

NAFA Islamic Asset Allocation Fund (NIAAF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/09/2017): Rs. 15.8869

September 2017

Performance %

Performance Period	Sep 2017	FYTD 2018	Rolling 12 Months Oct 16 - Sep 17	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	Since Launch October 26, 2007*
NAFA Islamic Asset Allocation Fund	0.8%	(6.5%)	5.5%	20.3%	13.1%	33.8%	22.2%	36.3%	15.4%
Benchmark**	1.6%	(5.1%)	4.1%	11.9%	9.2%	12.1%	17.7%	28.9%	10.5%

* 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:** Effective from September 01, 2016; Previously average of (i) average 3-month Islamic banks deposit rate (ii) 6-month KIBOR or its Shariah Compliant equivalent (iii) KMI 30 Index
** 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. 13,892 million
Type:	Open-end-Shariah Compliant -Asset Allocation Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:***	Front End Load (Individual): 3%, (Nil on investment above Rs. 101 million) Front End Load (Other): 3% (Nil on investment above Rs. 50 million) Back End Load: NIL
Management Fee:	2% per annum
Total Expense Ratio (%)	3.06% p.a (including 0.37% government levies)
Selling & Marketing Expenses	0.4% per annum
Risk Profile:	Moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:**	Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, based on Fund's actual allocation.
Fund Manager:	Taha Khan Javed, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM1 by PACRA (Very High Quality)

*** effective from January 02, 2017

Asset Allocation (% of Total Assets)	29-Sep-17	31-Aug-17
Equities / Stocks	55.4%	56.9%
Cash	43.6%	41.2%
Others including receivables	1.0%	1.9%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio****

	PER	PBV	DY
NIAAF	9.7	1.5	4.4%
KMI-30	10.5	1.6	4.3%

**** Based on NAFA's estimates

Top Five Sectors (% of Total Assets) (as on 29 September, 2017)

Oil & Gas Exploration Companies	12.7%
Cement	9.1%
Oil & Gas Marketing Companies	6.1%
Power Generation & Distribution	4.6%
Textile Composite	4.6%
Others	18.3%

Name of the Members of Investment Committee

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

Sindh Workers' Welfare Fund (SWWF)

The Scheme has maintained provisions against worker's welfare Fund's liability to the tune of Rs. 60,944,450/- if the same were not made the NAV Per unit/return of the Scheme would be higher by Re. 0.0697/0.46%. For details investors are advised to read the note 18 of the Financial Statements of the Scheme for the year ended June 30, 2017.

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.

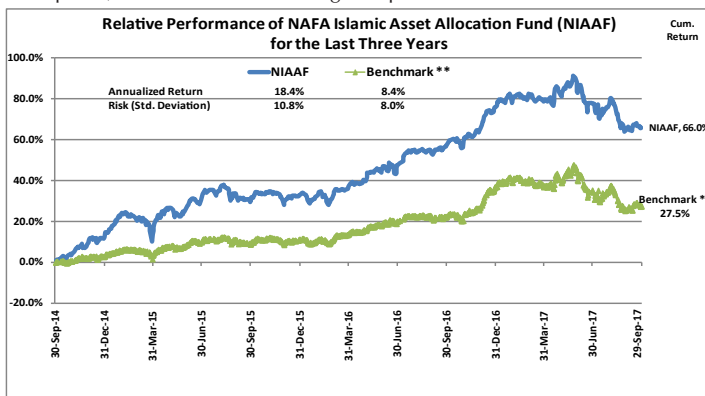
Investment Objective

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 (NIAAF) increased by 0.8%, whereas the Benchmark increased by 1.6%, thus an underperformance of 0.8% was recorded. Since inception your Fund has posted 15.4% p.a return, versus 10.5% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 4.9% p.a. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 57% in equities, which decreased to around 55% towards the end of the month. NIAAF underperformed the Benchmark in September as the Fund was underweight in select Fertilizer and Oil & Gas Exploration Companies sectors stocks which outperformed the market and overweight in select Cement, Textile Composite, Automobile Parts & Accessories, and Engineering sectors stocks which underperformed the market. During the month, the allocation was slightly increased in Fertilizer, Oil & Gas Exploration Companies, and Power Generation & Distribution Companies sectors, whereas it was reduced primarily in Engineering, Cement, Textile Composite, and Oil & Gas Marketing Companies sectors.



Top Ten Holdings (as on 29 September, 2017)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan Oilfields Ltd	Equity	3.5%	Hub Power Company Ltd	Equity	2.8%
Mari Petroleum Company Ltd	Equity	3.2%	Pakistan State Oil Co. Ltd	Equity	2.7%
Oil & Gas Dev.Co	Equity	3.1%	Nishat Mills Ltd	Equity	2.6%
Engro Corporation Ltd	Equity	2.9%	Millat Tractors Ltd	Equity	2.4%
Pak Petroleum Ltd	Equity	2.9%	Lucky Cement Ltd	Equity	2.3%

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	-	-	-