

NIT ISLAMIC EQUITY FUND

FUND MANAGER REPORT - January 2019

NIT-IEF 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.

Profile of Investment Managers

National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. The size of total Funds under management by NITL is approximately Rs. 90 billion as of January 31, 2019. The family of Funds of NIT comprises of 10 funds including 4 equity Funds 2 fixed income nature Funds, 1 Islamic Income Fund, 1 Money Market Fund, 1 conventional Pension Fund and 1 Islamic Pension Fund. NIT's tally of nationwide branches is 24, no other Mutual Fund in Pakistan has such a vast network of nationwide branches. Further to cater to the matters relating to investments in NIT and day to day inquiries/issues of its unit holders, a state of the art Investors' Facilitation Centre is also in place. The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee of Govt. of Pakistan. The Company has been assigned an Asset Manager rating of "AM2++" by PACRA, which reflects the company's very strong capacity to manage the risks inherent in the asset management business and the asset manager meets very high investment management industry standards and benchmarks. All Investment decisions are taken by the Investment Committee of NITL.

Fund's Information

| | | | |
|---------------------------------------|-----------------|--|---|
| Fund Type | Open-End | Trustee | Central Depository Company |
| Category | Islamic Equity | Auditors | A.F. Ferguson & Co. Chartered Accountants |
| Launch Date | 18th May 2015 | Pricing Mechanism | Forward Pricing |
| Management Fee | 2.00% | Dealing Days* | Daily (Monday to Friday) |
| Front End Load | 0% - 3% | Valuation Days* | Daily (Monday to Friday) |
| Back End Load | 0.00% | AMC Rating | AM2++ (PACRA) |
| Benchmark | KMI-30 | Risk Profile | Moderate / High |
| Par Value | PKR 10.00 | Fund Manager | Wasim Akram |
| Minimum Investment | PKR 5,000 | Cut-off timing** | 9:00 AM to 3:30 PM (Mon to Fri) |
| Selling and Marketing Expenses | 0.08% per annum | *except public holiday ** Ramadan Timing 8:00 AM to 2:00 PM (Mon to Thur), 8:00 AM to 12:30 Noon (Fri) | |

Fund Commentary & Performance Review

The benchmark KMI-30 index posted a return of 11.60% during January, 2019. Bullish trend remained prevalent in the market with strong buying activity in all major blue-chip stocks. Major trigger for the bullish trend was provided by the economic reforms package presented by the government during the month which carried incentives for various sector in order to induce economic growth. Pakistan also received economic aid package tranches from both Saudi Arabia and UAE which further boosted investor sentiment. Average volumes stood at 136 million shares during the month, up 4% on a MoM basis. Foreigners turned net buyers in the market buying positions worth USD 16 million during the month. At the end of the month SBP announced a raise in policy rate by a further 25 bps during the month. The MPS statement stated that the impact of stabilization measures implemented so far is gradually unfolding and confidence is improving amidst reduced economic uncertainty, but the fiscal deficit is yet to show signs of consolidation despite a reduction in PSDP spending although a gradual improvement in current account deficit is visible, it still remains on the higher side. NIT IEF posted a return of 9.38% during the month of January, 2019 as against a benchmark return of 11.60% showing an underperformance of 2.22%.

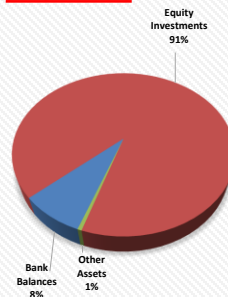
Fund Returns*

| | NIT-IEF | KMI-30 |
|------------------------|---------|--------|
| Jan-19 | 9.38% | 11.60% |
| Since Inception | 8.43% | 26.15% |
| YTD | -8.17% | -3.93% |
| 5 yrs | N/A | N/A |
| Leverage | Nil | |

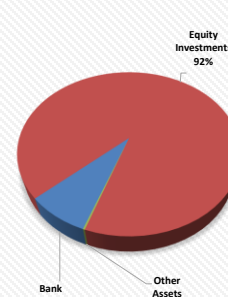
* The returns are calculated inclusive of dividend.

Fund's Asset Allocation

JANUARY 2019



DECEMBER 2018



Future Outlook

Outcome of High profile visit of Saudi dignitaries this month, negotiations process with the IMF coupled with the foreign investor flows will determine the future direction of the market.

Technical Information 31-01-2019

| | |
|---|-------|
| Net Assets NIT-IEF (PKR Million) | 3,770 |
| Nav per Unit NIT-IEF (PKR) | 9.10 |
| Total Expense Ratio (Incl. Govt Levy)* | 2.81% |

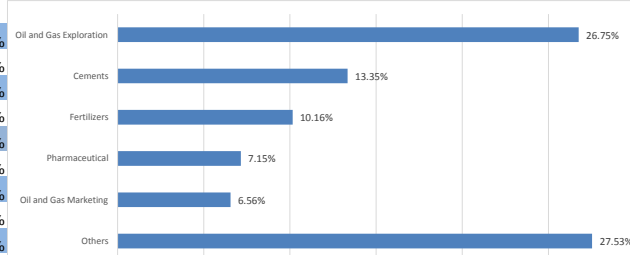
*This includes 0.42% representing Govt. levy, Sind Worker's Welfare Fund and SECP Fee

Top Ten Holdings

(As % of Total Assets)

| | |
|------------------------------------|-------|
| Oil & Gas Development Company Ltd. | 9.46% |
| Pakistan Petroleum Limited. | 8.36% |
| Lucky Cement Limited. | 7.39% |
| Pakistan Oilfields Limited. | 5.97% |
| Hub Power Company Limited. | 5.94% |
| Engro Corporation Limited. | 4.57% |
| D. G. Khan Cement Co. Ltd. | 3.52% |
| The Searle Company Ltd. | 3.45% |
| Pakistan State Oil Co Ltd. | 3.14% |
| Indus Motor Company Ltd. | 3.13% |

Sector Allocation (As % of Total Assets)



WWF Disclosure:

The Scheme has maintained provisions against Sind Workers' Welfare Fund's liability to the tune of Rs. 9.85 million, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by Rs. 0.02/ 0.26%. For details investors are advised to read the latest Financial Statement of the Scheme.

Compliance with Circular # 16 of 2010 / Non-compliant Investments

N/A

| Performance Period | FY18 | FY17 | FY16 | FY15*** |
|--------------------|---------|--------|--------|---------|
| NIT-IEF | -16.37% | 18.38% | 5.78% | 2.70% |
| Benchmark | -9.59% | 18.80% | 15.53% | 1.98% |

***Launched on May 18,

Members of the Investment Committee

| | | |
|---|--|---|
| Manzoor Ahmed - COO / Managing Director | Amir Amin - Head of Finance | Wasim Akram - Fund Manager |
| Ali Kamal - Head of Research | Faisal Aslam - Head of Compliance | Raza Abbas Jaffery - Head of Trading |
| Salman H. Chawala - Incharge Risk Management | Syed Ali Raza Bukhari - Head of Marketing | |

MUFAP's Recommended Format.

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All Investments in Mutual Funds are subject to Market Risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved.

Note: Performance data does not include the cost incurred directly by an investor in the form of sales load.

Note: All the figures given in the report are being under Full Year Audit review.