

FUND MANAGER REPORT - JULY 2023

NIT-IEF Objective		Fund's Information		
The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shariah Compliant listed equities.	Fund Type	Open-End	Trustee	Central Depository Company
	Launch Date	18th May 2015	Auditors	A.F. Ferguson & Co. Chartered Accountants
	Management Fee	2.00%		
Equity Market Review During the month of July 2023, the benchmark KMI-30 index displayed remarkable growth, representing a substantial increase of 9,623 points or 13.60% to close at 80,371 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. 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.	Front End Load	0%-3%	Pricing Mechanism	Forward Pricing
	Back End Load	0.00%	Dealing Days*	Daily (Monday to Friday)
	Benchmark	KMI-30	Valuation Days*	Daily (Monday to Friday)
	Par Value	PKR 10.00		
	Minimum Investment	PKR 5,000	AMC Rating	AM1 PACRA (24-05-23) AM1 (VIS) (29-12-22)
	Selling and Marketing Expenses	0.94% per annum		
	Category	Islamic Equity	Fund Manager	Farrukh Yaseen
	Risk Profile	High	Cut-off timing	Monday to Friday till 03:30 PM
	Risk of Principal Erosion	Principal at High Risk	*except public holiday	

Fund Returns*

	NIT-IEF	KMI-30
Jul-23	14.78%	13.60%
Since Inception	0.09%	48.51%
YTD	14.78%	13.60%
Leverage	Nil	

* The returns are calculated inclusive of dividend.

Future Outlook		Fund's Asset Allocation							
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 12 th of	Technical Information 31-07-2023	Fund's Asset Allocation							
		<table border="1"> <tr> <td>Net Assets NIT-IEF (PKR Million)</td> <td>2,267</td> </tr> <tr> <td>Nav per Unit NIT-IEF (PKR)</td> <td>7.61</td> </tr> <tr> <td>Total Expense Ratio (YTD)^A</td> <td>3.69%</td> </tr> <tr> <td>Total Expense Ratio (MTD, Incl. Govt Levy)^A^</td> <td>3.69%</td> </tr> </table> <p><small>^A This includes 0.37% representing Govt. levy, Sind Worker's Welfare Fund and SECP Fee</small> <small>^A^ This includes 0.37% representing Govt. levy, Sind Worker's Welfare Fund and SECP Fee</small></p>	Net Assets NIT-IEF (PKR Million)	2,267	Nav per Unit NIT-IEF (PKR)	7.61	Total Expense Ratio (YTD)^A	3.69%	Total Expense Ratio (MTD, Incl. Govt Levy)^A^
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Top Ten Holdings (As % of Total Assets)		Sector Allocation (As % of Total Assets)	
ENGRO CORPORATION LIMITED	9.41%	OIL AND GAS EXPLORATION COMPANIES	24.50%
HUB POWER COMPANY LIMITED	9.15%	FERTILIZER	14.99%
SYSTEM LIMITED	8.65%	TECHNOLOGY AND COMMUNICATION	10.59%
MARI PETROLEUM COMPANY LIMITED	8.58%	CEMENT	10.09%
LUCKY CEMENT LIMITED	7.55%	POWER GENERATION AND DISTRIBUTION	9.15%
MEEZAN BANK LIMITED	7.42%	OTHERS	25.76%
OIL AND GAS DEVELOPMENT COMPANY	7.33%		
ENGRO FERTILIZER LIMITED	5.57%		
PAKISTAN PETROLEUM LIMITED	4.90%		
PAKISTAN OILFIELDS LIMITED	3.69%		

Compliance with Circular # 16 of 2010 / Non-compliant Investments	Performance Period	FY23	FY22	FY21	FY20	FY19
N/A	NIT-IEF	-2.66%	-18.31%	33.33%	2.78%	-25.43%
	Benchmark	2.88%	-10.25%	39.32%	1.62%	-23.84%

Members of the Investment Committee

Adnan Afridi - Managing Director	Manzoor Ahmed - Chief Operating Officer	Amir Amin - Head of Finance
Farrukh Yaseen/ Fund Manager (NIT IEF)	Faisal Aslam - Head of Compliance	Raza Abbas Jaffery - Head of Equities and Trading
Salman H. Chawala-In-charge Risk Management	Ali Kamal - Head of Research	

MUFAP's Recommended Format.

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

DISPUTE RESOLUTION/ COMPLAINTS HANDLING

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