

# NAFA Asset Allocation Fund (NAAF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/10/2017): Rs. 15.2095

October 2017

## Performance %

Performance Period	Oct 2017	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	(3.7%)	(10.5%)	5.6%	29.9%	7.6%	24.6%	13.7%	32.0%	14.4%	16.5%	17.5%
Benchmark**	(3.4%)	(8.6%)	2.7%	14.2%	6.2%	9.6%	15.3%	17.1%	5.9%	9.3%	10.1%

\* 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. 3,035 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
Dealing Time:	2-3 business days
Settlement:	Forward Pricing
Pricing Mechanism:	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
Load:***	2% per annum
Management Fee:	3.13% p.a (including 0.37% government levies)
Total Expense Ratio (%)	0.4% per annum
Selling & Marketing Expenses	Moderate
Risk Profile:	Pakistan Stock Exchange
Listing:	Central Depository Company (CDC)
Custodian & Trustee:	Deloitte Yousuf Adil
Auditors:	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) decreased by 3.7% whereas the Benchmark decreased by 3.4%, thus an underperformance of 0.3% was recorded. Since inception on August 20, 2010 the Fund has posted 17.5% p.a return, versus 10.1% p.a by the Benchmark. Thus, to date the outperformance of your Fund stands at 7.4% p.a. This outperformance is net of management fee and all other expenses.

NAAF started off the month with an allocation of around 58% in equities, which decreased to around 55% towards the end of the month. NAAF underperformed the Benchmark in October as the Fund was underweight in select Commercial Banks, Fertilizer, and Oil & Gas Exploration Companies sectors stocks which outperformed the market and overweight in select Cement, Textile Composite, Oil & Gas Marketing Companies, and Engineering sectors stocks which underperformed the market. During the month, the allocation was increased in Oil & Gas Exploration Companies sector, whereas it was reduced primarily in Cement, Textile Composite, Automobile Assembler, and Power Generation & Distribution Companies sectors.

Asset Allocation (% of Total Assets)	31-Oct-17	29-Sep-17
Equities / Stocks	54.9%	57.9%
Cash	33.9%	32.6%
Bank Placements	9.5%	8.8%
Others including receivables	1.7%	0.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NAAF	8.5	1.9	4.7%
KSE-30	8.7	1.6	6.2%

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

## Top Five Sectors (% of Total Assets) (as on 31 October, 2017)

Oil & Gas Exploration Companies	11.1%
Commercial Banks	8.0%
Cement	6.8%
Textile Composite	6.0%
Automobile Assembler	4.2%
Others	18.8%

## Name of the Members of Investment Committee

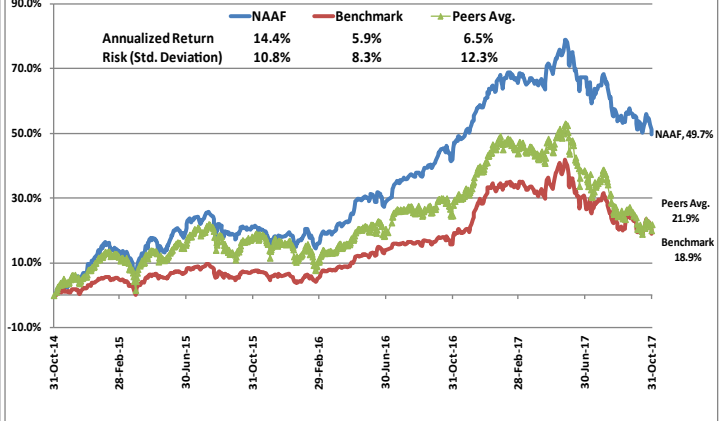
Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Taha Khan Javed, CFA  
Hassan Raza, CFA  
Muhammad Ali Bhabha, CFA, FRM

## 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/return of the Scheme would be higher by Rs. 0.0925/0.64%. 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.

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



## Top Ten Holdings (as on 31 October, 2017)

Name	Asset Class	% of Total Assets
Pakistan Oilfields Ltd	Equity	4.0%
Mari Petroleum Company Ltd	Equity	2.9%
Pak Petroleum Ltd	Equity	2.4%
Engro Corporation Ltd	Equity	2.3%
Millat Tractors Ltd	Equity	2.0%
Oil & Gas Dev Co Ltd	Equity	1.9%
United Bank Ltd	Equity	1.8%
Nishat Mills Ltd	Equity	1.7%
D G Khan Cement Co Ltd	Equity	1.7%
Pakistan State Oil Co. Ltd	Equity	1.7%
<b>Total</b>		<b>22.1%</b>

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