

NBP Islamic Savings Fund (NBP-ISF)

Formerly; NAFA Islamic Income Fund (NIIF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2019): Rs. 9.6981

August 2019

Performance %

Performance Period	August 2019	FYTD 2020	Rolling 12 Months	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	Last 3 years*	Last 5 years*	Last 10 years*	Since Launch October 26, 2007*
NBP Islamic Savings Fund Formerly; NAFA Islamic Income Fund	11.2%	10.8%	9.5%	8.5%	5.1%	5.4%	7.4%	9.2%	6.7%	7.2%	7.9%	6.8%
Benchmark**	5.7%	5.6%	4.2%	3.7%	2.4%	3.9%	4.8%	6.6%	3.4%	4.2%	5.6%	5.7%

* 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:	October 26, 2007
Fund Size:	Rs. 2,536 million
Type:	Open-end – Shariah Compliant Income 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 Load (Individual): without life Takaful 1%, with life Takaful 3% (Nil on investment above Rs. 26 million) Front End Load (Other): 1% (Nil on investment above Rs. 16 million) Back End Load: NIL
Management Fee:	6% of Net Income (min: 0.5% p.a., max: 1.0% p.a.) w.e.f 12-July-19. 0.73% p.a. of average net assets during the month.
Total Expense Ratio:	1.98% p.a. (including 0.35% government levies)
Selling & Marketing expenses:	0.7% p.a.
Risk Profile:	Low to Medium
Fund Stability Rating:	"A-(f)" by PACRA
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:**	6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM1 by PACRA (Very High Quality)

** effective from March 14, 2017; Previously 1-year average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP

*** effective from January 02, 2017

Asset Allocation (% of Total Assets) 31-August-19 31-July-19

	31-August-19	31-July-19
Sukuks	4.4%	4.3%
GOP Ijara Sukuks - Govt. Backed	-	2.6%
Placement with Banks (Islamic)	14.7%	14.1%
Bank Deposits	65.2%	63.3%
Commercial Papers (Islamic)	14.7%	14.0%
Others including receivables	1.0%	1.7%
Total	100.0%	100.0%
Leverage	Nil	Nil

Top Sukuk Holdings (as at August 31, 2019)

Name of Sukuk	% of Total Assets
Engro Polymer Chemical Ltd 11-JAN-19 11-JUL-26	3.3%
SHAKARGANJ FOODS 10-JUL-18 10-JUL-24	1.1%
Total	4.4%

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 12,932,228/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0495/0.56%. For details investors are advised to read note 5 of the latest financial statements of the Scheme.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Hassan Raza, 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.

Investment Objective

To earn a reasonable rate of return in a Shariah compliant manner by investing in Shariah Compliant debt securities, money market instruments and bank deposits.

Fund Manager's Commentary

During the month under review, the Fund posted an annualized return of 11.2% p.a. as compared to the Benchmark return of 5.7% p.a., thus registering an outperformance of 5.5% p.a. This outperformance is net of management fee and all other expenses.

The allocation in corporate Sukuks stood at 4.5% of the net assets. Around 66% of net assets of the portfolio are allocated in bank deposits. The higher allocation in bank deposits is due to better yields as compared to other authorized alternative investment avenues.

The weighted average Yield-to-Maturity (YTM) of the Sukuk portfolio is around 15.5% p.a. and weighted average time to maturity is 5.0 years. The weighted average time to maturity of the Fund is 87 days.

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

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
New Allied Electronics Limited I	SUKUK	110,000,000	110,000,000	-	-	-
New Allied Electronics Limited II	SUKUK	4,905,437	4,905,437	-	-	-

Credit Quality of the Portfolio as of August 31, 2019 (% of Total Assets)

AAA	0.2%
AA+	0.1%
AA	18.1%
AA-	0.2%
A+	52.3%
A	1.1%
A-	27.0%
Others including receivables	1.0%
Total	100.0%

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