

# NAFA Islamic Principal Protected Fund-II (NIPPF-II)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/01/2017): Rs.100.0797

January 2017

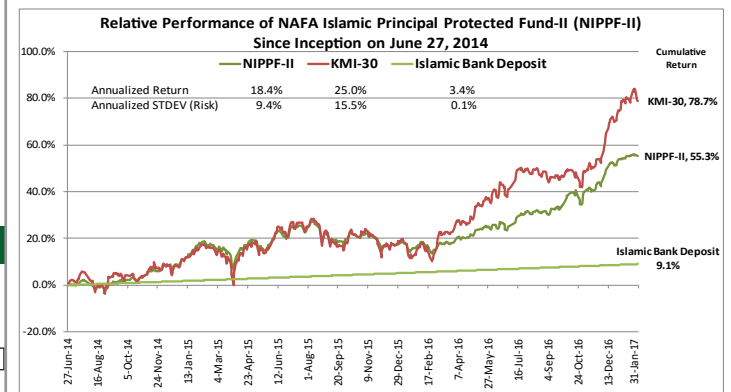
Performance Period	Jan 2017	FYTD 2017	Rolling 12 Months Feb 16 - Jan 17	FY 2016	FY 2015	Since Launch June 27, 2014*
NAFA Islamic Principal Protected Fund-II (NIPPF-II)	0.9%	24.0%	33.4%	3.3%	21.0%	18.4%
Benchmark	0.4%	15.4%	29.9%	8.9%	12.2%	14.3%

\* Annualized Return The performance reported is net of management fee & all other expenses and based on All Other returns are Cumulative dividend reinvestment gross of with-holding tax where applicable.

General Information	Investment Objective
<p>Launch Date: June 27, 2014</p> <p>Fund Size: Rs. 250 million</p> <p>Type: Open-end Shariah Compliant -Capital Protected Fund</p> <p>Dealing Days: Daily – Monday to Friday</p> <p>Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M</p> <p>Settlement: 2-3 business days</p> <p>Pricing Mechanism: Forward Pricing</p> <p>Load: Back end: 0%</p> <p>Management Fee: Equity component 2% per annum Others: 12% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)</p> <p>Total Expense Ratio (%): 3.49% p.a. (including 1.01% government levies)</p> <p>Risk Profile: Low</p> <p>Listing: Pakistan Stock Exchange</p> <p>Custodian &amp; Trustee: Central Depository Company (CDC)</p> <p>Auditors: A. F. Ferguson &amp; Co. Chartered Accountants</p> <p>Benchmark: Daily weighted return of KMI-30 index &amp; Islamic Bank Deposits based on Fund's actual allocation.</p> <p>Fund Manager: Sajjad Anwar, CFA</p> <p>Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)</p>	<p>The objective of NAFA Islamic Principal Protected Fund-II is to earn a potentially high return through dynamic asset allocation between Shariah compliant Equities and Money Market investment avenues, while providing principal protection.</p>

## Fund Manager's Commentary

Since inception, NIPPF- II has generated a return of 18.4% p.a versus 14.3% p.a return of the Benchmark. The current equity exposure stands at around 8%. During the month, maximum multiplier stood a 0.3 whereas minimum multiplier was 0.2. Key holdings of the Fund belong to Cement, Oil & Gas Exploration Companies, and Textile Composite. In line with directive no 18 of 2016, effective from 01st January 2017, the equity exposure of the Fund is capped at 10%. Consequently, going forward, your Fund may not be able to offer attractive returns due to very low exposure in the stock market.



Asset Allocation (% of Total Assets)	31-Jan-17	30-Dec-16
Equities / Stocks	7.5%	6.4%
Cash Equivalents	89.9%	46.9%
Others including receivables	2.6%	46.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NIPPF-II	8.5	4.1	3.8%
KMI-30	12.7	2.8	3.9%

\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 31 Jan, 2017)

Cement	3.0%
Oil & Gas Exploration Companies	1.4%
Textile Composite	1.1%
Power Generation & Distribution	0.9%
Engineering	0.9%
Others	0.2%

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 3,457,780,-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 1.3818/1.87%.

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.

**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 Documents to understand the investment policies and the risk involved. Capital protection only applies to unit holders who hold their investments until initial maturity of two years.

## Top Ten Holdings (as on 31 Jan, 2017)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Mari Petroleum Company Ltd	Equity	1.4%	Mughal Iron & Steel Ind Ltd	Equity	0.9%
Pioneer Cement Ltd	Equity	1.3%	Fauji Cement Company Ltd	Equity	0.8%
D G Khan Cement Co Ltd	Equity	0.9%	Kohinoor Textile Mills Ltd	Equity	0.2%
Kot Addu Power Co Ltd	Equity	0.9%	Hascol Petroleum Ltd	Equity	0.1%
Nishat Mills Ltd	Equity	0.9%	The Searle Company Ltd	Equity	0.1%

## Name of the Members of Investment Committee

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