

NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND (NIAAEF)



MONTHLY REPORT (MUFAP's Recommended Format)

January 2022

Unit Price (31/01/2022): Rs.11.9668

Performance %											
Performance Period	Jan-2022	FYTD - 2022	Rolling 12 Months	FY - 2021	FY - 2020	FY - 2019	FY - 2018	FY - 2017	Last 3 Years*	Last 5 Years*	Since Launch January 18, 2016*
NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	0.9%	4.2%	6.4%	37.7%	5.7%	(19.9)%	(14.1)%	30.1%	7.3%	0.5%	8.2%
BENCHMARK	2.7%	(4.0)%	(0.8)%	39.3%	1.6%	(23.8)%	(9.6)%	18.8%	2.5%	(2.6)%	5.8%
* 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:	January 18, 2016
Fund Size:	Rs. 480 million
Fund Size: (Excluding investment by fund of funds):	Nil
Type:	Open Ended Shariah Compliant Equity Scheme
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 3:00 P.M (Friday) 9:00 A.M to 4:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 0%, Back end: 0%
Management Fee:	1.5% per annum w.e.f 12-Jul-19
Total Expense Ratio:	4.62% p.a (including 0.24% government levies)
Selling & Marketing Expenses:	2.05% per annum (w.e.f 20-Sep-21)
Risk Profile / Risk of principal erosion:	High / Principal at high risk
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	Grant Thornton Anjum Rahman. Chartered Accountants
Benchmark:	KMI-30 Index
Fund Manager:	Asim Wahab Khan, CFA
Asset Manager Rating:	AM1 by PACRA (Very High Quality)

Investment Objective
The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shari'ah Compliant listed equities.

Fund Manager Commentary
NBP Funds launched its second open-end Islamic Equity Fund namely NBP Islamic Active Allocation Equity Fund (NIAAEF) in January, 2016. The aim of the Fund is to provide growth to the investment of unit holders over the long-term in approved Shariah Compliant equities. NIAAEF started off the month with an allocation of around 94% in equities, which was increased to around 96% towards the end of the month. NIAAEF underperformed the Benchmark in January as the Fund was overweight in select Textile Composite, Glass & Ceramics, Engineering and Food & Personal Care Products sectors stocks which underperformed the market and underweight in select Power Generation & Distribution, Oil & Gas Exploration Companies, Fertilizer, and Technology & Communication sectors stocks which outperformed the market. During the month, the allocation was primarily increased in Commercial Banks, Food & Personal Care Products, Power Generation & Distribution, Oil & Gas Exploration Companies, and Chemical sectors, whereas it was reduced primarily in Textile Composite, Technology & Communication, and Cement sectors.

Asset Allocation (% of Total Assets)	31-Jan-22	31-Dec-21
Equities / Stocks	95.6%	94.2%
Cash Equivalents	1.4%	1.4%
Others including Receivables	3.0%	4.4%
Total	100.0%	100.0%
Leverage	Nil	Nil

Note: Amount invested by fund of funds is Rs. 480 million.

Characteristics of Equity Portfolio**			
	PER	PBV	DY
NIAAEF	5.2	1.2	5.2%
KMI-30	4.8	1.0	6.2%
** Based on NBP Funds estimates			

Top Five Sectors (% of Total Assets) (as on January 31 ,2022)	
Oil & Gas Exploration Companies	23.6 %
Cement	16.2 %
Commercial Banks	6.9 %
Technology & Communication	6.6 %
Fertilizer	5.8 %
Others	36.5 %

Sindh Workers' Welfare Fund (SWWF)
During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND amounting to Rs. 36.13 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND by 6.42% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Top Ten Holdings (as on January 31 , 2022)	
Name	% of Total Assets
Mari Petroleum Company Limited	8.4%
Lucky Cement Limited	7.4%
Meezan Bank Limited	6.9%
Systems Limited	6.6%
Oil and Gas Development Co Limited	6.5%
Kohat Cement Limited	6.3%
Pak Petroleum Limited	6.0%
Hub Power Company Limited	5.7%
Engro Corporation Limited	5.3%
Mughal Iron & Steel Industries Ltd	4.5%

Name of the Members of Investment Committee
Dr. Amjad Waheed, CFA
Asim Wahab Khan, CFA
Hassan Raza, CFA

Dispute Resolution / Complaint Handling
Complaint Service : www.nbpffunds.com/contact-us/investor-relations SECP's Service Desk Management System: sdms.secp.gov.pk

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

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