

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 March 28, 2008* |
|--------------------|----------|-----------|------------------------------------|---------|---------|---------|---------|---------|------------------------------|
| NAFA Income Fund | 8.2% | 7.0% | 6.7% | 6.9% | 13.7% | 2.3% | 6.9% | (6.9%) | 4.1% |
| Benchmark | 6.1% | 6.1% | 6.2% | 6.5% | 9.0% | 9.8% | 9.9% | 12.4% | 10.4% |

* 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: | March 28, 2008 |
| Fund Size: | Rs. 850 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 Load (Individual): 1% (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: | 1.87% p.a. (including 0.58% government levies) |
| Risk Profile: | Low |
| Fund Stability Rating | "A (f)" by PACRA |
| Listing: | Pakistan Stock Exchange |
| Custodian & Trustee: | MCB Financial Services Limited |
| Auditors: | Deloitte Yousuf Adil Chartered Accountants |
| Benchmark: | 6-Month KIBOR |
| Fund Manager: | Muhammad Ali Bhabha, CFA, FRM |
| Subscription: | Minimum Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- |
| Asset Manager Rating: | AM2++ by PACRA (High Investment Management Standards) |

** effective from January 02, 2017

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

| | 31-Jan-17 | 30-Dec-16 |
|------------------------------|---------------|---------------|
| TFCs / Sukuks | 19.2% | 19.4% |
| T-Bills | 3.5% | 3.5% |
| MTS | 17.0% | 32.6% |
| Placement with Banks | 10.6% | 10.7% |
| Bank Deposits | 48.5% | 32.7% |
| Others including receivables | 1.2% | 1.1% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Top TFC (as at Jan 31, 2017)

| Name of TFC / Sukuk | % of Total Assets |
|--|-------------------|
| K Electric Azm Sukuk | 5.7% |
| Jahangir Siddiqui and Company Ltd. 24-Jun-16 24-Jun-21 | 4.8% |
| Askari Commercial Bank Limited 30-SEP-14 30-SEP-24 | 4.3% |
| Jahangir Siddiqui and Company Ltd. 08-APR-14 | 2.0% |
| Faysal Bank Limited | 1.5% |
| Bank Alfalah Limited (Floater) | 0.9% |
| Total | 19.2% |

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 1,684,018/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0201/0.21%.

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.

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 8.2% during January 2017 versus the Benchmark return of 6.1%. Outperformance during the month was on account of reversal of Workers' Welfare Fund's (WWF) provisioning. The annualized return during FYTD is 7.0% against the Benchmark return of 6.1%, hence an outperformance of 0.9% 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 19.3% of net assets. All TFCs in the Fund are floating rate instruments linked to KIBOR.

The weighted average Yield-to-Maturity of the Fund is around 6.8% p.a. while its weighted average time to maturity is 0.5 year. This yield does not include potential recovery in fully provided TFCs (Face Value of around Rs. 309 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.

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

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 |
|-----------------------------------|--------------------|---------------------------------------|--------------------|--------------------------------------|-----------------|-------------------|
| AgriTech Limited II | TFC | 149,875,800 | 149,875,800 | - | - | - |
| AgriTech Limited V | TFC | 22,180,000 | 22,180,000 | - | - | - |
| Eden Housing (Sukuk II) | SUKUK | 19,687,500 | 19,687,500 | - | - | - |
| New Allied Electronics (Sukuk II) | SUKUK | 49,054,371 | 49,054,371 | - | - | - |
| Saudi Pak Leasing | TFC | 41,321,115 | 41,321,115 | - | - | - |
| World Call Telecom Limited | TFC | 26,881,190 | 26,881,190 | - | - | - |
| Total | | 308,999,976 | 308,999,976 | - | - | - |

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

| | |
|------------------------------|---------------|
| Govt. Securities (AAA rated) | 3.5% |
| AAA | 0.1% |
| AA+ | 21.9% |
| AA | 8.9% |
| AA- | 33.7% |
| A+ & below | 13.7% |
| MTS (Unrated) | 17.0% |
| Others including receivables | 1.2% |
| Total | 100.0% |

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 scheme holds certain non-compliant investments. Before making any investment decision, investors should review the latest monthly Fund Manager Report and Financial Statements. The reported returns may include provisioning and reversal of provisioning against some debt securities.