

NAFA Islamic Asset Allocation Fund (NIAAF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2016): Rs.16.3429

August 2016

Performance %

Performance Period	Aug 2016	FYTD 2017	Rolling 12 Months Sep 15-Aug 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch October 26, 2007*
NAFA Islamic Asset Allocation Fund	(0.1%)	4.8%	15.6%	13.1%	33.8%	22.2%	36.3%	13.2%	16.5%
Benchmark**	(0.02%)	2.2%	10.4%	9.2%	12.1%	17.7%	28.9%	11.1%	11.4%

* Annualized Return
All Other returns are Cumulative
The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

Note:** KSE-30 is used as equity component for the Benchmark before June 30, 2008, the launch date of KMI-30 Index. The fund category was changed to Islamic Asset Allocation from Islamic Balanced with effect from April 22, 2014. Consequently, allowed equity range is now 0% to 90% which previously was 30% to 70%. Previous benchmark was 50% KMI-30 Index & 50% Islamic Bank Deposit.

General Information

Launch Date:	October 26, 2007
Fund Size:	Rs. 6,197 million
Type:	Open-end-Shariah Compliant -Asset Allocation Fund
Dealing Days:	Daily – Monday to Friday (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Dealing Time:	2-3 business days
Settlement:	Forward Pricing
Pricing Mechanism:	Front end: 3%, (Nil on investment above Rs. 50 million), Back end: 0%
Load:	2% per annum
Management Fee:	2.65% p.a.(including 0.36% government levies)
Total Expense Ratio (%)	Moderate
Risk Profile:	Pakistan Stock Exchange
Listing:	Central Depository Company (CDC)
Custodian & Trustee:	KPMG Taseer Hadi & Co. Chartered Accountants
Auditors:	Average of (i) average 3-month Islamic banks deposit rate (ii) 6-month KIBOR or its Shariah Compliant equivalent (iii) KMI 30 Index
Benchmark:**	Asim Wahab Khan, CFA
Fund Manager:	Growth Unit: Rs. 10,000/-
Minimum Subscription:	Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

Investment Objective

To generate capital appreciation by investing in Shariah Compliant equity and equity related securities and income by investing in Shariah Compliant bank deposits, debt & money market securities.

Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Asset Allocation Fund decreased by 0.1% whereas the Benchmark decreased by 0.02%, thus your Fund underperformed the Benchmark by 0.08%. Since inception your Fund has posted 287.0% return, versus 159.4% by the Benchmark. Thus, to-date the cumulative outperformance of your Fund stands at 127.6%. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 63% in equities, which decreased to around 59% towards the end of the month. NIAAF lagged the Benchmark in August as the Fund was overweight in equities which fell during the month. However, the Fund outperformed in security selection as it was overweight in select Oil & Gas Exploration Companies, Leather & Tanneries, and Refinery sectors stocks which outperformed the market. During the month the allocation was reduced primarily in Engineering, Cement, Power Generation & Distribution, Refinery, and Oil & Gas Marketing Companies sectors.

Asset Allocation (% of Total Assets)

	31-Aug-16	29-July-16
Equities / Stocks	58.7%	62.5%
Sukuks	0.7%	0.8%
Cash	39.7%	34.8%
Others including receivables	0.9%	1.9%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio***

	PER	PBV	DY
NIAAF	9.7	2.9	4.4%
KMI-30	10.9	2.2	4.8%

*** Based on NAFA's estimates

Top Five Sectors (% of Total Assets) (as on 31 Aug, 2016)

Cement	10.8%
Oil & Gas Exploration Companies	10.6%
Fertilizer	6.9%
Power Generation & Distribution	6.6%
Oil & Gas Marketing Companies	6.2%
Others	17.6%

Name of the Members of Investment Committee

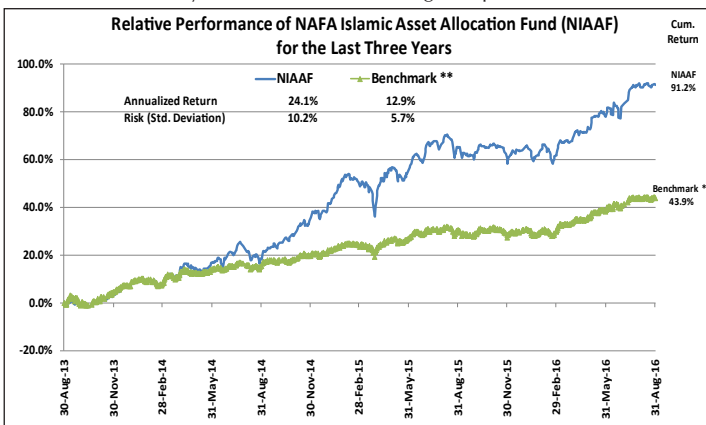
Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Syed Suleman Akhtar, CFA
Asim Wahab Khan, CFA

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 15,789,039/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0416/0.30%. For details investors are advised to read the 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.

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 Documents to understand the investment policies and the risk involved. The scheme holds certain non-compliant investments. Before making any investment decision, investors should review the latest monthly Fund Manager Report and Financial statements. The reported return may include provisions and reversal of provisions against some debt securities.



Top Ten Holdings (as on 31 Aug, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan State Oil Co. Ltd	Equity	4.4%	Hub Power Company Ltd	Equity	2.7%
Engro Corporation Ltd	Equity	3.7%	Kohinoor Textile Mills Ltd	Equity	2.5%
Mari Petroleum Company Ltd	Equity	3.5%	Indus Motor Company Ltd	Equity	2.4%
Lucky Cement Ltd	Equity	3.4%	Nishat Mills Ltd	Equity	2.4%
Pakistan Oilfields Ltd	Equity	3.2%	Pak Petroleum Ltd	Equity	2.2%

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
Eden Housing (Sukuk II)	SUKUK	4,921,875	4,921,875	-	-	-
Total		4,921,875	4,921,875	-	-	-