

NBP BALANCED FUND (NBF)

(FORMERLY: NAFA MULTI-ASSET FUND)

MONTHLY REPORT (MUFAP's Recommended Format)

May 2020

Unit Price (31/05/2020): Rs.17.5636

Performance %												
Performance Period	May-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 January 19, 2007*
NBP BALANCED FUND (FORMERLY: NAFA MULTI-ASSET FUND)	(0.8)%	6.5%	3.1%	(8.5)%	(6.2)%	28.4%	8.7%	26.8%	(4.6)%	5.6%	14.8%	12.2%
BENCHMARK	(0.7)%	9.5%	6.1%	(3.6)%	(2.8)%	14.1%	7.1%	11.0%	(0.9)%	5.0%	10.2%	7.8%

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

General Information

Launch Date:	January 19, 2007
Fund Size:	Rs. 1,409 million
Type:	Open-end – Balanced 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 2-3 business days
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:	3.61% p.a.(including 0.37% government levies)
Selling & Marketing Expenses:	1.35% per annum (w.e.f May 11, 2020 1.5% per annum)
Risk Profile:	Moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co, Chartered Accountants
Benchmark:	Daily weighted return of KSE-30 Total Return Index & 6-month KIBOR based on Fund's actual allocation.
Fund Manager:	Asim Wahab Khan, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM1 by PACRA (Very High Quality)

Investment Objective

To provide investors with a combination of capital growth and income. NBF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.

Fund Manager Commentary

During the month under review, NBP Balanced Fund's (NBF) unit price (NAV) decreased by 0.8% whereas the Benchmark decreased by 0.7%, thus an underperformance of 0.1% was recorded. Since inception on January 19, 2007 your Fund has posted 12.2% p.a return, versus 7.8% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 4.4% p.a. This outperformance is net of management fee and all other expenses.

NBF started off the month with an allocation of around 53% in equities which was maintained towards the end of the month. NBF underperformed the Benchmark in May as the Fund was underweight in select Oil & Gas Exploration Companies, Technology & Communication, and Pharmaceuticals sectors stocks which outperformed the market and overweight in select Cement, Glass & Ceramics, and Textile Composite sectors stocks which underperformed the market. During the month, the allocation was increased primarily in Technology & Communication, Oil & Gas Exploration Companies, and Automobile Assembler sectors, whereas it was reduced primarily in Commercial Banks, Fertilizer, and Power Generation & distribution Companies sectors.

Top Ten Holdings (as on May 31 ,2020)

Name	Asset Class	% of Total Assets
Jahangir Siddiqui and Company Ltd.	TFC	3.7%
Hub Power Company Limited	Sukuk	3.5%
Fauji Fertilizer Company Limited	Equity	3.3%
Hub Power Company Limited	Equity	3.2%
Mari Petroleum Company Limited	Equity	3.2%
Lucky Cement Limited	Equity	3.1%
Pak Petroleum Limited	Equity	3.0%
Engro Corporation Limited	Equity	2.9%
Oil and Gas Development Co Limited	Equity	2.8%
Habib Bank Limited	Equity	2.5%

Characteristics of Equity Portfolio**

	PER	PBV	DY
NBF	6.5	0.9	6.2%
KSE-30	6.4	1.5	7.2%

** Based on NBP Funds estimates

Top Five Sectors (% of Total Assets) (as on May 31 ,2020)

Commercial Banks	10.7 %
Oil & Gas Exploration Companies	10.1 %
Fertilizer	7.5 %
Cement	5.4 %
Power Generation & Distribution	4.2 %
Others	15.1 %

Sindh Workers' Welfare Fund (SWWF)

The Scheme has maintained provisions against Sindh worker's welfare Fund's liability to the tune of Rs 13,986,285/- if the same were not made the NAV Per unit/last one year return of the Scheme would be higher by Rs 0.1744/1.02%. For details investors are advised to read the note 7 of the latest Financial Statements of the Scheme.

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
Eden House Limited - Sukuk Revised 29-MAR-08 29-SEP-25	Sukuk	9,843,750	9,843,750	0	0.0%	0.0%
New Allied Electronics Limited I - Sukuk 25-JUL-07 25-JUL-22	Sukuk	10,000,000	10,000,000	0	0.0%	0.0%
Saudi Pak Leasing Company Limited - Revised II 13-MAR-	TFC	27,547,410	27,547,410	0	0.0%	0.0%
Total		47,391,160	47,391,160	0	0.0%	0.0%

Name of the Members of Investment Committee

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

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.

* 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.