

# NBP Fullerton Asset Management Ltd.

A Subsidiary of National Bank of Pakistan l

# NAFA Islamic Aggressive Income Fund (NIAIF)

MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (29/06/2012): Rs. 8.5949

June 2012

Performance			
Performance % *	June 2012	Trailing 12 Months Jul Jun 2011 - 2012	Since Launch October 29, 2007
NAFA Islamic Aggressive Income Fund	20.05%	19.06%	4.82%
Benchmark	7.98%	7.86%	6.71%

<sup>\*</sup> Represent Annualized Return - (based on morning star formula) (Returns are net of management fee & all other expenses)

# **General Information**

Launch Date: October 29, 2007 Fund Size: Rs. 179 million

Open-end – Shariah Compliant Aggressive Income Type:

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 Days: Dealing Time:

Settlement: 3 búsiness davs

Forward Pricing Front end: 1.0%, Back end: 0% Pricing Mechanism Load:

Management Fee: Risk Profile: 2.0% per annum Low to Medium "BBB+ (f)" by PACRA Lahore Stock Exchange Fund Stability Rating:

Listing: Custodian & Trustee: MCB Financial Services Limited Auditors: KPMG Taseer Hadi & Co. Chartered Accountants

Benchmark: Average 3-month deposit rate of Islamic Banks

Hussain Yasar Growth Unit: Rs. 10,000/-Fund Manager: Minimum Income Unit: Rs. 100.000/-

Subscription: Asset Manager Rating: AM2 by PACRA

# Asset Allocation (% of Total Assets) 29-June-12 31-May-12

Sukuks	43.90%	50.55%
GOP Ijara Sukuks - Govt. Backed	29.08%	29.42%
Cash Équivalents	20.24%	11.16%
Other including receivables	6.78%	8.87%
Total	100.00%	100.00%
Leverage	Nil	Nil
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# Top Sukuk Holdings (as at June 29, 2012)

Top 10 Sukuk Holding				
Name of Sukuks	% of Total Assets			
GOP Ijarah (Sukuk IX)	19.28%			
Engro Fertilizer Limited (Sukuk)	12.87%			
Kohat Cement Limited (Sukuk)	12.27%			
Maple Leaf Cement (Sukuk I)	8.02%			
Pak Elektron Limited (Sukuk)	5.88%			
GOP Ijarah (Sukuk V)	5.40%			
Sui Southern Gas Company Limited (Sukuk)	4.86%			
GOP Ijarah (Sukuk XI)	2.20%			
GOP Ijarah (Sukuk X)	1.10%			
GOP Ijarah (Sukuk VII)	1.10%			
Total	72.98%			

#### WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1,221,001/-. If the same were not made the NAV per unit/ FY 2012 return of scheme would be higher by Rs. 0.0588/ 0.81% p.a. For details investors are advised to read note 7 of the Financial Statement of the Scheme for the period ended March 31, 2012.

#### Name of the Members of Investment Committee

Dr. Amiad Waheed, CFA Sajjad Anwar, CFA Ahmad Nouman, CFA Tanvir Abid, CFA, FRM Hussain Yasar

# **Investment Objective**

To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.

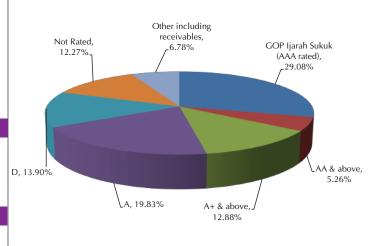
# **Fund Manager Commentary**

The Fund earned an annualized return of 20.05% during June 2012. The return is higher amid principal recovery of a Sukuk which was marked at significant discount to its face value. The return for FY 2012 is an impressive 19.06% against the benchmark return of 7.86%, hence an out-performance of 11.20%. This outperformance is net of management fee and all other expenses.

The Fund is mainly invested in sukuks of Cement, Fertilizer, Utilities and Consumer Electronics sub-sectors with a total allocation of 43.9% in corporate Sukuks. Around 29.08% of the portfolio is allocated to AAA rated Government of Pakistan Ijara Sukuks which coupled with 20.24% allocation in bank deposits provides diversification and liquidity to the portfolio. Going forward, the Fund intends to maintain the present allocation.

The weighted average Yield-to-Maturity of the sukuk portfolio of the Fund is around 17.18% p.a. while, its weighted average time to maturity is 2.20 years. The weighted average time to maturity of the Fund is 0.85 years. Hence, for investors with medium term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, Sukuks prices may go up and down. Therefore, only long-term investors are advised to invest in this Fund.

#### Credit Quality of the Portfolio as of June 29, 2012 (% of Total Assets)



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