



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/12/2014): Rs. 10.0199

December 2014

## Performance %

Performance Period	December 2014	FYTD 2015	Rolling 12 Months	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	Since Launch March 28, 2008*
NAFA Income Fund	18.7%	14.5%	5.8%	2.3%	6.9%	(6.9%)	(4.2%)	8.7%	2.8%
Benchmark	9.7%	10.0%	10.1%	9.8%	9.9%	12.4%	13.2%	12.1%	11.5%

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

[Net of management fee & all other expenses]

## General Information

Launch Date:	March 28, 2008
Fund Size:	Rs. 538 million
Type:	Open-end – 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
Fund Stability Rating	"A- (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	MCB Financial Services Limited
Auditors:	M. Yousuf Adil Saleem & Co. Chartered Accountants
Benchmark:	6-Month KIBOR
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 (Very High Investment Management Standards)

## Investment Objective

To earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets.

## Fund Manager Commentary

The Fund posted an annualized return of 18.7% during December 2014 versus the Benchmark return of 9.7%. Outperformance of the Fund during the month is due to market gain in PIB holdings. The annualized return during FYTD is 14.5% against the Benchmark return of 10.0%, hence an outperformance of 4.5% p.a. This outperformance is net of management fee and all other expenses.

As the allocation of the Fund shows, exposure in TFCs and Sukuks stands at 33.8%. All TFCs in the Fund are floating rate instruments linked to KIBOR.

The weighted average Yield-to-Maturity of the Fund is around 10.2% p.a. while its weighted average time to maturity is 1.7 years. This yield does not include potential recovery in fully provided TFCs (Face Value of Rs. 312 million), which is potential upside for the Fund. Thus, the Fund is expected to perform well over the medium to long term horizon. However, since TFCs 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-Dec-14 28-Nov-14

	31-Dec-14	28-Nov-14
TFCs / Sukuks	33.82%	40.14%
T-Bills	-	18.30%
PIBs	37.27%	31.21%
Cash Equivalents	25.84%	6.74%
Others including receivables	3.07%	3.61%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## TFC / Sukuk (as at December 31, 2014)

Name of TFC / Sukuk	% of Total Assets
K Electric Azm Sukuk	9.32%
HASCOL Pvt Ltd TFC	8.27%
Faysal Bank Limited	4.73%
Jahangir Siddiqui and Company Ltd. 08-APR-14	4.36%
Engro Fertilizer Limited (PPTFC)	2.65%
Bank Alfalah Limited (Floater)	1.87%
Allied Bank Limited II	1.79%
Jahangir Siddiqui and Company Ltd. 30-OCT-12	0.45%
Engro Fertilizers Limited 17-DEC-09	0.38%
<b>Total</b>	<b>33.82%</b>

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.3,305,291/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0616/0.65%. For details investors are advised to read note 8 of the Financial Statements of the Scheme for the quarter ended September 30, 2014.

## Name of the Members of Investment Committee

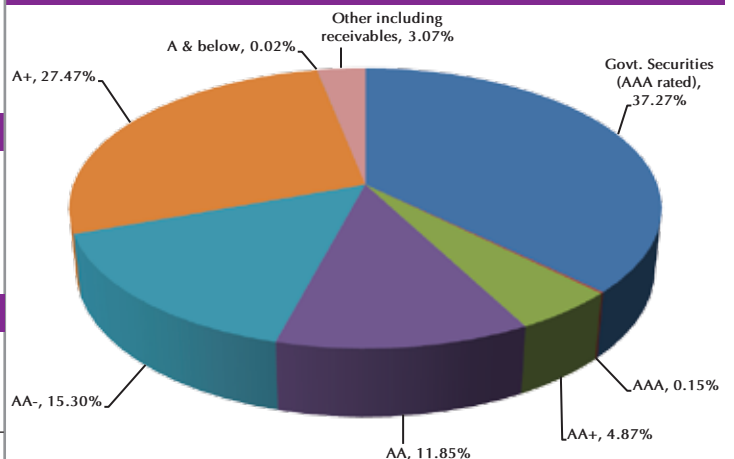
Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
Syed Suleman Akhtar, CFA

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 Income Tax Ordinance.

## Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
World Call Telecom Limited	TFC	29,982,002	29,982,002	-	n/a	n/a	n/a
Saudi Pak Leasing	TFC	41,321,115	41,321,115	-	n/a	n/a	n/a
Eden Housing (Sukuk II)	SUKUK	19,687,500	19,687,500	-	n/a	n/a	n/a
Agritech Limited II	TFC	149,875,800	149,875,800	-	n/a	n/a	n/a
Agritech Limited V	TFC	22,180,000	22,180,000	-	n/a	n/a	n/a
New Allied Electronics (Sukuk II)	SUKUK	49,054,371	49,054,371	-	n/a	n/a	n/a
<b>Total</b>		<b>312,100,788</b>	<b>312,100,788</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	

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



**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. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand investment policies and the risks involved. The scheme holds certain non-complaint investments. Before making any investment decision, investors should review the latest monthly Fund Manager Report and Financial Statements.