

NAFA Islamic Aggressive Income Fund (NIAIF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/05/2016): Rs. 10.1063

May 2016

Performance %

Performance Period	May 2016	FYTD 2016	Rolling 12 Months June 15 - May 16	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Since Launch October 26, 2007*
NAFA Islamic Aggressive Income Fund	5.8%	7.2%	7.8%	9.2%	13.6%	6.8%	19.0%	9.0%	6.8%
Benchmark	4.6%	4.8%	4.9%	6.6%	6.5%	7.0%	7.9%	7.1%	6.5%

* 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. 2,576 million
Type:	Open-end – Shariah Compliant Aggressive Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time (Ramadan):	(Mon - Thr) 8:30 A.M to 3:00 P.M (Friday) 8:30 A.M to 12:30 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:	10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)
Risk Profile:	Low to Medium
Fund Stability Rating:	"A-(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
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 (High Investment Management Standards)

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 5.8% as compared to the Benchmark return of 4.6% thus registering an outperformance of 1.2% p.a. During FYTD, the Fund has posted 7.2% annualized return versus 4.8% by the Benchmark, hence an outperformance of 2.4% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukuks stood at around 1.6% of the total assets. Around 93.6% 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 5.8% p.a. and weighted average time to maturity is 2.4 years. The weighted average time to maturity of the Fund is 49 days.

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

Asset Allocation (% of Total Assets) 31-May-16 30-Apr-16

Sukuks	1.6%	1.7%
GOP Ijarah Sukuks - Govt. Backed	3.8%	4.2%
Bank Deposits	93.6%	93.1%
Other including receivables	1.0%	1.0%
Total	100.0%	100.0%
Leverage	Nil	Nil

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

GOP Ijarah Sukuk (AAA rated)	3.8%
AAA	16.3%
AA	1.7%
AA-	0.1%
A+	34.5%
A	0.2%
A-	42.4%
Other including receivables	1.0%
Total	100.0%

Top Sukuk Holdings (as at May 31, 2016)

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

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 2,944,049/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0115/0.12%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 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
Muhammad Imran, CFA, ACCA

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.

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