



THE PAKISTAN CREDIT RATING AGENCY LIMITED

# Performance Ranking Report

## NBP Islamic Stock Fund

[Category: Shariah Compliant Equity]

Review Period: Jun'22

| Sr. No. | Period | Ranking |        |
|---------|--------|---------|--------|
|         |        | Jun'22  | Dec'21 |
| 1       | 1-Year | 3-Star  | 3-Star |
| 2       | 3-Year | 3-Star  | 4-Star |
| 3       | 5-Year | 4-Star  | 4-Star |



NBP Islamic Stock Fund

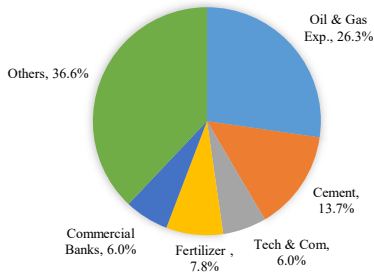
Fund Facts

|                      |                                   |
|----------------------|-----------------------------------|
| <b>Fund</b>          | NBP Islamic Stock Fund            |
| <b>Fund Category</b> | Shariah Compliant Equity          |
| <b>Launch Date</b>   | 9-Jan-15                          |
| <b>Trustee</b>       | CDC                               |
| <b>Fund Size</b>     | PKR 5,188mln                      |
| <b>AMC</b>           | NBP Fund Management Limited       |
| <b>AMC Rating</b>    | AM1 (PACRA)                       |
| <b>Fund Manager</b>  | Asim Wahab Khan, CFA              |
| <b>Peer Universe</b> | Shariah Compliant Equity Category |

Asset Allocation

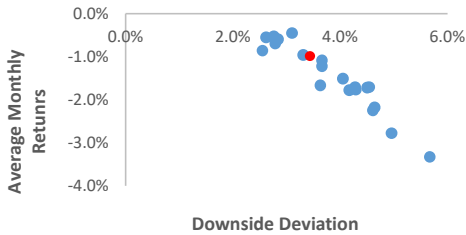
|                 | Jun'22 | Dec'21 |
|-----------------|--------|--------|
| <b>Equities</b> | 96.4%  | 94.4%  |
| <b>Cash</b>     | 2.7%   | 5.1%   |
| <b>Others</b>   | 0.9%   | 0.5%   |

Sector-wise Portfolio (Jun'21)

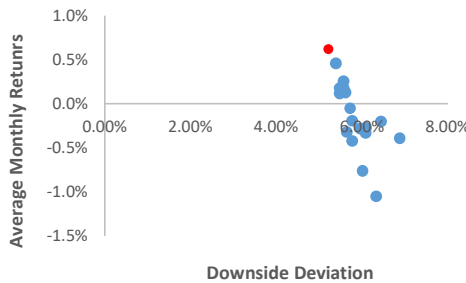


Risk

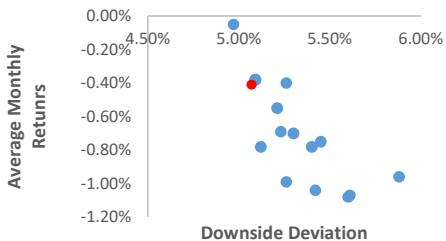
Return - Downside Deviation Analysis - 1 Year



Return - Downside Deviation Analysis - 3 Year



Return - Downside Deviation Analysis - 5 Year



History

|                                 | Jun'22 | Dec'21 | Jun'21 | Dec'20 |
|---------------------------------|--------|--------|--------|--------|
| <b>Fund Ranking 1Yr</b>         | 3-Star | 3-Star | 4-Star | 4-Star |
| <b>Fund Ranking 3Yrs</b>        | 3-Star | 4-Star | 5-Star | 4-Star |
| <b>Fund Ranking 5Yrs</b>        | 4-Star | 4-Star | 5-Star | 5-Star |
| <b>Fund Size (PKR 'mln)</b>     | 5,188  | 6,674  | 8,203  | 6,978  |
| <b>Category Size (PKR 'mln)</b> | 56,725 | 68,727 | 75,531 | 68,493 |
| <b>Fund NAV (PKR/Unit)</b>      | 10.6   | 12.2   | 12.7   | 12.2   |
| <b>Fund Dividend (PKR/Unit)</b> |        |        | 0.16   | -      |

Fund's Objective

The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shariah Compliant listed equities

Asset Manager (Jun'22)

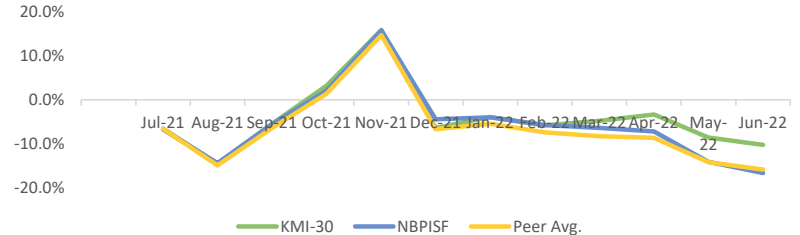
|                                  |                          |
|----------------------------------|--------------------------|
| <b>Year of Incorporation</b>     | 2005                     |
| <b>Conventional Funds</b>        | 11                       |
| <b>Shariah-Compliant Funds</b>   | 14                       |
| <b>Voluntary Pension Schemes</b> | 2                        |
| <b>Exchange Traded Fund</b>      | 1                        |
| <b>CEO</b>                       | Dr. Amjad Waheed, CFA    |
| <b>CIO</b>                       | Mr. Asim Wahab Khan, CFA |
| <b>AUM's</b>                     | PKR 177mln               |

Return Summary

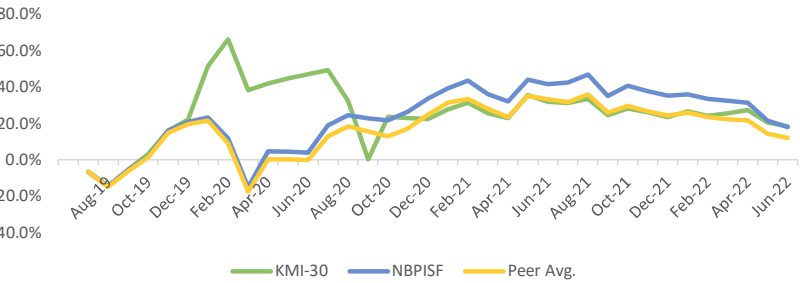
| Period        | NBPISF | Peer Avg | Fund SD | Peer SD |
|---------------|--------|----------|---------|---------|
| <b>1QFY22</b> | -4.6%  | -5.5%    | 5.8%    | 4.8%    |
| <b>2QFY22</b> | 0.1%   | -1.3%    | 3.5%    | 2.7%    |
| <b>3QFY22</b> | -2.0%  | -1.7%    | 1.2%    | 2.2%    |
| <b>4QFY22</b> | -11.0% | -8.3%    | 3.4%    | 3.0%    |
| <b>FY22</b>   | -16.7% | -15.9%   | 3.6%    | 3.5%    |

Performance

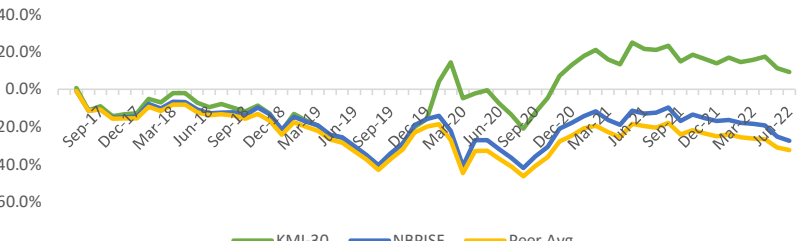
NBPISF | Peer Avg. | 1Yr | Jun'22 (Cumulative Monthly Returns)



NBPISF | Peer Avg. | 3Yr | Jun'22 (Cumulative Monthly Returns)



NBPISF | Peer Avg. | 3Yr | Jun'22 (Cumulative Monthly Returns)





# Rankings Explained

**Categorize Funds**

• Ranking is a purely quantitative measure, avoiding any biases. It is based on historical returns of a fund relative to other funds in similar category. PACRA mainly follows SECP guidelines (Circular No. 7 of 2009) for defining fund categories – each having distinct characteristics – and rankings of funds are comparable only in their respective category.

**Measure Absolute Returns (R)**

$$R = \frac{PE - PB}{PB} \pm A$$

- R = Total return for the month
- PE = End of month NAV (net assets value) per share/certificate
- PB = Beginning of month NAV per share/certificate
- A = Adjustments on account of cash dividend, bonus issue addition to capital.

**Measure Risk adjusted Return (RAR)**

$$RAR = \frac{R_n}{DD(R_f)}$$

- R<sub>n</sub> = Average monthly returns for the relevant period (trailing 12/36/60 monthly periods)
- DD = Downside Deviation of the monthly returns of the fund. DD is computed using the returns for the relevant period
- R<sub>f</sub> = Risk free rate: Monthly average of 6-Month T Bill Yield for the relevant period

**Equal Weigh to R & RAR**

- The fund's performance (measured by assigning 50 % weight each to the fund's return and risk adjusted return)

**Plot along Normal Distribution**



**Final Ranking**

|             |                      |                |             |                 |
|-------------|----------------------|----------------|-------------|-----------------|
| <b>Weak</b> | <b>Below Average</b> | <b>Average</b> | <b>Good</b> | <b>Superior</b> |
| ★           | ★★                   | ★★★            | ★★★★        | ★★★★★           |

- Rankings are calculated on the basis of performance during a particular period (12 months for 1-Year star ranking, 36 months for 3-Year star ranking and 60 months for 5-Year star ranking). For a particular fund the relevant period ranking will be disclosed.
- Only those funds are eligible for ranking that have remained operational throughout the given period.
- A month of a year is used as a reference period to calculate performance.
- Rankings are based on past performance of the fund. PACRA's opinion is not a recommendation to purchase, sell or hold a fund, in as much as it does not comment on the Fund's NAV or suitability for a particular investor.
- PACRA releases rankings twice a year; for the period ending in June and December.

## Disclosure

|                       |   |
|-----------------------|---|
| Name of Fund          | NBP Islamic Stock Fund  |
| Sector                | Mutual Fund   |
| Type of Relationship  | Solicited   |
| Purpose of the Rating | Performance Ranking   |
| Applicable Criteria   | Performance Ranking Methodology – Jun'22  |
| Related Research      | Sector Study   Mutual Funds   Performance Ranking – Jun'22                              |
| Rating Analysts       | Wajeeha Asghar   <a href="mailto:wajeeha.asghar@pacra.com">wajeeha.asghar@pacra.com</a> |

## Regulatory and Supplementary Disclosure

### Rating Team Statements

(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

### (2) Conflict of Interest

i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)

ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)

iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)]

Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee Restrictions

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(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

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(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report |

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(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)

(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

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(12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA's opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity

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(17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

### Monitoring and review

(18) PACRA does not monitor Stability Rating on continuous basis. Any potential change therein due to any event associated with the fund is incorporated in next review; | Chapter III | 18-(a)

(19) PACRA reviews all outstanding ratings on semi-annual basis | Chapter III | 18-(b)

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