

# NAFA Asset Allocation Fund (NAAF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/10/2016): Rs.16.3328

October 2016

## Performance %

Performance Period	Oct 2016	FYTD 2017	Rolling 12 Months Nov 15 - Oct 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch August 20, 2010*
NAFA Asset Allocation Fund	0.1%	10.1%	17.3%	7.6%	24.6%	13.7%	32.0%	14.4%	19.6%
Benchmark**	(0.8%)	1.7%	7.8%	6.2%	9.6%	15.3%	17.1%	8.1%	11.3%

\* 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. 1,519 million
Type:	Open-end – Asset Allocation 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 – 3%, (Nil on investment above Rs. 50 million) Back end - 0%
Management Fee:	2% per annum
Total Expense Ratio (%)	2.86% p.a (including 0.38% government levies)
Risk Profile:	Moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:**	Daily weighted return of KSE-30 Total Return Index & 6-month KIBOR based on Fund's actual allocation.
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 September 01, 2016; Previously 1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE 30 Index Total Return from January 01, 2014, KSE-30 Total Return Index

## 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 0.1% while the Benchmark decreased by 0.8%. Thus your Fund outperformed the Benchmark by 0.9%. Since inception on August 20, 2010 the Fund has posted 202.8% cumulative return, versus 94.0% by the Benchmark. Thus, to date the cumulative outperformance of your Fund stands at 108.8%. This outperformance is net of management fee and all other expenses.

NAAF started off the month with an allocation of around 60% in equities, which decreased to around 59% towards the end of the month. NAAF outperformed the Benchmark in October as the Fund was underweight in select Power Generation & Distribution Companies and Technology & Communication sectors stocks which underperformed the market and overweight in select Textile Composite, Commercial Banks, Automobile Assembler, Oil & Gas Marketing Companies, Cement, and Transport sectors stocks which outperformed the market. During the month, the allocation was increased primarily in Textile Composite, Commercial Bank, and Transport sectors, whereas it was reduced primarily in Engineering, Glass & Ceramics, Power Generation & Distribution Companies, Automobile Parts & Accessories, and Oil & Gas Exploration Companies sectors.

## Asset Allocation (% of Total Assets) 31-Oct-16 30-Sep-16

	31-Oct-16	30-Sep-16
Equities / Stocks	59.3%	59.9%
Cash	36.3%	35.4%
Bank Placements	3.3%	3.3%
Others including receivables	1.1%	1.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*\*

	PER	PBV	DY
NAAF	8.8	2.8	4.5%
KSE-30	9.4	2.2	5.5%

\*\*\* Based on NAFA's estimates

## Top Five Sectors (% of Total Assets) (as on 31 Oct, 2016)

Commercial Banks	9.0%
Oil & Gas Exploration Companies	8.9%
Textile Composite	8.0%
Cement	6.4%
Fertilizer	5.1%
Others	21.9%

## Name of the Members of Investment Committee

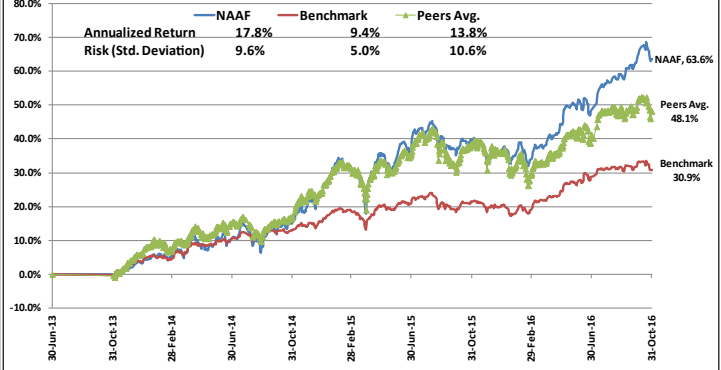
Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Syed Suleman Akhtar, CFA  
Asim Wahab Khan, CFA  
Muhammad Ali Bhabha, CFA, FRM

## 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 0.2004/1.44%. For details investors are advised to read Note 8 of the Financial Statements of the Scheme for the period ended September 30, 2016. 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 the Income Tax Ordinance, 2001.

## Relative Performance of NAFA Asset Allocation Fund (NAAF) for the Last Three Years



## Top Ten Holdings (as on 31 Oct, 2016)

Name	Asset Class	% of Total Assets
Indus Motor Company Ltd	Equity	3.2%
Nishat Mills Ltd	Equity	3.1%
Kohinoor Textile Mills Ltd	Equity	2.8%
Mari Petroleum Company Ltd	Equity	2.7%
Engro Corporation Ltd	Equity	2.5%
Tariq Glass Ltd	Equity	2.5%
Pakistan Oilfields Ltd	Equity	2.4%
MCB Bank Ltd	Equity	2.3%
Pak Petroleum Ltd	Equity	2.1%
Engro Fertilizer Ltd	Equity	2.1%
<b>Total</b>		<b>25.7%</b>

**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.