

# NAFA Asset Allocation Fund (NAAF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2018): Rs. 16.2448

January 2018

## Performance %

Performance Period	Jan 2018	FYTD 2018	Rolling 12 Months	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	Last 3 Years*	Last 5 Years*	Since Launch August 20, 2010*
NAFA Asset Allocation Fund	5.8%	(4.4%)	(2.4%)	29.9%	7.6%	24.6%	13.7%	32.0%	11.4%	17.3%	17.9%
Benchmark**	5.8%	(1.5%)	(3.3%)	14.2%	6.2%	9.6%	15.3%	17.1%	6.8%	10.1%	10.8%

\* 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.

## General Information

Launch Date:	August 20, 2010
Fund Size:	Rs. 3,630 million
Type:	Open-end – Asset Allocation Fund
Dealing Days:	Daily – Monday to Friday (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 (%)	3.15% 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 KSE-30 Total Return Index & 6-month KIBOR 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 September 01, 2016; Previously 1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index Total Return.

\*\*\* effective from January 02, 2017

## Investment Objective

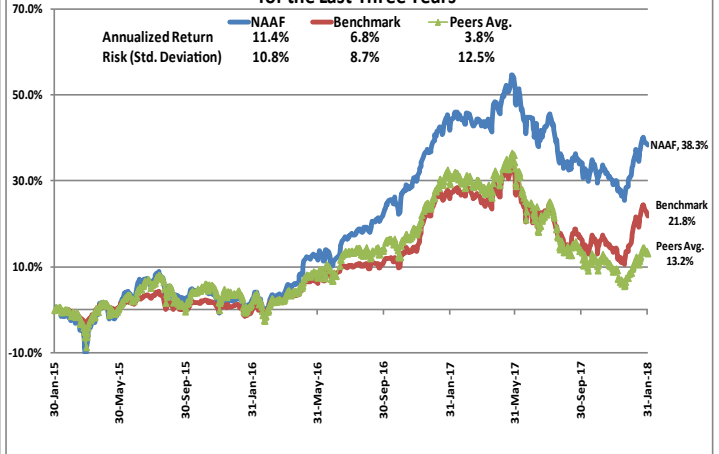
To generate income by investing in Debt & Money Market securities and to generate capital appreciation by investing in equity and equity related securities.

## Fund Manager's Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) unit price (NAV) increased by 5.8%, inline with the Benchmark. Since inception on August 20, 2010 the Fund has posted 17.9% p.a return, versus 10.8% p.a by the Benchmark. Thus, to date the outperformance of your Fund stands at 7.1% p.a. This outperformance is net of management fee and all other expenses.

NAAF started off the month with an allocation of around 57% in equities, which increased to around 62% towards the end of the month. NAAF tracked the Benchmark in January. During the month, the allocation was increased in Fertilizer, Commercial Banks, Fertilizer, Pharmaceuticals, and Power Generation & Distribution Companies sectors, whereas it was reduced primarily in Automobile Assembler, Textile Composite, and Automobile Parts & Accessories sectors.

## Relative Performance of NAFA Asset Allocation Fund (NAAF) for the Last Three Years



## Top Ten Holdings (as on January 31, 2018)

Name	Asset Class	% of Total Assets
Engro Corporation Ltd	Equity	3.5%
Habib Bank Ltd	Equity	3.3%
Oil & Gas Dev.Co	Equity	3.3%
Pak Petroleum Ltd	Equity	3.0%
Bank Al-Falah Ltd	Equity	2.9%
Pakistan Oilfields Ltd	Equity	2.7%
Engro Fertilizer Ltd	Equity	2.7%
Mari Petroleum Company Ltd	Equity	2.6%
Nishat Mills Ltd	Equity	2.1%
United Bank Ltd	Equity	1.9%
<b>Total</b>		<b>28.0%</b>

## Asset Allocation (% of Total Assets) 31-Jan-18 29-Dec-17

Asset Allocation (% of Total Assets)	31-Jan-18	29-Dec-17
Equities / Stocks	61.5%	56.9%
Cash	30.4%	32.9%
Bank Placements	7.6%	8.9%
Others including receivables	0.5%	1.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*\*

	PER	PBV	DY
NAAF	10.1	2.0	4.5%
KSE-30	10.2	2.0	5.6%

\*\*\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on January 31, 2018)

Sector	% of Total Assets
Commercial Banks	13.4%
Oil & Gas Exploration Companies	11.6%
Fertilizer	7.7%
Cement	6.5%
Textile Composite	5.1%
Others	17.2%

## 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 Sindh worker's welfare Fund's liability to the tune of Rs. 18,468,474/- if the same were not made the NAV Per unit/last one year return of the Scheme would be higher by Rs. 0.0827/0.50%. For details investors are advised to read the note 16 of the Financial Statements of the Scheme for the period ended September 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 risks involved.