



## Performance

Performance %	January 2014 *	FYTD Jul 2013 - Jan 2014*	Trailing 12 Months Feb 13 -Jan 14 *	Since Launch October 29, 2007 **
NAFA Islamic Aggressive Income Fund	14.25%	8.66%	9.82%	5.51%
Benchmark	6.51%	6.48%	6.53%	6.74%

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

## General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 188 million
Type:	Open-end – Shariah Compliant Aggressive Income 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: 1% (Nil on investment above Rs. 16 million), Back end: 0%
Management Fee:	1.0% per annum
Risk Profile:	Low to Medium
Fund Stability Rating:	"BBB+ (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	MCB Financial Services Limited
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	Average 3-month deposit rate of Islamic Banks
Fund Manager:	Muhammad Imran, CFA, ACCA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA (Very High Investment Management Standards)

## Investment Objective

To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.

## Fund Manager Commentary

During the month under review, the Fund posted an annualized return of 14.3% as compared to the benchmark return of 6.5%. Outperformance of the Fund during the month is due to 1) profit payment of non performing Household Goods sector and cement sub-sector sukuk 2) mark to market gain in a sukuk. During FYTD, the Fund has posted 8.7% annualized return versus 6.5% by the benchmark, hence an outperformance of 2.2% p.a. Furthermore, the Management Fee of the Fund has been reduced to 1% from 2% from January 16, 2014 onwards which will contribute to the performance of the Fund going forward.

The allocation in corporate Sukuks with current Weightage at 19.59% is diversified among Cement, Fertilizer and Household Goods sector. Around 9.50% of the portfolio is allocated to AAA rated GoP Ijarah Sukuks which coupled with 64.5% allocation in bank deposits provides diversification and liquidity to the portfolio. Going forward, the Fund intends to maintain the present allocation.

The weighted average Yield-to-Maturity (YTM) of the sukuk portfolio is around 21.5% p.a. and weighted average time to maturity is 1.45 years. The weighted average time to maturity of the Fund is 0.43 years. Hence, for investors with medium to long term investment horizon, the Fund offers an attractive opportunity to earn decent returns. However, since Sukuks prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

## Asset Allocation (% of Total Assets) 31-Jan-14 31-Dec-13

	31-Jan-14	31-Dec-13
Sukuks	19.59%	21.50%
GOP Ijarah Sukuks - Govt. Backed	9.50%	10.59%
Cash Equivalents	64.50%	61.53%
Other including receivables	6.41%	6.38%
Total	100.00%	100.00%
Leverage	Nil	Nil

## Top 10 Sukuks (as at January 31st, 2014)

Name of Sukuk	% of Total Assets
Engro Fertilizer Limited (Sukuk)	12.22%
GOP Ijarah (Sukuk X)	4.75%
Maple Leaf Cement (Sukuk I)	4.71%
Kohat Cement Limited (Sukuk)	2.66%
GOP Ijarah (Sukuk XI)	2.11%
GOP Ijarah (Sukuk XIII)	1.59%
GOP Ijarah (Sukuk VII)	1.05%
Total	29.09%

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.1,502,716/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0738/0.88%. For details investors are advised to read note 7 of the Financial Statements of the Scheme for the quarter ended September 30, 2013.

## Name of the Members of Investment Committee

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

## Credit Quality of the Portfolio as of January 31st, 2014 (% of Total Assets)

