



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/09/2014): Rs. 10.3824

September 2014

Performance %						
Performance Period	September 2014	FYTD 2015	Rolling 12 Months	FY 2014	FY 2013	Since Launch October 28, 2011 *
NAFA Financial Sector Income Fund	9.3%	9.5%	8.4%	7.9%	9.3%	9.6%
Benchmark	9.3%	9.3%	9.2%	8.9%	9.0%	9.4%

* Annualized Return Based on Morning Star Methodology
All other returns are Annualized Simple Return [Net of management fee & all other expenses]

General Information	Investment Objective
<p>Launch Date: October 28, 2011 Fund Size: Rs. 2,013 Million Type: Open-end – Income Fund Dealing Days: Daily – Monday to Saturday (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 Dealing Time: 2-3 business days Settlement: Forward Pricing Pricing Mechanism: Forward Pricing Load: Front end: 1% (Nil on investment above Rs. 16 million) Back end: 0% Management Fee: 1.5% per annum Risk Profile: Low Fund stability rating: A+(f) by PACRA Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Co. Chartered Accountants Benchmark: 70% 6-Month KIBOR & 30% average 3-Month deposit rates (A & above rated banks) Fund Manager: Salman Ahmed Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- Asset Manager Rating: AM2 by PACRA (Very High Investment Management Standards)</p>	<p>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.</p>
	Fund Manager Commentary
	<p>The Fund generated an annualized return of 9.3% for the month of September 2014 versus the Benchmark return of 9.3%. Since its launch in October 2011, the Fund offered an annualized return of 9.6% against the Benchmark return of 9.4%, hence an outperformance of 0.2% p.a. This outperformance is net of management fee and all other expenses.</p> <p>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.</p> <p>Exposure in TFCs was 50.63% at the end of the month with average time to maturity of 3.2 years and Yield to Maturity of 11.44% p.a. The TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. The weighted average time-to-maturity of the Fund is 2.2 years.</p> <p>We will rebalance the allocation of the portfolio proactively based on the capital market outlook.</p>

Asset Allocation (% of Total Assets)	30-Sep-14	30-Aug-14
TFCs	50.63%	55.48%
Commercial Paper	2.39%	2.27%
PIBs	15.80%	13.06%
Cash Equivalents	28.80%	26.84%
Other including receivables	2.38%	2.35%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top 10 TFC (as at September 30, 2014)

Name of TFC	% of Total Assets
Bank Alfalah Limited IV - FT	17.05%
Faysal Bank Limited III	14.73%
Askari Bank Limited III	7.36%
Allied Bank Limited II	3.08%
Standard Chartered Bank (Pakistan) Limited IV	2.40%
Askari Bank Limited IV	2.21%
HASCOL Pvt Ltd TFC	2.18%
Pak Libya Holding Company	1.22%
Allied Bank Limited I	0.27%
Bank AL Habib Limited II	0.13%
Total	50.63%

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 16,289,593/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0840/0.88%. For details investors are advised to read note 6 of the Financial Statements of the Scheme for the period ended March 31, 2014.

Name of the Members of Investment Committee

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

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

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

Credit Quality of the Portfolio as of September 30, 2014 (% of Total Assets)

