

# NBP INCOME OPPORTUNITY FUND (NIOF)

(FORMERLY: NAFA INCOME OPPORTUNITY FUND)



MONTHLY REPORT (MUFAP's Recommended Format)

April 2020

Unit Price (30/04/2020): Rs.11.9669

Performance %												
Performance Period	Apr-2020	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)	17.7%	13.8%	13.5%	9.2%	5.3%	6.3%	7.5%	13.2%	9.0%	8.3%	8.4%	8.4%
BENCHMARK	9.4%	13.1%	13.0%	10.2%	6.3%	6.1%	6.5%	9.0%	9.5%	8.3%	9.7%	10.3%

\* 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. 4,010 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): 1% (Nil on investment above Rs. 26 million)  
 Front End Load (Individual with life insurance): Amount upto Rs.5 million: 3%, Amount over and above Rs.5 million: 1% 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. 0.79% p.a. of average net assets during the month

Total Expense Ratio: 2.17% p.a (including 0.40% government levies)

Selling & Marketing Expenses: 0.70% 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)

## 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 Commentary

The Fund posted an annualized return of 17.7% p.a. in April 2020 versus the Benchmark return of 9.4% 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 2 years. The Fund's sector allocation is fairly diversified with exposure to Banking, Financial Service, Textile Composite, Sugar & Allied Industries and Power Generation & Distribution. 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.

## Credit Quality of the Portfolio as of April 30, 2020 (% of Total Assets)

Credit Quality	% of Total Assets
Government Securities (AAA rated)	23.5%
AAA	0.7%
AA+	19.0%
AA	5.1%
AA-	6.5%
A+	18.9%
A	15.3%
A-	5.7%
BBB+	2.2%
Un-rated	0.2%
Others including Receivables	2.9%
<b>Total</b>	<b>100.0%</b>

Asset Allocation (% of Total Assets)	30-Apr-20	31-Mar-20
Cash	19.3%	17.6%
Placements with Banks and DFIs	6.6%	6.8%
TFCs / Sukuk	44.9%	46.4%
PIBs	8.4%	8.2%
T-Bills	15.1%	15.4%
Commercial Papers	2.8%	2.9%
RFS	0.0%	0.1%
Others including Receivables	2.9%	2.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Leverage Nil Nil

## Top TFC (as at April 30, 2020) (% of Total Assets)

Particulars	% of Total Assets
KE Sukuk (Pre-IPO) 27-DEC-19 27-DEC-26	9.7%
JS Bank Limited 14-DEC-16 14-DEC-23	7.0%
Dawood Hercules Corp Ltd 16-NOV-17 16-NOV-22	5.0%
Jahangir Siddiqui and Company Ltd. 06-MAR-18 06-MAR-23	3.6%
Bank of Punjab Limited 23-APR-18 23-APR-28	3.3%
HUBCO Suk-2 Rev 22-AUG-19 22-AUG-23	2.5%
Masood Textile Mills Ltd. Suk 17-DEC-19 17-DEC-24	2.4%
Javedan Corp Ltd. SUK 04-OCT-18 04-OCT-26	2.3%
Silk Bank Limited 10-AUG-17 10-AUG-25	2.2%
JS Bank Limited 29-DEC-17 29-DEC-24	2.2%

## Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
New Allied Electronics Limited II - Sukuk 03-DEC-07 03-DEC-	Sukuk	44,148,934	44,148,934	0	0.0%	0.0%
Saudi Pak Leasing Company Limited - Revised II 13-MAR-	TFC	41,321,115	41,321,115	0	0.0%	0.0%
AgriTech Limited V 01-JUL-11 01-JAN-25	TFC	32,320,000	32,320,000	0	0.0%	0.0%
New Allied Electronics Limited (PP) 15-MAY-07 15-NOV-20	TFC	31,706,536	31,706,536	0	0.0%	0.0%
AgriTech Limited I - Revised II 29-NOV-07 29-NOV-25	TFC	149,860,200	149,860,200	0	0.0%	0.0%
Azgard Nine Limited III (PP) - Revised 04-DEC-07 04-DEC-	TFC	108,376,850	108,376,850	0	0.0%	0.0%
Eden House Limited - Sukuk Revised 29-MAR-08 29-SEP-25	Sukuk	9,056,250	9,056,250	0	0.0%	0.0%
Worldcall RS - III 10-APR-18 20-SEP-26	TFC	74,976,975	74,976,975	0	0.0%	0.0%
Dewan Cement Limited (Pre-IPO) 17-JAN-08 17-JAN-22	Pre IPO TFC	150,000,000	150,000,000	0	0.0%	0.0%
PACE Pakistan Limited - Revised 15-FEB-08 15-FEB-22	TFC	149,820,000	149,820,000	0	0.0%	0.0%
Azgard Nine Limited V (PPTFC Markup) 31-MAR-12 31-MAR-	Fixed Rate TFCs	82,180,000	82,180,000	0	0.0%	0.0%
Azgard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	0	0.0%	0.0%
<b>Total</b>		<b>873,779,714</b>	<b>873,779,714</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>

## Name of the Members of Investment Committee

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

## Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs.40,324,264/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.1203/1.14%. For details investors are advised to read note 10.1 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.

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.