

NBP ISLAMIC SAVINGS FUND (NBP-ISF)

(FORMERLY: NAFA ISLAMIC INCOME FUND)



MONTHLY REPORT (MUFAP's Recommended Format)

May 2020

Unit Price (31/05/2020): Rs.10.5089

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 October 26, 2007*
NBP ISLAMIC SAVINGS FUND (FORMERLY: NAFA ISLAMIC INCOME FUND)	7.0%	11.3%	11.2%	8.5%	5.1%	5.4%	7.4%	9.2%	8.2%	7.6%	11.8%	7.0%
BENCHMARK	6.6%	6.4%	6.3%	3.7%	2.4%	3.9%	4.8%	6.6%	4.1%	4.2%	5.6%	5.7%

* 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:	October 26, 2007
Fund Size:	Rs. 4,151 million
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 Load: without life takaful 1%, with life takaful (amount up to Rs.5 million) 3%, with life takaful (amount more than Rs.5 million) 1% Back End Load: Nil
Management Fee:	8% of Net Income (min: 0.5% p.a., max: 1.5% p.a. of Net Assets) w.e.f 10-Jan-20, 0.63% of average net assets during the month

Total Expense Ratio: 2.10% p.a (including 0.35% government levies)

Selling & Marketing Expenses:	0.7% per annum
Risk Profile:	Low to Medium
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 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
Minimum:	Growth Unit: Rs. 10,000/-
Subscription:	Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM1 by PACRA (Very High Quality)

Asset Allocation (% of Total Assets)	31-May-20	30-Apr-20
Short Term Sukuks	0.0%	9.3%
Placement with Banks (Islamic)	11.9%	0.0%
Bank Deposits	77.3%	79.5%
Commercial Papers (Islamic)	9.8%	10.0%
Others including Receivables	1.0%	1.2%
Total	100.0%	100.0%
Leverage	Nil	Nil

Investment Objective
To earn a reasonable rate of return in a Shariah Compliant manner by investing in Shariah Compliant debt securities, money market instruments and bank deposits.

Fund Manager Commentary
During the month under review, the Fund posted an annualized return of 7.0% p.a. as compared to the Benchmark return of 6.6% p.a., thus registering an outperformance of 0.4% p.a. This outperformance is net of management fee and all other expenses.

Around 78% 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 12 days.

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

Credit Quality of the Portfolio as of May 31, 2020 (% of Total Assets)	
AAA	39.6%
AA	38.4%
AA-	7.3%
A+	13.6%
Un-rated	0.1%
Others including Receivables	1.0%
Total	100.0%

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	4,905,437	4,905,437	0	0.0%	0.0%
New Allied Electronics Limited I - Sukuk 25-JUL-07 25-JUL-22	Sukuk	110,000,000	110,000,000	0	0.0%	0.0%
Total		114,905,437	114,905,437	0	0.0%	0.0%

Name of the Members of Investment Committee
Dr. Amjad 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.18,195,468/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs. 0.0461/49%. For details investors are advised to read note 5 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.