

# NAFA Government Securities Savings Fund (NGSSF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/12/2016): Rs. 10.5406

December 2016

## Performance %

Performance Period	Dec 2016	FYTD 2017	Trailing 12 months Jan 16 - Dec 16	FY 2016	Since Launch July 10, 2014*
NAFA Government Securities Savings Fund	5.4%	4.9%	5.4%	6.5%	9.2%
Benchmark**	6.0%	5.7%	5.8%	6.2%	7.3%

\* Annualized Return Based on Morning Star Methodology The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable  
All other returns are Annualized Simple Return

## General Information

Launch Date:	July 10, 2014
Fund Size:	Rs. 158 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 Load:***	Forward Pricing Front End Load (Individual): without life insurance 1%, with life insurance 3% (Nil on investment above Rs. 26 million) Front End Load (Other): 1% (Nil on investment above Rs. 16 million) Back End Load: NIL
Management Fee:	10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)
Total Expense Ratio:	1.60% p.a.(including 0.17% government levies)
Risk Profile:	Low
Fund stability rating Listing:	"AA- (f)" by PACRA Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:**	6-Month PKRV
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2++ by PACRA (High Investment Management Standards)

\*\* effective from September 01, 2016; Previously 70% average 6-Month PKRV & 30% average 3-Month deposit rates (A+ & above rated banks)

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

Asset Allocation (% of Total Assets)	31-Dec-16	30-Nov-16
PIBs	27.9%	31.7%
Tbills	25.1%	19.6%
Bank Deposits	45.1%	46.6%
Others including receivables	1.9%	2.1%
Total	100.0%	100.0%
Leverage	Nil	Nil

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1,621,195/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.1081/1.08%. 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.

## Name of the Members of Investment Committee

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

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.

## Investment Objective

To provide competitive return from portfolio of low credit risk by investing primarily in Government Securities.

## Fund Manager Commentary

During the month under review, the Fund has generated an annualized return of 5.4% against the benchmark return of 6.0%. Since its launch in July 2014, the Fund offered an annualized return of 9.2% against the Benchmark return of 7.3%, hence an outperformance of 1.9% p.a. This outperformance is net of management fee and all other expenses.

NAFA Government Securities Savings Fund (NGSSF) invests a minimum of 70% in Government Securities. The Fund invests a minimum 10% of its assets in less than 90 days T-Bills or saving accounts with banks, which enhances liquidity profile of the Fund.

As the asset allocation of the Fund shows, exposure in Government Securities was 53.0% of the Total Assets and 73.4% of Net Assets at the end of the month with average Yield to Maturity of 5.9% p.a. Last one year allocation in Government Securities was around 76.9% of net assets. The weighted average time-to-maturity of the Fund is 0.21 year.

We will rebalance the allocation of the fund proactively based on the capital market outlook.

## Credit Quality of the Portfolio as of Dec 31, 2016 (% of Total Assets)

PIBs (AAA rated)	27.9%
T-Bills (AAA rated)	25.1%
AAA	9.5%
AA+	25.2%
AA	0.4%
AA-	0.4%
A+	9.4%
A-	0.2%
Others including receivables	1.9%
Total	100.0%