

NAFA Stock Fund (NSF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/01/2017): Rs.17.8430

January 2017

Performance %

| Performance Period | Jan 2017 | FYTD 2017 | Rolling 12 Months Feb 16 - Jan 17 | FY 2016 | FY 2015 | FY 2014 | FY 2013 | FY 2012 | Since Launch January 19, 2007* |
|--------------------|----------|-----------|-----------------------------------|---------|---------|---------|---------|---------|--------------------------------|
| NAFA Stock Fund | 1.9% | 35.1% | 57.5% | 11.4% | 36.9% | 36.3% | 55.0% | 22.0% | 19.6% |
| Benchmark** | 1.7% | 25.0% | 54.0% | 7.1% | 12.3% | 29.6% | 36.0% | 2.9% | 8.9% |

* 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 with-holding tax where applicable.
**From January 01, 2014, KSE-30 Total Return Index

General Information

| | |
|-------------------------|--|
| Launch Date: | January 19, 2007 |
| Fund Size: | Rs. 16,358 million |
| Type: | Open-end – Equity 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): 3% (Nil on investment above Rs. 101 million) Front End Load (Other): 3% (Nil on investment above Rs. 50 million) Back End Load: NIL |
| Management Fee: | 2% per annum |
| Total Expense Ratio (%) | 4.19% p.a.(including 1.87% government levies) |
| Risk Profile: | High |
| Listing: | Pakistan Stock Exchange |
| Custodian & Trustee: | Central Depository Company (CDC) |
| Auditors: | KPMG Taseer Hadi & Co, Chartered Accountants |
| Benchmark: | KSE-30 Total Return Index |
| Fund Manager: | Asim Wahab Khan, CFA |
| Minimum Subscription: | 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 |
|--------------------------------------|---------------|---------------|
| Equities / Stock | 88.0% | 89.9% |
| Cash | 11.7% | 9.7% |
| Others including receivables | 0.3% | 0.4% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Characteristics of Equity Portfolio****

| | PER | PBV | DY |
|--------|------|-----|------|
| NSF | 10.5 | 3.5 | 3.9% |
| KSE-30 | 11.4 | 2.9 | 4.8% |

**** Based on NAFA's estimates

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

| | |
|---------------------------------|-------|
| Cement | 15.0% |
| Commercial Banks | 14.4% |
| Oil & Gas Exploration Companies | 10.9% |
| Textile Composite | 9.1% |
| Fertilizer | 8.9% |
| Others | 29.7% |

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 103,404,324/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1128/1.10%.

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 risks involved.

Investment Objective

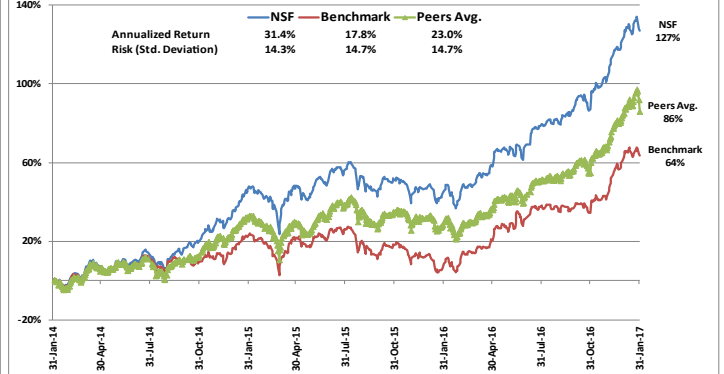
To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.

Fund Manager's Commentary

During the month under review, NAFA Stock Fund's (NSF) unit price (NAV) increased by 1.9%, whereas the Benchmark increased by 1.7%, thus an outperformance of 0.2% was recorded. Since inception on January 19, 2007 your Fund has posted 19.6% p.a return, versus 8.9% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 10.7% p.a. This outperformance is net of management fee and all other expenses.

NSF started off the month with an allocation of around 90% in equities, which decreased to around 88% towards the end of the month. NSF outperformed the Benchmark in January as the Fund was underweight in select Commercial Banks, Oil & Gas Exploration Companies, and Cement sectors stocks which underperformed the market and overweight in select Insurance, Engineering, Technology & Communication, Automobile Assembler, and Transport sectors stocks which outperformed the market. During the month, the allocation was increased primarily in Automobile Assembler, Engineering, Textile Composite, and Pharmaceuticals sectors, whereas it was reduced primarily in Oil & Gas Exploration Companies, Cement, Fertilizer, Commercial Banks, and Oil & Gas Marketing Companies sectors.

Relative Performance of NAFA Stock Fund (NSF) for the Last Three Years



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

| Name | % of Total Assets | Name | % of Total Assets |
|----------------------------|-------------------|----------------------------|-------------------|
| Engro Corporation Ltd | 5.0% | Habib Bank Ltd | 3.3% |
| Pakistan State Oil Co. Ltd | 4.1% | MCB Bank Ltd | 3.2% |
| D G Khan Cement Co Ltd | 3.9% | Lucky Cement Ltd | 3.1% |
| Mari Petroleum Co Ltd | 3.4% | Kohinoor Textile Mills Ltd | 2.9% |
| Nishat Mills Ltd | 3.3% | Millat Tractors Ltd | 2.9% |

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Syed Suleman Akhtar, CFA
Asim Wahab Khan, CFA