



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2014): Rs. 9.5330

January 2014

## Performance

Performance %	January 2014 *	FYTD Jul 2013 - Jan 2014*	Trailing 12 Months Feb 13 -Jan 14 *	Since Launch March 29, 2008 **
NAFA Income Fund	7.87%	7.52%	9.86%	2.39%
Benchmark	10.14%	9.58%	9.55%	11.71%

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

## General Information

Launch Date: March 29, 2008  
Fund Size: Rs. 512 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: 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 7.9% during January 2014 versus the benchmark return of 10.1%. During the last one year the Fund has outperformed its benchmark by 0.3% by earning an annualized return of 9.9%. This outperformance is net of management fee and all other expenses. 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.

As the allocation of the Fund shows, exposure in TFCs and Sukuks stand at 36.4%. The weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is around Rs. 92 against the par value of Rs.100. All TFCs in the Fund are floating rate instruments linked to KIBOR.

The weighted average Yield-to-Maturity of the Fund is around 16.6% p.a. while its weighted average time to maturity is 1.29 years. This yield does not include potential recovery in fully provided TFCs (Face Value of Rs. 251 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-Jan-14 31-Dec-13

TFCs / Sukuks	36.37%	36.73%
PIBs	0.10%	0.10%
Placement with Banks	-	19.45%
Cash Equivalents	61.65%	41.88%
Others including receivables	1.88%	1.84%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## Details of Non-Compliant Investments

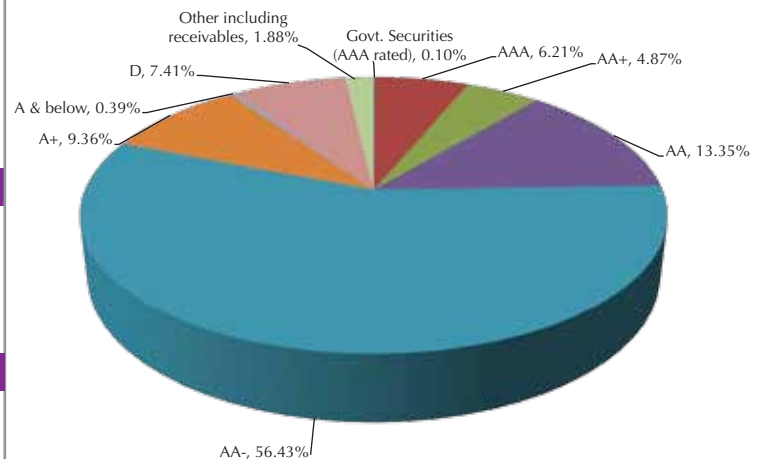
Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
World Call Telecom Limited	TFC	29,982,002	29,982,002	-	n/a	n/a	n/a
Saudi Pak Leasing***	TFC	42,522,165	-	21,261,083	4.15%	4.11%	64.72%
Eden Housing (Sukuk II)	SUKUK	26,250,000	9,151,039	17,098,961	3.34%	3.30%	118.61%
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>319,864,338</b>	<b>260,243,212</b>	<b>38,360,044</b>	<b>7.49%</b>	<b>7.41%</b>	

\*\*\*Said TFC is performing but classified as Non-Compliant on the basis of required rating. Due to this the difference between the Value of Investment before provision and after provision is mark to market loss instead of provisioning.

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

Name of TFC / Sukuk	% of Total Assets
Engro Fertilizers Limited 30-NOV-07	6.15%
Standard Chartered Bank (Pakistan) Limited IV	5.82%
Faysal Bank Limited	5.04%
Jahangir Siddiqui and Co Ltd	4.83%
Saudi Pak Leasing	4.11%
Eden Housing (Sukuk II)	3.30%
Engro Fertilizer Limited (PPTFC)	2.68%
Bank Alfalah Limited (Floater)	2.03%
Allied Bank Limited II	1.90%
Engro Fertilizers Limited 17-DEC-09	0.51%
<b>Total</b>	<b>36.37%</b>

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



## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.2,771,893/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0516/0.59%. For details investors are advised to read note 8 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

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