

NAFA Asset Allocation Fund (NAAF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/12/2015): Rs.14.6240

December 2015

Performance %

Performance Period	Dec 2015	FYTD 2016	Rolling 12 Months Jan 15 - Dec 15	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010*
NAFA Asset Allocation Fund	1.9%	(1.1%)	9.9%	24.6%	13.7%	31.9%	14.4%	18.9%
Benchmark	0.9%	(1.9%)	1.7%	7.4%	14.2%	17.1%	8.1%	10.5%

* 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.

General Information

Launch Date: August 20, 2010
Fund Size: Rs. 1,459 million
Type: Open-end – Asset Allocation Fund
Dealing Days: Daily – Monday to Friday (Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Dealing Time: 2-3 business days
Settlement: Forward Pricing
Pricing Mechanism: Front end – 3%, (Nil on investment above Rs. 50 million)
Load: Back end - 0%
Management Fee: 2% per annum
Risk Profile: Moderate
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: Deloitte Yousuf Adil Chartered Accountants
Benchmark: 1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index
Fund Manager: Muhammad Imran, CFA, ACCA
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 generate income by investing in Debt & Money Market securities and to generate capital appreciation by investing in equity and equity related securities.

Fund Manager's Commentary

During the month under review, NAFA Asset Allocation Fund's (NAAF) unit price (NAV) increased by 1.9% while the Benchmark increased by 0.9%. Thus your Fund outperformed the Benchmark by 1.0%. Since inception on August 20, 2010 the Fund has posted 152.7% return, versus 71.1% by the Benchmark. Thus, to date the cumulative outperformance of your Fund stands at 81.6%. This outperformance is net of management fee and all other expenses.

NAAF started off the month with an allocation of around 54% in equities, which was maintained during the month. NAAF outperformed the Benchmark in December as the Fund was overweight in equities which recovered during the month. The Fund was also underweight in select Commercial Banks sector stocks which underperformed the market and overweight in select Oil & Gas Exploration Companies, Glass & Ceramics, and Cement sectors stocks which outperformed the market. During the month, the allocation was increased slightly in Cement, Fertilizers, and Glass and Ceramics sectors whereas as it was reduced primarily in Power Generation & Distribution sector.

Asset Allocation (% of Total Assets) 31-Dec-15 30-Nov-15

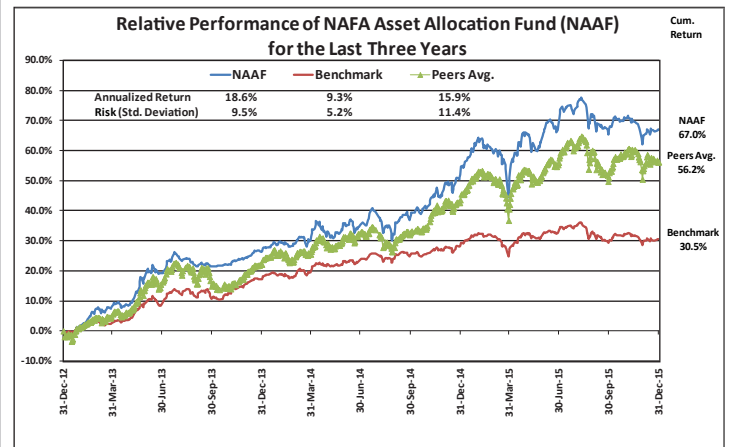
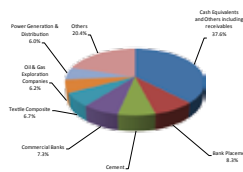
	31-Dec-15	30-Nov-15
Equities / Stocks	54.1%	53.9%
Cash	36.5%	42.1%
Bank Placements	8.3%	-
Others including receivables	1.1%	4.0%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NAAF	7.8	2.2	5.8%
KSE-30	9.0	2.0	6.1%

** Based on NAFA's estimates

Asset Allocation (% of Total Assets)(as on 31 Dec, 2015)



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
Muhammad Imran, CFA, ACCA

WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 18,637,505/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.1868/1.40%. For details investors are advised to read Note 8 of the Financial Statements of the Scheme for the period ended September 30, 2015. From July 01, 2015 Workers Welfare Fund (WWF) is not being charged.

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 Income Tax Ordinance.

Top Ten Holdings (as on 31 Dec, 2015)

Name	Asset Class	% of Total Assets
Kohinoor Textile Mills Ltd	Equity	3.7%
Kot Addu Power Co Ltd	Equity	3.2%
Nishat Mills Ltd	Equity	3.0%
Tariq Glass Ltd	Equity	2.9%
Thal Ltd	Equity	2.9%
D G Khan Cement Co Ltd	Equity	2.7%
Indus Motor Company Ltd	Equity	2.4%
Hub Power Company Ltd	Equity	2.4%
Lucky Cement Ltd	Equity	2.3%
Engro Corporation Ltd	Equity	2.2%
Total		27.7%

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.