



Performance

Performance %	September 2013 *	FYTD Jul 2013 - Sep 2013*	Trailing 12 Months Oct 12 -Sep 13*	Since Launch October 28, 2011 **
NAFA Financial Sector Income Fund	7.50%	7.65%	8.51%	10.26%
Benchmark	8.41%	8.34%	8.58%	9.54%

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

General Information

Launch Date: October 28, 2011  
Fund Size: Rs. 4,992 Million  
Type: Open-end – Income Fund  
Dealing Days: Daily – Monday to Saturday  
Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M  
(Friday) 9:00 A.M to 5:30 P.M  
(Saturday) 9:00 A.M to 1:00 P.M  
Settlement: 2-3 business days  
Pricing Mechanism: Forward Pricing  
Load: Front end: 1% (Nil on investment above Rs. 16 million) Back end: 0%  
Management Fee: 1.5% per annum  
Risk Profile: Low  
Fund stability rating: A+(f) by PACRA  
Listing: Lahore Stock Exchange  
Custodian & Trustee: Central Depository Company (CDC)  
Auditors: A. F. Ferguson & Co. Chartered Accountants  
Benchmark: 70% 6-Month KIBOR & 30% average 3-Month deposit rates (A & above rated banks) Salman Ahmed  
Fund Manager: Growth Unit: Rs. 10,000/-  
Subscription: Income Unit: Rs. 100,000/-  
Asset Manager Rating: AM2 by PACRA (Very High Investment Management Standards)

Investment Objective

To provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.

Fund Manager Commentary

The Fund generated an annualized return of 7.5% for the month of September 2013 versus the benchmark return of 8.4%. Since its launch in October 2011, the Fund offered an annualized return of 10.3% against the benchmark return of 9.5%, hence an out-performance of 0.8% p.a. This out-performance is net of management fee and all other expenses.

The Fund is unique as it invests a minimum 70% of its assets in Financial Sector (mainly banks) debt securities, instruments or deposits. Minimum entity rating of issuers of debt securities is AA minus. This minimizes credit risk and at the same time enhances liquidity of the Fund. Duration of the overall portfolio cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances liquidity profile of the Fund.

Exposure in TFCs was 26.20% at the end of the month with average time to maturity of 3.72 years and Yield to Maturity of 10.48% p.a. The TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. The weighted average time-to-maturity of the Fund is 0.98 years.

As the Fund is invested in floating rate TFCs and other short-term avenues any hike in interest rate is likely to improve the return of the Fund. We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

Asset Allocation (% of Total Assets) 30-Sep-13 31-Aug-13

TFCs	26.20%	30.53%
Placement with DFIs	-	5.96%
Placement with Banks	-	9.94%
Cash Equivalents	72.34%	51.73%
Other including receivables	1.46%	1.84%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top 10 TFC (as at September 30, 2013)

Name of TFC	% of Total Assets
Bank Alfalah Limited IV - FT	7.42%
Faysal Bank Limited III	6.18%
Askari Bank Limited III	3.11%
Pakistan Mobile Communication Limited (28 Oct 08)	2.44%
Bank Alfalah Limited IV - FX	1.23%
Allied Bank Limited II	1.20%
Standard Chartered Bank (Pakistan) Limited IV	1.01%
Pakistan Mobile Communication Limited (17 Sep 13)	0.99%
Askari Bank Limited IV	0.91%
Pak Libya Holding Company	0.82%
Total	25.31%

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 11,281,252/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0237/0.25%. For details investors are advised to read note 6 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  
Syed Suleman Akhtar, CFA  
Salman Ahmed

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

