

NAFA Money Market Fund (NMMF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/12/2017): Rs. 10.1231

December 2017

Performance %

| Performance Period | Dec 2017 | FYTD 2018 | Rolling 12 months | FY 2017 | FY 2016 | FY 2015 | FY 2014 | FY 2013 | Last 3 years* | Last 5 years* | Since Launch February 23, 2012* |
|------------------------|----------|-----------|-------------------|---------|---------|---------|---------|---------|---------------|---------------|---------------------------------|
| NAFA Money Market Fund | 5.4% | 5.5% | 6.3% | 6.6% | 6.3% | 8.9% | 8.2% | 9.2% | 6.7% | 7.4% | 7.8% |
| Benchmark** | 5.2% | 5.2% | 5.2% | 5.1% | 4.6% | 6.8% | 6.9% | 6.8% | 5.1% | 5.8% | 6.1% |

* Annualized Return Based on Morning Star Methodology
All other returns are Annualized Simple 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: | February 23, 2012 |
| Fund Size: | Rs. 19,304 million |
| Type: | Open-end – Money Market Fund |
| Dealing Days: | Daily – Monday to Saturday |
| Dealing Time: | (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 |
| Settlement: | 2-3 business days |
| Pricing Mechanism: | Forward Pricing |
| Load:*** | Front End Load (Individual): without life insurance 0.5%, with life insurance 3% (Nil on investment above Rs. 26 million) Front End Load (Other): 0.5% (Nil on investment above Rs. 16 million) Back End Load: NIL |
| Management Fee: | 8% of Net Income (Min 0.5% p.a., Max 1.0% p.a.) |
| Total Expense Ratio: | 0.94% p.a. (including 0.26% government levies) |
| Risk Profile: | Very Low |
| Fund Stability Rating: | "AA (f)" by PACRA |
| Listing: | Pakistan Stock Exchange |
| Custodian & Trustee: | Central Depository Company (CDC) |
| Auditors: | Deloitte Yousuf Adil Chartered Accountants |
| Benchmark:** | 70% 3-Month PKRV & 30% average 3-Month deposit rates of three AA rated banks as selected by MUFAP |
| Fund Manager: | Muhammad Ali Bhabha, CFA, FRM |
| Minimum Subscription: | Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- |
| Asset Manager Rating: | AM1 by PACRA (Very High Quality) |

** effective from September 01, 2016; Previously 3-Month deposit rates (AA & above rated banks)
*** effective from January 02, 2017

Asset Allocation (% of Total Assets) 30-Dec-17 30-Nov-17

| | 30-Dec-17 | 30-Nov-17 |
|------------------------------|---------------|---------------|
| Placement with Banks | 24.3% | 9.0% |
| Placement with DFIs | 14.9% | 8.0% |
| Bank Deposits | 60.0% | 79.9% |
| Others including receivables | 0.8% | 3.1% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 17,120,955/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0089/0.09%. For details investors are advised to read note 7.1 of the financial statements of the Scheme for the period ended September 30, 2017.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Hassan Raza, CFA

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.

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 Document to understand investment policies and the risks involved.

Investment Objective

To provide stable income stream with preservation of capital by investing in AA and above rated banks and money market instruments.

Fund Manager Commentary

The Fund earned an annualized return of 5.4% during December 2017 versus the Benchmark return of 5.2%. Since its launch in February 2012, the Fund has outperformed its Benchmark by 1.7% p.a. by earning an annualized return of 7.8%. This outperformance is net of management fee and all other expenses.

Being a money market scheme, the Fund has very restrictive investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum eligible rating is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days. The Fund is rated AA(f) by PACRA which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks.

Weighted average time to maturity of the Fund is 35 days. We will rebalance the allocation of the Fund proactively based on the capital market outlook.

Credit Quality of the Portfolio as of December 30, 2017 (% of Total Assets)

| | |
|------------------------------|---------------|
| AAA | 31.1% |
| AA+ | 66.4% |
| AA | 1.6% |
| A- | 0.1% |
| Others including receivables | 0.8% |
| Total | 100.0% |