# NAFA Riba Free Savings Fund (NRFSF)



## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (31/10/2015): Rs. 10.3532

October 2015

Performance %								
Performance Period	Oct	FYTD	Rolling 12Months	FY	FY	FY	FY	Since Launch
	2015	2016	Nov 14 - Oct 15	2015	2014	2013	2012	August 20, 2010 *
NAFA Riba Free Savings Fund	4.7%	5.5%	6.7%	7.4%	7.8%	8.7%	10.8%	8.8%
Benchmark	5.2%	5.3%	6.1%	6.7%	6.7%	7.3%	8.3%	7.3%

<sup>\*</sup> 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: August 20, 2010 Fund Size: Rs. 1,335 million

Type: Open-end – Shariah Compliant Income 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: without Life Takaful: 0.5%, with

Life Takaful: 5% (Nil on investment above

Rs. 16 million), Back end: 0%

Management Fee: 1.25% per annum Risk Profile: Very Low

Fund Stability Rating: "A(f)" by PACRA
Listing: Lahore Stock Exchange

Custodian & Trustee: Central Depository Company (CDC)

Auditors: Deloitte Yousuf Adil Chartered Accountants

Benchmark: Average 6-month deposit rate of A- and

above rated Islamic Banks

Fund Manager: Salman Ahmed

Minimum Growth Unit: Rs. 10,000/Subscription: Income Unit: Rs. 100,000/Asset Manager Rating: AM2+ by PACRA (High Investment

Management Standards)

Asset Allocation (% of Total Assets)	31-Oct-15	30-Sep-15
GOP Ijara Sukuk	10.1%	9.1%
Bank Deposits	88.6%	89.6%
Other including receivables	1.3%	1.3%
Total	100.0%	100.0%
Leverage	Nil	Nil

#### **WORKERS' WELFARE FUND (WWF)**

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 10,079,475/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.0782/0.81%. For details investors are advised to read note 8 of the Financial Statements of the Scheme for the period ended September 30, 2015. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

#### 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.

## **Investment Objective**

To provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant banks and money market / debt securities.

## **Fund Manager Commentary**

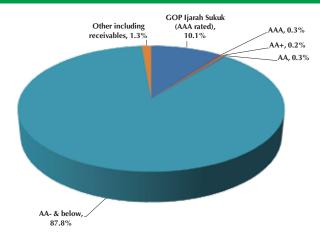
The Fund generated an annualized return of 4.7% for the month of October 2015 versus the Benchmark return of 5.2%. During CY 15 the Fund has outperformed its Benchmark by 0.5% by earning an annualized return of 6.5%. This outperformance is net of management fee and all other expenses.

The Fund aims to consistently provide better return than the profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is allowed to invest in short-term Shariah compliant money market securities of up to six months maturity rated AA- or better. The Fund is not authorized to invest in corporate debt securities and the Equities.

The allocation of the Fund is around 10% in GOP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 88.6% of the portfolio is invested in bank deposits which enhances the liquidity profile of the Fund. The weighted average time to maturity of the fund is 5 days.

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

### Credit Quality of the Portfolio as of Oct 31, 2015 (% of Total Assets)



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