

# NAFA Asset Allocation Fund (NAAF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/12/2016): Rs.18.5228

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Rolling 12 Months Jan 16-Dec 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010*
NAFA Asset Allocation Fund	7.1%	24.9%	35.9%	7.6%	24.6%	13.7%	32.0%	14.4%	21.4%
Benchmark**	9.3%	14.7%	22.9%	6.2%	9.6%	15.3%	17.1%	8.1%	13.1%

\* 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. 2,331 million  
Type: Open-end – Asset Allocation Fund  
Dealing Days: Daily – Monday to Friday  
Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M  
(Friday) 9:00 A.M to 5:30 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  
2% per annum  
Management Fee: 2.85% p.a (including 0.38% government levies)  
Total Expense Ratio (%)  
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: Asim Wahab Khan, CFA  
Minimum Subscription: Rs. 10,000/-  
Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

\*\* 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 from January 01, 2014, KSE-30 Total Return Index  
\*\*\* 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 7.1% while the Benchmark increased by 9.3%. Thus your Fund underperformed the Benchmark by 2.2%. Since inception on August 20, 2010 the Fund has posted 21.4% p.a return, versus 13.1% p.a by the Benchmark. Thus, to date the outperformance of your Fund stands at 8.3% p.a. This outperformance is net of management fee and all other expenses.

NAAF started off the month with an allocation of around 61% in equities, which increased to around 65% towards the end of the month. NAAF underperformed the Benchmark in December as the Fund was underweight in select Commercial Banks, Oil & Gas Exploration Companies, Cement, Food & Personal Care Products, Power Generation & Distribution Companies, and Pharmaceuticals sectors stocks which outperformed the market and overweight in select Textile Composite, Glass & Ceramics, Engineering, Oil & Gas Marketing Companies, Automobile Assembler, Technology & Communication, and Transport sectors stocks which underperformed the market. During the month, the allocation was increased Primarily in Cement, Oil & Gas Exploration Companies, Oil & Gas marketing Companies, Commercial Banks, Power Generation & Distribution Companies, and Textile Composite sectors, whereas it was reduced primarily in Automobile Assembler, Glass & Ceramics, and Engineering sectors.

Asset Allocation (% of Total Assets)	30-Dec-16	30-Nov-16
Equities / Stocks	65.1%	60.6%
Cash	32.2%	35.4%
Bank Placements	2.2%	2.7%
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	9.6	3.3	3.7%
KSE-30	11.2	2.8	4.9%

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

## Top Five Sectors (% of Total Assets) (as on 30 Dec, 2016)

Oil & Gas Exploration Companies	10.1%
Cement	9.6%
Commercial Banks	9.4%
Textile Composite	8.8%
Oil & Gas Marketing Companies	5.2%
Others	22.0%

## Name of the Members of Investment Committee

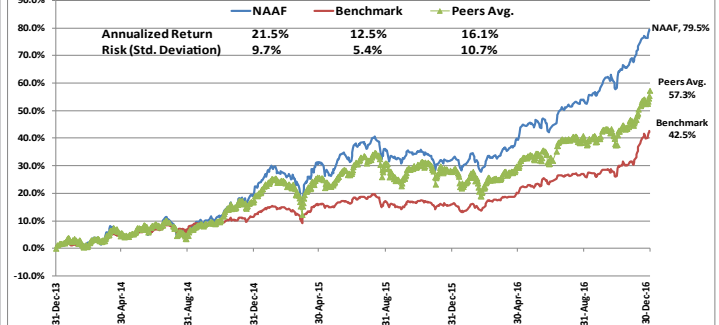
Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA  
Muhammad Ali Bhabha, CFA, FRM

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 18,637,505/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1507/1.12%. For details investors are advised to read Note 8 of the Financial Statements of the Scheme for the period ended September 30, 2016. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

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 30 Dec, 2016)

Name	Asset Class	% of Total Assets
Lucky Cement Ltd	Equity	2.8%
Mari Petroleum Company Ltd	Equity	2.8%
Pak Petroleum Ltd	Equity	2.6%
Nishat Mills Ltd	Equity	2.6%
Attock Cement Pakistan Ltd	Equity	2.6%
Engro Corporation Ltd	Equity	2.5%
Pakistan Oilfields Ltd	Equity	2.5%
D G Khan Cement Co Ltd	Equity	2.4%
Shell Pakistan Ltd	Equity	2.4%
Kohinoor Textile Mills Ltd	Equity	2.4%
<b>Total</b>		<b>25.6%</b>

**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.