

## NIT ASSET ALLOCATION FUND

### FUND MANAGER REPORT - JULY 2023

#### Performance %

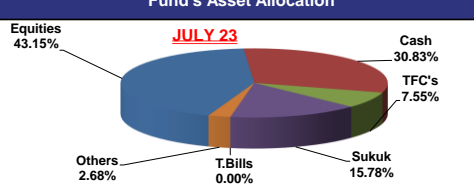
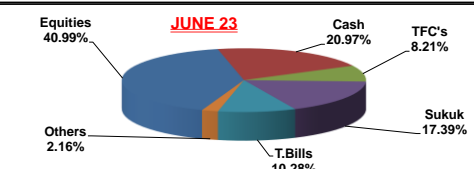
Performance Period (Launch Date: 09-April 2020)	FY22-23	FY21-22	FY20-21	FY19-20	Since Inception
NIT-AAF	8.23%	-5.69%	20.78%	2.12%	37.78%
BenchMark	12.57%	1.01%	24.36%	3.09%	57.13%
DPU (Rs.)	0.7841	Nil	1.8358	0.2005	

#### NIT-AAF VS BENCHMARK

Fund's Basic Information		Objective of the fund
Fund Type	Open-End	The objective of NITAAF is to provide risk adjusted competitive returns to its investors by investing in multiple assets classes based on market outlook.
Launch Date	9-Apr-20	
Management Fee	1.50%	
Front End Load*	0% to 2.50%	
Back End Load	0.00%	

Fund's Basic Information		Fund Performance Review
Benchmark	Weighted average daily return of KSE 100 index and six (6) month KIBOR and 70% three (3) months PKRV rates + 30% three (3) months average deposit rate of three (3) AA rated scheduled banks as selected by MUFAP, based on the fund's actual allocation in equity, income and money market categories.	<p>During the month of July 2023, the benchmark KSE-100 index displayed remarkable growth, representing a substantial increase of 6,582 points or 15.9% to close at 48,035 points. This remarkable upswing was primarily fueled by an optimistic outlook surrounding the approval of a USD3bn Stand-By Arrangement with the IMF, along with deposits from friendly countries Saudi Arabia and UAE, Fitch's upgrade of Pakistan's long-term foreign currency issuer default rating from CCC- to CCC, robust corporate results despite economic challenges, and the disbursement of PKR 142 bn among IPPs to reduce circular debt also played crucial role in bolstering market confidence. Moreover, the announcement of investment of sovereign wealth fund in collaboration with AIDA, a MoU for a Greenfield refinery project in Baluchistan, and ECNEC's approval of PKR 446bn projects further contributed to the positive investor sentiment. As a result, index heavy sectors including Commercial Banks, Oil and Gas exploration, OMCs, Cement and Chemical came in the lime light during the month.</p> <p>At the end of the month, the State Bank of Pakistan (SBP) kept its policy rate unchanged at 22%. The SBP justified its decision, arguing that inflation has peaked and the forward inflation indicate a positive real rate stance. SBP also argued that current account deficit is likely to be contained at 0.5-1.5% of GDP and that growth will remain subdued at 2-3% in FY24.</p>
Par Value	PKR 10.00	
Minimum Investment	PKR 5,000	
Trustee	Central Depository Company	
Auditors	Grant Thornton Anjum Rahman	
Pricing Mechanism	Forward Pricing	
Dealing Days	Daily (Monday to Friday)	
Valuation Days	Daily (Monday to Friday)	
AMC Rating	AM1 (PACRA) 24-05-2023 AM1 (VIS) 29-12-2022	
Fund Manager	Farrukh Yaseen	
Cutt-off timing	Monday to Friday till 03:30 p.m	

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Sector Allocation (As % of Total Assets)		Fund's Asset Allocation
POWER GENERATION AND DISTRIBUTION	18.01%	<p><b>JULY 23</b></p> 
COMMERCIAL BANKS	17.14%	
TECHNOLOGY AND COMMUNICATION	7.70%	
OIL AND GAS EXPLORATION COMPANIES	7.13%	
FERTILIZER	4.91%	
OTHERS	11.59%	
		<p><b>JUNE 23</b></p> 

Top Ten Equity Holdings (As % of Total Assets)		Fund's Return v/s Benchmark	
(As % of Total Assets)			
LUCKY ELECT. POW SHORT TERM SUKUK	6.01%	Trailing 12- months	NIT-AAF 18.95% Benchmark 21.60%
SONERI BANK (TFC) ISSUE DATE 26-DEC -2022	5.60%	MTD	9.44% 7.80%
K-ELECTRIC SHORT TERM SUKUK	5.07%	YTD	9.44% 7.80%
HUBCO SHORT TERM SUKUK	4.70%	Leverage	-
MARI PETROLEUM COMPANY LIMITED	2.68%	Selling & Marketing Expenses	0.00%
UNITED BANK LIMITED	2.44%	*Total Expense Ratio	(2.51% YTD) ; (2.51% MTD)
PAKISTAN PETROLEUM LIMITED	2.37%		
SYSTEM LIMITED	2.30%		
HUB POWER COMPANY LIMITED	2.24%		
LUCKY CEMENT LIMITED	2.20%		

Future Outlook	*This includes 0.32% on YTD & 0.32% on MTD basis representing Govt. Levy & SECP Fee.	**Returns calculated are inclusive of dividends
Going forward, the stock market is expected to remain positive, driven by anticipated positive corporate result announcements, a reduction in inflationary pressures, increase in forex reserves, resolution of gas sector circular debt and the influx of foreign inflows, all of which are set to bolster market sentiments. However, the market participants will closely monitor the political developments to take place in an upcoming month regarding the caretaker set-up and general elections to be held after dissolution of Assemblies on 12th of August 2023.		

Technical Information 31-07-2023		Compliance with Circular # 16 of 2010 / Non-compliant Investments
Net Assets NIT-AAF (Rs. In million)	526.816	Not Applicable
Nav per Unit NIT-AAF	10.5978	
DISPUTE RESOLUTION/ COMPLAINTS HANDLING:		
Investors may lodge their complaints by using the link <a href="https://nit.com.pk/Investor-Complaint-Centre">https://nit.com.pk/Investor-Complaint-Centre</a> . In case your complaint has not been properly redressed by us, you may lodge your complaint with SECP at the link <a href="https://sdms.secp.gov.pk/">https://sdms.secp.gov.pk/</a> .		

Members of the Investment Committee		
Adnan Afridi, Managing Director	Manzoor Ahmed, Chief Operating Officer	Aamir Amin, Head of Finance
Raza Abbas Jaffery - Head of Equities & Trading	Shoaib Ahmed Khan, Head of Fixed Income	Farrukh Yaseen, Fund Manager NIT-AAF
Ali Kamal - Head of Research	Faisal Aslam -Head of Compliance	Salman H. Chawala-In-charge Risk Management

MUFAP's Recommended Format.	National Investment Trust Ltd.
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Note: Performance data does not include the cost incurred directly by an investor in the form of sales load etc.