

NBP Income Opportunity Fund (NIOF)

Formerly; NAFA Income Opportunity Fund (NIOF)



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/09/2019): Rs. 11.0469

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 April 21, 2006 *
NBP Income Opportunity Fund Formerly; NAFA Income Opportunity Fund (NIOF)	12.8%	11.7%	10.4%	9.2%	5.3%	6.3%	7.5%	13.2%	7.3%	8.4%	7.9%	8.1%
Benchmark	14.0%	13.9%	11.7%	10.2%	6.3%	6.1%	6.5%	9.0%	8.2%	7.8%	9.6%	10.2%

* 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:	April 21, 2006
Fund Size:	Rs. 5,203 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): 1% (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, 0.81% p.a. of average net assets during the month.
Total Expense Ratio:	2.06% p.a. (including 0.37% government levies)
Selling & Marketing expenses:	0.7% p.a.
Risk Profile:	Low
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 KIBOR
Fund Manager:	Muhammad Ali Bhabha, CFA, FRM
Minimum:	Growth Unit: Rs. 10,000/-
Subscription:	Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM1 by PACRA (Very High Quality)

** effective from January 02, 2017

Asset Allocation (% of Total Assets)

	30-Sep-19	31-Aug-19
TFCs / Sukuks	39.8%	38.0%
Commercial Papers (Islamic)	5.1%	9.7%
Placements with Banks	2.3%	2.4%
Bank Deposits	48.8%	47.1%
Others including receivables	4.0%	2.8%
Total	100.0%	100.0%
Leverage	Nil	Nil

Top Ten TFC/Sukuk Holdings (as at September 30, 2019)

Name of TFCs / Sukuks	% of Total Assets
Dawood Hercules Corp Ltd 16-NOV-17 16-NOV-22	7.8%
JS Bank Limited 14-DEC-16 14-DEC-23	5.5%
HUBCO Suk-2 Rev 22-AUG-19 22-AUG-23	5.4%
HBL TFC 19-FEB-16 19-FEB-26	3.6%
BANK ALFALAH LTD - V - REVISED 20-FEB-13 20-FEB-21	2.9%
Jahangir Siddiqui and Company Ltd. 06-Mar-18 06-Mar-23	2.7%
Bank of Punjab Limited 23-APR-18 23-APR-28	2.6%
JS Bank Limited 29-DEC-17 29-DEC-24	1.8%
Javedan Corp Ltd. Suk 04-Oct-18 04-Oct-26	1.7%
Silk Bank Limited 10-Aug-17 10-Aug-25	1.6%
Total	35.6%

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 32,696,297/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0694/0.69%. For details investors are advised to read note 18 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 seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in money market & debt securities having good credit rating and liquidity.

Fund Manager's Commentary

The Fund posted an annualized return of 12.8% p.a. in September 2019 as compared to the Benchmark return of 14.0% p.a. The reported return is net of management fee and all other expenses.

The weighted average time to maturity of the Fund is around 1.5 years. The Fund's sector allocation is fairly diversified with exposure to Banking, Financial Services and Fertilizer sectors. TFC portfolio of the Fund is predominantly floating rate linked to KIBOR. However, since TFCs prices may go up or down, therefore, only investors with medium-term investment horizon are advised to invest in this Fund.

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
AgriTech Limited I - Revised II 29-NOV-07 29-NOV-19	TFC	149,860,200	149,860,200	-	-	-
AgriTech Limited V 01-JUL-11 01-JAN-20	TFC	32,320,000	32,320,000	-	-	-
Azgard Nine Limited III (PPF) - Revised 04-DEC-07 04-DEC-20	TFC	108,376,850	108,376,850	-	-	-
Azgard Nine Limited V (PPF) (Markup) 31-MAR-12 31-MAR-21	TFC	82,180,000	82,180,000	-	-	-
Devan Cement Limited (Pre-IPO) 17-JAN-08 17-JAN-22	TFC	150,000,000	150,000,000	-	-	-
New Allied Electronics Limited (PP) 15-MAY-07 15-NOV-20	TFC	31,706,536	31,706,536	-	-	-
PACE Pakistan Limited - Revised 15-FEB-08 15-FEB-22	TFC	149,820,000	149,820,000	-	-	-
Saudi Pak Leasing Company Limited - Revised II 13-MAR-08 13-MAR-21	TFC	41,321,115	41,321,115	-	-	-
Worldcall Rs - III 10-APR-18 20-SEP-26	TFC	74,976,975	74,976,975	-	-	-
Eden House Limited - Sukuk Revised 29-MAR-08 29-SEP-19	Sukuk	9,056,250	9,056,250	-	-	-
New Allied Electronics Limited II - Sukuk 03-DEC-07 03-DEC-20	Sukuk	44,148,934	44,148,934	-	-	-
Azgard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	-	-	-
Total		873,779,714	873,779,714	-	0.0%	0.0%

Credit Quality of the Portfolio as of September 30, 2019 (% of Total Assets)

AAA	4.0%
AA+	34.2%
AA	14.4%
AA-	13.8%
A+	20.0%
A	7.8%
A-	1.8%
Others including receivables	4.0%
Total	100.0%

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 Document to understand investment policies and the risks 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 returns may include provisioning and reversal of provisioning against some debt securities.