

NBP Islamic Sarmaya Izafa Fund (NISIF)

Formerly; NAFA Islamic Asset Allocation Fund (NIAAF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/09/2019): Rs. 13.4456

September 2019

Performance %

Performance Period	Sep 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 Sarmaya Izafa Fund Formerly; NAFA Islamic Asset Allocation Fund	7.2%	(2.1%)	(12.8%)	(11.4%)	(8.7%)	20.3%	13.1%	33.8%	(3.7%)	7.0%	13.2%	11.1%
Benchmark**	7.0%	(1.8%)	(11.5%)	(10.5%)	(3.6%)	11.9%	9.2%	12.1%	(2.4%)	2.6%	9.9%	7.6%

* 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. 4,900 million
Type:	Open-end-Shariah Compliant -Asset Allocation Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 4:30 P.M (Friday) 9:00 A.M to 5:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:***	Front End Load (Individual): 3%, (Nil on investment above Rs. 101 million) Front End Load (Other): 3% (Nil on investment above Rs. 50 million) Back End Load: NIL
Management Fee:	1.5% per annum w.e.f 12-Jul-19
Total Expense Ratio (%)	3.23% p.a (including 0.24% government levies)
Selling & Marketing Expenses	1.15% per annum
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:	Taha Khan Javed, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM1 by PACRA (Very High Quality)
*** effective from January 02, 2017	

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 NBP Islamic Sarmaya Izafa Fund (NISIF) increased by 7.2% whereas the Benchmark increased by 7.0%, thus an outperformance of 0.2% was recorded. Since inception your Fund has posted 11.1% p.a return, versus 7.6% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 3.5% p.a. This outperformance is net of management fee and all other expenses.

NISIF started off the month with an allocation of around 59% in equities, which increased to around 65% towards the end of the month. NIAAF outperformed the Benchmark in September as the Fund was underweight in select Cement, Automobile Parts & Accessories, and Fertilizer sectors stocks which underperformed the market and overweight in select Engineering and Oil & Gas Marketing Companies sectors stocks which outperformed the market. During the month, the allocation was increased primarily in Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, Fertilizer, and Engineering sectors, whereas it was reduced primarily in Commercial Banks sector.

Asset Allocation (% of Total Assets) 30-Sep-19 31-Aug-19

Asset Allocation (% of Total Assets)	30-Sep-19	31-Aug-19
Equities / Stocks	64.9%	58.8%
Cash	18.9%	25.7%
Sukuk	14.4%	14.8%
Others	1.8%	0.7%
Total	100.0%	100.0%
Leverage	Nil	Nil

Characteristics of Equity Portfolio****

	PER	PBV	DY
NISIF	6.0	1.4	7.5%
KMI-30	6.1	0.9	7.1%

**** Based on NBP Funds estimates

Top Five Sectors (% of Total Assets) (as on September 30, 2019)

Oil & Gas Exploration Companies	22.1%
Fertilizer	14.8%
Power Generation & Distribution	6.5%
Commercial Banks	4.2%
Oil & Gas Marketing Companies	3.7%
Others	13.6%

Name of the Members of Investment Committee

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

Sindh Workers' Welfare Fund (SWWF)

The Scheme has maintained provisions against worker's welfare Fund's liability to the tune of Rs. 60,862,274/- if the same were not made the NAV Per unit/return of the Scheme would be higher by Rs. 0.167/1.08%. For details investors are advised to read the note 16 of the latest Financial Statements of the Scheme.

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.

Top Ten Holdings (as on September 30, 2019)

Name	Asset Class	% of Total Assets	Name	Asset Class	% of Total Assets
Oil & Gas Dev Co Ltd	Equity	8.9%	Hub Power Company Ltd	Sukuk	5.9%
Engro Corporation Ltd	Equity	8.3%	Engro Powergen Thar Ltd	Sukuk	5.9%
Engro Fertilizer Ltd	Equity	6.5%	Meezan Bank Ltd	Equity	4.2%
Pak Petroleum Ltd	Equity	6.4%	Mari Petroleum Company Ltd	Equity	3.7%
Hub Power Company Ltd	Equity	6.2%	Pakistan Oilfields Ltd	Equity	3.1%

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	-	-	-
Total		4,921,875	4,921,875	-	-	-

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.