



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/08/2014): Rs. 10.3010

August 2014

Performance %						
Performance Period	August 2014	Rolling 12 Months	FYTD 2015	FY 2014	FY 2013	Since Launch October 28, 2011 *
NAFA Financial Sector Income Fund	8.6%	8.3%	9.5%	7.9%	9.3%	9.6%
Benchmark	9.3%	9.1%	9.3%	8.9%	9.0%	9.4%

\* Annualized Return Based on Morning Star Methodology  
All other returns are Annualized Simple Return [Net of management fee & all other expenses]

General Information	
Launch Date:	October 28, 2011
Fund Size:	Rs. 2,065 Million
Type:	Open-end – Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1% (Nil on investment above Rs. 16 million) Back end: 0%
Management Fee:	1.5% per annum
Risk Profile:	Low
Fund stability rating:	A+(f) by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	70% 6-Month KIBOR & 30% average 3-Month deposit rates (A & above rated banks)
Fund Manager:	Salman Ahmed
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2 by PACRA (Very High Investment Management Standards)

**Investment Objective**  
To provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.

**Fund Manager Commentary**  
The Fund generated an annualized return of 8.6% for the month of August 2014 versus the Benchmark return of 9.3%. Since its launch in October 2011, the Fund offered an annualized return of 9.6% against the Benchmark return of 9.4%, hence an outperformance of 0.2% p.a. This outperformance is net of management fee and all other expenses.

The Fund is unique as it invests a minimum 70% of its assets in Financial Sector (mainly banks) debt securities, instruments or deposits. Minimum entity rating of issuers of debt securities is AA minus. This minimizes credit risk and at the same time enhances liquidity of the Fund. Duration of the overall portfolio cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances liquidity profile of the Fund.

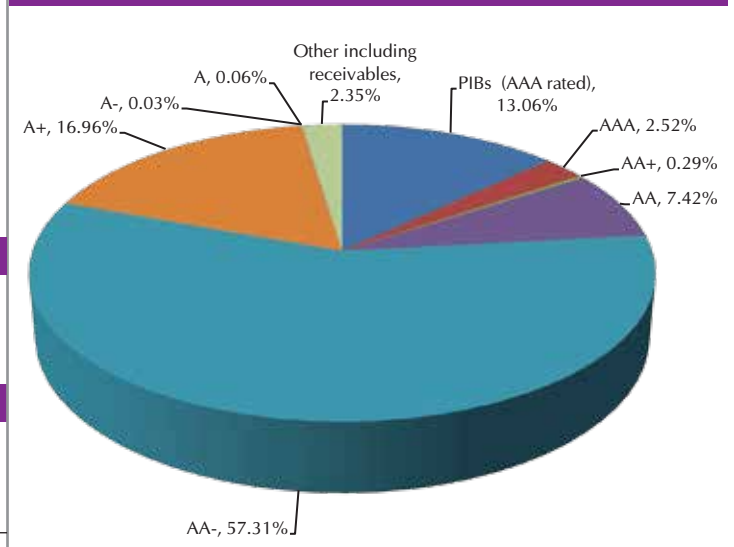
Exposure in TFCs was 55.48% at the end of the month with average time to maturity of 3.2 years and Yield to Maturity of 11.50% p.a. The TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. The weighted average time-to-maturity of the Fund is 2.4 years.

We will rebalance the allocation of the portfolio proactively based on the capital market outlook.

Asset Allocation (% of Total Assets)	30-Aug-14	28-July-14
TFCs	55.48%	54.27%
Commercial Paper	2.27%	2.26%
PIBs	13.06%	15.62%
Cash Equivalents	26.84%	26.34%
Other including receivables	2.35%	1.51%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top 10 TFC (as at August 30, 2014)	
Name of TFC	% of Total Assets
Bank Alfalah Limited IV - FT	17.00%
Faysal Bank Limited III	14.01%
Askari Bank Limited III	7.10%
Pakistan Mobile Communication Limited (17 Sep 13)	3.35%
Allied Bank Limited II	2.95%
Bank Alfalah Limited IV - FX	2.85%
Standard Chartered Bank (Pakistan) Limited IV	2.32%
Askari Bank Limited IV	2.12%
HASCOL Ltd PPTFC	2.09%
Pak Libya Holding Company	1.17%
Total	54.96%

Credit Quality of the Portfolio as of August 30, 2014 (% of Total Assets)



**WORKERS' WELFARE FUND (WWF)**

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 15,961,241/- If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs.0.0796/0.84%. For details investors are advised to read note 6 of the Financial Statements of the Scheme for the period ended March 31, 2014.

**Name of the Members of Investment Committee**

- Dr. Amjad Waheed, CFA
- Sajjad Anwar, CFA
- Muhammad Ali Bhabha, CFA, FRM
- Syed Suleman Akhtar, CFA
- Salman Ahmed

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.

**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. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand investment policies and the risk involved.