

# NAFA Riba Free Savings Fund (NRFSS)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/10/2016): Rs. 10.3575

October 2016

## Performance %

Performance Period	Oct 2016	FYTD 2017	Trailing 12 months Nov 15 - Oct 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010*
NAFA Riba Free Savings Fund	5.8%	5.5%	5.5%	5.5%	7.4%	7.8%	8.7%	10.8%	8.2%
Benchmark**	2.8%	4.0%	4.4%	4.9%	6.7%	6.7%	7.3%	8.3%	6.8%

\* 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. 1,061 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 3% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.25% p.a.)
Total Expense Ratio:	1.28% p.a. (including 0.18% government levies)
Risk Profile:	Very Low
Fund Stability Rating:	"A(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:**	6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional 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:	AM2++ by PACRA (High Investment Management Standards)

## 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 5.8% for the month of October 2016 versus the Benchmark return of 2.8% thus registering an outperformance of 3% p.a. During FYTD the Fund has outperformed its Benchmark by 1.5% by earning an annualized return of 5.5%. 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 9.6% of net assets in GOP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 93.1% of net assets 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 75 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, 2016 (% of Total Assets)

GOP Ijarah Sukuk (AAA rated)	9.2%
AAA	15.0%
AA+	9.5%
AA	0.5%
AA-	0.2%
A+	22.5%
A	0.1%
A-	41.4%
BBB+	0.3%
Others including receivables	1.3%
<b>Total</b>	<b>100.0%</b>

\*\* effective from September 01, 2016; Previously Average 6-month deposit rate of A- and above rated Islamic Banks

Asset Allocation (% of Total Assets)	31-Oct-16	30-Sep-16
GOP Ijara Sukuks	9.2%	9.5%
Bank Deposits	89.5%	88.5%
Others including receivables	1.3%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
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.0.0984/1%. For details investors are advised to read note 8 of the Financial Statements of the Scheme for the period ended September 30, 2016. 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

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.

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