

NAFA Savings Plus Fund (NSPF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/01/2017): Rs. 10.7042

January 2017

Performance %

| Performance Period | Jan 2017 | FYTD 2017 | Trailing 12 months Feb 16 - Jan 17 | FY 2016 | FY 2015 | FY 2014 | FY 2013 | FY 2012 | Since Launch November 21, 2009* |
|------------------------|----------|-----------|------------------------------------|---------|---------|---------|---------|---------|---------------------------------|
| NAFA Savings Plus Fund | 34.6% | 9.8% | 8.4% | 6.3% | 8.7% | 7.9% | 8.8% | 11.0% | 9.1% |
| Benchmark** | 6.1% | 5.6% | 5.1% | 4.7% | 6.7% | 7.1% | 7.3% | 8.4% | 7.0% |

* Annualized Return Based on Morning Star Methodology
All other returns are Annualized Simple Return

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: | November 21, 2009 |
| Fund Size: | Rs. 420 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 Load (Individual): without life insurance 0.5%, with life insurance 3% (Nil on investment above Rs. 26 million) Front End Load (Other): 0.5% (Nil on investment above Rs. 16 million) Back End Load: NIL |
| Management Fee: | 10% of Net Income (Min 0.5% p.a., Max 1.50% p.a.) |
| Total Expense Ratio: | 1.97% p.a. (including 0.45% government levies) |
| Risk Profile: | Very Low |
| Fund Stability Rating: | "AA- (f)" by PACRA |
| Listing: | Pakistan Stock Exchange |
| Custodian & Trustee: | Central Depository Company (CDC) |
| Auditors: | KPMG Taseer Hadi & Co. Chartered Accountants |
| Benchmark:** | 6-Month KIBOR |
| Fund Manager: | Muhammad Ali Bhabha, CFA, FRM |
| Minimum Subscription: | Growth Unit: Rs. 1,000/- Income Unit: Rs. 100,000/- |
| Asset Manager Rating: | AM2++ by PACRA (High Investment Management Standards) |

** effective from September 01, 2016; Previously Average 6-Month deposit rate (A & above rated banks)
*** effective from January 02, 2017

Investment Objective

To minimize risk, preserve capital and generate a reasonable return along with a high degree of liquidity from a portfolio primarily constituted of bank deposits and money market instruments.

Fund Manager Commentary

The Fund earned an annualized return of 34.6% during the month versus the Benchmark return of 6.1% thus registering an outperformance of 28.5% p.a. Outperformance during the month was on account of reversal of Workers' Welfare Fund's (WWF) provisioning. Since its launch in November 2009, the Fund offered an annualized return of 9.1% against the Benchmark return of 7.0%, hence an outperformance of 2.1% p.a. This outperformance is net of management fee and all other expenses.

NSPF is one of the highest rated income funds in the market due to its restrictive investment guidelines. The Fund is allowed to invest in Government Securities up to a maximum maturity of 3 years and also in debt securities with rating of A and above with a maximum remaining maturity of 1 year. The Fund invests 25% of its net assets in less than 90 days T-Bills or saving accounts with banks, which further enhances liquidity profile of the Fund.

The portfolio of NSPF is invested in Treasury bills, MTS, and bank deposits etc. The allocation in MTS is around 19% of net assets. The weighted average time to maturity of the entire Fund is around 26 days. Our internal guidelines permit MTS financing in only fundamentally strong companies with lower volatility. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rates of return with no direct exposure to the stock market.

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

| Asset Allocation (% of Total Assets) | 31-Jan-17 | 31-Dec-16 |
|--------------------------------------|---------------|---------------|
| T-Bills | 6.8% | 6.5% |
| Margin Trading System (MTS) | 18.2% | 32.8% |
| Placements with Banks | 18.2% | 17.3% |
| Bank Deposits | 56.2% | 42.5% |
| Others including receivables | 0.6% | 0.9% |
| Total | 100.0% | 100.0% |
| Leverage | Nil | Nil |

Credit Quality of the Portfolio as of Jan 31, 2017 (% of Total Assets)

| | |
|------------------------------|---------------|
| Govt. Securities (AAA rated) | 6.8% |
| AAA | 5.3% |
| AA+ | 26.2% |
| AA | 17.5% |
| AA- | 14.9% |
| A+ & below | 10.5% |
| MTS (Unrated) | 18.2% |
| Others including receivables | 0.6% |
| Total | 100.0% |

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 796,126/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0203/0.21%.

Name of the Members of Investment Committee

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

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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