

# NAFA Islamic Asset Allocation Fund (NIAAF)



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (30/09/2016): Rs.16.6316

September 2016

## Performance %

Performance Period	Sep 2016	FYTD 2017	Rolling 12 Months Oct 15 - Sep 16	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	Since Launch October 26, 2007*
NAFA Islamic Asset Allocation Fund	1.8%	6.7%	20.9%	13.1%	33.8%	22.2%	36.3%	13.2%	16.6%
Benchmark**	(0.2%)	2.1%	12.3%	9.2%	12.1%	17.7%	28.9%	11.1%	11.2%

\* 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.

Note:\*\* Effective from September 01, 2016; Previously average of (i) average 3-month Islamic banks deposit rate (ii) 6-month KIBOR or its Shariah Compliant equivalent (iii) KMI 30 Index  
\*\* KSE-30 is used as equity component for the Benchmark before June 30, 2008, the launch date of KMI-30 Index. The fund category was changed to Islamic Asset Allocation from Islamic Balanced with effect from April 22, 2014. Consequently, allowed equity range is now 0% to 90% which previously was 30% to 70%. Previous benchmark was 50% KMI-30 Index & 50% Islamic Bank Deposit.

## General Information

Launch Date:	October 26, 2007
Fund Size:	Rs. 6,724 million
Type:	Open-end-Shariah Compliant -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 (%)	2.64% p.a.(including 0.36% 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 KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, 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)

# Banks selected by NAFA, as MUFAP's selection not available yet.

## Investment Objective

To generate capital appreciation by investing in Shariah Compliant equity and equity related securities and income by investing in Shariah Compliant bank deposits, debt & money market securities.

## Fund Manager's Commentary

During the month under review, unit price (NAV) of NAFA Islamic Asset Allocation Fund increased by 1.8% whereas the Benchmark decreased by 0.2%, thus your Fund outperformed the Benchmark by 2.0%. Since inception your Fund has posted 293.9% return, versus 159.0% by the Benchmark. Thus, to-date the cumulative outperformance of your Fund stands at 134.9%. This outperformance is net of management fee and all other expenses.

NIAAF started off the month with an allocation of around 59% in equities, which decreased to around 56% towards the end of the month. NIAAF outperformed the Benchmark in September as the Fund was overweight in equities which rose during the month. The Fund was also underweight in select Fertilizer sector stocks which underperformed the market and overweight in select Textile Composite, Automobile Assembler, Engineering, and Automobile Parts & Accessories sectors stocks which outperformed the market. During the month, the allocation was primarily increased in Automobile Assembler, Oil & Gas Marketing Companies, and Automobile Parts & Accessories sectors, whereas it was reduced primarily in Cement, Fertilizer, Power Generation & Distribution Companies, and Oil & Gas Exploration Companies sectors.

Asset Allocation (% of Total Assets)	30-Sep-16	31-Aug-16
Equities / Stocks	56.0%	58.7%
Sukuks	0.7%	0.7%
Cash	41.2%	39.7%
Others including receivables	2.1%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Leverage	Nil	Nil

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

	PER	PBV	DY
NIAAF	10.0	3.1	4.3%
KMI-30	10.9	2.2	4.8%

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

## Top Five Sectors (% of Total Assets) (as on 30 Sep, 2016)

Oil & Gas Exploration Companies	9.7%
Cement	9.4%
Oil & Gas Marketing Companies	6.6%
Fertilizer	5.9%
Power Generation & Distribution	5.6%
Others	18.8%

## Name of the Members of Investment Committee

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

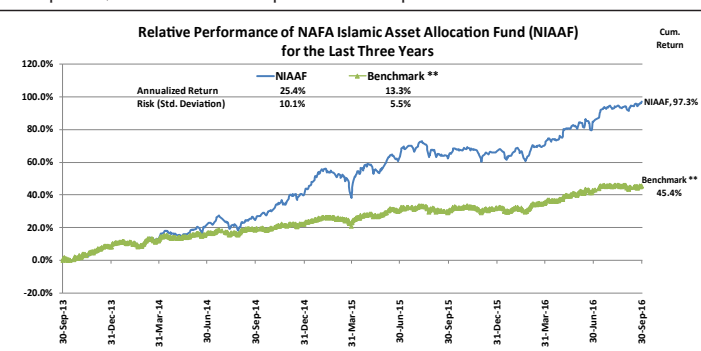
## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provision against Workers' Welfare Fund's liability to the tune of Rs 15,789,039/-If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs 0.0391/0.29%. For details investors are advised to read the Note 13.2 of the Financial Statements of the Scheme for the year ended June 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.

**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 risk involved. The scheme holds certain non-compliant investments. Before making any investment decision, investors should review the latest monthly Fund Manager Report and Financial statements. The reported return may include provisions and reversal of provisions against some debt securities.



## Top Ten Holdings (as on 30 Sep-, 2016)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Pakistan State Oil Co. Ltd	Equity	4.2%	Indus Motor Company Ltd	Equity	2.9%
Engro Corporation Ltd	Equity	3.2%	Nishat Mills Ltd	Equity	2.4%
Mari Petroleum Company Ltd	Equity	3.2%	Kohinoor Textile Mills Ltd	Equity	2.4%
Lucky Cement Ltd	Equity	3.1%	Hub Power Company Ltd	Equity	2.1%
Pakistan Oilfields Ltd	Equity	3.0%	Pak Petroleum Ltd	Equity	2.1%

## Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
Eden Housing (Sukuk II)	SUKUK	4,921,875	4,921,875	-	-	-
<b>Total</b>		<b>4,921,875</b>	<b>4,921,875</b>	<b>-</b>	<b>-</b>	<b>-</b>