

## **NBP** Fullerton Asset Management Ltd. A Subsidiary of

National Bank of Pakistan

# NAFA Islamic Aggressive Income Fund (NIAIF)

MONTHLY REPORT (MUFAP's Recommended Format) Unit Price (30/09/2013): 8.8842

September 2013

Performance				
Performance %	September 2013 *	FYTD Jul 2013 - Sep 2013*	Trailing 12 Months Oct 12 -Sep 13 *	Since Launch October 29, 2007 **
NAFA Islamic Aggressive Income Fund	10.34%	4.27%	8.71%	5.13%
Benchmark	6.41%	6.45%	6.68%	6.75%

<sup>\*</sup> Annualized Simple Return - \*\* (Annualized Return Based on Morningstar Methodology) (Returns are net of management fee & all other expenses)

#### **General Information**

Launch Date: Fund Size: October 29, 2007 Rs. 164 million

Open-end – Shariah Compliant Aggressive Income Fund 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 Type:

Dealing Days:

Dealing Time:

Settlement: Pricing Mechanism Load:

2-3 business days Forward Pricing Front end: 1% (Nil on investment above

Rs. 16 million), Back end: 0%

Management Fee: Risk Profile: Fund Stability Rating: 2.0% per annum Low to Medium

"BBB+ (f)" by PACRA
Lahore Stock Exchange
MCB Financial Services Limited

Listing: Custodian & Trustee: Auditors: KPMG Taseer Hadi & Co.

Chartered Accountants Average 3-month deposit rate of Islamic Banks

Benchmark: Average 3-Hoffit deposit rate of islamic bar Muhammad Imran, CFA, ACCA Growth Unit: Rs. 10,000/-Income Unit: Rs. 100,000/-AM2 by PACRA (Very High Investment Fund Manager: Minimum

Subscription: Asset Manager Rating: Management Standards)

#### Asset Allocation (% of Total Assets) 30-Sep-13 30-Aug-13

Sukuks	24.90%	28.02%
GOP Ijara Sukuks - Govt. Backed	28.61%	28.84%
Cash Équivalents	40.13%	35.58%
Other including receivables	6.36%	7.56%
Total	100.00%	100.00%
Leverage	Nil	Nil

## Top 10 Sukuk (as at September 30th, 2013)

Name of Sukuk	% of Total Assets	
Engro Fertilizer Limited (Sukuk)	13.51%	
GOP Ijarah (Sukuk IX)	8.98%	
GOP Ijarah (Sukuk X)	8.38%	
GOP Ijarah (Sukuk V)	5.86%	
Maple Leaf Cement (Sukuk I)	5.54%	
Kohat Cement Limited (Sukuk)	4.95%	
GOP Ijarah (Sukuk XI)	2.40%	
GOP Ijarah (Sukuk XIII)	1.79%	
GOP Ijarah (Sukuk VII)	1.20%	
Pak Elektron Limited (Sukuk)	0.90%	
Total	53.51%	

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.1,405,512/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0759/0.93%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2013.

#### Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA Sajjad Anwar, CFA Muhammad Ali Bhabha, CFA, FRM Sved Suleman Akhtar, CFA Muhammad Imran, CFA, ACCA

## **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.

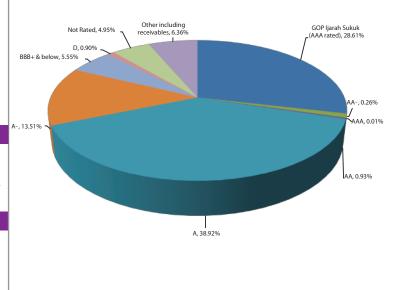
#### **Fund Manager Commentary**

During the month under review, the Fund posted an annualized return of 10.3% as compared to the benchmark return of 6.4%. Outperformance of the Fund during the month is due to the profit & principal repayment of cement sector Sukuks which are valued at a discount to their par values. During CY13 to date, the Fund has posted 8.2% annualized return versus 6.6% by the benchmark.

The allocation in corporate Sukuks with current Weightage at 24.90% of the Gross Assets is diversified among Cement, Fertilizer and Consumer Electronics sub-sectors. Around 29% of the portfolio is allocated to AAA rated GoP Ijara Sukuks which coupled with 40.13% 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 (YTM) of the sukuk portfolio is around 15.49% p.a. and weighted average time to maturity is 1.41 years. The weighted average time to maturity of the Fund is 0.77 years. Hence, for investors with medium to long term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, since Sukuks prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

#### Credit Quality of the Portfolio as of September 30th, 2013 (% of Total Assets)



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. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.