

MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2017): Rs. 9.7877

January 2017

## Performance %

Performance Period	Jan 2017	FYTD 2017	Trailing 12 months Feb 16 - Jan 17	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch October 26, 2007*
NAFA Islamic Aggressive Income Fund	5.0%	5.4%	6.1%	7.4%	9.2%	13.6%	6.8%	19.0%	6.7%
Benchmark**	4.4%	4.5%	4.5%	4.8%	6.6%	6.5%	7.0%	7.9%	6.4%

\* Annualized Return Based on Morning Star Methodology  
All other returns are Annualized Simple Return

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:	October 26, 2007
Fund Size:	Rs. 2,616 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 Load (Individual): without life Takaful 1%, with life Takaful 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:	1.20% p.a. (including 0.33% government levies)
Risk Profile:	Low to Medium
Fund Stability Rating:	"A-(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:**	1-year average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP
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 Average 3-month deposit rate of Islamic Banks  
\*\*\* effective from January 02, 2017

## Asset Allocation (% of Total Assets) 31-Jan-17 30-Dec-16

	31-Jan-17	30-Dec-16
Sukus	1.6%	1.6%
GOP Ijarah Sukus - Govt. Backed	3.9%	3.9%
Bank Deposits	93.9%	93.6%
Others including receivables	0.6%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Top Sukuk Holdings (as at Jan 31, 2017)

Name of Sukuk	% of Total Assets
K Electric Azm Sukuk - 5 Yrs	1.0%
K Electric Azm Sukuk - 3 Yrs	0.6%
<b>Total</b>	<b>1.6%</b>

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 2,508,107/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0094/0.10%.

## 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.

**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 Document to understand investment policies and the risks involved. The reported returns may include provisioning and reversal of provisioning against some debt securities.

## Investment Objective

To seek preservation of capital and earn a reasonable rate of return in a Shariah compliant manner.

## Fund Manager Commentary

During the month under review, the Fund posted an annualized return of 5.0% as compared to the Benchmark return of 4.4% thus registering an outperformance of 0.6% p.a. Outperformance during the month was on account of reversal of Workers' Welfare Fund's (WWF) provisioning. During FYTD, the Fund has posted 5.4% annualized return versus 4.5% by the Benchmark, hence an outperformance of 0.9% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukus stood at around 1.6% of the net assets. Around 94.9% of net assets of the portfolio is allocated in bank deposits. The higher allocation in bank deposits is due to better yields as compared to other authorized alternative investment avenues.

The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio is around 5.71% p.a. and weighted average time to maturity is 1.7 years. The weighted average time to maturity of the Fund is 35 days.

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

SECP has approved the change in category of NAFA Islamic Aggressive Income Fund from Shariah Compliant Aggressive Income Fund to Shariah Compliant Income Fund w.e.f. March 14, 2017. Consequently name of NAFA Islamic Aggressive Income Fund will be NAFA Islamic Income Fund from March 14, 2017.

## Credit Quality of the Portfolio as of Jan 31, 2017 (% of Total Assets)

GOP Ijarah Sukuk (AAA rated)	3.9%
AAA	42.5%
AA+	0.3%
AA	1.7%
A+	1.6%
A-	49.4%
Others including receivables	0.6%
<b>Total</b>	<b>100.0%</b>