

Nafa Asset Allocation Fund (NAAF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/09/2017): Rs. 15.7984

September 2017

Performance %

Performance Period	Sep 2017	FYTD 2018	Rolling 12 Months Oct 16 - Sep 17	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	Since Launch August 20, 2010*
NAFA Asset Allocation Fund	0.9%	(7.0%)	9.8%	29.9%	7.6%	24.6%	13.7%	32.0%	18.4%
Benchmark**	2.4%	(5.4%)	5.4%	14.2%	6.2%	9.6%	15.3%	17.1%	10.7%

* 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. 3,299 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 (%)	3.12% p.a (including 0.38% 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 0.9% whereas the Benchmark increased by 2.4%, thus an underperformance of 1.5% was recorded. Since inception on August 20, 2010 the Fund has posted 18.4% p.a return, versus 10.7% p.a by the Benchmark. Thus, to date the outperformance of your Fund stands at 7.7% 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 58% towards the end of the month. NAAF underperformed the Benchmark in September as the Fund was underweight in select Commercial Bank, Fertilizer, and Oil & Gas Exploration Companies sectors stocks which outperformed the market and overweight in select Cement, Textile Composite, Automobile Assembler, and Engineering sectors stocks which underperformed the market. During the month, the allocation was increased in Commercial Banks, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, Fertilizer and Textile Composite sectors, whereas it was reduced primarily in Cement and Engineering sectors.

Asset Allocation (% of Total Assets)	29-Sep-17	31-Aug-17
Equities / Stocks	57.9%	57.2%
Cash	32.6%	9.7%
Bank Placements	8.8%	9.0%
T-Bills	0.0%	23.3%
Others including receivables	0.7%	0.8%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio****

	PER	PBV	DY
NAAF	9.1	1.3	4.2%
KSE-30	9.6	1.7	5.6%

**** Based on Nafa's estimates

Top Five Sectors (% of Total Assets) (as on 29 September, 2017)

Oil & Gas Exploration Companies	9.8%
Commercial Banks	8.2%
Cement	7.3%
Textile Composite	7.1%
Automobile Assembler	4.6%
Others	20.9%

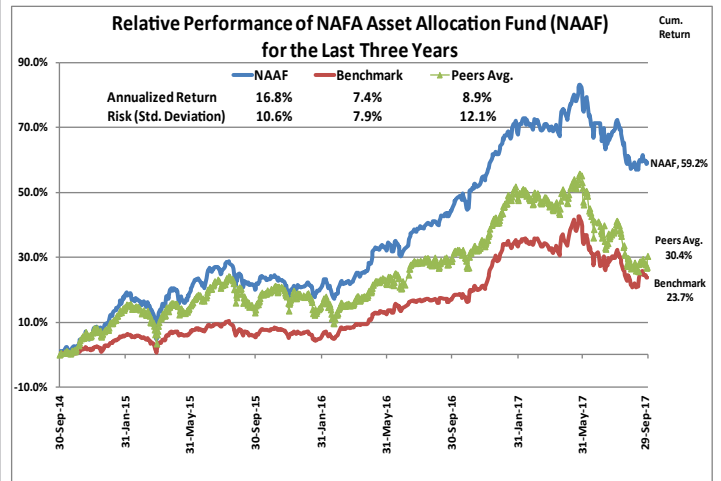
Name of the Members of Investment Committee

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. 0.0884/0.62%. For details investors are advised to read the note 16 of the Financial Statements of the Scheme for the year ended June 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.



Top Ten Holdings (as on 29 September, 2017)

Name	Asset Class	% of Total Assets
Pakistan Oilfields Ltd	Equity	3.1%
Mari Petroleum Company Ltd	Equity	2.7%
Engro Corporation Ltd	Equity	2.6%
Pak Petroleum Ltd	Equity	2.2%
Millat Tractors Ltd	Equity	2.1%
Nishat (Chunian) Ltd	Equity	2.1%
Indus Motor Company Ltd	Equity	2.0%
Nishat Mills Ltd	Equity	1.8%
Oil & Gas Dev.Co	Equity	1.8%
Pakistan State Oil Co. Ltd	Equity	1.8%
Total		22.2%

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.