

NAFA Islamic Active Allocation Equity Fund (NIAAEF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/12/2016): 14.6315

December 2016

Performance*

Performance %	Dec 2016	FYTD 2017	Since Launch January 18, 2016
NAFA Islamic Active Allocation Equity Fund	9.8%	28.6%	52.8%
Benchmark	14.5%	23.6%	56.6%

* Cumulative Return

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

General Information

Launch Date:	January 18, 2016
Fund Size:	Rs. 3,878 million
Type:	Open Ended Shariah Compliant Equity Scheme
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:	2% p.a
Risk Profile	High
Total Expense Ratio (%)	2.79% p.a. (including 0.37% government levies)
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	KMI-30 Index
Fund Manager:	Asim Wahab Khan, CFA
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

Investment Objective

The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shari'ah Compliant listed equities.

Fund Manager's Commentary

NAFA launched its second open-end Islamic Equity Fund namely NAFA Islamic Active Allocation Equity Fund (NIAAEF) in January, 2016. The aim of the Fund is to provide growth to the investment of Unit holders over the long-term in approved Shariah compliant equities.

NIAAEF started off the month with an allocation of around 88% in equities, which decreased to around 83% towards the end of the month. NIAAEF underperformed the Benchmark in December as the Fund was underweight in select Cement, Power Generation & Distribution Companies, Oil & Gas Exploration Companies, Food & Personal Care Products, Oil & Gas Marketing Companies, and Pharmaceuticals sectors stocks which outperformed the market and overweight in select Engineering, Cement, Automobile Assembler, Transport, Food & Personal care Products, Fertilizer, and Glass & Ceramics sectors stocks which underperformed the market. During the month, the allocation was increased primarily in Textile Composite, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, and Pharmaceuticals Sectors, whereas it was reduced primarily in Fertilizer, Cable & Electric Goods, Engineering, Power Generation & Distribution Companies, and Glass & Ceramics sectors.

Top Ten Holdings (as on 30 Dec, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	5.5%	Attock Cement Pakistan Ltd	Equity	3.7%
Pakistan State Oil Co. Ltd	Equity	5.0%	Nishat Mills Ltd	Equity	3.6%
Mari Gas Company Ltd	Equity	4.9%	Pakistan Oilfields Ltd	Equity	3.6%
Kohinoor Textile Mills Ltd	Equity	4.2%	Shell Pakistan Ltd	Equity	3.2%
Engro Fertilizers Ltd	Equity	3.7%	Lucky Cement Ltd	Equity	3.2%

Asset Allocation (% of Total Assets)	30-Dec-16	30-Nov-16
Equities / Stocks	83.4%	88.3%
Cash Equivalents	16.0%	10.7%
Others including receivables	0.6%	1.0%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NIAAEF	10.0	3.9	3.8%
KMI-30	12.2	2.9	4.2%

** Based on NAFA's estimates

Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Cement	15.8%
Oil & Gas Exploration Companies	13.4%
Fertilizer	11.6%
Oil & Gas Marketing Companies	9.4%
Textile Composite	7.8%
Others	25.4%

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 the Income Tax Ordinance, 2001.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Syed Suleman Akhtar, CFA
Asim Wahab Khan, CFA

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. Past performance is not necessarily indicative of future results. Please read the Offering Documents to understand the investment policies and the risks involved.