

Performance %

| Performance Period | June 2016 | CYTD 2016 | FY 2016 | FY 2015 | FY 2014 | FY 2013 | FY 2012 | Since Launch March 28, 2008* |
|--------------------|-----------|-----------|---------|---------|---------|---------|---------|------------------------------|
| NAFA Income Fund | 6.3% | 6.2% | 6.9% | 13.7% | 2.3% | 6.9% | (6.9%) | 3.9% |
| Benchmark | 6.1% | 6.3% | 6.5% | 9.0% | 9.8% | 9.9% | 12.4% | 10.7% |

* 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. 619 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: | 10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.) |
| 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 |
| 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 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 6.3% during June 2016 versus the Benchmark return of 6.1%. The annualized return during FY16 is 6.9% against the Benchmark return of 6.5%, hence an outperformance of 0.4% 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 28%. All TFCs in the Fund are floating rate instruments linked to KIBOR

The weighted average Yield-to-Maturity of the Fund is around 7.6% p.a. while its weighted average time to maturity is 0.9 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.

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

| | | |
|------------------------------|-------|-------|
| TFCs / Sukuks | 28.0% | 26.9% |
| T-Bills | 6.6% | 6.1% |
| MTS | 20.5% | 13.2% |
| Placement with Banks | 16.2% | 18.1% |
| Bank Deposits | 26.9% | 34.2% |
| Others including receivables | 1.8% | 1.5% |

Total 100.0% 100.0%

Leverage Nil Nil

Top TFC (as at June 30, 2016)

| Name of TFC / Sukuk | % of Total Assets |
|--|-------------------|
| K Electric Azm Sukuk | 7.8% |
| Jahangir Siddiqui and Company Ltd. (Pre IPO) 16-MAY-16 16-MAY-21 | 6.4% |
| Askari Commercial Bank Limited 30-SEP-14 30-SEP-24 | 6.0% |
| Faysal Bank Limited | 3.0% |
| Jahangir Siddiqui and Company Ltd. 08-APR-14 | 3.2% |
| Bank Alfalah Limited (Floater) | 1.6% |
| Total | 28.0% |

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 4,095,302/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0644/0.71%. 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

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.

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

Credit Quality of the Portfolio as of June 30, 2016 (% of Total Assets)

| | |
|------------------------------|---------------|
| Govt. Securities (AAA rated) | 6.6% |
| AAA | 0.3% |
| AA+ | 32.7% |
| AA | 10.9% |
| AA- | 10.9% |
| A+ & below | 16.3% |
| MTS (Unrated) | 20.5% |
| Other including receivables | 1.8% |
| 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.