

# NAFA Government Securities Savings Fund (NGSSF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/07/2016): Rs. 10.3323

July 2016

## Performance %

| Performance Period                      | July 2016 | Trailing 12 months Aug 15 - Jul 16 | FY 2016 | Since Launch July 10, 2014* |
|---|-----------|------------------------------------|---------|-----------------------------|
| NAFA Government Securities Savings Fund | 5.2%      | 6.0%                               | 6.5%    | 10.1%                       |
| Benchmark                               | 5.7%      | 6.2%                               | 6.2%    | 7.6%                        |

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

| General Information   |   | Investment Objective   |  |
|---|---|--|--|
| Launch Date:  | July 10, 2014   | To provide competitive return from portfolio of low credit risk by investing primarily in Government Securities.   |  |
| Fund Size:  | Rs. 302 Million   | <b>Fund Manager Commentary</b>   |  |
| 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 | During the month under review, the Fund has generated an annualized return of 5.2% against the Benchmark return of 5.7%. Since its launch in July 2014, the Fund offered an annualized return of 10.1% against the Benchmark return of 7.6%, hence an outperformance of 2.5% p.a. This outperformance is net of management fee and all other expenses.                     |  |
| Dealing Time:   | Forward Pricing   | NAFA Government Securities Savings Fund (NGSSF) invests a minimum of 70% in Government Securities. The Fund invests a minimum 10% of its assets in less than 90 days T-Bills or saving accounts with banks, which enhances liquidity profile of the Fund.  |  |
| Settlement:   | 2-3 business days   | As the asset allocation of the Fund shows, exposure in Government Securities was 82.1% of the total assets and 84.4% of net assets at the end of the month with average time to maturity of 0.4 year and Yield to Maturity of 5.8% p.a. Last one year allocation in Government Securities was around 77.0%. The weighted average time to maturity of the Fund is 0.4 year. |  |
| Pricing Mechanism Load:   | Front end: 1% (Nil on investment above Rs. 16 million) Back end: 0%   | We will rebalance the allocation of the Fund proactively based on the capital market outlook.  |  |
| Management Fee:   | 10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)  | <b>Credit Quality of the Portfolio as of July 30, 2016 (% of Total Assets)</b>   |  |
| Total Expense Ratio:  | 1.4% p.a. (including 0.17% representing government levies)  | Government Securities (AAA rated) 82.1%  |  |
| Risk Profile:   | Low   | AAA 1.0%   |  |
| Fund stability rating Listing:  | "AA- (f)" by PACRA Pakistan Stock Exchange  | AA+ 5.0%   |  |
| Custodian & Trustee:  | Central Depository Company (CDC)  | AA 0.6%  |  |
| Auditors:   | KPMG Taseer Hadi & Co. Chartered Accountants  | AA- 0.5%   |  |
| Benchmark:  | 70% average 6-Month PKRV & 30% average 3-Month deposit rates (A+ & above rated banks)                                     | A+ & below 9.2%  |  |
| Fund Manager:   | Asad Haider   | Other including receivables 1.6%   |  |
| Minimum Subscription:   | Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-  | Total 100.0%   |  |
| Asset Manager Rating:   | AM2++ by PACRA (High Investment Management Standards)   |  |  |
| <b>Asset Allocation (% of Total Assets)</b>   | <b>30-July-16</b>   | <b>30-June-16</b>  |  |
| PIBs  | 18.9%   | 15.7%  |  |
| Tbills  | 63.2%   | 44.2%  |  |
| Placements with Banks   | -   | 6.7%   |  |
| Bank Deposits   | 16.3%   | 18.5%  |  |
| Other including receivables   | 1.6%  | 14.9%  |  |
| Total   | 100.0%  | 100.0%   |  |
| Leverage  | Nil   | Nil  |  |
| <b>WORKERS' WELFARE FUND (WWF)</b>  |   |  |  |
| The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1,621,195/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0554/0.57%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged. |   |  |  |
| <b>Name of the Members of Investment Committee</b>  |   |  |  |
| Dr. Amjad Waheed, CFA<br>Sajjad Anwar, CFA<br>Muhammad Ali Bhabha, CFA, FRM<br>Syed Suleman Akhtar, CFA<br>Asad Haider  |   |  |  |
| Notes: 1) The calculation of performance does not include cost of front end load.<br>2) Taxes apply. Further, tax credit also available as per section 62 of the Income Tax Ordinance, 2001.  |   |  |  |

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