

NBP ISLAMIC SARMAYA IZAFI FUND (NISIF)

(FORMERLY: NAFA ISLAMIC ASSET ALLOCATION FUND)



MONTHLY REPORT (MUFAP's Recommended Format)

May 2020

Unit Price (31/05/2020): Rs.14.8283

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 SARMAYA IZAFI FUND (FORMERLY: NAFA ISLAMIC ASSET ALLOCATION FUND)	(0.5)%	7.9%	3.9%	(11.4)%	(8.7)%	20.3%	13.1%	33.8%	(6.2)%	4.4%	15.0%	11.4%
BENCHMARK	(0.1)%	9.1%	5.0%	(10.5)%	(3.6)%	11.9%	9.2%	12.1%	(4.2)%	3.2%	10.6%	8.1%

* 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.

General Information

Launch Date:	October 26, 2007
Fund Size:	Rs. 5,136 million
Type:	Open-end - Shariah Compliant Asset Allocation
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
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 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:	3.48% p.a (including 0.36% government levies)
Selling & Marketing Expenses:	1.35% per annum (w.e.f 11-May-2020 1.5% per annum)
Risk Profile:	Moderate
Listing:	Pakistan Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Deloitte Yousuf Adil Chartered Accountants
Benchmark:	Daily weighted return of KMI-30 Index & 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP, 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 generate capital appreciation by investing in Shariah Compliant equity and equity related securities and income by investing in Shariah Compliant bank deposits, debt & money market securities.

Fund Manager Commentary

During the month under review, unit price (NAV) of NBP Islamic Sarmaya Izafa Fund (NISIF) decreased by 0.5% whereas the Benchmark decreased by 0.1%, thus an underperformance of 0.4% was recorded. Since inception your Fund has posted 11.4% p.a return, versus 8.1% p.a by the Benchmark. Thus, to-date the outperformance of your Fund stands at 3.3% p.a. This outperformance is net of management fee and all other expenses.

NISIF started off the month with an allocation of around 54% in equities, which was maintained towards the end of the month. NISIF underperformed the Benchmark in May as the Fund was underweight in select Oil & Gas Exploration Companies, 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 Cement, Commercial Banks, Fertilizer, and Power Generation & distribution Companies sectors.

Top Ten Holdings (as on May 31 ,2020)

Name	Asset Class	% of Total Assets
Engro Corporation Limited	Equity	6.3%
Hub Power Company Limited	Sukuk	5.8%
Engro Powergen Thar (Pvt) Limited	Sukuk	5.7%
Mari Petroleum Company Limited	Equity	5.0%
Hub Power Company Limited	Equity	4.9%
Lucky Cement Limited	Equity	4.6%
Pak Petroleum Limited	Equity	4.4%
Oil and Gas Development Co Limited	Equity	3.8%
Meezan Bank Limited	Equity	2.9%
Dubai Islamic Bank Limited	Sukuk	2.5%

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investments before Provision held	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	4,921,875	4,921,875	0	0.0%	0.0%
Total		4,921,875	4,921,875	0	0.0%	0.0%

Name of the Members of Investment Committee

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

Characteristics of Equity Portfolio**

	PER	PBV	DY
NISIF	7.0	1.0	5.2%
KMI-30	7.4	1.0	6.0%

** Based on NBP Funds estimates

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

Oil & Gas Exploration Companies	14.8 %
Cement	7.9 %
Fertilizer	7.7 %
Power Generation & Distribution	5.0 %
Textile Composite	3.2 %
Others	15.4 %

Sindh Workers' Welfare Fund (SWWF)

The Scheme has maintained provisions against worker's welfare Fund's liability to the tune of Rs.67,227,035/- if the same were not made the NAV Per unit/return of the Scheme would be higher by Rs.0.1941/1.35%. For details investors are advised to read the note 4 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.

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