

# NAFA Financial Sector Income Fund (NFSIF)

MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (31/03/2014): Rs. 10.5090

March 2014

Performance				
Performance %	March 2014*	FYTD Jul 2013 - Mar 2014*	Trailing 12 Months Apr 13 -Mar 14 *	Since Launch October 28, 2011 **
NAFA Financial Sector Income Fund	9.97%	8.60%	8.63%	10.02%
Benchmark	9.25%	8.82%	8.77%	9.44%

\* 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 Vational Bank of Pakistan

General Information		Investment Objective	
Launch Date:October 28, 2011Fund Size:Rs. 2,675 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:	(Mon - 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:	(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	The Fund generated an annualized return of 10.0% for the month of March 2014 versus the benchmark return of 9.3%. Since its launch in October 2011, the Fund offered an annualized return of 10.0% against the benchmark return of 9.4%, hence an outperformance of 0.6% p.a. This outperformance is net of management fee and all other expenses.	
Fund stability rating Listing: Custodian & Trustee: Auditors:	A+(f) by PACRA Lahore Stock Exchange Central Depository Company (CDC) A. F. Ferguson & Co. Chartered Accountants	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	
Benchmark: Fund Manager: Minimum Subscription:	70% 6-Month KIBOR & 30% average 3-Month deposit rates A & above rated banks) Salman Ahmed Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	at the same time enhances liquidity of the Fund. Duration of the overal portfolio cannot be more than one year. This minimizes interest rate or pricin risk. The Fund invests 25% of its assets in less than 90 days T-Bills or savin accounts with banks, which further enhances liquidity profile of the Fund.	
Asset Manager Rating:	AM2 by PACRA (Very High Investment Management Standards)	Exposure in TFCs was 43.34% at the end of the month with average time to maturity of 3.68 years and Yield to Maturity of 11.15% p.a. The TFC portfolio	
Asset Allocation (% of	Total Assets) 31-Mar-14 28-Feb-14	of the Fund is predominantly floating rate linked to KIBOR. The weighted average time-to-maturity of the Fund is 2.3 years.	

TFCs	43.34%	41.68%
T-Bills	5.86%	-
PIBs	19.29%	14.91%
Cash Equivalents	29.17%	41.59%
Other including receivables	2.34%	1.82%
Total	100.00%	100.00%
Leverage	Nil	Nil

## Top 10 TFC (as at March 31st, 2014)

Name of TFC	% of Total Assets
Bank Alfalah Limited IV - FT	13.88%
Faysal Bank Limited III	11.23%
Askari Bank Limited III	5.65%
Pakistan Mobile Communication Limited (17 Sep 13)	2.66%
Allied Bank Limited II	2.23%
Bank Alfalah Limited IV - FX	2.22%
Standard Chartered Bank (Pakistan) Limited IV	1.85%
Askari Bank Limited IV	1.67%
Pak Libya Holding Company	1.24%
Allied Bank Limited I	0.41%
Total	43.04%

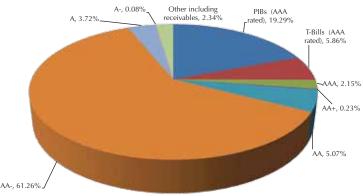
## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 14,506,023/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0570/0.59%. For details investors are advised to read note 9 of the Financial Statements of the Scheme for the half year ended December 31, 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

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



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



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