



# NIT ISLAMIC EQUITY FUND



## FUND MANAGER REPORT - August 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. 65 billion as of August 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

<b>Fund Type</b>	Open-End	<b>Trustee</b>	Central Depository Company
<b>Category</b>	Islamic Equity	<b>Auditors</b>	A.F. Ferguson & Co. Chartered Accountants
<b>Launch Date</b>	18th May 2015	<b>Pricing Mechanism</b>	Forward Pricing
<b>Management Fee</b>	2.00%	<b>Dealing Days*</b>	Daily (Monday to Friday)
<b>Front End Load</b>	0%-3%	<b>Valuation Days*</b>	Daily (Monday to Friday)
<b>Back End Load</b>	0.00%	<b>AMC Rating</b>	AM2++ (PACRA)
<b>Benchmark</b>	KMI-30	<b>Risk Profile</b>	Moderate / High
<b>Par Value</b>	PKR 10.00	<b>Fund Manager</b>	Wasim Akram
<b>Minimum Investment</b>	PKR 5,000	<b>Cut-off timing**</b>	9:00 AM to 3:30 PM (Mon to Fri)
<b>Selling and Marketing Expenses</b>	0.12% per annum	*except public holiday **Ramzan Timing 10:00 AM to 2:00 PM (Mon to Thur), 9:00 AM to 12:00 Noon (Fri)	

### Fund Commentary & Performance Review

The KMI-30 index declined by 8.59% during the month of August, 2019 making it the seventh consecutive negative return for the benchmark index. Border tension with India following the turmoil in Kashmir took its toll on the market. The situation was further exacerbated by newsflow associated with the FATF Asia Pacific group meeting. News regarding the government's plan to privatize certain state owned enterprises created further confusion regarding the future outlook of the market. Investors continue to shift to fixed income avenues given decent yields on offer due to high interest rates which continues to put redemption pressure on equities based mutual funds. Market activity improved, with average volumes standing at 112 million shares, showing a growth of 47% on a MoM basis. Foreign investors turned net sellers again, and sold positions worth USD 3.52 million during the month.

NIT IEF posted a return of -8.83% during the month of August, 2019 as against a benchmark return of -8.59% showing an under performance of 0.24%.

### Future Outlook

Outcome of the FATF review coupled with current account and inflation numbers will determine the future direction of the market.

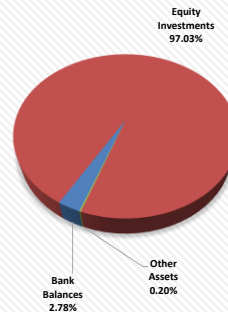
### Fund Returns\*

	NIT-IEF	KMI-30
<b>Aug-19</b>	-8.83%	-8.59%
<b>Since Inception</b>	-32.38%	-14.58%
<b>YTD</b>	-15.42%	-14.58%
<b>5 yrs</b>	N/A	N/A
<b>Leverage</b>	Nil	N/A

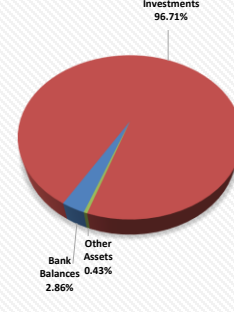
\*The returns are calculated inclusive of dividend.

### Fund's Asset Allocation

#### AUGUST 2019



#### JULY 2019



### Technical Information 31-08-2019

<b>Net Assets NIT-IEF (PKR Million)</b>	2,467
<b>Nav per Unit NIT-IEF (PKR)</b>	6.09
<b>Total Expense Ratio (Incl. Govt Levy)*</b>	2.73%

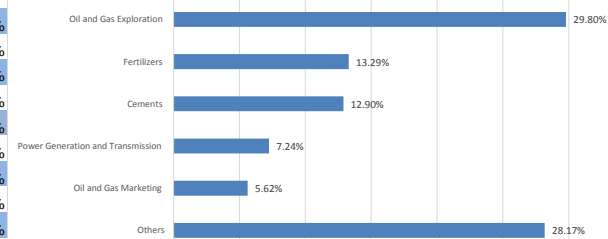
\*This includes 0.30% representing Govt. levy, Sind Worker's Welfare Fund and SECP Fee

### Top Ten Holdings

(As % of Total Assets)

Oil & Gas Development Company Ltd.	10.96%
Pakistan Petroleum Limited.	8.54%
Lucky Cement Limited.	7.80%
Hub Power Company Limited.	7.24%
Pakistan Oilfields Limited.	6.74%
Engro Corporation Limited.	6.09%
Indus Motor Company Ltd.	3.99%
Engro Fertilizers Limited.	3.92%
Mari Petroleum Company Ltd.	3.56%
D. G. Khan Cement Co. Ltd.	3.07%

### 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. 10.49 million, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by Rs. 0.03/ 0.43%. For details investors are advised to read the latest Financial Statement of the Scheme.

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

Performance Period	FY19	FY18	FY17	FY16	FY15***
<b>NIT-IEF</b>	-25.43%	-16.37%	18.38%	5.78%	2.70%
<b>Benchmark</b>	-23.84%	-9.59%	18.80%	15.53%	1.98%

\*\*\*Launched on May 18,

### Members of the Investment Committee

<b>Adnan Afridi - Managing Director</b>	<b>Manzoor Ahmed - Chief Operating Officer</b>	<b>Amir Amin - Head of Finance</b>
<b>Wasim Akram - Fund Manager</b>	<b>Faisal Aslam - Head of Compliance</b>	<b>Raza Abbas Jaffery - Head of Equities &amp; Trading</b>
<b>Salman H. Chawala - Manager / Incharge Risk</b>	<b>Ali Kamal - Head of Research</b>	

### MUEAP'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 currently under Full Year Audit review.