launch October 28, 2011 **
NAFA Financial Sector Income Fund	6.63%	7.58%	8.19%	9.95%
Benchmark	9.16%	8.62%	8.62%	9.47%

* Annualized Simple Return - ** (Annualized Return Based on Morningstar Methodology) (Returns are net of management fee & all other expenses)

NBP Fullerton Asset Management Ltd.

A Subsidiary of

General Information		Investment Objective	
Launch Date:October 28, 2011Fund Size:Rs. 3,089 MillionType:Open-end – Income FundDealing Days:Daily – Monday to Saturday		To provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.	
Dealing Time:	(Moń - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M	Fund Manager Commentary	
Settlement: Pricing Mechanism Load: Management Fee: Risk Profile: Fund stability rating	(Saturday) 9:00 A.M to 1:00 P.M 2-3 business days Forward Pricing Front end: 1% (Nil on investment above Rs. 16 million) Back end: 0% 1.5% per annum Low A+(f) by PACRA	The Fund generated an annualized return of 6.6% for the month of December 2013 versus the benchmark return of 9.2%. Since its launch in October 2011, the Fund offered an annualized return of 9.9% against the benchmark return of 9.5%, hence an outperformance of 0.4% p.a. This outperformance is net of management fee and all other expenses. The Fund is unique as it invests a minimum 70% of its assets in Financial Sector (mainly banks) debt securities, instruments or deposits. Minimum entity rating of issuers of debt securities is AA minus. This minimizes credit risk and at the same time enhances liquidity of the Fund. Duration of the overall portfolio cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances liquidity profile of the Fund.	
Listing: Custodian & Trustee: Auditors:	Lahore Stock Exchange Central Depository Company (CDC) A. F. Ferguson & Co. Chartered Accountants		
Benchmark:	70% 6-Month KIBOR & 30% average 3-Month deposit rates A & above rated banks)		
Fund Manager: Minimum Subscription:	Salman Ahmed Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-		
Asset Manager Rating:	AM2 by PACRA (Very High Investment Management Standards)	Exposure in TFCs was 36.9% at the end of the month with average time t maturity of 3.92 years and Yield to Maturity of 11.1% p.a. The TFC portfolio of	
Asset Allocation (% of T	otal Assets) 31-Dec-13 30-Nov-13	the Fund is predominantly floating rate linked to KIBOR. The weighted	
TFCs	36.94% 24.54%	average time-to-maturity of the Fund is 1.49 years.	

73.73%

1.73%

Nil

100.00%

As the Fund is invested in floating rate TFCs and other short-term avenues any hike in interest rate is likely to improve the return of the Fund. We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

Top 10 TFC (as at December 31st, 2013)				
Name of TFC	% of Total Assets			
Bank Alfalah Limited IV - FT	11.69%			
Faysal Bank Limited III	9.75%			
Askari Bank Limited III	4.85%			
Allied Bank Limited II	2.05%			
Bank Alfalah Limited IV - FX	1.95%			
Standard Chartered Bank (Pakistan) Limited IV	1.59%			
Pakistan Mobile Communication Limited (17 Sep 13)	1.58%			
Askari Bank Limited IV	1.46%			
Pak Libya Holding Company	1.31%			
Allied Bank Limited I	0.35%			
Total	36.58%			

61.40%

1.66%

Nil

100.00%

WORKERS' WELFARE FUND (WWF)

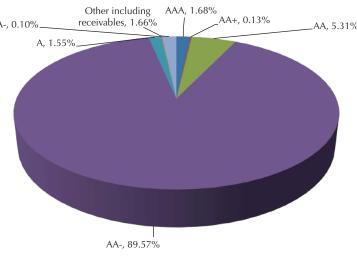
The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 13,052,351/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0444/0.46%. For details investors are advised to read note 8 of the Financial Statements of the Scheme for the quarter ended September 30, 2013.

Name of the Members of Investment Committee

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

Other including AAA, 1.68% AA+, 0.13% receivables, 1.66% A-, 0.10% AA. 5.31% A. 1.55%

Credit Quality of the Portfolio as of December 31st, 2013 (% of Total Assets)



Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund 'All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.