# NAFA Islamic Aggressive Income Fund (NIAIF)



## MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (29/01/2016): Rs. 9.8976

January 2016

Performance %									
Performance Period	Jan 2016		Rolling 12 Months Feb 15-Jan 16		FY 2014	FY 2013	FY 2012	FY 2011	Since Launch October 26, 2007*
NAFA Islamic Aggressive Income Fund					13.6%				6.8%
Benchmark	4.7%	4.9%	5.4%	6.6%	6.5%	7.0%	7.9%	7.1%	6.6%

<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**

Risk Profile:

Launch Date: October 26, 2007 Fund Size: Rs. 1,879 million

Type: Open-end – Shariah Compliant Aggressive

Income Fund

Dealing Days: Daily – Monday to Friday
Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M

(Friday) 9:00 A.M to 5:30 P.M

Settlement: 2-3 business days Pricing Mechanism: Forward Pricing

Load: Front end: 1% (Nil on investment above

Rs. 16 million), Back end: 0%

Management Fee: 10% of Net Income (Min 0.5% p.a.,

Max 1.00% p.a.) Low to Medium

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

Custodian & Trustee: Central Depository Company (CDC)

Auditors: KPMG Taseer Hadi & Co.

Chartered Accountants

Benchmark: Average 3-month deposit rate of Islamic Banks
Fund Manager: Muhammad Imran, CFA, ACCA
Minimum Growth Unit: Rs. 10,000/Subscription: Income Unit: Rs. 100,000/Asset Manager Rating: AM2+ by PACRA (High Investment

Management Standards)

<b>Asset Allocation</b> (% of Total Assets)	29-Jan-16	31-Dec-15

Sukuks	2.7%	3.6%
GOP Ijara Sukuks - Govt. Backed	5.3%	7.1%
Bank Deposits	90.9%	87.6%
Other including receivables	1.1%	1.7%
Total	100.0%	100.0%
Leverage	Nil	Nil

## Top Sukuk Holdings (as at Jan 29, 2016)

Name of Sukuk	% of Total Assets
K Electric Azm Sukuk - 5 Yrs	1.4%
K Electric Azm Sukuk - 3 Yrs	0.8%
Maple Leaf Cement (Sukuk I)	0.5%
Total	2.7%

# WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 2,944,049/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0155/0.17%. For details investors are advised to read note 7 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 Muhammad Imran, CFA, ACCA

**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 seek preservation of capital and earn a reasonable rate of return in a Shariah compliant manner.

## **Fund Manager Commentary**

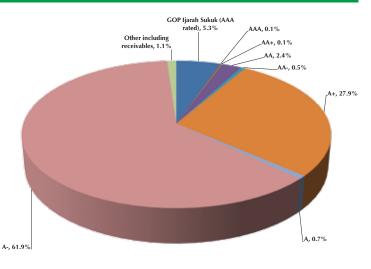
During the month under review, the Fund posted an annualized return of 6.2% as compared to the Benchmark return of 4.7% thus registering an outperformance of 1.5% p.a. During FYTD, the Fund has posted 7.7% annualized return versus 4.9% by the Benchmark, hence an outperformance of 2.8% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukuks stood at around 2.7% of the total assets. Around 90.9% of the portfolio is allocated in bank deposits. The higher allocation in bank deposits is due to better yields as compared to other authorized alternative investment avenues.

The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio is around 6.2% p.a. and weighted average time to maturity is 2.7 years. The weighted average time to maturity of the Fund is 81 days.

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

## Credit Quality of the Portfolio as of Jan 29, 2016 (% of Total Assets)



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