

NAFA Government Securities Savings Fund (NGSSF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/07/2017): Rs. 10.3494

July 2017

Performance %

Performance Period	July 2017	Trailing 12 months Aug 16 - Jul 17	FY 2017	FY 2016	Since Launch July 10, 2014*
NAFA Government Securities Savings Fund	5.2%	5.7%	5.8%	6.5%	8.6%
Benchmark**	6.0%	5.9%	5.9%	6.2%	7.0%

* Annualized Return Based on Morning Star Methodology The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable
All other returns are Annualized Simple Return

General Information	Investment Objective																
<p>Launch Date: July 10, 2014</p> <p>Fund Size: Rs. 102 million</p> <p>Type: Open-end – Income Fund</p> <p>Dealing Days: Daily – Monday to Saturday</p> <p>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</p> <p>Settlement: 2-3 business days</p> <p>Pricing Mechanism: Forward Pricing</p> <p>Load:*** Front End Load (Individual): without life insurance 1%, with life insurance 3% (Nil on investment above Rs. 26 million) Front End Load (Other): 1% (Nil on investment above Rs. 16 million) Back End Load: NIL</p> <p>Management Fee: 10% of Net Income (Min 0.5% p.a., Max 1.0% p.a.)</p> <p>Total Expense Ratio: 2.05% p.a.(including 0.36% government levies)</p> <p>Risk Profile: Low</p> <p>Fund stability rating: "AA- (f)" by PACRA</p> <p>Listing: Pakistan Stock Exchange</p> <p>Custodian & Trustee: Central Depository Company (CDC)</p> <p>Auditors: KPMG Taseer Hadi & Co. Chartered Accountants</p> <p>Benchmark:** 6-Month PKRV</p> <p>Fund Manager: Muhammad Ali Bhabha, CFA, FRM</p> <p>Minimum Growth Unit: Rs. 10,000/-</p> <p>Subscription: Income Unit: Rs. 100,000/-</p> <p>Asset Manager Rating: AM1 by PACRA (Very High Quality)</p> <p><small>** effective from September 01, 2016; Previously 70% average 6-Month PKRV & 30% average 3-Month deposit rates (A+ & above rated banks)</small></p> <p><small>*** effective from January 02, 2017</small></p>	<p>To provide competitive return from portfolio of low credit risk by investing primarily in Government Securities.</p>																
	Fund Manager Commentary																
	<p>During the month under review, the Fund has generated an annualized return of 5.2% against the benchmark return of 6.0%. Since its launch in July 2014, the Fund offered an annualized return of 8.6% against the Benchmark return of 7.0%, hence an outperformance of 1.6% p.a. This outperformance is net of management fee and all other expenses.</p> <p>NAFA Government Securities Savings Fund (NGSSF) invests a minimum of 70% in Government Securities. The Fund invests a minimum 10% of its assets in less than 90 days T-Bills or saving accounts with banks, which enhances liquidity profile of the Fund.</p> <p>As the asset allocation of the Fund shows, exposure in Government Securities was around 69% of the Total Assets and 78% of Net Assets at the end of the month with average Yield to Maturity of 5.95% p.a. Last one year allocation in Government Securities was around 79% of net assets. The weighted average time-to-maturity of the Fund is 49 days.</p> <p>We will rebalance the allocation of the Fund proactively based on the capital market outlook.</p>																
	Credit Quality of the Portfolio as of July 31, 2017 (% of Total Assets)																
	<table border="1"> <thead> <tr> <th>Government Securities (AAA rated)</th> <th>69.1%</th> </tr> </thead> <tbody> <tr> <td>AAA</td> <td>0.6%</td> </tr> <tr> <td>AA+</td> <td>3.9%</td> </tr> <tr> <td>AA-</td> <td>14.5%</td> </tr> <tr> <td>A+</td> <td>10.5%</td> </tr> <tr> <td>A-</td> <td>0.3%</td> </tr> <tr> <td>Others including receivables</td> <td>1.1%</td> </tr> <tr> <td>Total</td> <td>100.0%</td> </tr> </tbody> </table>	Government Securities (AAA rated)	69.1%	AAA	0.6%	AA+	3.9%	AA-	14.5%	A+	10.5%	A-	0.3%	Others including receivables	1.1%	Total	100.0%
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Asset Allocation (% of Total Assets)	31-July-17	30-June-17															
Tbills	69.1%	44.3%															
Bank Deposits	29.8%	55.1%															
Others including receivables	1.1%	0.6%															
Total	100.0%	100.0%															
Leverage	Nil	Nil															
Sindh Workers' Welfare Fund (SWWF)	<p>The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 415,359/- If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0422/0.43%. For details investors are advised to read note 5 of the Financial Statements of the Scheme for the period ended March 31, 2017.</p>																
Name of the Members of Investment Committee	<p>Dr. Amjad Waheed, CFA Sajjad Anwar, CFA Muhammad Ali Bhabha, CFA, FRM Hassan Raza, CFA</p>																
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.																	

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