

NAFA Islamic Principal Preservation Fund (NIPPF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/01/2017): Rs.100.5337

January 2017

Performance %

Performance Period	Jan 2017	FYTD 2017	Rolling 12 Months Feb 16-Jan 17	FY 2016	Since Launch January 09, 2015*
NAFA Islamic Principal Preservation Fund (NIPPF)	0.2%	13.2%	17.1%	4.0%	10.8%
Benchmark**	0.4%	11.2%	17.9%	3.6%	9.4%

* Annualized Return
All Other returns are Cumulative

The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of withholding tax where applicable.

General Information

Launch Date: January 9, 2015
Fund Size: Rs. 587 million
Type: Open End Shariah Compliant Fund of Funds
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
Back end Load: 1% in year 1, 0.5% in year 2 and no load beyond 2 years
Management Fee: 1) On invested amount in NAFA fund, no additional fee.
2) Cash in Bank account: 12% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)
Total Expense Ratio (%): 1.92% p.a. (including 0.85% government levies)
Listing: Pakistan Stock Exchange
Risk Profile: Low
Custodian & Trustee: Central Depository Company (CDC)
Auditors: A. F. Ferguson & Co. Chartered Accountants
Benchmark:** Combination of benchmarks of underlying schemes on the basis of actual investment i.e. NISF: KMI-30 Index
NIAAF: Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP
Cash: 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP
Fund Manager: Sajjad Anwar, CFA
Asset Manager Rating: AM2++ by PACRA (High Investment Management Standards)

** effective from September 01, 2016; Previously daily weighted return of KMI-30 index & Islamic Bank Deposits based on Fund's actual allocation.

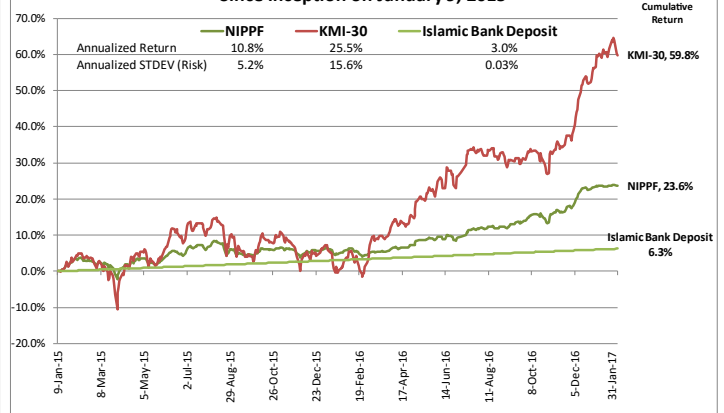
Investment Objective

The objective of NAFA Islamic Principal Preservation Fund is to earn a potentially high return through dynamic asset allocation between Shariah compliant equity related, and Shariah compliant income/ money market Collective Investment Schemes, while providing principal preservation.

Fund Manager's Commentary

Since inception, NIPPF has generated a annualized return of 10.8% versus 9.4% return of the Benchmark. The current exposure in equity/asset allocation funds stands at 12.1%. During the month, maximum multiplier stood at 0.5 whereas minimum multiplier was 0.3. 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.

Relative Performance of NAFA Islamic Principal Preservation Fund (NIPPF) Since Inception on January 9, 2015



Asset Allocation (% of Total Assets)

	31-Jan-17	30-Dec-16
Islamic Stock Fund	3.1%	4.4%
Islamic Asset Allocation Fund	9.1%	4.6%
Cash	86.8%	79.1%
Others including receivables	1.0%	11.9%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio***

	PER	PBV	DY
NIAAF	10.8	4.0	3.8%
NISF	10.3	3.7	3.6%
KMI-30	12.7	2.8	3.9%

***Based on NAFA's estimates

Top Holdings (%age of total assets) (as on 31 Jan, 2017)

NAFA Islamic Asset Allocation Fund	9.1%
NAFA Islamic Stock Fund	3.1%
Total	12.2%

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provision against Sindh Workers' Welfare Fund's liability to the tune of Rs 4,335,843/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.7432/0.87%.

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. Principal Preservation only applies to unit holders who hold their investments until initial maturity of two years.

Name of the Members of Investment Committee

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