

NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND (NAARFSF)

(FORMERLY: NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)



MONTHLY REPORT (MUFAP's Recommended Format)

May 2020

Unit Price (31/05/2020): Rs.11.0028

Performance %								
Performance Period	May-2020	FYTD - 2020	Rolling 12 Months	FY - 2019	FY - 2018	FY - 2017	Last 3 Years*	Since Launch January 18, 2016*
NBP ACTIVE ALLOCATION RIBA FREE SAVINGS FUND (FORMERLY: NAFA ACTIVE ALLOCATION RIBA FREE SAVINGS FUND)	6.8%	10.6%	10.4%	7.6%	4.1%	3.8%	7.3%	6.2%
BENCHMARK	6.6%	6.4%	6.3%	3.7%	2.4%	3.1%	4.1%	3.9%

* 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:	January 18, 2016
Fund Size:	Rs. 120 million
Fund Size: (Excluding investment by fund of funds):	Nil
Type:	Open-end – Shari'ah 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: 0%, Back end: 0%
Management Fee:	9% of Net Income (min: 0.5% p.a., max: 1.25% p.a.) w.e.f 12-July-19. 0.69% p.a. of average net assets during the month
Total Expense Ratio:	2.67% p.a. (including 0.38% government levies)
Selling & Marketing Expenses:	0.7% p.a.
Risk Profile:	Low
Fund Stability Rating:	"A-(f)" by PACRA
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. 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
Asset Manager Rating:	AM1 by PACRA (Very High Quality)

Investment Objective

To earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shari'ah Compliant bank deposits and money market/debt securities.

Fund Manager Commentary

During the month, the Fund generated an annualized return of 6.8% p.a. against the Benchmark return of 6.6% p.a., thus registering an outperformance of 0.2% p.a. The performance is net of management fee and all other expenses.

The Fund aims to consistently generate better return than the profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a high-quality credit profile. The Fund is allowed to invest in Shariah Compliant Government Securities of maturity up to 3 years as well as Shariah Compliant money market and debt securities of up to 2 years maturity rated AA- or better.

Around 98% 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 time-to-maturity of the Fund is 1 day.

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

Asset Allocation (% of Total Assets)	31-May-20	30-Apr-20
Bank Deposits	86.2%	81.9%
Short term Sukuk	0.0%	14.9%
Others including Receivables	13.8%	3.2%
Total	100.0%	100.0%

Leverage Nil Nil

Note: Amount invested by fund of funds is Rs. 120 million.

Credit Quality of the Portfolio as of May 31, 2020 (% of Total Assets)

AAA	0.3%
AA	28.2%
AA-	14.8%
A+	17.1%
A-	25.8%
Others including Receivables	13.8%
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.5,179,894/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.4751/4.76%. 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.